Regulating Short-term Rental Accommodations

Report to

Executive Policy Committee

February 14, 2023

Winnipeg

Overview

- The Public Service undertook public and stakeholder engagement, conducted a jurisdictional scan of regulatory models used in other cities across Canada, and considered the direction of Council in developing the regulatory framework to be considered today.
- This report recommends regulating STRAs with the goal of the framework to set minimum standards for:
  - community safety, consumer safety, neighbourhood liveability, and to foster equity in the accommodations industry.
- It is within this context that the report recommends a three-pronged approach for Council consideration:
  - taxation; licensing and enforcement; and zoning and land-use.

Taxation

Accommodation Tax

- Proposed 5% tax will be charged to and collected from customer by licensed platform.
- Proposed that the platform will remit tax to City.
- Tax will be charged on room costs plus cleaning and maintenance fees charged by the platform.
- Estimated Accommodation Tax Revenue is $279,000 annually

Business Tax

Not Recommended

- the majority of STRAs would be exempt by having an annual rental value below the small business tax threshold,
- the significant administrative effort and cost required for the limited revenue,
- the difficulty in determining an annual rental value for the variety of short-term rental accommodations, and
- the inequity of imposing a licence in lieu of business tax on STRAs but not on other kinds of home-based businesses.

Licensing and Enforcement Program

Licensing Framework

- The proposed regime will result in a new class of licence – Short Term Rental Accommodations – that will require:
  - STRA operators to be licensed, and
  - STRA platforms to be licensed.
  - The proposed licensing framework provides for a **limit of two licences per operator:**
    - one for a primary residence (available only to individuals – ***NOT*** corporations),
    - and a second for a non-primary residence (available to corporations and partnerships as well as individuals).

Licensing

The licensing program will:

- Require that all STRAs be licensed annually,
- Require that STRAs use a licensed short-term rental platform for all bookings of short-term accommodations,
- Allow a maximum of two STRAs for an individual owner (one being the individual's primary residence) and a maximum of one STRA owned by a partnership or corporation,

Licensing

The licensing program will:

- Limit to 150 nights per year that a primary residence could be booked without the owner being present in the residence,
- Impose requirements on the owner to protect the safety of both the community and renters, and
- Require that all STRAs get approval from the Winnipeg Police Service Records Review Board as part of the application process.

Enforcement

Enforcement of the STRA licensing program

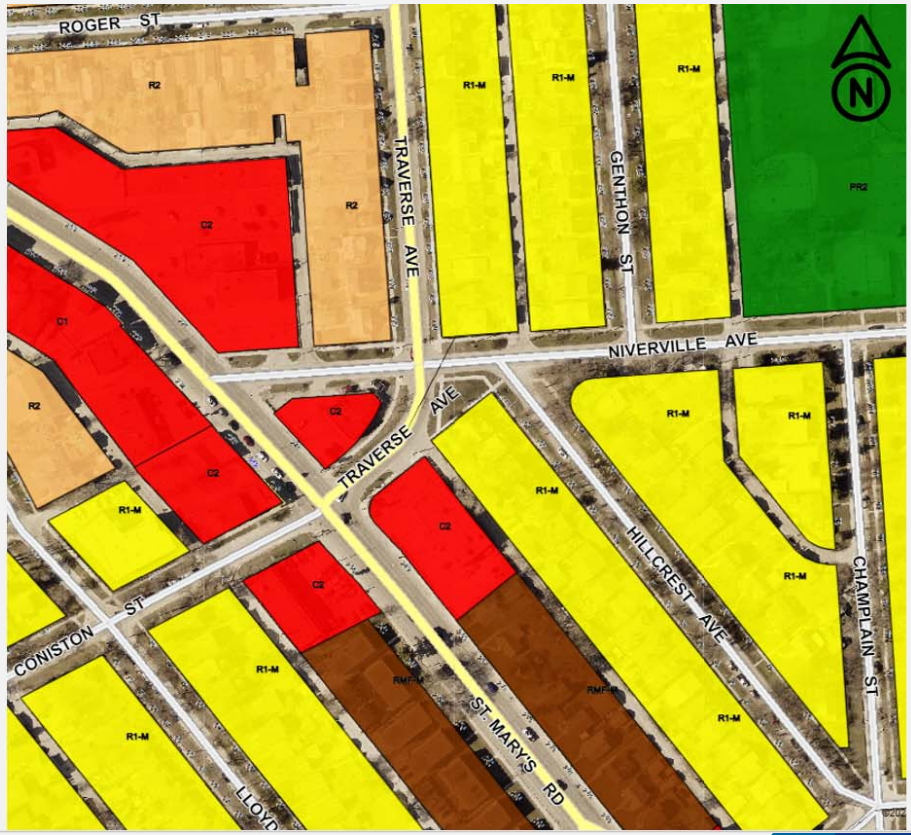
- Enforcement approach will be based on complaints, as well as on a proactive approach,
- Enforcement to include evenings and weekends, and
- Failure to comply with STRA regulations can result in administrative penalties, warnings, suspensions, and/or fines under the Municipal By-law Enforcement Act (MBEA) or initiating a prosecution in Provincial Court.

Zoning and Land Use Approach

Zoning and Land Use Framework

- In Single-family and Two-family residential zoning districts (known as 'R1' and 'R2), STRAs would be allowed only within a primary occupied residence per licensing requirements.
- STRAs for non-primary residences would only be allowed in the Downtown area, and in higher density residential and mixed-use areas.
- STRAs would not require a zoning review, a development application, or a public hearing.

Zoning and Land Use

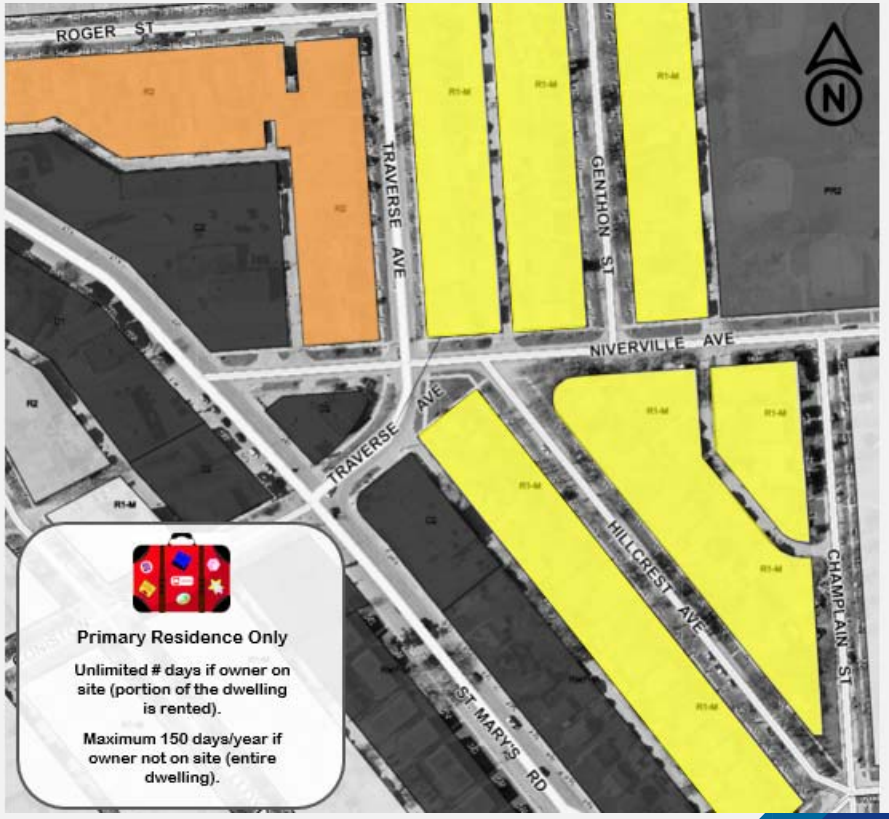


Zoning and Land Use

"R2" District
Residential
Two-Family







"R1" Districts
Residential
Single-Family



Zoning and Land Use

"C1" & "C2" Districts
Commercial Neighbourhood & Commercial Community

"RMU" & "CMU" Districts
Residential Mixed Use
Commercial Mixed Use





"RMF" Districts
Residential Multi-Family





Zoning and Land Use



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Questions?