

**THE CORPORATION OF THE TOWN OF GREATER NAPANEE
BY-LAW NO. 2026-0018**

Being a Bylaw to Implement 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 pursuant to Section 400.1 of the Act and the Ontario Regulation 435/17, the Council of the Corporation of the Town of Greater Napanee wishes to establish and levy a tax rate on the purchase of transient accommodation within the Town of Greater Napanee;

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 interest and penalties to the tax roll for the properties in the Town of Greater Napanee registered in the name of the Provider to be collected in a 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) (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 Greater Napanee enacts as follows:

1. DEFINITIONS AND INTRODUCTION

1.1 This By-law shall be known and may be cited as the Municipal Accommodation Tax By-law.

1.2 In this by-law,

- a) **“Accommodation”** means the use or possession or the right to use or possess, for dwelling, lodging or sleeping purposes of a room or suite of rooms containing one or more beds or cots, whether in a hotel, motel, motor hotel, lodge, inn, resort, bed and breakfast, or other establishment providing lodging, in all or part of a dwelling unit and whether or not additional amenities, services, or the right to use additional space in the establishment or dwelling unit are provided where such rights are acquired for a Purchase Price;

- b) **“Council”** means the Council of the Corporation of the Town of Greater Napanee.
- c) **“Eligible Tourism Entity”** has the meaning given to it in Ontario Regulation 435/17, as amended, which is a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality.
- d) **“Municipal Accommodation Tax”** or **“MAT”** means the tax imposed under this by-law.
- e) **“Provider”** means a person or corporation that sells, offers for sale, or otherwise provides Accommodation, and includes agents, hosts or others who sell, offer for sale by any means, including through an on-line platform or otherwise provide Accommodation.
- f) **“Purchaser”** means a person who, for a Purchase Price, uses, possesses, or has the right to use or possess any Accommodation.
- g) **“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, but does not include the goods and services tax imposed by the Government of Canada or by the Province of Ontario and does not include the price paid for any food or beverage services purchase from the provider.
- h) **“Town”** means the Corporation of the Town of Greater Napanee.
- i) **“Treasurer”** means the person appointed by Council as the Treasurer for the Town, and includes their authorized designate.

2. APPLICATION

- 2.1 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 five (5) per cent of the Purchase Price of Accommodation provided for a continuous period of thirty (30) days or less.
- 2.2 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 during the continuous period.
- 2.3 Subject to the exemptions provided in Section 3, this By-law shall apply to all Accommodations within the geographic boundaries of the Town.

3. EXEMPTIONS

- 3.1 The Municipal Accommodation Tax imposed under this By-law does not apply to Accommodation provided by:
- a) The Crown, any agency of the Crown in right of Ontario or any 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) Any board as defined in subsection 1(1) of the *Education Act*;
 - c) Any university in Ontario or any college of applied arts and technology and post-secondary institution in Ontario whether or not affiliated with a university, the enrollments of which are counted for purposes of calculating operating grants entitlements from the Crown;
 - d) Any 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) Any long-term care home as defined in subsection 2 (1) of the *Fixing Long-Term Care Act, 2021*;
 - f) Any Person or entity as prescribed by regulation under the Act as exempt from payment of Municipal Accommodation Tax;
 - g) Any treatment center that receives provincial aid under the *Ministry of Community and Social Services Act*
 - h) Any hospice;
 - i) A hotel or motel being used by the County of Lennox and Addington, or their agent, for shelter purposes;
 - j) A charitable, non-profit philanthropic corporation organized as shelters or emergency shelters for the relief of the poor; or for the benefit of persons who are fleeing situations of physical, financial, emotional, or psychological abuse; or for other persons who are suffering from homelessness;
 - k) Accommodation provided by an employer to its employees in premises operated by the employer;
 - l) A tent or trailer site supplied by a campground, tourist camp or trailer park; and

- m) Accommodation bookings with signed contracts prior to the date this by-law takes effect, whether paid partially or in full.

4. TAX COLLECTION AND REMITTANCE

- 4.1 A Provider of transient accommodation shall include on every invoice or receipt for the purchase of transient accommodation, a separate item for tax on transient accommodation imposed on the purchase, and the item shall be identified as "Municipal Accommodation Tax".
- 4.2 A Provider of transient accommodation shall collect the MAT from the Purchaser at the time the accommodation is purchased.
- 4.3 A Provider shall remit to the Municipality the amount of the MAT collected for the previous quarter and submit statements in the form required by the Municipality for the purpose of administering and enforcing this By-law. These remittances shall be made by the end of April, July, October, and January for the respective previous quarter.
- 4.4 When a due date falls on a weekend or public holiday recognized by the Town, the payment is considered on time if received on the next business day.
- 4.5 MAT shall be applied to the total Purchase Price of Accommodation. It does not apply to food and beverage, room incidentals, service charges, or parking. However, to be exempt from the Municipal Accommodation Tax, these amenities and service charges must be separately itemized on the invoice.
- 4.6 If no Municipal Accommodation Tax was collected, the Provider is still required to submit the MAT Return indicating that no MAT was collected in the reporting period.

5. DELEGATION OF AUTHORITY

- 5.1 The Treasurer is delegated the authority to implement and administer this By-law, to collect the MAT and to take all actions, including all enforcement measures, and make all decisions required of the Treasurer under this By-law. Without limiting the generality of the foregoing, the Treasurer is delegated the authority to:
 - a) Establish, amend and sign from time to time, such interpretation guidelines, protocols, procedures, forms, documents and agreements, as the Treasurer may determine are required to implement and administer this By-law and to collect the MAT;
 - b) Perform all administrative functions and conduct all enquiries, audits, assessments, approvals, referred to herein and those incidental to and

necessary for the due administration and enforcement of this By-law and collection of monies owing hereunder;

- c) Authorize, establish terms, and sign any repayment agreements provided for herein and any ancillary or related documents, and to amend, extend or terminate or otherwise administer or enforce such agreements; and
- d) Carry out all duties as assigned to the Treasurer under this By-law.

5.2 The Treasurer may delegate the performance of any one or more functions under this Bylaw to one or more persons from time to time as the occasion requires and may impose conditions upon such delegation and may revoke any such delegation.

5.3 The Treasurer may enter into agreements with designated collection agents who will collect the MAT from the Providers of transient Accommodation as agents for the Town and who will administer the tax and remit to the Town.

5.4 Notwithstanding the authority delegated to the Treasurer under this By-law, Council shall be responsible for selecting the Eligible Tourism Entity and approving the operating agreement with the Eligible Tourism Entity regarding reasonable financial accountability measures in order to ensure that the amount paid to the entity is used for the exclusive purpose of promoting tourism in the Town of Greater Napanee.

6. AUDIT AND INSPECTION

6.1 Every provider of transient accommodation shall keep and retain books of account, records, and documents for three (3) years sufficient to furnish the municipality and its designated tax collection agents with the necessary particulars of sales of accommodation, amount of levy collected and remittance.

6.2 The Treasurer or designate and the Town's designated tax collection agent may inspect and audit all books, documents, transactions, and accounts of the transient accommodation service provider as required for the purposes of administering and enforcing this By-law.

6.3 No person shall obstruct or hinder or attempt to obstruct or hinder the Treasurer, or designate, or the designated tax collection agent in the exercise of their power or the performance of a duty under this By-law.

6.4 The Treasurer, or designate, and the designated tax collection agent shall have the right to enter lands and premises to conduct an inspection to determine whether the provisions of this By-law and any order issued hereunder are being complied with in accordance with the provisions of Sections 435 and 436 of the *Municipal Act, 2001*.

7. INTEREST

- 7.1 In the event that the Provider has not submitted remittance statements as required under Section 4, the amount of MAT owing will be automatically assessed by the Town based on the Accommodation's full occupancy.
- 7.2 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 municipality, in that case, the percentage charge of 1.25 per cent of the actual amount of the MAT will be imposed.
- 7.3 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.

8. LIENS AND RECOVERY OF MAT

- 8.1 Any MAT, including interest and penalties, that is past due shall be deemed to be in arrears and may be added to the tax roll for any real property. 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.
- 8.2 Any MAT, including interest and penalties, in arrears shall constitute a lien upon the lands and may be collected in like manner as property taxes, provided that 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.
- 8.3 Upon default of payment of an amount payable or remittable under this By-law, in addition to any other remedies the Treasurer may take any one or more of the steps available to the Town to collect such amount, including:
 - a) Bringing an action in the name of the town for the recovery of the amount in the court of appropriate jurisdiction;
 - b) Referring the collection of the amount to a collection agency;
 - c) Exercising any other remedy available pursuant to the *Municipal Act, 2001*, or otherwise available at law.

9. REFUNDS

- 9.1 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 or remitted, and if such

determination is made, the Town shall refund or credit all or part of the amount.

- 9.2 No refund shall be made unless an application for refund is made within 24 months after the payment date.
- 9.3 Where a person has applied for a refund under this By-law and that person's claim is denied in whole or in part, the Town shall deliver to such person by mail a statement which shall specify the denied amount and reason for denial.

10. OFFENCES AND PENALTIES

10.1 Every person who contravenes any provision of this by-law is guilty of an offence as provided for in subsection 429(1) of the *Municipal Act, 2001*, and all such offences are designated as continuing offences as provided for in subsection 429(2)(a) of the *Municipal Act, 2001* and the *Provincial Offences Act, R.S.O. 1990, c P. 33*.

- a) A person convicted of an offence under this by-law is liable to a minimum fine of \$500.00 and a maximum fine of \$100,000 as provided for in subsection 429(3)2 of the *Municipal Act, 2001*.
- b) A person 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 the daily fines for the offence is not limited to \$100,000, as provided for in subsection 429(3)2 of the *Municipal Act, 2001*.

10.2 When a person or corporation has been convicted of an offence under this by-law, the Ontario 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.

10.3 In addition to offences referred to in Section 10.1, every person is guilty of an offence under this by-law who:

- a) Hinders or obstructs or attempts to hinder or obstruct any person exercising a power or performing a duty under this by-law;
- b) Neglects or refuses to produce or provide any information or thing to any person acting pursuant to an order made under this by-Law; or

- c) Knowingly makes, participates in, assents to or acquiesces in the provision of false information in a statement, affidavit, application or other document prepared, submitted or filed under this by-law.

11. VALIDITY

11.1 If any section, clause or provision of this by-law is for any reason declared by a Court of competent jurisdiction to be invalid, the same shall not affect the validity of the by-law as a whole or any part thereof, other than the section, clause or provision so declared to be invalid and it is hereby declared to be the intention of Council that the remaining sections, clauses or provisions of the by-law shall remain in full force and effect until repealed, notwithstanding that one or more provisions of this by-law shall have been declared to be invalid.

12. COMMENCEMENT

12.1 This By-law shall come into force and take effect on the 1st day of July, 2026.

Read a first and second time and finally passed, this 10th day of February, 2026.

Terry Richardson, Mayor

Jessica Walters, Clerk

By signing this by-law on _____, I Mayor Richardson confirm that I will not exercise the power to veto this by-law and the by-law is deemed approved.