

THE CORPORATION OF THE TOWN OF GRAVENHURST BY-LAW 2022-93

Being a By-law to establish a
Municipal Accommodation Tax

WHEREAS Section 400.1 of the *Municipal Act, 2001.S.O 2001.c 25* (the "Act") provides that the council of a local municipality may pass By-laws imposing a tax in respect of the purchase of Transient Accommodation within the Municipality;

AND WHEREAS the Council of the Municipality consider it desirable to establish a Municipal Accommodation Tax to be imposed on the purchase of Transient Accommodation with the Town of Gravenhurst;

AND WHEREAS Sections 400.1, 400.4, 420 and 430 of the Act provides that a Municipality can establish enforcement measures as Council considers appropriate if an amount assessed for outstanding tax, penalties, or interest remains unpaid after it is due:

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF GRAVENHURST ENACTS AS FOLLOWS:

1. Definitions

1.1. In this by-law:

- a) "**Accommodation**" means lodging that is provided for consideration whether or not that lodging is actually used;
- b) "**Council**" means the Council of The Corporation of the Town of Gravenhurst;
- c) "**Eligible Tourism Entity**" has the meaning given to it in *Ontario Regulation 435/17*, as amended;
- d) "**Establishment**" means the physical location, a building or part of a building that provides Accommodation;
- e) "**Lodging**" includes:
 - i. The use of a bedroom, a suite of rooms containing a bedroom, or the use of a bed withing a bedroom; or
 - ii. The use of one or more additional beds or cots in a bedroom or suite;
- f) "**Municipal Accommodation Tax**" or "**MAT**" means the tax imposed under the By-law;
- g) "**Provider**" means a person or entity that sells, offers for sale or otherwise provides Accommodation, and includes agents, hosts, or others who sell, offer for sale, or otherwise provides Accommodation;
- h) "**Purchaser**" means a person who gives money or other consideration in exchange for Accommodation;



- i) **"Point of Purchase"** means the time at which the payment for Accommodation is may by the Purchaser;
- j) **"Purchase Price"** means the price for which Accommodation is purchased, including the price paid and/or other considerations accepted by the Provider in return for the Accommodation, excluding Harmonized Sales Tax (HST);
- k) **"Transient Accommodation"** means Accommodation for a continuous period of less than thirty (30) days; this continuous period is not disrupted by the purchase of different rooms, suites, beds or lodging in the same Establishment; and,
- l) **"Town"** means the Corporation of the Town of Gravenhurst.

2. Application

- 2.2 A Purchaser shall, at the time of purchasing Accommodation, pay the Municipal Accommodation Tax in the amount of four (4) percent of the Purchase Price of Accommodation provided for a continuous period of 30 days or less provided in a hotel, motel, bed and breakfast, dwelling unit or any place in which Accommodation is provided.
- a) For greater certainty, the continuous period referred to above is not disrupted by the purchase of different rooms, suites, beds or other lodging in the same establishment in the course of the continuous period.

3. Exemptions

- 3.1 The collection of the Municipal Accommodation Tax imposed under this By-law does not apply to:
- a) Accommodations provided by the Crown in right of Canada, the Crown in right of Ontario, every agency or 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 an Order in Council or the Lieutenant Governor in Council or a member of the Executive Council, as the case may be;
 - b) Accommodations provided by every board as defined in section 1(1) of the Education Act, R.S.O. 1990, c. E.2;
 - c) Accommodations provided by a university or a college of applied arts and technology or post-secondary institution whether or not affiliated with a university, the enrolments of which are counted for the purpose of calculating operating grant entitlements from the Crown in right of Canada or the Crown in right of Ontario;
 - d) Accommodations provided by a 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, R.S.O. 1990, c. P.40 and every private hospital operated under the authority of a license issued under the Private Hospitals Act, R.S.O. 1990, c. P.24 or every community health facility within the meaning of the Oversight of Health Facilities and Devices Act, 2017, that was formerly licensed under



the Private Hospitals Act, as the case may be;

- e) Accommodations provided by a long-term care home as defined in section 2(1) of the Long-Term Care Homes Act, 2007, S.O. 2007, c.8 or hospice and palliative care centres;
- f) Accommodations provided by a treatment centre that receives provincial aid under the Ministry of Community and Social Services Act, R.S.O. 1990, c. M.20;
- g) Accommodations provided for the reformation of offenders;
- h) Accommodations provided by charitable or non-profit philanthropic organizations that are organized as shelters for the relief of the poor or for emergency;
- i) Accommodations consisting of a tent or trailer site supplied by a campground, tourist camp, or trailer park; and,
- j) A room in an Establishment that does not contain a bed, which is used for displaying merchandise, holding meetings, or entertaining.

4. Collection and Remittance

- 4.1 A Provider shall collect the MAT from the Purchaser at the time the Accommodation is purchased.
- 4.2 The amount of MAT shall be identified as a separate item or charge on a bill, receipt, invoice or similar document issued by the Provider in respect of the Accommodation on which the tax is imposed and the item shall be identified as "Municipal Accommodation Tax".
- 4.3 A Provider shall, on or before the last day of the quarter (March 31, June 30, September 30, December 31), remit to the Town, or its agents, for the amount of the MAT collected for the previous month and submit the monthly statements in the form required by the Town, or its agent, for the purposes of administrating and enforcing this By-law.
- 4.4 When a due date falls on a Saturday, a Sunday or a public holiday recognized by the Canada Revenue Agency, the payment is considered on time if it is received on the next business day.

5. Interest Penalties

- 5.1 A charge of 2% of the amount of the MAT due and unpaid shall be imposed as a penalty for the non-payment of taxes on the first day of default based on the full occupancy of the Establishment unless the actual amount of the MAT owing can be determined by the Town, in that case, the percentage charge of 2% of the actual amount of the MAT will be imposed.
- 5.2 An interest charge of 2% each month of the amount of the MAT dues and unpaid, shall be imposed for the non-payment of taxes on the first day of each month and subsequent months following the first day of default.



6. Liens

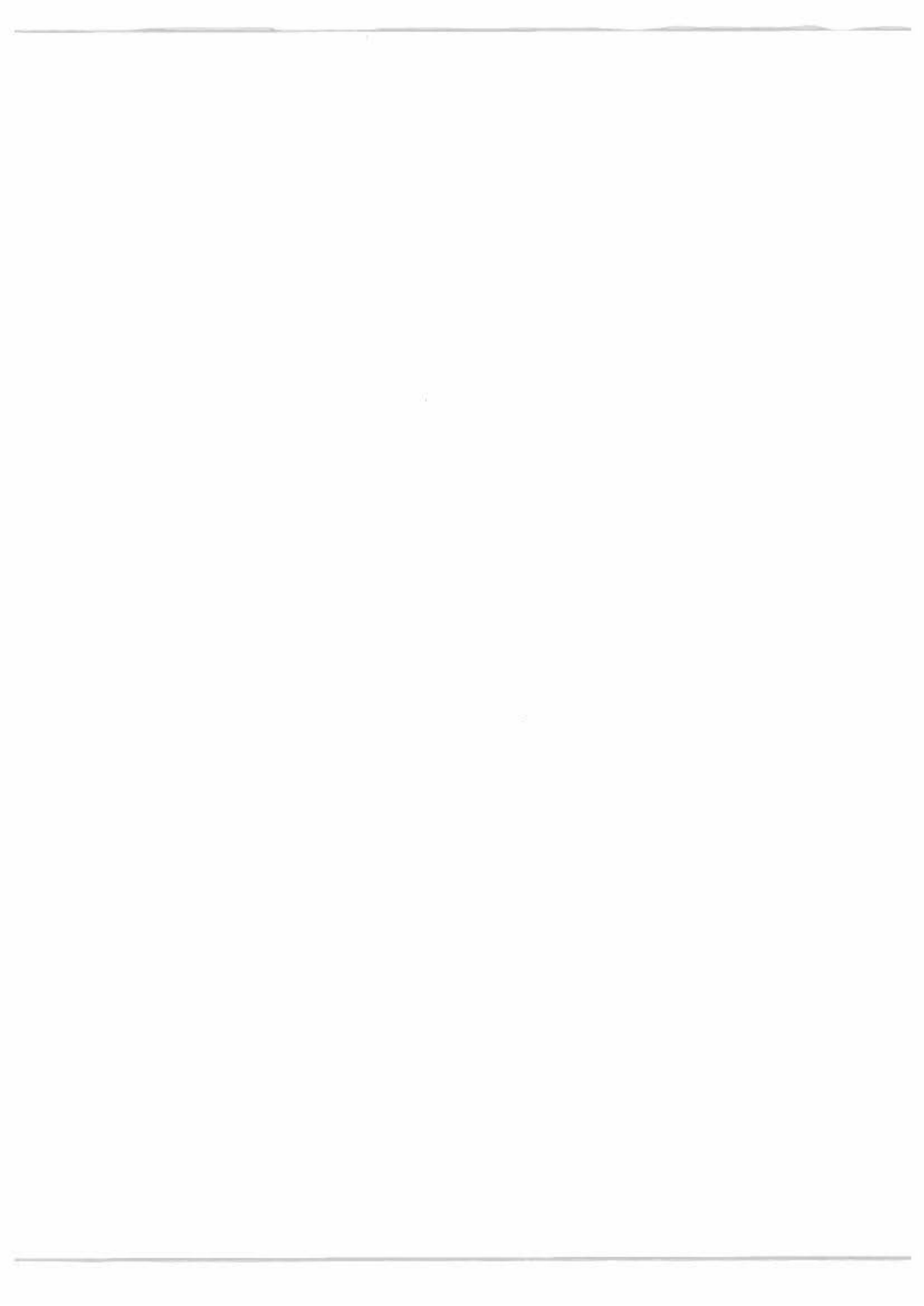
- 6.1 All MAT penalties and interest that are past due shall be deemed to be in arrears, and may be added to the tax roll for any real property in the Town of Gravenhurst registered in the name of the Provider to be collected in a manner as property taxes and shall constitute a lien upon the lands, but 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.

7. Audit and Inspections

- 7.1 The Provider shall keep books of account, records, and documents sufficient to furnish the Town, or its agent, with the necessary particulars of sales of Accommodations, amount of MAT collected and remittance.
- 7.2 The Town or its agents, may inspect and audit all books, documents, transactions and accounts of the Provider and require the Provider to produce copies of any documents or records required for the purposes of administering and enforcing this by-law, as required.

8. Other Penalties

- 8.1 Every Person who contravenes any provision of this By-law is guilty of an offence and, in addition to being liable for payment of the penalty imposed by section 6, is liable to a fine and such other penalties as provided for in the Provincial Offences Act, R.S.O. 1990, c. P. 33 and the Municipal Act., 2001 S.O. 2001 c. 25, each as amended:
- a) A person who is convicted of an offence under this by-law is liable, for each day or part of a day that the offence continues, to a minimum fine of \$500.00 and a maximum fine of \$10,000.00, and the total of all daily fines for the offence is not limited to \$100,000.00 as provided for in subsection 429(3)2 of the Municipal Act, 2001.
 - b) When a person has been convicted of an offence under this by-law, 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:
 - (i) prohibiting the continuation or repetition of the offence by the person convicted; and,
 - (ii) requiring the person convicted to correct the contravention in the manner and within the period that the court considers appropriate.
- 8.2 Without limiting the foregoing, the Town 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.




9. Delegation of Authority

- 9.1 The Chief Administrative Officer, 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 Town, providing for the implementation and collection of the Municipal Accommodation Tax.
- 9.2 The Chief Administrative Officer, or designate, is hereby delegated the authority to enter into agreements, including all necessary documents ancillary thereto, with any Eligible Tourism Entity that is designated to receive any portion of the revenue generated through the Municipal Accommodation Tax which agreements shall:
- a) Provide terms respecting reasonable financial accountability;
 - b) Ensure amounts paid to the Eligible Tourism Entity are used for the exclusive purpose of promoting tourism; and,
 - c) Provide for any other provisions deemed by the Chief Administrative Officer to be appropriate.
- 9.3 The Director of Development Services or designate, shall be responsible for the administration of this By-law, including but not limited to approvals, appeals, enforcement, collection, and for instructing the Town's Solicitor to take such legal action as may be considered appropriate.

10. General Provisions

- 10.1 If any section or portion of this By-law is found by a court of competent jurisdiction to be invalid, that section shall be severed, and all remaining portions of this By-law shall continue in force and effect.
- 10.2 This By-law may be referred to as "The Municipal Accommodation Tax By-law"
- 10.3 This By-law shall come into force on the date of its final passing and will take effect on January 31, 2023.

READ A FIRST, SECOND AND THIRD TIME and finally passed this 9th day of August, 2022.



Mayor



Clerk

