



Business Licencing Workshop

Decision
Short Term Rentals
Temporary use Permits
Business Licenses

ONE REGION WORKING TOGETHER

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Regulatory Authority:

- The Community Charter provides BC municipalities and now Regional Districts with the authority to regulate, prohibit, and impose requirements. The fundamental regulatory authority of councils and now also Boards is found in section 8 of the Community Charter. Included in the regulatory authority are business. Business may only be regulated, while prohibition is not allowed.

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Licensing Powers:

- Based on having the authority to regulate, Council and Boards may, through the authority set out in section 15 of the Community Charter, provide for a system of licenses. Licensing Powers Under s.15 of the *Community Charter*, the bylaw may include.

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Authority to Regulate:

- prohibit any activity or thing until a license, permit or approval has been granted;
- provide for effective periods of licenses, permits and approvals;
- provide for the terms and conditions of, or that must be met for obtaining, continuing to hold or renewing a license;
- provide for the granting and refusal of licenses, permits and approvals;
- provide for the suspension or cancellation of licenses, permits and approvals.

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Variations in Regulations:

General variation authority in section 12 of the *Community Charter* may be used to:

- make different provisions for different areas, times, conditions or circumstances as described by the bylaw;
- establish different classes of, places, activities, property or things;
- make different provisions, including exceptions, for different classes.

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Delegation of Authority:

- Council or Boards may delegate its authority to grant, refuse, suspend or cancel a license to a Council or Board member, a Council or Board Committee, an officer or employee, or to another body established by the local government [CC s.154].

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Business License Fees:

- The authority to impose fees for licensing are set out in the Community Charter (CC) s. 194 where a local government may-
- By bylaw, impose a fee payable in respect of all or part of the service or regulatory scheme of the local government. CC s. 12 and 194 include the authority to base the fee or charge on any factor specified in the bylaw including establishing rates or levels of fees in relationship to different factors.

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Included in the Bylaw:

- Establishing different classes of persons, property, businesses and activities.
- Different fees or charges for different classes; establishing terms and conditions for payment, including discounts, interests and penalties.
- Local Governments can recover fees due in any court per section [CC s. 231].
- A local governments must make available to the public, on request, a report respecting how a fee or charge imposed under this section was determined [CC s. 194(4)].
- Penalties for a regulated activity that requires a license in order to operate legally, it is an offence under the Offence Act for a person to carry on the activity without a valid license [CC s. 260].

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Penalties:

- Compliance with a bylaw is a condition of a license or permit.
- A local government may suspend the license or permit until the person, or persons, comply.

Ultimately, a local government may seek prosecution under the *Offence Act*, apply to the Supreme Court for an injunction or court order to enforce, prevent or restrain the contravention of a local government bylaw, or pursue other means of enforcement such as ticketing.

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Refusal, Suspension or Cancellation of Business Licenses:

- The general authority for a local government to regulate and therefore license a business is derived from Sections 8(6) and 15 of the *Community Charter*. However, Part 3, Division 9 of the *Community Charter* outlines some specific requirements which Councils or Boards must meet when dealing with business.
- While Councils and Boards may refuse a business license application in any specific case, it must not do so unreasonably [CC s. 60 (1) (a)]. If a council refuses a business license application it must, if requested by the applicant, give written reasons for the refusal [CC s. 60(1) (b)].

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Refusal, Suspension or Cancellation of Business Licenses:

- A business license may be suspended or cancelled for failure to comply with the bylaw or any specified terms and conditions of the license [CC s.15(1)]. In addition, a business license may be suspended or cancelled for reasonable cause under CC s.60 (2) but not before the license holder is given notice of the proposed action and an opportunity to be heard [CC s. 60(3)]. If a designated local government officer or employee exercises authority to grant, refuse, suspend or cancel a business license, the applicant or license holder who is subject to the decision is entitled to have the council or Board reconsider the matter [CC s. 60(5)]

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Exceptions:

- The definition of “business” in the *Community Charter* specifically excludes activities carried on by the Provincial government, by corporations owned by the Provincial government, by agencies of the provincial government or by the South Coast British Columbia Transportation Authority or any of its subsidiaries. Consequently, local governments are not authorized to require such entities to obtain business licenses.

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Decision Required by Electoral Area:

1. Implementation of business licenses.
2. If business licenses are implemented, delegation of authority required.
3. If business licenses are implemented, classes of licenses will be required.
4. Short Term Rental business license charge (variable fee).
5. Regulation of short-terms rentals in land use bylaws.
6. Continuance of Temporary Use Permits (TUP).
7. Same rules for B&Bs as short term rentals.

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Decision – Business License for all Business:

Are you in favor of implementing business licenses for all business (not just short term rentals) in your Electoral Area?

If yes – the objective would be:

- helps to ensure that businesses are following the applicable regulations in their jurisdiction, (land use regulations).
- May be used to ensure building, fire and health requirements are met.
- Limit the number of guests.
- Require a parking space plan.

Staff will bring back fee recommendations, the objective of the fee will be to recover costs, so that the general tax payer is not having to pay. The fee will include administrative, and bylaw costs.

If No – no further action required for business other then short term rentals.

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Delegation of Authority:

- The Regional District now has authority to implement business licenses for short term rental accommodations – implementation is recommended, but optional.
- The Boards may delegate its authority to grant, refuse, suspend or cancel a license to a Board member, a Board Committee, an officer or employee, or to another body established by the local government [CC s.154].
- **Recommendation, that the Board delegate its authority to the Chief Administrative Officer.**

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Classes of Licenses:

- With the implementation of business licenses, classes will have to be established. The class would have different fees depending on the type of business.
- Staff have examples and recommendations on what would work best in a Regional District.

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Business Class Examples

- **Accommodation business license:**
 - Short Term Rental – covers all short term rentals.
or different levels of Short Term Rental Business License.
(similar to City of Penticton)
 - Short Term Rental - Minor – less than 30 days
 - Short Term Rental - Major – more than 30 days
 - Short Term Rental - Major – high occupancy – more than 6 guests

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Business Class Examples Cont:

- **Accommodation business license:**
 - Residential - Long Term Rental (if applicable)
Secondary suites / Carriage Houses
 - Commercial (if applicable)
Hotels/Motels

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Business Class Examples Cont.

- **Rural Business License** - would encompass retail / food, beverage & liquor / agriculture / professional & health care / trades – *in place of setting up separate business class for each category of business.*

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Other Business Class Examples

In place of “**Rural Business Licence**” could implement class for business category.

- Retail Business Licence – cannabis/boutique/second hand
- Home based business
- Food, Beverage & Liquor
- Agriculture
- Professional & Health Care Services
- Trades/Construction

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Business Class Examples Cont.

- **Intercommunity Business Licence**
 - Conduct work in other Okanagan areas
- **Seasonal Business Licence** – operates 6 month or less in calendar year (snow removal / beach vending)

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Business Licence Fees to consider

- Annual Fees
- Transfer Fees – change of address or ownership
- Late Fees / Due dates

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Regulation of Vacation Rentals - OCP & Zoning Options:

1. Status Quo:

- Vacation rentals continue to be prohibited by zoning; and
- Property owners are required to obtain TUPs.

2. Allow 'Short Term Rentals':

- Revise OCP policies (i.e. supportive of STRs);
- Allow as a permitted use in all residential zones; and
- Consolidate similar uses (e.g. B&Bs) into one use class.

3. Other?

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Status Quo – Pros and Cons:

1. OCPs support vacation rentals subject to certain conditions:
 - Provision of water and sewer (i.e. septic compliance);
 - Health & Safety Inspection;
 - Local operator contact information;
 - Parking, screening, community benefit, etc.
2. Continue to require TUPs:
 - Discretionary Board approval;
 - Public notification requirements;
 - Conditional approval (i.e. performance based).

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Status Quo – Pros and Cons :

1. TUP process is arduous for applicants, staff and public;
2. Discretionary approval process can become adversarial;
3. Unclear requirements (e.g. septic, screening, community benefit);
4. Current policies may no longer reflect Board's position;
5. Uncertainty regarding emergence of similar uses (e.g. “unconventional B&Bs” and “boutique campgrounds”).

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Allowing STRs – Pros and Cons:

1. Would remove need for TUP for STRs that meet regulations;
2. Would streamline approval process (i.e. rules-based vs discretionary);
3. Most requirements *could* be carried forward in business licensing (e.g. operator contact information, health and safety inspections, septic compliance);
4. Short-term rentals no longer benefit from non-conforming status (i.e. no ‘grandfathering’).

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Allowing STRs – Pros and Cons:

1. Are any restrictions to be placed on STRs (i.e. maximum cap per community, proximity to other STRs, etc.);
2. No more public input on application proposals;
3. Need to consider B&Bs and similar tourist commercial uses;
4. Option for TUP/ Rezoning still available to proposals that do not comply with zoning (may want to introduce OCP language to address).

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STRs – Other Options?

1. “STR Permit” – implement under TUP authority under the *Local Government Act*:
 - a) delegate issuance of all permits to staff;
 - b) explore notification requirements;
 - c) explore requirement to receive representations (not required by legislation);
 - d) streamline issuance criteria (review OCP policies).

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Estimated Short Term Rentals Within our Region:

Area A: 132 (172 as of May 1)

Area B: 24

Area C: 68

Area D: 130

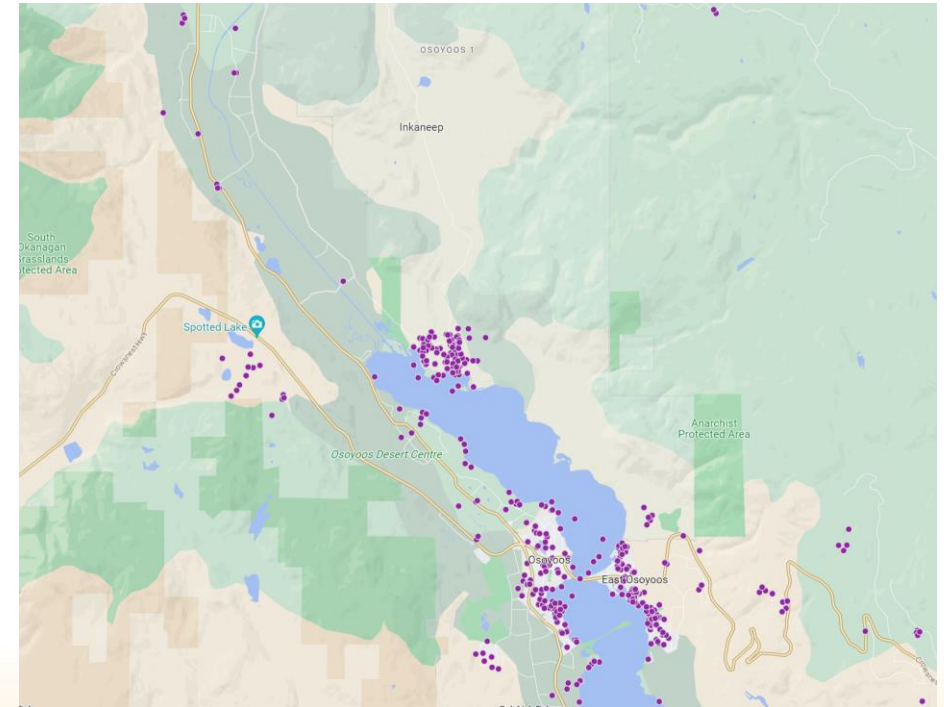
Area E: 126

Area F: 27

Area G: 32

Area H: 96

Area I: 222 (156 located at Apex)



Notes:

- *STR numbers may double during peak summer months
- *Regulating STR's can take up 20% of a Building Officials staff time
- *Increased Identification of unlawful construction and enforcement

**Data was pulled from Air DNA April 14th, 2024

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Short-Term Rental Business License Charge:

- Business licenses for Short Term Rentals are optional, but are recommended.
- Does the Board (by Electoral Area) wish to have a variable rate. The variable rate would (once calculated) be broken up by intended rental plan.
- If a variable rate is not adopted, the rate recommend would be a weighted average rate.

QUESTIONS?