

**FINANCE**

**Chapter 525  
MUNICIPAL ACCOMMODATION TAX**

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**Article 1**  
**SHORT TITLE**

**525.1.1 Short Title**

This Chapter may be referred to as “the Municipal Accommodation Tax Chapter”. In the text of this Chapter, it is referred to as “this Chapter”.

**Article 2**  
**INTERPRETATION**

**525.2.1 Accommodation - defined**

“Accommodation” means Lodging, and the right to use Lodging, that is provided for consideration, whether or not the “Lodging” is actually used.

**525.2.2 City - defined**

“City” means The Corporation of the City of Orillia.

**525.2.3 Council - defined**

“Council” means the Council of The Corporation of the City of Orillia.

**525.2.4 Eligible Tourism Entity - defined**

“Eligible Tourism Entity” has the meaning given to it in Ontario Regulation 435/17 promulgated under *The Municipal Act, 2001*, S.O 2001, C.25, or successor legislation or regulations made thereunder.

**525.2.5 Establishment - defined**

“Establishment” means the physical location, a building or part of a building that provides Accommodation.

**525.2.6 Lodging - defined**

“Lodging” includes:

- (a) the use of a bedroom, a suite of rooms containing a bedroom, or the use of a bed within a bedroom;

- (b) the use of one or more additional beds or cots in a bedroom or suite.

**525.2.7 Provider - defined**

“Provider” means a person or an entity that sells, offers for sale, or otherwise provides Accommodation, and includes agents, hosts or others who sell, offers for sale or otherwise provides Accommodation.

**525.2.8 Purchaser - defined**

“Purchaser” means a person who purchases Accommodation.

**525.2.9 Purchase Price - defined**

“Purchase Price” means the price for which Accommodation is purchased, including the price paid, and/or other consideration accepted by the Provider in return for the Accommodation provided, but does not include the goods and services tax imposed by the Government of Canada or by the Province of Ontario.

**525.2.10 Municipal Accommodation Tax or MAT - defined**

“Municipal Accommodation Tax” or “MAT” means the tax imposed under this Chapter.

**525.2.11 Transient Accommodation - defined**

“Transient Accommodation” means Accommodation for a continuous period of thirty (30) days or less; this continuous period is not disrupted by the purchase of different rooms, suites, beds or lodging in the same Establishment.

**Article 3  
DELEGATION OF AUTHORITY**

**525.3.1 Delegated Authority - Implementation and Collection**

The Mayor and Clerk, or designate, is hereby delegated the authority to enter into agreements, including all necessary documents ancillary thereto, with another person or entity as agent for the City, providing for the implementation, collection and remittance of the Municipal Accommodation Tax.

**525.3.2 Delegated Authority - Eligible Tourism Entities**

The Mayor and Clerk, or designate, is hereby delegated the authority to develop and enter into agreements, including all necessary documents ancillary thereto, with the Eligible Tourism Entity that is designated to receive any portion of the revenue generated through the MAT. The agreements shall provide terms respecting reasonable financial accountability matters in order to ensure that any amount paid to the eligible tourism entity is used for the exclusive purpose of promoting tourism, with any other provisions deemed appropriate.

**525.3.3 Delegated Authority - Administration of By-Law**

The Chief Administrative Officer, or designate, shall be responsible for the administration of this By-law, including but not limited to approvals, appeals, enforcement, collection, and for instructing Legislative Services to take such legal

action as may be considered appropriate.

#### **Article 4 APPLICATION OF TAX**

##### **525.4.1 Application - tax**

The application of the Municipal Accommodation Tax imposed under this Chapter is:

1. The amount of four (4) per cent shall be established as the tax rate for the Municipal Accommodation Tax to be imposed on the Purchase Price of any Transient Accommodation.
2. A Purchaser shall pay the Provider the total amount of the Municipal Accommodation Tax at the Point of Purchase of the Accommodation.
3. A Provider who collects an amount as or on account of tax under this Chapter is deemed, for all purposes and despite any security interest in the amount, to hold the amount in trust for the City, separate and apart from the property of the Provider and from property held by any secured creditor of the Provider that, but for a security interest, would be property of the Provider, until the amount is remitted to the City or its agent.

#### **Article 5 EXEMPTIONS**

##### **525.5.1 Exemptions**

The Municipal Accommodation Tax imposed under this Chapter does not apply to:

- a) The Crown, every agency of the Crown in right of Ontario and every authority, board, commission, corporation, office, or organization of persons a majority of whose directors, members or officers are appointed or chosen by or under the authority of the Lieutenant Governor in Council or a member of the Executive Council;
- b) Every board as defined in subsection 1(1) of the *Education Act*;
- c) Every university in Ontario and every college of applied arts and technology and post-secondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for the purposes of calculating annual operating grants entitlements from the Crown;
- d) Every hospital referred to in the list of hospitals and their grades and classifications maintained by the minister of Health and Long-Term Care under the *Public Hospitals Act* and every private hospital operated under the authority of a license issued under the *Private Hospitals Act*;

- e) Every long-term care home as defined in subsection 2(1) of the *Long-Term Care Homes Act, 2007* and hospices;
- f) Every treatment center that receives provincial aid under the *Ministry of Community and Social Services Act*;
- g) Every house of refuge, or lodging for the reformation of offenders;
- h) Every charitable or non-profit philanthropic corporation organized as shelters for the relief of the poor or for emergency;
- i) Every tent or trailer sites supplied by a campground, tourist camp or trailer park;
- j) Every boat or water vessel moored at a marina;
- k) Every accommodation supplied by employers to their employees in premises operated by the employer; and
- l) Every hospitality room in an establishment that does not contain a bed and is used for displaying merchandise, holding meetings, or entertaining.
- m) Every group home in which residents live under responsible supervision consistent with the requirements of its residents and includes a home licensed or approved under the Provincial statute as a Special Care Residential Home, Supportive Housing Program, Adult Community Mental Health Program, Children's Home, Accommodation Services for the Developmentally Handicapped, Satellite Residences for Seniors and Homes for Physically Disabled Seniors, and a Crisis Residence in compliance with City By-laws.

### Article 6

## TAX COLLECTED AND STATEMENT SUBMITTED

### 525.6.1 Tax collected and statement submitted

Tax collected and statement submitted:

1. Providers of transient accommodation shall include on every invoice or receipt for the purchase of Transient Accommodation a separate item identified as "Municipal Accommodation Tax" for the amount of MAT imposed on the purchase.
2. A Provider shall, on or before the last day of every month, remit to the tax collection agents, designated pursuant to Article 7, the MAT collected for the previous month and submit monthly statements in the form required by the Chief Administrative Officer, or designate, detailing the number of

Accommodation sold, the purchase price of each Accommodation, the MAT amount collected and any other information as required by the Chief Administrative Officer, or designate, for the purposes of administrating and enforcing this By-law.

## **Article 7 AGENT TAX COLLECTORS**

### **525.7.1 Agent Tax Collectors**

The City may require certain persons or entities to collect the tax as agents:

1. The collection and administration of taxes to be remitted by providers of Transient Accommodation, pursuant to Article 6, shall be collected by Ontario's Lake Country (to be known as Orillia & Lake Country Tourism), as agents for the City, who shall collect the MAT from providers of Transient Accommodation.
2. The Mayor and Clerk may designate additional tax collection agents for the City and enter into agreements with designated collection agents.
3. The agents must keep all records of collection for a period of not less than seven (7) years.

## **Article 8 INTEREST PENALTIES**

### **525.8.1 Interest Penalties**

The Municipal Accommodation Tax is subject to interest penalties:

1. Where a Provider has submitted a monthly statement that allows for the determination of the actual amount of the Municipal Accommodation Tax that should have been collected and is owing, the prescribed interest and penalties shall be a percentage charge of 1.25 per cent assessed as of the first day of default in addition to the amount of the Municipal Accommodation Tax that is due and remains unremitted.
2. Where a Provider has not submitted a monthly statement that allows for the determination of the actual amount of the Municipal Accommodation Tax that should have been collected on or before the due date prescribed in Article 6 , the prescribed interest and penalties shall be a percentage charge of 1.25 per cent to the amount that is determined on the basis of the following formula;

$$A \times 4\% = B$$

Where,

“A” is the amount of revenue that would have been generated had the establishment experienced full occupancy for the period; and,

“B” is the amount deemed to be the Municipal Accommodation Tax which should have been collected and remitted and deemed to be the amount of the Municipal Accommodation Tax that is due and remains unremitted as of the first day of default.

3. The prescribed interest and penalties shall be assessed on the first day of each month, and for all subsequent months, following the first day of default for any amount of the Municipal Accommodation Tax that is owing and that remains unremitted.

## **Article 9 LIENS**

### **525.9.1 Liens**

All MAT charges, penalties and interest that are past due shall be deemed to be in arrears, and may be added to the tax roll for any real property in the City of Orillia registered in the name of the Provider to be collected in like manner as property taxes and shall constitute a lien upon the lands, but such lien shall not be a priority lien for the purposes of subsections 1(2.1), (2.2) and (3) of the *Municipal Act, 2001*, as amended and such lien will not have a higher priority than it would otherwise have in law in relation to other claims, liens or encumbrances.

## **Article 10 AUDITS AND INSPECTION**

### **525.10.1 Audits and Inspection**

Audits and inspections:

1. Every Provider shall keep books of account, records, and documents sufficient to furnish the Chief Administrative Officer or designate, or agent with the necessary particulars of sales of Accommodations, amount of MAT collected and remittance for a period of not less than seven (7) years.
2. The Chief Administrative Officer or designate, or agent for the City may inspect and audit all books, documents, transactions and accounts of the Providers for the purposes of administering and enforcing this Chapter. Every Provider shall make the records and documents referred to in Article 6.1 available electronically to the Chief Administrative Officer or designate, or agent for the City within five (5) days following a request in writing by the Chief Administrative Officer or designate, or its agent.



## Article 11 OFFENCE AND PENALTIES

### 525.11.1 Fine - contravention - part III offence

Every person who contravenes any provision of this Chapter and every director or officer of a corporation who knowingly concurs in the contravention by a corporation, is guilty of an offence and upon conviction pursuant to Part III of the *Provincial Offences Act*, is liable to a minimum fine of \$500 and a maximum fine of \$100,000 as provided for in the *Municipal Act*.

### 525.11.2 Fine - contravention - part I offence

Every person who contravenes any provision of this Chapter and every director or officer of a corporation who knowingly concurs in the contravention by a corporation, is guilty of an offence and upon conviction pursuant to Part I of the *Provincial Offences Act*, is liable to a maximum fine as provided for in the *Provincial Offences Act*.

### 525.11.3 Court order - prohibited continuation of offence - correct contravention

When a person has been convicted of an offence under this Chapter, the Superior Court of Justice or any court of competent jurisdiction thereafter may, in addition to any penalty imposed on the person convicted, issue an order:

- (a) prohibiting the continuation or repetition of the offence by the person convicted; and
- (b) requiring the person convicted to correct the contravention in the manner and within the period that the court considers appropriate.

### 525.11.4 Dispute resolution mechanisms - enforcement measures

Without limiting the foregoing, the City may establish and use other dispute resolution mechanisms and enforcement measures if an amount assessed for outstanding tax, penalties or interest remains unpaid after it is due, including measures such as garnishment, the seizure and sale of property and the creation and registration of liens as it considers appropriate.

## Article 12 INTERPRETATION

### 525.12.1 Words - intention

In this Chapter, unless the contrary intention is indicated, words used in singular shall include the plural and words used in the male gender shall include the female gender and a corporation or vice versa where applicable.

**525.12.2 Headings**

Headings are inserted for convenience of reference purposes only, form no part of this Chapter and shall not affect in any way the meaning or interpretation of the provisions of this Chapter.

**525.12.3 Amended references**

Any references to a statute, regulation, by-law or other legislation or statutory instrument in this Chapter shall include such statute, regulation, by-law or other legislation or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor legislation thereto.

**Article 13  
VALIDITY AND SEVERABILITY****525.13.1 Validity and severability**

Every provision of this Chapter is declared to be severable from the remainder of the Chapter and if any provision of this Chapter shall be declared invalid by a court of competent jurisdiction, such declaration shall not affect the validity of the remainder.

**Article 14  
EFFECTIVE DATE****525.14.3 Effective date**

This Chapter shall come into force and take effect on April 6, 2020.

**Adopting By-law:** By-law 2019-120, 12 December 2019.