



**TO:** Electoral Area Services Committee

**FROM:** J. Zaffino, Chief Administrative Officer

**DATE:** May 7, 2026

**RE:** Short-Term Rental Accommodation Program – 6-Month Review (X2026.003-ZONE)

---

## **Administrative Recommendation:**

The following amendment bylaws be initiated:

- **Electoral Area Official Community Plan (OCP) Amendment Bylaw No. 3147;**
  - **Business Licence Regulation Amendment Bylaw No. 3100.03;**
  - **Chief Administrative Officer (CAO) Delegation Amendment Bylaw No. 3033.04;**
  - **Development Procedures Amendment Bylaw No. 2500.39; and**
  - **Fees and Charges Amendment Bylaw No. 3128.01.**
- 

## **Alternatives:**

1. Status quo; or
  2. THAT following amendment bylaws be initiated, subject to the following revisions:
    - a) *TBD*
- 

## **Purpose:**

The purpose of this report is to present options and seek further direction from the Committee with respect to possible bylaw amendments related to the short-term rental accommodation program.

**Strategic Priorities:** Operational

## **Statutory Authority:**

Under Section 460 of the *Local Government Act*, a local government that has adopted an official community plan or zoning bylaw must, by bylaw, define procedures under which property owners may submit bylaw amendment or land use permit applications, and is obligated to consider every such application.

The Regional District's STR Permit is designated under Section 492 (temporary use permit authority) of the *Local Government Act* and the Regional District is, consequently, obligated to establish application requirements and processing procedures related to this type of permit.

---

## Background & Analysis:

On October 2, 2025, the Regional Board adopted multiple amendments to various bylaws in order to facilitate the regulation of short-term rental accommodations. Amongst other things, these new regulations introduced the following:

- the submission of a Health and Safety (H&S) Inspection Report in support of a Business Licence Application and STR Permit application;
- delegated authority to the Chief Administrative Officer in relation to the issuance of STR Permits; and
- fees to be applied to Business Licence and STR Permit applications.

## Analysis:

Through day-to-day use of the Regional District's new STR regulations, Administration has identified a number of issues that require Board direction and which are outlined in the following sub-sections:

### Health & Safety Inspections

Since the introduction of permitting requirements for short-term rental accommodations in 2014, the completion of a successful Health and Safety (H&S) Inspection has been a requirement of obtaining a TUP and, more recently, an STR Permit / Business Licence.

The reasons for requiring a H&S Inspection are varied, but generally relate to ensuring that a structure to be used for short-term tourist accommodation purposes does not present a hazard to patrons.

For instance, it is not uncommon for an STR use to be proposed within a converted space — such as a basement, garage or accessory structure — that may have been finished without permits or not to the Building Code for residential occupancy. A H&S Inspection can catch unpermitted work, such as inadequate egress windows, substandard electrical or plumbing, and similar issues that could endanger patrons.

A H&S Inspection can further ensure that basic requirements for other tourist accommodation type uses are being provided, such as working smoke detectors, carbon monoxide alarms, fire extinguishers, and clearly marked emergency exits are in place before strangers occupy the space.

It is Administration's understanding that gas and electrical faults are among the leading causes of residential fires, explosions, and carbon monoxide fatalities.

### ISSUES:

1. The inconsistent approach to the requirement for H&S Inspection across Electoral Areas:
  - in Electoral Areas "A" & "E", the submission of an approved H&S Inspection is required as part of an STR Permit and Business Licence application;
  - in Electoral Area "C" the submission of an approved H&S Inspection is required as part of an STR Permit application;
  - in Electoral Areas "D" & "I", the submission of an approved H&S Inspection is required as part of a Business Licence application;

- 
- NOTE: at Apex Mountain Resort (Electoral Area “I”), an approved H&S Inspection is not required in order to operate an STR.
  - In Electoral Area “F” an approved H&S Inspection is not required in order to operate an STR;
  - in all Electoral Areas, an H&S Inspection is not required in order to operate a “tourist accommodation” use; and
  - in Electoral Area “E” an H&S Inspection is not required in order to operate a campground, hotel, motel and campground uses.
2. The inability of the Regional District to provide a full H&S Inspection as an internal service to applicants:
- Regional District staff are not qualified to confirm if gas and electrical systems are in good condition.

#### OPTIONS (Issue No. 1):

While Administration supports a consistent approach — across all Electoral Areas — to the requirement for an approved H&S Inspection in order to operate an STR, it is recognized that there are challenges to implementing this approach.

As an alternative, it is recommended that the duplication that currently exists in Electoral Areas “A” & “E” for an H&S Inspection to be submitted in support of an STR Permit and Business Licence application be amended so that the H&S Inspection is only required when applying for a Business Licence.

This would be consistent with the approach previously applied in Electoral Areas “D” & “I” and will simplify the application process and reduce confusion for the public and staff.

Alternately, the option to revisit when and where H&S Inspections are required is available and could take the form of removing this requirement entirely or applying it consistently across the six (6) Okanagan Electoral Areas (e.g. by requiring it in Electoral Area “F” and at Apex Mountain Resort).

#### OPTIONS (Issue No. 2):

The inability of Regional District staff to confirm if gas and electrical systems are in good condition is presenting logistical challenges for applicants attempting to submit a complete H&S Inspection and is requiring that they engage qualified professionals certified to undertake gas and electrical inspections.

Administration considers that four (4) options are available to the Board to address this:

1. Status quo;
2. Modify H&S Inspection requirements by removing confirmation of gas and electrical;
3. Implement a professional reliance model (only qualified professionals complete H&S Inspections);
4. Move to a “Self-Declaration” Model (e.g. property owners attest to the compliance of their dwelling with H&S Inspection requirements).

---

Of these four options, and in recognition of the value of confirming gas and electrical systems, Administration favours the implementation of a professional reliance model wherein a qualified professional (QP) is required to submit a completed Inspection.

It is recognized that this will impose an additional cost on applicants (estimated at approximately \$600), but does not diminish the underlying safety rationale for this requirement. The Board may also wish to consider revising the fee charged for a Business Licence if it is no longer intended to make Regional District staff available to complete parts of the H&S Inspection (see fee discussion below).

Of note, it is not clear how many QPs exist within the South Okanagan to undertake this work on behalf of property owners.

Conversely, the option of moving to a “Self-Declaration” model remains available and would rely on property owners to confirm the compliance of their dwelling with health and safety requirements.

In terms of potential liability in implementing this approach, while a local government can be liable for negligence, this is not the case if the alleged negligent act or omission is the result of a “policy decision” and it *may* be the transition to a “Self-Declaration” model would meet this standard.

As an aside, it is also recommended that the requirement for confirmation that the structure has been issued an Occupancy Permit be removed as many dwellings in the Electoral Areas pre-date the introduction of Building Inspection Services and some applicants are challenged to meet this requirement.

#### Delegated Authority

Under the Regional District’s Chief Administrative Officer (CAO) Delegation Bylaw, Administration has been granted authority to issue, renew or re-issue an STR Permit that meets specified criteria.

The benefits of delegating authority are multitude, and include:

- operational efficiency and the removal of routine, high-volume decisions from the Board's meeting agenda, thereby allowing Director’s to focus their time on policy-setting and community priorities rather than processing individual permit applications;
- timeliness of decision-making as Administration can process and issue permits on a continuous, day-to-day basis without waiting for a scheduled Board meeting; and
- improved consistency when specified assessment criteria are applied uniformly across eligible applications by Administration.

Another important consideration is that delegation specifies the limits of the authority that have been granted, and Administration is aware of when an application must be elevated to the Board for its consideration.

#### ISSUES:

- .1 at its meeting of February 19, 2026, the Board directed that the issuance of STR Permits could be considered for the full three (3) year term, as allowed for under the *Local Government Act*;
- .2 under CAO Delegation Bylaw, the CAO may only approved an STR Permits under delegated authority if the maximum term does not exceed one (1) calendar year.

---

**OPTIONS:**

The current delegation to the CAO for STR Permits was drafted to reflect the term of a business licence, which is to December 31<sup>st</sup>, being the end of the calendar year.

In light of this more recent direction from the Board, and in anticipation of applicant’s seeking a full 3-year term for an STR Permit, Administration is recommending that delegated authority criteria not be tied to a specific term.

Conversely, the option of retaining the current one (1) limit is available, however, it is anticipated that this would result in a majority of STR Permit applications having to be considered by the Board.

**Application Fees**

Application fees are generally intended to assist in the costs incurred by the Regional District in processing various types of applications and are not meant to generate revenue.

While application fees rarely reflect the true costs incurred by the Regional District in processing applications, since 2021, a full-cost recovery model has been applied to the processing of vacation rental permits.

**ISSUES:**

- .1 confusion regarding STR Permit fees (“Delegated” vs. “Non-Delegated”) as well as uncertainty regarding recent Board direction that such permits can be issued for 3-year terms; and
- .2 the appropriate fee to be applied to Business Licence applications if the Board resolves to require that Health and Safety (H&S) Inspections be completed by a qualified professional or a “Self-Declaration” model is introduced.

**OPTIONS (Issue No. 1):**

The fee structure for “Delegated” and “Non-Delegated” STR permits has caused confusion for applicants and resulted in delays to the processing of applications as Regional District staff have attempted to clarify proposed uses and applicable fees.

In light of the more recent direction from the Board regarding its willingness to allow STR Permits to be issued for up to 3-years (see discussion above), Administration is recommending that the fee structure for this application type be simplified and that a uniform \$1,250.00 fee be applied.

For comparison purposes, the current versus proposed fee structure is shown as follows:

<b>Current Fee Structure</b>	<b>Proposed Fee Structure</b>
<u>Short-Term Rental Accommodation (STR) Use:</u>	<u>Short-Term Rental Accommodation (STR) Use:</u>
i) Application Fee:	i) Application Fee: \$1,250.00
a) Delegated \$500.00	
b) Non-Delegated \$2,500.00	
ii) Renewal / Re-issuance Fee:	ii) Renewal / Re-issuance Fee: \$1,250.00
a) Delegated \$500.00	
b) Non-Delegated \$1,250.00	
<u>All Other Uses:</u>	<u>All Other Uses:</u>

i) Application Fee:	\$1,250.00	i) Application Fee:	\$1,250.00
ii) Renewal Fee:	\$1,250.00	ii) Renewal Fee:	\$1,250.00
(fee is premised on a 1-year STR Permit)		(fee is premised on a 3-year STR Permit)	

Conversely, the status quo is available to the Board in terms of maintaining the current fee structure, however, under this scenario Administration would favour amended language describing the different fee categories (e.g. replace references to “Delegated” and “Non-Delegated” with new language).

**OPTIONS (Issue No. 2):**

Administration supports retention of the current \$500 annual fee for business licence applications on the basis that the Board has historically sought to apply a full cost-recovery model to short-term rental uses in residential areas.

Administration notes that the current fee is competitive with those applied by the member municipalities in the Okanagan:

Local Gov.	STR Business Licence Fee	H&S Inspection Req.
Penticton	\$830 / \$550 / \$280	“Self-Declaration” Model
Osoyoos	\$750	“Self-Declaration” Model
RDOS	\$500	Service provided by the RDOS
Summerland	\$500	“Self-Declaration” Model
Oliver	\$300	Service provided by the Town

Conversely, should the Board resolve to move to either a professional reliance model or a “Self-Declaration” model for H&S Inspections (see discussion above), the option of revising the current business licence application fee is available.

**Summary**

Administration supports the proposed amendment bylaws on the basis that these changes will improve and provide greater clarity in regard to the processing of applications where a Health and Safety Inspection Report is required while reducing duplication, improving customer service, and aligning procedures with recent Board direction.

**Financial Implications:**

Given that the Board has not yet provided direction on the matters outlined in this report, it is not possible to determine financial impacts at this time.

**Communication Strategy:**

Should the Board initiate the proposed bylaw amendment(s), they will be notified in accordance with the requirements of the *Local Government Act* as well as the Regional District’s Development Procedures Bylaw No. 2500, 2011.

Will a PowerPoint presentation be presented at the meeting?    Yes

---

**Respectfully submitted:**



C. Garrish, Senior Manager of Planning

**Endorsed By:**

Allen Fillion

A. Fillion, Managing Director, Dev. & Infrastructure