



# Staff Report

## Corporate & Financial Services

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**Report To:** COW- Admin, Corp and Finance, SI, Comm. Services  
**Meeting Date:** April 13, 2026  
**Report Number:** CFS.26.026  
**Title:** Follow Up Report to March 31 Public Meeting: Changes to Municipal Accommodation Tax (MAT) By-law  
**Prepared by:** Monica Quinlan, Director of Corporate & Financial Services

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### A. Recommendations

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THAT Council receive Staff Report CFS.26.026, entitled "Follow Up Report to March 31 Public Meeting: Changes to Municipal Accommodation Tax (MAT) By-law";

AND THAT Council approve the proposed amendments to the Municipal Accommodation Tax By-law, including the implementation of a modified reporting structure based on accommodation provider size;

AND THAT staff be directed to update the By-law and implement the revised process.

### B. Overview

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The purpose of this report is to present the results of the Public Meeting held on March 31, 2026 regarding proposed amendments to the Municipal Accommodation Tax (MAT) By-law, and to seek Council approval for updates to the MAT administration process, including a modified reporting structure.

### C. Background

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The Municipal Accommodation Tax (MAT) program has now been in effect within the Town of The Blue Mountains for over one year. The program was initially implemented using a quarterly reporting structure, based on feedback received from accommodation providers at the time, with the intent of minimizing administrative burden for operators.

During the first year of implementation, Town staff adopted an education-first and flexible approach to administration and enforcement, recognizing that MAT represented a new program for both staff and accommodation providers. This included accepting late reporting and payment and, in some cases, reversing calculated amounts and penalties where compliance was achieved after the deadline.

In addition, the Town had initially anticipated utilizing a third-party software platform to administer MAT reporting and remittance. As this platform was not fully operational in a manner that met the Town's needs, staff developed and implemented an internal solution to support the program. While effective, this approach has required a significant degree of manual administration.

As the program has matured, staff have identified opportunities to improve clarity, consistency, and administrative efficiency.

## **D. Analysis**

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### **Program Performance and Administrative Considerations:**

Administration of the MAT program has required substantial staff effort, particularly in relation to compliance monitoring and follow-up.

As presented during the Public Meeting, for the third quarter (Q3) deadline:

- approximately 62% of providers had submitted their remittance report; and
- approximately 58% had completed payment

This level of compliance results in a significant volume of administrative activity, including:

- issuing reminder and follow-up communications;
- manually reconciling reported amounts;
- preparing and issuing warning notices;
- calculating estimated MAT for non-reporting properties;
- transferring amounts to the tax roll; and
- reversing charges where late compliance is achieved.

The current structure results in repeated handling of the same accounts and limits administrative efficiency.

### **Proposed By-law and Process Amendments:**

As outlined in the previous report and presented at the Public Meeting, staff are proposing amendments to improve clarity, consistency, and administrative efficiency.

Key changes include:

- aligning reporting and payment deadlines to 15 days following the end of each reporting period;
- implementing a formal warning and escalation process for non-compliance;
- introducing a \$50 administrative fee when MAT amounts are added to the tax roll; and
- establishing clear timelines for the reversal of manually calculated MAT amounts.

These changes represent a transition from an education-focused implementation approach to a more standardized and consistent administrative framework.

**Public Consultation Summary:**

A Public Meeting was held on March 31<sup>st</sup>, 2026 to present the proposed amendments and gather feedback from accommodation providers and stakeholders.

Feedback received was constructive and reflected a range of perspectives (see attachment #1 for Public Comments).

Key themes included:

- Support for Process Improvements

There was some general support for the proposed changes aimed at improving clarity, consistency, and enforcement, particularly with respect to aligning deadlines and formalizing the non-compliance process.

- Recognition of Administrative Challenges

Participants acknowledged the need for a process that is efficient and manageable for both the Town and accommodation providers.

- Differing Perspectives on Reporting Frequency

Larger accommodation providers generally expressed a preference for monthly reporting, citing alignment with internal accounting practices and cash flow management.

Smaller operators generally preferred to maintain quarterly reporting, citing simplicity and reduced administrative burden.

- Interest in a Tiered Reporting Approach

A hybrid model, whereby larger operators report more frequently than smaller operators, was discussed. Feedback indicated some support for this approach, along with recognition that clarity and fairness would be important considerations.

**Staff Analysis:**

Staff have carefully considered the feedback received through the public consultation process in conjunction with operational requirements.

The current quarterly reporting structure, while initially requested by the sector, results in a high degree of manual administration, particularly where compliance is not achieved within prescribed timelines.

A full transition to monthly reporting for all providers would significantly increase administrative volume and would require additional staffing or system enhancements.

A modified reporting structure provides a balanced approach; however, it introduces additional complexity, including:

- managing multiple reporting cycles;
- defining and administering eligibility thresholds; and
- ensuring clear communication and consistent application.

In refining the proposed threshold, staff considered both administrative practicality and the distribution of accommodation providers within the Town. A threshold of greater than 5 rentable units is intended to capture operators with a higher level of activity and typically more established administrative processes, making monthly reporting more manageable. At the same time, it avoids placing additional administrative burden on smaller operators, who may not have the same capacity.

This approach provides a practical and proportionate balance between operational efficiency and fairness across the sector.

Based on stakeholder feedback and operational considerations, staff recommend proceeding with a modified reporting structure, as follows:

- Accommodation providers with greater than 5 rentable units are required to report and remit MAT on a monthly basis; and
- All other accommodation providers continue to report and remit MAT on a quarterly basis.

This approach:

- responds to feedback from higher-volume operators;
- maintains a manageable reporting structure for smaller operators; and
- balances administrative efficiency with operational practicality.

In Conclusion, the MAT program has transitioned beyond its initial implementation phase. The proposed amendments and modified reporting structure reflect the continued maturation of the program and aim to balance stakeholder feedback with the need for a clear, consistent, and administratively efficient framework.

## **E. Strategic Priorities**

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### **1. Communication and Engagement**

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

## **2. Organizational Excellence**

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

## **F. Environmental Impacts**

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N/A

## **G. Financial Impacts**

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The proposed changes are not expected to negatively impact revenues. Improved compliance and more timely remittance are anticipated to support revenue stability.

The introduction of an administrative fee will partially offset the additional staff time required to manage non-compliant accounts.

Any increase in administrative complexity associated with a modified reporting structure will be monitored and managed within existing resources where possible.

## **H. In Consultation With**

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Tim Hendry, Director of Strategic Initiatives  
Amy Moore, Manager of Revenue  
Heather McFarlane, Budget Analyst

## **I. Public Engagement**

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The topic of this Staff Report has been the subject of a Public Meeting and/or Public Information Centre which took place on **March 31<sup>st</sup>, 2026**. Those who provided comments at the Public Meeting and/or Public Information Centre, including anyone who has asked to receive notice regarding this matter, has been provided notice of this Staff Report. Any comments regarding this report should be submitted to Monica Quinlan, Director of Corporate & Financial Services [directorcfs@thebluemountains.ca](mailto:directorcfs@thebluemountains.ca).

**J. Attached**

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1. Attachment 1 – Public Comments Summary

Respectfully submitted,

Monica Quinlan,  
Director of Corporate & Financial Services

For more information, please contact:  
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**Report Approval Details**

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Attachments:	- Att 1 Public Comments - MAT Meeting March 31 2026.pdf
Final Approval Date:	Apr 2, 2026

This report and all of its attachments were approved and signed as outlined below:

**No Signature found**

**Tim Hendry - Apr 2, 2026 - 1:55 PM**

**Monica Quinlan - Apr 2, 2026 - 2:01 PM**