



**AMENDED BY  
BY-LAW 2021-96  
BY-LAW 2022-78  
BY-LAW 2022-126**

## THE CORPORATION OF THE TOWN OF HUNTSVILLE

### BY-LAW NUMBER 2019-123

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#### Municipal Accommodation Tax By-law

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**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 Town of Huntsville wishes to establish the tax rate and to levy on the purchase of transient accommodation within the Town of Huntsville;

**AND WHEREAS** pursuant to section 400.1 (3) and 400.4 of the Act, Council can establish 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 Town of Huntsville 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 TOWN OF HUNTSVILLE ENACTS AS FOLLOWS:**

#### **DEFINITIONS**

1. For the purposes of this By-law:

“**Accommodation**” means Lodging, whether in a hotel, motel, motor hotel, lodge, inn, resort, bed and breakfast, short term rental accommodation or other establishment providing lodging, 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;
- (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. If more than two bedrooms are available for rent (i.e. whole home) the property shall not meet this definition. Such property shall be inspected by the Town's Fire Department to confirm compliance with the Fire Protection and Prevention Act, 1997, S.O. 1997, c.4, as amended, and its regulations and the Maximum Occupancy

**“Council”** means the Council of The Corporation of the Town of Huntsville;

**“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 Accommodation or Short-Term Rental Accommodation;

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

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

**“Owner”** means the Person holding title to the Property on which the 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 Accommodation. Where the Provider cannot easily be determined, the Owner is deemed to be the Provider. A property that has an active Short Term Rental License 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 use of a single-family dwelling, that operates or offers a place of temporary residence, lodging or occupancy by way of concession, permit, lease, license, rental agreement or similar commercial arrangement for any period equal to or less than thirty (30) consecutive calendar days, throughout all or any part of the calendar year,

unless otherwise prohibited by this by-law, or any other by-law of the Town of Huntsville. Short-term Rental Accommodation uses shall not include any other form of residential dwelling; duplex, triplex, or other multi-residential, or commercial operations such as bed and breakfast, a hotel, motel, motor hotel, nursing home, private or public hospital, a recreational vehicle park, a tent campground, or similar commercial or institutional use, as defined in Comprehensive Zoning By-law 2008-66P, as amended.

“**Town**” means the Corporation of the Town of Huntsville.

### **Payment of MAT**

2. Subject to the exemptions provided in Section 3, 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 30 days or less provided in a hotel, motel, motor hotel, lodge, inn, bed and breakfast, short term rental, dwelling unit or any place in which Accommodation is provided.
  - (a) For greater certainty, the continuous period referred above is not disrupted by the purchase of different rooms, suites, beds or other lodging in the same Establishment or short term rental accommodation in the course of the continuous period.

### **Exemptions**

3. The Municipal Accommodation Tax imposed under this By-law does not apply to Accommodation provided by:
  - (a) The Crown, every agency of the Crown in right of Canada, 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) 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 purposes of calculating 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) A hotel or motel used by the District Municipality of Muskoka or its agents for shelter purposes;
- (g) A treatment center that receives private funding, or provincial aid under the *Ministry of Community and Social Services Act*;
- (h) A house of refuge, or lodging for the reformation of offenders;
- (i) A charitable, non-profit philanthropic corporation organized as shelters for the relief of the poor or for emergency;
- (j) A tent or trailer site supplied by a campground, tourist camp or trailer park;
- (k) Employers to their employees in premises operated by the employer;
- (l) A hospitality room in an establishment that may or may not contain a bed and is used for displaying merchandise, holding meetings, or entertaining;
- (m) The following resorts:
  - (i) Clyffe House Cottage Resort;
  - (ii) Cedar Grove Lodge; and
- (n) Group Accommodation bookings with signed contracts prior to the date that this By-law takes effect.
- (o) Short Term Rental Accommodation and Bed and Breakfast bookings with reservations made prior to April 1<sup>st</sup>, 2020.

### **Collection and Remittance**

4. A Provider shall collect the MAT from the Purchaser at the time the Accommodation is purchased.
  5. The amount of the 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".
  6. A Provider shall, on or before the last day of every month, remit to the Town, or its agent, 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, 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 Town, or its agent, for the purposes of administering and enforcing this By-law.
- 6.1.1 Notwithstanding Clause 6, a Short Term Rental Accommodation and Bed and

Breakfast Provider shall on or before the last day of the month following the previous quarter end, remit to the Town, or its agent, for the amount of the MAT collected for the previous Quarter and submit the Quarterly statements in the form required by the Town, 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 Town, or its agent, for the purposes of administering and enforcing this By-law.

- 6.1.2 The Owner shall provide the Town with notice of any changes of ownership of the Accommodation; and will ensure any amounts owing be paid to the Town prior to the change in ownership. In the event that the Owner ceases operations, the Owner is required to advise the Town.
7. 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 received on the next business day.

### **Interest Penalties**

8. A percentage charge of 1.25 per cent 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 1.25 per cent of the actual amount of the MAT will be imposed.
9. An interest charge of 1.25 per cent each month of the amount of the MAT due 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.
  - 9.1.1 The Town, at its discretion may automatically assess the MAT collected for the Provider for the purpose of determining the amounts owing and the interest to be charged in the event the provider has not provided statements in accordance with Section 6 “Collection and Remittance”.

### **Liens**

10. 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 Huntsville registered in the name of the Owner 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.

### **Audit and Inspection**

11. 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.

12. The Town, or its agent, may inspect and audit all books, documents, transactions and accounts of the Providers and require the Providers to produce copies of any documents or records required for the purposes of administering and enforcing this by-law, as required.
13. **Administrative Penalties**
  - 13.1 Every person who contravenes any of the provisions of this By-law, including those contained in any of the Schedules and every director of a corporation who concurs in such contravention by the corporation is guilty of an offence and may be subject to an Administrative Penalty or as an offence and conviction liable to a fine in keeping with the provisions of the Provincial Offences Act.
  - 13.2 An Officer who finds that a person has contravened any provision of this By-law may issue a penalty notice addressed to that person.
  - 13.3 Any person who contravenes any provision of this By-law shall, upon issuance of a penalty notice pursuant to Section 13.2, be liable to pay to the Municipality an administrative penalty in the amount as noted within the Fee and Charges Bylaw.
  - 13.4 The penalty notice shall be given to the person to whom or to which it is addressed as soon as is reasonably practicable and shall include the following information: (a) Particulars of the contravention, including to which property it applies; (b) The amount of the administrative penalty; (c) A statement advising that an administrative penalty will constitute a debt to the Municipality.
  - 13.5 A person who has been issued a penalty notice shall pay the administrative penalty within fifteen (15) days from the date the notice was issued.
  - 13.6 An administrative penalty that is deemed to be confirmed constitutes a debt to the Municipality and may be added to the tax roll of the property on which the offence occurred.

### **Other Penalties**

14. 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 10-11, 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.
- 15. 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.
- 16. If any amount of tax payable remains owing by an Operator of a Short-Term Rental Accommodation, the Town's Director of Development Services may revoke the Operator's registration under the Town's short term rental accommodation licensing and registration regime.

### **Delegation of Authority**

- 17. 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, all in a form satisfactory to the Town's Solicitor.
- 18. 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 Town's Solicitor.
- 19. The Director of Financial 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.

### **General**

- 20. That By-law 2018-131 be hereby repealed.
- 21. This By-law shall come into effect upon passage.

22. This By-law as amended and as it relates to Short-Term Rental Accommodations as defined by this By-law shall come into effect April 1<sup>st</sup>, 2020.
23. If any section or portion of this By-law is found by a court of competent jurisdiction to be invalid, it is the intent of Council for the Town that all remaining sections and portions of this By-law continue in force and effect.

**READ a first, second and third time and finally passed this 17<sup>th</sup> day of December, 2019.**

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**Mayor** (Karin Terziano)

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**Clerk** (Tanya Calleja)