

# The Corporation of the Township of Algonquin Highlands

## By-law No. 2024-46

A By-law to Impose a Municipal Accommodation Tax in the Township of Algonquin Highlands on the purchase of Short-Term Rental Accommodations

**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** pursuant to section 400.1 of the Act and the Ontario Regulation 435/17, the Council of The Corporation of the Township of Algonquin Highlands (the “Township”) wishes to establish the tax rate and to levy on the purchase of transient accommodation within the Township;

**And Whereas** pursuant to section 400.1 (3) and 400.4 of the Act, Council may establish such enforcement measures as Council considers appropriate if an amount assessed for outstanding tax, penalties or interest remains unpaid after it is due;

**And Whereas** Council wishes to add the arrears of the Municipal Accommodation Tax (“MAT”), interest and penalties to the tax roll for the properties in the Township registered in the name of the owner to be collected in like manner as property taxes and such arrears shall constitute a lien upon the lands, but pursuant to section 400.4(2) of the Act, such lien shall not be a priority lien for the purposes of subsections 1(2.1), (2.2) and (3) of the Act and such lien will not have a higher priority than it would otherwise have in law in relation to other claims, liens or encumbrances;

**Now Therefore** the Council of the Corporation of the Township of Algonquin Highlands enacts as follows:

### Definitions

1. For the purposes of this By-law:

**“Accommodation”** means Lodging in a Short-Term Rental Accommodation, and the right to use Lodging, that is provided for consideration, whether or not the Lodging is actually used. Where **“Lodging”** includes:

- (a) the use of a bedroom, a suite of rooms containing a bedroom, or the use of a bed within a bedroom; or
- (b) the use of one or more additional beds or cots in a bedroom or suite.

**“Bed and Breakfast”** means an owner-occupied, a single-detached dwelling with no more than two (2) guest bedrooms available for overnight lodging, where only breakfast may be included, and includes living accommodations used by the residents of the dwelling during time of operation.

**“Council”** means the Council of the Corporation of the Township of Algonquin Highlands;

**“Eligible Tourism Entity”** has the meaning given to it in the Ontario Regulation 435/17, as amended.

**“Establishment”** means the physical location, a building or part of a building that provides Short-Term Rental Accommodation;

**“Hospice”** means a premises used to provide palliative care;

**“Municipal Accommodation Tax”** or **“MAT”** means the tax imposed under this By-law;

**“Municipality”** means The Corporation of the Township of Algonquin Highlands.

**“Officer”** means a Police Officer, Fire Inspector, Building Inspector, Zoning Examiner, Plans Examiner, Municipal Law or Enforcement Officer;

**“Owner”** means the registered Owner of the Property on which the Short-Term Rental Accommodation is located, and “Ownership” has a corresponding meaning;

**“Provider”** means a Person or an entity, including agents, hosts, or others, that sells, offers for sale, or otherwise provides Short-Term Rental Accommodation. Where the Provider cannot be easily ascertained, the Owner shall be deemed to be the Provider. A property that has an active Short-Term Rental Licence is deemed to be a Provider.

**“Person”** means an individual, a Corporation, a partnership, or an association;

**“Purchaser”** means a person who purchases Accommodation;

**“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;

**“Quarter”** means a period of three calendar months ending on March 31, June 30, September 30, or December 31.

**“Short-Term Rental Accommodation”** means the accommodation or use all or part of a legally established Dwelling Unit, as well as use of any accessory building capable of human habitation in conjunction with but not independent or separately from the Dwelling or Waterfront Area Dwelling, that operates or offers a place of temporary residence, lodging or occupancy by way of concession, payment of a monetary fee, permit, lease, licence or rental agreement or similar commercial transaction for a period of less than twenty-eight (28) consecutive nights throughout all or any part of a calendar year, but does not include a bed and breakfast establishment, tourist establishment, tourist camping establishment, motel, hotel, hospital, campground or similar commercial accommodation use or couch surfing.

**“Short-Term Accommodation Broker”** means any individual, partnership, or corporation that, for compensation, markets and brokers the booking, reservation or rental of a Short-Term Accommodation on behalf of a Provider by means of a website or digital application.

### **Payment of Municipal Accommodation Tax (MAT)**

2. This By-law shall apply to all lands within the geographic boundaries of the Township.
3. Subject to the exemptions provided in Section 4, a Purchaser shall, at the time of purchasing Accommodation, pay the Municipal Accommodation Tax in the amount of four (4%) per cent of the Purchase Price of Accommodation provided for a continuous period of twenty-eight (28) nights or less provided in a Short-Term

Rental Accommodation and shall pay such Municipal Accommodation Tax at the time of purchasing Accommodation.

- (a) For greater certainty, the continuous period referred to above is not disrupted by the purchase of different Short-Term Rental Accommodations in the course of the continuous period.

## **Exemptions**

- 4. The Municipal Accommodation Tax imposed under this By-law shall not apply to:
  - (a) The Crown, every agency of the Crown in right of Canada, 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, R.S.O. 1990, c. E.2;
  - (c) Every 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 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, 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;
  - (e) Every long-term care home as defined in subsection 2(1) of the Fixing Long-Term Care Act, 2021, S.O. 2021, c. 39, Sched. 1 and every hospice;
  - (f) A treatment center that receives private funding, or provincial aid under the Ministry of Community and Social Services Act, R.S.O. 1990, c. M.20;
  - (g) A house of refuge, or lodging for the reformation of offenders;
  - (h) A charitable, non-profit philanthropic corporation organized as shelters for the relief of the poor or for emergency;
  - (i) A tent or trailer site supplied by a campground, tourist camp or trailer park;
  - (j) Lodging provided by employers to their employees on a premises operated by the employer; and
  - (k) A hospitality room in an establishment that may or may not contain a bed and is used for displaying merchandise, holding meetings, or entertaining.

## **Collection and Remittance**

- 5. Every Provider shall collect the MAT from every Purchaser at the time the Short-Term Rental Accommodation is purchased
- 6. Every Provider shall include on every receipt, invoice, or similar document issued by the Provider in respect of the Short-Term Rental Accommodation a separate item or charge for the amount of the MAT identified as "Municipal Accommodation Tax".

7. Every Provider shall, on or before the last day of the month following the end of the previous Quarter, remit to the Township, or its agent, the amount of the MAT collected for the previous Quarter and submit the Quarterly statements in the form required by the Township, or its agent, detailing the number of the Accommodation sold, the purchase price of each Accommodation, the MAT amount collected and any other information as required by the Township, or its agent, for the purposes of administrating and enforcing this By-law.
8. Upon any change in ownership of a Short-Term Rental Accommodation, an Owner shall provide the Township with written notice, within ten (10) days of the change in ownership of the Short-Term Rental Accommodation and shall remit any amounts owing in respect of MAT to the Township prior to the change in ownership. In the event that the Owner ceases to operate a Short-Term Rental Accommodation, the Owner shall provide written notice to the Township within ten (10) days of such change.
9. When a due date falls on a Saturday, a Sunday, or a public holiday recognized by the Canada Revenue Agency, the remittance is considered on time if received on the next business day.

### **Interest and Fees**

10. Interest at a rate of 1.25 per cent per month shall be charged on the amount of the MAT payable or remittable under this By-law for the non-payment or non-remittance of MAT from the first (1<sup>st</sup>) day of default, to and including the date on which such MAT is paid or remitted in full, and shall be based on the full occupancy of the Establishment, unless the actual amount of the MAT owing can be determined by the Township, in which case, the percentage charge of 1.25 per cent of the actual amount of the MAT will be imposed.
11. A fee shall be charged in respect of all remittances made by cheque that are not honoured by the financial institution upon which it is draw in an amount set out in the Township's Fee and Charges By-law.

### **Liens and Enforcement**

12. Any MAT, including interest and penalties, 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 Township registered in the name of the Owner to be collected in like manner as property taxes and shall constitute a lien upon the lands, provided that such lien shall not be a priority lien for the purposes of subsections 1(2.1), (2.2) and (3) of the Act, and such lien will not have a higher priority than it would otherwise have in law in relation to other claims, liens or encumbrances. The Treasurer may and is hereby authorized to register a lien on any real property on which Accommodation has been provided and for which MAT remains owing.
13. Upon a default of payment of an amount payable or remittable under this By-law, in addition to any other remedies, the Treasurer may and is hereby authorized to bring an action for the recovery of any MAT, including interest and penalties, in any court in which a debt or money demand of a similar amount may be collected and every such action shall be brought and executed in and by the name of the Township.
14. The Treasurer may and is hereby authorized to refer the collection of any MAT payable or remittable under this By-law to a bailiff or collection agency.
15. The use of any remedy by the Township for the recovery of MAT, including interest and penalties, does not bar or affect any other remedy, and the remedies provided in this By-law for the recovery and enforcement of MAT are in addition to any other remedies existing at law, and no action or other proceeding in any

way prejudices, limits or affects any lien, charge or priority existing under this By-law in favour of the Township.

### **Assessments, Reassessments and Refunds**

16. The Treasurer may, at their discretion, automatically assess the MAT required to be paid or remitted, together with any interest imposed upon MAT outstanding, in the event that a Person responsible for the payment or remittance of MAT fails to pay or remit it as required or has not provided statements in accordance with Sections 5 to 9 "Collection and Remittance" of this By-law.
17. The Treasurer may assess or reassess any Person for any MAT payable or remittable under this By-law within three (3) years from the date the MAT was remittable, except where the Treasurer establishes that a Person has made any misrepresentation that is attributable to neglect, carelessness or willful default, or has committed any fraud in supplying any information under this By-law, or in omitting to disclose any information, then the Treasurer may assess or reassess, at any time the Treasurer considers reasonable, the MAT payable or remittable by such Person.
18. Where it appears from an inspection, audit or examination of the books of account, records and documents of any Person obtained in accordance with this By-law that a Person has not complied with this By-law, the Person making the inspection, audit or examination shall calculate the amount payable in such manner and form and by such procedure the Treasurer considers adequate and expedient, and the Treasurer shall assess the amount payable.
19. The Treasurer shall send by mail or registered mail a notice of the assessment made under Sections 16, 17 or 18 to the Person so addressed at the Person's last known address, and the notice may provide the amount assessed is payable forthwith and, in any event, the amount of the assessment shall be remitted to the Township by the Person so assessed within thirty (30) days from the date of the notice of assessment. The amount of any assessment is payable within the time required in the notice of assessment regardless of whether an objection has been made in accordance with Section 22.
20. Liability to pay an amount under this By-law is not affected by an incorrect or incomplete assessment or by the fact that no assessment has been made.
21. An assessment, subject to being varied or vacated on a reconsideration in accordance with Section 22, shall be deemed to be valid and binding despite any error, defect or omission in the assessment or any proceeding relating to it.

### **Objection and Reconsideration, Refunds**

22. A Person that objects to an assessment made under this By-law may, within thirty (30) days of the date of the notice of assessment, serve on the Treasurer by registered mail or email a notice of objection in the form approved by the Treasurer. The notice of objection shall clearly describe each issue raised by way of objection and fully set out the facts and reasons relied upon by the person, together with any documentation or evidence.
23. Upon receipt of a notice of objection, the Treasurer shall reconsider the assessment and may vacate, confirm, or vary the assessment and shall notify the Person who has made the objection of the action taken. The reconsideration of the Treasurer shall be final and binding.
24. Where a Person has paid or remitted an amount that is not payable under this By-law, the Treasurer may, upon receipt of satisfactory evidence, make a determination that the amount was wrongly paid, and if such a determination is made, the Township shall refund or credit all or any part of the amount, but no

refund shall be made unless an application is made within two (2) years after the payment date. An application for a refund shall be made to the Treasurer on the form and in the manner prescribed by the Treasurer.

### **Audit and Inspection**

25. Every Provider shall keep books of account, records, and documents sufficient to furnish the Township, or its agent, with the necessary particulars of sales of Accommodations, amount of MAT collected and remittance, for a period of no less than seven (7) years.
26. The Township, or its agent, may inspect and audit all books, documents, transactions, and accounts of a 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.
27. Any Person authorized by the Township for any purpose related to the administration or enforcement of this By-law may, at any reasonable time, enter into any premises or place where any business is carried on or any property is kept or where anything is done in connection with any business or where any books or records are or should be kept and:
  - (a) audit or examine the books and records and any account, voucher, letter, facsimile, electronic or other document that relates or may relate to the information that is or should be in the books or records or to an amount payable or remittable under this By-law;
  - (b) require a Person who is liable or possibly liable to pay or remit MAT under this By-law or an Officer, director, agent, or representative of such a Person or any Person on the premises:
    - i. to give him or her all reasonable assistance with his or her audit or examination;
    - ii. to answer all questions relating to the audit or examination either orally or, if required, in writing, under oath or by statutory declaration; and
    - iii. attend at the premises or place for the purpose of giving reasonable assistance and answering questions relating to the audit or examination; and
  - (c) remove documents or things relevant to the audit or examination for the purpose of making copies or extracts, and promptly return the same, together with a receipt, after the copy or extract has been made.
28. The Treasurer may, for any purpose relating to the administration or enforcement of this By-law, serve on any Person personally, by electronic mail (e-mail), registered mail or by courier, a written demand for information or for the production on oath or otherwise books, letters, accounts, invoices, financial statements, electronic and such other documents as the Treasurer considers necessary to determine compliance with this By-law.
29. A Person in receipt of a demand made pursuant to Section 28 shall comply with the demand within the time specified therein, or such other time as the Treasurer may accept.
30. No Person shall hinder, interfere with, or obstruct, or attempt to hinder or obstruct, any Person who is exercising a power or performing a duty under this By-law.

### **Other Penalties**

31. Every Person who contravenes any provision of this By-law is guilty of an offence and, in addition to being liable for payment of any MAT, including interest and penalties, 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 Act as follows:

- (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 paragraph 429(3) 2. of the Act.
  - (b) When a Person has been convicted of an offence under this By-law, the court in which the conviction is entered, or any court of competent jurisdiction thereafter, may, in addition to any penalty imposed on the Person convicted, issue an order prohibiting the continuation or repetition of the offence by the Person convicted.
32. Without limiting the foregoing, the Township 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.

**Delegation of Authority**

33. 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 Township, providing for the implementation and collection of the Municipal Accommodation Tax, all in a form satisfactory to the Township’s Solicitor.
34. The Chief Administrative Officer, or designate, is hereby delegated the authority to enter into agreements, including all necessary documents ancillary thereto, with Eligible Tourism Entity(ies) that receive(s) an amount of the MAT respecting reasonable financial accountability matters in order to ensure that amount paid to the entity is used for the exclusive purpose of promoting tourism, and the agreements may provide for other matters, all in a form satisfactory to the Township’s Solicitor.
35. The Treasurer or designate, shall be responsible for the administration of this By-law, including but not limited to approvals, assessments, objections, enforcement, collection, and for instructing the Township Solicitor to take such legal action as may be considered appropriate.
36. The Treasurer may approve the use and format of forms for any purpose under this By-law, and such form may require such information to be furnished as the Treasurer may require for the proper administration and enforcement of this By-law.

**Validity and Severability**

37. If a court of competent jurisdiction declares any provision or provisions of this By-law invalid, such provision or provisions are deemed severable, and it is the intention of Council that the remainder of the By-law remain in full force and effect.
38. Where a provision of this By-law conflicts with the provision of another By-law in force within the Township, the provisions that establish the higher standards to protect the health, safety and welfare of the general public shall prevail.

**Short Title**

39. The short title of this By-law is the “MAT Tax By-law”.

**Implementation**

- 40. This By-law shall come into full force and effect on October 01, 2024
  
- 41. Despite Section 40, the Municipal Accommodation Tax shall not apply the Purchase of a Short-Term Rental Accommodation where the reservation for the Short-Term Rental Accommodation was made prior to the effective date of this By-law.

**Read** a First, Second and Third time and passed this 02 day of May, 2024.

Original Signed By

---

**Mayor Liz Danielsen**

Original Signed By

---

**Clerk/Deputy CAO Dawn Newhook**