



MANAGEMENT REPORT

Date: April 27, 2026
To: Mayor and Council
From: Tatiana Dafoe, City Clerk
Report Number: COU26-049
Attachments: None

Title: Municipal Accommodation Tax Ad-Hoc Committee Term Extension Request

Objective: To consider a request from the Municipal Accommodation Tax Ad-Hoc Committee to extend their term by three months.

Background: In 2017, the Province of Ontario issued the Transient Accommodation Regulation 435/17 which allows municipalities across Ontario to implement a Municipal Accommodation Tax (MAT).

In 2022, the City adopted By-law 93-2022 which implemented a four percent (4%) mandatory MAT effective in 2023. The MAT applies to all accommodation sold for a continuous period of 30 days or less, including a room or suite of rooms containing one or more beds or cots, whether in a hotel, motel, boarding, lodging, or rooming house, bed and breakfast or other establishment providing lodging.

Following implementation of the MAT, the collected revenue was placed into a reserve from 2023-2025. Placing the amounts in a reserve provided time for Council and staff to understand how much revenue would be collected as part of this program with the intent being to adopt a policy setting out how MAT funds would be used in the future.

During this period, Council adopted resolutions to use MAT funds as follows:

- In 2024: \$75,000 for Lights on Stratford
- In 2025: \$150,000 for Lights On Stratford and \$150,000 for Community Improvement Plan (Attainable Housing Funding)

At the September 8, 2025, Regular meeting, Council adopted the following resolution establishing a Municipal Accommodation Tax Ad-Hoc Committee to provide recommendations on the use of municipal accommodation tax funds:

THAT staff be directed to establish a Municipal Accommodation Tax Ad-Hoc Committee to provide recommendations on the use of municipal accommodation tax funds and the draft policy developed by staff;

AND THAT the Terms of Reference be amended to specify that one (1) member is to be a large accommodator and one (1) member is to be a small accommodator.

At the December 8, 2025, Regular Council meeting, Council then adopted the following resolution:

THAT direction be given to the MAT Ad Hoc Committee to undertake structured consultation with the broader tourism sector affected by the Municipal Accommodation Tax, including but not limited to accommodators, food and beverage operators, arts and culture organizations, attractions, and retail businesses;

AND THAT direction be given to the MAT Ad Hoc Committee to include in the final report to Council a summary of the stakeholder engagement undertaken, the key themes heard, and how those views were considered in formulating its recommendations.

Analysis: The MAT Ad-Hoc Committee has held three meetings (January 19, February 17, and April 7, 2026) in accordance with the adopted Terms of Reference. Meetings have focused on reviewing the draft "Use of Municipal Accommodation Tax Funds" Policy preliminarily prepared by staff, providing recommendations on the draft policy and developing an evaluation matrix, and discussing engagement activities as requested by Council.

As of the April 7th meeting, the MAT Ad-Hoc Committee is in a position to launch a survey seeking input and is working on a final recommended policy. To complete their work, the Committee has asked for their term to be extended by three months which would allow them to hold an additional 2-3 meetings as required.

Staff are supportive of extending the term of the Committee as this will provide them with sufficient time to review the results of their survey, consider final recommendations, and prepare a final report for Council's consideration. The final report would then be presented to Council by the Chair of the Committee.

Financial Implications:

Financial impact to current year operating budget:

An additional 2-3 meetings will require a recording secretary from the Clerk's Office. These costs can be recovered in the existing operating budget.

Financial impact on future year operating budget:

There are no financial implications on future year operating budgets to be reported as a result of this report.

Alignment with Strategic Priorities:

Work Together For Greater Impact

This report aligns with this priority as the MAT Ad-Hoc Committee is made up of a member of council, large and small accommodators, a representative from the tourism/business sector, and a member of the public. Bringing representatives from different sectors together to provide recommendations on the use of the MAT funds will result in a greater impact for the use of these funds for the City.

Alignment with One Planet Principles:

Health and Happiness

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Land and Nature

Protecting and restoring land for the benefit of people and wildlife.

Travel and Transport

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

Staff Recommendation: THAT the term of the Municipal Accommodation Tax Ad-Hoc Committee and its members be amended to July 2026 for the purpose of holding an additional 2-3 meetings as required;

THAT the City Clerk be directed to amend the Terms of Reference for the Municipal Accommodation Tax Ad-Hoc Committee to extend the term of the Committee to July 2026;

AND THAT the City Clerk be directed to prepare an amendment to By-law 4-2023 to amend the term limit of members to July 2026.

Prepared by: Tatiana Dafoe, Clerk

Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
André Morin, CPA, Chief Administrative Officer