

# Municipal Accommodation Tax

Environment, Infrastructure and Community Services Committee

July 7, 2022

Background

-

Timeline

-

Uses for MAT

-

Short Term  
Rentals

-

Implementation

Tourism Burlington has worked with the COB staff from Recreation, Community and Culture, Finance, and Legal to review and update the following:

- Staff report;
- MAT Bylaw;
- City MAT Reserve Fund Bylaw;
- Tourism MAT Reserve Fund Bylaw;
- MAT Funding criteria.

# Background

The Province of Ontario has granted municipalities the authority to implement a tax on accommodations.

A tax on accommodation could generate an estimated \$450,000 to \$700,000 annually to start and \$750,000 to \$1,000,000 annually post-pandemic to support tourism initiatives and increase economic benefit within the City of Burlington. The legislation requires 50 per cent of the funds to be shared with an eligible tourism organization with the remaining 50 per cent to be used by the municipality.

In November 2019 Council considered the implementation of a Municipal Accommodation Tax (MAT) and the following recommendation was approved:

*Table report CM-23-19 regarding the establishment of a Municipal Accommodation Tax in Burlington and report back to Committee in early 2020 to provide recommendations related to implementation and the associated bylaw.*

A follow up report outlining the next steps to implement the MAT was prepared for council consideration in March of 2020. The meeting was cancelled with ongoing concern about COVID-19 and the stay-at-home orders.

# Background

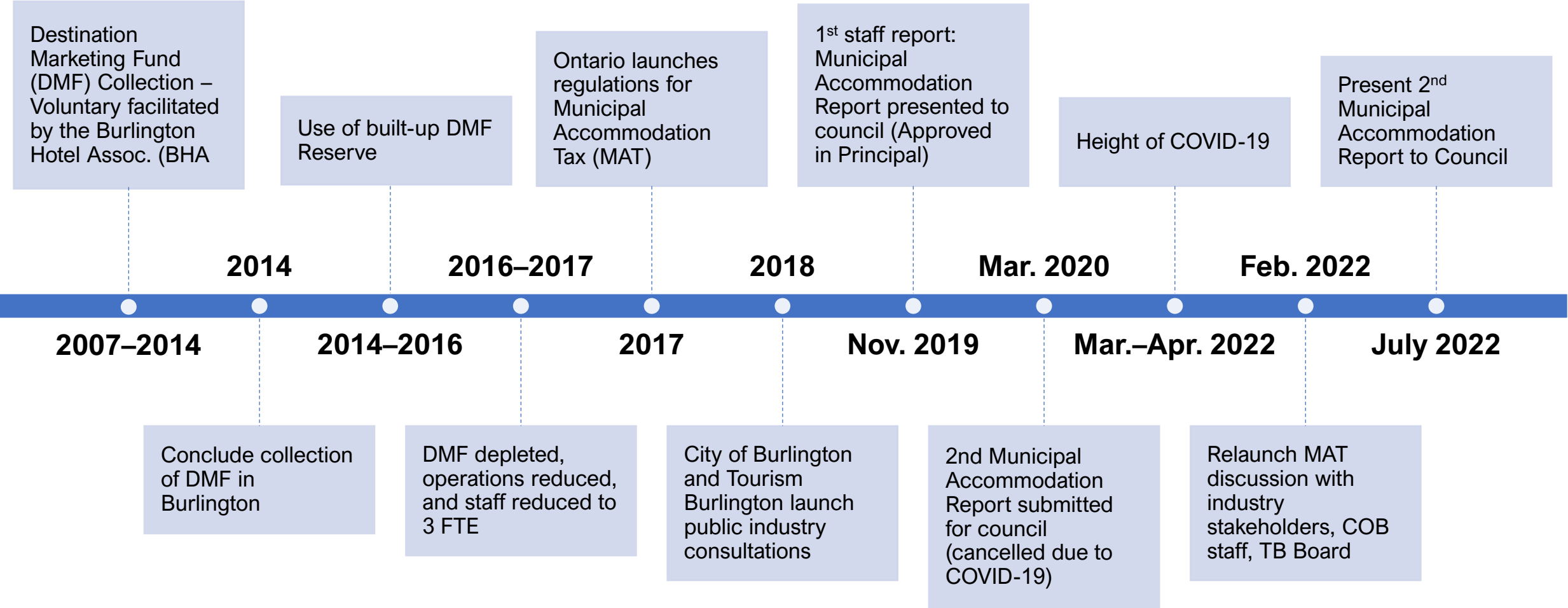
Since that time, updates have been provided to COB staff, and more recently to the Burlington Hotel Association and hoteliers.

In recent months, in-depth discussions took place, one on one, with hotels, other businesses, the tourism board, and individual members of council. Additional notifications for the implementation plans took place through tourism's consultation with stakeholders through their strategic planning process, their annual general meeting, and their final strategic plan report.

Items in those discussions include timing related to business and economic recovery in Burlington, competitiveness with surrounding regions already collecting MAT, use of funds, short-term rentals, and priorities related to the strategic plan.

The staff working group considered the two options for spending the city's portion of funds, as recommended by the council. The options were outlined in the report CM-23-19. The result was to recommend option 3 as it provides flexibility for the city's use of funds rather than being dedicated to only infrastructure.

# Timeline – Transition of DMF to MAT



# Potential Use for Funds

Through consultation with stakeholders, the following priorities were developed:

City – the fund will support projects and initiatives that result in measurable improvements to city services that enhance tourist experiences and increase their length of visitation. Examples re: the One Brand Project, Placemaking, Signage Enhancements, Facility Enhancements, and Marketing.

Tourism – based on the strategic plan, projects will include marketing campaigns, market research, incentive programs, and destination development initiatives. The projects will include incentive programs to attract corporate meetings and sports hosting as well as marketing to national and international visitors, and product development.

# Municipal Accommodation Tax Bylaw

The Bylaw has been reviewed by the City of Burlington Legal and Finance Department, after careful review of the following:

- The provincial legislation under section 400.1 of the *Municipal Act, 2001*, S.O 2001 c.25, and under Ontario Regulations 435/17;
- Other Municipal Accommodation Tax Bylaws from Ontario;
- ORMHA's letter of agreement with municipalities.

## Fund Bylaws

Two fund bylaws were developed for the MAT revenue and the regulated allocation of 50% to the municipality and 50% to a tourism body, those bylaws are the:

- City MAT Reserve Bylaw
- Tourism MAT Reserve Bylaw

# Short Term Rentals

As part of the process, short-term rentals were reviewed in consultation with other municipalities, and the Ontario Restaurant Motel & Hotel Association.

We are not considering short-term rentals MAT at this time as this requires a review of licensing short-term providers and reviewing the zoning bylaws. This will be considered as a second phase for the Municipal Accommodation Tax in the city.

After the City completes a review of the comprehensive zoning bylaw, an amendment or revision to the bylaw will be developed to include Short Term Rentals in the MAT (Airbnb etc.) and then presented to council for approval.



# Implementation

## Next Steps for implementation:

- Presentation and Approval of the staff report in July 2022;
- Enter into an agreement with ORHMA;
- Meet with accommodation providers and ORHMA for training and information sharing;
- Set up administration between tourism, partners, ORHMA and COB;
- Set up banking information, and process with Finance;
- Begin collecting funds, to be held in reserve accounts until the approval of the 2023 Tourism Budget and 2023 Municipal budgets are confirmed
- Present tourism Marketing Plan for 2023.

# Questions?

Chris Glenn, Director of Recreation, Community and Culture

-

Kristene Smith, Executive Director of Tourism Burlington