

**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, APRIL 14, 2021**

SUBJECT **City of Victoria MRDT Renewal**

ISSUE SUMMARY

The City of Victoria has requested formal support from the CRD for its renewal of the Municipal Regional District Tax from 2022-2026.

BACKGROUND

The Municipal Regional District Tax (MRDT) is an extension of the provincial sales tax to provide funding for local tourism marketing. In accordance with the MRDT program requirements, a municipality must provide evidence that the regional district has been consulted and whether it supports or opposes the imposition of the tax.

On June 26, 2016, the Capital Regional District Board gave consent to the City of Victoria to increase its MRDT tax rate from 2% to 3%. A motion of support from the CRD is required for the City of Victoria to renew its MRDT mandate for another five years (2022-2026).

The City of Victoria Council, at their March 25, 2021, passed the following motion:

That Council:

1. *Approve the five-year renewal for the MRDT.*
2. *Approve the new incremental MRDT from Airbnb OAP for affordable housing initiatives.*
3. *Approve that Destination Greater Victoria continue to operate as the Official Destination Organization for the City of Victoria and eligible entity for MRDT from 2022-2026 based on the foundation of the five-year plan presented.*

For additional information, please refer to the City of Victoria letter attached as Appendix A.

CONCLUSION

The City of Victoria is seeking formal support to renew its MRDT program for another five years (2022-2026). The City of Victoria's MRDT renewal application continues to name Destination Greater Victoria as the Official Destination Organization for the City of Victoria and eligible entity. New to the application is the incremental MRDT for Airbnb Online Accommodation Platform for affordable housing initiatives.

RECOMMENDATION

That the Capital Regional District Board supports the City of Victoria's five-year renewal for the Municipal and Regional District Tax (MRDT) and Destination Greater Victoria as an eligible entity from 2022-2026, as well as the new incremental MRDT from Airbnb for affordable housing initiatives.

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| Submitted by: | Marlene Lagoa, MPA, Manager, Legislative Services & Deputy Corporate Officer |
| Concurrence: | Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer |
| Concurrence: | Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer |
| Concurrence: | Robert Lapham, MCIP, RPP, Chief Administrative Officer |

ATTACHMENT(S)

Appendix A: Letter from City of Victoria