
TO: CITY MANAGER **DATE:** 2015 September 29

FROM: DIRECTOR FINANCE **FILE:** 88000-01

SUBJECT: MUNICIPAL AND REGIONAL DISTRICT TAX – TOURISM BURNABY

PURPOSE: To provide Council with information regarding Provincial changes to the Municipal and Regional District Tax.

RECOMMENDATION:

1. **THAT** Council receive this report for information purposes.

REPORT

In 1987, Provincial Legislation under the Ministry of Finance introduced the Municipal and Regional District Tax (MRDT) to provide funding for local tourism marketing, programs and projects. The MRDT tax applies to the sale of short-term accommodations with the goal of growing BC revenues, visitation and jobs, and to amplify BC's tourism marketing efforts.

Through the legislated guidelines, the City of Burnaby received Provincial approval in 2004 for the establishment of Tourism Burnaby – an independent destination marketing organization that develops and supports tourism promotional activities in order to increase visitation to our beautiful City of Burnaby. The approved MRDT rate for Burnaby accommodation sales is 2 percent.

1.0 UPDATE – PROVINCIAL BUDGET 2015

Effective 2015 September 01, the maximum available MRDT tax rate increased from 2 percent to 3 percent. To increase a municipality or regional district's rate, application must be made and approved by the Provincial Ministry. Communities that choose to increase their MRDT rate to three percent must also sponsor a new provincial Tourism Events Program designed to help support the planning, marketing and organization of provincially significant events and celebrations that offer a high tourism value.

In addition to the increase to the maximum rate, MRDT program requirements have been updated by the Ministry to clarify the application, renewal, reporting and program requirements. Starting in 2016, MRDT participants will be required to submit various financial reports, performance reports and one year tactical plans. The Ministry advises the improvements are

To: City Manager
From: Director Finance
Re: Municipal Regional District Tax - Tourism Burnaby
2015 September 29 Page 2

designed to provide transparency of marketing goals while ensuring ongoing program accountability.

2.0 TOURISM BURNABY

The Executive Director, Tourism Burnaby and the Board of Directors concluded at the board meeting held on 2015 September 22 that Tourism Burnaby's operations and effectiveness have been well managed through the existing MRDT rate of 2 percent. The Board confirmed that the organization will not seek approval for an additional 1 percent at this time. All reporting requirements will be reviewed by Tourism Burnaby and City staff to ensure 2016 documentation and submissions meet the new legislated guidelines.

This report is provided for the information of Council.



Denise Jorgenson
DIRECTOR FINANCE

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cc: Nancy Small, Executive Director – Tourism Burnaby