Agenda – Council – May 30, 2024

Report – Executive Policy Committee – May 22, 2024

Item No. 5 Delegated Authority to Enter into Agreements – Short Term Rental Program

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 22, 2024, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the City enter into, execute and deliver a Voluntary Collection Agreement with Homeaway.com, Inc. or its legal designate, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements"), in order for Homeaway.com, Inc. to facilitate the collection and remittance of the City of Winnipeg accommodation tax by short term rental accommodation operators from guests for occupancy of accommodations located in the City of Winnipeg.

2. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the Voluntary Collection Agreement with Homeaway.com, Inc. and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of any future agreements deemed necessary related to short term rental licensing, including the related accommodation tax administration, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – May 22, 2024

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 22, 2024, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

David Grant submitted a communication with respect to the matter.

ADMINISTRATIVE REPORT

Title: Delegated Authority to Enter into Agreements - Short Term Rental Program

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Yanchishyn	T. Austin	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

Under the Accommodation Tax By-Law amendments, each individual short term rental accommodation (STRA) operator is required to collect, remit and report on the accommodation tax to the City. However, subsection 5(7) authorizes a platform to collect, report and remit on behalf of their STRA operators. The City has been approached by the platform Homeaway.com, Inc. who has elected to utilize subsection 5(7). An agreement is desired by the platform to fully describe both parties' obligations under this option.

This report is requesting approval of a Voluntary Collection Agreement with Homeaway.com, Inc. as well as delegated authority for the Chief Financial Officer to enter into, negotiate, and approve terms and conditions of any further third-party agreements required to administer and implement STRA licensing and related accommodation tax administration.

RECOMMENDATIONS

1. That the City enter into, execute and deliver a Voluntary Collection Agreement with Homeaway.com, Inc. or its legal designate, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements"), in order for Homeaway.com, Inc. to facilitate the collection and remittance of the City of Winnipeg accommodation tax by short term rental accommodation operators from guests for occupancy of accommodations located in the City of Winnipeg.

2. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the Voluntary Collection Agreement with Homeaway.com, Inc. and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of any future agreements deemed necessary related to short term rental licensing, including the related accommodation tax administration, in accordance

with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to enter into agreements.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no financial implications to the recommendations of this report. Approval of the recommendations will enable the City to enter into any third-party agreements deemed necessary to implement and administer short term rental accommodation (STRA) licensing and related accommodation tax administration. No financial impact is anticipated.

HISTORY/DISCUSSION

On October 26, 2023, Council approved the report Regulating Short Term Rentals, including amendments to the Community Safety Business Licensing By-Law No 91/2008 and the Accommodation Tax By-Law No 70/2008.

Under the Accommodation Tax By-Law amendments, each individual STRA operator is required to collect, remit and report on the accommodation tax to the City. However, subsection 5(7) authorizes a platform to collect, report and remit on behalf of all of their STRA operators. The City has been approached by the platform Homeaway.com, Inc. that has elected to utilize subsection 5(7) for its operators. An agreement is desired by the platform to fully describe both parties' obligations under this option.

Having a platform report and collect on behalf of all of its STRA operators is desirable as it reduces administration for the City as well as is likely to result in more timely collection of the accommodation tax.

The Council approvals on October 26, 2023, did not contemplate granting authority to enter into third-party agreements. Therefore, approval is being requested for the Chief Financial Officer to be able to enter into an agreement to negotiate the terms and conditions of this agreement, as well as any future agreements with other third parties that may be required for STRA licensing and related accommodation tax administration.

FINANCIAL IMPACT

Financial Impact Statement Date: April 9, 2024

Project Name:

Delegated Authority to Enter into Agreements - Short Term Rental Program

COMMENTS:

There is no financial impact associated with entering into legal agreements related to the administration of the Short-Term Rental program.

Tanis Yanchishyn - April 9, 2024
Tanis Yanchishyn, CPA, CA
Manager of Taxation and Finance

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services Department

OURWINNIPEG POLICY ALIGNMENT

The recommendations outlined in this report are generally aligned with the goal of Leadership and Good Governance.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS), and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Assessment and Taxation Department
Division: Taxation and Finance
Prepared by: Tanis Yanchishyn
Date: April 15, 2024