

I'm writing to you in regards to the new Tourist Accommodations Legislation and would like to share my views at the committee meeting on March 11th, 2019.

My husband and I own Monk & Nun Interiors, a small family run business located in the Annapolis Valley. Our services offer Home Upgrades, Home Staging, Design Consultations, and Vacation Rental Management. We understand the full scope of what's needed to bring Nova Scotia tourist accommodations up to par, making them most attractive to tourists from around the globe.

In our experience, it is evident that the majority of short-term rental owners in rural Nova Scotia could use support on where to begin and how to best modernize their small-scale tourist accommodation. Many cottages in rural Nova Scotia have been in the family for years, where old furniture goes to live it's last chapter, wall decor is a collection of anything and everything, and mismatched cutlery is alive and well. Although sentimental to the family, these are not the types of vacation rentals that tourists are looking for. I believe that if the province would like to reach their goal of increasing the tourism sector to \$4 billion in annual revenues by 2024 and drawing on small-scale tourist accommodation as a portion of that growth, then the province should also provide professional resources to current vacation rental owners on how to best accomplish the modernization of their home.

I also note that there is an opportunity for the province to provide insight on creative funding and municipal by-law amendments for those who are interested in purchasing multiple small-scale tourist accommodations or building tourist accommodations on their property in order to contribute to the overall goal. Local residents lack the funding to make the improvements, don't know where to begin with the modernization and/or see the opportunity but are held back by a. lack of funds or by b. municipal by-laws to develop their land. Rural Nova Scotians and enterprise alike can be positively impacted by this growth, if the support system is put into place by the province and we work together in welcoming tourists.

We are thrilled by this announcement and hope we can be a significant part of helping Nova Scotia reached it's tourism goals.

If there is any way we could be of assistance or involved in tourism meetings around this legislation, please let us know.

Noelle McGough

Monk & Nun Interiors

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From: Steven Hebb <info@princesinletretreat.com>

Sent: March 11, 2019 1:52 PM

To: Office of the Legislative Counsel

Subject: Bill 101 - Tourist Registration Act



Dear Honourable Mark Furey and Honourable Members of the Legislature,

I am the owner and operator of Prince's Inlet Retreat Limited and I would like to ask one of many questions I have with regards to the proposed Bill 101 - Tourist Accommodations Registration Act.

Prince's Inlet Retreat Limited consists of five separate rental units for short term rental (tourist accommodation); four 2 bedroom cottages and one 2 bedroom upscale residence. We currently collect and remit GST/HST from our rental units which is required by law (federally & provincially) because our total annual sales exceed \$30,000 from all five rental units collectively.

I would like to suggest that it is probable that annual sales from a single short-term tourist accommodation will be below the annual \$30,000 threshold for the collection of GST/HST given our short tourism season here in Nova Scotia. If operators/owners of multiple properties can register each of those properties individually instead of a collective group of rentals operated by the same owner/operator, like Prince's Inlet Retreat Limited, then they will easily keep their sales below the \$30,000 threshold for the collection and remittance of GST/HST from each of those properties. If operators/owners of multiple properties are given the option to register their multiple property listings listed on OTAs such as Airbnb with individual registrations, Prince's Inlet Retreat Limited and small accommodation businesses like the Retreat should be afforded the same option. This must be considered and discussed at length during the drafting of such impactful legislation.

For the playing field to be level with regards to small business operations such as the Retreat, will owners and operators of multiple short term rental units be required to register for a business number with Joint Stocks to have all of those rental units under the same umbrella for the collection and remittance of GST/HST if those rental units **collectively** exceed \$30,000 in any calendar year? Or, will they have to option to register each of those rental units through Tourism Nova Scotia individually and therefore avoid registering with Joint Stocks? Registration with Joint Stocks would assign a business number for the operation of multiple units under the same umbrella which in return would require the collection and submission GST/HST from the revenues of those rental units. Prince's Inlet Retreat has been required to operate for nearly 30 years under that model.

Full disclosure; Prince's Inlet Retreat Limited is going into its 30th year as a small tourist accommodation business and has not renewed its Tourist Accommodation License since 2017. Since it is no longer a requirement to license for a short term tourist accommodation in Nova Scotia as demonstrated by the numerous unlicensed listings on Airbnb and other OTAs like Airbnb and the current legislation being repealed, Prince's Inlet Retreat Limited will not renew its Tourist Accommodation License until the playing has been levelled and all stakeholders play by the same rules.

Thank you for your time and looking forward to legislation that promotes a healthy, strong tourism industry.

Sincerely, Steven Hebb, GM/Owner Prince's Inlet Retreat Limited 135 Herman's Island Rd. Lunenburg, NS B0J 2C0

www.princesinlet.com info@princesinletretreat.com From: Steven Hebb <info@princesinletretreat.com>

Sent: March 11, 2019 3:33 PM

To: Office of the Legislative Counsel **Subject:** Bill 101 - Tourist Registration Act

Previously submitted March 11, 2015.

To the Nova Scotia Tax and Regulatory Review

Submission by Steven Hebb of Prince's Inlet Retreat Limited:

As a concerned citizen of Canada and a small business owner of a tourism accommodation property in Nova Scotia (25 years of operation), I'm contacting the Nova Scotia Tax and Regulatory Review with concerns of an underground economy that has been growing within the accommodation sector of our tourism industry. With licensing and regulations I believe there is a golden opportunity for our provincial government to collect more tax revenue and foster healthy growth in the accommodation sector of Nova Scotia's Tourism Industry. It could also be a model nationally.

The underground economy, the so called "sharing economy", within our tourism industry in Nova Scotia is growing out of control. Numerous properties in the province (most likely in the thousands for 2015) are unlicensed and unregulated and being promoted as tax free daily and weekly rentals on sites like Airbnb.com, FlipKey.com / TripAdvisor.com, vrbo.com, stayinnovascotia.com and other tourism portals and through some real estate companies too. This has been growing for at least 10 years or longer and is eroding away at the business occupancy and livelihood of legitimate small family accommodation businesses like Prince's Inlet Retreat. Regulations and licensing have never been more important that they are today in 2015.

I've been working very hard and communicating with many facets of government for several years requesting that licensing and regulations be reintroduced similarly as they were when we started our business back in 1990 for tourism related accommodation rentals. All of my concerns to date have fallen on deaf ears. When we started the Retreat back in 1990 the playing field was level and licensing and regulations were enforced.

The ease to promote an unlicensed and unregulated property through the internet has grossly unleveled the playing field in Nova Scotia and has allowed an unethical business advantage for those property owners. These conditions do exist in growing numbers within our industry in the province and most people don't even realise there is an issue as serious as this when they are searching for and booking their vacation accommodations in Nova Scotia. There are also public health and safety guidelines that go along with licensing and regulations for tourists. Without licensing and regulations public health and safety can become a serious issue too.

I would also like to point out that the role of licensing and regulations help keep all of us safe. We all know that we live in a very volatile world when it comes to public safety. I'm concerned that radicle groups may exploit sites like Airbnb.com to promote their ideology, their violent agendas & campaigns and figure out a way to disrupt our western way of life. At least with licensing and regulations in Nova Scotia and hopefully all of Canada we will have some type of handle on who is participating in our provincial and national tourism industry. Also, regulations and licensing ensures that guest registries are kept which, again, can help keep all of us safer. As the underground economy (the sharing economy) continues to grow there are no guarantees that proper records are maintained and my belief is that public safety is at risk because of this and becoming more and more of a grey area.

Thank you for taking the time to read my submission and I will be forwarding it on to hopefully create a provincial/national discussion.

Sincerely, Steven Hebb, GM

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PS: Prince Edward Island has a very comprehensive Tourism Industry Act. Part of their act address the unlicensed accommodation owner and the penalties if caught owning and operating an unlicensed accommodation property.

It's very impressive the way PEI is dealing with this very serious issue and the way they are protecting the small licensed accommodation operators/owners interests. It's a model for Nova Scotia and in my opinion for all of Atlantic Canada and the country too.

My name is Melissa Laforge and I am a recent vacation home owner.

I would like to indicate my support of the Tourist Accommodations Registration Act, as I see it as a means of addressing current trends in the accommodation industry, and legitimizing a natural progression that has occurred towards online short term rental bookings.

This 21st Century trend towards boutique travel represents a great opportunity to bring funds to remote and rural areas of the province, and to communities in need, as todays travellers are seeking unique accommodations off the beaten path. Instagram is driving people to the unique, versus city travel of the past. It's a trend to be capitalized upon, and there is no better place than Nova Scotia to build that tourism. The under developed coast alone represents a massive industry. For example, say Bay of Fundy and tourists respond with: Hopewell Rocks, St. Andrew's by the Sea, and Grand Manan. Missing from the equation is all the opportunity on the Nova Scotia side. Nobody recognizes Cape Split, Halls Harbour, nor Isle Haute. Allowing for micro-accommodations will only promote the treasures Nova Scotia has to offer.

One concern, which has plagued the small industry, is that dated accommodation regulations have a tendency to pigeon-hole a singular vision. With a system that encourages a homogenous checklist to rank accommodations, and a rating system based on amenities that may or may not be of value to the traveler, it misses the mark of modern travellers. The system has become irrelevant. I would have no incentive to *want* my property listed under those rules - facing a lower ranking for my preference for no TV, or for any intentional choice that I make to attract that boutique traveller, but which penalizes my star rating.

For this reason, I encourage the development of the Act. Of note, section 6 is a concern. I would caution the province from heavy handed fees yet to be developed, as property maintenance costs in Nova Scotia are extraordinarily high. Providing utilities during winter months, a short vacation season, and high insurance rates on vacant homes are all factors to consider when weighing the costs for hosts. Added fees from the province would actually make Nova Scotia much less competitive with other Atlantic Provinces, and international destinations. This can not become a provincial tax incentive that pushes us out of reach compared to our neighbours.

Nova Scotia is in a unique situation to buoy up and encourage the development of short term rental properties, for benefit across the province. **Tourism dollars are on the table, and we are up against international competitors.** I have witnessed tourists who tend to visit Maine, change their plans when viewing the social media of guests to my house. This is a new market, with potential for huge success if done right. Society on the whole has never been here before, with access to this kind of explosive niche tourism market. Old methods will not suit this emerging market. We have all the components necessary for a happy ending - an attractive tourism destination, a culturally vibrant province, and an online community scouring the internet for the next best destination to showcase on their Instagram.

Let's throw the doors open to Nova Scotia and let our rural communities reap the rewards. But please always keep in mind that imposing fees and regulations will directly impact the "little guy", not larger organizations with deeper cash flows. This would further serve as a deterrent for those seeking to invest.

Regards, Melissa Laforge From:

Sean Buckland <sbuckland@ambassatours.com>

Sent:

March 11, 2019 2:17 PM

To:

Office of the Legislative Counsel

Subject:

Written Statement by Dennis Campbell CEO

"The Ivany report stated that Nova Scotia needs to double it's Tourism revenues in 10 years. That would require massive investment in accommodations infrastructure which would not likely happen on its own. The dawn of Airbnb has however added significant accommodation infrastructure necessary to help the province achieve that goal of doubling tourism. However, we must consider the significant capital investments made by the accommodation business community and assure that the addition of Airbnb is put on a even playing field with traditional accommodation properties. Safety is paramount and paying their way in taxes and other government requirements will assure a rounded experience for all visitors to enjoy.

Thanks,

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TO:

Nova Scotia Law Amendments Committee

FROM:

Tourism Industry Association of Nova Scotia

DATE:

March 11, 2019

SUBJECT:

TIANS Statement re: Bills 99 and 101

The Tourism Industry Association of Nova Scotia (TIANS) is pleased to see legislation introduced in the House of Assembly on March 8th by the provincial government to address the inequities created by the proliferation of unregulated short term accommodation rentals (STR). This issue has been a primary concern facing tourism operators in the province and the framework proposed through Bills 99 and 101 will address many of the existing inequities.

Tourism Matters to Nova Scotia. Last year Tourism revenue was \$2.7 billion; generating over \$300 million in tax revenue for all levels of government to support education, health care, and infrastructure. Over 40,000 people are employed in the NS tourism industry (Stats Canada) and the industry has embraced the challenge of the \$4B goal set by the One NS Report.

TIANS has been extremely encouraged by the commitment of the Minister of Business to accelerate efforts on this file since the Working Group Report was tabled in late 2018. TIANS had asked for regulatory fairness and we believe these Bills are a significant step forward. Through regulatory fairness and practical solutions, we believe we can attract new product by increasing accommodation capacity and simultaneously protect the public interests.

The new conditions outlined in the proposed legislation such as requiring online portals be registered as businesses operating in the Province; the repeal of the Tourist Accommodation Act (TAA) and replacement with a new, streamlined registration system through Access Nova Scotia and the criteria that limits STR to Principle Residence only, are all positive steps towards addressing unregulated accommodation in the province.

TIANS looks forward to the public consultation phase which will allow for additional discourse on two specific areas.

 The current language of proposed Bill 101 states that individuals providing Short Term Rentals in their principle residence would not be required to register. TIANS, along with its partners support full registration for all STR providers. A standard, simplified registration process for all will build a



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more equitable business environment, increase access to room inventory (particularly in times of high demand) and provide government and industry alike with better economic metrics to measure growth.

2. TIANS, along with partner organizations such as the Hotel Association of NS, the Bed and Breakfast Association of NS and the Inns of NS support the current regulatory threshold for residential properties as four rooms. We understand under proposed Bill 99 that government is planning to review this and look forward to better understanding the rationale. Industry has confirmed their confidence with the four room threshold as an appropriate number.

TIANS will continue to work with government and industry partners over the coming months to ensure that the new regulations contribute to a sustainable tourism economy in all regions of the Province.

The leadership by this government in addressing this long-standing issue reaffirms their commitment to Nova Scotia's #1 Service Export Sector and supports industry efforts to meet the \$4 Billion revenue target by 2024.

As the Voice of Tourism, TIANS appreciates the opportunity to share a provincial industry perspective with the Law Amendments Committee as it reviews these important pieces of legislation.

For additional information, please contact:

Darlene Grant Fiander President, TIANS 2089 Maitland Street Halifax, NS B3K 2Z8 902.423.4480 dgf@tourism.ca 1

Submission to the Nova Scotia Law Amendments Committee

Bill No. 101 – Tourist Accommodations Registrations Act

Submitted by:

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Short-Term Rentals: A Neighbourhood Perspective

Thank you to the Committee for allowing us to be with you today to present our perspective on the new Act. After some experience and research into the short-term rental issues we are glad to see that legislation has been put in process. Today we have some observations and suggestions to make concerning the Act itself and further consultation that has been referenced by the Minister in his announcement. While some of these suggestions may not pertain directly to the Act's revision we hope that you may be able to provide advice to the Minister on areas of implementation where appropriate.

Short Term Rental Impact on Neighbourhoods and Availability of Affordable Housing

To illustrate this impact allow me to give a brief history of how we got directly involved over the last few months. It may be a similar experience to many others in this community and around the province.

Our home is in the Hydrostone area in the north end of Halifax. Last Summer, one of our long-time neighbours passed away and her property was purchased. The new owner indicated he loved the neighbourhood and completed renovations. We looked forward to this new neighbour. However, in the Fall he told us that, because of the revenue potential, he would open an AirBnB. He does not intend to reside in the neighbourhood and also owns another AirBnB in Dartmouth. This was not good news

for us and many of our neighbours. We have lived in the Hydrostone area for twenty years and know many of our neighbours, some of whom own their properties and some who are long-term renters.

It is a very supportive and co-operative neighbourhood. Many stay in touch regarding neighbourhood events and occasions such as street picnics and open house socials and lend a hand to each other where needed. We think this kind of neighbourhood makes for a safer community and an attractive, affordable place for small families to live. Presumably, that is why the new property owner found it an attractive area for short-term rentals. Sadly, it cannot stay a great neighbourhood with only visitors.

While there are a number of concerns with the increase in short-term rentals around the province our primary concern is the loss of integrity and sustainability of neighbourhoods. In short, we lose a neighbour that can add to our community as a resident and citizen as well as the security of knowing the people next to us. Some of our neighbours have already experienced disruption with late night noise and arrivals and departures at all hours. Others are concerned about impact on property values as the number of short-term rental properties increase in their neighbourhood.

Along with sustaining neighbourhoods is another issue that needs to be factored in to the equation. Our neighbourhood, like many others in the city or elsewhere around the province, needs to maintain an affordable housing stock. Our area is very attractive to couples and small families for both purchase and rental. Obviously, the short-term rental operation removes a property from the mix but this is compounded by the potential of present property rental operations to convert to short-term rentals. That could be devastating to many neighbourhoods.

Neighbourhood and Affordable Housing Perspective Missing in Pre-Act Consultation

Over the last three months we have read far and wide about the experience of short-term rentals as they impact communities here and elsewhere and struggled to see what could be done. Essentially,

after our research and communications we realized that we, like other neighbourhoods around the province, have a *de facto* hotel in our area. At this point there is no resident owner, the property is a business but has not been zoned as a business or taxed as such and is not subject to standards of health and safety, insurance, and other requirements that might pertain to an actual hotel.

We turned to the Report of the Working Group on Short-Term Rentals on which portions of this new Act are based. It was clear that the focus was not on neighbourhood impact but the regulatory framework around the tourism industry. To our knowledge, there were no community consultations focussed on short-term rental impact on neighbourhoods or availability of affordable housing. We have reached out to the provincial Department of Business, Nova Scotia Housing, and HRM as well as the tourism industry to encourage discussion and legislation and to include local communities in that work. We are glad to see that legislation is now coming forth but would recommend consultation on further refinement of the Act and Regulations and implementation to be broader.

Provisions for Resident and Non-resident Short Term Renters

As indicated above, an important concern for our neighbourhood, and no doubt many others, is the prevalence and rapid growth of short-term rentals where owners who do not reside in the property being rented. In December, 2018, the CBC reported there were approximately 3,800 short term rental hosts in Nova Scotia and 450 of these owned multiple properties and therefore were non-resident owners.

We understand from our reading of Sections 2 and 3 of the Act that non-resident owners will be required to register under the Act. Does this mean that such businesses will have to meet the same requirements of other similar establishments such as hotels, motels, and others relating to such matters as appropriate zoning, commercial taxation and so on? We would recommend that designation regardless of the size of operation.

We note also that those offering short-term rentals who have "primary residence" in those properties

will not be required to register. Our only concern here is the definition of "primary residence". Since it is such a key element this may need some additional refinement. Does it refer to how often the owner resides in the property? Should there be a limit on the number of days it can be rented? I believe a number of communities around the country are facing similar challenges. Victoria, BC, bases its registration strictly on "primary residence". It may be instructive for ministry officials to confer with Victoria in that regard.

Summary of Recommendations:

- 1. Neighbourhoods and communities should be involved in consultations on implementation.
- 2. Nova Scotia Housing, NGO's involved in the availability of affordable housing should be involved in further consultations on implementation.
- 3. Short-term rental owners who are not primary residents, as noted in the Act, should comply with all requirements relating to commercial enterprises.
- 4. Recommend further definition of "primary residence" and consult with Victoria, BC.

This concludes our presentation. Thank you very much for your patience. If you have any questions we would be pleased to respond.