

Introduction

On October 16, 2023, the Province announced new legislation regarding short-term rentals: *The Short-Term Rental Accommodations Act*. This Act was brought into force on October 26, 2023. This new legislation establishes minimum requirements for local governments, which may choose to enact further restrictions.

Importantly, this new legislation does not apply to communities on First Nations reserve land nor hotels/motels. Modern treaty nations are also exempt, but can opt in to the legislation if they wish.

The new legislation focuses on three key goals:

1. Increasing fines and strengthening tools for local governments;
2. Returning more short-term rentals to long-term homes; and
3. Establishing provincial rules and enforcement mechanisms.

The new legislation will be implemented in Phases.

Phase 1 - Increasing Fines and Tools for LG's

- The Province has announced its intention to increase the fines that can be levied under the *Municipal Ticket Information System*, from \$1,000 to \$3,000 (per infraction, per day). However, it is unclear when this amendment will occur.
- *The Local Government Act* was amended to increase the maximum penalty that can be levied by regional districts from a maximum of \$2,000 to a maximum of \$50,000 for prosecutions under the *Offence Act*.
- Regional Districts now have the ability to issue business licenses to regulate short-term rentals in rural areas.

Phase 2 - Returning Short-term Rentals to Long-term Homes

- Beginning May 1, 2024, short-term rentals will only be allowed in hosts' principal residence.
- However, this principal residence requirement does not apply in:
 - most municipalities under 10,000 people (except those immediately adjacent to larger municipalities with 10,000 + people);
 - all Regional Districts; and
 - the 14 resort communities and mountain resort areas (e.g., Whistler, Sun Peaks etc.).

- Beginning on May 1, 2024, short-term rental platforms will be required to enable the display of local government business license numbers. Platforms will be required to remove a host's listing within a few days when there is no valid local government business license in place.
- *The Local Government Act* will be amended so that legal non-conforming use protections will not apply to short-term rentals. This amendment will be done by regulation of the Lieutenant Governor in Council, but it is unclear when this amendment will occur.
- By summer 2024, short-term rental platforms (e.g., Airbnb, VRBO) will be required to provide certain data to the Province. This data will be shared with local governments to help them enforce compliance.

Phase 3 - Establishing Provincial Rules and Enforcement Mechanisms

- By late 2024, the Province will create a Provincial Host and Platform Registry.
- Once the registry is established, all hosts and platforms will be required to register and listings will need to include both the local government business license number and the provincial registration number.
- The Province will create a short-term rental compliance and enforcement unit to ensure the rules are being followed.

Questions? Contact a member of our experienced Local Government Law Team:



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