



Policy

POL.COR.24.07

Town Use of Municipal Accommodation Tax

Policy Type: Corporate Policy (Approved by Council)

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Department: Administration

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Policy Statement

The Town of The Blue Mountains will ensure that funds from the Municipal Portion of the Municipal Accommodation Tax (MAT) Program are directed toward tourism-supportive initiatives and that the funds are used in an accountable, transparent, and responsible manner.

Purpose

This Policy establishes funding principles to guide the use of the Municipal Portion of funds collected through the Town of The Blue Mountain's Municipal Accommodation Tax program.

The fundamental goal of this policy is to ensure that revenue collected through the Municipal Accommodation Tax program is directed to support and manage Tourism development, including infrastructure, services and initiatives, and to address tourism-related opportunities and issues facing the community, including tourism operators, accommodation providers, businesses, residents and visitors to the Town of The Blue Mountains.

The policy also establishes a Municipal Accommodation Tax Reserve Fund and sets an appropriate target level for the balances in the Reserve.

Application

This policy applies to Municipal Portion of Municipal Accommodation Tax revenues pursuant to Ontario Regulation 435/17 – Transient Accommodation Tax.

This policy applies to all staff and members of the Town of The Blue Mountains Council when processing, evaluating and approving expenditures that will be funded from the Municipal Portion of the Municipal Accommodation Tax.

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Definitions

Act: shall mean the Municipal Act, 2001, S.O. 2001, c.25.

Council: shall mean the Council for The Corporation of the Town of The Blue Mountains.

Destination Marketing Program: shall have the meaning given to it in the *Ontario Regulation 435/17*, as amended.

Eligible Tourism Entity: shall have the meaning given to it in the *Ontario Regulation 435/17*, as amended.

Municipality or Town: shall mean The Corporation of the Town of The Blue Mountains

Municipal Accommodation Tax or MAT: shall mean the Transient Accommodation Tax in accordance with *Ontario Regulation 435/17 – Transient Accommodation Tax*.

Municipal Portion: shall mean the share of Municipal Accommodation Tax revenue that is retained by the Town, less any payments made to the Eligible Tourism Entity.

Policy: shall mean the Town of The Blue Mountains “Town Use of Municipal Accommodation Tax” policy.

Regulation: shall mean the *Ontario Regulation 435/17: TRANSIENT ACCOMMODATION TAX*

Reserve or Reserve Fund: shall mean the reserve fund that is established by the Town of The Blue Mountains for the use of managing funds related to Municipal Accommodation Tax.

Staff or Town Staff: shall mean the employees of The Corporation of the Town of The Blue Mountains

Transient Accommodation Tax: shall mean a Transient Accommodation Tax implemented pursuant to s. 400.1 of the *Municipal Act*, 2001, as amended, and any applicable regulations promulgated pursuant to that Act.

Policy Details

Pursuant to *Ontario Regulation 435/17 – Transient Accommodation Tax*, a minimum of 50% of the revenue, net of administration costs, collected through the Municipal Accommodation Tax program in any given fiscal year will be transferred to the Eligible Tourism Entity, subject to the terms and conditions of a separate revenue sharing agreement entered into between the Town and the Eligible Tourism Entity.

The remaining balance of funds shall be held in a Municipal Accommodation Tax Reserve Fund, to which the Municipal Portion of Municipal Accommodation Tax revenue collected shall be deposited. This revenue shall be dispersed at the discretion of Council based on the funding

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principles of this policy. Any revenue allocated from the fund shall be tracked and returned to the Reserve if it is not spent within one calendar year from the date of approval. Interest income earned on the unused actual cash balance within the Reserve is to be held in the Reserve.

Funding Principles

Municipal Accommodation Tax funds within the Reserve may be utilized in the following manners:

1. Direct Monetary Support (i.e. cash funding to support a project or initiative); and/or
2. In-Kind Contributions based on the provision of Town property/facilities, materials or resources (i.e. staff time) to support a program or partnership and may or may not include the provision of cash funds. (Note: The recovery of costs related to property/facilities will be based on Council approved User Fee By-Law.)

The Town's use of Municipal Accommodation Tax funds shall be reviewed based on the following funding principles:

- to support investment into tourism-related infrastructure to help more effectively manage tourism in a quantifiable and transparent manner;
- to support projects and initiatives that result in measurable improvements to Town services that enhance and improve the management of tourism and visitor experiences;
- to pursue the goals and implement recommendations as outlined in the Town's Tourism and Economic Development Strategies, and the Town's Corporate Strategic Plan as amended from time to time;
- to collaboratively support the creation of tourism product development to bring new and innovative products, experiences, and services to the Town of The Blue Mountains tourism market in a quantifiable and transparent manner;
- to support the promotion of the Town of The Blue Mountains as a leading destination for tourism, leisure and business travel with an emphasis on promoting overnight stays;

Ineligible Funding

Programs, projects or initiatives that are considered part of the Town of The Blue Mountains' core business unrelated to the outlined funding principles shall not receive funding through the MAT revenue without prior authorization by Council that the funds may be used for a non-tourism related purpose.

This includes:

- a) Salaries Wages and Benefits (with the exception of costs related to In-Kind Contributions as detailed above)
- b) Operating Costs of Public Works Road Maintenance and Repair
- c) Operating Costs of Existing Municipal Facilities

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Discretion of Council

Pursuant to *Ontario Regulation 435/17: TRANSIENT ACCOMMODATION TAX*, Council reserves the right to use the Municipal Portion of Municipal Accommodation Tax funds at their sole discretion through the form of Council direction provided by certified resolution.

Exclusions

N/A

References and Related Policies

- *Municipal Act, 2001*
- *Ontario Regulation 435/17 – Transient Accommodation Tax*

Consequences of Non-Compliance

Non-compliance with the *Municipal Act, 2001* and any other Act is subject to the remedies prescribed therein.

Review Cycle

This Policy will be reviewed once per term of Council by the Senior Management Team for report to Council in open session.