



## Policy Manual

**Policy Number: 056**

**Subject: Municipal Accommodation Tax Administration Policy**

### **Policy Statement:**

The Municipal Accommodation Tax Administration Policy is an administrative and financial policy to guide the use of Municipal Accommodation Tax (MAT) collections to grow the City of Brantford's visitor economy through strategic investments in tourism and destination development.

### **Purpose / Objective**

The purpose of this policy is to:

- Set the guidelines for monitoring and implementing the MAT Funds in adherence to Council-approved strategic plans, policies, service levels, and capital projects.
- Set the guidelines for potential funding streams administered by the City and the Tourism Entity to support community-led initiatives that promote tourism and grow Brantford's visitor economy.
- Ensure consistency in the evaluation and strategic investment in community-led projects and programs to promote tourism and grow Brantford's visitor economy.

### **Policy Statement Details**

### **Related Policy Guidelines**

#### **1.0 Definitions**

##### **City**

The "City" refers to The Corporation of the City of Brantford.

##### **Conflict of Interest**

- (1) an entity controlled by any member of Council, or employee of the City, or any associate or family member of any member of Council or employee of the City;
- (2) a situation in which a director, officer, or employee of the entity, or any associate, family member, or entity controlled by any such person, is able to benefit financially from the Tourism Product.

## **Incorporated**

Entities incorporated under either federal or provincial legislation. This can include either non-profit or for-profit organizations.

## **In Good Standing**

This means that the organization is not an “opposing party” as defined in the City’s Purchasing bylaw and does not have a Conflict of Interest. The organization must be current on accounts receivable. The organization must have all relevant City taxes paid.

## **Municipal Accommodation Tax**

A direct tax of 4 percent of the purchase price on room nights sold, under 30 consecutive days or less, per By-law 213-2023.

## **Tourism Entity**

A non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality and receives a portion of MAT revenue and has entered into a financial accountability agreement with the City for such purpose.

## **Tourism Product**

A tourism product is considered any product, service, event or offering that is intended to attract visitors.

## **Visitor**

A visitor is considered anyone who visits Brantford from more than 40 kilometers away from his/her home for purposes other than commuting to work or school, being on a diplomatic mission, going shopping as part of a regular activity, and going to regular appointments for doctors or religious ceremonies.

## **2.0 Scope**

On December 19, 2023, Council directed staff to implement a four percent MAT on all room nights sold in the City, including hotels, motels, bed and breakfasts, and short-term rentals, except where limited by legislation. The introduction of MAT allowed for staff to enter into an agreement with the Brantford Tourism Development Corporation (the Tourism Entity) to share a portion of MAT revenues in accordance with the Ontario regulation for strategic tourism destination marketing investments. The City’s portion of MAT revenues are directed to providing greater support for tourism organizations and businesses, expanding visitor attraction efforts, and investing in infrastructure that supports new and enhanced visitor experiences.

## **3.0 Roles and Responsibilities**

### **Mayor and Council**

- Approve the tax rate through the MAT by-law;
- Establish priorities throughout the City of Brantford Official Plan;
- Establish priorities through the Economic Development Strategy (2024);

- Review and deliberate, operational and capital investment and enhancements with the MAT Funds; and
- Support and fund opportunities to grow Brantford's reputation or brand as a visitor destination.

### **Senior Leadership Team**

- Review and support multi-year budget strategy; and
- Establish cross-departmental priorities that promote Brantford on a regional, provincial or national stage, and enhance its reputation as a visitor destination.

### **Manager of Tourism, Culture and Sport and Director of Economic Development, Tourism & Cultural Initiatives**

- Fulfill City requirements outlined in the Operating Agreement with the Tourism Entity;
- Develop policies and recommendations for the utilization of the MAT to enhance visitor economy;
- Deliver programming and projects as defined in the Tourism Marketing Plan and Tourism Operating Budget;
- Identify opportunities for enhancing tourism infrastructure, tourism marketing and the development of new tourism product;
- Prepare reports and requests for funding as needed from the Tourism Entity; and
- Manage and make recommendations for any potential funding programs delivered through the Tourism Entity or Economic Development, Tourism & Cultural Initiatives Department as outlined in this policy.

### **Tourism Entity**

- Support and fund opportunities to grow Brantford's reputation or brand as a visitor destination in alignment with City's strategic activities; and
- Support the delivery of grant programs to compliment existing funding programs delivered through the Economic Development, Tourism & Cultural Initiatives department as outlined in this policy.

## **4.0 Using the Municipal Accommodation Tax**

Informed by the City of Brantford Official Plan and Economic Development Strategy, the multi-year operating budget for the MAT will be utilized to support strategic investments in tourism infrastructure, tourism product development and tourism marketing that prioritize advancing Brantford's reputation and building a must-see visitor destination.

City staff can also bring reports to the Brantford Tourism Development Corporation for consideration for funding from the Municipal Services Corporation envelope of the MAT funds.

### **Municipal Accommodation Funds**

Investments for event attraction, infrastructure enhancement, and placemaking on publicly owned land will be brought forward as recommendations for consideration to

Investments for event attraction, infrastructure enhancement, and placemaking on publicly owned land will be brought forward as recommendations for consideration to City Council on a case-by-case basis for any project that cannot be accommodated by the annual budget process and requires a transfer from the MAT Reserve. Funds allocated from the reserve will be administered through an associated capital project to support larger and multi-year projects through the Economic Development, Tourism and Cultural Initiatives Department.

City staff will also bring reports to the Brantford Tourism Development Corporation for consideration for funding from the Municipal Services Corporation envelope of the MAT funds.

### **Annual Administration Budget**

The City of Brantford has obtained Ontario Restaurant, Hotel & Motel Association (ORHMA) to act as its third-party collection agent of the MAT and as such ORHMA will be paid 1.8% of the funds collected quarterly. This is a shared expense between the City of Brantford and the Tourism Entity. The Tourism Division will also retain a small administrative fee, to recover costs of staff time to administer the MAT and liaise with ORHMA and the Tourism Entity. This fee is a percentage of staff time for staff involved in administering the MAT and implementing strategies with the funding and not a percentage of the MAT funds collected itself.

### **Tourism Infrastructure**

MAT funds can be used for strategic investments in the development of public land and infrastructure to support Tourism Product Development, including but not limited to new venues to host large-scale sporting tournaments, concerts, and signature events.

### **Tourism Product Development**

Tourism Product Development includes creating new experiences for Brantford residents and visitor through the creation of product (e.g. attractions, tours, campaigns, events, packages). Tourism Product Development also can involve providing incentives for local tourism-oriented organizations in the development and enhancement of visitor-oriented products and experiences through targeted financial support (see Grants and Funding Programs) and business engagement programs.

### **Tourism Marketing**

Tourism Marketing Initiatives promote Brantford as a destination to a regional, provincial or national audience. This includes, but is not limited to advertising opportunities, familiarization tours, influencer visits, Public Relations tools, attendance at regional or provincial conferences or tradeshow, etc.

### **Sport, Event, and Conference Attraction and Servicing**

This includes engaging in opportunities to attract regional, provincial, and national events to Brantford awarded through a competitive bidding process to host large-scale tournaments and events. Funds can be directed towards hosting fees for such events where financial support from municipalities is required. MAT funds can also support registration and attendance at additional industry events not covered by the existing Tourism operating budget and support the expansion of group servicing options.

## **Capacity Building and Industry Network Development**

This involved investing in and promoting industry network opportunities to support itinerary development, experience enhancement, and robust partnerships across the Tourism sector in Brantford and the region. This could include an annual workshop series, destination certification programs, sector roundtables or sharing opportunities, and familiarization tours.

## **Visitor Services Enhancements**

This includes investing in resources to support visitor information including digital and print material development, physical and digital kiosks, and third-party application development.

## **Wayfinding and Signage**

This can involve investment in wayfinding and signage activities to support navigation within the city and designated areas of attraction with a visitor-focused lens.

## **Placemaking and Public Art**

This involves recommending strategic investments in the development of public land and infrastructure as places for people to gather and engage in free activities, public art, temporary public art and art installations in partnership with City departments. All projects undertaken will align and comply with City policies, procedures, and by-laws.

## **Grants and Funding Programs**

To support Destination Development and Destination Marketing initiatives, grants could be offered on an annual basis to make strategic, equitable, and measurable investments in new and expansion-driven tourism-oriented projects that prioritize and/or demonstrate the following criteria to grow the visitor economy:

- Attracting visitors for overnight, extended stays at local accommodations.
- Strong collaboration among local and regional partners.
- Advancing Downtown attraction efforts.
- Increasing or enhancing culture, sport, group and event offerings within the city.
- Advancing efforts to promote inclusion, diversity, equity, and accessibility in the Tourism sector.

Funding programs can be administered by the City or in partnership with the Tourism Entity and allotments are contingent on annual MAT revenues.

<b>Date of Enactment:</b> January 28, 2024	<b>Related by By-law Number/ Staff Report Number:</b> By-law to establish a Municipal Accommodation Tax (By-Law 213-2023)
<b>Review Date: Amendment Dates:</b>	<b>Department Responsible for Review:</b> Economic Development, Tourism & Cultural Initiatives
<b>Date of Next Review:</b> January 2027	<b>Applicable Legislation/ Legislative Authority:</b> City Clerk & Director of Clerk Services