



# **Municipal and Regional District Tax Program Requirements**

**Summer 2018**

## Table of Contents

Section	Page
1. Overview	<u>2</u>
2. Enabling Legislation	<u>2</u>
3. Program Purpose	<u>3</u>
4. Eligible Use of Funds	<u>3</u>
5. Eligible Applicants	<u>4</u>
5.1 Designated Recipients	<u>4</u>
5.2 Designated Accommodation Area	<u>4</u>
5.3 Delegation of Administration	<u>4</u>
6. MRDT Program Overview	<u>5</u>
6.1 How the MRDT Program Works	<u>5</u>
6.2 Three Percent Rate	<u>5</u>
6.3 Key Timelines	<u>6</u>
7. Application Requirements	<u>6</u>
8. Application Requirements for Affordable Housing	<u>9</u>
9. Application Procedure	<u>10</u>
10. Upon Approval of Application	<u>11</u>
11. Annual Performance Management and Reporting Requirements	<u>11</u>
12. Amendments	<u>13</u>
13. Monitoring, Compliance and Termination	<u>14</u>
14. Further Information	<u>14</u>
Appendix 1. Application Requirements	
Appendix 1.1 MRDT Application Form	<u>A1.1-1</u>
Appendix 1.2 Five-Year Strategic Business Plan	<u>A1.2-1</u>
Appendix 1.3 Accommodation Directory Form	<u>A1.3-1</u>
Appendix 1.4 Accommodation Sector in Support of MRDT Form	<u>A1.4-1</u>
Appendix 1.5 Third Party Authorization Form	<u>A1.5-1</u>
Appendix 1.6 Disclosure of Information Authorization Form	<u>A1.6-1</u>
Appendix 1.7 Tourism Events Program Sponsorship Undertaking	<u>A1.7-1</u>
Appendix 1.8 Affordable Housing MRDT Plan	<u>A1.8-1</u>
Appendix 2. Annual Reporting Requirements	
Appendix 2.1 Financial Report	<u>A2.1-1</u>
Appendix 2.2 Annual Performance Report	<u>A2.2-1</u>
Appendix 2.3 One-Year Tactical Plan	<u>A2.3-1</u>
Appendix 2.4 Affordable Housing MRDT Report	<u>A2.4-1</u>

## 1. Overview

The purpose of this document is to outline the requirements for the Municipal, Regional, and District Tax Program (“MRDT program”) and provide guidance and assistance to municipalities, regional districts, and eligible entities (“designated recipients”) applying for or renewing the Municipal and Regional District Tax (“the tax”) within their communities. This document includes application materials and other forms and templates to assist with application, renewal, and reporting requirements.

**Designated Recipient:** *The municipality, regional district or eligible entity that receives the revenue from the tax in a designated accommodation area.*

In *Budget 2018*, the government announced that the eligible uses of MRDT revenues would be expanded to include affordable housing initiatives. At the same time it was announced that online accommodation platforms located outside of BC would be enabled to register to collect provincial sales tax and MRDT on purchases of accommodation through their platform.

In keeping with these announcements, the MRDT Program Requirements have been updated to reflect the changes. In particular, the revised Program Requirements include the following clarifications:

1. MRDT revenues from online accommodation platforms can be used for affordable housing initiatives;
2. General MRDT revenues cannot be used for affordable housing initiatives unless the designated recipient can demonstrate support of tourism stakeholders and accommodation providers; and
3. The requirement to demonstrate accommodation provider support will remain unchanged. Individual hosts that only list on online accommodation platforms will not need to be consulted.

Please see the revised details in Sections 7 and 8 and Appendix 1.8 and 2.4.

Moving forward, the Province will provide existing designated recipients with information on two types of MRDT revenue: revenues from multi-jurisdictional online accommodation platforms (OAP), which are based outside of BC but operate within the designated accommodation area; and revenues from general accommodation providers (general MRDT revenues), such as hotels, motels, etc. This is to support designated recipients’ affordable housing spending (refer to Section 8 for details).

## 2. Enabling Legislation

Section 123 of the *Provincial Sales Tax Act* (refer to [http://www.bclaws.ca/civix/document/id/complete/statreg/12035\\_00](http://www.bclaws.ca/civix/document/id/complete/statreg/12035_00))

imposes a tax of up to three percent on the purchase price of accommodation in a specified geographic area of the province (“designated accommodation area”) on behalf of a designated recipient.

**Designated Accommodation Area:** *A specified geographic area of the province in which the tax will be applied on behalf of a designated recipient.*

### 3. Program Purpose

The purpose of the MRDT program is to assist designated recipients to fund tourism marketing, programs and projects. Affordable housing was added as a permissible use of funds in *Budget 2018*.

The MRDT program is jointly administered by the Ministry of Finance, the Ministry Tourism, Arts and Culture, and Destination British Columbia.

The MRDT program is one of a number of supports available to enhance tourism marketing in BC. The MRDT program is intended to help grow BC revenues, visitation and jobs, and amplify BC's tourism marketing efforts in an increasingly competitive marketplace. To promote a coordinated and efficient use of funds, the following **MRDT program principles** have been adopted:

- Effective tourism marketing, programs and projects;
- Effective local-level stakeholder support, and inter-community collaboration;
- Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics; and
- Fiscal prudence and accountability.

Affordable housing was added as a permissible use of funds in *Budget 2018* to help address local housing needs. Designated recipients have the flexibility to define, identify, and fund affordable housing initiatives that they deem appropriate to meet local needs. Affordable housing funding must be consistent with fiscal prudence and accountability, and will be subject to additional reporting requirements. Further detail, including stakeholder consultation and support requirements, can be found in Section 8.

### 4. Eligible Use of Funds

The *Designated Accommodation Area Tax Regulation* (refer to [http://www.bclaws.ca/civix/document/id/complete/statreg/93\\_2013](http://www.bclaws.ca/civix/document/id/complete/statreg/93_2013)) sets out the authorized purposes for funds collected under the MRDT program. Authorized purposes are tourism marketing, programs and projects, initiatives respecting affordable housing, and any other prescribed purposes as set out in the regulation.

The MRDT program is intended to contribute to the increase of local tourism revenue, visitation, and economic benefits and must be supported by both local governments and tourism industry stakeholders. MRDT for affordable housing is intended to provide flexibility to communities to address their local housing needs.

Funds from the MRDT program should augment current funding and cannot be used to replace existing sources of tourism funding in a community.

As the MRDT program is intended to primarily fund tourism marketing, programs and projects, consideration will only be given in special circumstances to the financing of capital expenditures (other than affordable housing) such as new tourism facilities or infrastructure. Proposals for capital spending must be included in the designated recipient's Five-Year Strategic Business Plan, and must demonstrate strong local stakeholder support in order to be considered as an authorized use of MRDT program funds. A business case must be provided, including budget, for each capital project and all capital projects must be completed within the current Five-Year Strategic Business Plan time period. These proposals will be approved on a case-by-case basis by the Province of British Columbia ("the Province".)

Applicants must contact Destination British Columbia program staff prior to submitting an application including capital expenditures (refer to Section 13: Further Information). Refer to Section 8 for information required for affordable housing initiatives.

Designated recipients are expected to effectively manage administrative costs related to MRDT projects. Administration costs, where applicable, include:

- Management and staff unrelated to program implementation
- Finance staff
- Human Resources staff
- Board of Directors costs
- Employee-related information technology costs (i.e. computers, telephone, support, network connections)
- Office lease/rent
- General office expenses

Considerable scrutiny will be applied to ensure that MRDT program funds are used for authorized purposes.

## 5. Eligible Applicants

### 5.1 Designated Recipients

The following are eligible to be a designated recipient under the MRDT program:

- Municipalities;
- Regional districts; and
- Eligible entities.

Under the *Provincial Sales Tax Act*, to qualify as an eligible entity, an applicant must:

- Be a not-for-profit business association (e.g. a society incorporated under the *Society Act*; entities incorporated under the *Business Corporations Act* are not eligible). Note that a not-for-profit society whose specific purpose is tourism marketing is preferred.
- Have a place of business in the designated accommodation area
- Be actively engaged in tourism marketing, programs or projects in the designated accommodation area.

### 5.2 Designated Accommodation Area

The designated accommodation area may be:

- A whole municipality, but not a portion of a municipality
- A whole regional district or a portion of a regional district
- A combination of municipalities and portions of regional districts.

The tax may be levied in more than one municipality or regional district on behalf of a single designated recipient.

There can be no overlap with any other designated accommodation area in which the tax applies.

Generally, an electoral area is the smallest portion of a regional district that may be prescribed as a designated accommodation area.

### 5.3 Delegation of Administration

Municipalities and regional districts may either administer the MRDT program directly or delegate administration to a service provider (such as a destination marketing organization). The municipality or regional district remains the designated recipient and remains fully responsible for compliance with all MRDT program requirements.

Eligible entities are not permitted to delegate the administration of the MRDT program to a service provider.

The Province does **not** mediate disputes between municipalities or regional districts and their service providers. A service agreement that details the deliverables and conflict resolution procedure is strongly recommended.

## 6. MRDT Program Overview

### 6.1 How the MRDT Program Works

Applicants may apply to request that the Province levy the tax on their behalf in a designated accommodation area.

The tax applies to purchases of taxable accommodation within the designated accommodation area. The tax is collected by the Province on behalf of the designated recipient.

Funds equal to the tax collected in the designated accommodation area minus an administration fee are forwarded to the designated recipient on a monthly basis. OAP revenues will be forwarded to the designated recipient on a quarterly basis.

For new and renewal applications, the tax will be implemented for a period of five years. To extend the tax for an additional five-year period, a designated recipient must re-apply. There is no restriction on the number of times a designated recipient can apply to renew the tax.

Under the *Provincial Sales Tax Act*, **all** designated recipients must account annually to the Province on how MRDT program funds are spent (refer to Section 11: Annual Performance Management and Reporting Requirements).

### 6.2 Three Percent Rate

The *Provincial Sales Tax Act* was amended in 2015 to increase the maximum tax rate on the purchase of accommodation that may be imposed in a designated accommodation area from two percent to three percent of the purchase price of the accommodation.

Increasing the rate of tax is optional. A designated recipient may request a change in the rate of the tax to three percent of the purchase price of the accommodation prior to their renewal date by submitting a complete application containing all requirements listed in Section 7: Application Requirements. If approved, the tax will be renewed at the new rate for another five-year period. Designated recipients not subject to renewal requirements will be required to submit a complete application for the new rate one time only.

It is intended that designated recipients implementing a rate of three percent will sponsor and contribute to a provincial Tourism Events Program. Under this program, 0.2 percentage points of the incremental one percent of the tax will contribute to a provincially-led program to support tourism events that are expected to increase tourism to or within British Columbia.

Designated recipients with a three percent tax rate will be subject to enhanced reporting requirements (refer to Appendix 2.2 for further details).

### 6.3 Key Timelines

New applications for the tax, applications for rate changes, and applications that include affordable housing must be submitted at least **nine** months in advance of the desired effective date of the tax.

Renewal applications at the two percent rate must be submitted at least **six** months in advance of the end of the five-year term of the tax (“repeal date”).

Under extraordinary circumstances, designated recipients may make a written request to the Minister of Finance for an extension of the application deadline.

Failure to submit a completed application by the deadline may result in the tax ceasing to apply in a particular designated accommodation area.

## 7. Application Requirements

New applications, rate changes, and renewal application requirements include consultation and support from local governments, tourism industry stakeholders and accommodation providers. The application must include **all** of the following information and be submitted as a single complete package:

- A completed application form (refer to Appendix 1.1) signed by an authorized signing authority of the municipality, regional district or eligible entity that confirms that all program requirements have been met and all required documents are included in the application package.
- A Five-Year Strategic Business Plan with first year tactical details that meets all the requirements set out in Appendix 1.2. The applicant is required to make its Five-year Strategic Business Plan available to tourism industry stakeholders and accommodation providers as part of the industry consultation and accommodation support requirements on page 7.
- Evidence that the funds from the tax are incremental to existing sources of tourism funds. The funds from the tax are intended to augment current funding and cannot be used to replace existing sources of tourism funding in a community. An applicant must note any additional funding sources that will be available to support the Five-Year Strategic Business Plan.
- Evidence of consultation and support from local governments.
  - **If a municipality is applying**, the municipality must provide evidence that the regional district has been consulted and indicate whether the regional district supports or opposes the imposition of the tax in the municipality. Evidence could be in the form of a letter from the regional district’s Board of Directors.
  - **If a regional district is applying**, the regional district must provide evidence that all municipalities within the regional district have been consulted and agree with the tax being imposed in the regional district. Evidence must be in the form of letters of support from the municipality(ies).
  - **If an eligible entity is applying**, the entity must provide evidence that all municipalities and regional districts within the designated accommodation area have been consulted and agree with the tax being imposed in the designated accommodation area on behalf of the eligible

- entity. Evidence must be in the form of letters of support from the municipality(ies) and regional district(s).
- In the case of a conflict between a municipality, regional district or eligible entity about who the designated recipient is for an application or whether the tax should be imposed in a municipality, priority will be given to the position of the municipality.
  - Evidence of authority and request to impose the tax.
    - **If a municipality is applying**, the municipality must pass a bylaw that requests the Province levy the tax on its behalf and provide a copy of the bylaw with the application.
    - **If a regional district is applying**, the regional district must pass a resolution that requests the province levy the tax on its behalf and provide a copy of the resolution with the application. The regional district must also provide evidence of its authority to use funds for the intended purpose either through letters patent or statutory authority.
    - **If an eligible entity is applying**, the eligible entity must submit a letter that requests the province levy the tax on its behalf. The eligible entity must also provide evidence of its authority to use funds for the intended purpose by submitting copies of its certificate of incorporation, articles of incorporation, constitution and bylaws.
    - The bylaw, resolution or letter must contain the following information:
      - Rate of tax to be imposed
      - Description of the geographic area in which the tax is to be imposed
      - Purpose for the funds
      - Desired effective date of the tax.
  - Documentation on how the MRDT program, including revenue, will be administered (e.g. directly by the designated recipient or through a service provider). If a municipality or regional district is proposing to delegate administration of the program to a service provider, the name and address of the service provider must be included.
  - Evidence of consultation with tourism industry stakeholders. The applicant must provide detailed evidence that the applicant has consulted with and received broad support from tourism industry stakeholders within the designated accommodation area in respect of the application. The applicant is required to make its Five-year Strategic Business Plan available to tourism industry stakeholders and provide an opportunity for input. Examples of consultation activities could include presentations at town hall meetings, annual general meetings and information sessions, etc. Letters of support from individual tourism industry businesses or organizations can also be provided.

**Tourism industry stakeholders:** Examples may include, but are not limited to, the following within the designated accommodation area:

- Accommodation providers;
- Attractions, sightseeing, activities and other primary tourism businesses;
- Restaurants, retail and other tourism related businesses;
- Regional and local tourism associations;
- Product Sector organizations;
- Parks and recreation;
- Visitor Centres; and
- Other government agencies and organizations that have programs and services that relate to tourism.

- An Accommodation Directory Form that lists all of the accommodation providers who offer taxable accommodation under the *Provincial Sales Tax Act* within the designated accommodation area, and the number of units each accommodation provider offers within the designated accommodation area (refer to Appendix 1.3). While the Province is able to provide an applicant with the names and addresses of registrants under the *Provincial Sales Tax Act*, it remains the responsibility of the designated recipient to ensure the accommodation directory is a complete and accurate list. The designated recipient is not required to identify and consult individual hosts who a) only list on registered online accommodation platforms, and b) those accommodation providers who offer fewer than 4 units of accommodation within the designated accommodation area (see below). For information on taxable and exempt accommodation, see PST Bulletin 120 Accommodation ([http://www.sbr.gov.bc.ca/documents\\_library/bulletins/pst\\_120.pdf](http://www.sbr.gov.bc.ca/documents_library/bulletins/pst_120.pdf))

*For more information on taxable or exempt accommodation refer to PST Bulletin 120 Accommodation [http://www.sbr.gov.bc.ca/documents\\_library/bulletins/pst\\_120.pdf](http://www.sbr.gov.bc.ca/documents_library/bulletins/pst_120.pdf).*

- An Accommodation Sector in Support of MRDT Form (refer to Appendix 1.4) that provides evidence that an applicant has sufficient support from accommodation providers who offer taxable accommodation within the designated accommodation area. The minimum required level of support is at least 51 percent of the accommodation providers representing at least 51 percent of the total number of units of accommodation offered by those accommodation providers in the designated accommodation area. Higher support from accommodation providers will increase the likelihood that an application will be approved, providing all other requirements are met. The applicant is required to make its Five-year Strategic Business Plan available to accommodation providers. The applicant is also required to indicate on the Accommodation Sector in Support of MRDT Form if they wish to use general MRDT revenues for affordable housing.

Online accommodation platforms located outside of BC have been enabled to register to collect tax on purchases of accommodation through their platforms. These are online marketplaces that facilitate transactions for renting short-term accommodations (many of which operate across jurisdictions) and typically list basement suites, individual rooms, or other forms of accommodation (such as trailers or motor homes). Their hosts may not regularly offer accommodation, may not be readily identifiable and accessible, and their accommodation units may not be on record with the Province.

This will not affect the way that applicants have consulted accommodation providers in the past. Applicants are not required to identify and consult individual hosts who: a) only list on registered online accommodation platforms, and b) those accommodation providers who offer fewer than 4 units of accommodation within the designated accommodation area. Designated recipients are only required to consult those accommodation providers who are registered under the *Provincial Sales Tax Act* and who physically provide taxable accommodation; whose owners/property managers are readily identifiable; and whose addresses and total number of accommodation units are on record with the Province; and who offer 4 or more units of accommodation within the designated accommodation area. This includes hotels and motels, bed and breakfasts, and vacation rental reservation systems that list properties with verifiable property managers.

For clarification, the Province is able to provide the names and addresses of registrants to assist applicants in identifying which accommodation providers to consult.

- Confirmation that Destination British Columbia has been consulted to ensure that proposed spending is coordinated and does not duplicate Destination British Columbia's broader promotional programs and is complementary to provincial marketing strategies and tactics.
- Third Party Authorization Form. If the designated recipient wishes the Province to discuss the application with their service provider the designated recipient must sign and submit the Third Party Authorization Form (refer to Appendix 1.5).
- Disclosure of Information Authorization Form. Applicants must authorize the Ministry of Finance to share information about the designated recipient in respect to the MRDT program with Destination British Columbia and the Ministry of Jobs, Tourism and Skills Training for the purpose of program administration and evaluation, and development of provincial tourism policy (refer to Appendix 1.6).
- A signed Tourism Events Program Sponsorship Undertaking if the application is for a three percent tax rate (refer to Appendix 1.7).
- Affordable Housing Requirements and Documentation, if applicable (see Section 8).

## 8. Application Requirements for Affordable Housing

### 8.1 Parameters for Spending on Affordable Housing

Designated recipients have the flexibility to define, identify, and fund affordable housing initiatives that they deem appropriate to meet local needs. Designated recipients may use MRDT revenues for the following purposes for spending on affordable housing initiatives:

- Acquiring, constructing, maintaining or renovating housing or shelter;
- Acquiring or improving land used for, or intended to be used for, housing or shelter;
- Supporting the acquisition, construction, maintenance, renovation or retention of housing or shelter or the acquisition or improvement of land intended to be used for housing or shelter;
- Supporting housing, rental or shelter programs; or
- Paying expenses related to the administration or disposal of housing, shelter or land acquired with money paid out of MRDT revenues.

Documentation and plans for affordable housing (Appendix 1.8 and 2.4) will be forwarded to the Ministry of Municipal Affairs and Housing (MAH) for assessment. Destination BC will remain the initial point of contact for discussions on applications. An updated Appendix 1.6 (Disclosure of Information Authorization Form) is also required for the first time that a designated recipient wishes to use MRDT for affordable housing, regardless of the revenue source.

### 8.2 Using Revenues from Online Accommodation Platforms (OAP) on Affordable Housing

Designated recipients are able to use OAP revenues on affordable housing initiatives without submitting a new five-year strategic business plan or application package. If a designated recipient chooses to only spend this amount on affordable housing, the following information on affordable housing will be required prior to implementation and due on November 30 of

each year to outline spending in the upcoming year (see Appendix 1.8 and 2.4):

- Project name and address;
- Project rationale and details (what is the need, issue, or demand);
- MRDT contribution;
- Housing provider/Project owner;
- Funding partners (if applicable);
- Funding partners' contribution (if applicable);
- Estimated completion date;
- Estimated number of housing units (number of housing units acquired, completed, maintained, or renovated); and
- Evidence of support on using MRDT revenues for affordable housing from applicable local government(s) (only if the designated recipient is not a municipality).

Designated recipients that have committed to using OAP revenues for purposes other than affordable housing in their tactical plan cannot redirect those revenues to affordable housing midway through the year; they must wait until the submission of the next tactical plan.

### 8.3 Using General MRDT Revenues on Affordable Housing

For designated recipients that wish to use general MRDT revenues (meaning revenues beyond OAP revenues), they can submit a new application at any time during the five-year tax lifecycle, but the package must include all of the documentation required for a renewal or rate increase application outlined in Section 7, including:

- A completed application form;
- A Five-Year Strategic Business Plan with first year tactical details;
- Evidence that the funds from the tax are incremental to existing sources of tourism funds;
- Evidence of authority and request to impose the tax;
- Evidence of consultation with tourism industry stakeholders;
- An Accommodation Directory Form;
- An Accommodation Sector in Support of MRDT Form (which demonstrates support from 51 per cent of accommodation providers representing 51 per cent of accommodation units);
- Confirmation that Destination British Columbia has been consulted;
- Third Party Authorization Form (if applicable);
- Disclosure of Information Authorization Form;
- A signed Tourism Events Program Sponsorship Undertaking (if applicable); and
- An Affordable Housing MRDT Plan (Appendix 1.8).

Designated recipients not subject to the renewal application requirements that would like to use MRDT revenues on affordable housing initiatives must submit a complete application as outlined above.

## 9. Application Procedure

Complete application packages must be submitted in PDF format by email to Destination British Columbia (MRDT@destinationbc.ca). The applicant will receive an email from Destination British Columbia confirming receipt of the application package.

Applicants may be contacted to provide additional information.

Failure to provide complete and accurate information may result in the application being delayed, returned or rejected.

Applicants can find more information about application timelines in Section 6.3.

## 10. Upon Approval of Application

If the application is approved by Cabinet, the Designated Accommodation Area Tax Regulation will be amended to prescribe the designated recipient, the designated accommodation area, the rate of tax, the effective date of the tax, the repeal date of the tax if applicable, and the approved uses of the revenue from the tax for a five-year period.

The applicant will be informed by the Ministry of Finance when the amendment to the Designated Accommodation Area Tax Regulation has been made and will be given information on when the tax will come into effect.

For new applications, the tax will be implemented effective the first day of the month that is three full months after the month in which the tax was approved. For example, if Cabinet approves the tax in May, the tax will be implemented in the designated accommodation area beginning September 1. This provides sufficient time for accommodation providers to prepare to collect the tax.

For rate changes, the new tax rate will be implemented effective the first day of the month that is one full month after the month in which the tax was approved. For example, if Cabinet approves the tax in May, the new tax rate will be implemented in the designated accommodation area beginning July 1.

The Consumer Taxation Programs Branch of the Ministry of Finance will provide information on the procedures for collecting and remitting the tax to all accommodation providers required to collect and remit the tax. Accommodation providers may also refer to PST Bulletin 120 *Accommodation* (refer to [http://www.sbr.gov.bc.ca/documents\\_library/bulletins/pst\\_120.pdf](http://www.sbr.gov.bc.ca/documents_library/bulletins/pst_120.pdf)).

## 11. Annual Performance Management and Reporting Requirements

Under the *Provincial Sales Tax Act*, all designated recipients must account annually to the Province for how money received from the tax has been spent. Therefore, **all designated recipients** must submit an **Annual Performance Report**, a **Financial Report**, and a **One-Year Tactical Plan**, signed by the authorized signing authority of the designated recipient, annually to the Province (email to MRDT@destinationbc.ca).

### Annual Performance Report:

- Designated recipients must report on performance metrics related to the four MRDT program principles.
- Designated recipients with a three percent tax rate or who wish to spend on affordable housing initiatives

will be subject to additional reporting requirements.

- The Annual Performance Report must also include a summary of the tactics, activities and key outputs and outcomes.
- A template for the Annual Performance Report is provided in Appendix 2.2.
- **The Annual Performance Report must be submitted by May 31 of each year.**

**The MRDT program principles are:**

- *Effective tourism marketing, programs and projects*
- *Effective local-level stakeholder support, and inter-community collaboration*
- *Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics*
- *Fiscal prudence and accountability.*

Financial Report:

- The Financial Report must include a detailed budget for the year ending and the year ahead. The Financial Report must show how all of the money received from the tax was spent and certify that all of the money received from the tax was used solely for approved purposes.
- The Financial Report must show that spending of money received from the tax was consistent with the Five-Year Strategic Business Plan.
- The Financial Report must also show the amounts, sources, and uses of all other tourism revenues.
- A template for the Financial Report is provided in Appendix 2.1
- **The Financial Report must be submitted by May 31 of each year.**

Annual Affordable Housing MRDT Report (if applicable):

Designated recipients that spend MRDT revenues on affordable housing, regardless of whether from OAP revenues or from general MRDT revenues, must submit an **Annual Affordable Housing MRDT Report by May 31 of each year** (see Appendix 2.4).

One-Year Tactical Plan:

- The One-Year Tactical Plan must include:
  - A brief overview of the strategic direction from the Five-Year Strategic Business Plan.
  - Key strategies for the year, if different from the Five-Year Strategic Business Plan, and key target markets.
  - Detailed tactics for the next year, including details about tactics and activities, as well as a proposed budget for the next year.
  - Performance measures for next year, including expected outputs, outcomes, and performance metrics. The performance measures must relate to the MRDT program principles (as outlined in Appendix 2.2).
- The One-Year Tactical Plan should be made available to tourism industry stakeholders.
- A suggested template for the One-Year Tactical Plan is provided in Appendix 2.3.
- **The One-Year Tactical Plan must be submitted by November 30 of each year.** If plans are available earlier, please submit as they become available.

Affordable Housing MRDT Plan:

Designated recipients must provide the following information (see Appendix 1.8):

- Project name and address;
- Project rationale and details (what is the need, issue, or demand);
- MRDT contribution;
- Housing provider/Project owner;
- Funding partners (if applicable);
- Funding partners' contribution (if applicable);
- Estimated completion date;
- Estimated number of housing units (how many rooms or beds that would be available for individual dwelling); and

- Evidence of consultation on using MRDT revenues for affordable housing from applicable local government(s) (only if the designated recipient is not a municipality).

Designated recipients that wish to use general MRDT revenues for affordable housing must provide the above information in their Five-Year Strategic Business Plan, One Year Tactical Plan, and must demonstrate strong local stakeholder support as part of a full application.

Designated recipients that wish to use OAP revenues for affordable housing do not need to provide a Five-Year Strategic Business Plan or One Year Tactical Plan; however, Appendix 1.8 is required and must be submitted prior to implementation of affordable housing initiatives.

The Affordable Housing MRDT Plan (Appendix 1.8) is required for:

- Renewal/new MRDT applications that include affordable housing **regardless of the revenue source**;
- A full application package submitted midway through a five-year tax term if designated recipients wish to use general MRDT revenues on affordable housing; and
- If designated recipients wish to use any OAP revenues on affordable housing in the next year, **due November 30** prior to implementation.

**Please note:**

- Designated recipients from larger communities (those that have the capacity for ongoing multi-year planning and reporting) may be asked to provide their multi-year rolling business plans annually for the purpose of program administration and evaluation.
- Designated recipients not subject to the renewal application requirements must submit a Five-Year Strategic Business Plan every five years. The first Five-year Strategic Business Plan must be submitted to the Province **by November 30 of each year**.

## 12. Amendments

The Designated Accommodation Area Tax Regulation sets out the designated recipient, the designated accommodation area, the rate of the tax, the repeal date of the tax, and the approved uses of the revenue from the tax for a five-year period. Any other use of the revenue is prohibited.

Requests for interim changes to the designated recipient or the designated accommodation area will not be considered. Changes to the designated recipient or the designated accommodation area can only be made in a renewal application.

Proposed changes in the use of revenue from the tax by the designated recipient that require amendments to the Designated Accommodation Area Tax Regulation will generally be considered with renewal applications, for example, a proposal to use revenue from the tax for capital projects

Plans to only use OAP revenues for affordable housing are not required to submit a new application; however, information on affordable housing is required as outlined in Section 11.

Requests to use general MRDT revenues for affordable housing will be considered only once a designated recipient or applicant submits a new application (at any time during the five year tax lifecycle). The package must include all documentation required for a renewal or rate increase application outlined in Sections 7 and 8.

Designated recipients that have committed to using OAP revenues for purposes other than affordable

housing in their tactical plan cannot redirect those revenues to affordable housing midway through the year; they must wait until the submission of the next tactical plan.

Designated recipients do not require approval from the Province for changes in marketing tactics previously submitted in their one-year Tactical Plan (as part of their application package or submitted with the annual review), as long as the tactics are consistent with the overall approved five-year Strategic Business Plan.

Any other material changes, that are significant shifts in the direction set out in either the One-Year Tactical Plan or the Five-Year Strategic Business Plan, must be submitted to Destination British Columbia for approval in advance of the change being implemented.

### 13. Monitoring, Compliance, and Termination

Designated recipients are required to comply with all MRDT program requirements, including eligible use of funds and annual reporting requirements. The Minister of Finance may terminate the tax in a designated accommodation area if the designated recipient is found to be in non-compliance with MRDT program requirements, and the non-compliance is not corrected in a timely manner.

The Ministry of Finance undertakes various compliance related activities as part of the administration of provincial consumption taxes, including the MRDT program, to ensure that all amounts due are remitted. The tax is levied under the *Provincial Sales Tax Act*. Any compliance activities undertaken in relation to the tax are carried out as part of those conducted for the Provincial Sales Tax (“PST”) according to the schedules and guidelines established for PST.

The Ministry of Finance will review specific lead information provided (for example, a hotel operating without collecting applicable taxes) and will make a determination as to whether any additional follow up may be necessary. The Ministry may conduct any further investigation deemed warranted.

A designated recipient may make a written request to the Minister of Finance to have the tax cease before the scheduled repeal date.

If the tax ceases in a designated accommodation area for any reason (e.g. failure to submit a completed renewal application on time, written request for early termination, or termination for non-compliance) a new application to impose the tax in that designated accommodation area would be required and it would be subject to the normal processing time associated with new applications.

### 14. Further Information

Applicants can request further **information about the MRDT program** by contacting Destination British Columbia by email at [MRDT@destinationbc.ca](mailto:MRDT@destinationbc.ca) or by phone at 604-660-6391.

For information on the **administration and enforcement of the tax**, please contact the Ministry of Finance:

Toll-free from anywhere in Canada call:

1-877-388-4440 Fax: 250-356-2195

E-mail: [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

Please complete all MRDT application requirements and send to [MRDT@destinationbc.ca](mailto:MRDT@destinationbc.ca) in **one complete package** in PDF format.

## Appendix 1.1 Municipal and Regional District Tax Application Form

**Legal Name of Applicant:** \_\_\_\_\_

**Designated Accommodation Area:** \_\_\_\_\_

**Rate of Tax (up to 3%):** \_\_\_\_\_

**Implementation or Renewal Date:** \_\_\_\_\_

Check when completed	Requirement
<input type="checkbox"/>	<i>Five-year Strategic Business Plan (Appendix 1.2)</i>
<input type="checkbox"/>	<i>Evidence that funds from the tax are incremental to existing sources of tourism funds</i>
<input type="checkbox"/>	<i>Evidence of consultation and support, as applicable, from local governments</i>
<input type="checkbox"/>	<i>Evidence of authority and request to impose the tax (e.g. Bylaw, resolution or letter requesting tax)</i>
<input type="checkbox"/>	<i>Certificate of incorporation, copies of articles of incorporation, constitution, and bylaws (eligible entities only)</i>
<input type="checkbox"/>	<i>Documentation of how the MRDT program, including revenue, will be administered (where applicable)</i>
<input type="checkbox"/>	<i>Evidence of consultation with tourism industry stakeholders</i>
<input type="checkbox"/>	<i>Accommodation Directory Form (Appendix 1.3)</i>
<input type="checkbox"/>	<i>Accommodation Sector in Support of Municipal and Regional District Tax Form (Appendix 1.4)</i>
<input type="checkbox"/>	<i>Confirmation of consultation with Destination British Columbia</i>
<input type="checkbox"/>	<i>Third party Authorization Form (Appendix 1.5, where applicable)</i>
<input type="checkbox"/>	<i>Disclosure of Information Authorization Form (Appendix 1.6)</i>
<input type="checkbox"/>	<i>Tourism Events Program Sponsorship Undertaking (3% applicants only) (Appendix 1.7)</i>
<input type="checkbox"/>	<i>Affordable Housing Plan (Appendix 1.8, where applicable)</i>

By signing this application form, you certify that the information included in the application package is accurate, that all Municipal and Regional District Tax program requirements have been met, and that all required documents have been included in the application package.

Applicant's Authorized Signing Authority Name	Applicant's Authorized Signing Authority Title
Date	Applicant's Authorized Signing Authority Signature

## Appendix 1.2 Five-Year Strategic Business Plan

A municipality, regional district or eligible entity interested in applying for the Municipal and Regional District Tax or a renewal of the Municipal and Regional District Tax must submit an application as set out in the MRDT Program Requirements. A Five-Year Strategic Business Plan is required **at time of application**. This Five-Year Strategic Business Plan must include a detailed One-Year Tactical Plan for the first year of program implementation. Each year (years two through five of the program), the One-Year Tactical Plan must be updated and resubmitted (by November 30<sup>th</sup>) to reflect current marketing activities for the year as part of the annual reporting obligations. A separate template has been provided to guide the development of these year two through five plans (refer to Appendix 2.3).

The Five-Year Strategic Business Plan must encompass the five-year period covered by the application and it **must** include the following elements:

- Section 1: Five-year strategic overview with identified targets and actions for the five year period
- Section 2: One-Year Tactical Plan with performance measures, and
- Section 3: Detailed Budget for Year One

Your Five-Year Strategic Business Plan must adhere to the MRDT program principles.

Please ensure there is alignment between provincial tourism strategies and community tourism efforts. The applicant and designated recipients not subject to renewal applications are required to make their Five-year Strategic Business Plan available to tourism industry stakeholders and accommodation providers as part of the industry consultation and accommodation support requirements.

Your Five-Year Strategic Business Plan must identify marketing strategies, key markets and targets that the community will focus on to build its tourism business and the steps it needs to take to achieve desired results.

Your Five-year Strategic Business Plan should answer the following key questions:

- What business objectives related to tourism does your community expect to achieve?
- What type of growth does your community want to achieve (in the short and long term)?
- How will your community achieve these objectives?
- What type of tourism products will you need?
- What type of visitor are you hoping to attract?

Please contact Destination British Columbia at [MRDT@destinationbc.ca](mailto:MRDT@destinationbc.ca) for any questions.

For more information on tourism business planning, please visit Destination British Columbia's website (refer to [www.destinationbc.ca/Resources/Developing-a-Tourism-Plan.aspx](http://www.destinationbc.ca/Resources/Developing-a-Tourism-Plan.aspx)).

### Quick Reference Guide

#### (from the MRDT Program Requirements):

- *The intention of the tax is to assist designated recipients to fund tourism marketing, programs and projects. Affordable housing was added as a permissible use of funds in Budget 2018.*
- *Funds from the MRDT program are intended to augment current funding and cannot be used to replace existing sources of tourism funding in a community.*
- *The MRDT program is intended to contribute to the increase of local tourism revenue, visitation, and economic benefits and should be supported by local government and tourism stakeholders.*

#### The MRDT program principles are:

- *Effective tourism marketing, programs and projects*
- *Effective local-level stakeholder support, and inter-community collaboration*
- *Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics*
- *Fiscal prudence and accountability.*

## Five-Year Strategic Business Plan Template

**Designated Recipient:** \_\_\_\_\_  
**Community Name:** \_\_\_\_\_  
**Date Prepared:** \_\_\_\_\_  
**MRDT Term Expiry Date:** \_\_\_\_\_  
**Five Year Period:** \_\_\_\_\_

A description/instructions pertaining to each section is provided in grey text as a guide only. **The format of your Five-Year Strategic Business Plan may be developed specific to your community needs and resources, but must include all required sections of the Five-Year Strategic Business Plan listed below.** If using this template, please delete the grey text and provide your response accordingly.

Section 1: Five-Year Strategic Overview	
<b>Vision and Mission</b>	<ul style="list-style-type: none"> <li>• <i>The Vision is future focused, something to be pursued, a destination, inspirational, and verifiable.</i></li> <li>• <i>The Mission is present focused, reason for being, a roadmap, concrete, and measurable.</i></li> </ul>
<b>Strategic Context</b>	<ul style="list-style-type: none"> <li>• <i>The Strategic Context will be developed by conducting a situation analysis. The situation analysis is an integral part of this Five-Year Strategic Business Plan and should include current trends, forecasts and areas of priority to address the following:</i> <ul style="list-style-type: none"> <li>○ <i>What are the current economic and tourism conditions?</i></li> <li>○ <i>What challenges and opportunities exist?</i></li> <li>○ <i>Key learnings.</i></li> </ul> </li> </ul>
<b>Overall Goals, Objectives and Targets</b>	<ul style="list-style-type: none"> <li>• <i>Goals and Objectives are the quantifiable results the recipient expects to achieve over the five year period. Goals should be realistic, achievable, yet challenging and should include a timeline.</i></li> <li>• <i>Example objectives include amount of MRDT revenue, visitation levels, or visitor revenue desired by a certain date. If an objective is difficult to measure, indicators can be used; for example, the increase in visitors to a sample of operators or the number of enquiries at a website or visitor center could be indicators for overall visitation levels.</i></li> <li>• <i>Targets should be identified for all Objectives for the five year period.</i></li> </ul>
<b>Strategies - Key Actions</b>	<ul style="list-style-type: none"> <li>• <i>Strategies describe the broad direction the community will take to achieve the stated goals and objectives.</i></li> <li>• <i>Strategies look longer term and may not change from year to year while tactics are short-term actions to achieve the implementation of a strategy.</i></li> <li>• <i>Strategies could include but are not limited to promotional strategies as well as relevant Destination development and Product experience and visitor services strategies:</i> <ul style="list-style-type: none"> <li>○ <i>Examples of promotional strategies are social media, media</i></li> </ul> </li> </ul>

<b>Section 1: Five-Year Strategic Overview</b>	
	<p><i>relations, advertising, joint or levered promotions, or consumer shows.</i></p> <ul style="list-style-type: none"> <li>○ <i>Destination development and product experience strategies may include those addressing infrastructure and policy issues, or products for tourism development.</i></li> <li>○ <i>Visitor services strategies may include approaches to satisfy visitor information needs.</i></li> </ul> <ul style="list-style-type: none"> <li>● <i>Applicants should provide a description of the overall resource allocation by major category</i></li> <li>● <i>Applicants should list key actions for each year of the five year period with more detail in the first three years.</i></li> </ul>
<b>Brand Positioning</b>	<p><i>Please provide the following:</i></p> <ul style="list-style-type: none"> <li>● <i>A statement that clearly defines how the community will be positioned and the rationale.</i></li> <li>● <i>This positioning statement should provide direction for product development and promotional activities.</i></li> <li>● <i>Brand positioning may include other communities clustered within a larger area.</i></li> </ul>
<b>Target Markets</b>	<p><i>Please provide:</i></p> <ul style="list-style-type: none"> <li>● <i>The types of visitors that are priorities for the community, stating primary and secondary target markets.</i></li> <li>● <i>Geographic target markets, demographic, and activity-based target groups.</i></li> </ul>
<b>Management, Governance, and Administration</b>	<p><i>Please provide:</i></p> <ul style="list-style-type: none"> <li>● <i>A description of the proposed management, governance and administration process for the activities and funds.</i></li> <li>● <i>For example, whether the applicant will be carrying out the proposed activities or, in the case of a municipality or regional district, whether a service provider such as a local tourism association or other organization will be responsible for carrying out the proposed activities.</i></li> <li>● <i>The applicant remains responsible for monitoring and reporting on the use of funds, even where the activities are delegated.</i></li> </ul>
<b>Sources of Funding</b>	<ul style="list-style-type: none"> <li>● <i>Please indicate other available sources of funding to fund tourism marketing, programs and projects in addition to the MRDT.</i></li> <li>● <i>Funds from the MRDT must be incremental to existing sources of funding.</i></li> <li>● <i>The funds from the MRDT must not replace existing sources of tourism funding in the community.</i></li> </ul>

**Affordable Housing (if applicable)**

- *Please provide an overview of what your affordable housing plans seek to achieve over the five-year period (what are the intent and end state).*
- *Specific details are to be included in Appendix 1.8.*

Please provide a **Project Plan** for each major activity you will undertake in the year ahead using MRDT funds. Authorized purposes of MRDT funds are tourism marketing, programs and projects and any other prescribed purposes as set out by regulation.

**Project plans should include the following information for each activity. The recipient can organize the plan in a manner that best reflects their individual approach. Please note that Destination BC may share relevant tactical information with applicable Destination BC program areas to facilitate increased collaboration and alignment.**

1. The **major category** of the activity. Examples could include marketing, destination and product experience management, visitor services, etc.

Marketing, which may include:

- Media Advertising and Production (for example: print, radio, television, out-of-home, paper direct mail, email marketing, search engine marketing, paid social media, display, and native advertising)
- Website - Hosting, Development, Maintenance
- Social Media Management Platforms and Tools (i.e. Hootsuite)
- Consumer Shows and Events
- Collateral production and distribution
- Travel Media Relations (for example: story idea creation, media and influencer FAM hosting/support, attendance at media marketplaces, etc.)
- Travel Trade (for example: trade and FAM hosting/support, etc.)
- Consumer-focused asset development (for example: curation or production of written content, photography, videography)
- Other.

Destination and Product Experience Management, which may include:

- Industry Development and Training - Enhancing Education and Knowledge (for example: market readiness, digital readiness, industry conferences, packaging and tourism-related industry workshops, etc.)
- Product Experience Enhancement and Training (for example: Itinerary Development, Content Development and Key Experience Creation)
- Research, Evaluation and Analytics
- Other.

Visitor Services, which may include:

- Visitor Services Activities (for example: staff wage and benefits, visitor services via social media, digital tools, including mobile apps, kiosks, beacons, etc, roving/mobile visitor services, ambassador programs, FAMs )
- Other.

Meetings, Conventions, Events and Sport:

- Examples could include conferences, events, sales, sport, grant programs, etc.

Affordable Housing, which may include:

- Details on affordable housing projects (project description and rationale, authorizing documents, budget and applicable funding partners)
- Please complete and attach Appendix 1.8.

Other:

- Other activities not covered by the above categories, such as capital expenditures if **pre-approved by government** (prior to application), etc.
2. Please list and describe **the tactics** your community will use to achieve the strategies outlined in Section 1 of your Five-Year Strategic Business Plan. There may be several tactics for each activity.
  3. Please provide an **implementation plan** that includes a short description, quantifiable objectives, rationale, action steps, potential partnerships, resources, sources of funding, responsibilities, timeframe, budget, and evaluation mechanism.
  4. Please outline the **performance measures, expected outputs and outcomes**. Note, designated recipients receiving a tax rate of 3% are subject to additional reporting requirements. Please refer to Appendix 2.2 for more information about annual reporting of performance measures.

## Project Plan Template

A description/instructions pertaining to each section is provided in grey text as a guide only. **The format of your Project Plan may be developed specific to your community needs and resources. If using this template, please delete the grey text and provide your response accordingly.**

<b>Major Category:</b> <i>(e.g., Marketing - Travel Trade; Visitor Services – Mobile Apps; Conferences)</i>
<b>Activity Title:</b> <i>Please provide the title of activity.</i>
<b>Tactics:</b> <i>Please list and describe the tactics to be used to achieve the strategies outlined in Section 1 of the Strategic Business Plan. There may be several tactics for each activity.</i>
<b>Implementation Plan:</b> <i>For each activity, an implementation plan should include the following information:</i> <b>Short Description:</b>  <b>Quantifiable Objectives:</b>  <b>Rationale:</b>  <b>Action Steps:</b>  <b>Potential Partnerships:</b>  <b>Resources:</b>  <b>Sources of Funding:</b>  <b>Timeframe:</b> <i>(when will the tactic begin and end or is it ongoing?)</i>  <b>Budget:</b>

**Performance Measures:**

- *Please review the tactics listed above and identify expected outcomes and outputs for each.*
- *Report out annually on the performance measures (refer to Appendix 2.2).*
- *The performance measures must align with the four MRDT Program Principles:*
  - *Effective tourism marketing, programs and projects*
  - *Effective local-level stakeholder support, and inter-community collaboration*
  - *Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics*
  - *Fiscal prudence and accountability.*
- *Consider the following definitions when preparing the output and outcome measures:*
  - *Outputs - measure the level of service provided by a project or provides information about what was done. They define "what you did", e.g., hosted four media familiarization trips.*
  - *Outcomes - measures on the achievement of broader goals such as increasing average visitor yield or enhancing the customer experience.*

• *Examples only:*Output Measures:

- *Types of marketing activities*
- *Number of event campaigns and results*
- *Description of social media activities and outcomes*
- *Number of media placements*
- *Number of conventions and meeting sales*
- *Webpage visits*
- *Visitor inquiries/calls*

Outcome Measures:

- *Visitor volume*
- *Visitor nights & visitor spending*
- *Visitor revenues*
- *Average length of stay*
- *Accommodation revenues*
- *Number of new tourism businesses*

**Section 3: MRDT Budget for Year One**

Designated recipients **must** complete the budget table as provided below.

<b>Revenues</b>		<b>Budget \$</b>
Carry-forward from previous calendar year		
MRDT		
MRDT from online accommodation platforms		
	<b>MRDT Subtotal</b>	
Local government contribution		
Stakeholder contributions (i.e. membership dues)		
Co-op funds received (e.g. DBC Coop; DMO-led projects)		
Grants – Federal		
Grants – Provincial		
Grants/Fee for Service - Municipal		
Retail Sales		
Interest		
Other		
	<b>Total Revenues</b>	
<b>Expenses</b>		<b>Budget \$</b>
<b>Marketing</b>		
Marketing staff – wage and benefits		
Media advertising and production		
Website - hosting, development, maintenance		
Social media		
Consumer shows and events		
Collateral production and distribution		
Travel media relations		
Travel trade		
Consumer-focused asset development (imagery, video, written content)		
Other (please describe)		
	<b>Subtotal</b>	
<b>Destination &amp; Product Experience Management</b>		
Destination & Product Experience Management Staff – wage and benefits		
Industry development and training		
Product experience enhancement and training		
Research, evaluation, analytics		
Other (please describe)		
	<b>Subtotal</b>	
<b>Visitor Services</b>		
Visitor services activities		
Other (please describe)		
	<b>Subtotal</b>	
<b>Meetings, Conventions, Events and Sport</b>		
Meetings, conferences, conventions, sales, events, sport, and grant programs, etc.		
	<b>Subtotal</b>	
<b>Administration</b>		
Management and staff unrelated to program implementation – wages and benefits		
Finance staff – wages and benefits		
Human Resources staff – wages and benefits		
Board of Directors costs		

	Information technology costs – workstation-related costs (i.e. computers, telephone, support, networks)	
	Office lease/rent	
<b>Expenses</b>		<b>Budget \$</b>
	General office expenses	
	<i>Subtotal</i>	
<b>Affordable Housing</b>		
	General MRDT revenues	
	Revenues from online accommodation platforms	
	<i>Subtotal</i>	
<b>Other</b>		
	All other wages and benefits not included above	
	Other activities not included above (please describe)	
	<i>Subtotal</i>	
	<b>Total Expenses:</b>	
<b>Balance or Carry Forward</b>		

**Projected Spend by Market (*broad estimate*)**

Add more rows as needed.

Geographic Market	Total Marketing Budget by Market	% of Total \$ by Market
BC		
Alberta		
Ontario		
Other Canada ( <i>please specify</i> )		
Washington State		
California		
Other USA ( <i>please specify</i> )		
Mexico		
China		
UK		
Germany		
Australia		
Japan		
Other International ( <i>Please specify</i> )		
<b>Total</b>		



## Appendix 1.4 Accommodation Sector in Support of Municipal and Regional District Tax Form

Legal Name of Applicant: \_\_\_\_\_ Rate of Tax (2% or 3%): \_\_\_\_\_

*Applicants, please check the following, if applicable:*

Does the designated recipient plan on using general MRDT revenues (meaning revenues beyond Online Accommodation Platform revenues) for affordable housing initiatives and are these activities included as part of the Five-Year Business Plan and One-Year Tactical Plan (including Appendix 1.8)?

YES  NO

The Municipal and Regional District Tax (MRDT) is being proposed or is up for renewal in your municipality/region. The MRDT is intended to assist municipalities, regional districts and eligible entities in funding local tourism marketing programs and projects, **as outlined in the applicant's Five-Year Strategic Business Plan**. Affordable housing initiatives are also included as a permissible use of revenues. Accommodation providers may request a copy of the Five-Year Strategic Business Plan from the applicant. The MRDT will apply to purchases of accommodation that are taxable under the *Provincial Sales Tax Act* within the designated accommodation area.

As an owner/manager offering accommodation, your input is critical. **The minimum support required from the accommodation sector for the tax to be imposed is at least 51% of the number of establishments that would collect the tax within the municipality/region representing at least 51% of the total number of rooms.**

**BY SIGNING THIS FORM, YOU HAVE INDICATED THAT YOU SUPPORT IMPLEMENTATION OF THE MUNICIPAL AND REGIONAL DISTRICT TAX IN YOUR MUNICIPALITY/REGION AND THAT YOU ARE AUTHORIZED TO ACT ON BEHALF OF YOUR ORGANIZATION.** [ATTACH ADDITIONAL SHEETS AS REQUIRED]

Property Name	Address	Number of Units	Owner/Manager (Print Name)	Signature	Date

**Freedom of Information and Protection of Privacy Act (FOIPPA).** The personal information on this form is collected for the purpose of administering the Municipal and Regional District Tax program under the authority of the *Provincial Sales Tax Act* and section 26 of FOIPPA. Questions about the collection or use of this information can be directed to Destination British Columbia at [MRDT@destinationbc.ca](mailto:MRDT@destinationbc.ca).

## Appendix 1.5 Third Party Authorization Form

As part of our commitment to protect your privacy and confidentiality you can use this form to authorize Destination British Columbia to communicate and exchange information regarding the Municipal and Regional District Tax program with your representative. If you wish to cancel or change any part of this authorization please advise Destination British Columbia by email at [MRDT@destinationbc.ca](mailto:MRDT@destinationbc.ca).

This authorization does not change your responsibilities and obligations under the Municipal and Regional District Tax Program.

---

### Section 1: Applicant Information

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name and Title of Authorized Signing Authority: \_\_\_\_\_

---

### Section 2: Authorization of a Third Party Representative

I authorize Destination British Columbia to communicate with my representative named below on the Municipal and Regional District Tax program.

Name of Representative: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_ Email: \_\_\_\_\_

---

### Section 3: Applicant Signature

By signing this form, you acknowledge that Destination British Columbia is authorized to communicate with your representative named above but that you remain fully responsible for fulfilling all obligations under the Municipal and Regional District Tax program.

Applicant's Authorized Signing Authority Name	Applicant's Authorized Signing Authority Title
Date	Applicant's Authorized Signing Authority Signature

**Freedom of Information and Protection of Privacy Act (FOIPPA).** The personal information on this form is collected for the purpose of administering the Municipal and Regional District Tax program under the authority of the *Provincial Sales Tax Act* and section 26 of FOIPPA. Questions about the collection or use of this information can be directed to Destination British Columbia at [MRDT@destinationbc.ca](mailto:MRDT@destinationbc.ca).

## Appendix 1.6 Disclosure of Information Authorization Form

Confidentiality restrictions under the *Provincial Sales Tax Act* prevent the Ministry of Finance from disclosing tax information collected under the Act except under limited circumstances. Administration of the Municipal and Regional District Tax program requires the Ministry of Finance to share information with the Ministry of Municipal Affairs and Housing (Appendix 1.8 and 2.4 only, as applicable), Ministry of Tourism, Arts and Culture, and with Destination British Columbia for the purpose of program administration and evaluation, and development of provincial tourism policy.

Signing this form will allow the Ministry of Finance to share information about the applicant with respect to the MRDT program with the Ministry of Tourism, Arts and Culture and Destination British Columbia for the above purposes.

If you wish to cancel or change any part of this authorization please advise Destination British Columbia by email at [MRDT@destinationbc.ca](mailto:MRDT@destinationbc.ca).

This authorization does not change your responsibilities and obligations under the Municipal and Regional District Tax program.

---

### Section 1: Applicant Information

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name and Title of Authorized Signing Authority: \_\_\_\_\_

---

### Section 2: Authorization

- I authorize the Ministry of Finance to share information about the applicant with respect to the Municipal and Regional District Tax program with the Ministry of Tourism, Arts and Culture and Destination British Columbia for the purpose of program administration and evaluation, and development of provincial tourism policy.

Applicant's Authorized Signing Authority Name	Applicant's Authorized Signing Authority Title
Date	Applicant's Authorized Signing Authority Signature

## Appendix 1.7 Tourism Events Program Sponsorship Undertaking For 3% Applications Only

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Fax Number:** \_\_\_\_\_

**Designated Recipients:** \_\_\_\_\_

**Designated Accommodation Area:** \_\_\_\_\_

In support of its application to introduce or increase the Municipal and Regional District Tax rate under section 123 of the *Provincial Sales Tax Act* at or to 3% (“3% MRDT”), the Applicant agrees that, subject to approval of its application and implementation of the 3% MRDT, the Applicant will sponsor the administration and implementation of the provincial Tourism Events Program as further described in Schedule A as may be amended by the Province from time to time, as long as the 3% MRDT applies and the Tourism Events Program is continued. In particular, the Applicant consents upon becoming a Designated Recipient with a 3% MRDT in the Designated Recipient’s Designated Accommodation Area to:

- Make Sponsorship Payments to the Her Majesty the Queen in the Right of the Province of British Columbia (the “Province”) in relation to the provincial Tourism Events Program, equal to 2/30 of the Net Distributable 3% MRDT Collections (as defined in Schedule B hereto) collected in the Designated Recipient’s Designated Accommodation Area; and
- The Province retaining a portion of the 3% MRDT it collects as agent of the Designated Recipient by way of set-off in respect of the money the Designated Recipient owes to the Province, in accordance with Schedule B hereto.

For purposes of this undertaking, "Sponsorship Payments" means monthly payments to the Province by the Designated Recipient, to be used for sponsoring the provincial Tourism Events Program so long as it continues, from Net Distributable 3% MRDT Collections in accordance with Schedule B.

Applicant’s Authorized Signing Representative Name	Applicant’s Authorized Signing Representative Title
Date	Applicant’s Authorized Signing Representative Signature

## Schedule A

### Tourism Events Program Overview

British Columbia is an internationally renowned destination with an excellent reputation for maximizing its world-class infrastructure to deliver remarkable experiences for travellers. As a result, BC's tourism sector is a key economic driver, helping to create jobs and keep the province's economy diverse, strong and growing.

Understanding that tourism is one of the world's most competitive industries, the Province launched the **Tourism Events Program (TEP)** to support the delivery of events that have a high tourism value: events that will increase the volume of visitors to British Columbia, and/or increase global recognition for the province.

The TEP is an application-based program, with two application intakes per year with corresponding event windows (March 1 to April 30 and September 1 to October 31).

TEP funding is open to all organizations and communities across British Columbia.

TEP provides incremental funding to eligible events to support their marketing or promotional activities in order to increase and broaden the impact of the event.

Applications must demonstrate how eligible events:

- Raise awareness nationally and internationally of British Columbia's tourism brands;
- Motivate Canadians and people from around the world to experience British Columbia's natural beauty, diverse activities and world-class infrastructure; and
- Offer the greatest incremental tourism and economic impact to the host community and the surrounding region.

For more information, please visit the TEP webpage at: <http://www.destinationbc.ca/BC-Tourism-Industry/Municipal-and-Regional-District-Tax-Program/Tourism-Events-Program.aspx>

**Schedule B**  
**Sponsorship Payments and Payments to the Designated Recipient**  
**Of 3% MRDT Revenue**

**Provincial Payment to the Designated Recipient**

The following table illustrates how the Province will calculate the monthly payments it makes to the Designated Recipient in accordance with the *Provincial Sales Tax Act* and with this undertaking to sponsor the provincial Tourism Events Program, as may be amended from time to time by the Province.

**Monthly Payments to Designated Recipient**

Adjustment/ Result	
	Monthly gross collections of the 3% MRDT [ tax collected under sections 123, 123.2(3) and 123.3(3) of the <i>Provincial Sales Tax Act</i> ]
Plus or Less:	Ministry of Finance collection/audit assessment adjustments in respect of previous periods
Less:	MRDT collection/administration fee [set by the Ministry of Finance from time to time ]
Equals:	<b>Net Distributable 3% MRDT Collections</b>
Less:	Sum of all <b>Sponsorship Payments</b> in a month [i.e., Net Distributable 3% MRDT Collections multiplied by 2/30]
Equals:	<b>Total Payment to Designated Recipient</b> in a month

## Appendix 1.8 Affordable Housing MRDT Plan

The following table **must** be completed if the designated recipient wishes to use MRDT revenues on affordable housing initiatives, regardless of whether revenues are solely from online accommodation platforms or from general MRDT revenues.

Project Name and Address
Project Goals, Rationale and Details
<ul style="list-style-type: none"><li>• <b>How does this project respond to affordable housing needs in your community?</b></li><li>• What is the need, issue, or demand?</li><li>• What kind of project are you spending on (such as acquiring or constructing buildings, providing funding to an existing housing project or towards a rental or social housing program, or entering into a partnership agreement)?</li><li>• What documentation do you have authorizing the project to proceed (such as a contribution agreement or contract, or permits or schematics)? <b>Submit the documents with your report.</b></li><li>• How will you measure success on the housing project?</li></ul>
MRDT Contribution
<ul style="list-style-type: none"><li>• Also indicate if the contribution is from OAP or general MRDT revenues.</li></ul>
Housing Provider/Project Owners/Project Lead

<b>Funding Partner(s)</b>
<b>Contribution from Funding Partner(s)</b>
<b>Estimated Completion Date</b>
<b>Estimated Number of Housing Units Completed</b>
<ul style="list-style-type: none"><li>• The number of housing units (such as rooms available for individual dwelling) acquired, completed, maintained, or renovated.</li></ul>
<b>Evidence of Consultation with Local Governments for Affordable Housing (if applicable)</b>
<ul style="list-style-type: none"><li>• If the designated recipient is not a municipality, provide evidence of consultation (such as support letters) from the applicable local government(s) in your area in regards to using MRDT revenues for affordable housing.</li><li>• If your affordable housing spending has already been approved through the submission of a Five-Year Strategic Plan, this section is not required.</li></ul>

## Appendix 2.1 Financial Report

Under the *Provincial Sales Tax Act*, all designated recipients, including designated recipients not subject to the renewal application requirement, must report back to the Province annually in the form of a Financial Report **by May 31 of each year.**

The Financial Report must show how all of the money received from the tax was spent and certify that all of the money received from the tax was used solely for approved purposes. The Financial Report must show that spending of money received from the tax was consistent with the Five-Year Strategic Business Plan. The Financial Report must also show the amounts, sources, and uses of all other tourism revenues.

**Designated Recipient:** \_\_\_\_\_  
**Designated Accommodation Area:** \_\_\_\_\_  
**Date Prepared:** \_\_\_\_\_  
**MRDT Repeal Date (if applicable):** \_\_\_\_\_  
**Total MRDT Funds Received:** \_\_\_\_\_  
**Year Ending:** \_\_\_\_\_

### Section 1: Actual Spending by Market

*Add more rows as needed.*

Geographic Market	Total Marketing Budget by Market	% of Total \$ by Market
BC		
Alberta		
Ontario		
Other Canada <i>(please specify)</i>		
Washington State		
California		
Other USA <i>(please specify)</i>		
Mexico		
China		
UK		
Germany		
Australia		
Japan		
Other International <i>(Please specify)</i>		
<b>Total</b>		

**Section 1: MRDT Budget Variance Report**

Designated recipients **must** complete the table as provided below. Refer to Appendix 2.3 for further expense line item descriptions.

Revenues		Current Year		
		Budget \$	Actual \$	Variance
	Carry forward from previous calendar year			
	MRDT			
	MRDT, online accommodation platforms			
	Local government contribution			
	Stakeholder contributions (i.e. membership fees)			
	Co-op funds received (e.g. DBC coop, DMO-led projects)			
	Grants - Federal			
	Grants - Provincial			
	Grants/Fee for Service - Municipal			
	Retail Sales			
	Interest			
	Other			
	<b>Total Revenues</b>			
Expenses		Budget \$	Actual \$	Variance
	<b>Marketing</b>			
	Marketing staff – wage and benefits			
	Media advertising and production			
	Website - hosting, development, maintenance			
	Social media			
	Consumer shows and events			
	Collateral production and distribution			
	Travel media relations			
	Travel trade			
	Consumer-focused asset development (imagery, video, written content)			
	Other			
	<i>Subtotal</i>			
	<b>Destination &amp; Product Experience Management</b>			
	Destination and product experience management staff – wage and benefits			
	Industry development and training			
	Product experience enhancement and training			
	Research, evaluation, analytics,			
	Other			
	<i>Subtotal</i>			
	<b>Visitor Services</b>			
	Visitor Services activities			
	Other (please describe)			
	<i>Subtotal</i>			

<b>Expenses</b>	<b>Budget \$</b>	<b>Actual \$</b>	<b>Variance</b>
<b>Meetings, Conventions, Events and Sport</b>			
Meetings, conventions, conferences, sales, events, sport, grant programs etc.			
<i>Subtotal</i>			
<b>Administration</b>			
Management and staff unrelated to program implementation - wages and benefits			
Finance staff – wages and benefits			
Human Resources staff – wages and benefits			
Board of Directors costs			
Information technology costs – workstation related costs (i.e. computers, telephone, support, networks)			
Office lease/rent			
General office expenses			
<i>Subtotal</i>			
<b>Affordable Housing</b>			
General MRDT revenues			
Revenues from online accommodation platforms			
<i>Subtotal</i>			
<b>Other</b>			
All other wages and benefits not included above			
Other activities not included above (please describe)			
<i>Subtotal</i>			
<b>Total Expenses</b>			
<b>Balance or Carry Forward</b>			

By signing this form, you certify that the above information is an accurate representation of the actual tourism related expenditures for the jurisdiction defined under the terms of the Municipal and Regional District Tax.

Designated Recipient's Authorized Signing Authority Name	Designated Recipient's Authorized Signing Authority Title
Date	Designated Recipient's Authorized Signing Authority Signature

## Appendix 2.2 Annual Performance Report

Under the *Provincial Sales Tax Act*, all designated recipients, including designated recipients not subject to the renewal application requirement, must report back to the Province annually. As such, all designated recipients (or the designated recipient’s service provider), are required to complete the following Annual Performance Report as well as a Financial Report (refer to Appendix 2.1) **by May 31 of each year**.

All designated recipients are required to fill in the sections below.

**Only** those designated recipients that receive the three percent tax rate will be required to report out on additional metrics (as indicated below).

A description/instructions pertaining to each performance metric is provided in grey text as a guide only. Please delete the grey text and provide your response accordingly.

**Designated Recipient:** \_\_\_\_\_ **Report Completed:** dd-mm-yr \_\_\_\_\_

**Designated Accommodation Area:** \_\_\_\_\_ **Reporting period: Jan 1- Dec 31 – yr\***  
\*or for first year of term, indicate accordingly

1. Effective tourism marketing, programs and projects			
MRDT-funded tourism marketing, programs and projects maximize the potential for increased visitation and growth in tourism business activity, employment and incremental tourism revenue.			
Mandatory Metric	Designated Recipient Response		
<b>MRDT Revenue</b>	<i>Report on the total annual MRDT revenue received by the Designated Recipient. The period should be between January 1 to December 31 of the reporting year (or portion thereof in the first year of reporting).</i>		
<b>MRDT activities, tactics, investment efforts and outcomes</b> (as per your One-Year Tactical Plan)	<i>Report on the MRDT activities, tactics, investment efforts and resulting outputs achieved in the reporting period indicated above.</i>  <i>Metrics will vary by tactic. Example metrics include:</i>  <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <u>OUTPUT MEASURES</u> <ul style="list-style-type: none"> <li>• Types of marketing activities</li> <li>• Number of event campaigns and results</li> <li>• Description of social media activities and outcomes</li> <li>• Number of media placements</li> <li>• Number of conventions and meeting sales</li> <li>• Webpage visits</li> <li>• Visitor inquiries/calls.</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <u>OUTCOME MEASURES</u> <ul style="list-style-type: none"> <li>• Visitor volume</li> <li>• Visitor nights and visitor spending</li> <li>• Visitor revenues</li> <li>• Average length of stay</li> <li>• Accommodation revenues</li> <li>• Number of new tourism businesses.</li> </ul> </td> </tr> </table>	<u>OUTPUT MEASURES</u> <ul style="list-style-type: none"> <li>• Types of marketing activities</li> <li>• Number of event campaigns and results</li> <li>• Description of social media activities and outcomes</li> <li>• Number of media placements</li> <li>• Number of conventions and meeting sales</li> <li>• Webpage visits</li> <li>• Visitor inquiries/calls.</li> </ul>	<u>OUTCOME MEASURES</u> <ul style="list-style-type: none"> <li>• Visitor volume</li> <li>• Visitor nights and visitor spending</li> <li>• Visitor revenues</li> <li>• Average length of stay</li> <li>• Accommodation revenues</li> <li>• Number of new tourism businesses.</li> </ul>
<u>OUTPUT MEASURES</u> <ul style="list-style-type: none"> <li>• Types of marketing activities</li> <li>• Number of event campaigns and results</li> <li>• Description of social media activities and outcomes</li> <li>• Number of media placements</li> <li>• Number of conventions and meeting sales</li> <li>• Webpage visits</li> <li>• Visitor inquiries/calls.</li> </ul>	<u>OUTCOME MEASURES</u> <ul style="list-style-type: none"> <li>• Visitor volume</li> <li>• Visitor nights and visitor spending</li> <li>• Visitor revenues</li> <li>• Average length of stay</li> <li>• Accommodation revenues</li> <li>• Number of new tourism businesses.</li> </ul>		
<b>Key Learnings</b>	<i>Please provide an assessment of effectiveness of tactics, describe what worked, what didn't and lessons learned.</i>		

<b>2. Effective local-level stakeholder support and inter-community collaboration</b> Designated recipients are responsible for engaging with key stakeholders, establishing local-level support, and seeking out efficiencies through collaborative activities to inform appropriate decision-making regarding investments.	
Mandatory Metric	Designated Recipient Response
<b>Extent of Local-level Stakeholder Engagement</b>	<p><i>Report on the engagement activities they have undertaken annually to ensure stakeholders are informed and have the ability to provide input on direction. Metrics will vary by tactic.</i></p> <p><i>Example of metrics include the number and descriptions of:</i></p> <ul style="list-style-type: none"> <li>• <i>Outreach communications (such as newsletters, marketing plans and annual reports)</i></li> <li>• <i>Conferences, engagement sessions, or annual general meetings.</i></li> </ul>
<b>Stakeholder Satisfaction</b>	<p><b><i>Only for designated recipients collecting 3% tax:</i></b>  <i>The designated recipient must conduct an annual stakeholder survey to:</i></p> <ul style="list-style-type: none"> <li>• <i>Assess the level of awareness of tourism marketing activities in the community (region)</i></li> <li>• <i>Assess the level of satisfaction with the use of MRDT funds.</i></li> </ul> <p><i>Examples of tourism industry stakeholders may include, but are not limited to, the following within the designated accommodation area:</i></p> <ul style="list-style-type: none"> <li>• <i>accommodation providers;</i></li> <li>• <i>attractions, sightseeing, activities and other primary tourism businesses;</i></li> <li>• <i>restaurants, retail and other tourism related businesses;</i></li> <li>• <i>Regional and local tourism associations;</i></li> <li>• <i>Product Sector organizations;</i></li> <li>• <i>Parks and recreation;</i></li> <li>• <i>Visitor Centres; and</i></li> <li>• <i>Other government agencies and organizations that have programs and services that relate to tourism.</i></li> </ul> <p><i>The designated recipient must append a copy of the survey (list of questions asked), list of respondents and aggregated results to this report.</i></p> <p><i>The designated recipient must seek Destination British Columbia’s feedback on the methodology, defining the survey questions and survey audience prior to issuing the survey.</i></p>
<b>Community Collaboration</b>	<p><b><i>Only for designated recipients collecting 3% tax:</i></b>  <i>Report on the collaborative activities and outcomes to demonstrate partnerships and alignment within and across communities on tourism marketing activities and with provincial or federal tourism-related agencies as appropriate.</i></p>

<b>Mandatory Metric</b>	<b>Designated Recipient Response</b>
<b>Community Collaboration</b>	<p><i>Examples of collaborative activities include:</i></p> <ul style="list-style-type: none"> <li>• <i>Meetings and discussions with other designated recipients or Destination Marketing Organizations in other designated accommodation areas</i></li> <li>• <i>Meetings and discussions with other tourism industry stakeholders on shared interests and goals</i></li> <li>• <i>Integrated planning</i></li> <li>• <i>Sharing of resources on content and asset development</i></li> <li>• <i>Aligned product development</i></li> </ul> <p><i>Cooperative and or partnered marketing campaigns/initiatives</i></p>
<p><b>3. Marketing Efforts Are Coordinated and complementary to provincial marketing strategies and tactics:</b>  Designated recipients are responsible for ensuring their marketing efforts complement and do not duplicate those of Destination British Columbia to avoid overlap at the community level and dilution of BC's marketing message in key domestic and international markets.</p>	
<b>Mandatory Metric</b>	<b>Designated Recipient Response</b>
<b>Provincial Alignment</b>	<p><i>Report on actions taken to verify that proposed activities are in complimentary and support Destination BC, regional, community and/or other available tourism strategic and/or marketing plans as part of the completion of One-Year Tactical Plan.</i></p> <p><i>Examples of actions taken could include:</i></p> <ul style="list-style-type: none"> <li>• <i>Refer to Destination British Columbia's strategic plan and regional plans</i></li> <li>• <i>Liaise/consult with regional and/or provincial staff during strategic/tactical plan development</i></li> <li>• <i>Provincial or regional staff attendance at community AGM, planning sessions or marketing showcases</i></li> <li>• <i>Attendance at provincial marketing and/or planning sessions</i></li> <li>• <i>Attendance at regional marketing and/or planning sessions</i></li> <li>• <i>Attendance at regional annual conferences/marketing presentations.</i></li> </ul>
<b>Coordinated with Destination British Columbia on Travel Media and Travel Trade Activities</b>	<p><b><i>Only for designated recipients collecting 3% tax:</i></b>  <i>Report on actions taken to ensure travel trade and travel media activities are coordinated with Destination BC's overarching marketing plan, and similar activities undertaken by other designated recipients.</i></p> <p><i>The designated recipient should also report on any outcomes of trade show and travel trade activities.</i></p>

<b>4. Fiscal prudence and accountability</b>	
All designated recipients must be accountable, transparent, and make fiscally prudent investments in community tourism marketing.	
<b>Mandatory Metric</b>	<b>Designated Recipient Response</b>
<b>Effective Financial Management</b>	<i>The designated recipient must provide a completed Financial Report (refer to Appendix 2.1) that shows how MRDT funds were spent consistent with the designated recipient's Five-Year Strategic Business Plan and certify that all of the revenue was used solely for purposes as approved in their One-Year Tactical Plan.</i>
<b>Streamlined Administrative Costs</b>	<i>The designated recipient must identify and include all administrative costs as outlined in Appendix 2.1 and in accordance to the definition provided in the MRDT Program Requirements (Section 4: Eligible Use of Funds).</i>
<b>Leveraging of Other Marketing Funds</b>	<i>The designated recipient must provide details (in this space) regarding what steps they undertook to leverage funding over the year.</i>  <i>Additionally, the designated recipient must provide the amount(s) and source(s) of marketing funds leveraged from other sources in the Financial Report (refer to Appendix 2.1).</i>

By signing this form, you certify the accuracy and completeness of the information provided above.

Designated Recipient's Authorized Signing Authority Name	Designated Recipient's Authorized Signing Authority Title
Date	Designated Recipient's Authorized Signing Authority Signature

## Appendix 2.3 One-Year Tactical Plan

Under the *Provincial Sales Tax Act*, all designated recipients, including designated recipients not subject to the renewal application requirement, must report to the Province annually. As such all designated recipients (or the designated recipient's service provider), are required to complete the following One-year Tactical Plan **no later than November 30<sup>th</sup> each year for years two through five**. If plans are available earlier, please submit as they become available. A Five-year Strategic Business Plan is required in year 1.

The One-year Tactical Plan must be consistent with the Five-year Strategic Business Plan and be based on the calendar year.

**A sample Tactical Plan template has been provided below. However, the format of the Tactical Plan may be developed specific to your community needs and resources.**

Similar to the Five-year Strategic Business Plan, the One-year Tactical Plan must adhere to the MRDT program principles (see box).

Please ensure there is alignment between provincial tourism strategies and community tourism efforts. Additionally, designated recipients should make their One-year Tactical Plans available to tourism industry stakeholders.

If you wish to make material modifications to the Five-year goals, strategies or targets, the changes must be identified in the One-year Tactical Plan and may require approval from the Province (see Section 11: Amendments in Program Requirements).

Your One-year Tactical Plan must contain the following information:

- An overview of the strategic direction from the Five-Year Strategic Business Plan
- Key learning and conclusions from the previous year
- Details about activities and tactics for the upcoming year
- Expected outcomes
- Availability of revenue from other sources to fund projects in addition to the funds from the tax (Reminder: funds from the tax must be incremental to existing sources of funding. The funds from the tax must not replace existing sources of tourism funding in a community)
- A proposed budget for the year ahead

For questions, please contact Destination British Columbia at [MRDT@destinationbc.ca](mailto:MRDT@destinationbc.ca).

### *Quick Reference Guide*

#### *(from the MRDT Program Requirements):*

- *The intention of the tax is to assist designated recipients to fund tourism marketing, programs and projects.*
- *Funds from the MRDT program are intended to augment current funding and cannot be used to replace existing sources of tourism funding in a community.*
- *The MRDT program is intended to contribute to the increase of local tourism revenue, visitation, and economic benefits and should be supported by local government and tourism stakeholders.*

#### *The MRDT program principles are:*

- *Effective tourism marketing, programs and projects*
- *Effective local-level stakeholder support, and inter-community collaboration*
- *Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics*
- *Fiscal prudence and accountability.*

## One-Year Tactical Plan Template

**Designated Recipient:** \_\_\_\_\_  
**Designated Accommodation Area:** \_\_\_\_\_  
**Date Prepared:** \_\_\_\_\_  
**MRDT Repeal Date:** \_\_\_\_\_  
**Five Year Period:** \_\_\_\_\_

A description/instructions pertaining to each section is provided in grey text as a guide only. **The format of your One-Year Tactical Plan may be developed specific to your community needs and resources.** If using this template, please delete the blue text and provide your response accordingly. If using your own report template, please ensure it includes the following sections:

Section 1: Overview and Update to Five-year Strategic Context	
Heading	Description
<b>Strategic Direction</b>	<ul style="list-style-type: none"> <li>A brief overview of the strategic direction from the Five-Year Strategic Business Plan, which may include an articulation of the Vision, Mission, Goals and Objectives from the Five-Year Strategic Business Plan.</li> </ul>
<b>Key Learnings and Conclusions</b>	<ul style="list-style-type: none"> <li>Key learnings and conclusions from a situation analysis or annual review that will inform your One-Year Tactical Plan.</li> <li>Provide an update on progress to date for current year activities.</li> </ul>
<b>Overall Goals, and Objectives</b>	<ul style="list-style-type: none"> <li>Overall Goals, Objectives and Targets, if different from the Five-year Strategic Business Plan.</li> </ul>
<b>Strategies</b>	<ul style="list-style-type: none"> <li>Key Strategies for the year, if different from the Five-Year Strategic Business Plan. If any change in Key Strategies is deemed to be material or a substantial shift from original direction set, then approval from Destination British Columbia will be required before implementation.</li> <li>Identify your key content themes for the year (i.e. wilderness, touring, ski, etc.)</li> </ul>
<b>Target Markets</b>	<ul style="list-style-type: none"> <li>The types of visitors that are priorities for your community for the next year, stating primary and secondary target markets. Include geographic target markets, demographic, and activity-based target groups.</li> <li>The desired length of stay that your community is seeking from the target markets, from day visits or overnight getaways to longer vacations.</li> </ul>

## Section 2: One-Year Tactical Plan with Performance Measures

Please provide a **Project Plan** for each major activity you will undertake in the year ahead using MRDT funds. Authorized purposes of MRDT funds are tourism marketing, programs and projects and any other prescribed purposes as set out by regulation.

**Project plans should include the following information for each activity. The recipient can organize the plan in a manner that best reflects their individual approach. Please note that Destination BC may share relevant tactical information with applicable Destination BC program areas to facilitate increased collaboration and alignment.**

1. The **major category** of the activity. Examples could include marketing, destination and product experience management, visitor services, etc.

Marketing, which may include:

- Media Advertising and Production (for example: print, radio, television, out-of-home, paper direct mail, email marketing, search engine marketing, paid social media, display, and native advertising)
- Website - Hosting, Development, Maintenance
- Social Media Management Platforms and Tools (i.e. Hootsuite)
- Consumer Shows and Events
- Collateral production and distribution
- Travel Media Relations (for example: story idea creation, media and influencer FAM hosting/support, attendance at media marketplaces, etc.)
- Travel Trade (for example: trade FAM hosting/support, etc.)
- Consumer-focused asset development (for example: curation or production of written content, photography, videography, etc.)
- Other.

Destination and Product Experience Management, which may include:

- Industry Development and Training - Enhancing Education and Knowledge (for example: market readiness, digital readiness, industry conferences, packaging and other tourism-related Industry Workshops)
- Product Experience Enhancement and Training (for example: Itinerary Development, Content Development and Key Experience Creation)
- Research, Evaluation, and Analytics
- Other.

Visitor Services, which may include:

- Visitor Services Activities (for example: staff wage and benefits, visitor services via social media, digital tools, including mobile apps, kiosks, beacons, etc., , roving/mobile visitor services, ambassador programs, , FAMs)
- Other.

Meetings, Conventions, Events and Sport:

- Examples could include conferences, events, sales, sport, grant programs, etc.

Affordable Housing, which may include:

- Details on affordable housing projects (project description and rationale, authorizing documents, budget and applicable funding partners).
- Please complete and attach Appendix 1.8.

Other:

- Other activities not covered by the above categories, such as capital expenditures if **pre-approved by government** (prior to application), etc.

2. Please list and describe **the tactics** your community will use to achieve the strategies outlined in Section 1 of your Five-Year Strategic Business Plan. There may be several tactics for each activity.
3. Please provide an **implementation plan** that includes a short description, quantifiable objectives, rationale, action steps, potential partnerships, resources, sources of funding, responsibilities, timeframe, budget, and evaluation mechanism.

## Project Plan Template

A description/instructions pertaining to each section is provided in grey text as a guide only. **The format of your Project Plan may be developed specific to your community needs and resources. If using this template, please delete the grey text and provide your response accordingly.**

<b>Major Category:</b> <i>(e.g., Marketing - Travel Trade; Visitor Services – Mobile Apps; Conferences)</i>
<b>Activity Title:</b> <i>Please provide the title of activity.</i>
<b>Tactics:</b> <i>Please list and describe the tactics to be used to achieve the strategies outlined in Section 1 of the Strategic Business Plan. There may be several tactics for each activity.</i>
<b>Implementation Plan:</b> <i>For each activity, an implementation plan should include the following information:</i> <b>Short Description:</b>  <b>Quantifiable Objectives:</b>  <b>Rationale:</b>  <b>Action Steps:</b>  <b>Potential Partnerships:</b>  <b>Resources:</b>  <b>Sources of Funding:</b>  <b>Timeframe:</b> <i>(when will the tactic begin and end or is it ongoing?)</i>  <b>Budget:</b>

**Performance Measures:**

- *Please review the tactics listed above and identify expected outcomes and outputs for each.*
- *Report out annually on the performance measures (refer to Appendix 2.2).*
- *The performance measures must align with the four MRDT Program Principles:*
  - *Effective tourism marketing, programs and projects*
  - *Effective local-level stakeholder support, and inter-community collaboration*
  - *Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics*
  - *Fiscal prudence and accountability.*
- *Consider the following definitions when preparing the output and outcome measures:*
  - *Outputs - measure the level of service provided by a project or provides information about what was done. They define "what you did", e.g., hosted four media familiarization trips.*
  - *Outcomes - measures on the achievement of broader goals such as increasing average visitor yield or enhancing the customer experience.*

• *Examples only:*Output Measures:

- *Types of marketing activities*
- *Number of event campaigns and results*
- *Description of social media activities and outcomes*
- *Number of media placements*
- *Number of conventions and meeting sales*
- *Webpage visits*
- *Visitor inquiries/calls*

Outcome Measures:

- *Visitor volume*
- *Visitor nights & visitor spending*
- *Visitor revenues*
- *Average length of stay*
- *Accommodation revenues*
- *Number of new tourism businesses*

### Section 3: MRDT Budget for One-Year Tactical Plan

Designated recipients **must** complete the budget table as provided below.

Revenues		Budget \$
Carry-forward from previous calendar year		
MRDT		
MRDT from online accommodation platforms		
	<b>MRDT Subtotal</b>	
Local government contribution		
Stakeholder contributions (i.e. membership dues)		
Co-op funds received (e.g. DBC Coop; DMO-led projects)		
Grants – Federal		
Grants – Provincial		
Grants/Fee for Service - Municipal		
Retail Sales		
Interest		
Other		
	<b>Total Revenues</b>	
Expenses		Budget \$
<b>Marketing</b>		
Marketing staff – wage and benefits		
Media advertising and production		
Website - hosting, development, maintenance		
Social media		
Consumer Shows, events		
Collateral production, and distribution		
Travel media relations		
Travel trade		
Consumer-focused asset development (imagery, video, written content)		
Other (please describe)		
	<b>Subtotal</b>	
<b>Destination &amp; Product Experience Management</b>		
Destination & Product Experience Management Staff – wage and benefits		
Industry development and training		
Product experience enhancement and training		
Research, evaluation and analytics		
Other (please describe)		
	<b>Subtotal</b>	
<b>Visitor Services</b>		
Visitor Services activities		
Other (please describe)		
	<b>Subtotal</b>	
<b>Meetings Conventions, Events &amp; Sport</b>		
Meetings, conventions, conferences, events, sport, grant programs, etc.		
	<b>Subtotal</b>	
<b>Administration</b>		
Management and staff unrelated to program implementation – wages and benefits		
Finance staff – wages and benefits		
Human Resources staff – wages and benefits		
Board of Directors costs		

	Information technology costs – workstation-related costs (i.e. computers, telephone, support, networks)	
	Office lease/rent	
<b>Expenses</b>		<b>Budget \$</b>
	General office expenses	
	<i>Subtotal</i>	
<b>Affordable Housing</b>		
	General MRDT revenues	
	Revenues from online accommodation platforms	
	<i>Subtotal</i>	
<b>Other</b>		
	All other wages and benefits not included above	
	Other activities not included above (please describe)	
	<i>Subtotal</i>	
	<b>Total Expenses:</b>	
<b>Balance or Carry Forward</b>		

**Projected Spend by Market (*broad estimate*)**

Add more rows as needed.

Geographic Market	Total Marketing Budget by Market	% of Total \$ by Market
BC		
Alberta		
Ontario		
Other Canada ( <i>please specify</i> )		
Washington State		
California		
Other USA ( <i>please specify</i> )		
Mexico		
China		
UK		
Germany		
Australia		
Japan		
Other International ( <i>Please specify</i> )		
<b>Total</b>		

## Appendix 2.4 Annual Affordable Housing MRDT Report

The following table must be completed if the designated recipient wishes to use MRDT revenues on affordable housing initiatives, regardless of whether revenues are solely from online accommodation platforms or from general MRDT revenues. If you have submitted a previous report through your annual reporting requirements, only provide details on changes in the categories below. This report must be submitted by May 31 of every year.

<b>Project Name and Address</b>
<b>Project Rationale and Details</b>
<ul style="list-style-type: none"> <li>• Have there been any changes to the project?</li> <li>• What progress/milestones have been made on the measurements of success outlined in your Affordable Housing MRDT Plan?</li> </ul>
<b>MRDT Contribution</b>
<ul style="list-style-type: none"> <li>• Has your MRDT contribution changed since your last report?</li> </ul>
<b>Housing Provider/Project Owners/Project Lead</b>
<b>Funding Partner(s)</b>

**Contribution from Funding Partner(s)****Estimated Completion Date**

- Has the estimated completion date changed? If so, provide some reasons.

**Number of Housing Units Completed**

- The number of housing units (such as rooms available for individual dwelling) acquired, completed, maintained, or renovated.