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**Date** January 21, 2025 **Report No.** 2025-14

**To** Chair and Members  
Committee of the Whole – Planning and Administration

**From** Nicole Wilmot  
Commissioner of Community Development

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### 1.0 Type of Report

Consent Item   
Item For Consideration

### 2.0 Topic **MAT Administration Policy [Financial Impact: None]**

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### 3.0 Recommendation

- A. THAT Report 2025-14 regarding MAT Administration Policy BE RECEIVED;
- B. THAT the MAT Administration Policy BE PRESENTED to the Brantford Tourism Development Corporation for consideration for adoption;
- C. THAT Corporate Policy–056 – “MAT Administration Policy” attached as Appendix “A” BE APPROVED; and
- D. THAT the necessary By-law to amend By-law 70-2010, being a Bylaw to adopt various policies of the City of Brantford and to create a Corporate Policy Manual, by adding Corporate Policy–056 – MAT Administration Policy, attached as Appendix “A”, BE PRESENTED to City Council for adoption.

### 4.0 Executive Summary

In December 2023, city staff received direction to establish a Municipal Services Corporation and implement a Municipal Accommodation Tax (MAT) at a rate of

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4% effective March 1, 2024. The MAT is collected by the Ontario Restaurant Hotel and Motel Association (ORHMA) and remitted to the City monthly.

Ontario Regulation 435/17 requires a 50/50 revenue sharing between a municipality and an Eligible Tourism Entity, which is defined in Ontario Regulation 435/17 as a non-profit entity whose mandate includes the promotion of tourism in Ontario or a municipality. In September 2024, a Municipal Services Corporation, filed as Brantford Tourism Development Corporation, became incorporated and will serve as the non-profit tourism entity in Brantford.

The board has been established but has not met as staff felt it prudent to establish a framework for spending the MAT funds by implementing a policy that would further clarify the parameters of spending on tourism, including tourism infrastructure, tourism product development and tourism marketing.

## 5.0 Purpose and Overview

The purpose of this report is to inform Brantford's City Council of the provincial guidelines and establish parameters for Municipal Accommodation Tax (MAT) spending both between the Municipality and Municipal Services Corporation.

## 6.0 Background

In August 2023, staff Report No. [2023-516](#) was presented to Council regarding Options for Implementing a Municipal Accommodation Tax (MAT) in Brantford. At their meeting held August 26, 2023, Council provided the following direction to staff:

- A. *THAT Report 2023-516 regarding Options for Implementation of a Municipal Accommodation Tax (MAT) BE RECEIVED; and*
- B. *THAT Staff BE DIRECTED to develop the structure and implementation plan for a Municipal Accommodation Tax (MAT) program in Brantford at 4%; and*
- C. *THAT Staff BE DIRECTED to conduct a public consultation campaign and prepare a business case study regarding the creation of a Municipal Services Corporation (MSC), as required by Ontario Provincial Regulation 599/06, which may operate as the City of Brantford's eligible tourism entity to receive funds from the MAT; and*
- D. *THAT Staff REPORT BACK to the Municipal Accommodation Tool Task Force with the results of the public consultation campaign and the business case, as identified in Clause C, by Q4 2023.*

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In November 2023, city staff presented a second report ([No. 2023-697](#)), which included results from a public consultation phase, an implementation plan, and a business plan for a proposed Municipal Services Corporation to act as the not-for-profit tourism entity to be the beneficiary of the other 50% of the collected MAT funds. Staff received the following direction from Council at this meeting:

- A. THAT Report 2023-697 regarding Municipal Accommodation Tax (MAT) Business Plan, Implementation Plan and Public Consultation BE RECEIVED; and*
- B. That Staff BE DIRECTED to formalize an agreement between the City of Brantford and Ontario Restaurant Hotel & Motel Association (ORHMA); and*
- C. That Staff BE DIRECTED to incorporate Brantford's Municipal Services Corporation named Brantford Tourism Development Corporation if the name is available; and*
- D. That Mayor Davis and Councillors McCreary, Sless, Sicoli BE APPOINTED as Board Members to the Brantford Tourism Development Corporation; and*
- E. THAT five (5) citizen members BE APPOINTED to the Brantford Tourism Development Corporation following the standard appointments process; and*
- F. THAT the necessary By-laws BE PRESENTED to City Council for adoption; and*
- G. That the Municipal Accommodation Revenue Tool Task Force BE DISBANDED having completed their mandate.*

At their meeting held on December 19, 2023, Council also approved By-law No. 213-2023, A by-law to establish a Municipal Accommodation Tax (MAT) at a rate of 4%.

Beginning in January 2024, the news of the MAT implementation was communicated to all hotels and motels in Brantford and hospitality staff received in-person training from Ontario Restaurant Hotel Motel Association (ORHMA) representatives. ORHMA is the collecting agent for the MAT in Brantford, as well as many other municipalities in Ontario, and has been collecting MAT in Brantford since the implementation date of March 1, 2024.

The Municipal Services Corporation, named the Brantford Tourism Development Corporation, was incorporated as a registered not-for-profit on September 13, 2024.

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## 7.0 Corporate Policy Context

### 7.1 By-law to establish a Municipal Accommodation Tax (213-2023)

This policy supports the by-law to establish a Municipal Accommodation Tax, which was approved in December 2023 and implementation of the MAT beginning March 1, 2024. This policy will govern how the funds collected through the MAT program can be utilized.

### 7.2 2023-2026 Council Priorities

Support of this project aligns with Council Priority Outcome #2: Focus on productive and collaborative partnerships and #6 Effectively and consistently engage with the community.

### 7.3 Official Plan – Envisioning Our City: 2051 (2021)

Section 3.2 of the City of Brantford's Official Plan – Envisioning Our City: 2015 titled "Successful Communities: Promoting a Strong and Healthy Economy" includes the following key strategies:

- *The City will promote tourism as an integral part of economic development, acknowledging that tourism brings economic benefits to the City. Tourism is supported by having a healthy, livable and diverse community, which includes a vibrant downtown, cultural and sports facilities, parks and other outdoor leisure and recreational opportunities, all connected by an integrated transportation system; and*
- *The City will support the growth and expansion of creative and cultural industries and institutions throughout the City as an important sector of the economy. The City will work collaboratively with the community, artists, cultural workers and organizations to implement the City's Municipal Cultural Plan and Museum Sustainability Plan to guide the provision of arts and cultural programs, services and facilities that serve a growing and increasingly diverse population. The City recognizes the important contribution of post-secondary institutions, libraries and education service providers to the life-long learning opportunities for residents and the enhancement of the creative culture in Brantford.*

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## **7.4 Economic Development Strategy (2024)**

The Economic Development Strategy (2024) recommends that the City of Brantford ensure that tourism, arts, culture, and heritage continue to be considered as a valued component in the City's community and economic development strategy, including the following goals:

*Goal #1: Transform downtown into a "destination" that residents are proud of.*

*Goal #2: Integrate economic development (including small business), real estate and tourism with critical City initiatives, including transit and active transportation planning.*

*Goal #4: Recognize the Creative Industries sector as a significant economic and social pillar for the economy.*

*Goal #7: Build tourism for the people of Brantford first.*

## **7.5 Municipal Cultural Plan (2014)**

This policy aligns directly with the City of Brantford Municipal Cultural Plan Goal 3: to provide and develop space for cultural and artistic activities.

## **7.6 Sport Bid, Hosting and Servicing Policy (Corporate-032)**

The City of Brantford recognizes key considerations of how the municipality will facilitate the bidding, hosting and servicing of sport tournaments and events that could involve regional, provincial, national, and international levels. The policy also identifies the City of Brantford's role with assisting local sports groups who may submit their own bids for hosting opportunities.

## **7.7 Sport Tourism Strategy (2019)**

This Report supports the Council-approved Sport Tourism Strategy, which recommends the establishment of a destination marketing fund (DMF) or municipal accommodation tax (MAT) to enhance Brantford's ability to finance the hosting of sport events.

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## **7.8 Sanderson Centre for the Performing Arts, Business Plan (2019-2022)**

This Report complements and aligns with the *Sanderson Centre for the Performing Arts' Business Plan* goals, including: engage the community in meaningful arts experiences through vital curatorial and programming choices, and building and strengthening important community relationships. The Business Plan also outlines the ideal outcomes of increasing exposure to and engagement with the performing arts for students in the community; reducing barriers to access the performing arts; and using entertainment and the performing arts to further the objectives of local community-based organizations.

### **8.0 Input From Other Sources**

The preparation of this Report involved input from staff in the Economic Development, Tourism and Cultural Initiatives and Finance Departments.

This Report also includes background research provided by staff colleagues in other municipalities including the City of Hamilton, City of Guelph, City of Niagara Falls, City of Vaughan, and the Tourism Industry Association of Ontario (TIAO) MAT Working Group.

### **9.0 Analysis**

In 2017, the Provincial government granted authority to municipalities to impose a mandatory Municipal Accommodation Tax (MAT), which could apply to hotels, motels and other roofed accommodations that provide consecutive room night rentals for less than 30 days. This also includes short term accommodations such as bed and breakfasts or Airbnb rentals.

A MAT is a mandatory municipal tax paid on roofed accommodations and travelers must pay the amount that is stipulated by the municipality. The authority to implement the tax is granted through the Transient Accommodation Regulation 437/17 under section 400.1 of the Municipal Act, 2001. The regulation came into effect on December 1, 2017. O.Reg 435/17 requires a minimum of 50% of the MAT revenue, less administration costs, to be shared with one or more "Eligible Tourism Entities." An Eligible Tourism Entity is a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality. The City of Brantford will share MAT revenue with the municipal services corporation known as the Brantford Tourism Development Corporation, which was incorporated as a registered not-for-profit on September 13, 2024.

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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. The Municipal portion of the MAT funds, at this time, have been allocated to the development of the Sports and Entertainment Centre as per [Report #2024-599](#) approved in October 2024.

## **9.1 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.

## **9.2 Purpose/Objective of the Policy**

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 to support community-led initiatives that promote tourism and grow Brantford's visitor economy; and
- Ensure consistency in the evaluation and strategic investment in community-led projects and programs to promote tourism and grow Brantford's visitor economy.

## **9.3 Administrative Fees**

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The City of Brantford will keep 50% of the MAT funds collected and remit the remaining 50% to the Municipal Services Corporation, less any administrative fees.

Included in administrative fees are fees charged by the City's collection agent, Ontario Restaurant, Hotel & Motel Association (ORHMA) as well City staff time to implement the MAT and liaise with ORHMA and the Municipal Services Corporation.

ORHMA remits funds collected through hotel and motel providers monthly to the City of Brantford, and then invoices the City quarterly to collect back 1.8% of the funds collected each quarter, which is typically between \$2,500 and \$5,000 a quarter. 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 and equates to a recovery of just under \$40,000 a year to the Tourism Operating Budget. The administration fee will be reviewed annually to ensure the City is recovering adequate staff time.

#### **9.4 Using the Municipal Accommodation Tax**

The rather broad parameters of the Transient Accommodation Regulation 437/17 stipulate that funds collected through the Municipal Accommodation Tax must be spent on tourism infrastructure, tourism product development and tourism marketing initiatives. For further clarity, staff have broken this down in the new MAT Administration Policy to establish a framework, align the goals of the municipality and the Municipal Services Corporation, and set guidelines for appropriate spending under the tourism umbrella.

##### **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.



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### **Tourism Product Development**

Tourism Product Development includes creating new experiences for Brantford residents and visitors 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 tradeshows, 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 involves 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.

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### **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. An updated Public Art Policy will be brought forward to City Council in 2025.

### **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.

## **9.5 Next Steps**

The municipal portion of the MAT funds collected have been allocated to funding the development of the Sports and Entertainment Centre as per [Report #2024-599](#) approved in October 2024. The Municipal Services

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Corporation (MSC) titled Brantford Tourism Development Corporation was incorporated in September 2024. This will serve as the non-profit tourism entity and beneficiary of 50% of the MAT funds collected, less administration fees. It is expected that the MSC board will have its first meeting in Q1 2025. Staff have prepared a presentation to explain the goals and objectives of the municipal accommodation tax, outline roles and responsibilities of the board, and share how other municipalities have spent their MAT funds as well as highlight initiatives that could be implemented in Brantford as well. 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.

## **10.0 Financial Implications**

There are no financial implications as result of this report.

## **11.0 Climate and Environmental Implications**

There are no climate or environmental implications as result of this Report.

## **12.0 Conclusion**

The newly implemented Municipal Accommodation Tax is a new revenue stream for the City of Brantford and an opportunity to generate more revenue by leveraging existing assets, programming and marketing initiatives completed by City staff through the Tourism Operating budget as well as local tourism-oriented businesses. The MAT Administration Policy seeks to provide guidelines for how staff and the Municipal Services Corporation can spend MAT funds appropriately to work collaboratively to enhance current tourism offerings and drive visitation to the City of Brantford.



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Nicole Wilmot  
Commissioner of Community Development

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Attachments (if applicable)

Appendix A – MAT Administration Policy

Schedule A - 56-2025 Adding Corporate Policy 056 (MAT Administration Policy)

Copy to:

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required  yes  no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk  yes  no

Is the necessary by-law or agreement being sent concurrently to Council?  yes  no