**DENHOLM**

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**SHORT-TERM ACCOMMODATION**
**BILL 67 ADOPTED**

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The government of Québec has adopted bill 67 concerning new standards for the rental of a principal residence as a short-term accommodation establishment. As of March 25, 2023, it will now be possible to rent out a principal residence on sites such as Airbnb for a maximum of 31 consecutive days, without being prohibited by a municipal by-law. However, municipalities will be able to prohibit or limit the supply of tourist accommodation in a principal residence in certain areas of their territory, subject to an appropriate referendum process.

The municipality is aware that this change may not please everyone. We want to reassure you that council has decided to take a more restrictive approach to maintain the tranquility of our neighbourhoods.

To better understand the law and its effects on the municipality, you are invited to a :

Public information meeting
Saturday, May 21, 2022, at 1:00 p.m.


**PRIMARY VERSUS SECONDARY RESIDENCE**

The new standards of the law apply only to primary and private residences owned by individuals. According to the current regulations in Denholm, offering one's residence as a short-term accommodation is currently prohibited in residential areas. However, as of March 25, 2023, a family or individual may decide to rent out their principal residence on a temporary basis, for a maximum of 31 consecutive days.

The law does not grant this same benefit to second homes. This means that an individual or a business that owns, for example, a cottage or a second home cannot rent it out as short-term accommodation, according to Denholm's current regulations. The only exception is if the second home is located in a commercial zone that permits tourist accommodation.

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## MEASURES PROVIDED FOR BY THE LAW TO RENT A PRINCIPAL RESIDENCE

In order to rent out his or her principal residence, an individual must :
- obtain a classification certificate from the ministry of tourism through the CITQ
- rent the unit (room, house or apartment) to tourists
- rent for a maximum period of 31 days (by night, week or weekend);
- rent for a fee;
- publish an advertisement including the establishment number assigned by the CITQ on a media, regardless of its form (website, social networks, bulletin board, newspaper, poster, etc.);
- respect the municipal bylaws, particularly in terms of nuisance, safety and sanitation.

## POWERS OF THE MUNICIPALITY

*Referendum process*

The law allows municipalities to prohibit short-term rentals of a principal residence in a specific area through a referendum process. This means that any resident, or neighbourhood representative, who wishes to prohibit short-term accommodation in his or her area must make a request to the municipality.
If City Council agrees, a referendum will be held, and the residents of the affected area will be asked to vote on the proposal. This is a process that takes approximately 6 months and can cost a few thousand dollars, depending on the size of the area involved.

*Applicable municipal by-laws*

Although the municipality can no longer prohibit principal residence establishments as of March 25, 2023, it can regulate them through its municipal by-laws with respect to nuisance, health or safety. This is the case, for example, with the bylaws concerning noise, waste, fireworks, open air fires, etc.
It should be noted that these regulations are already in effect and that their application is monitored by the Sûreté du Québec.

## APPLICATION TO WITHDRAW A CERTIFICATE

Any individual who decides to rent out his or her principal residence is responsible for complying with the applicable provincial and municipal regulations. If the individual is found guilty of two or more offences within a 12-month period, the municipality may apply to the Corporation de L'industrie Touristique du Québec (CITQ) for the cancellation or suspension of his or her classification attestation.

In addition, Revenu Québec asks municipalities to report any illegal lodging establishment that is not registered with the municipality or the CITQ.

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## ADVANTAGES AND DISADVANTAGES OF ALLOWING SHORT-TERM ACCOMMODATION IN PRIVATE RESIDENCES

*Advantages*

Provides a new source of income to help pay rent, mortgage, or other expenses;

Provides flexibility for families who wish to make a room in their home, or their entire home, profitable when it is not occupied;

Allows to meet the demand when there is a lack of traditional accommodation (hotels, b&b, etc.);

Sometimes creates a more affordable tourist accommodation offer;

Allows for more flexibility since most traditional lodging establishments do not allow for the accommodation of a significant portion of the tourist clientele (families with several children or with a pet, limited budget, etc.);

Allows tourists to stay close to their family and friends;

Promotes economic benefits for the local economy;

Contributes to Denholm's attractiveness to tourists who are looking for lodging options that meet their increasingly varied expectations (proximity to the river, a lake or in the forest, complete lodging with kitchen and several rooms, rustic/rural style, etc.)

*Disadvantages*

Risks to privacy: party house, excessive noise, additional garbage, increased traffic and demand for on-street parking, etc;

Involves public safety and environmental risks: short-term accommodations must meet minimum standards for construction and layout, fire safety, sanitation and maintenance (overloading of septic systems);

Additional burden on utilities (more waste generated, traffic on roadways, complaints and monitoring required, etc.);

Reduces demand for the traditional accommodation market (hotels, inns, b&bs, etc.);

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## THIS WILL HAVE THE EFFECT OF, IN MANY CASES

- the reduction in the supply of affordable rental and permanent housing: the flexibility and financial advantages offered by short-term housing encourage owners of traditional rental housing to turn to this mode of rental;

- the significant increase in the sale price of privately owned properties, particularly waterfront and woodland properties valued by landlords;

- increasing the value of properties on the municipal assessment roll in the same area, thereby increasing the tax burden on all property owners in that area;

- reduced homeownership opportunities for low and middle income families and a potential reduction in the number of permanent residents.

## ZONING BY-LAW

It is the intent of city council to prohibit tourist accommodation services in exclusively residential areas in order to maintain the tranquility of the neighbourhoods. Therefore, no new by-law on this subject will be introduced. In addition, the zoning by-law will not need to be amended as it already prohibits tourist accommodation services in residential zones.

## REMEDIES AND PENALTIES FOR OFFENDERS

Any person may report a non-compliant activity to Revenu Québec using the form available on the Revenu Québec website.

A person holding a classification certificate who fails to enter the establishment number in an advertisement is liable to a fine of $1,000 to $10,000 in the case of an individual and $2,000 to $20,000 in all other cases.

For a person who offers tourist accommodation without holding a classification certificate is liable to a fine of $2,500 to $25,000 in the case of a natural person and $5,000 to $50,000 in all other cases.

## WHERE IS SHORT-TERM ACCOMMODATION PERMITTED IN PRIVATE RESIDENCES?

The municipality's by-law allows it in commercial zones where c-10 uses are permitted, however there is no such zoning currently in Denholm.

Documentations

Https://www.protegez-vous.ca/nouvelles/affaires-et-societe/du-airbnb-permis-partout-ou-presque!-au-quebec
Https://www.legisquebec.gouv.qc.ca/fr/document/rc/e-14.2,%20r.%201
Https://www.quebec.ca/nouvelles/actualites/details/adoption-du-projet-de-loi-67-hebergement-collaboratif-dans-les-residences-principales-mieux-encadre-et-plus-accessible
Https://www.mamh.gouv.qc.ca/fileadmin/publications/ministere/legislation/pl_67_omnibus_document_public.pdf
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