




INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 22, 2023
SUBJECT/REPORT NO:	Municipal Accommodation Tax (PED20009(d)) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Pam Mulholland (905) 546-2424 Ext. 4514
SUBMITTED BY:	Carrie Brooks-Joiner Director, Tourism and Culture Planning and Economic Development Department
SIGNATURE:	

COUNCIL DIRECTION

On August 12, 2022, Council approved Item 4(n) of the General Issues Committee Report 22-015 directing staff to report back on a methodology for Municipal Accommodation Tax (MAT) collection from short-term rental (STR) accommodation providers in Hamilton.

INFORMATION

Section 400.1 of the Municipal Act, 2001, S. O. 2001, c.25, provides that the Council of a municipality may pass by-laws imposing a tax on the purchase of transient accommodation within the city. Amendments were introduced as part of the 2017 Provincial Budget and received Royal Assent on May 17, 2017.

Ontario Regulation 435/17: Transient Accommodation Tax under the jurisdiction of the Municipal Act, 2001 came into effect December 1, 2017, allowing municipalities to levy a Municipal Accommodation Tax as a revenue source to fund tourism development.

The regulations permit municipalities to charge up to 4% on the purchase of transient accommodations (i.e. at hotels, motels, bed and breakfasts, and short-term rentals), including those sold online. MAT is applied on all room rental accommodations of four hours or more and continuous stays of 29 nights or less.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

On August 12, 2022, Council approved General Issues Committee Report 22-015, Item 4(a), (b) and (c), which resulted in the following outcomes that are directly relevant to this report:

- By-law No. 22-209 came into effect January 1, 2023, establishing a mandatory 4% MAT collection on Hamilton transient accommodations, including on registered short-term rentals if/when licensed by the City;
- The Ontario Restaurant Hotel Motel Association (ORHMA) was designated as the City's MAT collection agent; and
- A MAT Collection Agreement (Agreement) was executed on November 9, 2023, between the City and ORHMA to collect MAT from hotel, motel and bed and breakfast accommodation providers and remit funds to the City and the Hamilton Tourism Development Corporation. In addition, the Agreement includes the collection of MAT from short-term rentals once licensed by the City.

On January 25, 2023, Council approved Planning Committee Report 23-001, Item 4(a), (b), (c), (d), (e), thereby licensing short-term rental accommodations in Hamilton. The deadline for current STR operators to become licensed is May 31, 2023. As a result, at a rate of 4%, MAT will be collected from STR operators beginning in 2023 by ORHMA, and funds will be remitted to the City and the Hamilton Tourism Development Corporation quarterly.

Per the Council-approved Planning Committee Report 23-001, Item 4(c), Licensing and By-law Services staff will complete its Short-Term Rental Licensing Implementation Plan. In addition, Tourism and Culture Division staff will work with ORHMA to communicate to STR operators and STR brokers (online platforms such as Airbnb) MAT collection and remittance requirements, procedures and reporting deadlines and to respond to inquiries, as per the following legislation and Agreement:

- Ontario Regulation 435/17
- City of Hamilton MAT By-law No. 22-209
- City of Hamilton Licensing By-law 07-170, and
- ORHMA-CoH MAT Agreement 394-2022.

As outlined in City of Hamilton By-law 22-209, Section 10 through 13 inclusive, interest will apply on any overdue MAT payment at a monthly rate of 1.25% from the first day after the tax payment is due up to and including the date on which the tax is paid in full. ORHMA will collect any unpaid MAT remittances, penalties, and applicable interest for 90 days on overdue accounts, after which collection becomes the responsibility of the City's Corporate Services. The City may add unpaid MAT, penalties and interest owing to the tax roll; it may become a lien against the STR property.

In conclusion, the General Issues Committee's Outstanding Business List Item FF respecting staff reporting the methodology to collect MAT from registered short-term rental providers is complete.

APPENDICES AND SCHEDULES ATTACHED

N/A

PM:ac