

Shared Economy MOTI & MJTSTL

January 25, 2016



Purpose of Presentation

- Provide an overview of the shared economy, with specific focus on home rental services (e.g. Airbnb) and Transportation Network Companies – TNC's (e.g. Uber).
- Outline impacts of the sharing economy in BC.
- Provide update on current status and discuss potential approaches to respond to issues presented by the sharing economy.

Context and Issue Summary

- Airbnb –15M guests, over 550,000 rooms in 35,000 cities and 192 countries.
- Uber – operates in 63 countries, 340+ cities, including more than 40 Canadian cities (though not yet regulated in a Canadian city).

Just two of the multitude of services that comprise the shared economy.

Context and Issue Summary

- Services such as Airbnb and Uber have potential economic, social and tourism benefits, including:
 - Addressing new travel demands,
 - Presenting opportunities in areas without adequate accommodation capacity and/or taxi service,
 - Offering cheaper goods and services,
 - Providing extra income for hosts/drivers, and
 - Contributing to local economic diversification.

Key Considerations/Implications

- Services such as Airbnb and Uber also present challenges for governments, including:
 - Addressing complaints from traditional service providers re: uneven competition,
 - Ensuring public/consumers' health and safety,
 - Dealing with insurance implications (home and automobile), and
 - Ensuring appropriate taxation of commercial activities.

Key Considerations/Implications

Airbnb in Other Jurisdictions:

- San Francisco - initiative to restrict and regulate short-term rentals was defeated in November 2015; would have capped rentals at 75 days per year, whether or not they are hosted.
- New York - October 2015 report for the Hotel Association of New York City indicates a direct loss of \$0.5 billion to the NYC hotel industry from September 2014 to August 2015 due to Airbnb.
- Quebec - legislation introduced in October 2015 to require Airbnb rentals to follow the same regulations that hotels and other forms of accommodation do, including collecting tax, in order to “level the playing field”.

Key Considerations/Implications

Uber in Other Canadian Jurisdictions:

- Uber is operating outside of regulations in more than 40 Canadian municipalities.
- Regulators are having to respond through enforcement against drivers and regulation development.
- Quebec - Premier has stated that regulatory solutions are necessary.
- Montreal – implemented enhanced enforcement.
- London, Kitchener-Waterloo - studying ridesharing regulation options.
- Ottawa - completed a study of ridesharing, reviewing regulations
- Toronto - studying ridesharing, report due back in spring.
- Calgary – injunction against Uber drivers resulted in Uber suspending service. Draft ridesharing regulations due by mid-February 2016.
- Edmonton – regulations scheduled for 2nd reading on January 26, 2016.

Current Status

MOTI re: TNC's:

- Focusing on consultation.
- Reviewing experiences of other jurisdictions.

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- Safety and accessibility remain top priority.

Current Status

JTSTL re: Airbnb:

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- Monitoring issues and solutions undertaken in other jurisdictions (e.g. Quebec, New York, Ontario) to regulate the online accommodation sector.

Jobs, Tourism and Skills Training and Transportation and Infrastructure

MINISTRY OF JOBS, TOURISM AND SKILLS TRAINING
AND MINISTER RESPONSIBLE FOR LABOUR
MEETING NOTE

Cliff #: 111440

Date: February 9, 2016

PREPARED FOR: Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training and Minister responsible for Labour.

DATE AND TIME OF MEETING: to be determined

ATTENDEES: British Columbia Hotel Association (BCHA) Board members, including David MacKenzie, the new Chair (see Appendix 1 for list of BCHA Board members).

ISSUE(S): Municipal and Regional District Tax (MRDT), Airbnb, and labour shortages.

BACKGROUND:

The BCHA is the hotel industry organization of approximately 600 hotel members and 200 associate members dedicated to improving and increasing the tourism and hospitality industry within B.C.

BCHA's new Chair has requested a meeting with Minister Bond and has identified three issues for discussion: the process for removing MRDT grandparenting status of individual communities, tax obligations related to Airbnb rentals and options to address labour shortages in the tourism sector.

Three BCHA representatives, James Chase (CEO), David MacKenzie and Ingrid Jarrett (past president), were part of the B.C. delegation that went to Ottawa in early February, in part to discuss issues facing the provincial tourism sector, including labour shortages and workforce programs for temporary foreign workers and foreign students.

BCHA was engaged last spring on MRDT changes that were under consideration at that point. The Association has sustained interest related to MRDT, specifically related to grandparenting, and attended a technical briefing about the tax program in New Westminster in fall 2015 at the Ministry's request. See Appendix 2 for recent communications that BCHA has developed and circulated to its members related to MRDT.

DISCUSSION:

MRDT: Seven grandparented MRDT communities are exempt from renewing their participation in the program every five years. s.16

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The Ministry of Finance (FIN) has responsibility for approving MRDT applications and making recommendations to Cabinet. JTSTL works closely with FIN on MRDT administration^{s.13,s.17}

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FIN has advised that a request to remove grandparented status would need to be submitted to the Minister of Finance by the designated recipient. A change in status would also require an amendment, approved by Cabinet, to the *Designated Accommodation Area Tax Regulation*, which is the responsibility of the Minister of Finance.

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Airbnb: Airbnb is an online home rental service where residential property owners rent out living space to travellers as accommodation alternatives to hotels. Despite significant economic and tourism benefits, there are concerns about unfair competition with the traditional hotel industry and the potential for non-compliance with legislative/regulatory requirements, including tax obligations.

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^{s.13,s.16} Currently, only accommodation providers offering four or more units of accommodation are required to levy and collect tax on accommodation. Providers with fewer than four units are exempt from tax and tax collection requirements. ^{s.13,s.17}

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FIN and JTSTL is monitoring issues and solutions undertaken in other jurisdictions (e.g. Quebec, New York, Ontario) to regulate the online accommodation sector.

Labour Shortages: go2HR, the independent non-profit society that supports labour market development for the tourism and hospitality sectors, estimates there will be more than 100,000 new job openings in B.C.'s tourism and hospitality industry by 2020, and projects that there will be a shortage of more than 14,000 workers by then.

The projected shortages are driven by demographics (e.g. retirements), industry growth, competition from jurisdictions with lower living costs, and perceptions that tourism jobs are for the young and may not provide viable career options.

Critical occupations related to hotels in which shortages are expected include: food and beverage servers, cooks and chefs, bartenders, front desk clerks, and restaurant/accommodations managers.

JTSTL and go2HR are currently partnering on two studies: labour market demand for cooks and chefs in B.C. (\$140,160 cost, June 2016 completion); and the economic impacts of labour shortages on the tourism industry (\$56,560 cost, March 2016 completion). BCHA encouraged its members to participate in a survey as part of the latter study.

The Canada BC Job Grant (CJG) is open to specific BC Jobs Plan priority sectors including tourism. This program is employer driven and provides skills training to existing or future employees. go2HR is a Delivery Partner of the CJG and assists employers with identifying their training needs. Five of 11 members of the go2HR board of directors represent accommodations and help direct workforce initiatives for the tourism industry.

SDSI is working with the accommodation and restaurant associations on a pilot project to place unemployed workers (either EI or IA clients) in vacant jobs in the sector. The project is underway and SDSI is ready to receive lists of potential job vacancies and a list of training needs, at which point they will place use the WorkBC Centers to provide training and connect individuals to available jobs. (see attached)

SUGGESTED RESPONSE/KEY MESSAGING:

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ATTACHMENTS:

Appendix 1: BCHA Board Members

Appendix 2: BCHA's Hoteliers MRDT Checklist

Appendix 3: Concept Paper: Employing Income Assistance Clients in the Lower Mainland in Hospitality Jobs

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Prepared By: Amy Schneider, Director, Tourism Policy Branch

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Reviewed by			
A/ED: VS	ADM: DSM/OYM	DM: AM	MIN:

APPENDIX 1: BCHA BOARD MEMBERS

Executive Committee

President	David MacKenzie	Pemberton Valley Lodge
Past President	Ingrid Jarrett	Watermark Beach Resort
Treasurer	John Kearns	Sheraton Vancouver Guildford Hotel
Vice President	Brady Beruschi	Regent Hotel
Vice President	Ian Powell	Inn at Laurel Point
Vice President	Earl Wilde	Victoria Regent Waterfront Hotel & Suites
Vice President	Joann Pfeifer	Vancouver Marriott Pinnacle Downtown
Vice President	Heather Bodnarchuk	Prestige Hotel & Resorts
Vice President	Bryan Pilbeam	Hotel 540
CEO	James Chase	British Columbia Hotel Association

Vancouver, Coast and Mountains

Craig Norris-Jones	Pan Pacific Hotel	Vancouver
Ross Dyck	Sylvia Hotel	Vancouver
Taj Kassam	Sandman Hotel Group	Vancouver
Joann Pfeifer	Vancouver Marriott Pinnacle Downtown	Vancouver
John Kearns	Sheraton Vancouver Guildford Hotel	Surrey
Leonard Wiens	Royal Hotel	Chilliwack
Lloyd Daser	Pan Pacific	Whistler
David MacKenzie	Pemberton Valley Lodge	Pemberton

Vancouver Island

Earl Wilde	Victoria Regent Waterfront Hotel & Suites	Victoria
Stephen Roughley	Marriott Victoria Inner Harbour	Victoria
Jonathan Cross	Hospitality Inn Hotel	Port Alberni
Ian Powell	Inn at Laurel Point	Victoria

Thompson Okanagan

Heather Bodnarchuk	Prestige Hotel & Resorts	Salmon Arm
Bryan Pilbeam	Hotel 540	Kamloops
Shatha Al-Reihani	The Plaza Hotel	Kamloops
John Douglas	Nancy Greene's Cahilty Lodge	Sun Peaks

Kootenay Rockies

Amanda Robinson	Copper Point Resort	Invermere
Danny Rickay	The Adventure Hotel	Nelson
Brady Beruschi	Regent Hotel	Revelstoke

Cariboo Chilcotin Coast

Pat Corbett	The Hills Health and Guest Ranch	100 Mile House
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Northern BC

Al McCreary	Hudson Bay Lodge	Smithers
David McQuinn	Coast Inn of the North	Prince George
Colin Bateman	Aspen Inn & Suites	Smithers
Steve Smith	Crest Hotel	Prince Rupert

Past President

Ingrid Jarrett	Watermark Beach Resort	Osoyoos
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The Hoteliers MRDT Checklist

In response to requests from Members, the B.C. Hotel Association has created this Checklist for you. Hoteliers play an important role by collecting Municipal Regional District Tax (MRDT) and by securing the destination marketing funding needed to create a flourishing visitor economy in British Columbia.

It's important hoteliers understand their role and responsibility when voting on their communities 5-year strategic plan.

Do not sign the "Sector Support" Form until you review the Hotelier's MRDT Checklist and read the 5-year strategic plan for your community.

If you have any questions, or comments please contact James Chase, CEO of the BCHA by e-mailing jcoo@bchotelassociation.com.

	<h3 style="text-align: center;"><u>ELIGIBLE ENTITY STATUS</u></h3> <p style="text-align: center;"><i>Make sure Eligible Entity Status is included in the MRDT application</i></p>	
<input checked="" type="checkbox"/>	<p>When a community has Eligible Entity Status all of the 2% or 3% MRDT funds flow directly to the local DMO instead of through City Hall. This minimizes any possible disruptions to the flow of funds.</p>	<p>By implementing Eligible Entity Status you are ensuring the funds will be used locally to enhance the visitor economy. If your local government doesn't support Eligible Entity Status- <i>consider your options</i></p>
	<h3 style="text-align: center;"><u>MATCH THE FUNDS</u></h3> <p style="text-align: center;"><i>Request local government match the MRDT funds collected by hotels</i></p>	
<input checked="" type="checkbox"/>	<p>The matching of funds builds a stronger bond and commitment in the community around the impact of the visitor economy.</p>	<p>In many communities where \$300,000 or less is collected it is critical that all stakeholders work collaboratively together to ensure the full potential of the MRDT program is utilized. If your local government refuses to match the funds- <i>consider your options</i></p>
	<h3 style="text-align: center;"><u>GET ACTIVE, BE ENGAGED</u></h3> <p style="text-align: center;"><i>Make sure local hoteliers are engaged in building the plan</i></p>	
<input checked="" type="checkbox"/>	<p>When it comes to MRDT it's Hoteliers who play the most important role when they collect and remit MRDT. Hoteliers in your community need to be actively involved in the development of the 5-year Business Plan as well as the 1-year Tactical Plan.</p>	<p>It is critical that the City or DMO has an inclusive process that engages the hotel industry on the allocation decisions. If this does not exist or the city will not support involvement of industry on the allocation decisions of the full 2% or 3%, <i>consider your options</i>.</p>
	<h3 style="text-align: center;"><u>ASK THE RIGHT QUESTIONS</u></h3> <p style="text-align: center;"><i>Make sure local hoteliers have all the information</i></p>	
<input checked="" type="checkbox"/>	<p>What is the mechanism in place that provides certainty that the 5-year Business Plan and 1-year Tactical plan will be implemented as presented? If it's in the hands of a DMO, ask how many hoteliers are on the board? Is the number of seats adequate? What is the election process?</p>	<p>If your local DMO wouldn't be the one receiving the entire 2% or 3% MRDT then it's important you know who is the group that determines the allocation of the funds? Is the Hotel community represented on that body? Is the representation process transparent and adequate? If you can't secure clear answers to these questions, <i>consider your options</i>.</p>

Appendix 1.4 Accommodation Sector in Support of Municipal and Regional District Tax Form

Legal Name of Applicant: _____

Rate of Tax (2016-2017): _____

The Municipal and Regional District Tax is being proposed or is up for renewal in your municipality/region. The Municipal and Regional District Tax is intended to assist municipalities, regional districts and eligible entities in funding local tourism marketing programs and projects, **as outlined in the applicant's Five-year Strategic Business Plan**. Accommodation providers may request a copy of the Five-year Strategic Business Plan from the applicant.

The Municipal and Regional District Tax will apply to purchases of accommodation that are taxable under the *Provincial Sales Tax Act* within the designated accommodation area.

As an owner/manager offering accommodation, your input is critical. **The minimum support required from the accommodation sector for the tax to be imposed is at least 51% of the number of establishments that would collect the tax within the municipality/region representing at least 51% of the total number of rooms.**

BY SIGNING THIS FORM, YOU HAVE INDICATED THAT YOU SUPPORT IMPLEMENTATION OF THE MUNICIPAL AND REGIONAL DISTRICT TAX IN YOUR MUNICIPALITY/REGION AND THAT YOU ARE AUTHORIZED TO ACT ON BEHALF OF YOUR ORGANIZATION. [ATTACH ADDITIONAL SHEETS AS REQUIRED]

Property Name	Address	Number of Units	Owner/Manager (Print Name)	Signature	Date

Concept Paper

Employing Income Assistance clients in the Lower Mainland in hospitality jobs

Description:

The Ministry of Social Development and Social Innovation (SDSI), Ministry of Jobs Tourism and Skills Training (JTST) and organizations representing the hospitality industry in BC are partnering to build a stronger relationship between the WorkBC contractors and Lower Mainland hospitality industry representatives to identify specific opportunities for BCEA clients looking for work. The aim is to support BCEA clients prepare for, find and sustain employment within the Lower Mainland hospitality industry.

Linking WorkBC Employment Service Centres (ESC) with hospitality industry employers experiencing a shortage of labour supply will lead to improved employment outcomes for expected-to-work BC Employment Assistance (BCEA) clients, while addressing labour needs of employers.

Benefits:

The BC hospitality industry is experiencing a shortage of workers to fill jobs. Discussions with the BC Hotel Association and the BC Coalition of Businesses have identified challenges with the ability of the industry to fill existing vacancies.

The income assistance caseload in the Lower Mainland alone has 13,245 single, expected-to-work (ETW) clients who can take advantage of some of the employment opportunities available. Of these, approximately 46.5% of the starting cases are actively looking for work (Appendix A and B provide a detailed infographic profile of the ETW clients on income assistance).

There are 84 WorkBC ESCs across BC, and 35 in the Lower Mainland alone, that provide a range of employment supports and services to unemployed British Columbians, including clients in receipt of income assistance.

WorkBC ESCs are required to develop networks with community employers and report their marketing and engagement activities to the ministry on quarterly basis. While employer linkages are taking place at the community level, there is an opportunity to facilitate stronger connections at the industry and regional level.

Implementation Plan:

A targeted project with the Lower Mainland hospitality industry would be structured around the following key components:

1). Information gathering and analysis

- Identify the specific employment opportunities within the hospitality industry that are currently available;
- Identify where in the Lower Mainland the hospitality industry is experiencing labour shortages and in what occupations;
- Identify specific job requirements, including skill levels and training requirements;
- Analyze the BCEA caseload profile in the communities where there is industry demand.

2). Matching clients with employment opportunities

- Facilitate a link between Lower Mainland WorkBC ESCs and hospitality industry employers to identify current BCEA case managed clients for possible job referrals;
- Determine what additional employment supports are required to assist a client transition from income assistance to work;
- Provide clients with post-employment supports to support job retention.

3). Review of results

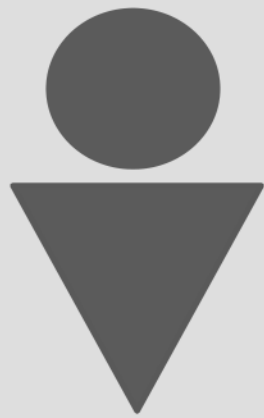
- Tracking of outcomes and use of results of the hospitality industry project to expand into other regions or provincially as well as inform approaches to other industries and employer sectors in BC.

SDSI will work with the Labour Market Priorities Board ministries as well as a hospitality industry designate organization (likely Go2HR) in the development of the project using existing and in-kind resources. Implementation of the project will require expanded access for Lower Mainland BCEA clients to the range of WorkBC supports and services.

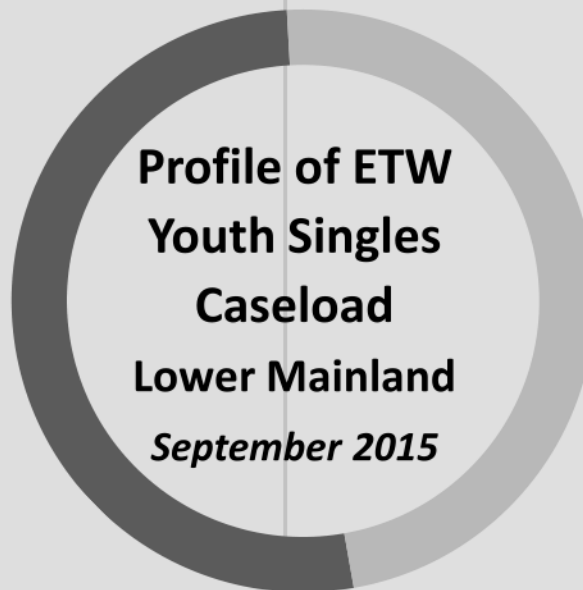
Attachments

Appendix A: Profile of ETW Youth Singles Caseload Lower Mainland (September 2015)

Appendix B: Profile of ETW Singles Caseload Lower Mainland (September 2015)

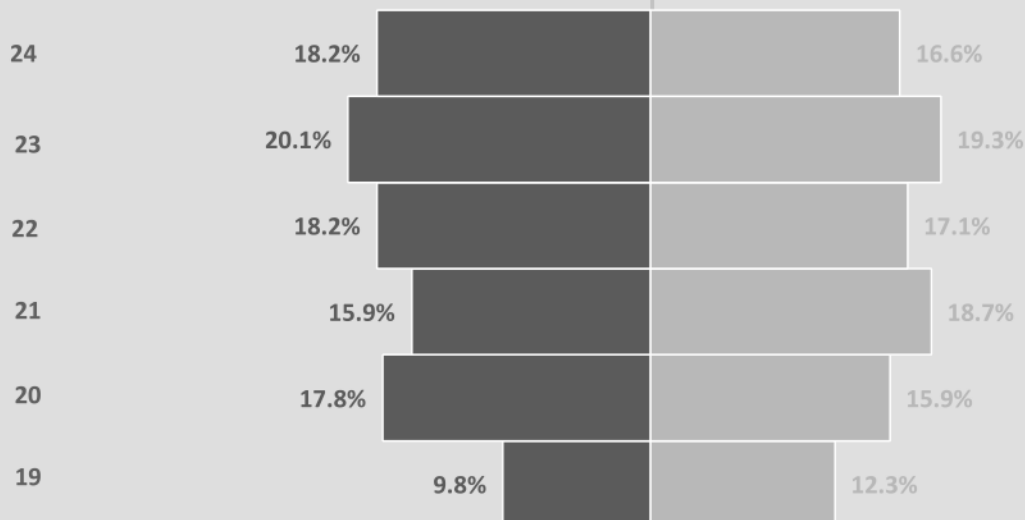


825
(51.9%)

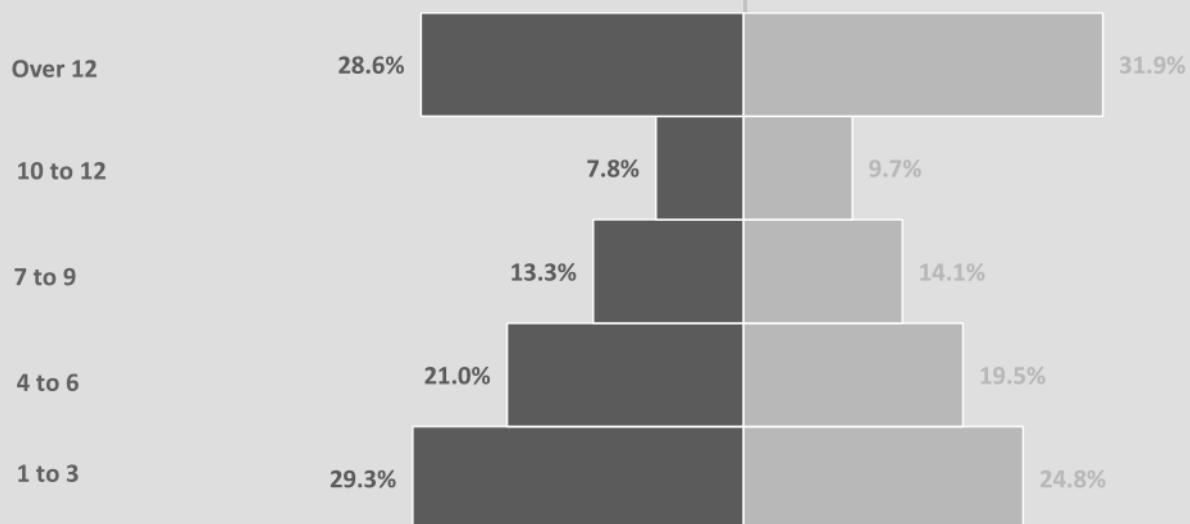


765
(48.1%)

Age Distribution



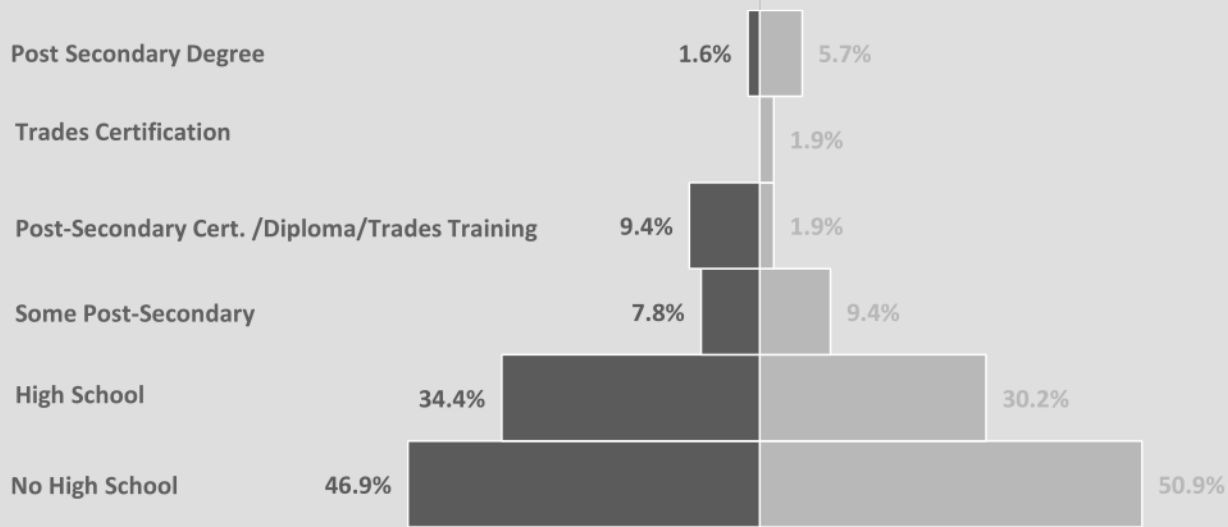
Length of Current Income Assistance Spell (Months)



**ON ASSISTANCE AT LEAST 24
OUT OF 30 MONTHS
15.9%**

**ON ASSISTANCE AT LEAST 24
OUT OF 30 MONTHS
20.4%**

EDUCATION OF STARTING CASES



**STARTING CASES LOOKING
FOR WORK**
39.1%

DECLARE EARNED INCOME
2.9%

**EMPLOYMENT INSURANCE
(EI) REACHBACK**
12.5%

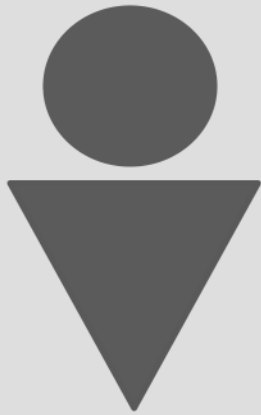
**STARTING CASES LOOKING
FOR WORK**
39.6%

DECLARE EARNED INCOME
4.4%

**EMPLOYMENT INSURANCE
(EI) REACHBACK**
9.4%

COMMUNITY	CASES	%
SURREY	381	24.0%
VANCOUVER	363	22.8%
ABBOTSFORD	102	6.4%
BURNABY	98	6.2%
MAPLE RIDGE	82	5.2%
CHILLIWACK	80	5.0%
COQUITLAM	67	4.2%
LANGLEY	55	3.5%
MISSION	53	3.3%
NEW WESTMINSTER	52	3.3%
PORT COQUITLAM	35	2.2%
RICHMOND	32	2.0%
NORTH VANCOUVER	29	1.8%
DELTA	25	1.6%
OTHER	136	8.6%

**Profile of ETW
Singles Caseload
Lower Mainland
September 2015**

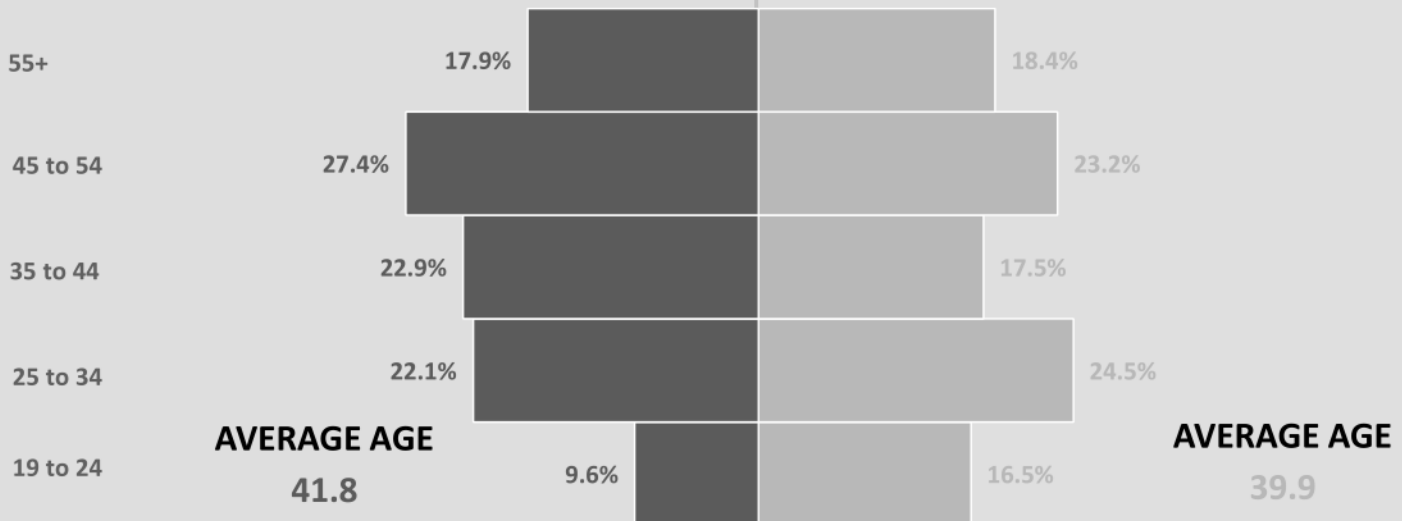


8,599
(64.9%)

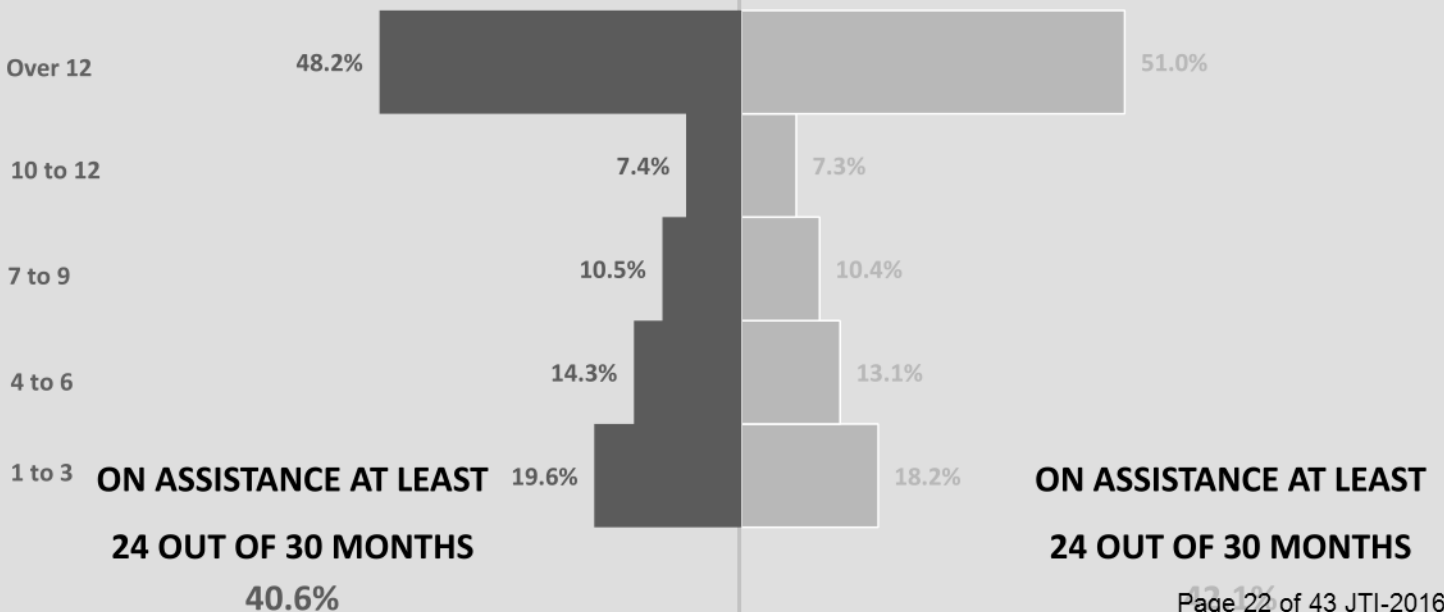


4,646
(35.1%)

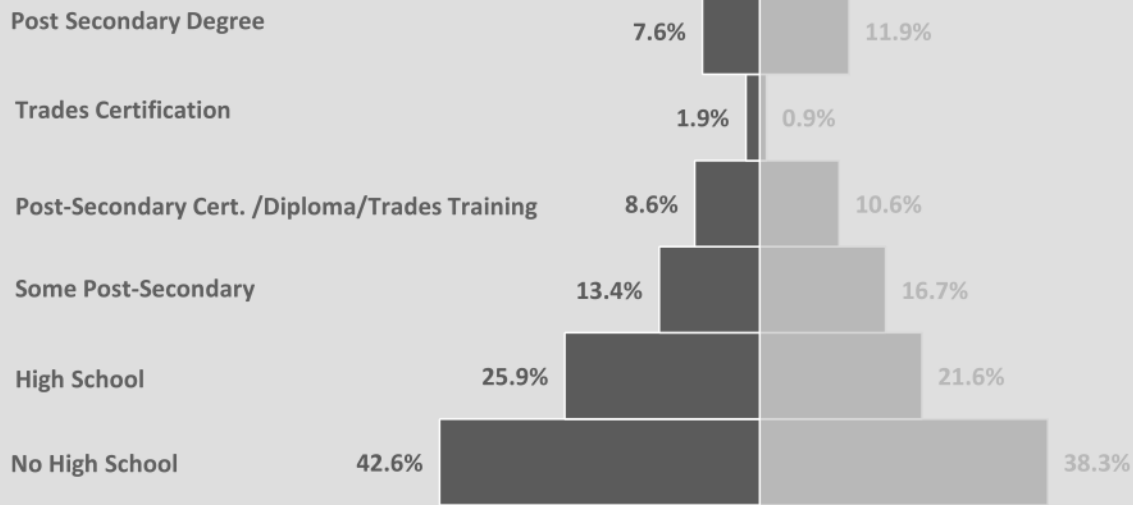
Age Distribution



Length of Current Income Assistance Spell (Months)



EDUCATION OF STARTING CASES



EMPLOYMENT (STARTING CASES)

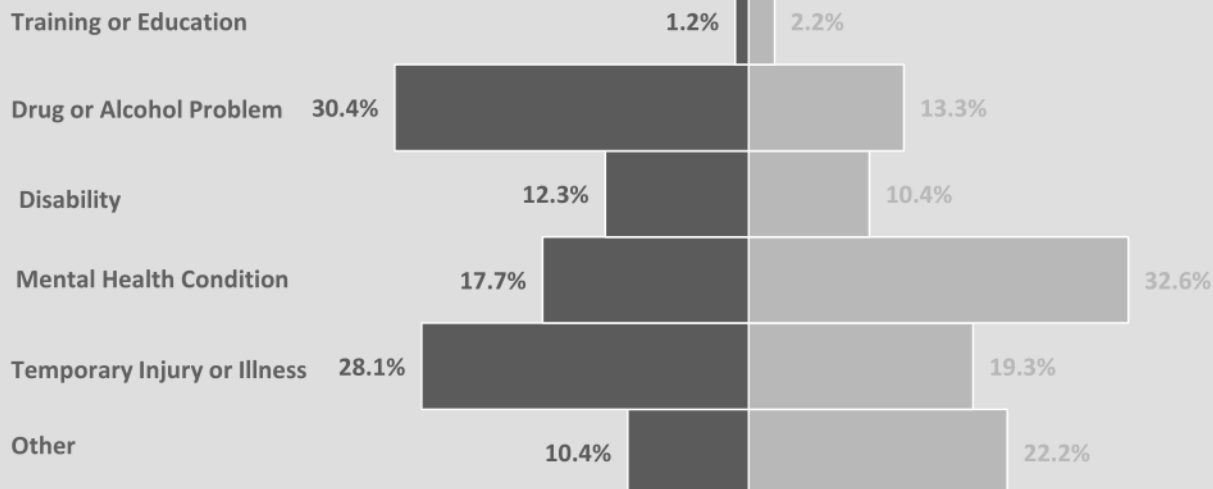
LOOKING FOR WORK

46.5%

LOOKING FOR WORK

40.4%

Reason Not Looking for Work among those Not Looking for Work



DECLARE EARNED INCOME

3.2%

DECLARE EARNED INCOME

5.1%

EMPLOYMENT INSURANCE (EI) REACHBACK

23.9%

EMPLOYMENT INSURANCE (EI) REACHBACK

26.0%

MINISTRY OF JOBS, TOURISM AND SKILLS TRAINING
AND MINISTER RESPONSIBLE FOR LABOUR
INFORMATION NOTE

Cliff #: 112425

Date: March 16, 2015

PREPARED FOR: Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training and Minister Responsible for Labour.

ISSUE: For Minister's Council on Tourism Discussion (March 31, 10 am to noon)
Airbnb: overview of issues and current status.

BACKGROUND:

Airbnb was founded in 2008. It is an online home rental service offering travellers lower-cost accommodation alternatives to hotels. It has quickly grown into an international service of 70 million guests worldwide, with over two million properties for rent in 191 countries; 33,000 listings are in Canada and there were 935,000 Canadian guests in the past year. Despite significant economic and tourism benefits, there are concerns from hotel associations and some governments about unfair competition with the traditional hotel industry and non-compliance with legislative/regulatory requirements, including tax obligations.

A number of BC communities, as well as the BC Hotel Association, have raised concerns around a seemingly uneven playing field, primarily focused on (the lack of) tax collection obligations for private online accommodations offered through websites like Airbnb and Vacation Rental by Owner.

Recent media reports have identified additional issues related to the rise in vacation rentals, including:

- Tourism dependent communities, such as Tofino and Whistler, cite housing shortages for their seasonal workforce and/or year-round residents on more modest incomes. On March 15, 2016, Tofino Council passed a motion to enforce regulations related to unlicensed short-term rentals.
- A recent scam was exposed in Vancouver where an individual posed as the landlord of a rented Airbnb unit, showed it to potential long-term tenants and fraudulently collected rental deposits from interested renters.
- To address concerns related to guests using Airbnb rentals for loud and boisterous parties, a new tool will be introduced to allow neighbors of unruly renters to complain directly to the home-sharing company.

DISCUSSION:

Economic and Tourism Benefits: According to Airbnb, their service contributes to local and tourism economies, as their guests stay an average of 2.3 days longer and

spend \$200 more, compared to those who stay in traditional accommodations. Over half of this money is spent in neighbourhoods that traditionally do not enjoy the benefits of the tourism industry, as 76% of listed homes are outside traditional hotel zones.

For homeowners sharing their homes to travellers, the economic benefits can be significant. Many Airbnb homeowners have moderate to low incomes and 42% say hosting enables them to stay in their home, as the income they generate is spent on living expenses. Since many cities that are attractive to tourists also have high housing prices, home sharing has become an attractive way of supplementing incomes.

Potential Issues: Airbnb hosts operate in a complex environment of local bylaws, tenancy agreements, safety regulations, hospitality standards, strata regulations, federal, provincial and municipal tax obligations, and other local requirements that they may not be fully aware of and/or understand. Airbnb has implemented risk management measures by requiring hosts to agree to their Terms of Service, where they must indicate their property complies with all local regulations. However, Airbnb does not track or enforce this compliance. Some jurisdictions have implemented solutions to address these issues (see Appendix One).

Rental Housing Market: Although there is a lack of data to confirm what impact short-term rentals such as Airbnb and VRBO are having on the supply of long-term rental housing, recent media stories are pointing to a link in the dropping rental vacancy rate and the rising number of accommodations available for short-term renters. According to Canada Mortgage and Housing Corporation's Spring 2015 Rental Market Survey, the British Columbia apartment vacancy rate declined to 1.8 per cent in April 2015 from 2.4 per cent in April 2014, the lowest vacancy rate among the ten provinces. There may be a financial incentive for landlords and property owners to rent their property to short-term travellers rather than long-term tenants.

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Hosts offering four or more units of accommodation that are not in compliance with PST registration and collection obligations are subject to penalties and compliance action.
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Recent developments in other jurisdictions are listed in Appendix 1.

KEY MESSAGES:

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ATTACHMENTS:

Appendix 1: Policies Regarding Airbnb in Vancouver and Other Jurisdictions

Contact: Okenge Yuma Morisho, ADM, Economic Development Division, JTST
Telephone: 250-952-0367

Prepared By: Amy Schneider, Director, Tourism Policy Branch
Telephone: 250-356-1389

Reviewed by			
A/ED: VS	ADM: OYM	DM:	MIN:

APPENDIX 1

Policies Regarding Airbnb in BC and Other Jurisdictions

Ontario: On February 19, 2016, Ontario launched a pilot project with Airbnb. The company has agreed to email people who list their homes or other spaces for rent, reminding them to report the income and to educate them about consumer protection rights such as cancellations and refunds.

London, England has changed their policies from threatening homeowners during the 2012 Olympics with fines of up to £20,000 and criminal records if they attempted to rent out their properties, to now (March 2015) allowing homeowners to rent out their homes on Airbnb and other short-stay websites without penalties. "It's time to change the outdated, impractical and restrictive laws from the 1970s, open up London's homes to visitors and allow Londoners to make some extra cash," the Parliamentary Communities Secretary said. Protections will still be retained to prevent housing stock intended for Londoners being used solely for short-term rentals.

Amsterdam, Holland recently gave final approval to a new policy that embraces home sharing, which is the first of its kind in Europe. The agreement includes a website for hosts that include information and links to rules that may affect people renting their homes in Amsterdam. Airbnb collects and remits tourist tax on behalf of hosts and is working with the city to tackle illegal hotels.

Quebec adopted Bill 67 on December 1, 2015, to legislate home-sharing sites. Key measures include:

- obliging regular Quebec hosts to obtain a classification certificate from the Ministry of Tourism;
- charging regular hosts a lodging tax of 3.5 per cent, and
- increasing the number of inspectors in Quebec from two to 18 to enforce the new legislation.

Bill 67 does not define a "casual user" versus a "regular" one.

Whistler: Tourism Whistler is supportive of companies like Airbnb, but wants to ensure there is a level playing field with hotels operating in the Whistler. Tourism Whistler is currently developing an inventory of units being offered on Airbnb and other online shared accommodation services. Once the inventory is completed, they will work with the Resort Municipality of Whistler to ensure the units are legal. They then hope to work with the Province to ensure taxes and fees are being paid; there is no displacement of employee housing, there is no disruption to residential neighbourhoods, and the units meet building codes and safety regulations.

Vancouver by-laws specifically disallow renting a "dwelling unit" for a period of less than one month unless the unit forms part of a hotel or is used for bed and breakfast accommodation.

The City of Vancouver Planning Department has not yet designed any specific policies for the shared vacation rental business, except to reiterate that short term rentals are not allowed in multiple dwelling units, as they would be classified as hotels. City staff are currently using a number of inspection and bylaw tools to monitor that local bylaws are being upheld.

Tofino passed a motion on March 15, 2016 to crack down on illegal bed and breakfast accommodations and short-term nightly rentals through websites like Airbnb. The issue has come to the fore over concerns Tofino does not have enough affordable housing for either its seasonal workforce or its year-round residents on more modest incomes.

New York, USA currently has over 30,480 units listed on Airbnb. In 2014, the city changed its municipal policy to allow Airbnb hosts to rent out rooms as long as a permanent occupant of the home is in residence. It is legal to rent out a spare room if the tenant or owner is present at the time, but it is still illegal to rent out an apartment or to operate whole buildings where no one is living on a permanent basis. Airbnb has been trying to win over regulators and lawmakers in New York by pledging to crack down on illegal hotel operations and remit to the city over \$65 million/year in hotel taxes from their units.

An October 2015 report for the Hotel Association of New York City (NYC) outlines the estimated impact of Airbnb on the local lodging industry and economy of NYC from September 2014 to August 2015. The report indicates a direct loss of \$0.5 billion to the NYC hotel industry. When other losses are considered, such as construction sector losses, indirect and induced economic impacts and effects on taxes, the total loss reaches \$2.1 billion for the NYC economy.

San Francisco, USA was paid up to \$25 million by Airbnb in February 2015 towards the city's 14% hotel tax on short-term rentals going back several years, along with penalties for not having collected the hotel tax. Critics of Airbnb, however, say the short-term rentals of rooms, apartments and even whole houses, is changing residential neighborhoods for the worse and subverting the city's rent-control laws.

MINISTRY OF JOBS, TOURISM AND SKILLS TRAINING
AND MINISTER RESPONSIBLE FOR LABOUR
INFORMATION NOTE

Cliff #:

Date: March 18, 2016

PREPARED FOR: Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training and Responsible for Labour

ISSUE: Agenda for Minister's Council on Tourism March 31 meeting

BACKGROUND: The next meeting of the Minister's Council on Tourism is scheduled from 10 a.m. to noon on March 31 at the Premier's Vancouver Offices.

As of March 18, confirmed attendees are Dave Brownlie, Nancy Arsenault, Anne Murray, Darcy Alexander and Stuart McLaughlin. ^{s.22} Attendees who have yet to confirm are Bruno Wall, Steve Paccagnan, Brenda Baptiste, John O'Neil, Steve Smith and Mark Werner.

DISCUSSION: Five key discussion topics are on the March 31 agenda (attached).

Business Review Roundtable – Industry members will review the 2015 tourism industry performance and specific success stories. Twenty minutes is allocated for discussion.

Report-out on Ottawa Mission – Minister Bond is scheduled to report on actions and outcomes of this mission related to labour issues of interest to the tourism industry. Fifteen minutes is scheduled for the report and discussion by the council. Appendix A provides background on the meeting and Appendix B is a letter to Minister Mihychuk outlining B.C.'s interests.

Labour Shortages Report Update – Arlene Keis, CEO of go2HR, will provide preliminary information from a study quantifying the economic impacts of labour shortages on the tourism industry. A portion of funding for the study is from the Canada – B.C. Labour Market Development Agreement. Twenty minutes is scheduled for the presentation and discussion. As the report is still under development, the presentation will not be available before the meeting.

AirBnB and Uber Impacts on Tourism – MCOT members asked to have a discussion about these topics. These topics have also been raised by the Tourism Industry Association of B.C. Twenty minutes is allotted for this discussion. Government positions on these topics are included in Appendix C, a briefing note on AirBnB, and Appendix D, a briefing note on Uber. Tourism Policy Branch staff have engaged with MCSCD and MoTI in developing the briefing notes.

Destination Development – Destination BC CEO Marsha Walden will present information about the destination development planning process. Twenty minutes is allocated for the presentation and discussion. Appendix E is the draft presentation.

NEXT STEPS: Staff are seeking Minister Bond's input on the content and flow of the March 31, 2016 MCOT agenda. Changes will be incorporated and the final agenda and presentations will be sent to the Council members by end of day March 29 or earlier.

ATTACHMENTS: MCOT March 31 Agenda
 Appendix A – Summary of Ottawa Mission
 Appendix B – Letter to Minister Mihychuk on Labour Collaboration
 Appendix C – AirBnB Briefing Note
 Appendix D – Uber Briefing Note by MoTI
 Appendix E – Draft Destination Development Presentation

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 Telephone: 250 952-0385

Prepared by: Andrew Little, Director, Intergovernmental Relations, Tourism Policy
 Telephone: 250 952-6022

Reviewed by				
Dir:	ED:	ADM:	DM:	MIN:

Honourable Shirley Bond, Minister

Minister's Council on Tourism

Annotated Agenda

Agenda updated: March 18, 2016

DATE: Thursday, March 31, 2016
TIME: 10 a.m. to noon
LOCATION: Vancouver – Premier's Vancouver Offices (PVO)
 Conference call option for this meeting (TBD)

MCOT CHAIR: Dave Brownlie

MCOT ATTENDANCE:

In Person: Dave Brownlie, Nancy Arsenault, Anne Murray, Darcy Alexander, Stuart McLaughlin
TBC: Bruno Wall, Steve Paccagnan, Brenda Baptiste, John O'Neil, Steve Smith, Mark Werner
Regrets: s.22
Conference call: TBD

Draft Agenda:

Topic	Time	Purpose	Lead
1. Welcome and Agenda Review	10 min	Minister Welcome and Introductions Chair to confirm Agenda	Minister Bond Dave Brownlie
2. Business Review Roundtable	20 min	Industry members to discuss outstanding tourism performance in 2015, provide examples of tourism success stories. Discussion to explore opportunities to use this top year to further promote the benefits of tourism to industry, other sectors, governments, and the public. <i>Outcome: Minister informed, potential communications items and events identified.</i>	Dave Brownlie Industry Members
3. Report-out on mission to Ottawa	15 min	Minister to report on actions and outcomes of Ottawa mission related to Labour issues <i>Outcome: MCOT is aware of efforts by Minister and industry in Ottawa</i>	Minister Bond
4. Labour Shortages Impact on Tourism Industry – New Go2HR report for JTST	20 min	A short presentation and discussion of findings in new report on labour shortage	Arlene Keis, Go2HR, Industry members

issues commissioned by JTST.

Outcome: MCOT is aware of research efforts to resolve this challenge.

5. Impact of Air BnB and Uber on Tourism

20 min

Industry representatives requested a discussion on these emerging issues.
Outcome: MCOT is informed of government efforts on this issue, and provides input to Minister.

Dave Brownlie,
Industry Members,
Minister Bond

Notes:

- **Airbnb –15M guests, over 550,000 rooms in 35,000 cities and 192 countries.**
- Uber – operates in 63 countries, 340+ cities, including more than 40 Canadian cities (though not yet regulated in a Canadian city).
- Services such as Airbnb and Uber also present challenges for governments, including:
 - Addressing complaints from traditional service providers re: uneven competition,
 - Ensuring public/consumers' health and safety,
 - Dealing with insurance implications (home and automobile), and
 - Ensuring appropriate taxation of commercial activities.
- **Airbnb in Other Jurisdictions:**
 - San Francisco - initiative to restrict and regulate short-term rentals was defeated in November 2015; would have capped rentals at 75 days per year, whether or not they are hosted.
 - New York - October 2015 report for the Hotel Association of New York City indicates a direct loss of \$0.5 billion to the NYC hotel industry from September 2014 to August 2015 due to Airbnb.
 - Quebec - legislation introduced in October 2015 to require Airbnb rentals to follow the same regulations that hotels and other forms of accommodation do, including collecting tax, in order to "level the playing field".
 - Montreal – implemented enhanced enforcement.
 - London, Kitchener-Waterloo - studying ridesharing regulation options.
 - Ottawa - completed a study of ridesharing, reviewing regulations
 - Toronto - studying ridesharing, report due back in spring.
 - Calgary – injunction against Uber drivers resulted in Uber suspending service. Draft ridesharing regulations due by mid-February 2016.
 - Edmonton – regulations scheduled for 2nd reading on January 26, 2016.

Key Messages

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Background on Uber

- **Uber – operates in 63 countries, 340+ cities, including more than 40 Canadian cities (though not yet regulated in a Canadian city).**
 - Uber in Other Canadian Jurisdictions:
 - Uber is operating outside of regulations in more than 40 Canadian municipalities.
 - Regulators are having to respond through enforcement against drivers and regulation development.
 - Quebec - Premier has stated that regulatory solutions are necessary.
 - Montreal – implemented enhanced enforcement.
 - London, Kitchener-Waterloo - studying ridesharing regulation options.
 - Ottawa - completed a study of ridesharing, reviewing regulations
 - Toronto - studying ridesharing, report due back in spring.
 - Calgary – injunction against Uber drivers resulted in Uber suspending service. Draft ridesharing regulations due by mid-February 2016.
 - Edmonton – regulations scheduled for 2nd reading on January 26, 2016.

6. Destination Development	20 min	<p>Destination BC CEO Marsha Walden to provide an overview of the Destination Development planning process set to begin roll-out April 2016.</p> <p><i>Outcome: MCOT members understand the process and are engaged to enlist participation of industry in communities involved with planning.</i></p>	<p>Minister Bond; Marsha Walden, CEO, Destination BC; Grant Mackay, VP Destination and Industry Development, Destination BC</p>
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Key Messages:

- Destination Development is an important new tool for growing tourism by aligning and improving investments in the infrastructure and amenities which support the industry.
- The planning areas for Destination Development are the corridors or clusters of communities that visitors recognize, in a consumer-focused approach that complements our administrative regions for tourism management and marketing.
- MCOT members are encouraged to take part in Destination Development, and to persuade all their industry contacts to become engaged.

7. Adjourn	5 min	Adjourn the meeting	Dave Brownlie Minister Bond
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Honourable Shirley Bond, Minister

Minister's Council on Tourism

Annotated Agenda

Agenda updated: March 28, 2016

DATE: Thursday, March 31, 2016
TIME: 10 a.m. to noon
LOCATION: Vancouver – Premier's Vancouver Offices (PVO)
MCOT CHAIR: Dave Brownlie

MCOT ATTENDANCE:

In Person: Dave Brownlie, Nancy Arsenault, Anne Murray, Darcy Alexander, Stuart McLaughlin, Bruno Wall
Conference call: Steve Smith
Regrets: s.22

Draft Agenda:

Topic	Time	Purpose	Lead
1. Welcome and Agenda Review	10 min	Minister Welcome and Introductions Chair to confirm Agenda	Minister Bond Dave Brownlie
2. Business Review Roundtable	20 min	Industry members to discuss outstanding tourism performance in 2015, provide examples of tourism success stories. Discussion to explore opportunities to use this top year to further promote the benefits of tourism to industry, other sectors, governments, and the public. <i>Outcome: Minister informed, potential communications items and events identified.</i>	Dave Brownlie Industry Members
3. Report-out on mission to Ottawa	15 min	Minister to report on actions and outcomes of Ottawa mission related to Labour issues <i>Outcome: MCOT is aware of efforts by Minister and industry in Ottawa</i>	Minister Bond

Speaking Notes:

From Feb. 2nd to 4th, I travelled to Ottawa with key representatives of B.C.'s business community to voice British Columbia's immigration, labour market and skills training priorities, needs, and proposals to the new federal government.

The delegation included over 70 key BC stakeholders and 10 First Nations leaders. A dozen people representing B.C. tourism participated including:

- Brenda Baptiste from Aboriginal Tourism BC;
- Joel Chevalier who works with Dave Brownlie at Whistler Blackcomb;
- Jim Humphrey from TIABC;
- Debby Yule from go2HR;
- James Chase from the BC Hotel Association; and
- Ian Tostenson from the BC Restaurant and Food Services Association.

We had meetings with many key ministers and influencers including Employment Minister Mary Ann Mihychuk, Tourism Minister Bardish Chagger, Immigration Minister John McCallum, Immigration Parliamentary Secretary Arif Virani and BC Members of Parliament Carla Qualtrough, Joyce Murray, Jonathan Wilkinson and Dan Ruimy.

Our key objectives were:

- 1) To get the new federal government to understand:
- The evidence basis for BC’s immigration needs based on labour market information and employer-validated demand;
 - The urgency for action given current and future economic growth expectations; and
 - The broad-based coalition of support among industry and employers for practical solutions to address immigration and labour market needs.
- 2) To get the federal government to agree to action on BC’s policy recommendations as a part of their new mandate and in alignment with their agenda.

Key B.C. priorities that we brought to the federal government’s attention included:

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- Participating as a leader with Canada in federal youth employment strategy planning and programs;
- Harmonizing apprenticeship policies between B.C. and Canada; and,
- Creating new skills training initiatives or pilot projects in B.C.

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At the conclusion of our meetings, Minister Mihychuk and I issued a joint statement agreeing to address barriers to labour market participation, especially those faced by youth and Indigenous people in B.C., and encourage more employers to participate and invest in skills training.

4. Labour Shortages Impact on Tourism Industry – New	20 min	A short presentation and discussion of findings in new	Arlene Keis, Go2HR, Industry members
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Go2HR report for JTST

report on labour shortage issues commissioned by JTST.
Outcome: MCOT is aware of research efforts to resolve this challenge.

5. Impact of Air BnB and Uber on Tourism

20 min

Industry representatives requested a discussion on these emerging issues.
Outcome: MCOT is informed of government efforts on this issue, and provides input to Minister.

Dave Brownlie,
 Industry Members,
 Minister Bond

Speaking notes:

AirBnB is growing quickly as people with rooms to rent take advantage of its connectivity with customers seeking a different experience from traditional accommodations. The service claims 550,000 rooms in 35,000 cities and 192 countries. In Canada there are 33,000 listings, which served 935,000 guests last year. According to AirBnB, their service contributes to local and tourism economies, as their guests stay an average of 2.3 days longer and spend \$200 more, compared to those who stay in traditional accommodations.

Uber has seen similar growth, with over 160,000 drivers worldwide connecting with people seeking rides in 340 cities in 63 countries, including 40 Canadian cities.

Despite the apparent economic and tourism benefits, services such as Airbnb and Uber also present challenges for governments, including:

- Uneven competition with traditional service providers
- Ensuring public/consumers' health and safety,
- Dealing with insurance implications (home and automobile), and
- Ensuring appropriate taxation of commercial activities.

(AirBnB)

Recent media stories point to a link in the dropping rental vacancy rate and the rising number of accommodations available for short-term renters. Tourism dependent communities, such as Tofino and Whistler, cite housing shortages for their seasonal workforce and/or year-round residents on more modest incomes. A number of BC communities, as well as the BC Hotel Association, have raised concerns around a seemingly uneven playing field, primarily focused on tax collection obligations for private online accommodations offered through websites like Airbnb and Vacation Rental by Owner

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Jurisdictions in North America are dealing with private accommodation rentals in a number of ways:

- Ontario launched a pilot project with Airbnb in February 2016. The company has agreed to email people who list their homes or other spaces for rent, reminding them to report the income and to educate them about consumer protection rights such as cancellations and refunds.
- In Quebec, legislation was introduced to require Airbnb rentals to follow the same regulations that hotels and other forms of accommodation do, including collecting tax. The province has increased the number of officers to enforce the new legislation from two to 18.
- In Vancouver, some strata council are using their building bylaws to try to limit rentals but the city has not yet designed any specific policies for the shared vacation rental business, except to reiterate that short term rentals are not allowed in multiple dwelling units, as they would be classified as hotels. City staff are currently using a number of inspection and bylaw tools to monitor that local bylaws are being upheld.
- In San Francisco, an initiative was defeated in November 2015 that would have restricted and regulated short-term rentals by capping them at 75 days per year.
- Tofino Council passed a motion on March 15 committing to enforce regulations related to unlicensed short-term rentals.

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6. Destination Development

20 min

Destination BC CEO Marsha Walden to provide an overview of the Destination Development planning process set to begin roll-out April 2016.
Outcome: MCOT members understand the process and are engaged to enlist participation of industry in communities involved with planning.

Minister Bond;
Marsha Walden,
CEO, Destination BC;
Grant Mackay, VP
Destination and
Industry
Development,
Destination BC

Speaking Notes:

Destination Development is an important tool for growing tourism by identifying, aligning and improving investments in the infrastructure and amenities that support the industry.

The planning areas for Destination Development are the corridors or clusters of communities that visitors recognize, in a consumer-focused approach that complement administrative regions for tourism management and marketing.

Destination BC CEO Marsha Walden and Vice-President Grant MacKay from are here to provide more details on how the province is supporting Destination Development.

I encourage you to take part in Destination Development in your region and to encourage others in the tourism industry to become engaged.

7. Adjourn

5 min

Adjourn the meeting

Dave Brownlie
Minister Bond

MINISTRY OF JOBS, TOURISM AND SKILLS TRAINING
AND MINISTER RESPONSIBLE FOR LABOUR
INFORMATION NOTE

Cliff #: 112425

Date: March 16, 2015

PREPARED FOR: Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training and Minister Responsible for Labour

ISSUE: Airbnb: overview of issues and current status

BACKGROUND:

Airbnb was founded in 2008. It is an online home rental service offering travellers lower-cost accommodation alternatives to hotels. It has quickly grown into an international service of 70 million guests worldwide, with over two million properties for rent in 191 countries; 33,000 listings are in Canada and there were 935,000 Canadian guests in the past year. Despite significant economic and tourism benefits, there are concerns from hotel associations and some governments about unfair competition with the traditional hotel industry and non-compliance with legislative/regulatory requirements, including tax obligations.

A number of BC communities, as well as the BC Hotel Association, have raised concerns around a seemingly uneven playing field, primarily focused on (the lack of) tax collection obligations for private online accommodations offered through websites like Airbnb and Vacation Rental by Owner.

Recent media reports have identified additional issues related to the rise in vacation rentals, including:

- Tourism dependent communities, such as Tofino and Whistler, cite housing shortages for their seasonal workforce and/or year-round residents on more modest incomes. On March 15, 2016, Tofino Council passed a motion to enforce regulations related to unlicensed short-term rentals.
- A recent scam was exposed in Vancouver where an individual posed as the landlord of a rented Airbnb site, showed it to potential long-term tenants and collected rental deposits from interested renters.
- To address concerns related to guests using Airbnb rentals for loud and boisterous parties, a new tool will be introduced to allow neighbors of unruly renters to complain directly to the home-sharing company.

DISCUSSION:

Economic and Tourism Benefits: According to Airbnb, their service contributes to local and tourism economies, as their guests stay an average of 2.3 days longer and spend \$200 more, compared to those who stay in traditional accommodations. Over half

of this money is spent in neighbourhoods that traditionally do not enjoy the benefits of the tourism industry, as 76% of listed homes are outside traditional hotel zones.

For homeowners sharing their homes to travellers, the economic benefits can be significant. Many Airbnb homeowners have moderate to low incomes and 42% say hosting enables them to stay in their home, as the income they generate is spent on living expenses. Since many cities that are attractive to tourists also have high housing prices, home sharing has become an attractive way of supplementing incomes.

Potential Issues: Airbnb hosts operate in a complex environment of local bylaws, tenancy agreements, safety regulations, hospitality standards, strata regulations, federal, provincial and municipal tax obligations, and other local requirements that they may not be fully aware of and/or understand. Airbnb has implemented risk management measures by requiring hosts to agree to their Terms of Service, where they must indicate their property complies with all local regulations. However, Airbnb does not track or enforce this compliance. Some jurisdictions have implemented solutions to address these issues (see Appendix One).

Rental Housing Market: Although there is a lack of data to confirm what impact short-term rentals such as Airbnb and VRBO are having on the supply of long-term rental housing, recent media stories are pointing to a link in the dropping rental vacancy rate and the rising number of accommodations available for short-term renter. According to Canada Mortgage and Housing Corporation's Spring 2015 Rental Market Survey, the British Columbia apartment vacancy rate declined to 1.8 per cent in April 2015 from 2.4 per cent in April 2014, the lowest vacancy rate among the ten provinces. There may be a financial incentive for landlords and property owners to rent their property to short-term travellers rather than long-term tenants.

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Hosts offering four or more units of accommodation that are not in compliance with PST registration and collection obligations are subject to penalties and compliance action.

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KEY MESSAGES:

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ATTACHMENTS:

Appendix 1: Policies Regarding Airbnb in Vancouver and Other Jurisdictions

Contact: Okenge Yuma Morisho, ADM, Economic Development Division, JTST
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Reviewed by			
A/ED: VS	ADM:	DM:	MIN:

APPENDIX 1

Policies Regarding Airbnb in BC and Other Jurisdictions

Vancouver by-laws specifically disallow renting a "dwelling unit" for a period of less than one month unless the unit forms part of a hotel or is used for bed and breakfast accommodation.

The City of Vancouver Planning Department has not yet designed any specific policies for the shared vacation rental business, except to reiterate that short term rentals are not allowed in multiple dwelling units, as they would be classified as hotels. City staff are currently using a number of inspection and bylaw tools to monitor that local bylaws are being upheld.

Tofino passed a motion on March 15, 2016 to crack down on illegal bed and breakfast accommodations and short-term nightly rentals through websites like Airbnb. The issue has come to the fore over concerns Tofino does not have enough affordable housing for either its seasonal workforce or its year-round residents on more modest incomes.

Whistler: Tourism Whistler is supportive of companies like Airbnb, but wants to ensure there is a level playing field with hotels operating in the Whistler. Tourism Whistler is currently developing an inventory of units being offered on Airbnb and other online shared accommodation services. Once the inventory is completed, they will work with the Resort Municipality of Whistler to ensure the units are legal. They then hope to work with the Province to ensure taxes and fees are being paid; there is no displacement of employee housing, there is no disruption to residential neighbourhoods, and the units meet building codes and safety regulations.

Quebec adopted Bill 67 on December 1, 2015, to legislate home-sharing sites. Key measures include:

- obliging regular Quebec hosts to obtain a classification certificate from the Ministry of Tourism;
- charging regular hosts a lodging tax of 3.5 per cent, and
- increasing the number of inspectors in Quebec from two to 18 to enforce the new legislation.

Bill 67 does not define a "casual user" versus a "regular" one.

Ontario: On February 19, 2016, Ontario launched a pilot project with Airbnb. The company has agreed to email people who list their homes or other spaces for rent, reminding them to report the income and to educate them about consumer protection rights such as cancellations and refunds.

London, England has changed their policies from threatening homeowners during the 2012 Olympics with fines of up to £20,000 and criminal records if they attempted to rent out their properties, to now (March 2015) allowing homeowners to rent out their homes

on Airbnb and other short-stay websites without penalties. "It's time to change the outdated, impractical and restrictive laws from the 1970s, open up London's homes to visitors and allow Londoners to make some extra cash," the Parliamentary Communities Secretary said. Protections will still be retained to prevent housing stock intended for Londoners being used solely for short-term rentals.

New York, USA currently has over 30,480 units listed on Airbnb. In 2014, the city changed its municipal policy to allow Airbnb hosts to rent out rooms as long as a permanent occupant of the home is in residence. It is legal to rent out a spare room if the tenant or owner is present at the time, but it is still illegal to rent out an apartment or to operate whole buildings where no one is living on a permanent basis. Airbnb has been trying to win over regulators and lawmakers in New York by pledging to crack down on illegal hotel operations and remit to the city over \$65 million/year in hotel taxes from their units.

An October 2015 report for the Hotel Association of New York City (NYC) outlines the estimated impact of Airbnb on the local lodging industry and economy of NYC from September 2014 to August 2015. The report indicates a direct loss of \$0.5 billion to the NYC hotel industry. When other losses are considered, such as construction sector losses, indirect and induced economic impacts and effects on taxes, the total loss reaches \$2.1 billion for the NYC economy.

San Francisco, USA was paid up to \$25 million by Airbnb in February 2015 towards the city's 14% hotel tax on short-term rentals going back several years, along with penalties for not having collected the hotel tax. Critics of Airbnb, however, say the short-term rentals of rooms, apartments and even whole houses, is changing residential neighborhoods for the worse and subverting the city's rent-control laws.

Amsterdam, Holland recently gave final approval to a new policy that embraces home sharing, which is the first of its kind in Europe. The agreement includes a website for hosts that include information and links to rules that may affect people renting their homes in Amsterdam. Airbnb collects and remits tourist tax on behalf of hosts and is working with the city to tackle illegal hotels.