



Report to Council

To: Mayor and Council File No: 4325-07
Date: July 14, 2025
From: Matt Faucher, Acting Manager of Long-Range Planning & Sustainability
Subject: Fees & Charges Amendment Bylaw 6045 (Short-Term Rentals)

Purpose:

To amend the Fees & Charges Bylaw 3909 to include Short-Term Rentals (STRs) and update rates for accommodation to incorporate strata hotels and motels.

Recommendation:

THAT Bylaw 6045, "Fees and Charges (Business Licences) Amendment Bylaw 6045, 2025", be read a first, second and third time.

Background:

a. Rationale:

At its Regular Meeting on June 9, 2025, Council provided Business Licence Bylaw 6100, 2025, three readings. Bylaw 6100 modernizes the City's business licencing system and incorporates STRs and strata hotel licence classifications in accordance with new provincial legislation. Fees & Charges Bylaw 3909 requires amendments to establish licence fees to accommodate these new classifications.

Short-Term Rental Fees

Bylaw 6100 defines STRs as the commercial provision of overnight accommodation in a dwelling unit, to members of the public for a period of less than 90 consecutive days or such other period of time as may be prescribed under the *Short-Term Rental Accommodations Act*.

Administration is proposing the following fee structure for STRs:

Fee Type	Amount
Non Refundable Application Fee	\$150 per application
STR Annual Licence	\$400 per year

Strata Hotel & Motel Fee

Bylaw 6100 recognizes strata hotels and motels as the same category as commercial hotels and motels. In reviewing Fees & Charges Bylaw 3909, Administration noted that the fees associated with room rentals has not been evaluated since their initial establishment in 2014 (Bylaw 5487). For strata hotels and motels, the strata is the holder of the business licence which covers all rental units within the strata.

Bylaw 6100 includes a regulation that prohibits an individual strata lot within a strata hotel or motel from acquiring their own licence. This regulation is meant to ensure the strata's exemption from the principal residence requirement.

Administration is proposing the following fee structure for all room rental operations in the City:

Fee Type	Amount
Non Refundable Application Fee	\$100
Base Annual Licence	\$250 per year
Room Fee	\$5 per room
Total Annual Licence Fee	Base Annual Licence + \$5 per room

By moving from the current ranges for quantity of rooms to a fee per room, allows for each business to only pay for the number of rooms that they have, instead of triggering additional charges by crossing the threshold into the next range. This will ensure that each business will be charged based on scale and impact with smaller operations consistently paying less than larger operations.

Additionally, this realignment is meant to provide better balance between STRs, strata hotels, and commercial room rentals. Under this system, strata hotels and commercial room rentals can operate up to 30 units/rooms for the same price as a single STR operation.

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

Bylaws:

- Business Licence Bylaw 6100

Resolutions:

- February 24, 2025

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.

- June 9, 2025:

THAT Bylaw 6100, "Business Licence Bylaw 6100, 2025", be read a first, second and third time.

c. Council's Strategic Plan Alignment:

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

d. Committee Recommendations:

N/A

Financial Implications:

Fees collected for business licencing support recouping various costs borne by the City for programs and services related to the operation of businesses in the community.

Alternatives & Implications:

N/A

Communication:

Should Council adopt Fees and Charges (Business Licences) Amendment Bylaw 6045, 2025, Administration will update the City's website with the new fee structure and notify STR, strata hotel, and commercial room rental operators of the changes.

Attachments:

Attachment 1 - Fees and Charges (Business Licences) Amendment Bylaw 6045, 2025

Reviewed by: Roy Nuriel, General Manager, Planning & Community Services

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

Reviewed by: Kevin Poole, Director, Corporate Administration

Approved by: Peter Weeber, Chief Administrative Officer