



Council Report

For the Meeting of February 9, 2017

To: Committee of the Whole
From: Chris Coates, City Clerk
Subject: Hotel Tax Repeal Bylaw

Date: January 30, 2017

RECOMMENDATION

That Council consider giving three reading to Hotel Tax Repeal Bylaw No.17-018.

EXECUTIVE SUMMARY

At the November 19, 2015 Governance and Priorities Committee meeting, Council received a presentation from Tourism Victoria on a potential new arrangement involving the existing 2% Hotel Tax levied in the City under the authority of Hotel Room Tax Bylaw 88-169 which is attached as Appendix A.

At the November 26, 2015 Council meeting, the following motion was passed:

“That Council approve in principle the development of a renewed relationship with Tourism Victoria based on the additional principle:

- 1. Remove Grandfather Status and name Tourism Victoria the Eligible Entity for Destination Marketing”.**


The effect of the above motion was to request the Provincial Government to remove the “grandfathered” status of the existing 2% room tax and implement a 3% room tax through the Municipal and Regional District Tax (MRDT).

Subsequently the Provincial Government has approved Tourism Victoria as the Eligible Entity for the MRDT and approved the lift in the room tax from 2% to 3%. The City and Tourism Victoria have approved a new agreement outlined in their presentation to Council in November 2015. The effect of all of these actions is that the Hotel Room Tax Bylaw is now redundant.

The attached Bylaw for Council's consideration if adopted, repeals the existing hotel room tax levy as the new agreement will address the issues around the levy moving forward.

Respectfully submitted,


Chris Coates
City Clerk


Jocelyn Jenkyns
Deputy City Manager

Report accepted and recommended by the City Manager:



Date:

February 3, 2017

List of Attachments

Appendix A: Hotel Room Tax Levy Bylaw 88-169

Appendix B: Hotel Room Tax Levy Repeal Bylaw No. 17-018

A BYLAW OF THE CITY OF VICTORIA

to request imposition of an additional accommodation tax under the provisions of the Hotel Room Tax Act.

WHEREAS City Council wishes to use additional revenue for the repayment of the Conference Centre debt and to finance marketing of the City of Victoria as a conference destination; and

WHEREAS pursuant to Section 34 of the Hotel Room Tax Act, R.S.B.C. 1979, c.185 the City may request, by bylaw, that the Lieutenant Governor-in-Council may make regulations providing for an additional tax levy, not exceeding 2%, on the sales of accommodation within the City;

NOW THEREFORE, the Council of The Corporation of the City of Victoria enacts as follows:

1. This bylaw may be cited as the "HOTEL ROOM TAX REQUISITION BYLAW."
2. The Lieutenant Governor-in-Council is requested to make a regulation pursuant to Section 34(1)(d.1) of the Hotel Room Tax Act, declaring that effective February 1, 1989, Section 2.1 of the Act applies in respect of accommodation purchased within the City.
3. The tax to be imposed under the provisions of the regulation is requested to be 2% of the purchase price of the accommodation.
4. The funds paid to the City under the provisions of the regulation shall be applied to marketing of the Conference Centre and marketing of the City of Victoria as a tourist destination.

Passed and received third reading by the Municipal Council the 29th day of September, 1988.

Reconsidered and adopted by the Municipal Council the 13th day of October, 1988.

"M. JOHNSTON"

CITY CLERK

"G.M. BREWIN"

MAYOR

MAYOR