

Newsletter - November 2019

1. Tourist tax

The draft regulation was analysed by the Legal Service of the Council of State and was found to comply with Cantonal and Federal legislation.

The criteria based on an average occupancy of 50 days per year and a tax of CHF 2.50 per UPH (unit per household) gives a flat-rate amount of CHF 125 per UPH. Thus, a 3-bedroom apartment with a living room-kitchen, considered by the Municipality as a 3 ½ room dwelling, is equivalent to 4 UPH, which gives a tourist tax of 500 francs.

The tourist tax paid by the R2s will be collected by the Municipality, which will transfer the amount, approximately CHF 510,000, to the Tourism Limited Company (see point 2).

The General Assembly took note of the proposal of the regulation. Criticisms have been levelled at the functioning of the Tourist Office and doubts have been raised about the usefulness of investing more than CHF 400,000. However, it was acknowledged that the Tourist Office could be of interest to tourists staying with R2s as the services improve.

On the other hand, there was no interest in helping to find tenants. Either the R2s manage on their own, or they go to the private rental services on site.

Considering that the tourist tax must be used in the interest of tourists, the Municipality is asking us to make proposals for the use of this tax. The following proposals have been made, which will be discussed at the next meeting between the Committee and the representatives of the Municipality:

- a reduction in water, sewer and garbage taxes given that R2s occupy their homes, on average, 50 days per year
- free ski lifts for R2 pedestrians
- a direct Vercozin-Grimentz shuttle bus
- a water game/natural water basin in the Creux du Lavioz using the water from the bisse
- the revival of Verco-Jazz by assuming part of the organization by the Municipality.

It was not considered useful to vote for this regulation given that the amount proposed is at the bottom of the range of tourist taxes in Valais and that the compensation proposed by the Commune seems interesting to us (see point 2, SA du tourisme).

Finally, it was pointed out that the total municipal revenues from R2 amounted to almost CHF 2 million, i.e.:

- CHF 500'000 comes from the future tourist tax,
- CHF 700,000 are paid in the form of taxes (residents pay just over CHF 7 million),
- CHF 640,000 comes from the water, garbage and sewer taxes that the 800 owners of the R2s pay for approximately 800 francs per secondary residence.

2. Tourism Limited Company ("SA")

The municipality has decided, based on the Valais law on tourism, to set up a Limited Company ("SA" in French) to deal with Tourism. This "SA" will carry out tasks "delegated by the Municipality of Chalais in accordance with its tourism policy" (art. 3 of the SA's statutes).

The share capital is set, in principle, at CHF 120,000 and paid in as follows:

- CHF 25'000 by the Municipality
- CHF 25'000 by the Vercorin SA cable car
- CHF 15'000 by the BAT (Bureau of Touristic Affairs)
- CHF 15'000 by the Swisspeak residence
- CHF 15'000 by the Development Company (to be confirmed)
- CHF 5'000 per Verco R2
- CHF 3'000 by the "Veranda"

The collection of the tourist tax paid by the R2 will be implemented by the Municipality, which will pay the amount to the Vercorin Tourism SA. The total budget of the SA amounts to CHF 830'000.

The revenues of Tourism SA come from:

- CHF 510'000 from the tourist tax of the R2 (about 4'000 beds), which is equivalent to 60% of the income of the Tourism SA. The current amount collected from the R2 in the form of a tourist tax amounts to CHF 105,000, but the control of the collection is totally random and unrepresentative.
- CHF 144'000 from professional landlords (about 500 beds).
- CHF 70'000 of the tourism promotion tax paid by tourism professionals.
- CHF 106,000 from the Municipality in the form of grants.

The resources of the Tourism SA will be allocated as follows:

- CHF 415,000 to the operation of the Tourist Office, whose current budget is approximately CHF 330,000. Everyone agrees that it will be necessary to review its functioning, which goes hand in hand with an increase in its budget.
- CHF 70'000 for promotion and marketing.
- CHF 150,000 to cover the operating costs, in particular the shuttle bus to Vercorin and the Vercorin-Vissoie link or the children's fixed price for the ski lifts.
- CHF 195,000 for investments such as the development of the "Espace Chardons", mountain bike trails, hiking trails, the "Creux du Lavioz", miniature golf, a museum of tradition, etc.

Following the decision of our statutory General Assembly in February 2019, we bought 5 shares at CHF 1000. Jacques Perret will be our representative in this Tourism SA. Given that this SA will play an essential role in tourism policy, we would like to be part of the Board of Directors where important decisions on tourism policy are taken.

Indeed, as "consumers of tourism", the R2s constitute the basis on which tourism development takes place in Vercorin and 60% of the Tourism SA's revenues come from the R2s' tourist taxes. The R2s are therefore the main users and financiers of this Tourism SA! It should be recalled that the R2s of the Val d'Anniviers also sit in their Tourism SA.

The Committee was asked to remind the Commune of these elements and to inform it of our somewhat bitter surprise that the Board of Directors of Télécabine Vercorin SA, after an initial opening, decided to refuse our request for a seat on the Board of Directors of Télécabine Vercorin SA.

Vercorin, 20.11.2019

Andreas Saurer