



# Proposed Amendment to MPS & LUB to Align with Provincial Requirements

Short-Term Rental Policies

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## Report Overview

<b>Application</b>	Council has asked the Planning Advisory Committee to review the new Short Term Rental Regulations from the province. The review should consider the existing housing crisis, and the economic benefits associated with accommodation uses. The Planning Advisory Committee has been tasked with making a recommendation to Council based on their findings.
<b>Description</b>	<p>The report examines the proposed changes to Short-Term Rental (STR) regulations for the Municipality of Yarmouth in response to the housing crisis and new provincial STR laws. It presents three options for regulating STRs:</p> <ol style="list-style-type: none"> <li>1. Status Quo (Maintain existing policies)</li> <li>2. A balanced approach (Maintain existing policies and add a complaint-driven, restrictive option for residences that are not lived in)</li> <li>3. An open option to allow primary residences to be used for short-term rental purposes (in line with the present landscape of the Municipality)</li> </ol>
<b>Recommendation</b>	In order to preserve the neighbourhood feel of residential areas and provide a market-driven approach to housing and short-term rental accommodations within the Municipality, it is recommended that the Planning Advisory Committee recommend Option 3 to Council.
<b>Relevant Policies and Legislation</b>	<p>Municipal Government Act  Municipal Planning Strategy (2023)  Land Use By-Law (2023)  Public Participation Program Policy P-102-21</p>
<b>Follow Up Action</b>	<p>The Municipality of the District of Yarmouth’s Public Participation Program Policy requires that an amendment to the Municipal Planning Strategy go through a Public Participation Program. Option 2 and Option 3 would require changes to both the Municipal Planning Strategy and Land Use By-Law. Recommendations for the Public Participation have been included in this report.</p> <p>This Application Requires the Following Steps:</p> <ol style="list-style-type: none"> <li>1. Recommendation to Council (Planning Advisory Committee)</li> <li>2. Public Participation Program</li> <li>3. 1<sup>st</sup> Reading (Council)</li> <li>4. Notify adjacent municipalities, First Nations, and the Provincial Director of Planning,</li> <li>5. Public Hearing (Council)</li> <li>6. 2<sup>nd</sup> Reading (Council)</li> <li>7. Director Review</li> </ol>

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## Short-Term Rentals

### Background

In response to the housing crisis in Nova Scotia, the provincial government has implemented the Short-Term Rental Registration Act, formerly known as the Tourist Accommodations Registration Act. The aim of the Act is to promote the conversion of commercial short-term rentals to long-term housing by imposing higher fees and stronger compliance measures. This will be achieved by revising the definition of short-term accommodation and the registration fee charges. The province has made it mandatory for all short-term rentals to be registered by September 30th, 2024. The Short-Term Rental Regulation identifies three host categories:

1. Traditional Tourist Accommodations, including hotels, motels, yurts, domes, bed and breakfasts, and other forms of roofed accommodation.
2. Primary Residence STR: Short-term rentals located in the host's primary residence.
3. Non-Primary Residence STR: Short-term rentals located in a dwelling unit/home that is not the host's primary residence.
4. Cottage/Vacation Home is an accommodation that is offered for no more than 45 days total throughout the year.

The most significant change and key requirement is that the host must provide a letter from the municipality where the rental is located confirming that, at the very least, the short-term rental complies with the municipality's Land Use By-law.

### Concern

The new Short Term Rentals Registration Act has significant implications for the Municipality of the District of Yarmouth (MODY). Currently, the Municipality's Land Use Bylaw (LUB) defines accommodation in a way that somewhat aligns with provincial short-term rental standards. However, the term 'accommodations' includes both traditional tourist accommodations and residential-style dwellings rented as short-term, allowing them only in Commercial General, Hamlet Commercial, and Rural Commercial zones. Short-term rentals are only permitted in residential zones as home occupations in section 7.6 of the Land Use By-Law, requiring the homeowner to reside on the property and meet specific criteria.

Property owners outside the commercial zones who wish to offer short-term rentals without residing on the property must apply for rezoning to permit commercial uses. If a property is successfully rezoned to commercial use, it could trigger an increase in tax rates. However, it is important to note tax rates are not determined by zoning but by use. Property Valuation Services Corporation determines tax rates for the Municipality. As per the 47A of the Assessment Act, commercial taxes are applied to short-term rentals of more than 4 overnight sleeping rooms available to the travelling public. In the Municipality of the District of Yarmouth, the Residential tax rate is \$1.18, and the Commercial tax rate is \$2.17. Additionally, all short-term rentals are responsible for paying accommodation levy fees.

It's important to note that the Municipality has already received a request for rezoning from an interested applicant who wishes to continue operating short-term rentals in a residential area without living on the premises. Depending on how the Planning Advisory Committee and Council proceed with this report, staff anticipate more applications to follow.

While rezoning applications may seem like a straightforward solution, there are instances where an amendment to the Municipal Planning Strategy (MPS) is required to change a property's designation to one that permits commercial zoning. In some cases, rezoning may not be feasible for properties within residential designations due to their existing classification within the Generalized Future Land Use Map, a Municipal Planning Strategy map. Additionally, as owners move through the rezoning process, they face great uncertainty for the future of their business; each application would be handled individually and could result in different outcomes. Furthermore, the increasing volume of rezoning applications could place a significant strain on planning staff and resources.

Also, rezoning a property to commercial for short-term rental purposes does not guarantee that the property will always be used for accommodation purposes. Once a property is rezoned, the list of permitted uses for the zone shall be permitted as of right.

Be advised that as of Friday, September 6th, the Development Department has received twenty-four (24) requests for STR compliance letters, which can be categorized as follows:

- One (1) request pertains to a Traditional Tourist Accommodation in a Rural Commercial Zone where Airbnb rentals are allowed by right.
- Eight (8) requests are for properties located on the same lot as the owner's residence and may qualify as Home Occupations, subject to specific criteria.
- Fifteen (15) requests are for dedicated short-term rentals in residential zones, which are not permitted under the Land Use Bylaw (LUB).)

The municipality is currently experiencing a shortage of accommodations, especially during the summer months when demand from tourists and seasonal residents is at its highest. Restricting short-term rentals to commercial zones will limit the use of available homes in residential areas. This could reduce opportunities to support non-traditional accommodations and potentially hinder economic growth. While there is a desire to increase the supply of short-term rentals (STRs), there are concerns that converting residential properties into STRs could exacerbate the existing housing shortage in the municipality, further limiting the availability of long-term housing for residents.

The local economy relies on tourist accommodations and housing, raising the question of whether housing is a greater priority than short-term accommodation options. The new provincial definitions for Short-Term Rentals (STRs) allow municipalities to choose how to regulate them. They can decide whether to adopt a more controlled or open approach. By distinguishing between traditional tourist accommodations and primary and non-primary residence STRs, municipalities can restrict traditional and non-primary residence STRs, such as hotels, resorts, and whole home Airbnbs, to commercial zones. At the same time, homeowners in residential areas can benefit from primary residence STRs, where long-term rentals and Short-Term Rentals can operate on the same property. To help the Planning Advisory Committee and Council decide, staff estimate there are currently 286 rentable bedrooms within the Municipality of the District of Yarmouth paying room levy fees. Of these, 135 are traditional tourist accommodations like hotels, motels, and campground cottages. Staff estimate that approximately 60-85 untraditional short-term rental accommodations are currently operating in residential properties within the Municipality.

Properties that operate as non-traditional short-term accommodations within residential zones are subject to paying property taxes, public waste services, and, in some situations, municipal services.

Navigating the Tenancies Act and providing rental housing can be worrisome for property owners. Their assets may be damaged, and they may need help to remove a tenant. On the other hand, offering non-traditional short-term rental accommodation would provide more flexibility by allowing for shorter rental periods and the option not to rent to a specific user again.

Neighboring Municipalities have all taken different approaches to regulating short-term rentals. Similar to the Municipality of the District of Yarmouth's existing situation, the Town of Yarmouth only permits one short-term rental as of right, provided the host lives on the same property. More than one short-term rental on a property, or a short-term rental not on the same lot the host lives on, can only be permitted by a Development Agreement. The Municipality of Argyle does not regulate Short Term Rentals specifically, and as such, Primary residence STRs and Non-primary Residence STRs are permitted in all residential zones, and traditional tourist accommodations are permitted in residential, commercial and even some industrial zones. The Municipality of Clare has only one Zone (General Development). This zone permits all forms of short-term rentals as of right, including traditional tourist accommodations like hotels and motels.

Council has tasked the PAC with examining new regulations for Short-Term Rentals (STRs) from two perspectives: controlling STRs to address the housing crisis and promoting tourist use. They have also emphasized the need for policies that can be implemented quickly. After careful consideration, the team explored whether Site Plan Approval or Development Agreement could be a viable solution to regulate STRs while still allowing them in residential zones. However, Site Plan Approval and Development Agreements are primarily intended to resolve potential conflicts with neighbouring land uses. Since the Development Department has not received any complaints about short-term rentals disrupting neighbouring uses, using these methods is likely unnecessary. The main drawback to allowing short-term rentals in residential zones is the potential impact on housing availability. Therefore, staff feel that neither of these solutions would provide any benefit and would only increase the number of site plan applications, putting strain on both staff and applicants.

The report presents three options for the Planning Advisory Committee to consider and form the basis of a recommendation to Council:

**Option 1:** Maintain the existing policies and allow short-term rentals only within the Commercial zones and through the criteria for a home-based occupation.

**Option 2:** Take a balanced approach by building on Option 1, allowing what is currently permitted, updating definitions, and permitting a cottage/vacation home to operate for up to 45 days per year.

**Option 3:** Adopt the most open approach by updating definitions to align with the province and allowing short-term rentals for both primary and non-primary residences in every residential zone.

Options 2 and 3 require a Municipal Planning Strategy Amendment and a Land Use By-Law Amendment. Therefore, both options will necessitate the Planning Advisory Committee to host a public participation program.

### Option 1

Option 1 is to continue with the existing standard, allowing accommodation uses within commercial zones while allowing them as a home-based occupation. This is the policy as it is currently written and will require no changes.

The benefit of this policy is that all housing types, except those within commercially zoned areas, will continue to be used for housing purposes.

The disadvantage to this approach is that there will be an increase in applications to rezone properties that are currently non-compliant to commercial. This process is onerous on staff and leaves unknowns for the future of the property owner's business. In addition, because the only option is to rezone commercial or reside on the premises and operate as a home-based business, any property that is rezoned to commercial in order to accommodate the existing or proposed short-term rental accommodation could be used for any commercial purposes that are permitted within the new commercial zone as of right, which may increase land conflicts.

### Existing Policy in MPS (2024)

**Policy 4-73** Council shall, through the Land Use By-law, permit small-scale accommodations as a home occupation.

**4-74** Council shall, through the Land Use By-law, permit accommodations as a main use in zones that permit commercial uses as a primary intent of the zone.

### Existing Land-Use Bylaw Policies

#### **Section 32 Accommodation Definition:**

Accommodations: means the provision of a building, buildings, or part thereof to a single party or group of the travelling public, for payment or compensation, or a period of 28 days or less, and may include, but is not limited to, tourist facilities such as hotels; motels; hostels; bed and breakfast establishments; and entire home, individual room, cottage, cabin, geodesic dome, or yurt rentals.

### Policy Analysis

Restricting Short-Term Rentals (STRs) to commercial zones could help increase commercial property tax revenue by compelling properties outside commercial zones to rezone to commercial designation. This may lead to an assessment of the use and number of beds to determine the appropriate tax rate. This aligns with the provincial objective of limiting STRs in residential areas, ultimately creating more long-term housing opportunities and addressing the national housing crisis.

Short-term Rentals in some zones, most notably the Lakeside Residential Zone, would not be eligible for rezoning. An amendment to the Municipal Planning Strategy (MPS) would be necessary to establish a method for allowing accommodations in areas not currently designated for commercial zones in the Generalized Future Land Use Map. As of Friday, September 6th, the Development Department has received five (5) requests for Certificates of Municipal Compliance from Short-Term rental hosts located in the Lakeside Residential zone with no option for compliance.

However, limiting STRs to commercial zones may increase rezoning applications, potentially leading to land-use conflicts. Additionally, the surge in rezoning requests could affect the productivity of planning staff.

## **Option 2**

Option 2 allows short-term rentals to operate as home-based businesses within Commercial Zones. Additionally, it permits regulated cottage/vacation home use for up to 45 days throughout the year. This option involves updating existing definitions to align with those of the province. It allows limited short-term rental options within residential areas, enabling property owners who do not reside on the property to rent out their homes for up to 45 days. The option operates under a complaints-based system, aiming to strike a balance between providing more housing options and allowing property owners to generate some income.

### Proposed MPS Policy:

#### 4.7.8. Accommodations

Policy 4-76 Council shall, through the Land Use By-law, permit the use of cottages/vacation homes rented for less than 45 days as accommodations.

### Proposed LUB Policy

#### Section 32 Definitions

#### **Accommodations**

means the provision of a building, buildings, or part thereof to a single party or group of the travelling public, for payment or compensation, for a period of 28 days or less, and may include, but is not limited to, tourist facilities such as hotels; motels; hostels; bed and breakfast establishments; and entire home, individual room, cottage, cabin, geodesic dome, or yurt rentals. In addition to accommodations, the land-use by-law shall in some circumstances, regulate the type of accommodation, permitting only the following defined accommodation uses within specific zones:

- a) Primary Residence Short-Term Rental: This means a short-term rental of your home that is considered your primary residence. Your primary residence is the home where you spend most of your time, perform daily activities, and are considered to be your main home. Examples of renting a whole home include when you are away on vacation or work.
- b) Non-primary Residence (Commercial) Short-Term Rental means the Short-Term Rental of a dwelling unit that would otherwise be suitable as long-term housing. It is a dwelling unit that is not your primary residence and includes whole homes, condominium units, apartments, and backyard/secondary suites.
- c) Traditional Tourist Short-Term Rental: means the Short-Term Rental of an accommodation traditionally associated with tourists such as hotels/motels/inns; hostels; resorts; bed and breakfasts; or dorms and may also include unusual lodgings such as yurts, domes, bunkies, recreational vehicles and cottages/vacation homes
- d) Cottage/Vacation Home: This means an accommodation that is offered for up to 45 days throughout the year.

The term 'Accommodations' must be replaced with appropriate sub-definitions throughout the MPS and LUB. Cottages and vacation homes must also be added to the permitted uses of all residential zones.

### Policy Analysis

The proposed policy provides more flexibility by allowing a wider variety of short-term rental (STR) uses. This includes permitting cottages and vacant homes to be used as short-term rentals, which can then be utilized for home occupations. These types of rentals are allowed in all dwelling zones. This will help prevent the misuse of long-term housing for short-term rentals in residential areas, thus addressing housing affordability and preserving the character of residential neighbourhoods. It also limits traditional tourist accommodations, such as hotels, to commercial zones.

Under Option 2, a complaints-based system will be used to enforce the 45-day limit. The Development Officer will be responsible for taking action if a property owner is found to be operating for longer than the specified limit. This puts the burden of proof on the Municipality and may be difficult to enforce without support from the platform being used to advertise the short-term rental unit.

Property owners will still have the option to rezone to commercial to operate outside of the 45-day limit. This option will hopefully reduce the number of applications to rezone. The same concerns as expressed within Option 1 for the rezoning of residential properties to commercial also exist within this option. Once a property is rezoned to commercial, any permitted commercial use within the zone would be allowed.

### Option 3

Option 3 is to update the definitions to align with new provincial regulations and to utilize the primary and non-primary short-term rental definitions by allowing this type of use to be permitted as of right within all residential areas.

This option brings the status quo into compliance, effectively making the current situation legal for short-term rental accommodations within homes that existed before the new provincial regulations came into effect. It would allow existing and new primary and non-primary short-term rentals to operate within residential zones. To date, the Municipality has never received a complaint for short-term rentals operating in residential areas.

The benefit of this approach is that the property owner will not be required to rezone their property to commercial in order to offer accommodations. This will maintain the existing number of residential short-term accommodations within the municipality while also preserving the existing character of residential neighborhoods, as the use would be considered residential in nature and no commercial rezoning would be required.

#### Proposed MPS Policy

##### 4.7.8 Accommodations

Policy 4-76 Council shall, through the Land Use By-law, permit Primary and Non-Primary residence Short Term Rentals as a main use in zones that permit residential uses as a primary intent of the zone, subject to the same requirements as a dwelling.

#### Proposed LUB Policy

##### Section 32 Definitions

##### **Accommodations**

means the provision of a building, buildings, or part thereof to a single party or group of the travelling public, for payment or compensation, for a period of 28 days or less, and may include, but is not limited to, tourist facilities such as hotels; motels; hostels; bed and breakfast establishments; and entire home, individual room, cottage, cabin, geodesic dome, or yurt rentals. In addition to accommodations, the land-use by-law shall in some circumstances regulate the type of accommodation, permitting only the following defined accommodation uses within specific zones:

- a) Primary Residence Short-Term Rental: This means a short-term rental of your home that is considered your primary residence. Your primary residence is the home where you spend most of your time, perform daily activities, and are considered to be your main home. Examples of renting a whole home include when you are away on vacation or work.
- b) Non-primary Residence (Commercial) Short-Term Rental means the Short-Term Rental of a dwelling unit that would otherwise be suitable as long-term housing. It is a dwelling unit that is not your primary residence and includes whole homes, condominium units, apartments, and backyard/secondary suites.

- c) Traditional Tourist Short-Term Rental: means the Short-Term Rental of an accommodation traditionally associated with tourists such as hotels/motels/inns; hostels; resorts; bed and breakfasts; or dorms and may also include unusual lodgings such as yurts, domes, bunkies, recreational vehicles and cottages/vacation homes
- d) Cottage/Vacation Home: This means an accommodation that is offered for no more than 45 days throughout the year.

The term 'Accommodations' will need to be replaced with appropriate sub-definitions throughout the MPS and LUB. Primary Residence and Non-Primary Residence Short-Term Rentals shall be permitted in all zones where the primary use is residential, subject to the same requirements as a dwelling.

### Policy Analysis

The current definition of accommodation under the LUB is broad and needs to align fully with provincial definitions. The current MPS policy 4-73 is also restrictive, preventing property owners in residential zones from engaging in short-term rental businesses outside of the home-based business criteria. The proposed amendments would allow property owners in residential zones to operate short-term rentals, permitting existing primary residence short-term rental accommodations to continue operating. This will also enable the potential for new primary residence accommodations in residential areas, contributing new accommodation units for tourists to access and providing property owners with the ability to generate income.

While the proposed amendment facilitates local economic growth, there is also concern about losing long-term housing to non-primary residence short-term rental development in all residential zones, leading to the loss of long-term housing stock and community ties. However, this approach allows for market demand; if the municipality becomes saturated with short-term accommodations that are unneeded, the properties as existing residential uses could easily be returned to long-term rental property or sold for residential purposes.

The Development Department staff have received twenty-four (24) requests for STR compliance letters which fall into three broad categories:

- One (1) request is for a Traditional Tourist Accommodation in a Rural Commercial Zone where Airbnb's are allowed by right.
- Eight (8) requests are for properties on the same lot as the owner's residence and qualify as Home Occupations, depending on specific criteria.
- Fifteen (15) requests are for dedicated short-term rentals in residential zones, which are not permitted under the Land Use Bylaw (LUB).

If the amendments suggested in Option 3 were made, all 24 requests would be permitted. Short-term rentals in the Lake Side Residential Zone would be subject to the same Site Plan Approval process as Dwellings already in the zone.

## Recommendation

It is recommended that Council adopt the proposed Short-Term Rental (STR) policy in Option 3 for the following reasons:

1. **Balanced Economic Growth:** By allowing a broader range of permitted STR uses, the policy supports local economic growth, encourages tourism, and boosts income for homeowners who participate in the STR market.
2. **Preservation of Neighborhood Character:** To maintain the residential nature of neighbourhoods and preserve their integrity and character, traditional tourist accommodations like hotels will be limited to commercial areas. Additionally, primary residence accommodations will not be required to be re-zoned as commercial, thus safeguarding the neighbourhood character.
3. **Policy Alignment:** By updating the definitions for accommodations within the land-use by-law to align with Provincial regulations, the proposed amendment will provide clarity and direction for the Development Officer when completing proof of compliance forms.

## Next Steps

If PAC wishes to move forward with either Option 2 or Option 3, both of which require a Municipal Planning Strategy amendment, then a Public Participation Program is required prior to the Planning Advisory Committee making a recommendation to Council.

The PAC will need to provide direction to staff on the hosting of this meeting before the matter goes to Council for a potential First Reading. The meeting must be advertised:

- Within a local newspaper
- On the Municipality of the District of Yarmouth's website
- On the Municipality of the District of Yarmouth's social media for a minimum of five business days prior to the meeting.
- To adjacent municipalities, including First Nations, through notification that a proposed amendment is under consideration.

A "what we heard" report will be prepared to summarize and analyze the information presented by the public at the public participation meeting. This report will accompany the Planning Advisory Committee's recommendation to Council for their review.

## Additional Materials

# Regulations Respecting Short-term Rentals Registration

Municipal Information Session – August 2024

MUNICIPAL AFFAIRS AND HOUSING  
PROVINCE OF NOVA SCOTIA

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## October 2023 Changes

3

- New lead: **Department of Municipal Affairs and Housing**
- Changes to Tourism Accommodation Registration Act received Royal Assent
  - Act renamed – ***Short-Term Rentals Registration Act***
  - New provision with a focus on returning commercial STRs to long term housing through higher fees and stronger compliance.
  
- As of July 31, 2024, **7,236 tourist accommodations** are registered with the province.

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## Summary of Forthcoming Regulations

- New annual registration **rate structure** including new **host classifications**.
  - Commercial STR Hosts include **Fee Tiers** based on population size and housing need.
- New maximum **fine amounts**
- New **registration requirements** - proof of compliance (municipality, landlord, condo) and proof of primary residence
- **Effective date September 30, 2024**.
  - Hosts are encourage to submit their registration application by **September 16** to ensure their application will be processed before September 30.
- New **Administrative Penalties** system will be explored after the registry regulations come into effect (Fall 2024).

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## 3 Host Categories

- Traditional Tourist Accommodations
  - Hotels, motels, Bed and Breakfasts, **cottages/vacation homes\*\*** and other forms of roofed accommodation.
- Primary Accommodation STR Host
  - STRs that are located in the host's primary residence.
  - A guest room offered as a STR in the host's primary residence is considered a Traditional Tourist Accommodation for fee purposes.
- Commercial STR Host
  - STRs that are located in a dwelling unit/home that is not the host's primary residence.

**\*\*Cottage/Vacation Home is an accommodation that is offered for no more than 45 days total throughout the year**

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## Compliance with Municipal Land Use By-laws

- Under the new Regulations hosts must validate that their accommodation complies with their signature or initials and all **land use by-law** rules.
- Municipalities can still request the province de-register a STR should it be non-compliant with other municipal rules and regulations.
- Confirmation must include the address of the accommodation and confirm that the short-term rental / accommodation is permitted pursuant to municipal land use by-law provisions.
  - Municipalities that do not regulate short-term rentals do not need to include an address.

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## Compliance with Municipal Rules

- Examples of municipal confirmation include
  - Zoning Confirmation Letter
  - Development Permit
  - Letter or e-mail from the Municipality
  - Template letter provided by the Province
  - Standard letter that the Municipality does not regulate short-term rentals (template provided by Municipality)

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## Support from DMAH

- The province has developed a pre-approval letter for previously licensed (pre 2020) tourist accommodations. This will avoid older tourist accommodations from reaching out for municipal approval.
- The province will continue to share data related to the provincial registry.
- The Province will take action based on municipal input on applicants. For example, applicants can be denied, cancelled, revoked or suspended should a municipality confirm the accommodation is non-compliant with municipal rules.

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## Updates to Data Sharing Agreement

- 32 Municipalities have entered into data sharing agreements to receive daily extracts of registered STRs,
- As the *Tourist Accommodation Registration Act* will be renamed the *Short Term Rental Registration Act* new data sharing agreements are required.
- Proposed Key Updates will include:
  - Reference to the new name for the Act;
  - Ensuring all municipalities have access to the expanded extract, including the addition of PIDs
  - Weekly updates vs daily (Monday)
- Over the next several weeks we will be sending the updated agreements to those who are listed as the current contacts.

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## Next Steps

- 1) Public Announcement of New Regulations – next week
- 2) Online Digital Registry Service – mid August
- 3) New Data Sharing Agreement – August/September
- 4) Follow Up Meeting – August/September

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## Thank You

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## Appendix

### Municipal Government Act (MGA) Policies Regarding MPS and LUB Amendments

**“Planning documents”** means

(i) a municipal planning strategy and a land-use by-law adopted to carry out the municipal planning strategy,

**(ii) an amendment to a municipal planning strategy and a land-use by-law amendment to carry out the municipal planning strategy amendment.**

#### Requirements for adopting a planning document

**Section 205 (4):** A council shall complete the public participation program before either placing the first notice for a public hearing in a newspaper circulating in the municipality or posting notice of the public hearing on the municipality’s website.

See Appendix 2 for further reading on procedural requirements for adopting planning documents.

#### Amendment of land-use by-law

**Section 210 (1)** An amendment to a land-use by-law that

(a) is undertaken in accordance with the municipal planning strategy; and

(b) is not required to carry out a concurrent amendment to a municipal planning strategy,

is not subject to the review of the Director or the approval of the Minister.

**(2)** The procedure for the adoption of an amendment to a land-use by-law referred to in subsection (1) is the same as the procedure for the adoption of planning documents, **but a public participation program is at the discretion of the council and the amendment may be adopted by a majority of votes of Council members present at the public hearing.**

#### adoption of land-use by-law or amendment

**Section 219 (2)** A council may amend a land-use by-law in accordance with policies contained in the municipal planning strategy on a motion of Council or on application.

**(3)** A Council shall not adopt or amend a land-use by-law except to carry out the intent of a municipal planning strategy.

## Short-Term Rental Regulations Report to Council



### Short-Term Rental Regulations

#### Background

The provincial Government has changed the requirements for operating short-term rentals in Nova Scotia. Starting September 30<sup>th</sup> all short-term rentals must be registered under the new *Short-Term Rentals Registration Act*.

The province defines short-term rental as any dwelling, accommodation, or room that is intended for temporary lodging and rented out for periods of 28 consecutive days or fewer at any point during the year.

Registration requires a Certificate of Municipal Compliance confirming that the Short-Term Rental complies, at a minimum, with the Municipal Land Use By-law.

#### Municipal Policies

Short-term rentals fall within MoDY's Land Use By-law's definition of Accommodations, which is the provision of a building, buildings, or part thereof to a single party or group of the travelling public, for payment or compensation, for a period of 28 days or less, and may include, but is not limited to, tourist facilities such as hotels; motels; hostels; bed and breakfast establishments; and entire home, individual room, cottage, cabin, geodesic dome, or yurt rentals.

As per Municipal Planning Strategy Policy 4-74 Council shall, through the Land Use By-law, permit accommodations **as a main use** in zones that permit commercial uses as a primary intent of the zone.

As such the Land Use By-law permits Accommodations in the Commercial General (CG), Hamlet Commercial (HC), and Rural Commercial (RC) Zones.

Municipal Planning Strategy Policy 4-73 states Council shall, through the Land Use By-law, permit small-scale accommodations **as a home occupation**. This allows homeowners to provide accommodations uses **accessory** to their Primary Residence in Residential Zones.

Properties in the Rural Development Zone can be re-zoned Rural Commercial, and properties in the Hamlet Residential Zone can be re-zoned to Hamlet Commercial subject to specific criteria through a Land Use By-law Amendment. This would permit accommodations as the primary use on the lot. It is the same process used for other commercial developments such as Office Buildings, Restaurants, and Retail Shops.



## Short-Term Rental Regulations

### Current Status

To date the Development Department has received requests for a Certificate of Municipal Compliance for 22 properties. They fall into the following broad categories:

- 1 Traditional Tourist Accommodation in Rural Commercial Zone – Permitted
- 8 Home Occupation Accommodations in Residential Zones – Permitted
- 13 Dedicated Short Term Rental Properties in Residential Zones – Not Permitted

Of the 13 not permitted 11 are in the Hamlet Residential or Rural Development Zones and could be eligible for re-zoning through a Land Use By-law Amendment. The re-zoning process requires a report to PAC (informed by a Public Participation Meeting), a recommendation from PAC to Council, First Reading, notification of neighbouring properties, a Public Hearing, and Second Reading. This process is never a guaranteed success, however if the impact on neighbours is minimal, history indicates the application is more likely to be successful.

Three of the property owners eligible for re-zoning have indicated they are interested in going through the process. In conversation they have agreed that they are ultimately running a commercial business on the property, and that it makes sense to require commercial zoning.

Changing a property from a Residential Use to a Commercial Use also changes the tax rate. MoDY's Residential tax rate is \$1.18 and the Commercial Tax \$2.17. It is important to note that **it is the use that determines the tax rate, not the zoning**. If Commercial Accommodations were permitted in Residential zones the property owner is still supposed to get a development permit for a change of use from residential to accommodations which would change the tax rate to the same as if it were in a commercial zone.

There has been some misinformation and exaggeration online. For example, stating that Short Term Rentals are only allowed in a narrow strip in Dayton Hebron area. While it is true that this is the only area where they are permitted **as of right it** (if not under the Home Occupation category) completely over looks the re-zoning option. The option to re-zone Rural Development and Hamlet Residential properties to commercial zones is central to MoDY's Municipal Planning Strategy and Land Use By-law. In approving the MPS, Council predicted future commercial needs and therefore adopted policies accordingly. It allows flexibility of uses under the discretion of Council, as recommended by PAC, with appropriate public engagement.

Tourism is an important part of MoDY's economy and there is no denying Accommodations play a central role supporting the Tourism Industry. However, it is important to note that there is also a housing crisis. Any dedicated Accommodation serving as the main use on a property is one less house available as long-term housing stock. These new regulations have been



## Short-Term Rental Regulations

introduced by the province in part to provide Municipalities with a mechanism to prevent potential long-term housing stock from being used as short-term rentals.

In addition to the zoning matters registrants are working through, there are concerns about what will happen from the compliance perspective after the September 30, 2024 deadline.

### Next Steps

Allowing Accommodations as the primary use in additional zones would require amendments to both the Municipal Planning Strategy and the Land Use By-law. These amendments can be done concurrently. Both Municipal Planning Strategy and Land Use By-law amendments require a recommendation from PAC (informed by a Public Participation meeting), first reading from council, a Public Hearing, and Second Reading. An LUB amendment that is in response to a specific development (such as a rezoning) also requires notification of all property owners within 500 metres of the subject property in rural areas, and 300m for serviced areas and hamlets. On top of that, Municipal Planning Strategy Amendments require a Public Participation meeting before PAC makes its recommendation, as well as notification to neighbouring Municipal units with opportunity for them to provide feedback before Second Reading.

Municipal Staff are already working on a PAC report outlining the options moving forward. The report will outline all the options available to the Municipality. Different levels of Public Participation will be required depending on which option Council ultimately chooses to move forward with. This analysis will include the potential use of S. 219 of the Municipal Government Act. where Council may, under certain circumstances, amend the LUB by way of motion.

The province has indicated that Short Term Rentals currently seeking confirmation of compliance will not be the focus of enforcement. Properties currently working to achieve compliance may be granted some grace time. The province has also indicated that properties which may come into compliance as a result of on-going Municipal Planning Strategy and/or Land Use By-law amendments may receive similar treatment.

Given there is not an imminent risk, regulatory or financial, to the 22 property owners who have come forward to request a zoning clearance letter, it is not recommended that any action be taken by Council at this time.

Municipal Certificate of Compliance Form**Municipal Certificate of Compliance -  
Operating a Short-Term Rental****PROOF OF COMPLIANCE WITH MUNICIPAL BY-LAWS**

In accordance with the **Municipality of the District of Yarmouth Land Use By-law**  
a [ **STR Type** ] is a permitted use at [ **Address and PID** ]

**This does not confirm or imply compliance with other relevant Municipal By-laws  
such as but not limited to the Building By-law.**

Name of Municipal Official: **Derek Robertson**

Municipality: **Municipality of the District of Yarmouth**

Signature of Municipal Official \_\_\_\_\_

\_\_\_\_\_  
Date

For help contact us at 902-424-5200 or  
toll-free (within Nova Scotia) at 1-800-670-4357  
email: STAadmin@novascotia.ca

**Mailing Address**  
Business Registration Unit  
PO Box 1529  
Halifax, NS B3J 2Y4

Return to resident to include with their application.

In accordance with the *Short-term Rentals Registration Regulations* applicants  
are required to provide confirmation from the municipality that the  
accommodation the applicant seeks to register complies with applicable

Register Your Short-Term Accommodations Application – Proof of Compliance

<https://beta.novascotia.ca/register-your-tourist-accommodation>

Privacy Policy: <http://novascotia.ca/govt/privacy/>



## Municipal Certificate of Compliance - Operating a Short-Term Rental

### APPENDIX A: DEFINITIONS & TYPES OF SHORT-TERM RENTALS

<b>Short-Term Rental</b>	means any dwelling, accommodation, or room that is intended for temporary lodging and rented out for periods of 28 consecutive days or fewer at any point during the year. All STRs need to register.
<b>Primary Residence STR</b>	means the short-term rental of <u>your home</u> that is considered your primary residence. Your primary residence is the primary home where you spend most of your time, perform daily activities, and consider to be your main home. Examples of renting a whole home include when you are away on vacation or for work.
<b>Non-Primary Residence STR</b>	means the short-term rental of a dwelling unit that would otherwise be suitable as long-term housing. A Commercial STR is a dwelling unit that is not your primary residence and includes whole homes, condominium units, apartments, and backyard/secondary suites.
<b>Traditional Tourist Accommodation</b>	means the short-term rental of an accommodation traditionally associated with tourists such as hotels/motels/inns; hostels; resorts; bed and breakfasts; dorms, or unusual lodgings (such as yurts, domes, bunkies, and recreational vehicles).

Property valuation Services Corporation Correspondence**Derek Robertson**

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**From:** Paul Beazley <PaulBeazley@pvsc.ca>  
**Sent:** Wednesday, September 11, 2024 11:43 AM  
**To:** Linda Power  
**Cc:** Derek Robertson  
**Subject:** RE: Short Term Rental  
**Attachments:** Sec 47A Short Stay.PNG

Hello Linda and Derek,

Regulations respecting "Small-Scale Residential Tourist" accommodations were added to Sec 47A of the Assessment Act in 2020. I have attached a copy of the Order in Council.

The primary aspect for determination of "residential" vs. "commercial" is stated in the last sentence: "...the number of rooms...that may be rented to the travelling or vacationing public to provide overnight sleeping accommodation is 4 or fewer."

If 4 or fewer rooms, it falls into the Residential category. If greater than 4...Commercial.

Regards,  
Paul

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**From:** Linda Power <linda@munyarmouth.ca>  
**Sent:** Wednesday, September 11, 2024 11:31 AM  
**To:** Paul Beazley <PaulBeazley@pvsc.ca>  
**Cc:** Derek Robertson <d Robertson@munyarmouth.ca>  
**Subject:** Short Term Rental

[This email has been received from an external person or system.]

Good morning Paul,

Hope you had a good summer.

Question for the day, which I'm sure this isn't the first time you have heard it, re: AirBNB.

Our Development officer has asked me about Short term rental assessment so I am now asking you.

Our questions is: on a short term rentals how do you determine when it becomes Commercial assessed?

Look forward to hearing from you.

Linda



**Linda Power**

PROPERTY INFORMATION MANAGER

[LINDA@MUNYARMOUTH.CA](mailto:LINDA@MUNYARMOUTH.CA)

(902) 742-7159

[MUNYARMOUTH.CA](http://MUNYARMOUTH.CA)