

# Town of Greater Napanee

## Use of Municipal Accommodation Tax Reserve Funds Policy



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Department:	Finance	Contact:	Treasurer
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### 1. Introduction

This Policy establishes funding principles to guide the use of the Municipal Portion of funds collected through the Town of Greater Napanee’s Municipal Accommodation Tax (MAT) program. While provincial legislation permits the municipal portion of MAT program revenue to be used for any purpose that Council deems appropriate, Council wishes to establish guidelines and expectations on the future use of these funds.

### 2. Purpose

The purpose of this policy is to ensure that revenue collected through the Municipal Accommodation Tax program is directed to support and manage Tourism development, including infrastructure, services and initiatives, and to address tourism-related opportunities and issues facing the community, including tourism operators, accommodation providers, businesses, residents and visitors to the Town of Greater Napanee.

### 3. Scope

This policy applies to the revenue generated by the MAT program in the Town of Greater Napanee. It does not apply to any other reserve funds or budget policies of the Town.

### 4. Definitions

**Council** - shall mean the Council for The Corporation of the Town of Greater Napanee

**Municipality or Town** - shall mean The Corporation of the Town of Greater Napanee.

**Municipal Accommodation Tax or MAT** - shall mean the Transient Accommodation Tax in accordance with Ontario Regulation 435/17 - Transient Accommodation Tax.

**Municipal Portion** - shall mean the percentage of the MAT revenue retained by the

Town of Greater Napanee, which is 50% of the total MAT revenue after reasonable costs for collecting and administering the program.

## **5. Responsibilities**

### **a) Town Council**

Council is responsible for:

- a) Approval of the Municipal Accommodation Tax Reserve Funds Policy
- b) Approval of any amendments to the policy
- c) Approval of all contributions to and/or withdrawals from reserves and reserve funds, normally as part of the annual budget approval process or specifically by resolution.
- d) Pursuant to Ontario Regulation 435/17: TRANSIENT ACCOMMODATION TAX, Council reserves the right to use the Municipal Portion of Municipal Accommodation Tax funds at their sole discretion through the form of Council direction provided by certified resolution.

### **b) Treasurer**

Treasurer has the overall responsibility for the management of reserves and reserve funds, ensuring that funds are allocated in accordance with this policy.

### **c) Staff**

Staff are responsible for ensuring that the reserve funds are allocated in accordance with this policy.

## **6. Policy**

- a) A Municipal Accommodation Tax Reserve Fund shall be established, to which the municipal portion of the net MAT revenue collected shall be deposited.
- b) This revenue shall be dispersed at the discretion of Council based on the utilization of funds outlined in this policy through annual budget deliberations or specific resolution, where warranted.
- c) Withdrawals from reserve or reserve funds will be made at the actual cost of the project or purchase. Where a project or purchase requires more than the amount of the budgeted funding, staff will require Council approval for withdrawing additional funds in excess of 20% of the budget.
- d) All contributions to and/or withdrawals from the reserve or reserve funds will be clearly identified and segregated within the Corporation's accounting.

### **6.1 Utilization of the Funds**

The Municipal Accommodation Reserve Fund can be utilized to fund the following tourism related expenses:

- a) Investments into Tourism Related Infrastructure:  
For example:
  - Wayfinding and signage

- Streetscaping
- Public amenities such as parks, boat launches and trails
- Waterfront and downtown beautification
- Capital Improvements and investments where such expenditures can be demonstrated to support tourism promotion or visitor attraction
- b) Programs that increase visitor spending and strengthen the local economy
- c) Projects that expand the community’s capacity for tourism offerings such as sports, art, music, heritage, and cultural experiences
- d) Wages, benefits, and direct operating expenses for new Tourism-Related projects which are directly tied to the delivery of tourism related services that attract visitors. For example:
  - Operation of tourism information booths or visitor centers
  - Staffing for new tourism events, new festivals, or new experiences that attract visitors,
  - Temporary or seasonal staff hired specifically to support tourism related functions
- e) Funding of small business and other grants under an approved Community Improvement Plan

**6.2 Ineligible Funding**

Programs, projects or initiatives unrelated to a tourism-related purpose shall not receive funding through the MAT revenue without prior authorization by Council.

This includes:

- a) Salaries, Wages, and Benefits, unless otherwise eligible under 6.1 d.
- b) Operating Costs of Public Works Road Maintenance and Repair
- c) Operating Costs of Existing Municipal Facilities

**7. Related Documents**

By-Law 2026-0018, Being a Bylaw to Implement a Municipal Accommodation Tax

Ontario Regulation 435/17, Transient Accommodation Tax

**Revision History**

Date	Number	Description
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