



Making a difference...together

**REPORT TO SALT SPRING ISLAND LOCAL COMMUNITY COMMISSION
MEETING OF THURSDAY, FEBRUARY 19, 2026**

SUBJECT **Business License Feasibility Study on Salt Spring Island**

ISSUE SUMMARY

To consider the feasibility of implementing business licences on Salt Spring Island (SSI).

BACKGROUND

At the March 13, 2025, meeting of the SSI Local Community Commission (LCC) the following motion was passed.

“That the Salt Spring Island Local Community Commission (LCC) request staff to update the 2022 feasibility analysis of business licencing on Salt Spring Island.”

A feasibility analysis of business licensing on Salt Spring Island has been awaiting the receipt of an analysis of short-term rental (STR) data that was recently completed by the Southern Tourism Partnership Society in January 2026. A full feasibility analysis of business licenses has not yet been completed. Previously on February 9, 2022, the Electoral Areas Committee (EAC) received a report (Appendix A) on the regulation of vacation rentals on the Southern Gulf Islands and SSI. The report provided information on the regulatory tools available to local governments to regulate vacation rentals in residential zones by way of zoning bylaws, temporary use permits, and business licensing, all of which can be enforced by ticketing, fines, or court-issued injunction.

On July 13, 2022 EAC received an additional report on Speculation and Vacancy Tax (Appendix B) that outlined the financial implications noting that a business license function for SSI would require new funding for administration, overhead and a part-time bylaw enforcement officer. There would also be additional legal costs for court proceedings to enforce against businesses operating without a license, or to respond to administrative court challenges where a business license is revoked or suspended. Enforcement proceedings would be necessary to ensure the regulatory authority is upheld and complied with.

Short-term vacation rentals on Salt Spring Island are currently regulated through the Islands Trust Land Use Bylaw. Once a vacation rental use is permitted, Islands Trust has limited authority over how that use is managed on an individual property, aside from regulating it through a temporary use permit or other case-by-case conditions. In these situations, business licences become a valuable tool to support zoning compliance by ensuring that only appropriate types of businesses operate within designated areas.

The benefit of Business Licensing has been identified to include:

- Ensure zoning rules, safety standards, and local bylaws are followed.
- Build trust with customers, partners and regulators
- Reduce risk and assist in protecting the public.
- Assist businesses to consider business growth and future planning
- Assist business to access web platforms to advertise their business
- Assist in building credibility and a business community.

Since 2022 the legislation has changed and Regional Districts now have the authority to issue business licenses. Staff have been researching methods and options on how to implement a business licensing program and to determine the fee structure that should be applied. The complexity and variations that exist in business licenses indicate that several different approaches can be considered.

In 2025, the Province initiated a Short Term Rental Registry program in June, and the Islands Trust opted into the Short Term Rental Accommodations Act (STRAA) that commenced in November. Any potential combined effects of these two new Provincial initiatives are expected to be realized for the first time during the 2026 summer tourist season. Progressing evaluation of the implementation of a business licensing program in 2027 will enable the effects of these two Provincial initiatives to be considered.

A recent workshop on short terms rentals suggested that the industry is best operated with a system of business licenses that complement zoning and an enforcement program. Currently the Islands Trust is considering an update to the Official Community Plan and Zoning Bylaw that may adjust the permissions of where and how short term rentals can operate.

To determine the best approach to business licenses, some external expertise is recommended. This would include retaining a consultant with expertise to determine the optimal business licensing program that should be implemented. Details of a bylaw that would need to be determined include: the granting or refusal of a license; providing for the effective periods of a license; a tiered fee schedule, conditions that must be met for obtaining, continuing to hold or renewing a license, including the nature and terms of those conditions and who may impose them; providing for the suspension or cancellation of licenses for failing to comply with a term or condition or failing to comply with the business licensing bylaw; and providing for reconsideration or appeals of decisions made with respect to the granting, refusal, suspension or cancellation of business licenses.

It will also be necessary to estimate the staffing requirements including the number of personnel, their roles, and the time commitment involved along with the projected costs needed to successfully operate, monitor, and enforce the program.

Future CRD Board approval will be required to prior to implementing a new service for Business Licensing.

ALTERNATIVES

Alternative 1

That the Salt Spring Island Local Community Commission direct staff to defer consideration of a Business Licensing Feasibility Study, funded through the Salt Spring Island Economic Development Service, until the 2027 Budget Planning process.

Alternative 2

That the Salt Spring Island Local Community Commission direct staff to include \$40,000 in the 2027 Provisional Budget, through the Salt Spring Island Economic Development Service, to fund a Business Licensing Feasibility Study.

Alternative 3

That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

The function of the SSI Economic Development Sustainability Service is to promote, provide information and assist local service agencies with economic development initiatives. Project costs and third-party payments have been fully subscribed in previous years.

The SSI Economic Development Operating Reserve Fund has a projected ending balance of \$18,627 in 2027. Third party contributions would need to be reduced in 2027 or additional funding would need to be requisitioned to support a Business Licensing Feasibility Study.

CONCLUSION

The LCC directed staff to revisit the 2022 analysis of business licensing in response to ongoing challenges related to zoning compliance and the evolving regulatory landscape for short-term rentals. Staff reviewed legislative changes, potential licensing models, operational considerations, and the resource implications of administering a business licensing program. Based on this assessment, staff recommend that the LCC consider commissioning a Business Licensing Feasibility Study to determine the most appropriate approach for Salt Spring Island. If supported, the next step will be to include funding in the 2027 budget cycle so that external expertise can develop detailed program options, staffing requirements, and associated costs.

RECOMMENDATION

That the Salt Spring Island Local Community Commission direct staff to defer consideration of a Business Licensing Feasibility Study, funded through the Salt Spring Island Economic Development Service, until the 2027 Budget Planning process.

Submitted by:	Dan Ovington, BBA Senior Manager, Salt Spring Island Administration
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services

ATTACHMENT(S)

- Appendix A: Staff Report – Regulation of Vacation Rentals and Business Licensing, Dated February 9, 2022
- Appendix B: Staff Report - Speculation and Vacancy Tax, Dated July 13, 2022