

Resolution Title

THE DRAFT BYLAW PROPOSED BY PRINCE EDWARD COUNTY STAFF TO LICENSE AND REGULATE STAs ADDS ADDITIONAL COST AND WASTEFUL REGULATION TO MANY ACCOMMODATION BUSINESSES THAT ARE ALREADY PAYING PROVINCIAL LICENSING AND REGULATORY FEES, THEREBY REDUCING THE COMPETITIVENESS OF COUNTY BUSINESSES VIS-A-VIS SIMILAR BUSINESSES IN THE PROVINCE.

Theme

Regulatory Burden

Issue

Following the release of the County's draft Licensing Bylaw and regulations, the Chamber of Commerce received numerous questions, comments and concerns about the draft regulations from our members. On May 8th 2019, the Chamber held a special P&GA meeting and invited Chamber members to attend and voice their questions and concerns regarding the proposed Licensing Bylaw for short term accommodations in the County.

The Chamber members present at this meeting represented traditional B&B establishments, hotel businesses, STA owners, STA property managers, campground businesses and other non-accommodation businesses, all of whom raised concerns about the draft bylaws.

The comments from the Chamber members predominantly focussed on four common themes:

- 1) The need to regulate STAs arose because of a lack of controls over STAs owned by absentee landlords, not traditional B&Bs or owner-occupied STAs. These complaints about garbage, noise and parking issues are a result of no owners or responsible persons being present to monitor the number of guests or the activities of the guests. These issues are not a problem at traditional B&Bs and at owner-occupied STAs.
- 2) The language in the bylaw is confusing. It is not clear to many of the members what types of short term accommodations are included or excluded under the bylaw and many members felt that the bylaw did not properly distinguish or define the different types of STAs and appears to lump traditional B&Bs and owner-occupied STAs in with non-owner occupied STAs.
- 3) Traditional B&Bs are required to have commercial insurance in place and in order to satisfy their insurers, already have to undergo a full inspection of their premises, at their cost. The proposed bylaw would require them to have a second inspection done, also at a cost, to satisfy the County's requirements.
- 4) Traditional B&Bs are already regulated and required to have water testing done 4 times a year, at their own cost. Water testing is under Public Health's jurisdiction, not the County's, and is another example of the additional regulatory costs associated with running a traditional B&B which is not imposed on STAs.

The Chamber was also provided with comments from one property management company that manages over 40 non-owner occupied STAs in the County. This company was contacted by the Travel Industry Council of Ontario ("TICO") and told that they must register as a "travel company" since they represent so many STAs and that to continue business they had to join TICO or they could not operate their business. This Chamber member must pay annual fees to TICO (like motels, hotels and inns), but are now facing an extra layer of regulation and licensing through the County.

The Chamber understands and supports the need to implement some regulation over STAs, and does not oppose licensing in principle. Properly regulated accommodations of any kind are vital for the health and safety of visitors and residents of Prince Edward County, as well as, the health of our tourism and hospitality

sector and our business community as a whole. However, after consideration of the draft bylaws and the comments raised by our members, it is evident to the Chamber that the proposed licensing bylaw is too broad and attempts to regulate beyond the initial issues that precipitated the introduction of any regulation. The bylaw and licensing regulation in general does not address the specific issues it proposes to remedy, those created by non-owner occupied STAs. The Licensing Bylaw will unfairly impose additional and duplicative regulation on the 50+ traditional B&Bs in Prince Edward County that did not cause such issues. Traditional B&Bs are already subject to zoning requirements, increased insurance requirements (including regular inspections), additional health and safety requirements, and to include traditional B&Bs under the same licensing requirements as STAs is unnecessary. Traditional B&Bs are fundamentally different businesses than STAs, particularly nonowner occupied STAs, and in fact, have more similarities to hotels and tourist inns than STAs.

Similarly, owner-occupied STAs (where the owner remains at the site when guests are present) do not pose the issues or concerns as non-owner occupied STAs and in the Chamber's view, should not be regulated the same as non-owner occupied STAs. Additionally, where a property management company is responsible for STAs and is regulated by TICO, the need for such stringent licensing is not present since TICO already regulates those business and STAs.

RECOMMENDATIONS

The Prince Edward County Chamber of Commerce Policy & Governmental Affairs Committee and the Board of Directors urges to Municipality of Prince Edward to consider:

1. The proposed Licensing Bylaw is too broad and further consultation should be undertaken to prepare a bylaw that is focused on the problem issues. Traditional B&Bs should be exempt from the licensing requirements imposed on STAs as they are fundamentally different businesses. Additionally, where other property management companies and STAs are subject to provincial regulators like TICO, they should also be exempt from County STA Licensing.
2. If traditional B&Bs are included under the same licensing regulations as STAs, we propose that, at a minimum, the bylaw must have exemptions or allowances built-in for any pre-existing obligations being met - such as inspections for an insurance company or water tests for public health (which is not required for other STAs) - to avoid doubling up on cost and inconvenience for B&B owners, which provides no added benefit. If it can be reasonably shown that a business has already met the requirements laid out in the proposed bylaw, exemptions should be allowed.
3. The current proposed bylaw will increase the regulatory costs on businesses that are already regulated, and the Chamber of Commerce does not support the implementation of the draft licensing bylaw as presented by the County staff. The Chamber of Commerce recommends that further review of the draft bylaw and further consultation be undertaken before any such licensing bylaw is approved by Council.

Submitted By

Prince Edward County Chamber of Commerce
Board of Directors and the Policy & Governmental Affairs Committee

Contact:

Lesley Lavender, Executive Director – lesley@pecchamber.com (613-476-2421)