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REPORT TO THE FINANCE COMMITTEE MEETING OF WEDNESDAY, FEBRUARY 7, 2018

SUBJECT CITY OF LANGFORD HOTEL TAX

ISSUE

The City of Langford has requested the position of the Capital Regional District (CRD) with respect to the renewal of their application for the ability to levy an accommodation (hotel) tax under the Municipal and Regional District Tax (MRDT) on accommodation provisions of the *Provincial Sales Tax Act*. (Appendix A).

BACKGROUND

Municipalities applying for the ability or the renewal of their ability to levy an accommodation tax have an obligation to consult with their regional district and hotels within their jurisdiction. An accommodation tax of up to 3% may be levied by the Province of British Columbia on behalf of municipalities, regional districts and eligible entities on sales of short-term accommodation provided in participating areas. See Appendix B for the most recent Provincial program guidelines.

The City of Langford is requesting the support of the CRD for the renewal of their application for the imposition of the Municipal and Regional District Tax on accommodation within the City of Langford. The CRD does not currently levy a regional district tax on accommodation within the boundaries of the CRD; currently four municipalities levy an accommodation tax. They are the City of Langford, the District of Oak Bay, the District of Saanich and the City of Victoria.

ALTERNATIVES

Alternative 1

That the Finance Committee recommend to the Capital Regional District Board:
That the CRD support the imposition of an accommodation tax by the City of Langford.

Alternative 2

That the matter be referred back to staff for more information.

IMPLICATIONS

The CRD does not currently impose any accommodation taxes within its boundaries, so there would be no conflict with a municipal accommodation tax.

CONCLUSION

The City of Langford is renewing its application for the imposition of an accommodation tax on hotels within the City of Langford and is required to consult with the CRD with respect to whether it supports or opposes the imposition of the tax.

RECOMMENDATION(S)

That the Finance Committee recommend to the Capital Regional District Board:
That the Capital Regional District support the imposition of an accommodation tax by the City of Langford.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

Attachments

Appendix A – Letter City of Langford – Re: Municipal and Regional District Hotel Room Tax
Appendix B – MRDT Program Requirements