



Suite 60
10551 Shellbridge Way
Richmond
British Columbia
Canada V6X 2W9
604.270.8226
Fax 604.270.9116
Email: ubcm@ubcm.ca

PRESIDENT
CHAIR HARRY NYCE

EXECUTIVE DIRECTOR
GARY MACISSAC

December 8, 2009

The Honourable Colin Hansen
Minister of Finance
PO Box 9048
STN PROV GOVT
Victoria, BC, V8W 9E2

RE: Local Governments & Additional Hotel Room Tax Revenue

Dear Minister Hansen,

Over the past weeks, UBCM has been working with the Ministry of Finance to ensure that the Additional Hotel Room Tax (AHRT) is retained in a manner that recognizes and values the important role that local governments play in local tourism marketing.

We have consulted with a representative sample of our membership and have established a number of key reasons for maintaining the AHRT in its current delivery model, including:

- The AHRT allows local governments to determine a locally appropriate mechanism for tourism marketing delivery that links the local government to hoteliers and the community at large and which links tourism initiatives to broader community planning.
- Tourism marketing facilitates amenity migration and supports communities to attract new residents and businesses – which is vital for the quality of life of all communities, but especially those with transitioning economies.
- Local governments, through provincial legislation, are required to undertake sound financial management and reporting, including administration of AHRT revenues.
- The marketing initiatives supported through AHRT are helping to meet the provincial goal of doubling tourism by 2014.

We are aware that other stakeholders have submitted a proposal to the Ministry to suggest altering the delivery model of the AHRT. It is our understanding that this proposal would remove local governments from the collection and distribution of a destination marketing fee. Such a revision to the AHRT program would be contrary to the interests of local governments, and the communities that they represent, and would be strongly opposed by our members.

We firmly believe that the current model, which allows for variation in the structure of local destination marketing organizations but also

ensures a role for local government, is a sound and efficient means of managing the AHRT.

We look forward to continuing to work with your Ministry to ensure that the AHRT is retained as a irreplaceable source of revenue for local tourism marketing and that local governments continue to have a central voice in the economic development and community sustainability opportunities that the AHRT supports.

Sincerely,

A handwritten signature in black ink, appearing to be 'H. Nyce', written in a cursive style.

Harry Nyce
President

*cc: The Honourable Kevin Krueger, Minister of Tourism, Culture & the Arts
The Honourable Bill Bennett, Minister of Community & Rural Development*