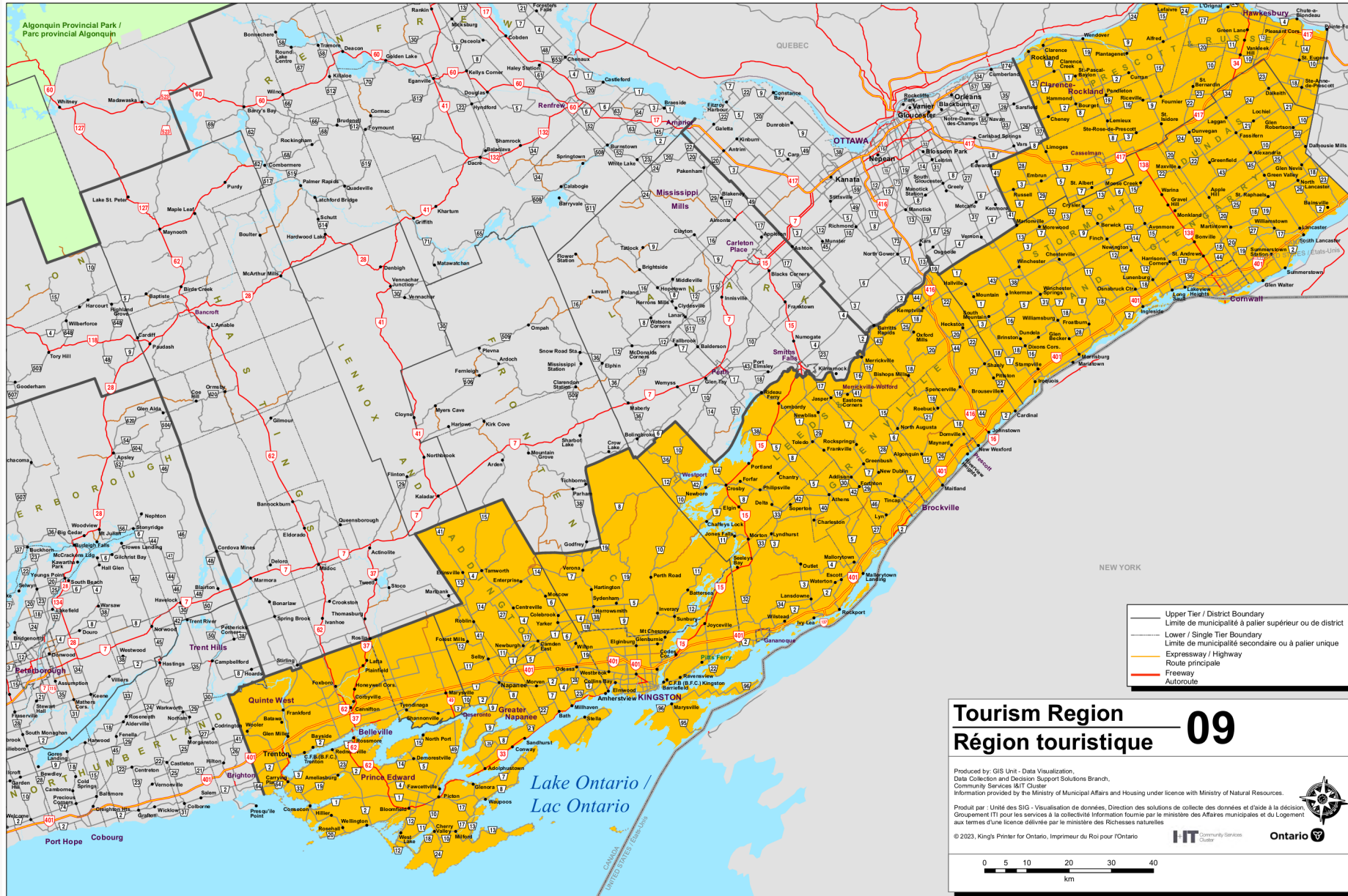


# Investing in Community Through Tourism

Why the Municipal Accommodations Tax Matters  
for Rural Municipalities



# South Eastern Ontario



11 Destination Partners  
(DMO/DMP)  
Spanning over 315 KM  
7 Counties  
55 Municipalities

# Rural Tourism

- **Value of Tourism**
- **Our Character and Potential**
- **Support for Tourism**
- **Barriers to Success**

# Municipal Accommodation Tax (MAT)

- The **Municipal Accommodation Tax (MAT)** came into effect in December 2017, legislated through the Municipal Act, 2001, granting municipalities the authority through bylaw to implement a tax on transient accommodations.
- Its purpose is to generate revenue that supports tourism promotion and development initiatives within a municipality.

# Municipal Accommodation Tax (MAT)

## Applicability and Rate

- Applicability:
  - ✓ Typically applied to roofed accommodations, such as hotels, motels, bed & breakfasts and short-term rentals
  - ✓ Can be applied to non-roofed accommodations
  - ✓ Applicable only on stays of 30 days or less
  - ✓ *Accommodations at universities/colleges is exempt.*
- Rate:
  - ✓ Varies across the province, average is 4-6%

# Municipal Accommodation Tax (MAT)

## Collection and Revenue Allocation

- Collection:
  - ✓ Accommodation providers collect the MAT and remit to the municipality (or their designated collection/administration body).
  - ✓ Municipality determines reporting and remittance frequency.
- Revenue Allocation:
  - ✓ Municipality is required to share at least 50% of revenue, after reasonable costs of administration and collection, with an eligible tourism entity.
  - ✓ The eligible tourism entity must have a tourism mandate and must spend the allocated funds on tourism marketing and development initiatives that support the municipality.
  - ✓ The municipality can spend their portion of funds as they see fit.

# Municipal Accommodation Tax (MAT)

## Implementation to Date

- 73 of 444 Ontario municipalities within Ontario have implemented generating approx. \$244 million in additional revenues to municipalities

## Ontario's Highlands (Haliburton County – 4 municipalities):

- Implemented Short-Term Rental and MAT bylaws across all 4 municipalities effective October 1, 2024.
- MAT is only applicable on Short-Term Rentals
- 3 out of 4 municipalities charging 4%, one charging 3%
- Collection administered by Granicus (3<sup>rd</sup> party)
- 50% of revenue shared with newly established Municipal Services Corporation at County level.

# Municipal Accommodation Tax (MAT) cont

## Implementation to Date

### Ontario's Highlands (Renfrew County – 17 municipalities):

- City of Pembroke approved implementation of MAT on all accommodation providers effective January 1, 2025 at a rate of 4%. The Ottawa Valley Tourist Association (OVTA) is the named eligible tourism entity to receive 50% of revenue.
- Town of Petawawa approved implementation of MAT on 5 roofed accommodation providers effective January 1, 2025 at a rate of 3%. OVTA is the named eligible tourism entity to receive 50% of revenue.
- Greater Madawaska Township passed a bylaw on Short-Term Accommodation (STA) effective April 1, 2025 requiring all short-term rental accommodations to register with the municipality.

# Municipal Accommodation Tax (MAT) cont.

## Implementation to Date

### Region 9:

- Kingston Accommodation Partners implemented the MAT in August 2018 - 5%
- Prince Edward County implemented the MAT in February 2021- 4%
- Brockville implemented the MAT in May 2018 – 4%
- Gananoque implemented the MAT in December 2019 – 4%
- Bay of Quinte implemented the MAT in January 2019 – 4%
- Cornwall implemented the MAT in April 2018 – 5%

# Municipal Accommodation Tax (MAT)

## Potential for Frontenac County

- Access additional revenue to achieve your strategic objectives without increasing the burden on local tax payers.
- Credibility as a coordinating entity for community development
- Tremendous leveraging potential with other organizations to tap into more opportunities previously cost-prohibitive.
- Benefit from the lessons learned from early adopters who have navigated through implementation process.
- Expertise of staff to carry out the work

# Municipal Accommodation Tax (MAT)

## Key Recommendations

- Don't reinvent the wheel – well documented path to implementation exists and a suitable structure for Frontenac County will become evident.
- Seek support from the Tourism Association of Ontario (TIAO) – up to date on the MAT landscape in Ontario
- Get key community leaders on side and supportive of the initiative early especially an accommodator and a resident
- Prepare for objections – most are a result of a misunderstanding of how the MAT works and simply a negative perspective on anything that suggests “tax”.

# Municipal Accommodation Tax (MAT)

## Resources

Municipal Act, 2001 – Transient Accommodation Tax

<https://www.ontario.ca/laws/regulation/170435>

Tourism Industry Association of Ontario (TIAO) – FAQs

<https://www.tiaontario.ca/cpages/municipalaccommodationtax>

Thank You

