

Feb.15/21

## **MRDT QUICK FACTS SHEET**

1. Provincial Sales Tax Act
  - a. Sec. 123, 2% to 3% on the purchase price of accommodation, in “designated accommodation area”, can be used for that area’s authorized purposes.
  - b. Authorized purposes:
    - i. Tourism Marketing
    - ii. Tourism Programs
    - iii. Tourism Projects
    - iv. Affordable housing initiatives
    - v. Others as prescribed
  - c. Eligible Entity must be:
    - i. Municipality, Regional District, or non-profit business association
    - ii. Must have their place of business in the designated accommodation area
    - iii. Must be actively engaged in tourism marketing, projects, and programs in the designated accommodation area
    - iv. In rural areas, have the approval of their Regional District
    - v. Smallest entity in a Regional District is an Electoral Area.
      1. Special dispensation was acquired to delineate Hornby from the CVRD Electoral Area A.
2. Principles:
  - a. Used for effective tourism marketing, programs and projects.
  - b. Effective local level stakeholder support & inter-community collaborations
  - c. Marketing efforts coordinated & complimentary to Provincial marketing strategies and tactics
  - d. Fiscal prudence & accountability
  - e. Affordable housing, with additional reporting requirements
3. 3% MRDT
  - a. 2.8% net, mandatory .2% goes to the Provincial Tourism Events programming. (TEP = Tourist Events Program) e.g. Olympics. Program participants can apply to this program for events of a provincial significance.
  - b. All Online Accommodation Provider (OAP) funds, all or part, can be designated for affordable housing
  - c. Funds from General MRDT are open for specified uses.
    - i. Cannot be used for affordable housing unless Tourism Stakeholders & accommodation providers, excluding OAP, agree to that
4. MRDT funds:
  - a. Must augment current funds, cannot replace existing sources of tourism funding.

- b. Tourism marketing, programs or projects:
    - i. Contribute to increase in local tourism revenue, visitations and economic benefit
  - c. Spending on affordable housing initiatives
    - i. Assist communities to address local needs related to affordable housing. Designated recipient defines, identifies and funds affordable housing initiatives to meet local needs.
      - 1. Parameters:
        - a. Housing for workers in tourism-oriented communities
        - b. Acquiring, constructing, maintaining, or renovating housing or shelter
        - c. Acquiring, or improving, land to be used for housing or shelter
        - d. Supporting the above
        - e. Supporting housing, rental, or shelter programs
        - f. Paying expenses related to administration or disposal of housing, shelter, or land acquired with MRDT revenues.
  - d. Capital expenditures only by special dispensation
  - e. Consultations required with:
    - i. Properties with 4, or more, units. Includes property managers
    - ii. Consultation is NOT required with OAP's.
    - iii. Tourism Industry Stakeholders, defined as:
      - 1. Accommodation providers
      - 2. Tourist attractions and activities
      - 3. Restaurants
      - 4. Retail
      - 5. Tourism organizations
      - 6. Parks and recreational facilities
      - 7. Visitor Centres
      - 8. Primarily tourism businesses
      - 9. Organizations from outside the area, that offer programs & services related to designated accommodation area. (KR e.g. MBBC, DBC, TVI, etc.)
5. Approval process:
- a. Destination B.C.
    - i. If the application includes housing, it then goes to the Ministry of Municipal Affairs & Housing.
  - b. Ministry of Finance
  - c. Cabinet, to authorize taxation
6. Development of the 5 Year Strategic Plan:
- a. Adhere to MRDT principles
  - b. Identify market strategies, key markets and target markets
  - c. Steps to achieve the desired results
  - d. Make available to tourism industry stakeholders & accommodation providers

- e. Aligned with Provincial tourism strategies
7. Termination of MRDT
- a. Designated recipient fails to do the required reporting
  - b. Designated recipient written request to the Minister of Finance
8. Payouts:
- a. OAP – Air BnB (specifically) sends 3% to the Ministry of Finance, monthly.
    - i. IF the community is a Designated Recipient for 3%:
      - 1. Ministry of Finance disburses 2.8% funds quarterly
  - b. General MRDT – Ministry of Finance disburses monthly, minus an administration fee
9. Administration, designated recipients' costs for reimbursement include:
- a. Management & staff unrelated to program implementation
  - b. Finance staff
  - c. Human Resource staff
  - d. Board of Directors cost
  - e. Employee informational technology (ie. Computers, telephone, network, connections, etc.)
  - f. Office lease/rent
  - g. General office expense
  - h. NOTE: Eligible entities are not permitted to delegate the administration of MRDT program to a service provider
10. Evidence of Consultation
- a. CVRD consulted, agreed, provide a Letter of Support
  - b. Provincial designation of Eligible Entity, and that the Province will levy a tax on their behalf
  - c. Tourism industry stakeholders, detailed evidence:
    - i. Make a 5 Year Strategic Business Plan available
    - ii. Provide an opportunity for input. e.g. town hall meetings, AGM, information sessions, letters of support, website, etc.
  - d. Provide an Accommodation Directory & # units (Appendix 1.3)
  - e. Get a majority of Primary Stakeholders to sign-off (Appendix 1.4)
  - f. DBC support
  - g. Ministry of Jobs, Tourism, & Skills Training (Appendix 1.6)
  - h. Signed Tourism Events Program Sponsorship Undertaking for 3% applicants (Appendix 1.7)
  - i. Affordable Housing Requirements & Documentation (Section 8, Appendix 1.8 and Appendix 2.4)
11. Using OAP money for Affordable Housing, Plan due Nov. 30<sup>th</sup>. (without a new 5 Year Strategic Plan or Application package):
- a. Project name and address
  - b. Rationale



- c. MRDT \$
- d. Housing provider/project owner
- e. Funding partners
- f. Funding partners \$ contribution
- g. Estimated completion date
- h. # units
- i. Evidence of support from local government