



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Members of Council
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: COU24-143
Attachments: 1. MAT Summary Report at Oct 31 2024;
2. MAT Financial and Reserve Fund Summary Report at Oct 31 2024

Title: Municipal Accommodation Tax (MAT) Update October 2024

Objective: To provide Council with preliminary information on the MAT program revenues and expenses for the ten-months ending October 31, 2024.

Background: The City implemented the Municipal Accommodation Tax (MAT) July 1, 2023. Hotels, motels and inns are required to report stay information and remit MAT monthly, while Bed and Breakfasts (B&B) and other licensed Short-Term Rentals (STRs) are required to report and remit quarterly. Both monthly and quarterly reporters were due by mid-January to the third-party agency the City has engaged, the Ontario Restaurant, Hotel and Motel Association (ORHMA).

Information provided in a previous report is a year-to-date summary.

The scope of this report is limited to MAT reporting and is not intended to speak to licensing of establishments. Hotels and motels do not require licensing to operate in the City and are required to report MAT information monthly. Other establishments that meet the definition of transient accommodations of other types are required to report quarterly. This encompasses those entities licensed under the B&B Licensing By-law and those licensed under the Short-Term Accommodation Licensing By-law.

For the purposes of reporting MAT information, the classifications of type of accommodator are simply 'monthly' and 'quarterly'. Extracting information more granularly based on exact type of accommodator is not intended going forward, as this is not how MAT revenues are tracked by ORHMA and is an additional administrative layer.

Analysis: Monthly

At November 7, 2024, for the ten months ending October 31, 2024 there were 16 identified establishments not requiring licenses, of which 10 reported stay information and remitted MAT due to the City. There are two that staff believes are no longer operational and four requiring additional follow-up.

These monthly reporters indicated that they had a total of 102,629 available rooms during this time, and they reported occupancy or sales of 54,980 of those rooms, including emergency shelter and other MAT-exempted types. This translated into reported MAT-applicable sales of \$11,236,327, and MAT of \$449,453.

Quarterly

At November 7, 2024, for the 10 months ending October 31, 2024 there were 110 establishments that were registered with ORHMA. Of these, 45 were licensed as B&Bs and the remaining 79 as Short-Term Accommodators.

The summary and financial summary are attached to the report. This is a snapshot and excludes any reporting or remitting for the period that could occur after November 7, 2024.

After fees, the total MAT revenues were \$368,755, to be split between the tourism operator, Destination Stratford and the Municipality. As outlined when the by-laws were first established, the City's share of these revenues is to be held in a reserve until otherwise directed by Council.

Financial Implications:

Financial impact to current year operating budget:

The MAT revenues collected by the City in 2024 are reflected as revenues, with half of the net proceeds established as 'Due to Destination Stratford' in the City's accrued liabilities for the year, and the City's half reflected as a transfer to the reserve fund, resulting in no impact to the City's operating bottom line.

Financial impact on future year operating budget:

As a purpose for the use of the funds has not yet been identified at this time, there are no known impacts. When funds are directed to specific initiatives and spent, they will be recognized as revenue earned.

Alignment with Strategic Priorities:

Intentionally Change to Support the Future

This report aligns with this priority as the City supports financial solutions not related to property taxation for projects that benefit tourism initiatives.

Alignment with One Planet Principles:

Not applicable: This report does not apply to the One Planet Principles as it is for information only.

Staff Recommendation: THAT the report titled, "Municipal Accommodation Tax (MAT) Update October 2024" (COU24-143), dated November 25, 2024, be received for information.

Prepared by: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer

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