

# THE CORPORATION OF THE CITY OF CORNWALL

## By-law # 2018-039

### A by-law to establish the Municipal Accommodation Tax (MAT)

**WHEREAS** the City may, by by-law, impose a tax in respect of the purchase of transient accommodation in the municipality in accordance with Part XII.1 of the Municipal Act, 2001, S.O. 2001, Chapter 25, as amended, and the Transient Accommodation Tax Regulation 435/17; and

**WHEREAS** at its meeting of February 26, 2018, Council approved the establishment of the municipal accommodation tax to be imposed on the purchase of accommodations of short duration within the City of Cornwall; and

**WHEREAS** the municipal accommodation tax will generate revenue which may be shared with designated non-profit entities who promote local tourism as further described in Regulation 435/17; and

**WHEREAS** net revenues collected from the collection of the municipal tax will be used for the exclusive promotion and development of tourism activity in the City of Cornwall, including tourism marketing, visitor information services, event sponsorship and attraction development;

### **NOW, THEREFORE, THE COUNCIL OF THE CORPORATION OF THE CITY OF CORNWALL ENACTS AS FOLLOWS:**

#### **1. APPLICATION OF TAX**

- (1) A purchaser shall, at the time of purchasing accommodation, pay an accommodation tax in the amount of four percent (4%) of the purchase price of the accommodation provided for a continuous period of less than 30 nights provided in a hotel, motel, inn, bed and breakfast, resort, hostel, dwelling unit, or any place in which accommodation is provided.
- (2) A provider of transient accommodation shall include on every invoice or receipt for the purchase of transient accommodation a separate item for the amount of tax on transient accommodation imposed on the purchase, and the item shall be identified as "Municipal Accommodation Tax".

#### **2. EXEMPTIONS**

- (1) The municipal accommodation tax imposed by subsection 1(1) does not apply to:
  - (a) The Crown, 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;
- (c) Every university in Ontario and every college of applied arts and technology and post-secondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for the purposes of calculating annual operating grants entitlements from the Crown on accommodations provided to students while the student is registered at and attending the institution;
- (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, retirement home and hospices;
- (f) Every treatment centre that receives provincial aid under the Ministry of Community and Social Services Act;
- (g) Every house of refuge, or lodging for the reformation of offenders;
- (h) Every charitable, non-profit philanthropic corporation organized as shelters for the relief of the poor or for emergency;
- (i) Every tent or trailer sites supplied by a campground, tourist camp or trailer park;
- (j) Every accommodation supplied by employers to their employees in premises operated by the employer; and
- (k) Every hospitality room in an establishment that does not contain a bed and is used for displaying merchandise, holding meetings, or entertaining.

### **3. TAX COLLECTED BY SERVICE PROVIDER**

- (1) Providers of transient accommodation shall include on every invoice or receipt for the purchase of transient accommodation a separate item identified as "Municipal Accommodation Tax" for the amount of MAT imposed on the purchase.
- (2) Providers of transient accommodation shall collect the MAT from the purchaser at the time the accommodation is purchased and shall remit the MAT to the tax collection agents designated by the municipality pursuant to section 4 within the time prescribed in any MAT notice and shall include monthly statements in the form required by the tax collection agents detailing the number of rooms sold, purchase price

and levy collected.

#### **4. AGENT TAX COLLECTORS**

- (1) The collection and administration of taxes to be remitted by providers of transient accommodation, pursuant to section 3, shall be collected by City of Cornwall, who shall collect the MAT from providers of transient accommodation providers.
- (2) The Mayor and Chief Administrative Officer may designate additional tax collection agents for the municipality and enter into agreements with designated collection agents in consultation with the City Clerk and Solicitor.

#### **5. PENALTIES AND INTEREST**

- (1) Penalties and interest at the rate applicable to overdue property taxes shall be payable by the providers of transient accommodation on the non-payment of the full amount of the MAT by the due date set out in the notice, and interest may be added on the first day of default and on each month thereafter in which the default continues.

#### **6. LIENS**

- (1) All MAT penalties and interest that are past due shall be deemed by the City Treasurer to be in arrears, and shall be transferred to the tax collectors' roll of the City to be collected in the same manner as municipal property taxes and shall constitute a lien upon the lands.

#### **7. AUDIT AND INSPECTION**

- (1) Every transient accommodation service provider shall keep books of account, records, and documents sufficient to furnish the City and its designated tax collectors with the necessary particulars of sales of accommodation, amount of levy collected and remittance.
- (2) The City's tax collectors designated pursuant to section 4 may inspect and audit all books, documents, transactions and accounts of transient accommodation providers and require transient accommodation providers to produce copies of any documents or records required for the purposes of administering and enforcing this by-law, as required.

#### **8. OFFENCE AND PENALTIES**

- (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* .
- (2) A person who is 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), paragraph 1 of the *Municipal Act, 2001* .

- (3) 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 of the daily fines for the offence is not limited to \$100,000, as provided for in subsection 429(3) paragraph 2 of the *Municipal Act, 2001*.
- (4) 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:
  - (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.

## **9. EFFECTIVE DATE**

This by-law shall come into force and take effect on June 1, 2018.

Read before, signed sealed in Open Council this 9th day of April, 2018.

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Manon L. Levesque  
City Clerk

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Leslie O'Shaughnessy  
Mayor