

POL.COR.24.XX

Use of Municipal Accommodation Tax and Reserve Fund Policy



Policy

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Policy Type: Corporate Policy (Approved by Council)

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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 guidelines for the use of the Municipal Portion of funds collected through the Town of The Blue Mountain's MAT program.

The fundamental goal of this policy is to ensure that revenue collected through the Municipal Portion of the MAT program is directed to support and manage Tourism activities, services, initiatives, and opportunities for residents, businesses, 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 all MAT revenues remitted to the Town 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 MAT Program.

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*.

Policy: shall mean the Town of The Blue Mountains “Use of Municipal Accommodation Tax and Reserve Fund” 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

Revenue Sharing

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

Funding Principles

MAT 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

Use of Municipal Accommodation Tax and Reserve Fund Policy

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.)

Subject to compliance with the Agreement between the Town and the confirmed Eligible Tourism Entity, the following are the basic principles that an initiative or project must meet and demonstrate in order to be funded through MAT funds.

- to support investment into tourism-related infrastructure to help more effectively manage tourism to the benefit of residents and visitors;
- 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, as amended from time to time;
- to 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;
- 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 tourism and economic development 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.

Examples of these are:

- 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

Reserve Fund

A Municipal Accommodation Tax Reserve Fund shall be established, to which the Municipal Portion of MAT revenue collected shall be deposited. This revenue shall be dispersed at the discretion of Council based on the funding principles of this policy.

Interest income earned on the unused actual cash balance within the Reserve is to be held in the Reserve.

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.

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