



Report to Council

To: Mayor and Council File No: 4325-07
Date: February 24, 2025
From: Roy Nuriel, General Manager, City Planning
Matt Faucher, Acting Manager, Long Range Planning & Sustainability
Subject: Review of Business Licence Bylaw 6100

Purpose:

To provide Council with a draft of Business Licence Bylaw 6100 for review, which includes short-term rental licensing program and to request direction to seek public comment on the proposed draft bylaw.

Recommendation:

THAT in accordance with the notice requirements in section 59(2) of the *Community Charter*, Council directs Administration to post the draft Business Licence Bylaw 6100 on the Engage Vernon website to solicit public comment, and forward to the Economic Development Advisory Committee, Downtown Vernon Association, and Greater Vernon Chamber of Commerce for review;

AND FURTHER, that Council authorize the establishment of a permanent full-time Coordinator, Short-Term Rental Licensing & Administration position at an annual cost of up to \$108,000 to be funded from the Development Excess Revenue Reserve;

AND FURTHER, that Council grant early budget approval for a Coordinator, Short-Term Rental Licensing & Administration position in the 2026 Building and Licensing budget at an annual cost of \$108,000.

Background:

a. Rationale:

1. Considering recent Provincial legislative changes regarding [Short-Term Rentals \(STRs\)](#), Administration has completed a review of Business Licence Bylaw 5480, 2014, to determine the suitability of including new licence classifications for STRs. The Province has limited STRs to a person's principal residence plus a secondary suite or accessory dwelling unit, unless the unit is part of a strata hotel or motel. Additionally, a business licence number (if required by the local jurisdiction) must be included in the rental listing.
2. As of May 1, 2025, all short-term rental hosts, platforms, and strata hotel platforms operating in B.C. must be [registered with the provincial short-term rental registry](#). This ensures that all hosts and platforms operating in B.C. are following the provincial rules. STR hosts are required to register with the Province prior to May 1 and must display

their Provincial registration number on their listing. In order to register with the Province, hosts operating within the City must provide proof that an application for a business licence has been submitted to the City. Hosts will then have until August 1, 2025, to submit their issued business licence to the Province, or their registration will be cancelled.

3. Business Licence Bylaw 5480 was established in 2014. Challenges have been noted in administration of the licencing program as the current structure creates opportunities for misinterpretation and lacks clarity. Additionally, the current bylaw contains dated licence classifications (e.g., Horse Drawn Carriage) and regulations. To date, five minor amendments have been completed for rental of housing units, cannabis retail, and outdoor commercial uses.
4. Administration has prepared draft Business Licence Bylaw 6100 to modernize the City's business licencing program, address some of the challenges identified, and incorporate licence classifications for STRs in alignment with the launch of the [Provincial STR Registry](#) in spring 2025.
5. Key updates have been made in the draft bylaw as follows:
 - Updated definitions, removing unnecessary items and adjusting to current standards.
 - Added exemptions to licensing requirements to support and encourage arts, culture and local agriculture, while maintaining insurance requirements.
 - Clarifying the establishment of license conditions and improving transparency.
 - Clarifying processes for license management, including application, fees, renewals, and cancellations.
 - Clarifying processes and penalties for license refusal or suspension.
 - Updating and clarifying provisions for specific license classifications.
 - Establishing classifications for STRs and watercraft business operations.
6. As the draft bylaw regulates business operations and licensing within the City, Administration is requesting Council's direction to seek public input on the draft bylaw in advance of Council's consideration to allow time for adjustments to be made, if necessary. Additionally, Administration would forward the draft bylaw to the Greater Vernon Chamber of Commerce and the Downtown Vernon Association for review and comment.
7. Once feedback has been received from the public and interested parties, Administration will complete a final review of the draft bylaw and present to Council for consideration. Should the bylaw proceed, Administration would prepare amendments to Fees and Charges Bylaw 3909, Bylaw Notice Enforcement Bylaw 5250, Municipal Ticket Information Bylaw 5300, as well as Inter-Community (Mobile) Business Licence Bylaw 5117, to bring them into alignment with Business Licence Bylaw 6100.
8. With the anticipated introduction of the City's new STR licensing program in 2025, the number of business license applications and renewals is expected to increase significantly, with estimates ranging between 175 and 250 annually. Currently, the

Building and Licensing Department's Counter Clerks (2.5 FTE) are strained to provide the existing business licensing services, as they are primarily occupied with receiving and processing various land use and building permit applications within the Planning and Community Services Division.

To address these challenges and improve service delivery to the business community, Administration requests a new full-time position dedicated to business licensing. The proposed role will be critical in managing the STR program. It would involve coordinating STR and business license applications to ensure timely processing and regulatory compliance and enforcement and overseeing front counter clerical staff to enhance customer service and operational efficiency. The cost of this position would be offset by revenue generated from the new STR licensing program.

b. Relevant Policy/Bylaw/Resolutions/Legislative Authority:

1. Business Licence Bylaw 5480
2. Fees and Charges Bylaw 3909
3. Bylaw Notice Enforcement Bylaw 5250
4. Municipal Ticket Information Bylaw 5300
5. Inter-Community (Mobile) Business Licence Bylaw 5117

c. Council's Strategic Plan Alignment:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Governance & Organizational Excellence | <input type="checkbox"/> Livability |
| <input type="checkbox"/> Recreation, Parks & Natural Areas | <input checked="" type="checkbox"/> Vibrancy |
| <input type="checkbox"/> Environmental Leadership | <input type="checkbox"/> Not Applicable |

d. Committee Recommendations:

n/a

Financial Implications:

A conservative estimate of 175 short-term rental annual licenses at approximately \$500 per business license would generate \$87,500. At 250 short-term rental annual licenses, the program would generate \$125,000. This is on-top of all business licenses for all commercial businesses in the City that generate approximately \$500,000 each year. Any enforcement and compliance revenue would be in addition.

The annual cost of the Coordinator, Licensing & Administration position is estimated at \$108,000 (fully loaded). This cost would primarily be funded by STR licensing revenue. Since the anticipated revenue from the STR licensing will be received throughout the year, Administration recommends establishing the position using funds from the Development Excess Revenue Reserve, which has an estimated available balance of \$1,078,801.

Alternatives & Implications:

THAT Council receive for information the report titled “Review of Business Licence Bylaw 6100” dated February 13, 2025.

Note: This would result in no changes to the Business Licence Bylaw and would delay the creation of short-term rentals licensing in Vernon.

Communication:

Draft Business Licence Bylaw 6100 will be posted on the Engage Vernon website to solicit public comment and will be forwarded to the Economic Development Advisory Committee, Downtown Vernon Association and Greater Vernon Chamber of Commerce for review.

Attachments:

Attachment 1 – Draft Business Licence Bylaw 6100, 2025

Reviewed by: Terry Barton, Director, Planning and Community Services

Reviewed by: Kevin Poole, Director, Corporate Administration

Approved by: Peter Weeber, Chief Administrative Officer