

## **COUNCIL REPORT**

**To:** Mayor and Council

**From:** Administration

**Date:** September 28, 2026

**Subject:** Short-Term Rentals – Draft Regulatory Framework

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### **RECOMMENDATION:**

THAT Council receive the draft amendments to Zoning Amendment Bylaw No. 1536, Business Licence Amendment Bylaw No. 1537, and Municipal Ticket Information Amendment Bylaw No. 1538;

AND THAT Council authorize Administration to undertake a second phase of public engagement on the proposed Short-Term Rental regulatory framework.

### **BACKGROUND:**

In 2024, Council directed staff to begin the process of developing regulations for short-term rentals in the District of Mackenzie. In response, staff initiated preliminary research and policy development work to explore potential regulatory options and prepare for community engagement.

On March 23, 2026, staff presented a report to Council outlining the proposed process for developing a Short-Term Rental framework. A key component of this work was a public engagement process designed to gather feedback from residents, property owners, businesses, and other stakeholders regarding opportunities, concerns, and potential regulations related to Short-Term Rentals.

### **Public Engagement**

Public engagement was conducted from April through May 31, 2026. During this period, residents, property owners, and business owners were invited to share their feedback through a variety of engagement methods, including an online survey, paper survey forms distributed at community events, direct correspondence with Administration, and a community open house. A total of 119 responses were received, with the majority of participants identifying as local homeowners. One survey response was received after the closing date and was therefore not included in the analysis or reflected in the “What We Heard” report, presented to Council at their June 22, 2026, Regular Meeting (attached). The engagement process provided an opportunity

for residents, property owners, and business owners to share their thoughts on Short-Term Rentals in Mackenzie, including potential benefits, concerns, and regulatory considerations.

## **Research**

Following public engagement, staff reviewed the feedback received from residents, local businesses, accommodation providers, and other stakeholders. Staff also examined short-term rental regulations implemented in other British Columbia communities, relevant provincial legislation, local housing considerations, and the potential economic and tourism impacts of short-term rentals in Mackenzie. This review informed the development of the proposed bylaw framework.

The development of this policy involved a collaborative review process across multiple District departments, as the policy will have operational impacts on a range of municipal services. The Fire, Bylaw Enforcement, Building Inspection, Finance, Business Licensing, Land Use Planning, and Economic Development departments all participated in the policy development process and reviewed the proposed framework, providing feedback and recommendations. In addition, administrative processes and procedures were reviewed and updated to support the implementation of this new service within the District's existing suite of services.

## **PROPOSED FRAMEWORK:**

### **Considerations:**

The development of the Short-Term Rental framework involved balancing several factors, including, but not limited to:

- Housing Protection: Short-Term Rentals have the potential to affect local housing availability depending on how they are regulated. The Province of BC has instituted a principal residence model in some jurisdictions to help reduce the likelihood of residential properties being converted exclusively to short-term accommodation and support the availability of long-term housing. The District has the option, due to its population size, to opt in or opt out of the principal residency requirement.
- Economic Development: Short-Term Rentals may provide additional accommodation options for visitors, contractors, temporary workers, and tourists. Additional accommodation capacity can support local businesses, tourism initiatives, community events, workforce accommodation needs, and broader economic diversification efforts.
- Neighbourhood Compatibility: The operation of Short-Term Rentals may generate concerns related to parking, occupancy, noise, signage, and other neighbourhood impacts. Consideration should be given to maintaining neighbourhood character while providing opportunities for residents to participate in the visitor economy.

- Administrative Requirements: The regulation of Short-Term Rentals requires a framework to monitor activity, conduct inspections, address complaints, administer licences, and verify ongoing compliance. Administrative flexibility within the framework will also assist the District in adapting application requirements, inspection protocols, and processes as operational needs evolve.
- Enforcement: Effective regulation relies on clear compliance and enforcement tools. Licensing requirements, municipal ticketing authority, and the ability to suspend or revoke licences can assist the District in addressing non-compliance and supporting consistent administration. The Province of BC has also updated its regulations to provide more tools to municipalities to enforce regulations for Short-Term Rentals.
- Piloting: Implementing a Short-Term Rental framework as a pilot program could provide an opportunity to evaluate participation levels, housing impacts, neighbourhood compatibility, enforcement requirements, and administrative considerations before determining whether adjustments are warranted.
- Provincial Resources: The Province of British Columbia's *Short-Term Rental Accommodations Act* introduced a Principal Residence Requirement (PRR), which municipalities of our size have the option to opt into. Opting into the Principal Residence Requirement provides access to provincial compliance and enforcement resources. Municipalities that opt in can report suspected violations of the legislation, including principal residence requirement violations, to the Province's Compliance and Enforcement Unit. The Province may undertake investigations, facilitate information sharing with short-term rental platforms, and issue provincial penalties for non-compliance. These enforcement tools complement local bylaws and reduce reliance on District resources for monitoring and enforcement activities. Members of the public may also submit complaints directly to the Province through its online reporting tools.

### **Recommended Approach:**

Based on the feedback received through the public engagement process, a review of regulatory approaches used in other communities and the Province, and the above key considerations in relation to our unique community context (housing affordability, community character, and administrative capacity), Administration is recommending the following regulatory framework for Short-Term Rentals in the District:

Pilot Program: Implement the Short-Term Rental framework as a five (5) year pilot program to allow the District to assess licence uptake, housing impacts, neighbourhood compatibility, enforcement requirements, and overall effectiveness prior to determining whether any amendments are required.

**Principal Residence Requirement:** Opt into the Province of BC's principal residency requirement. This would require all Short-Term Rentals to operate from a principal residence occupied by the owner and resides for the majority of the calendar year. This approach supports local residents wishing to supplement their income while helping to protect the District's long-term affordable housing supply.

While Mackenzie currently has a relatively small short-term rental market, maintaining an adequate supply of long-term housing remains important for residents, workers, and employers. Mackenzie experiences periodic increases in housing demand associated with industrial projects, maintenance shutdowns, construction activities, and other workforce-related requirements. During these periods, available housing can become limited, placing additional pressure on the rental market and affecting housing availability for residents and incoming workers. Opting into the Principal Residence Requirement could help discourage the conversion of residential properties into full-time visitor accommodations and support the preservation of housing stock for long-term residential use.

**Business Licenses:** Similar to our other accommodators, implement a mandatory Business Licence requirement for all Short-Term Rental operators to enable tracking, compliance monitoring, and enforcement of operational requirements.

Further, it is recommended to cap license approvals at five (5) licenses per year, 25 total for the pilot, granted on a first-come-first-serve basis. The intention of establishing a limit is to keep the administrative, building inspection, and fire inspection responsibilities at a sustainable level while this new service is being established.

**Neighbourhood Compatibility:** Include regulations related to parking, signage, occupancy, and local contacts to minimize impacts on neighbouring properties and maintain the residential character of neighbourhoods.

**Local Contact Requirement:** Require operators to provide a minimum of two local contacts, including the owner and/or a designate, who reside within the District and are available to respond to complaints or emergencies during guest stays.

**Guest Registry:** Require Short-Term Rental operators to maintain a guest registry and provide records upon request to assist with compliance monitoring and complaint investigations.

**Enforcement Tools:** Establish enforcement mechanisms including municipal ticket fines, business licence suspension, and business licence revocation for repeated non-compliance or bylaw violations.

Administrative Flexibility: Remove the Business Licence Application Form from the Business Licence Bylaw and authorize the Chief Administrative Officer or designate to prescribe and amend application forms and supporting documentation requirements as needed.

## **ASSOCIATED BYLAW CHANGES:**

### **Zoning Amendment Bylaw No. 1536**

The proposed Zoning Amendment Bylaw would:

- Add definitions for "Short-Term Rental" and "Principal Residence";
- Permit Short-Term Rentals within suites where operated in accordance with the proposed Short-Term Rental regulations;
- Require Short-Term Rentals to operate only from a Principal Residence;
- Prohibit Short-Term Rentals in dwellings where the owner does not reside on the property;
- Prohibit Short-Term Rentals within recreational vehicles;
- Limit guest bedrooms within a Principal Residence to fifty percent (50%) of the total bedrooms;
- Permit accessory buildings to be used entirely for Short-Term Rental purposes provided the Principal Residence remains occupied;
- Establish parking requirements of one additional off-street parking space per guest bedroom;
- Prevent Short-Term Rentals and Bed and Breakfast operations from operating concurrently on the same parcel; and
- Permit Short-Term Rentals as an accessory use in Rural Residential 1, Rural Residential 2, Residential 1, Residential 2, Residential 3, and Comprehensive Development 1 zones.

### **Business Licence Amendment Bylaw No. 1537**

The proposed Business Licence Amendment Bylaw would:

- Add definitions for "Short-Term Rental" and "Principal Residence";
- Establish authority to suspend or revoke licences where repeated substantiated complaints or bylaw contraventions occur;
- Add Short-Term Rentals to Category Five (Hospitality, Accommodations and Entertainment) under Schedule A Business Licence Fees;
- Remove Schedule B (Business Licence Application Form) and authorize the Chief Administrative Officer, or designate, to prescribe application forms and supporting documentation requirements in alignment with the bylaw;
- Establish licensing requirements for Short-Term Rental operators;

- Establish a maximum of five (5) new Short-Term Rental business licences to be issued per calendar year during the pilot program;
- Establish an overall maximum of twenty-five (25) Short-Term Rental business licences during the five-year pilot period to align with the District's administrative, inspection, and enforcement capacity;
- Require operators to provide two local contacts available to respond to complaints or emergencies;
- Require operators to maintain a daily guest registry;
- Require compliance with fire safety requirements and applicable legislation; and
- Require operators to provide information or documentation necessary to demonstrate ongoing compliance with District bylaws.

### **Municipal Ticket Information Amendment Bylaw No. 1538**

The proposed Municipal Ticket Information Amendment Bylaw would amend Schedule 3 of the Municipal Ticket Information Bylaw to establish specific offences and penalties related to Short-Term Rental operations. Proposed ticketable offences include:

| <b>Business Licence Bylaw No. 1355, 2016 as amended</b>         | <b>Fine</b> |
|-----------------------------------------------------------------|-------------|
| 1. Carry on business without a Licence                          | \$500       |
| 2. Failure to display a Licence                                 | \$50        |
| 3. Operate a Short-Term Rental without a valid Business Licence | \$500       |
| 4. Failure to maintain a Principal Residence                    | \$500       |
| 5. Failure to provide or maintain local contact information     | \$250       |
| 6. Failure to maintain guest registry                           | \$250       |
| 7. Failure to provide guest registry upon request               | \$250       |
| 8. Failure to comply with licence conditions                    | \$250       |
| 9. Failure to display licence number in advertisements          | \$100       |

The proposed fines are intended to encourage compliance with the Short-Term Rental regulations while providing the District with an effective enforcement tool. Administration will generally seek to achieve compliance through education and voluntary corrective action, with a warning typically issued prior to the issuance of a municipal ticket. Where violations are repeated, deliberate, significant in nature, or present public safety concerns, enforcement action may be initiated without prior warning. In addition to ticketing, the District would retain the ability to suspend or revoke a Business Licence where repeated violations occur. The proposed fines are generally consistent with those used by other British Columbia municipalities for similar Short-Term Rental offences.

## **NEXT STEPS**

If Council endorses the Zoning Amendment Bylaw No. 1536, Business Licence Amendment Bylaw No. 1537, and Municipal Ticket Information Bylaw No. 1538, Administration will undertake the following steps:

- Public Engagement and Agency Referral (30 days);
- Bring back a report to Council with any proposed changes and feedback.

## **COUNCIL PRIORITIES:**

### **Economic Vitality**

- The District is a leader on efforts aimed at diversifying the community's economy, supporting local businesses, and attracting new investment to the community. Diversification, a strong business sector and new investment are key to our economic vitality.

### **Strong Governance and Finances**

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

## **RESPECTFULLY SUBMITTED:**

Rachelle Richman, Economic Development Coordinator

**Reviewed By:** Corporate and Financial Services

**Approved By:** Chief Administrative Officer