

urban Metrics

MUNICIPAL ACCOMMODATION TAX

Feasibility Study

Norfolk County, Ontario

Prepared for **Norfolk County**

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urban Metrics

Norfolk COUNTY

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1 Executive Summary

Scope of Work

This comprehensive assessment, prepared by urbanMetrics (the Consultant) on behalf of the County of Norfolk (the Client), is intended to provide County Council (Council) with independent, third-party advice on the feasibility of implementing a Municipal Accommodation Tax (MAT) program, for the benefit of growing the County's economic base, specifically in matters related to tourism industry and further enhancing Norfolk County as tourism destination.

Our report is grounded in a detailed legislative review, an extensive stakeholder engagement process, a projected revenue generation model, and a comprehensive review of MAT best practices in comparable Ontario municipalities.

Main Recommendations

Norfolk County (the County) has an opportunity to take advantage of a proven, strategic revenue tool for Ontario municipalities, which the County currently does not leverage. urbanMetrics recommends the following recommendations to support the adoption of a Municipal Accommodation Tax in the County:

1. Approve MAT Implementation: Authorize implementation of a mandatory Municipal Accommodation Tax at 4% of accommodation purchase price for stays of 30 consecutive days or less, effective July 1, 2027.
2. Designate Collection Agent: Designate the Ontario Restaurant Hotel & Motel Association (ORHMA) as the County's collection agent for MAT administration, leveraging established systems and sector expertise while minimizing municipal administrative burden.
3. Designate 'Eligible Tourism Entity': Establish the proposed MDC-1 Norfolk County Tourism Corporation (*see associated MDC Assessment Report)* and designate it as the County's 'eligible tourism entity' to receive minimum 50% of net MAT revenues for destination marketing and tourism promotion purposes. MDC-1 would be staffed by the County's current Economic Development Department to enhance the County's current tourism marketing efforts while being supported by a Board of Directors made up of Council members and local tourism industry representative including accommodation providers to provide guidance and industry expertise.

(*Details are further described in the associated Municipal Development Corporation Assessment Report*)

Alternatively, the County could select another organization within the community that could take on the role of 'eligible tourism entity' based on the legislation's requirements.

4. Establish 50/50 Revenue Allocation: Adopt a revenue allocation framework providing 50% of net MAT revenues to the designated MDC – 'Eligible Tourism Entity' for destination marketing and 50% to the municipality for tourism-related infrastructure and programming.
5. Implement Short-Term Rental Licensing: Pass a comprehensive short-term rental accommodation licensing by-law coordinated with MAT implementation to ensure sector-wide compliance, fair competition, and regulatory clarity.
6. Execute Required Agreements: Direct staff to negotiate and execute formal agreements with the collection agent (ORHMA) and designated MDC/ 'eligible tourism entity', establishing roles, responsibilities, accountability measures, and reporting requirements.
7. Develop Implementation Plan: Direct staff to develop a detailed implementation plan, including timeline, communication strategy, provider education program, technology deployment, and launch preparation.
8. Establish Performance Framework: Adopt a comprehensive performance measurement framework with key performance indicators, an annual evaluation process, and reporting requirements to ensure transparency and accountability.
9. Budget for Implementation: Allocate necessary resources for MAT implementation, including legal services, technology systems, communication materials, stakeholder engagement, and staff time during the establishment phase.

Why This Matters Now

The Municipal Accommodation Tax (MAT) is a user fee applied to overnight visitors who stay in short-term accommodations (30 days or less) at hotels, motels, bed and breakfasts, and short-term rentals. This is not a tax on residents or local businesses – it is a user fee paid exclusively by overnight visitors. The MAT has been widely adopted across Ontario, with over 80 municipalities implementing it, including comparable communities such as Prince Edward County, Lambton Shores and Blue Mountains.

Introduced by the Province in 2017, the MAT is a dedicated revenue tool for municipalities to support tourism without burdening local taxpayers. At least 50% of net MAT revenue must go to an eligible not-for-profit tourism entity for destination marketing and promotion activities. The remaining 50% may be retained by the County to support tourism-related infrastructure and investments that benefit both visitors and residents, based on Council's decision.

The adoption of the MAT tool presents a strategic opportunity for Norfolk County to generate sustainable tourism funding without imposing an additional tax burden on residents. Current projections estimate that a Norfolk County MAT could generate approximately $704,000 annually, based on the current accommodation inventory and occupancy trends in Norfolk County (a base scenario with expected revenue increases driven by market activity, increased accommodation inventory, and results of further destination marketing efforts). The net funds would be split 50/50 with the proposed Norfolk County Tourism Corporation (MDC-1), which would undertake destination marketing activities to increase visitation and benefit the local tourism industry.

This report outlines nine critical implementation components, including legislative compliance, market benchmarking, stakeholder engagement insights and perspectives, financial projections, technology systems, revenue allocation strategies, enforcement mechanisms, communications planning, and performance monitoring frameworks. Together, these elements provide Norfolk County Council with the strategic foundation required for informed decision-making and successful adoption of a MAT program.

2 Introduction

The Municipal Accommodation Tax (MAT) is a proven, strategic revenue tool for Ontario municipalities. It provides a unique opportunity to strengthen the local economy, enhance the tourism industry and municipal investment in tourism/ community infrastructure without placing any additional tax burden on residents and local businesses.

Under the authority granted by Ontario's *Municipal Act, 2001* (Section 400.1) and Ontario Regulation 435/17, municipalities have possessed the legislative authority to implement MAT since 2017. Over 80 municipalities across Ontario have implemented MAT which significantly increases their tourism marketing budgets, event attraction capacity and tourism product development funding.

What is Municipal Accommodation Tax?

The Municipal Accommodation Tax is a modest user fee paid by overnight visitors on short-term accommodation bookings (typically 30 nights or less) at hotels, motels, bed and breakfasts and short-term rentals such as Airbnb and VRBO. Most Ontario municipalities have set the rate at 4% and only apply to the overnight rate and does not apply to other purchases or services within the accommodation (i.e., food and beverage, parking, meeting rooms, internet, etc.).

The primary purpose of the MAT is to generate revenue dedicated to supporting and promoting local tourism without placing additional tax burdens on residents or businesses which ultimately benefits the local economy. The Provincial regulation mandates a revenue-sharing model where, after deducting reasonable collection and administration costs, at least 50% of the net MAT revenues must be allocated to an 'Eligible Tourism Entity', while the remaining funds can be retained by the municipality for tourism-related infrastructure and initiatives.

What is an Eligible Tourism Entity?

An eligible tourism entity must be a not-for-profit organization whose formal mandate includes promoting tourism in Ontario or in a specific municipality. Municipalities that charge a Municipal Accommodation Tax (MAT) must designate and direct at least 50% of the net MAT revenues to such an entity, and those funds can only be used for tourism promotion and related product development. Common eligible tourism entity examples include destination marketing

organizations (DMOs), regional tourism organization (RTOs), Chambers of Commerce and/ or Boards of Trade or Municipal Development Corporations (MDCs) created specifically to manage and invest those MAT funds.

For Norfolk County, as a Municipal Development Corporation Assessment is being conducted in parallel with this Municipal Accommodation Tax Feasibility Study it is being recommended that if MAT is adopted that a Norfolk County Tourism Corporation (MDC-1) be created and designated as the County's 'eligible tourism entity.'

The proposed MDC-1 (Norfolk County Tourism Corporation) would be a not-for-profit entity designated as the county's eligible tourism organization under Ontario Regulation 435/17, tasked with delivering professional destination marketing and promotional services for Norfolk County. Funded by a minimum of 50% of Municipal Accommodation Tax (MAT) revenues using a lean staffing model where the County's Economic Development Department handles core operations through service-level agreements, with the Director of Economic Development serving as interim Executive Director.

MDC-1 would be governed by a 7–9-member Board (including municipal representatives and private-sector expertise in tourism, marketing, and hospitality) appointed by Council. MDC-1 would be accountable to Council through regular reporting and focuses on maximizing visitor spending, building the county's tourism brand, and supporting regional tourism competitiveness.

What are the benefits of MAT?

Public benefits

- New funding without raising property tax: MAT lets municipalities generate revenue from visitors to help pay for tourism and visitor-related costs, easing pressure on local property taxpayers.
- Investment in shared infrastructure: Municipalities often use their share of MAT revenues for infrastructure and services that both residents and visitors use, such as roads, transit, parks, beaches, culture and recreation facilities.

Tourism and Economic Benefits

- Stronger tourism promotion: A significant portion of MAT revenues (minimum 50%) must go to destination marketing and fund tourism marketing, event attraction and product development.

- Support for local businesses and jobs: By funding marketing and visitor experience improvements, MAT can help increase visitor numbers and spending, supporting accommodations, restaurants, attractions and other related employment.

Fairness and "user-pay" aspect

- Visitors contribute to the costs they create: MAT ensures that visitors help pay for the amenities and services they use, rather than shifting all costs onto residents.
- Targeted use of funds: Many municipalities place MAT revenues in special reserves or dedicate them to tourism initiatives, improving transparency about how visitor taxes are spent.

Consequences of Inaction

Norfolk County's tourism assets rival those of any destination in Ontario, and these assets do more than attract visitors – they generate significant economic activity for local businesses, workers, and communities. Without a MAT however, Norfolk risks falling behind other municipalities that have secured a stable, visitor-funded revenue stream to reinvest in tourism. Municipalities with MAT can sustain destination marketing, attract high-value events, and maintain or enhance tourism infrastructure without placing additional strain on existing property tax revenues.

By contrast, municipalities without MAT must either divert limited program tax dollars away from essential services or allow their tourism sector to gradually lose ground to better-funded competitors. In Norfolk's case, the absence of MAT would mean less visibility to potential visitors, weaker competitiveness in bidding for major events, and fewer resources to develop and maintain the natural and cultural assets that should define the County as Ontario's premier Lake Erie destination. Over time, this underinvestment can erode Norfolk's brand, reduce visitor spending, and limit the broader economic and community benefits that a strong tourism sector can deliver.

Purpose of This Report

This Feasibility Study assesses the viability and strategic implementation of a MAT specifically tailored to Norfolk County's unique rural and coastal tourism landscape. The primary objective of this report is to provide the Council with a comprehensive, evidence-based roadmap for establishing a MAT program. Grounded in comparative market research, legislative review, and financial

modelling, this assessment balances revenue generation objectives with the operational realities of the County's diverse accommodation sector. Crucially, it integrates stakeholder feedback to ensure the proposed framework promotes industry growth and destination competitiveness.

The following sections detail a complete implementation strategy, covering revenue projections, governance structures, collection technologies, and compliance mechanisms. By synthesizing provincial best practices with local market data, this document provides the strategic foundation required for informed decision-making regarding the adoption of a MAT, targeting a successful launch on July 1, 2027.

3 Legislative and Policy Review

3.1 Provincial Legislative Framework and Compliance Requirements

The authority for municipalities to implement a Municipal Accommodation Tax (MAT) is established through Ontario's provincial legislative framework, specifically the *Municipal Act*, 2001 and Ontario Regulation 435/17: Transient Accommodation Tax.

Municipal Act, 2001 Authority

Part XII.1 of the *Municipal Act*, 2001, as amended by the *Stronger, Healthier Ontario Act* (Budget Measures), 2017, grants municipalities the authority to impose transient accommodation taxes. This enabling legislation grants municipalities broad discretion to design and implement accommodation tax programs tailored to local circumstances, while setting out minimum requirements and mandatory provisions.

Key legislative provisions include the municipality's authority to pass by-laws imposing taxes on accommodation purchases, discretion to set tax rates, power to establish collection and remittance requirements, authority to designate collection agents, enforcement and compliance powers, and exemption provisions aligned with provincial standards.

Ontario Regulation 435/17: Transient Accommodation Tax

Ontario Regulation 435/17, which came into force on December 1, 2017, establishes the specific regulatory framework governing MAT implementation across Ontario municipalities. This regulation defines critical parameters and mandatory requirements.

- Scope of Taxable Accommodations: The regulation applies to purchases of accommodation provided for continuous periods of 30 days or less. Accommodation types include rooms or suites in hotels, motels, inns, resorts, bed and breakfasts, boarding houses, lodging houses, rooming houses, and short-term rental accommodation marketed through platforms such as Airbnb, VRBO, and similar services. The tax applies only to the accommodation purchase price itself, excluding ancillary services such as meeting room rentals, food and beverage services, parking, internet access, telephone charges, and room service when itemized separately on invoices.
- Mandatory Exemptions: The regulation prescribes specific accommodation types that must be exempt from MAT including:
    - Universities and colleges of applied arts and technology;
    - Crown agencies and government entities;
    - Boards of education:
    - Hospitals and long-term care facilities;
    - Treatment centres receiving provincial aid under the Ministry of Community and Social Services Act;
    - Houses of refuge or lodging for the reformation of offenders:
    - Charitable non-profit organizations operating as shelters for relief of the poor or emergency accommodation;
    - Employer-provided accommodation in employer-operated premises;
    - Tent and trailer sites supplied by campgrounds, tourist camps, or trailer parks; and
    - Condominium guest suites or rooms.

  **Note:* Boats and marina slips are not automatically considered short-term accommodation under MAT legislation; they are only included if a Municipality's MAT by-law specifically defines them as taxable transient accommodation. This is not commonly found in the current implemented MATs in Ontario.
- Revenue Allocation Requirements: After deducting reasonable costs of collecting and administering the tax, municipalities must pay at least 50% of net revenues to an eligible tourism entity. An eligible tourism entity is defined as a not-for-profit entity whose mandate includes promotion of

tourism in Ontario or in a municipality. The regulation provides municipalities with discretion to allocate more than 50% to eligible tourism entities if desired, though most municipalities adopt the 50/50 split as standard practice.

- Agreement Requirements: Municipalities must enter into formal agreements with a designated eligible tourism entity receiving MAT revenues. These agreements must outline reasonable financial accountability measures to ensure the proper use of funds, specify reporting and transparency requirements, define performance expectations and deliverables, clarify the roles and responsibilities of each party, and include provisions for dispute resolution, agreement term, and renewal.

  **Note:* The municipality may create its own 'eligible tourism entity' by establishing a not-for-profit municipal development corporation with a destination marketing mandate for the purposes of receiving MAT revenues to be used for tourism marketing. The associated Norfolk County Municipal Development Corporation (MDC) Assessment report is recommending the establishment of a Norfolk County Tourism Corporation (MDC-1) for this purpose.
- Collection and Remittance: The regulation allows municipalities to appoint individuals or organizations to collect the Municipal Accommodation Tax (MAT) on their behalf, enabling third-party collection models. Accommodation providers must collect MAT from guests at the time of purchase, keep records of all transactions and tax collections, remit the collected amounts to the municipality or its designated agent on the required schedule, and submit reports to confirm compliance.

By-law Requirements

Municipal MAT implementation requires the passage of an enabling by-law that establishes the legal framework for the program. Based on best practices from established programs across Ontario, Norfolk County's MAT by-law must include the following mandatory and recommended provisions:

- MAT rate (4% recommended)
- Scope of taxable accommodations and explicit exemptions
- Collection and remittance schedule (quarterly remittance recommended)
- Penalties for late payment (1.25% per month is standard across Ontario)
- Interest charges on overdue amounts

- Enforcement powers and compliance mechanisms
- Audit and inspection authority
- Designation of collection agent if applicable
- Provisions for adding arrears to the property tax roll
- Designation of an eligible tourism entity
- Revenue allocation formula
- Effective date and transition provisions.

A draft Norfolk County Municipal Accommodation Tax (MAT) By-Law template has been provided based on other municipal examples (see Appendix A).

** urbanMetrics is not positioned to provide or dispense legal advice. The County should engage legal counsel to conduct a more detailed legal review and draft a new bylaw that clearly sets out the legal framework and the mechanics for implementing the Municipal Accommodation Tax program. The information contained herein is for informational purposes only and should not be construed or interpreted as legal advice.*

3.2 Policy Recommendations for Legislative Compliance and Program Design

Short-Term Rental Accommodation Licensing By-law

Implementing an effective and equitable MAT program requires comprehensive identification and regulation of all accommodation providers, particularly the growing short-term rental (STR) segment.

According to AirDNA industry data, Norfolk County's unlicensed STR inventory ranges from a low of 122 units in February to a peak of 335 units in August, with these units listed on either the Airbnb or VRBO platforms. Although highly seasonal, these STR accommodations form a significant part of Norfolk County's overall accommodation inventory and would contribute to the financial viability of a Norfolk County MAT program, as further discussed in Section 6.

Ontario municipalities increasingly recognize that MAT implementation and short-term rental licensing are complementary policy tools that should be coordinated for maximum effectiveness.

A short-term rental licensing by-law for Norfolk County should establish the following framework elements.

- Definition and Scope: Define short-term rentals as temporary accommodation in all or part of a dwelling provide for 30 consecutive days or less in exchange for payment. Apply licensing requirements to all short-term rental operations regardless of platform or marketing method. Distinguish between whole-unit rentals and room rentals where appropriate. Address both principal residence and investment property rentals with appropriate differentiations if desired.
- Licensing Requirements: Mandate annual licences for all short-term rental operators. Establish licence fees at cost-recovery levels (comparable municipalities charge $100- $750 annually). Require licence numbers to be displayed in all advertisements and listings. Integrate licence issuance with MAT registration and collection requirements. Implement platform partnership agreements requiring licensed operators only.
- Application Documentation: Require proof of property ownership or authorization to operate, government-issued identification, floor plans showing accommodation areas, general liability insurance coverage (minimum $2 million is standard), criminal record and judicial matter checks for operators, fire safety plans and emergency exit diagrams, guest information packages, parking plans for rural and residential areas, and waste management plans.
- Operational Standards: Establish maximum occupancy limits based on property characteristics. Require noise by-law compliance. Mandate posting of emergency contact information and local regulations. Specify fire safety requirements (smoke detectors, carbon monoxide detectors, fire extinguishers). Address parking requirements in residential areas. Establish compliant response protocols.
- Enforcement and Penalties: Authorize property inspections for license issuance and renewal. Enable complaint-based inspections during operation. Establish tiered penalties for unlicensed operation. Provide license suspension and revocation powers for violations. Coordinate with MAT enforcement for comprehensive compliance.

A draft Norfolk County Short-Term Rental (STR) By-Law Template has been provided in Appendix B.

**urbanMetrics is not positioned to provide or dispense legal advice. The County should engage legal counsel to conduct a more detailed legal review and draft a new bylaw that clearly sets out the legal framework and the mechanics for implementing the Short-Term Rental Accommodation Licensing By-Law. The information contained herein is for informational purposes only and should not be construed or interpreted as legal advice.*

Integration with MAT Collection

The short-term rental licensing framework should explicitly integrate with MAT requirements through the following mechanisms. Licence applications must include confirmation of MAT registration. Licence renewals require demonstration of MAT compliance, including up-to-date remittances. License suspensions apply automatically for significant MAT arrears. Unlicensed operation penalties include licensing fines, MAT arrears, and additional penalties.

Provincial Compliance Checklist

To ensure full compliance with provincial legislative requirements, Norfolk County should verify the following implementation elements:

- ✓ MAT enabling by-law passed by Council
- ✓ MAT Tax rate established (4% recommended)
- ✓ Eligible Tourism Entity designated
- ✓ Formal agreement with Tourism Entity executed
- ✓ Revenue allocation formula established (minimum 50% to tourism entity)
- ✓ Collection and remittance schedules defined
- ✓ Penalty and interest provisions established
- ✓ Mandatory exemptions included
- ✓ Enforcement and audit powers defined
- ✓ Collection agent designated if applicable
- ✓ Administrative cost recovery provisions established

- ✓ Report and accountability framework created
- ✓ Program effective date specified

Policy Alignment with Tourism Strategy

MAT implementation should be positioned as a key strategic tool supporting Norfolk County's broader tourism development objectives. The Town of Blue Mountains provides an exemplary model through its integration of MAT with a comprehensive 2025-2030 Destination Strategy approved by Council in June 2025. This strategic approach ensures MAT revenues are deployed systematically to advance defined tourism priorities, including destination marketing and brand development, visitor experience enhancement, tourism product development, infrastructure improvements addressing visitor needs, and sustainable tourism management practices.

Norfolk County should consider developing or updating its strategic framework concurrently with the implementation of the Municipal Accommodation Tax. This process would help establish clear priorities for how MAT revenue is invested, define roles and responsibilities across municipal departments and tourism partners, and create transparent performance expectations and accountability measures. Aligning MAT deployment with broader economic development objectives would also ensure that tourism initiatives contribute meaningfully to the County's long-term growth and community goals.

4 Market Research and Benchmarking

4.1 Comparative Analysis of MAT Programs in Similar Municipalities

Norfolk County's consideration of a Municipal Accommodation Tax (MAT) occurs within a mature policy environment across Ontario. As of November 2025, more than 80 municipalities have implemented MAT programs, providing substantial evidence of best practices, implementation challenges, and success factors.

Comparable Municipality Analysis

For benchmarking purposes, this analysis examines municipalities with similar characteristics to Norfolk County including rural-tourism orientation, seasonal visitation patterns, diverse accommodation sectors, and populations.

Prince Edward County (Population 25,000) - *Model for Waterfront, Wine Tourism and Heritage Destination*

- MAT Implementation: February 2021 at 4% rate
- Revenue Performance: Generated approximately $1.8 million gross MAT revenue in first full year (2021), growing to $2.1+ million by 2023
- Key Success Factor: Strong community support driven by visible reinvestment in destination marketing and infrastructure
- Revenue Allocation: 50/50 split between County and Prince Edward County Tourism; County funds have supported wayfinding signage, trail development, parking facilities, and visitor services
- Accommodation Mix: Approximately 1,500-1,800 licensed accommodation units including hotels, bed & breakfasts, and short-term rentals
- Lessons for Norfolk: Strong track record of revenue growth reflecting increased visitation from effective destination marketing; importance of

early, sustained stakeholder engagement; tourism-specific reinvestment creates powerful constituencies for program support

- Why was MAT adopted in this Community: To create a dedicated revenue stream from visitors to fund tourism-related services, infrastructure, and marketing without raising property taxes on residents

South Bruce Peninsula (Population 8,400) – Wasaga *Beach and Cottage Tourism*

- MAT Implementation: January 2022 at 4% rate
- Market Characteristics: Seasonal beach tourism like Port Dover and Norfolk County waterfront areas
- Revenue Success: Successfully collects MAT from both licensed establishments and short-term rental operators
- Lessons for Norfolk: Demonstrates viability of MAT in rural beach destinations with similar accommodation patterns to Norfolk; importance of short-term rental licensing coordination for comprehensive compliance
- Why was MAT adopted in this Community: Municipal materials emphasize that tourism is a key economic driver, and MAT revenue allows the Town to invest more in tourism promotion and development while easing pressure on the municipal tax base.

Town of Lincoln (Population 24,000) - *Wine Region and Rural Tourism*

- MAT Implementation: 2024 at 4% rate
- Collection Model: Partners with Ontario Restaurant Hotel & Motel Association (ORHMA) for collection and administration
- Provider Experience: Accommodation operators report user-friendly online reporting tools and efficient collection processes
- Lessons for Norfolk: Validation that ORHMA partnership model works effectively for rural Ontario municipalities; positive accommodation provider experience supports compliance and cooperation
- Why was MAT adopted in this Community: To create a tourism-funded revenue stream that supports destination marketing, tourism development, and related municipal investments, providing stable funding for its tourism strategy and destination marketing organization instead of relying on general municipal revenues.

Town of Blue Mountains (Population 10,500) - *Four-Season Resort Destination Model*

- MAT Implementation: January 2025 at 4% rate
- Distinctive Characteristics: Ski destination with year-round tourism; previously strong seasonal concentration in winter months
- Governance Innovation: Established transparent evaluation criteria for MAT-funded investments approved by Council, emphasizing sustainable tourism development, community enhancement, local economic growth, and visitor experience improvement
- Strategic Integration: MAT implementation coordinated with approved 2025-2030 Destination Strategy, ensuring systematic deployment of MAT revenues for defined tourism priorities
- Lessons for Norfolk: Importance of clear investment evaluation criteria; coordination of MAT with broader tourism strategic planning; demonstration that multiple seasons and tourism drivers can be supported through MAT-funded initiatives
- Why was MAT adopted in this Community: Tourism is a major economic driver in the Town, and MAT revenue is intended to support the local tourism industry through investments in tourism-related infrastructure, marketing, events, and product development.

Standard Rate Structure

The industry-standard MAT rate across Ontario municipalities is 4% of the accommodation purchase price for stays of 30 consecutive days or less.

Figure 4-1: Room Rate Sensitivity with Standard 4% MAT Rate Applied

Room Rate	MAT Rate	Total Cost
$100/ night	4%	$104.00
$150/ night	4%	$156.00
$200/ night	4%	$208.00
$250/ night	4%	$260.00

The 4% rate has emerged as optimal for several reasons. First, it generates meaningful revenue without creating price sensitivity concerns among visitors.

Second, it aligns with rates in competing destinations such as Prince Eddward County, Lambton Shores, etc., maintaining competitive neutrality. Third, it mirrors successful programs in major tourism markets including Prince Edward County, Niagara-on-the-Lake and Ottawa.

Notable exceptions including Toronto at 8.5% (temporarily increased from 6% until July 2026 in parallel with the anticipated influx of visitors connected with the FIFA World Cup) and London at 5%, both reflecting major urban centres with different market dynamics and accommodation supply characteristics. Alternatively, St. Catharines implemented a phased approach beginning at 2% in 2023, increasing to 3% in 2024, and reaching the standard 4% in 2025. This demonstrates an alternative implementation model that allows gradual market adjustment.

Revenue Sharing Models

Ontario Regulation 435/17 mandates that municipalities allocate at least 50% of net MAT revenues (after reasonable collection and administrative costs) to an eligible tourism entity for destination marketing purposes.

Most comparable municipalities have adopted a 50/50 MAT revenue split between the municipality and designated eligible tourism entity. This represents a best practice for balancing tourism infrastructure investment with marketing effectiveness. However, municipalities may decide to direct more than 50% up to 100% of net MAT revenues directly to the eligible tourism entity.

Prince Edward County provides an instructive model with its established 50/50 revenue allocation between the County and its tourism partner. The County portion funds tourism related community programs and infrastructure including wayfinding signage, trail development, parking facilities, and visitor services. While the tourism entity portion supports destination marketing campaigns, digital presence, content creation, and partnership development.

The Town of Blue Mountains recently approved evaluation criteria for MAT-funded investments ensuring transparent and strategic utilization of revenues. Their approach emphasizes sustainable tourism development, community enhancement, and local economic growth through defined assessment processes.

Collection and Administration Models

Three primary MAT collection models have emerged across Ontario municipalities, each with distinct advantages and implementation considerations.

Model 1: Third Party-Collection Agent

Municipalities including Hamilton, Lincoln, South Bruce Peninsula, Port Colborne and Lambton Shores have designated the Ontario Restaurant Hotel & Motel Association (ORHMA) as their collection agent. ORHMA provides accommodation providers with an online MAT Reporting Tool that calculates tax owning, processes payments, and remits collected funds to municipalities on a scheduled basis.

This model offers professional administration with an established collection process and system, reduces municipal staff resourcing, provides sector expertise, and ensures consistent reporting protocols. Implementation costs typically range from 1-3% of gross revenues through fee-for-service agreements and is funded directly through MAT revenues creating no additional burden on taxpayers.

Model 2: Municipal Direct Collection

Some municipalities administer MAT collection directly through their Finance Departments. This approach provides direct municipal oversight, eliminates third-party fees, and integrates with existing tax collection systems. However, it requires dedicated staff resources, software development or procurement, accommodation provider liaison, enforcement capacity, and ongoing compliance monitoring. Toronto and other large urban centres typically utilize this model given their existing administrative infrastructure and accommodation sector scale.

Model 3: Tourism Entity as Collection Agent

In the Region of Waterloo and City of Kingston, the designated tourism entity serves as the collection agent, creating direct connection between revenue generation and marketing investment. This model fosters industry engagement and reduces municipal administrative burden, though it requires the tourism entity to develop collection infrastructure and compliance expertise.

Recommended Approach

For Norfolk County, the third-party collection model through ORHMA represents the most efficient and cost-effective approach. This approach leverages an established system, accommodation sector relationships, and professional administration while minimizing municipal implementation costs and ongoing staff

requirements. An annual or multi-year contract can be established and the County can review its collection and administration methods and decide whether to continue with that model or adopt another model.

4.2 Best Practices and Potential Challenges in MAT Implementation

Best Practices from Successful Programs

Analysis of established MAT programs across Ontario reveals consistent best practices that enhance program effectiveness, stakeholder support, and revenue optimization.

- Early and Comprehensive Stakeholder Engagement: Municipalities with successful programs conducted extensive pre-implementation consultation with accommodation providers, tourism associations, chambers of commerce, and industry stakeholders. Lake of Bays Township established a MAT Task Force comprising Council members, township staff, tourism organizations, and accommodation business representatives to shape program design. This collaborative approach builds industry buy-in, identifies implementation concerns, addresses operational questions, and creates shared ownership of program success.
- Clear and Transparent Governance Structures: Leading municipalities often establish 'eligible tourism entities', such as a Municipal Development Corporation, to oversee tourism development and ensure transparent management of Municipal Accommodation Tax (MAT) revenues. An MDC provides structured industry input into revenue allocation decisions while maintaining clear accountability and alignment with municipal objectives.

  The City of Brantford, for example, created a Municipal Services Corporation governed by a Board that sets strategic direction and investment priorities, supported by dedicated municipal staff responsible for policy coordination, reporting, and operational alignment. This model integrates municipal oversight with industry expertise, fosters ongoing stakeholder engagement, and ensures that MAT-funded initiatives are transparent, accountable, and aligned with broader economic development objectives.

- User-Friendly Technology Systems: Successful programs provide accommodation providers with intuitive online reporting tools that simplify compliance. The ORHMA MAT Reporting Tool exemplifies this approach by calculating tax owing automatically, providing clear submission deadlines, offering payment processing integration, generating compliance reports, and supporting both hotel and short-term rental operators.
- Comprehensive Education and Support: Municipalities that invest in provider education achieve higher compliance rates and smoother implementation. Effective education programs include information sessions for accommodation providers, detailed FAQ documentation, dedicated support contacts, step-by-step registration guidance, and ongoing communication about program updates.
- Integration with Short-Term Rental Regulation: Municipalities increasingly coordinate MAT implementation with short-term rental licensing requirements. Guelph's Business Licensing By-law required all short-term rental providers to obtain annual licenses effective December 1, 2023, creating a compliance framework that supports MAT collection while addressing community concerns about short-term rental impacts. This integrated approach ensures comprehensive accommodation sector coverage, facilitates enforcement, provides provider registry development, and supports neighbourhood compatibility.
- Phased Communication Strategy: Successful municipalities develop multi-stage communication plans that announce program intentions, explain rationale and benefits, outline implementation timelines, provide registration instructions, and celebrate program achievements. This sustained engagement maintains stakeholder support and public awareness.

Common Implementation Challenges and Mitigation Strategies

While MAT programs have proven successful across Ontario, implementation experiences reveal consistent challenges requiring proactive mitigation.

Figure 4-2: Common MAT Implementation Challenges and Mitigation Approaches

Challenge	Mitigation Strategy
Short-term rental compliance and identification	Implement comprehensive STR licensing requiring registration and MAT collection as license condition; partner with platforms like Airbnb and VRBO; conduct regular compliance audits; utilize digital monitoring tools
Administrative capacity and costs	Engage third-party collection agent (ORHMA); develop clear fee structure; automate reporting systems; establish streamlined processes
Provider concerns about competitive disadvantage	Implement consistent 4% rate matching regional competitors; communicate visitor-pays principle; demonstrate reinvestment benefits; highlight sector-wide participation
Revenue allocation disputes between municipality and **"eligible tourism entity"**	Establish County's Tourism MDC with accountable Board of Directors to County Council; develop transparent evaluation criteria; create formal agreement with 'eligible tourism entity; define clear eligible expenditure categories
Enforcement and arrears management	Include penalty and interest provisions in by-law; establish audit powers; enable property tax roll addition for arrears; partner with by-law enforcement to ensure compliance (should not require additional by-law staff resources or weekend monitoring)
Technology integration with booking platforms	Work with ORHMA and platforms on automated collection; require platform reporting; provide technical support to providers

Industry Concerns and Response Frameworks

Accommodation providers typically raise several consistent concerns during MAT consultation processes. Research from comparable municipalities identifies these concerns and effective response strategies.

Concern 1: Additional Administrative Burden
Providers worry about reporting requirements, payment processes, and compliance obligations adding to operational workload.

Response: Automated online reporting tools minimize administrative time to 10-15 minutes monthly or quarterly; step-by-step guidance simplifies processes; dedicated support resources address questions; integration with existing booking systems reduces data entry.

Concern 2: Competitive Disadvantage
Operators express concern about rate increases affecting booking decisions relative to non-MAT jurisdictions.

Response: Visitor surveys demonstrate minimal price sensitivity for 4% increases on accommodation costs; regional consistency creates level playing field; demonstrated reinvestment in destination marketing and infrastructure benefits all operators through increased visitation.

Concern 3: Lack of Input on Revenue Utilization
Accommodation providers want voice in how collected revenues are invested.
Response: Ensure designated 'eligible tourism entity' has accommodation provider representation; transparent reporting on revenue allocation; defined criteria for eligible tourism investments; annual accountability reports demonstrating impacts.

Concern 4: Enforcement Fairness
Licensed operators want assurance that unlicensed competitors will face compliance requirements.

Response: Comprehensive short-term rental licensing with MAT collection as requirement; proactive monitoring and enforcement; platform partnerships; penalties for non-compliance.

Competitive Context and Regional Considerations

Norfolk County's MAT implementation consideration occurs within a broader regional tourism landscape. Neighbouring City of Brantford has implemented a 4% MAT program which is helping support the development of a new Sports and Entertainment Centre. While other neighbouring municipalities such as Haldimand County and Brant County have yet to implement MAT programs. While more distant destinations including Niagara Region municipalities, Prince Edward County, and Toronto have established programs. This creates a transitional competitive environment.

However, evidence from comparable municipalities demonstrates that well-implemented MAT programs at standard 4% rates do not negatively impact visitation or accommodation booking patterns. The visitor-pays principle means residents are not taxed, and tourists generally accept modest accommodation taxes as standard practice. Furthermore, visible reinvestment of MAT revenues in destination improvements, marketing, events, and infrastructure can enhance destination competitiveness and visitor satisfaction, creating positive return on investment for accommodation providers.

5 Stakeholder Engagement

5.1 Stakeholder Engagement Process and Participation

To ensure a comprehensive and credible assessment of implementing a Municipal Accommodation Tax (MAT) in Norfolk County, urbanMetrics inc. undertook a multi-layered engagement process designed to capture diverse perspectives and gather both qualitative depth and quantitative breadth. The consultation strategy was deliberately structured to include decision-makers at the Council and administrative levels, technical expertise from County staff, insights from tourism operators and industry representatives, and feedback from the broader resident community.

Engagement Methodology

The consultation process conducted from July to September 2025 consisted of three primary components:

1. Targeted Stakeholder Interviews

A series of structured, one-on-one interviews was conducted with key leadership across multiple sectors:

- Norfolk County Council
- Norfolk County's Senior Leadership Team (SLT)
- Regional Organizations: Regional Tourism Organization (Ontario's Southwest), Chambers of Commerce and Boards of Trade, the County's Agriculture Advisory and Economic Development Advisory Committee, and the Mississaugas of the Credit First Nations
- Tourism Industry: Accommodation providers (hotels, bed and breakfasts), short-term rental platform representatives (Airbnb), and established tourism business operators

2. Interactive Workshop Session

On September 10, 2025, Norfolk County hosted a dedicated Municipal Accommodation Tax Workshop facilitated by urbanMetrics. This interactive session brought together 10 participants representing accommodation providers, short-term rental operators, tourism business owners, and tourism support organizations. The workshop employed real-time polling technology to gauge sentiment on specific policy questions, revenue allocation models, and governance structures. This format allowed participants to see collective opinions forming and encouraged nuanced discussion around areas of consensus and divergence.

3. Public and Business Community Survey

An online survey was deployed to reach the broadest possible audience. The survey generated 330 total responses, the strong majority of respondents (89.7%) identified as residents while the remaining were made up of County businesses including accommodation provider and other stakeholders. The survey employed a mix of Likert-scale questions (measuring attitudes and perceptions) and open-ended text responses (capturing detailed comments and concerns).

The engagement process successfully reached a representative cross-section of Norfolk County stakeholders.

5.2 Summary of Stakeholder Feedback and Key Themes

The feedback gathered across all engagement methods revealed a nuanced but constructive landscape of opinions regarding the Municipal Accommodation Tax. While stakeholders demonstrated broad recognition of the tax as a standard and defensible municipal revenue tool, support was consistently conditioned upon specific governance structures, revenue allocation priorities, and implementation safeguards. Insights from the three stakeholder engagement methods identified five major themes:

Theme 1: Tourism as a Vital Economic Driver – Near- Universal Consensus

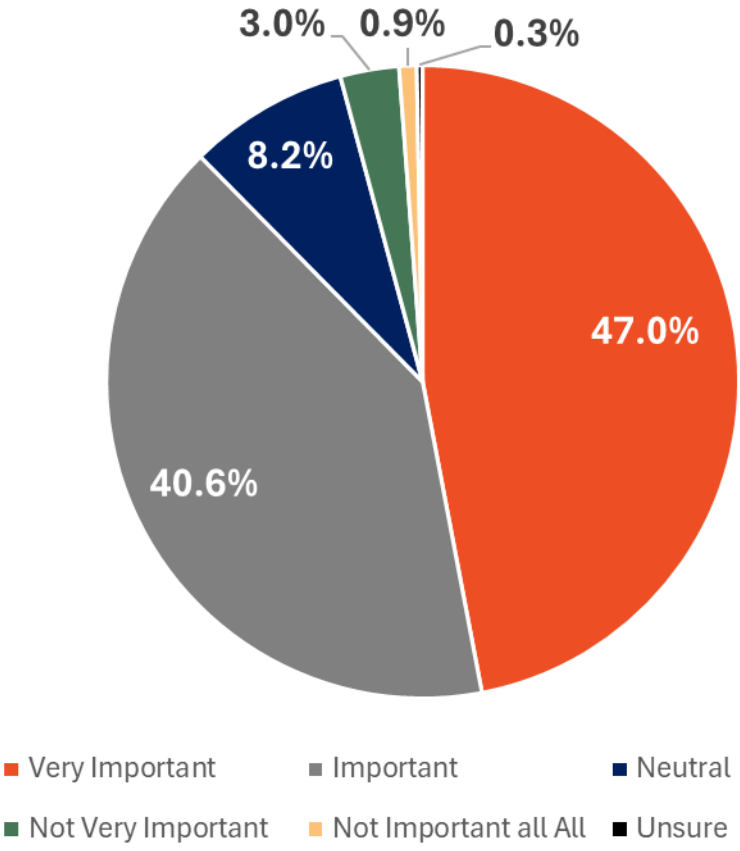
Despite concerns about the mechanics and implementation of the MAT, there was striking consensus on the foundational importance of the tourism sector to Norfolk County's economic future.

Overwhelming Support for Tourism as an Economic Priority

Survey data reveals this consensus starkly:

- 88% of respondents rated tourism as either "Important" (134 respondents) or "Very Important" (155 respondents) to Norfolk County's economic future
- Only 6% of respondents rated tourism as "Neutral" or less important
- A negligible fraction expressed skepticism about tourism's role

Figure 5-1: How Important is Tourism to Norfolk County's Economic Future?



This broad agreement contrasts with the more varied views on specific policy approaches. It indicates that while stakeholders may differ on the details of MAT implementation, there is general support for the overall goal of enhancing the tourism sector.

Tourism as a Diversification Engine

1-on-1 interview feedback consistently framed tourism as complementary to—rather than in competition with—the agricultural base of Norfolk County. Stakeholders recognized that agriculture is, and should remain, the dominant sector. However, they also saw in tourism an opportunity to:

- Retain young people within the county who might otherwise migrate to larger centers
- Create employment across the service sector and experiential economy
- Leverage unique natural and cultural assets (farms, agri-tourism, culinary tourism, lakefront attractions)
- Build resilience by reducing economic dependence on a single sector

The agriculture advisory committee, in particular, articulated a vision of agri-tourism and farm-to-table experiences as emerging opportunities that could generate revenue both for agricultural producers and for the broader economy.

Missed Opportunities and Future Potential

Stakeholders identified several specific tourism opportunities that Norfolk County is not yet fully capitalizing on:

- Culinary and food tourism: Taking advantage of local producers and farm-to-table dining experiences
- Outdoor adventure and eco-tourism: Leveraging waterways, trails, and natural amenities for guided experiences and outdoor recreation
- Year-round destination development: Moving beyond seasonal summer tourism to attract visitors during shoulder seasons and winter months
- Waterfront development: Particularly in Port Dover, where there is potential for significant enhancement and diversification of visitor experiences
- Event tourism: Hosting larger conferences, sports tournaments, and cultural events that draw multi-day visitor stays

Theme 2: Current Marketing Performance – Acceptable but Insufficient for Growth Ambitions

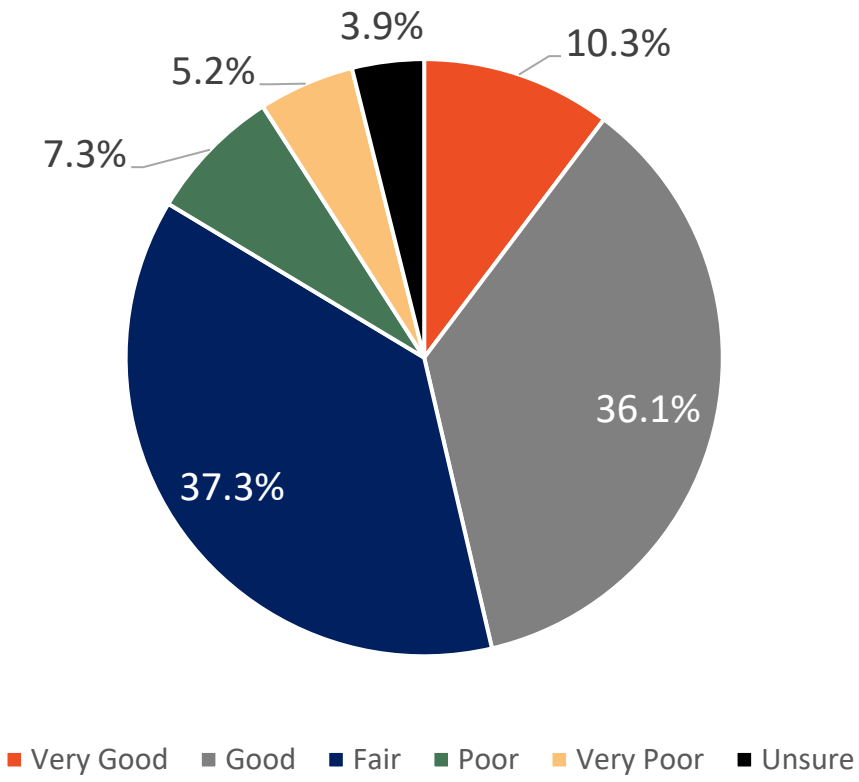
While the importance of tourism was virtually undisputed, stakeholder assessment of the County's current marketing effectiveness was considerably more critical. This gap between tourism's perceived importance and the adequacy of current promotional efforts suggests both a challenge and an opportunity.

Current Marketing Receives Mixed Ratings

When asked to rate how well Norfolk County currently markets itself as a tourism destination, respondents provided the following distribution:

- "Fair " was the most common rating (123 responses, 37%)
- "Good" was nearly as common (119 responses, 36%)
- Only 34 responses (10%) rated the marketing as "Very Good"
- 41 responses (12%) rated the marketing as "Poor" or "Very Poor"
- 13 responses (4%) were unsure

Figure 5-2: How Would You Rate the Way Norfolk County Currently Markets Itself as a Tourism Destination?



This distribution—with a concentration in the "Fair to Good" range—indicates that stakeholders view the current marketing efforts as competent but uninspiring. Stakeholders acknowledged that the Economic Development team, despite being lean in resources (four staff members), is making considerable effort. However, many felt that the Norfolk County destination is being "undersold" relative to its potential.

Specific Marketing Critiques and Suggestions

Interview feedback offered several specific critiques of the current marketing approach:

1. Geographic Targeting: Stakeholders felt that marketing efforts were not sufficiently targeted to major urban centers (Toronto, London, Hamilton) from which day-trippers and overnight visitors could realistically travel. Current efforts were described as "regional" rather than "strategically positioned."

2. Brand Identity: There was a sense that Norfolk County lacks a clear, compelling brand identity in the marketplace. Comparisons were drawn to Prince Edward County, which has successfully established itself as a distinctive destination with a coherent brand narrative. Stakeholders suggested Norfolk needs a similar strategic positioning.
3. Digital and Social Media Presence: While acknowledging recent improvements (including new highway signage and a destination app), stakeholders suggested that social media presence and online visibility could be substantially strengthened through targeted campaigns and influencer partnerships.
4. Asset Capitalization: Interviewees noted that Norfolk has unique assets—including the Friday the 13th festival in Port Dover, the beaches, agricultural heritage, and culinary offerings—but that these are not woven into a cohesive destination narrative that reaches external audiences.
5. Collaboration with Private Sector: There was a suggestion that current marketing would be enhanced by closer partnership with private tourism operators, who often have more agile, innovative approaches to reaching target audiences than municipal marketing departments.

The Business Case for MAT-Funded Marketing Enhancement

The gap between current marketing performance and stakeholder aspirations provides a clear business case for MAT revenue allocation to destination marketing. If a MAT generates sufficient revenue and a significant portion is dedicated to professional destination marketing, this could enable:

- ✓ Larger, more targeted campaigns in major urban markets
- ✓ Development of a cohesive, compelling brand narrative
- ✓ Investment in digital marketing and social media
- ✓ Partnerships with tourism media and influencers
- ✓ Event marketing and special project promotion

However, this opportunity is contingent on the governance and transparency issues raised in Theme 5. Stakeholders made clear that they will support enhanced marketing if they can see that MAT revenues are being spent intentionally on these functions and producing measurable results.

Theme 3 – Competitiveness and Economic Sensitivity – A Measured but Cautious Approach

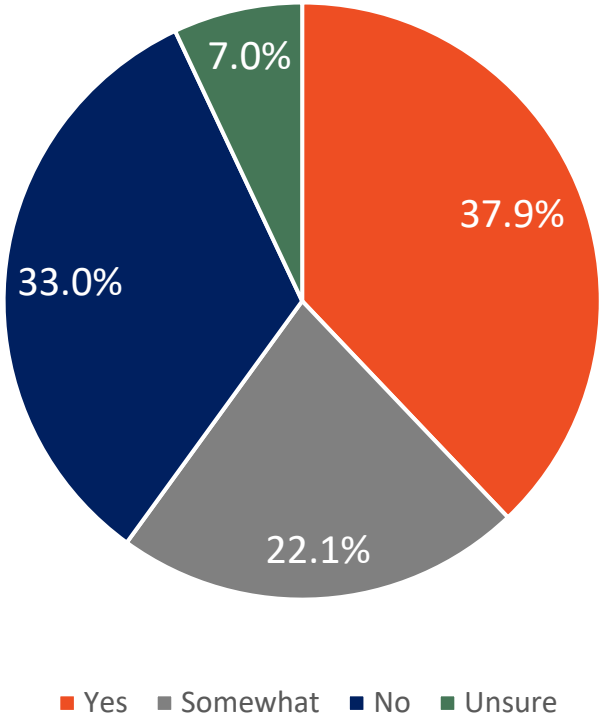
Opinions on the potential economic impact of the MAT were decidedly mixed, reflecting the complexity of introducing a new tax in a sensitive business environment. However, the overall tenor was one of cautious optimism rather than outright opposition.

Divided Sentiment on Economic Impact

When asked whether introducing a MAT would negatively impact Norfolk County's image as a destination or place to do business, responses were split:

- 38% of respondents (125 respondents) believed it would have a negative impact
- 33% of respondents (109 respondents) believed it would not have a negative impact
- 22% of respondents (73 respondents) felt it would have only a "somewhat" negative impact
- 7% of respondents (23 respondents) were unsure

Figure 5-3: Do you think introducing a Municipal Accommodation Tax would **negatively impact Norfolk County's image as a destination or place to do** business?



This distribution indicates that while a plurality of stakeholders concerns about the tax's impact, a substantial counterweight of opinion holds that the tax is implementable and defensible. The close split between "Yes" and "No" responses suggests that implementation factors—such as communication strategy, transparency in fund management, and visible reinvestment—will likely determine whether concerns materialize or are overcome.

Accommodation Provider Concerns About Price Sensitivity

Accommodation providers expressed the most acute concerns, centered on two issues:

1. Competitive disadvantage relative to non-taxed alternatives: Providers worried that guests might choose to stay outside Norfolk County jurisdictions that do not have a MAT or might substitute overnight stays with day trips to avoid the fee.

2. Fairness and compliance across platforms: A consistent concern was the equity of tax collection. Providers emphasized that if traditional hotels are collecting and remitting the MAT while short-term rental platforms (Airbnb, VRBO) are not enforcing it equally, the burden falls unfairly on formalized businesses. This concern was validated by platform representatives who indicated that collection mechanisms are evolving and require proactive enforcement by the municipality.

External Agency Perspective: Normalcy of the Tax

Regional tourism organizations and economic development agencies took a different view, positioning the MAT as a normalized, expected component of the modern tourism landscape. They noted that most competing Ontario jurisdictions have implemented a MAT without experiencing negative tourism impacts, and that serious travellers—particularly business and leisure travellers from outside the immediate region—do not base destination decisions on a 4% accommodation tax.

Theme 4: Revenue Allocation – Prioritizing Destination Product Over Marketing

A defining feature of the stakeholder feedback was the clear prioritization for how MAT revenues should be reinvested into the community. Contrary to traditional models that emphasize destination marketing and promotion, Norfolk stakeholders expressed a strong and consistent preference for tangible, community-benefiting infrastructure improvements.

Infrastructure as the Foundation for Tourism

When survey respondents were asked to identify their top three priorities for MAT revenue use, the results were striking:

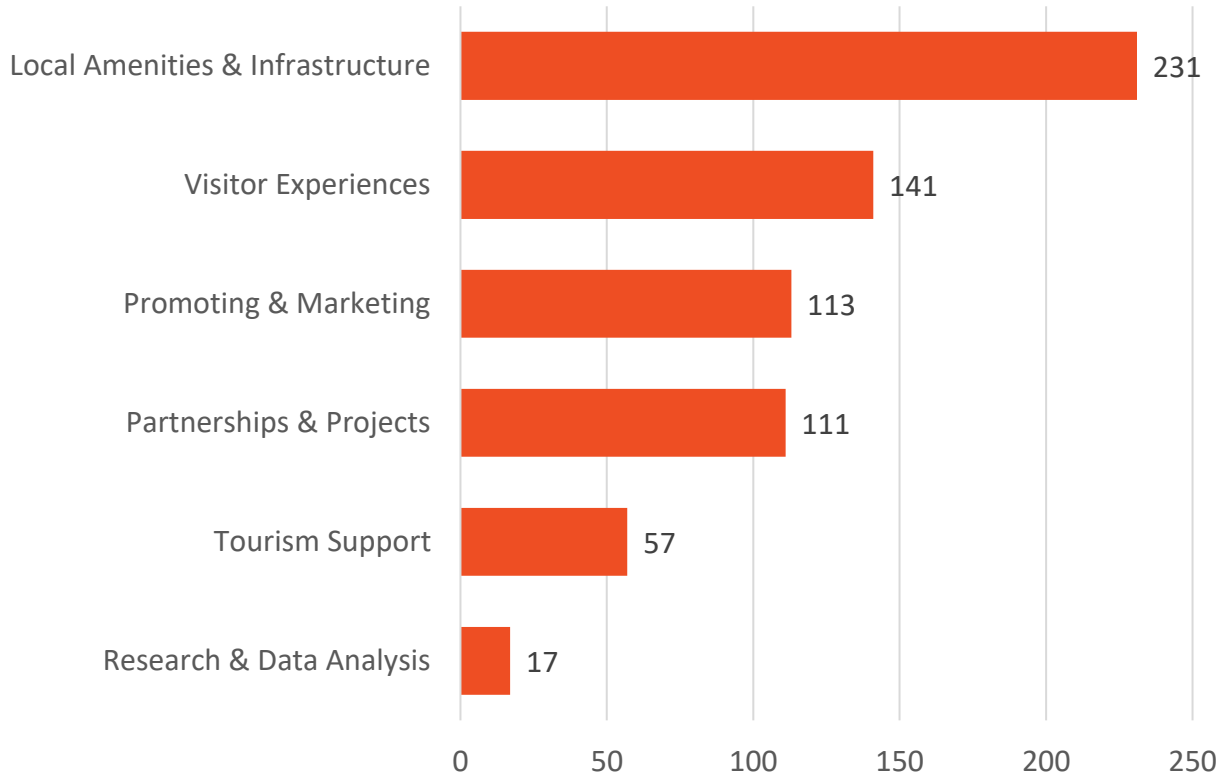
"Improving local amenities and infrastructure that benefit visitors and residents" emerged as the dominant priority with 231 votes, significantly outpacing all other options. This category included investments in signage, trails, parks, arenas, public washrooms, and waterfront enhancements.

By comparison:

- Enhancing visitor experiences (festivals, events, cultural activities, tours) received 141 votes
- Promoting and marketing the community received 113 votes

- Leveraging partnerships and special projects (sports tournaments, conferences) received 111 votes
- Supporting tourism business and workforce development received 57 votes
- Conducting tourism research received only 17 votes

Figure 5-4: What Should MAT Revenue Be Used For?



This distribution reveals a strategic insight: stakeholders understand that effective marketing without an underlying destination product is counterproductive. The prevailing sentiment—articulated across interviews and reinforced by survey data—is that Norfolk County must first invest in "brick and mortar" improvements that give visitors tangible reasons to stay longer and spend more. One Council member described this as the need to move beyond being a "day-trip destination" to becoming a true overnight stay destination, requiring investments in accommodations, attractions, dining experiences, and public amenities.

Waterfront and Infrastructure as Economic Anchors

Multiple stakeholders emphasized the lakefront and waterfront areas as underutilized assets that, with targeted investment, could become major attractions. Interview feedback noted that Port Dover and the surrounding waterfront have tremendous potential but currently lack the complete ecosystem of amenities that support sustained visitor experiences. Investments in waterfront trails, public spaces, parking, and wayfinding signage were repeatedly mentioned as necessary preconditions for tourism growth.

Theme 5: Governance, Transparency, and the Role of a Dedicated Tourism Entity

A critical—and possibly the most significant—condition for stakeholder support was the governance structure surrounding MAT revenue management. Across interviews and workshop discussions, there was substantial skepticism regarding the funds being absorbed into general municipal revenues or being dispersed across multiple departments without dedicated oversight.

Both accommodation providers and Council members expressed a strong preference for establishing either a dedicated Destination Marketing Organization or a Municipal Development Corporation (MDC) with a tourism mandate to manage MAT revenues. The rationale centered on several concerns:

1. Transparency and Accountability: Stakeholders wanted visible, dedicated funding for tourism initiatives. They feared that MAT revenues, if absorbed into general funds, would be allocated to non-tourism priorities (such as roads or water infrastructure) rather than being reinvested in the tourism sector.
2. Professional Management: There was a belief that a dedicated entity with expertise in tourism development, destination marketing, and event management would deploy MAT revenues more effectively than general municipal administration.
3. Stability and Predictability: A dedicated entity would provide multi-year funding predictability for tourism initiatives, enabling longer-term planning and strategic positioning.

Equitable Enforcement Across All Accommodation Types

A closely related concern was the need for the MAT to be applied consistently across all accommodation types. Stakeholders emphasized that traditional

accommodation providers (hotels, motels, bed and breakfasts) must not bear a disproportionate compliance and remittance burden, while short-term rental platforms operate under different rules. The involvement of representatives from major platforms (e.g., Airbnb) in the engagement process was valued, as these actors confirmed their willingness to assist with compliance infrastructure but required clear municipal direction on expectations and timelines.

Synthesis and Recommendations Emerging from Stakeholder Feedback

The stakeholder engagement process revealed a community that is fundamentally supportive of the Municipal Accommodation Tax as a policy tool, provided that:

1. Revenues are visibly reinvested into tangible destination improvements (infrastructure, amenities) and professional destination marketing, not absorbed into general municipal budgets.
2. Governance is transparent and dedicated, with either a specialized Destination Marketing Organization or an MDC managing tourism-specific revenues.
3. Implementation is equitable, with tax collection enforced consistently across all accommodation types (traditional accommodation providers and short-term rentals alike).
4. Communication is proactive, with the County educating the public and business community about the tax's purpose, the governance structures protecting the revenue, and the expected return on investment in the form of enhanced destination visibility and increased overnight stays.
5. Success is measured and reported, with regular public reporting on MAT revenue collected, how funds were spent, and outcomes achieved in terms of increased visitor nights, visitor spending, and tourism economic impact.

The near-universal recognition of tourism's importance and the clear preferences for revenue allocation suggest that a well-designed and well-communicated MAT initiative could enjoy broad stakeholder support and contribute significantly to Norfolk County's economic diversification and resilience. Insights and preferences from stakeholder engagement have been incorporated into the recommendations in developing Norfolk County's MAT program.

6 Financial Impact Assessment

6.1 Revenue Generation Projections

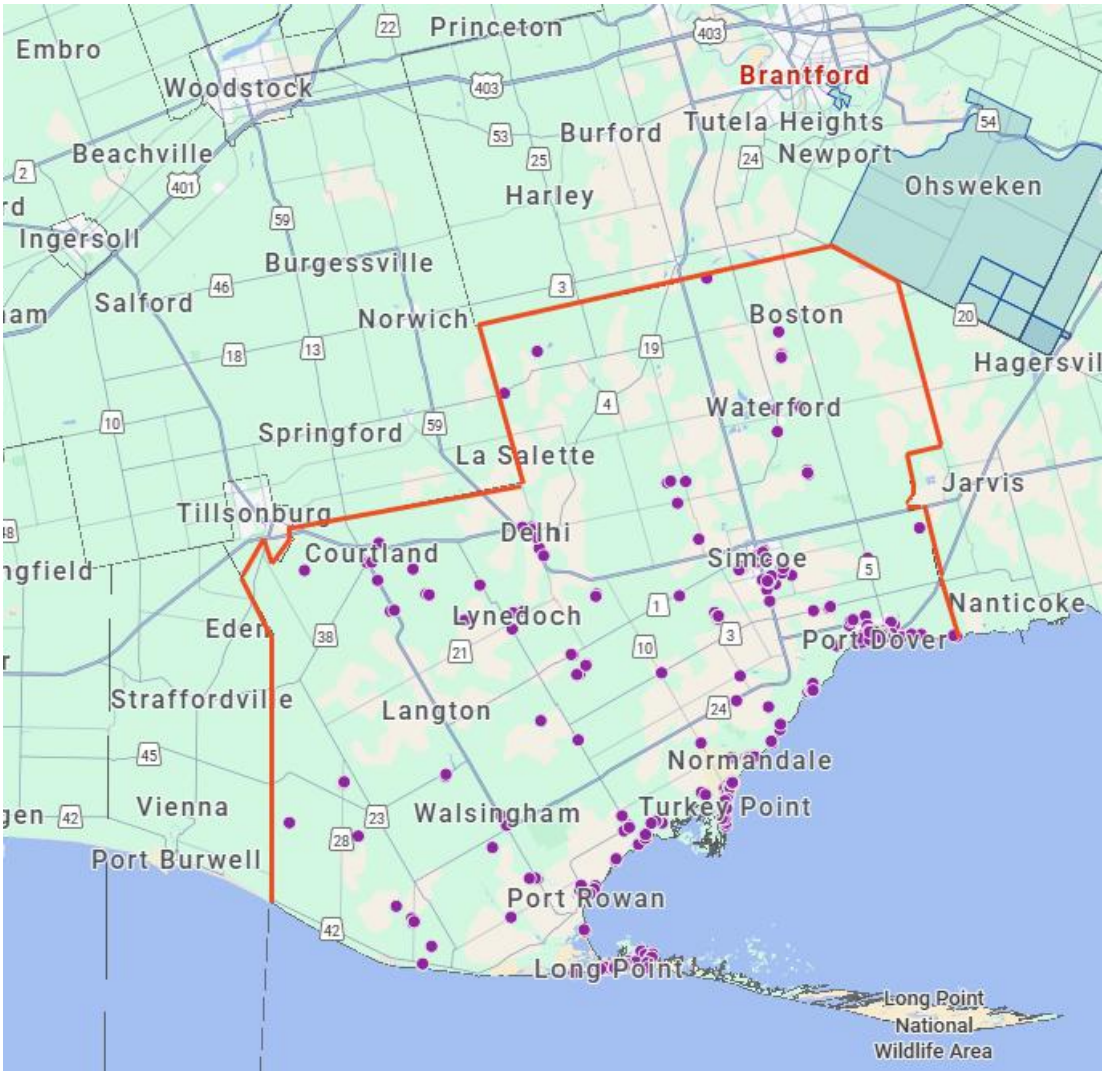
Estimating potential MAT revenue requires analysis of Norfolk County's accommodation inventory, occupancy patterns, average daily rates, and seasonal visitation dynamics. Based on available data regarding accommodation supply, comparative municipality performance, and sector trends, the following revenue projections provide planning parameters for Norfolk County.

Accommodation Sector Inventory

Norfolk County's accommodation sector comprises diverse property types serving distinct market segments:

- Hotels and Motels: 288 units (within 13 hotels and motels) annually serving business travelers, touring visitors, and event attendees with an average annual occupancy rate of 59% and average daily rate (ADR) of $129.78/ night
- Short-Term Rental Properties: Average inventory of 226 units (range 122-335 units across the year) with average annual occupancy rate of 46.84% and average daily rate of $219.58, reflecting seasonal variation and property type diversity
- STR Seasonal Variation: STR inventory ranges from a low of 122 units in February to a peak of 335 units in August, demonstrating significant seasonal market dynamics
- Premium Positioning: Average ADR of $219.58 for STRs versus $129.78 for hotels reflects market segmentation, with STRs capturing premium vacation rental markets

Figure 6-1: Short-Term Rental Accommodation Locations in Norfolk County



Source: AirDNA

The substantial volume of STR activity (accounting for 54.9% of projected revenues) reflects the growing importance of distributed accommodation supply in Norfolk County's tourism economy and the critical need for comprehensive compliance monitoring.

Revenue Projection Methodology

MAT revenue projections utilize the following calculation framework

$$\text{Annual MAT Revenue} = (\sum_{i=1}^{n} (\text{Units}_i \times \text{Occupancy}_i \times \text{ADR}_i \times 365 \times \text{MAT Rate})$$

The variables in this calculation include accommodation property types, the number of available units for each type, the average annual occupancy rate, the average daily room rate, the number of days in a year, and the MAT rate (4% in this analysis).

Norfolk County Base Assumptions (4% MAT Rate)

Hotels & Motels:

- Units: 288 annually (within 13 Hotels & Motels)
- Average Annual Occupancy Rate: 59%
- Average Daily Rate (ADR): $129.78/ night
- Operating Days: 365
- Annual Guest Revenue: $8,000,000

Short-Term Rentals (currently unlicensed):

- Average Monthly Inventory: 226 units (ranging 122-335 seasonally)
- Average Annual Occupancy: 47%
- Average Daily Rate: $219.58/night
- Operating Days: 365
- Annual Guest Revenue: $9,600,000

  *Note: STR inventory varies significantly by season, with peak inventory of 335 units in August and low of 122 units in February.

Base Scenario – Most Likely Projection

- Hotels/Motels Guest Revenue: $8,000,000
- Short-Term Rental Guest Revenue: $9,600,000
- Total Guest Revenue: $17,600,000
- MAT Revenue (4%): $704,000

This projection demonstrates that Norfolk County's accommodation sector currently generates substantial visitor spending. At the 4% MAT rate, annual revenue of approximately $704,000 represents a sustainable revenue stream for tourism development and infrastructure investment.

With sustained MAT revenues and enhanced investment in tourism marketing and development, Norfolk County's accommodation sector has strong potential for continued growth and increased competitiveness.

Low Scenario – Conservative Projection

Conservative projections assume lower occupancy rates reflecting economic headwinds, competitive pressure from alternative destinations, slower short-term rental sector compliance, and seasonal concentration in summer months for tourism-dependent properties. This scenario models conditions where occupancy for hotels/motels drops to 50% and STR occupancy declines 15% from base performance.

Low Scenario Calculations:

- Hotels/Motels Guest Revenue: $6,821,237 (50% occupancy, -$1,227,822 from base)
- Short-Term Rental Guest Revenue: $8,154,698 (85% of base occupancy, -$1,439,065 from base)
- Total Guest Revenue: $15,000,000
- MAT Revenue (4%): $600,000

Under conservative assumptions, Norfolk County MAT revenue is projected at approximately $600,000 annually during challenging economic conditions or if the accommodation sector experiences contraction. Even under conservative assumptions, this represents sustainable revenue supporting core tourism development functions.

High Scenario – Optimistic Projection

Optimistic projections assume strong occupancy performance driven by effective destination marketing investments, premium average daily rates reflecting enhanced accommodation quality offerings, comprehensive short-term rental identification and compliance, and extended tourism season through shoulder period programming and events. This scenario models conditions where hotel occupancy reaches 68% and STR occupancy increases 15% above base performance through marketing effectiveness.

High Scenario Calculations:

- Hotels/Motels Guest Revenue: $9,276,882 (68% occupancy, +$1,227,823 from base)
- Short-Term Rental Guest Revenue: $11,032,827 (115% of base occupancy, +$1,439,064 from base)
- Total Guest Revenue: $20,300,000
- MAT Revenue (4%): $812,000

Under optimistic assumptions, annual MAT revenue could reach approximately $812,000 when the program achieves full implementation, destination marketing investments drive increased visitation, and accommodation sector compliance matures. This scenario reflects growth potential when Norfolk County successfully leverages MAT revenues for competitive destination marketing.

Revenue Projection Summary

For financial planning purposes, using the base scenario projection of approximately $706,000 in annual MAT revenue offers a reasonable foundation for budgeting and program design. This estimate acknowledges potential variability resulting from factors such as economic conditions and occupancy changes directly impacting MAT revenue generation. Both the low and high revenue scenarios remain within sustainable operating thresholds for program administration and funding allocations to destination marketing.

Figure 6-2: Norfolk County MAT Revenue Projections

Scenario	Total Guest Revenue	MAT Revenue (4%)	Variance from Base
Low	$15,000,000	$600,000	-15%
Base	$17,600,000	$704,000	-
High	$20,300,000	$812,00	+15%

Year 1 Implementation and Multi-Year Trajectory

Year 1 implementation may see variance from these projections due to:

- Phased accommodation provider compliance and reporting integration
- Learning curve adjustment for online reporting systems
- STR sector adjustment to regulatory framework
- Tourism marketing ramp-up from initial MAT revenue allocation

Projections suggest achievement of base scenario performance by Year 2-3 as compliance matures, and destination marketing investments begin driving incremental visitation. Conservative and optimistic scenarios represent the potential bounds of variation under different economic and operational conditions.

6.2 Administrative Costs and Financial Implications

Direct Administrative Costs

MAT program implementation and ongoing administration requires dedicated resources and systems. Best practices from comparable municipalities demonstrate that administrative costs typically account for 3-5% of gross MAT revenue during the initial implementation years, declining to 1-3% in subsequent years as processes mature and efficiencies develop.

- Third-Party Collection Agent Fees: Engaging ORHMA as a collection agent involves fee-for-service costs typically ranging from 1-3% of gross revenue collected. This fee covers access to and maintenance of the online reporting tool, payment processing infrastructure, customer support for accommodation providers, remittance processing to the municipality, compliance monitoring and reporting, and technical system updates.
- Municipal Staff Resources: Even with third-party collection, municipalities require staff time for policy development and by-law drafting, stakeholder consultation and communication, agreement negotiation with designated 'eligible tourism entity' and collection agent, financial reporting and reconciliation, strategic planning and program evaluation, and enforcement coordination.

  Initial implementation could require approximately 0.3 to 0.5 FTE during the first year for program management, stakeholder engagement, and system setup. Ongoing administrative could require 0.2 to 0.3 FTE for financial oversight, reporting, governance support, and program management.
- Technology and Systems: Costs include integration with municipal financial systems, public-facing information website development and maintenance, reporting dashboard development for transparency, and licence management systems for STR coordination.
- Legal and Professional Services: Implementation requires by-law development and review, agreement drafting with the designated 'eligible tourism entity' and collection agent, regulatory compliance verification, and enforcement protocol development.

- Communication and Education: Accommodation Provider education sessions and materials, public awareness campaign development, website content and FAQ development, and ongoing stakeholder communications.

Figure 6-3: Cost Estimates and Net Revenue Analysis (Based on Base Scenario)

Cost Category	Year 1
ORHMA Collection agent fees (3% of gross MAT revenue)	$21,120
County Administrative Costs (2% of gross MAT revenue)	$14,000
Total Administrative Costs	$35,200
Projected gross revenue	$704,00
Net Revenue Available	$668,000

Revenue Allocation After Administrative Costs

Following provincial regulation requirements, net MAT revenue (after administrative costs) must be allocated with at least 50% to the designated 'eligible tourism entity' for destination marketing purposes, and up to 50% retained by the municipality for tourism-related infrastructure and programming.

Base Scenario Allocation:

Using base revenue projections of $704,000 gross and $35,200 administrative costs, net revenue available for allocation is $688,000. Under a 50/50 split:

- Tourism entity allocation: $344,000 for destination marketing purposes
- Municipal allocation: $344,000 for tourism infrastructure and programs

Financial Implications for Accommodation Providers

From the accommodation provider's perspective, MAT implementation has a minimal direct financial impact, as the tax is collected from guests rather than paid by operators. Providers function as collection agents remitting visitor-paid taxes to the municipality.

The indirect implications are also limited, primarily involving a small amount of administrative time for monthly or quarterly reporting (typically 10–15 minutes using online tools). While there may be minor price sensitivity among certain visitors, evidence suggests this effect is minimal in practice.

Moreover, the MAT creates opportunities for increased business generated through enhanced destination marketing funded by the collected revenues. Experience across Ontario shows that a 4% MAT rate does not materially affect booking decisions or overall visitor volumes, particularly when the revenues are transparently reinvested in destination improvements and marketing that benefit the entire local tourism and accommodation sector.

Financial Implications for Norfolk County

For the municipality, MAT implementation delivers significant financial benefits. It provides a sustainable, non–property tax revenue source dedicated to tourism development, reduces the municipal tax burden for tourism marketing and infrastructure, and strengthens the community's capacity to compete as a destination. MAT revenues also support tourism amenities that benefit both residents and visitors, while fostering economic growth through increased visitation and spending.

The visitor-pays principle ensures that Norfolk County residents are not taxed to fund tourism development. Instead, visitors who stay in local accommodations and benefit from the County's tourism infrastructure and services contribute to their ongoing maintenance and enhancement through the MAT.

Without MAT funding, Norfolk County faces a competitive disadvantage compared to the more than 80 communities across Ontario that have already implemented the tax. These municipalities benefit from dedicated resources for destination marketing, event attraction, and tourism infrastructure, which strengthen their tourism industries. In contrast, Norfolk County must either divert general tax dollars from essential services or risk allowing its tourism sector to fall behind.

Fiscal Sustainability Analysis

MAT programs demonstrate strong fiscal sustainability characteristics including:

- Stable and predictable revenue streams (Norfolk County shows $600,000-$812,000 range across scenarios)
- Automatic growth as accommodation sector expands and short-term rental compliance matures
- Inflation-adjusted increases through rate-based calculation
- Recession resilience compared to discretionary municipal spending (base scenario shows approximately $704,000 sustainable even without growth)
- Alignment with tourism season cash flows

A comparative analysis of established Ontario MAT programs shows consistent revenue performance that meets or exceeds initial projections once full accommodation compliance is achieved. Programs that invest effectively in destination marketing typically see revenue growth over time as visitation increases in response to marketing investments, creating a positive reinforcing cycle.

Norfolk County's strong STR sector presence ($9.6 million in annual guest revenue) and established hotel base ($8.0 million in annual guest revenue) provide a substantial foundation for sustainable MAT revenue generation. The diversity of accommodation types and visitor markets, as demonstrated by varying seasonal patterns, reduces revenue volatility compared to single-season tourism destinations.

7 Technology and Collection Systems

7.1 Recommended MAT Collection System and Digital Reporting Tools

Effective MAT administration requires robust, user-friendly technology infrastructure that serves three primary user groups:

1. Accommodation providers who collect and remit MAT;
2. Municipal staff who oversee program administration and financial reconciliation; and
3. General public who expects transparency regarding revenue generation and deployment.

ORHMA Collection System

Based on comparative analysis of collection models across Ontario and stakeholder feedback emphasizing administrative simplicity, this assessment recommends Norfolk County designate the Ontario Restaurant Hotel & Motel Association (ORHMA) as its MAT collection agent. ORHMA's purpose-built MAT Reporting Tool provides comprehensive functionality specifically designed for MAT administration. Over 30 municipalities in Ontario currently use ORHMA's collection system and services.

System Features and Capabilities

The ORHMA platform offers accommodation providers a user-friendly online portal for Municipal Accommodation Tax (MAT) reporting and remittance. Designed to simplify compliance, the system enables secure registration and account creation, supports customizable reporting schedules—such as mandatory monthly reporting for hotels and optional quarterly submissions for short-term rentals—and automatically calculates the tax based on entered revenue data. Additional features include integrated payment processing through multiple methods, downloadable reporting records, automated compliance reminders, and access to technical support through dedicated resources.

For accommodation providers, the reporting process is quick and straightforward. Users simply enter key operational data, including room nights available during the reporting period, room nights occupied, total accommodation revenue (excluding ancillary services), and exempt nights with supporting documentation. Once submitted, the platform calculates the total MAT owing at the established rate, processes payment via credit card or electronic transfer, and instantly generates confirmation receipts and compliance reports for recordkeeping.

County staff benefit from an administrative dashboard that provides real-time visibility into revenue reporting and remittance activities. The dashboard enables monitoring of provider compliance, identification of late or missing reports, and generation of aggregate data for performance evaluation. It also supports customizable financial reconciliation reports, maintains a complete audit trail for accountability, and automatically produces exception reports to flag cases requiring further review or enforcement action.

Implementation Process

System implementation follows a clearly defined timeline. During the pre-launch phase (approximately 60 days before the effective date), Norfolk County and ORHMA finalize the collection agent agreement, establish the municipal account and reporting parameters, develop the provider registration process and materials, and configure the system to meet Norfolk County's specific requirements.

Provider registration and onboarding, which typically occurs 30–60 days before the effective date, includes communication with all known accommodation providers, the launch of the online registration portal, delivery of provider training

sessions and supporting materials, activation of technical support resources, and verification that registrations are complete.

Following launch, ongoing operations include providers submitting remittances according to the established schedule, monthly municipal financial reconciliation, continuous compliance monitoring and follow-up, provision of technical support and troubleshooting, and regular system updates and enhancements.

Cost Structure

ORHMA's collection services operate on a fee-for-service basis, typically structured as a percentage of gross MAT revenue collected, with rates in the range of 1–3% being common across Ontario municipalities, along with a one-time setup fee of approximately $3,000. This model aligns incentives for comprehensive compliance and efficient administration, shifts technology costs and system maintenance to the collection agent, and provides access to professional expertise without requiring additional municipal staff resources. It also ensures the service remains scalable as the accommodation sector grows and MAT revenues increase over time.

7.2 Platform Integration and Third-Party Accommodation Services

A critical dimension of effective MAT collection involves ensuring compliance from online booking platforms including Airbnb, VRBO, and other short-term rental marketplaces that facilitate accommodation transactions.

Platform Partnership Agreements

Leading municipalities establish formal partnerships with major accommodation platforms to facilitate MAT collection. These agreements typically included platform registration with municipality, automated MAT collection at point of booking, platform remittance directly to requirement that listed properties hold valid licences.

Airbnb and VRBO have established accommodation tax collection partnerships with numerous Ontario municipalities including Toronto, Ottawa and others. These partnerships benefit all parties through streamlined compliance for property

owners, automated collection reducing evasion, comprehensive coverage of platform-facilitated bookings, and reduced municipal enforcement burden.

Norfolk County should begin platform discussions with major providers during the MAT implementation planning phase. This should include requesting voluntary collection agreements, establishing clear reporting protocols, coordinating requirements with existing licensing frameworks, and defining enforcement approaches for non-compliant listings.

Direct Provider Reporting for Platform Bookings

For platforms without formal collection agreements, accommodation providers remain responsible for collecting MAT from guests and remitting to the municipality. This requires adding MAT to their rates, ensure collection occurs at booking or check-in, maintain records of platform bookings and revenue, and report and remit according to municipally approved schedule.

The ORHMA reporting system accommodates both direct bookings and platform-facilitated reservations, allowing providers to aggregate all accommodation revenue regardless of booking channel for comprehensive reporting.

Technology Integration Considerations

To minimize provider administrative burden, collection systems should offer integration capabilities where feasible including property management system connections for hotels and motels, accounting software exports for bookkeeping efficiency, booking platform data imports to reduce manual entry, and calendar and scheduling tools for occupancy tracking.

While full integration may not be immediately available, providing data import templates, clear reporting instructions, and technical support ensures providers can comply efficiently using their existing business systems.

Security and Data Protection

MAT collection systems are expected to implement strong security and privacy controls to protect provider and guest information, consistent with applicable payment, privacy, and municipal record-keeping obligations. These controls typically include encrypted data transmission and storage, secure payment processing in line with Payment Card Industry Data Security Standards (PCI DSS) where card payments are accepted, role-based access controls that limit information visibility, periodic security assessments, compliance with relevant

provincial and federal privacy requirements, and data retention practices aligned with municipal records policies.

ORHMA's MAT collection platform incorporates these types of security and privacy safeguards and operates under municipal agreements that impose confidentiality, audit, and record-keeping obligations, providing assurance to both providers and municipalities regarding the protection of MAT-related information.

8 Revenue Allocation Strategy

8.1 Best Practices for MAT Revenue Reinvestment

Ontario Regulation 435/17 requires that at least 50% of net MAT revenues be allocated to an 'eligible tourism entity' for destination marketing and tourism promotion purposes. The remaining 50% may be retained by the municipality specifically for tourism-related investments including infrastructure, programming, and services that enhance the visitor experience and support tourism sector development.

This revenue allocation framework creates opportunities for strategic tourism investment while ensuring accountability and sector-focused development. Best practices from leading Ontario municipalities demonstrate effective approaches for maximizing MAT Impact.

Designed 'Eligible Tourism Entity' Allocation

A minimum of 50% of MAT revenue is allocated to an Eligible Tourism Entity, providing stable funding for professional destination marketing. This funding should support efforts to increase visitation, extend the tourism season, attract higher-spending visitors, and strengthen overall brand awareness and competitiveness.

The funds could be used for strategic, measurable marketing initiatives. These include digital campaigns to reach priority markets, compelling visual and written content (photography, video, and storytelling), and active social media engagement. Additional activities may include search engine optimization, paid advertising, website development and maintenance, partnership marketing with accommodations and attractions, event promotion, and a public events calendar. Funding can also support market research, visitor data analysis, travel trade outreach, sales missions, and media relations to expand the County's reach

Municipal MAT Revenue Allocation

The municipal share of MAT revenues should be dedicated to funding tangible tourism infrastructure and programming that directly enhances the visitor experience, supports the success of the accommodation sector, and provides clear evidence of MAT reinvestment within the community. These investments should focus on initiatives that improve accessibility, enrich tourism offerings, and contribute to the long-term sustainability and appeal of the destination.

Eligible tourism infrastructure projects could include the development of wayfinding and directional signage systems, trail creation and enhancement for hiking, cycling, and recreation, and improved parking facilities within key tourism precincts and near major attractions. Additional investments may support the construction or enhancement of public washrooms in high-traffic areas, upgrades to waterfronts and beaches, improved park and green space amenities, and the installation of heritage interpretation features and public art. Other priorities could include establishing visitor information centres and kiosks, expanding Wi-Fi infrastructure in public spaces, and acquiring event infrastructure such as portable stages and equipment to support diverse community and tourism events.

Investments in tourism programming should focus on initiatives that drive visitation, extend the travel season, and strengthen the local tourism economy. These include hosting and supporting festivals and events, delivering cultural performances and seasonal activation programs, and providing training and professional development opportunities for tourism operators. Funding may also support enhanced visitor services and concierge programs, tourism product development, cooperative marketing partnerships with local operators, and ongoing market research and visitor insight initiatives that inform strategic planning and performance measurement.

Municipal Investment Evaluation Criteria

Leading municipalities establish transparent criteria for evaluating proposed MAT-funded investments ensuring strategic alignment, tourism focus, and accountability. The Town of Blue Mountains recently approved evaluation criteria emphasizing sustainable tourism development, community enhancement, local economic growth, visitor experience improvement, and alignment with destination strategy priorities.

Figure 8-1: Investment Evaluation Criteria Example – 'Town of Blue Mountains Example'

Criteria	Description	Weight
Strategic Alignment	Alignment with County's Strategic Plan and Economic and Tourism Strategy	25%
Tourism Benefit and Visitor Experience	Investments in tourism infrastructure, experiences, and sustainable practices to enhance visitor satisfaction, support effective tourism management, foster innovation, and protect natural environment	40%
Economic Benefit	Strategic investment and improvements to boost overnight tourism, job creation, business growth, and increase in MAT revenue	20%
Feasibility and Risk	Evaluate the project's feasibility, implementation potential and associated risks	15%
		100%

Norfolk County could adopt a similar evaluation framework to assess proposed tourism investments. Each project would be measured against clear, defined criteria to ensure transparency and accountability. Key considerations include the demonstrated tourism benefit and visitor impact, alignment with the County's tourism strategic priorities, and balanced geographic distribution across local communities. The framework should also evaluate how well projects leverage additional funding sources and partnerships, their sustainability and long-term viability, and the presence of measurable outcomes and performance indicators. Community support, stakeholder input, cost-effectiveness, and overall value for investment would further guide decision-making to ensure meaningful and lasting results.

8.2 Revenue Allocation Between Local Communities and County

An important consideration for Norfolk County involves balancing revenue allocation between county-wide destination marketing and infrastructure versus local community-level tourism initiatives. This geographic equity question emerged consistently during stakeholder consultation and requires deliberate policy response.

County-Wide vs. Local Investment Framework

A strong tourism economy in Norfolk County relies on a unified, county-wide approach. Investments made in one community—such as upgraded infrastructure, enhanced amenities, or new attractions—create ripple effects that benefit the entire county. Together, these improvements strengthen Norfolk's tourism appeal, elevate its brand, and attract more visitors. When all communities succeed, the county's overall reputation and visitor economy grow collectively.

To maintain this balance, Municipal Accommodation Tax (MAT) revenue should be allocated with both county-wide and local priorities in mind. A balanced framework could dedicate 60–70% of municipal MAT revenues to county-wide strategic initiatives, including destination marketing, wayfinding and signage systems, regional trail connections, and tourism workforce training and business development. The remaining 30–40% should support community-specific projects such as local festivals and events, tourism infrastructure upgrades, waterfront and beach improvements, heritage interpretation, and expanded visitor amenities.

This approach ensures Norfolk County continues to build a strong, recognizable destination identity while also delivering visible, meaningful benefits within each community—whether Port Dover, Port Rowan, Simcoe, or the surrounding rural areas.

Geographic Distribution Principles

To ensure equitable geographic distribution, allocation decisions should be guided by transparent and data-driven criteria. Key factors include the location and concentration of accommodation properties, overall visitation patterns, and existing tourism infrastructure and capacity. Decisions should also align with strategic priorities for destination development and consider each community's readiness and project viability. Finally, opportunities to leverage partnerships and additional funding sources should be prioritized to maximize impact and long-term sustainability.

Local Tourism Organizations and Partnerships

Norfolk County's Municipal Accommodation Tax (MAT) program should strengthen partnerships with local tourism organizations, chambers of commerce, business improvement associations, and other community-based tourism groups. By working collaboratively, MAT investments can generate greater impact through shared resources and support. These partnerships can leverage local fundraising efforts, volunteer contributions, and in-kind assistance, while fostering joint initiatives in amenity maintenance, visitor services, and community programming.

Importantly, the MAT will provide the financial foundation and sustainability required for a new Municipal Development Corporation (MDC-1) to take on this leadership role as the County's 'eligible tourism entity'. The proposed Norfolk County Tourism Corporation (MDC-1) would leverage the County's current tourism efforts through the Economic Development Department staff and can coordinate these partnerships, manage tourism-related initiatives, and ensure that investments align with countywide tourism strategies. Establishing clear partnership agreements—with defined roles, responsibilities, funding contributions, and performance expectations—will support effective collaboration and help maximize the impact of MAT investments across all of Norfolk County.

9 Implementation Plan

9.1 Roles and Responsibilities for MAT Collection and Administration

Successful MAT implementation requires clearly defined roles and responsibilities across multiple organizational entities including County departments, the County's selected 'eligible tourism entity', the collection agent, and accommodation providers.

Norfolk County Roles and Responsibilities

- County Council: Pass enabling MAT by-law and short-term rental licensing by-law, designate the County's Tourism MDC as the eligible tourism entity, approve collection agent designation, approve annual MAT budget allocations, approve major capital projects funded by MAT, receive annual performance reports and financial statements, and appoint Directors to the County's designated 'eligible tourism entity.'(MDC-1 being proposed in MDC Assessment Report)
- County's Finance Department: Execute agreement with collection agent (ORHMA), receive and reconcile MAT remittances, maintain financial records and reporting, prepare annual financial statements, oversee audit and compliance functions, manage enforcement of arrears, and provide financial reports to Council.
- Economic Development Department: The County's Economic Development Department would provide the proposed MDC-1 Norfolk County Tourism Corporation with operational support through service-level agreements covering business planning, budgeting, program delivery, reporting, and administrative services, while the Director of Economic Development serves as the interim Executive Director. This is intended to enhance the County's current tourism efforts and not duplicate its efforts while utilizing MAT funds for programming instead of additional staffing in the short-term. (Further details provided in MDC Assessment Report, under separate cover)

- Building and Bylaw Services: Coordinate short-term rental licensing enforcement, investigate complaints regarding unlicensed operations, enforce MAT collection requirements as condition of license, coordinate with collection agent on compliance issues, and implement penalties for violations.
- Customer Service & Communications: Develop and implement public education campaign, create provider education materials and resources, manage website content regarding MAT and STR licensing, coordinate media relations and announcements, and support ongoing stakeholder communication.

Collection Agent (ORHMA) Roles and Responsibilities

The designated collection agent is responsible for managing operational aspects of MAT administration. These responsibilities include registering providers and setting up their accounts, providing access to and supporting the online reporting tool, and processing payments and generating receipts. The agent also handles monthly or quarterly remittances to the County, ensures compliance through monitoring and reminder notifications, and compiles reports on collections and provider participation. In addition, the collection agent oversees technical system maintenance and updates and delivers customer service to accommodation providers.

Designated 'Eligible Tourism Entity' Roles and Responsibilities

The eligible tourism entity is designated to receive a minimum of 50% of the net MAT revenues and is responsible for leading effective destination marketing and tourism promotion initiatives. Its core duties include developing an annual business plan and budget, implementing comprehensive marketing campaigns, and managing digital content and outreach. The entity also builds partnerships with accommodation providers and local attractions, promotes events, and administers the tourism calendar. In addition, it conducts visitor research, performs market analysis, tracks performance outcomes, and submits quarterly and annual reports to the County.

The associated Municipal Development Corporation Assessment Report prepared by urbanMetrics recommends the County create the following entity to be designated the County's 'eligible tourism entity:

MDC-1: Norfolk County Tourism Corporation (a not-for-profit Corporation) – This entity would be designated as the eligible tourism entity under Ontario Regulation 435/17. This entity will be the recipient of 50% of any Municipal Accommodation Tax (MAT) revenues. The Norfolk Tourism Corporation will be mandated to deliver top tier, coordinated destination marketing and promotional services of Norfolk County.

Accommodation Provider Roles and Responsibilities

Individual accommodation operators hold primary responsibility for collecting and remitting the Municipal Accommodation Tax (MAT). Their obligations include registering with the designated collection agent and charging the applicable 4% MAT rate on all eligible guest stays. Operators must also maintain accurate records of accommodation transactions and tax collections, report revenue, and remit the collected MAT according to the established schedule.

In addition, operators are expected to remain compliant with short-term rental licensing requirements (if applicable), respond to audit requests when selected, and keep their contact and property information up to date. These responsibilities ensure transparency, accountability, and consistent compliance across the accommodation sector.

9.2 Enforcement Strategy to Ensure Compliance and Minimize Remittance Evasion

Effective enforcement represents a critical program component ensuring fairness for compliant accommodation providers, comprehensive revenue collection, program credibility, and public confidence in governance. Enforcement strategy must balance supportive education with meaningful consequences for non-compliance.

Multi-Layered Enforcement Approach

A comprehensive enforcement framework includes prevention through education, proactive compliance monitoring, responsive investigation of complaints or concerns, and graduated penalties aligned with violation severity.

Prevention and Education

The most effective enforcement begins with prevention through comprehensive provider education including pre-launch information sessions, detailed online resources and FAQs, step-by-step registration and reporting guides, dedicated support contacts for questions, and regular communication regarding obligations and deadlines.

Experience from established programs demonstrates that most non-compliance results from lack of understanding rather than intentional evasion. Investing in education reduces enforcement burden and fosters cooperative relationships.

Proactive Compliance Monitoring

Systematic compliance monitoring allows the County to identify non-compliance early and take timely corrective action. This process should be jointly administered by the County's by-law enforcement and finance staff to ensure a coordinated approach. Monitoring mechanisms may include regular reports from the collection agent highlighting late or missing remittances, digital scans of online listings to detect unlicensed short-term rentals, and cross-referencing business licenses with MAT registrations. Additional tools such as occupancy and revenue benchmarking, along with periodic accommodation sector surveys, help identify anomalies and emerging compliance issues.

When potential non-compliance is detected, the initial response should emphasize education and cooperation. Steps include making a courtesy contact with the operator, issuing a formal compliance reminder, and inquiring about any challenges or barriers to reporting. Where technical difficulties exist, staff should offer appropriate support and set a reasonable deadline to achieve compliance before escalating enforcement measures.

Investigation and Audit Powers

The MAT by-law should clearly define the municipality's authority to investigate and audit accommodation providers. This authority ensures transparency, accountability, and fair administration of the program. Best practice provisions include the right to inspect accommodation premises, review financial records and booking documentation, and request additional information or evidence from operators. The by-law should also empower the municipality to issue compliance orders requiring corrective action when necessary.

Audit activities should follow a structured, risk-based approach. Selection criteria may include random sampling to verify general compliance, targeted audits triggered by potential red flags such as unusual revenue patterns, complaints, or missed reporting deadlines, and sector-wide reviews focused on specific accommodation types. In addition, complaint-driven investigations help address potential non-compliance and maintain the integrity of the MAT system.

Graduated Penalty Structure

Effective enforcement requires meaningful penalties that deter non-compliance while allowing proportionate response. A graduated penalty structure aligns consequences with violation severity.

Figure 9-1: Graduated Penalty Structure for MAT Violations

Violation	Penalty
Late remittance (up to 30 days)	1.25% per month interest on outstanding amount plus penalties
Late remittance (31-90 days)	1.25% per month interest plus administrative penalties; compliance order issued
Late remittance (over 90 days)	Full penalties and interest; arrears added to property tax roll; license suspension
Failure to register/collect MAT	Administrative penalty ($500-$1,000); compliance order; retroactive assessment
Operating without STR license	Administrative penalty ($500-$1,000 first offense, $1,000-$2,500 repeat); cease operation order
Failure to respond to audit	Administrative penalty ($1,000); estimated assessment; license suspension
False reporting/tax evasion	Administrative penalty ($2,500-$5,000); prosecution; license revocation

Arrears Collection Mechanisms

When MAT arrears remain unpaid despite penalties and collection efforts, municipalities need strong recovery tools to ensure accountability. Best-practice approaches include adding outstanding arrears to the property tax roll so they can be collected through property tax enforcement. Municipalities may also engage professional collection agencies for significant arrears and pursue legal action, such as liens and judgments, in cases of persistent non-payment. In addition, they can suspend or revoke applicable licenses until all arrears are paid in full.

The Town of Blue Mountains' MAT by-law illustrates this model by expressly authorizing unpaid MAT, including penalties and interest, to be added to the property tax roll for collection in the same manner as property taxes. This process creates a lien on the property and provides strong leverage to secure payment. It also reduces the need for lengthy and costly legal proceedings

Platform Compliance and Coordination

Ensuring short-term rental compliance requires coordination with accommodation booking platforms. Enforcement strategies include formal partnership agreements requiring licensed operators only, platform reporting on listings and bookings, automated compliance verification against license registry, removal of non-compliant listings, and platform remittance for direct collection agreements. Regular liaison with platform representatives maintains compliance systems and addresses emerging issues.

Enforcement Performance Metrics

To measure enforcement effectiveness and guide the use of resources, Norfolk County should track key performance metrics that demonstrate accountability and transparency. Core indicators include the overall compliance rate, representing the percentage of registered providers that are current with remittances. Additional metrics should capture the average time required for late remitters to achieve compliance, the number of audits completed, and the results of those audits.

Other important measures include penalties and interest collected, the total value and aging of outstanding arrears, and the number of unlicensed operators identified and brought into compliance. Regular, annual reporting of these metrics and related enforcement activities to Council will promote transparency, support evidence-based decision-making, and strengthen oversight of MAT program administration.

9.3 Reporting Framework for Transparency and Accountability

Public trust and stakeholder support require transparent reporting demonstrating that MAT revenues are collected appropriately, allocated according to policy, invested in tourism priorities, and generating measurable outcomes.

Quarterly Financial Reporting

County Finance staff should prepare quarterly MAT financial reports that highlight key financial and compliance information. These reports should show gross revenue by accommodation type, administrative costs, and net revenue available for allocation. They should also identify the amount allocated and remitted to the MDC or other eligible tourism entity, the municipal share and how it is used, year-to-date budget comparisons, and compliance rates with related enforcement activity.

The reports should be provided to County Council and should be published online to support public transparency and access.

Annual County MAT Performance Reporting

Comprehensive annual reports provide a detailed assessment of program performance. They include complete financial statements for the fiscal year and an analysis of revenue trends with year-over-year comparisons. Reports also highlight accommodation sector participation and growth, and list municipal tourism investments funded by the Municipal Accommodation Tax (MAT).

Key performance indicator results are summarized in Section 9, along with stakeholder feedback and satisfaction levels. The report outlines program successes, challenges, and recommendations for improvement.

County staff should prepare annual reports for presentation to County Council. Reports must be distributed to accommodation providers and tourism stakeholders, published on the County's website, and promoted through media and communication channels.

Eligible Tourism Entity/ "MDC" Accountability Reporting

The designated eligible tourism entity should produce comprehensive accountability reports to ensure transparency and performance evaluation. These reports should include an annual activity summary outlining marketing campaigns, events, partnerships, and tourism initiatives; quarterly financial statements detailing expenditures by category; and an annual business plan with projected budgets for the coming year. Additional reporting should cover performance outcomes measured against stated objectives, market research findings, visitor insights, website and social media analytics, and return-on-investment analyses where measurable.

These accountability reports provide the foundation for informed evaluation of the eligible tourism entity's performance and strategic value. Norfolk County Council will review this information annually to guide decision-making and ensure effective oversight as the Municipal Accommodation Tax (MAT) program is implemented and maintained.

Public Transparency Mechanisms

To maintain public confidence and stakeholder support, Norfolk County should strengthen transparency through clear and accessible communication. A dedicated section of the County's website should provide information about the Municipal Accommodation Tax (MAT) program, including financial reports, investment projects, and designated 'eligible tourism entity' meeting minutes and agendas. It should also include FAQs, helpful resources, and contact details for inquiries.

Annual public reporting presentations should offer opportunities for community dialogue and input. Proactive communication about MAT-funded projects, supported by visible signage, helps acknowledge investments and highlight their tangible benefits.

10 Communications and Public Awareness Strategy

10.1 Educational Materials and Messaging for Stakeholders

Successful MAT implementation depends significantly on effective communication that builds understanding, addresses concerns, fosters compliance, and generates support among accommodation providers, tourism stakeholders, and the broader public. A comprehensive communications strategy should be developed in collaboration between Economic Development, Communications, and the designated eligible tourism entity.

Target Audience Segmentation

Effective communication requires tailored messaging for distinct audiences including accommodation providers (hotels, motels, B&Bs, campgrounds, STR operators) who must understand compliance requirements; tourism industry stakeholders (attractions, restaurants, retailers) who benefit from enhanced destination marketing; County residents who want assurance of visitor-pays principle and tourism benefits; and visitors and potential visitors who experience destination improvements.

Core Messages and Positioning

Communications should emphasize consistent core messages across all materials and channels.

Visitor Investment Principle: MAT is paid by visitors staying in Norfolk County accommodations, not by residents through property taxes. This visitor-pays approach ensures those who utilize tourism infrastructure contribute to its maintenance and enhancement.

Tourism Competitiveness: MAT enables Norfolk County to compete effectively with other Ontario destinations that have implemented similar programs. Revenues fund professional destination marketing that attracts visitors, supports local businesses, and generates economic activity.

Visible Reinvestment: MAT revenues are dedicated specifically to tourism development including destination marketing, infrastructure improvements, trail systems, wayfinding signage, events, and amenities that benefit visitors and residents alike.

Industry Partnership: MAT implementation reflects collaboration between County government and the accommodation sector through transparent governance, industry input on revenue deployment, and shared commitment to destination excellence.

Fairness and Compliance: All accommodation providers participate equally ensuring fair competition, with enforcement mechanisms addressing non-compliance to protect compliant operators.

Communication Materials Development

A comprehensive suite of communication materials should be developed prior to program launch.

- Accommodation Provider Kit: Program overview and rationale, registration instructions and timeline, reporting and remittance procedures, FAQs addressing common questions, contact information for support, short-term rental licensing information, sample invoices showing MAT line item, and key dates and deadlines.
- Public Information Materials: General program overview for residents, infographic explaining visitor-pays principle, examples of planned investments and projects, economic benefits of tourism to Norfolk County, website landing page with comprehensive resources, and media backgrounder for press coverage.
- Council and Stakeholder Briefing Materials: Detailed implementation plan and timeline, financial projections and budget implications, governance and accountability framework, comparative analysis with other municipalities, stakeholder consultation summary, and responses to anticipated questions and concerns.

- Digital Content: Video explaining MAT for providers and public, website FAQ section with searchable questions, social media content for announcement and updates, newsletter content for distribution through County and partner channels, and presentation templates for information sessions.

10.2 Ongoing Engagement Plan to Address Concerns and Promote Compliance

Pre-Launch Communication Campaign (90-120 days before effective date)

A structured pre-launch campaign builds awareness and understanding prior to program implementation.

Phase 1: Announcement and Awareness (90-120 days before launch)
Public announcement by County Council regarding MAT approval and implementation timeline. Media release and press conference highlighting program rationale and benefits. Website launch with comprehensive information and resources. Social media campaign introducing program. Stakeholder briefings for tourism associations, chambers, accommodation providers.

Phase 2: Provider Education and Registration (60-90 days before launch)
Information sessions for accommodation providers (in-person and virtual options). Registration portal opening and provider onboarding. Detailed FAQ publication addressing compliance questions. One-on-one support for providers with questions. Regular communication updates on registration progress.

Phase 3: Final Preparation and Readiness (30-60 days before launch)
Provider readiness verification ensuring registration completion. Technical support clinics for reporting system questions. Final reminder communications regarding effective date. Public awareness campaign highlighting upcoming launch. Media coverage of program preparation and anticipated benefits.

Launch and Initial Implementation (First 6 months)

During the initial implementation period, intensive communication maintains momentum and addresses emerging issues.

Monthly accommodation provider newsletters with compliance reminders, tips, and support resources. Regular reporting on registration and participation rates. Highlight stories of compliant providers and tourism investments. Responsive support for questions and troubleshooting. Proactive outreach to late or non-compliant providers. Public updates on revenue generation and allocation. Recognition events celebrating successful launch and provider participation.

Ongoing Engagement and Communication (Beyond 6 months)

Sustained communication maintains compliance, engagement, and support.

Quarterly newsletters to providers with program updates, revenue reports, investment highlights, and compliance information. Annual reporting to Council and public with comprehensive program assessment. Regular website updates with current information. Social media ongoing engagement highlighting MAT funded projects. Provider appreciation and recognition for compliance and partnership. Project announcements and ribbon cuttings for MAT-funded infrastructure.

Complaint and Concern Response Protocol

Despite comprehensive preparation, concerns and complaints will emerge requiring responsive handling. Establish clear protocols including dedicated email and phone contact for MAT questions, commitment to respond within specified timeframes (24-48 hours), tracking of inquiries and issues for continuous improvement, escalation procedures for complex or contentious matters, and regular review of common questions enabling FAQ updates.

Transparency regarding how concerns are addressed builds confidence in program administration and governance.

Recognition and Positive Reinforcement

Communications should emphasize positive aspects of MAT implementation including provider recognition for participation and compliance, celebration of milestones (number of registered providers, revenue thresholds, project completions), showcase stories of tourism businesses benefiting from destination

marketing, visitor testimonials about improved amenities and experiences, and economic impact data demonstrating tourism contribution to Norfolk County.

Positive framing maintains enthusiasm and support while acknowledging challenges and working collaboratively to address them.

11 Monitoring and Performance Evaluation Framework

11.1 Key Performance Indicators to Measure MAT Impact

Systematic performance monitoring enables evidence-based program evaluation, strategic adjustments, accountability to stakeholders, and demonstration of tourism and economic impacts. A comprehensive KPI framework should track program administration, financial performance, tourism outcomes, and stakeholder satisfaction.

Program Administration KPIs

- Provider Participation Rate: Percentage of identified accommodation providers registered and remitting MAT. Target: 90%+ within 18 months of implementation.
- Compliance Rate: Percentage of registered providers current on remittances (not in arrears). Target: 95%+ ongoing.
- Administrative Cost Ratio: Administrative costs as percentage of gross MAT revenue. Target: <10% in Year 1, <8% in subsequent years.
- Collection Efficiency: Time from guest payment to municipal receipt of remitted funds. Target: <30 days average.
- Provider Satisfaction: Accommodation provider satisfaction with reporting system, support, and communication. Target: 75%+ satisfied or very satisfied.

Financial Performance KPIs

- Annual MAT Revenue: Total gross MAT revenue collected. Baseline: Year 1 actual; Target: Year-over-year growth of 3-5% reflecting accommodation sector expansion and occupancy improvement.

- Revenue per Available Room (RevPAR): MAT revenue divided by total accommodation units, measuring average contribution. Track trends over time.
- Arrears Outstanding: Total MAT arrears owed but uncollected. Target: <2% of annual gross revenue.
- Eligible Tourism Entity Allocation: Funds transferred to designated 'eligible tourism entity' for destination marketing. Track annual amounts and percentage of net revenue.
- Municipal Tourism Investment: Funds deployed for municipal tourism infrastructure and programming. Track annual amounts and project inventory.

Tourism Outcome KPIs

- Accommodation Occupancy Rate: Average occupancy across accommodation sector. Baseline: Year prior to MAT; Target: Year-over-year improvement of 2-3% reflecting marketing effectiveness.
- Visitor Volume: Estimated visitors to Norfolk County annually. Baseline: Year prior to MAT; Target: Year-over-year growth of 3-5%.
- Tourism Spending: Estimated tourism expenditures in Norfolk County. Baseline: Year prior to MAT; Target: Growth exceeding inflation reflecting increased visitation and length of stay.
- Average Length of Stay: Average number of nights visitors stay. Track trends reflecting visitor engagement and satisfaction.
- Shoulder Season Occupancy: Occupancy rates in shoulder periods (May-June, September-October). Target: Growth in shoulder season occupancy reducing seasonal concentration.
- Destination Awareness: Brand awareness and consideration among target markets. Measure through periodic surveys in key markets.

Infrastructure and Investment KPIs

- Projects Completed: Number of MAT-funded infrastructure projects completed annually. Track project types, locations, and investment amounts.
- Leveraged Funding: Additional funding secured through partnerships and grants leveraged by MAT investment. Target: $0.50-$1.00 leveraged per $1.00 MAT invested.

- Geographic Distribution: Distribution of municipal MAT investments across Norfolk County communities. Monitor to ensure equity.
- User Satisfaction: Visitor and resident satisfaction with MAT-funded amenities and infrastructure. Measure through surveys and feedback.

Stakeholder Engagement KPIs

- Industry Satisfaction: Accommodation provider and tourism stakeholder satisfaction with governance, communication, and program outcomes. Target: 70%+ satisfied or very satisfied.
- Public Awareness: Resident awareness of MAT program and tourism investments. Measure through periodic community surveys.

11.2 Recommendations for Ongoing Program Evaluation and Adjustments

Annual Program Evaluation Process

A systematic annual County evaluation process should assess program performance against objectives, identify successes and challenges, engage stakeholders in dialogue, and inform strategic adjustments.

Evaluation Components

- Financial Performance Review: Compare actual revenue against projections, analyze trends and variances, assess administrative cost efficiency, review allocation between 'eligible tourism entity' and municipality, and evaluate return on investment for marketing and infrastructure.
- Tourism Outcomes Assessment: Analyze accommodation sector performance (occupancy, RevPAR, demand), evaluate visitor volume and spending trends, assess destination awareness and brand strength, measure economic impact and contribution to local economy, and compare performance to regional competitors and benchmarks.
- Stakeholder Consultation: Survey accommodation providers regarding satisfaction, concerns, and suggestions. Conduct focus groups with tourism industry stakeholders. Solicit public input through community surveys and consultations. Review the County's Tourism MDC performance and marketing effectiveness.

- Program Administration Review: Assess collection system performance and provider experience, evaluate compliance rates and enforcement effectiveness, review administrative costs and operational efficiency, examine communication effectiveness and stakeholder engagement, and identify process improvements and technology enhancements.
- Investment Portfolio Assessment: Inventory MAT-funded projects and programs, evaluate project outcomes and user satisfaction, assess geographic distribution and community equity, measure leveraged funding and partnership success, and determine alignment with tourism strategic priorities.

Strategic Adjustment Framework

Based on evaluation findings, the County should make informed adjustments to optimize program performance.

Potential Adjustment Categories

- Rate Adjustments: While the 4% rate represents best practice and regional standard, monitoring competitive context and revenue adequacy may inform future rate considerations. Any rate changes require careful stakeholder consultation, market impact assessment, and by-law amendment.
- Revenue Allocation Refinements: Experience may suggest adjustments to allocation between eligible tourism entity and municipality, investment categories and eligible projects, geographic distribution approaches, or leveraging strategies with partners.
- Governance Structure Evolution: Terms within the designated 'Eligible Tourism Entity' Agreement may also be revised periodically to strengthen accountability, improve transparency, and enhance overall performance.
- Administrative Process Improvements: Technology enhancements, reporting streamlining, provider support improvements, and enforcement protocol adjustments should be implemented as identified.
- Communication Strategy Refinements: Message emphasis, channel utilization, stakeholder engagement approaches, and transparency mechanisms should evolve based on feedback and effectiveness.

Continuous Improvement Culture

MAT program success depends on organizational commitment to continuous improvement including regular performance monitoring and data analysis, open dialogue with stakeholders regarding experiences and suggestions, willingness to

acknowledge challenges and adjust approaches, learning from other municipalities and sector best practices, innovation in technology, marketing, and investment strategies, and accountability for outcomes and stewardship of public resources.

Comparative Benchmarking

Norfolk County should participate in ongoing benchmarking with comparable Ontario municipalities implementing MAT programs. This enables sharing of best practices and lessons learned, comparison of performance metrics and outcomes, collaborative problem-solving on common challenges, and joint advocacy on provincial policy issues affecting MAT programs.

Organizations such as the Tourism Industry Association of Ontario (TIAO), Ontario Restaurant Hotel & Motel Association (ORHMA), and Economic Developers Council of Ontario provide forums for municipal MAT collaboration and knowledge exchange.

Program Sustainability Assessment

Periodic assessment of program sustainability ensures long-term viability including evaluation of revenue stability and growth trajectory, assessment of administrative cost sustainability, review of organizational capacity and staffing, examination of stakeholder support and satisfaction, and monitoring of competitive context and regional trends.

This forward-looking assessment informs strategic planning, resource allocation, and program evolution ensuring MAT continues to serve as an effective tool for tourism development in Norfolk County.

12 Recommendations and Next Steps

Summary of Key Recommendations

Based on comprehensive research, stakeholder consultation, and analysis of best practices across Ontario, this assessment provides the following recommendations for Norfolk County Council's consideration regarding Municipal Accommodation Tax implementation.

1. Approve MAT Implementation: Authorize implementation of a mandatory Municipal Accommodation Tax at 4% of accommodation purchase price for stays of 30 consecutive days or less, effective July 1, 2027.
2. Designate Collection Agent: Designate the Ontario Restaurant Hotel & Motel Association (ORHMA) as the County's collection agent for MAT administration, leveraging established systems and sector expertise while minimizing municipal administrative burden.
3. Designate 'Eligible Tourism Entity': Establish the proposed MDC-1 Norfolk County Tourism Corporation (*see associated MDC Assessment Report)* and designate it as the County's 'eligible tourism entity' to receive minimum 50% of net MAT revenues for destination marketing and tourism promotion purposes. MDC-1 would be staffed by the County's current Economic Development Department to enhance the County's current tourism marketing efforts while being supported by a Board of Directors made up of Council members and local tourism industry representative including accommodation providers to provide guidance and industry expertise. (Details are further described in the associated Municipal Development Corporation Assessment Report)

   Alternatively, the County could select another organization within the community that could take on the role of 'eligible tourism entity' based on the legislation's requirements.
4. Establish 50/50 Revenue Allocation: Adopt revenue allocation framework providing 50% of net MAT revenues to the designated MDC – 'Eligible Tourism Entity' for destination marketing and 50% to the municipality for tourism-related infrastructure and programming.

5. Implement Short-Term Rental Licensing: Pass comprehensive short-term rental accommodation licensing by-law coordinated with MAT implementation to ensure sector-wide compliance, fair competition, and regulatory clarity.
6. Execute Required Agreements: Direct staff to negotiate and execute formal agreements with the collection agent (ORHMA) and designated MDC/ 'eligible tourism entity' establishing roles, responsibilities, accountability measures, and reporting requirements.
7. Develop Implementation Plan: Direct staff to develop detailed implementation plan including timeline, communication strategy, provider education program, technology deployment, and launch preparation.
8. Establish Performance Framework: Adopt comprehensive performance measurement framework with key performance indicators, annual evaluation process, and reporting requirements to ensure transparency and accountability.
9. Budget for Implementation: Allocate necessary resources for MAT implementation including legal services, technology systems, communication materials, stakeholder engagement, and staff time during the establishment phase.

Implementation Timeline

A structured implementation timeline ensures systematic program launch and stakeholder readiness. The following timeline covers an 18-month period to establish and implement a Municipal Accommodation Tax in Norfolk County.

Figure 12-1: MAT Implementation Timeline and Key Activities

Timeline	Key Activities
Phase 1: Initiation Q1 2026 *(Jan-Mar)*	• Council Approval for MAT: Council adopts MAT and STR programs. • Council approval for MDC Framework: Council approves the creation of the Norfolk County Tourism Corporation (MDC-1) • Task Force: Establish internal "MAT Implementation Team" (Finance, Legal, Economic Development).

Phase 2: Consultation & Structure Q2 2026 *(Apr–Jun)*	• MAT Stakeholder Roundtables: Host sessions with accommodators to review the draft MAT By-law and roll-out schedule. • Database Build: Begin building the database of Short-Term Rentals (STRs) and Hotels for MAT. • Vendor Selection: Select technology vendor for online MAT remittance portal.
Phase 3: Legislation & Incorporation Q3 2026 *(Jul–Sep)*	• MAT By-Law Drafting: Present draft MAT By-law and exemptions policy (e.g., 30+ day stays) to Council. • MDC-1 Governance Framework Development: Legal counsel completes incorporation documents, shareholder directions and initial process for the Norfolk County Tourism Corporation ('eligible tourism entity') • Toolkits: Draft "Accommodation Provider Guides" for MAT collection.
Phase 4: Governance & Enactment Q4 2026 *(Oct–Dec)*	• MAT By-Law Passage: Council passes final MAT By-law with an effective date of July 1, 2027. • MDC-1 Board Recruitment & Appointment: Launch public recruitment for the inaugural Norfolk County Tourism Corporation (MDC-1) Board of Directors to be appointed by Council. • Notice of Requirement: Send official letters to all accommodation providers notifying them of the upcoming July 1 start date. • System Config: Configure remittance portal with specific rate (e.g., 4%) and exemption rules.
Phase 5: Registration & Agreements Q1 2027 *(Jan–Mar)*	• MDC-1 Agreement: Draft and negotiate the "Municipal Funding Agreement" between County and MDC-1 (designating it as the 'eligible tourism entity'). • Provider Registration: Launch mandatory registration portal for all accommodation providers
Phase 6: Education & Designation	• Formal Designation: County formally designates Norfolk County Tourism Corporation (MDC-1) as the

Q2 2027 *(Apr–Jun)*	"Eligible Tourism Entity" to receive 50% of MAT funds. • Soft Launch: "Test drive" of the remittance system with select hotel partners. • Compliance Blitz: Final audit to ensure all STRs are registered before deadline. • Marketing: Public awareness campaign: "Visiting Norfolk? Changes coming July 1."
GO-LIVE July 1, 2027	• Collection Starts: MAT (e.g., 4%) is applied to all guest invoices starting July 1, 2027. • Norfolk County Tourism Corporation (MDC-1) Active: County Economic Development Department and MDC-1 undertake joint activities for tourism • Support: "MAT Help Desk" opens for provider inquiries.

13 Conclusion

The Strategic Imperative: Investing in Norfolk County's Tourism Future

Norfolk County stands at a pivotal moment in its economic trajectory. The Municipality possesses exceptional tourism assets—pristine Lake Erie waterfront, rich agricultural heritage, and vibrant cultural attractions —that rival any destination in Ontario. Yet without a dedicated, sustainable revenue mechanism to support tourism development, these assets remain underutilized, the destination brand remains underdeveloped, and significant economic opportunities continue to slip away to better-funded competitors.

The Municipal Accommodation Tax represents far more than a revenue tool. It is a strategic investment framework that aligns visitor contributions with destination improvements, protects resident taxpayers from tourism-related costs, and positions Norfolk County to compete effectively in Ontario's increasingly sophisticated tourism marketplace. This feasibility study demonstrates conclusively that MAT implementation is not only viable—it is essential for realizing the Municipality's full tourism potential.

A Proven Policy Tool with Substantial Return on Investment

Over 80 Ontario municipalities have successfully implemented accommodation tax programs, generating stable revenue streams that fund destination marketing, infrastructure improvements, and visitor experience enhancements. Comparable communities such as Prince Edward County, Blue Mountains, Lambton Shores, and South Bruce Peninsula have demonstrated that properly designed MAT programs generate sustainable revenues without negatively impacting visitor demand or accommodation sector performance.

Norfolk County's projected annual MAT revenue of approximately $700,000 (base scenario) provides substantial, predictable funding that would otherwise require property tax increases or service reductions. This revenue is generated exclusively from overnight visitors who benefit from tourism infrastructure and services, implementing a user-pays principle that ensures fairness and fiscal responsibility.

The Competitive Reality: The Cost of Inaction

Tourism destination across Ontario large and small, rural and urban have implemented or are actively considering MAT programs. Prince Edward County funds aggressive destination marketing campaigns positioning it as Ontario's premier agri-tourism destination. Blue Mountains supports sophisticated four-season marketing and infrastructure development. Niagara Region municipalities collectively generate tens of millions annually, creating marketing budgets that dwarf Norfolk County's current tourism allocation.

Municipalities with MAT possess structural advantages that compound over time. Dedicated marketing budgets attract more visitors, generating increased accommodation revenue, which produces additional MAT funding for further marketing and infrastructure investment. This virtuous cycle creates destination momentum that builds brand awareness, media coverage, event attraction capacity, and visitor loyalty. The financial cost of inaction is measurable: $700,000+ annually in foregone revenue that property taxpayers must either replace or accept reduced tourism competitiveness and support.

Implementation Framework: Designed for Norfolk County's Success

This feasibility study presents a comprehensive implementation framework specifically tailored to Norfolk County's accommodation sector composition, stakeholder priorities, and operational realities—not a generic template.

Revenue Allocation Aligned with Community Priorities: The recommended 50/50 revenue allocation responds directly to stakeholder consultation and comparable municipal best practices. Half the revenue funds professional destination marketing through newly proposed Norfolk County Tourism Corporation Development Corporation with dedicated tourism resources, addressing the current marketing capacity gap. The other half can support tangible municipal investments in County tourism amenities and infrastructure—the overwhelming priority identified through stakeholder engagement. This balanced approach addresses the fundamental insight that effective marketing without underlying destination product is counterproductive.

Governance and Transparency as Foundation for Trust: The framework includes dedicated organizational structure with a Norfolk County Tourism Corporation (MDC-1) MDC county-wide mandate, governance providing accommodation provider representation and transparent oversight, comprehensive reporting

requirements, and investment evaluation criteria ensuring strategic alignment. This responds to the most consistent stakeholder theme: support for MAT is conditional on confidence that revenues will be visibly reinvested in tourism priorities rather than absorbed into general operations.

Equitable Implementation Across All Accommodation Types: Coordinated implementation of MAT alongside comprehensive short-term rental licensing addresses fairness concerns from traditional accommodation providers. Norfolk County's substantial short-term rental inventory represents both an opportunity and an implementation imperative. Integrated MAT and STR licensing create mutually reinforcing policy tools ensuring sector-wide participation, compliance monitoring, and equitable treatment.

User-Friendly Technology: The recommended ORHMA collection system reflects best practices from 30+ Ontario municipalities. Intuitive online reporting, automated tax calculation, integrated payment processing, technical support, and flexible reporting schedules minimize provider burden while ensuring comprehensive collection.

Implementation Readiness and Clear Path Forward

The comprehensive 18-month implementation roadmap provides clear pathways from policy approval to successful program launch on July 1, 2027, with adequate time for stakeholder engagement, system development, provider education, and launch readiness. The phased approach mitigates implementation risk through transparent communication and visible preparation.

This study provides a full guide for an informed MAT adoption: legislative compliance framework with draft by-laws, conservative financial projections, comparative benchmarking evidence, stakeholder consultation results confirming conditional support, detailed implementation timeline, proven technology solutions, transparent governance structures, and performance measurement frameworks.

Seizing the Opportunity

Tourism is not a discretionary amenity for Norfolk County—it is a strategic economic driver with capacity to generate employment, business activity, community vibrancy, and fiscal sustainability. But assets alone do not create competitive destinations. Strategic investment in marketing and infrastructure transforms potential into performance.

The Municipal Accommodation Tax provides the sustainable revenue mechanism to make these investments. The $700,000+ in estimated annual revenue represents capacity to attract and retain overnight guests to Norfolk County and enhance the visitor experience through new investments.

Most fundamentally, it represents a choice: invest strategically in tourism competitiveness through proven tools or accept gradual marginalization as better-funded destinations capture Norfolk County's market potential.

A1 Draft MAT By-Law Template

urbanMetrics is not positioned to provide or dispense legal advice. The County should engage legal counsel to conduct a more detailed legal review and to draft a new bylaw that clearly sets out the legal framework and mechanics of implementing the Municipal Accommodation Tax program. The information contained herein is for informational purposes only and should not be construed or interpreted as legal advice.

The Corporation of Norfolk County

By-Law Number 2026-XX

A BY-LAW TO ENACT A MUNICIPAL ACCOMMODATION TAX WITHIN THE CORPORATION OF NORFOLK COUNTY

WHEREAS section 400.1 (1) of the Municipal Act 2001, S.O. 2001 c. 25, as amended (the "Municipal Act"), provides that a 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 County of Prince Edward wishes to establish the tax rate and to levy on the purchase of transient accommodation within Norfolk County;

ANDWHEREAS 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 MAT, interest and penalties to the tax roll for the properties in Norfolk County registered in the name of the Provider to be collected in like 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) and (3) of the Act and such lien will not have a higher priority than it would othen/vise have in law in relation to other claims, liens or encumbrances;

DEFINITIONS

1. For the purposes of this By-law:

"Accommodation" means lodging, whether in a hotel, motel, motor hotel, lodge, inn, resort, bed and breakfast, licensed short-term accommodation providing

lodging, and the right to use lodging, that is provided for consideration, whether or not the lodging is actually used;

“Council” means the Council of The Corporation of Norfolk County;

“Eligible Tourism Entity" has the meaning given to it in the Ontario Regulation 435/17, as amended.

“Establishment” means the physical location, a building or part of a building that provides Accommodation;

“Lodging" includes:

(a) the use of a bedroom, a suite of rooms containing a bedroom, or the use of a bed within a bedroom;

(b) the use of one or more additional beds or cots in a bedroom or suite.

“Municipal Accommodation Tax” or “MAT” means the tax imposed under this By—law;

“Provider” means a person or an entity that sells, offers for sale, or otherwise provides Accommodation, and includes agents, hosts or others who sell, offers for sale or otherwise provides Accommodation;

“Purchaser” means a person who purchases Accommodation;

“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 provided, but does not include the goods and services tax imposed by the Government of Canada or by the Province of Ontario;

"STA" means municipally licensed Short-Term Accommodations

“The County" means the Corporation of Norfolk County.

APPLICATION OF MAT

2. A Purchaser shall, at the time of purchasing Accommodation, pay the Municipal Accommodation Tax in the amount of four (4) percent of the Purchase Price of Accommodation provided for a continuous period of 30 days or less provided in a hotel, motel, motor hotel, lodge, inn, STA, bed and breakfast, dwelling unit or any place in which Accommodation is provided.

(a) 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 in the course of the continuous period.

EXEMPTIONS

3. The Municipal Accommodation Tax imposed under this By-law does not apply to Accommodation provided by:

(a) The Crown, every agency of the Crown in right of Canada, 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) A university or a college of applied arts and technology or post-secondary institution whether or not affiliated with a university, the enrolments of which are counted for purposes of calculating operating grants entitlements from the Crown;

(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 and hospices;

(f) A hotel or motel used by The County or its agents for shelter purposes;

(g) A treatment center that receives private funding, or provincial aid under the Ministry of Community and Social Services Act;

(h) A house of refuge, or lodging for the reformation of offenders;

(i) A charitable, non-profit philanthropic corporation organized as shelters for the relief of the poor or for emergency;

(j) A tent or trailer site supplied by a campground, tourist camp or trailer park;

(k) Employers to their employees in premises operated by the employer;

(l) A hospitality room in an establishment that may or may not contain a bed and is used for displaying merchandise, holding meetings, or entertaining; and

(n) Accommodation bookings with signed contracts prior to the date that this By—law takes effect, whether paid partially or in-full.

TAX COLLECTED AND STATEMENT SUBMITTED

4. A Provider shall collect the MAT from the Purchaser at the time the Accommodation is purchased.

5. The amount of the MAT shall be identified as a separate item or charge on a bill, receipt, invoice or similar document issued by the Provider in respect of the Accommodation on which the tax is imposed and the item shall be identified as "Municipal Accommodation Tax".

6. A Provider shall, on or before the last day of every month, remit to the County for the amount of the MAT collected for the previous month and submit the monthly statements in the form required by the City detailing the number of the Accommodation sold, the purchase price of each Accommodation, the MAT amount collected and any other information as required by the City for the purposes of administrating and enforcing this By-law.

DELEGATION OF AUTHORITY

7. The Chief Administrative Officer, or designate, is hereby delegated the authority to enter into agreements, including all necessary documents ancillary thereto, with another person or entity as agent for The County, providing for the implementation and collection of the Municipal Accommodation Tax, all in a form satisfactory to The County's Solicitor.

8. The Chief Administrative Officer, or designate, is hereby delegated the authority to enter into agreements, including all necessary documents ancillary thereto, with Eligible Tourism Entity(ies) that receive(s) an amount of the MAT respecting reasonable financial accountability matters in order to ensure that amount paid to the entity is used for the exclusive purpose of promoting tourism, and the agreements may provide for other matters, all in a form satisfactory to The County's Solicitor.

9. The Director of Finance or designate, shall be responsible for the administration of this By-law, including but not limited to approvals, appeals, enforcement, collection, and for instructing The County's Solicitor to take such legal action as may be considered appropriate.

INTEREST PENAILITIES

10. That a percentage charge of 1.25 per cent of the amount of the MAT due and unpaid 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 County, in that case, the percentage charge of 1.25 per cent of the actual amount of the MAT will be imposed.

11. That an interest charge of 1.25 per cent each month of the amount of the MAT due and unpaid, be imposed for the non-payment of taxes on the first day of each month and subsequent months following the first day of default.

LIENS

12. All MAT penalties and interest that are past due shall be deemed to be in arrears, and may be added to the tax roll for any real property in Norfolk County registered in the name of the Provider to be collected in like manner as property taxes and shall constitute a lien upon the lands, but 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.

AUDIT AND INSPECTION

13. The Provider shall keep books of account, records, and documents sufficient to furnish the County or its agent with the necessary particulars of sales of Accommodations, amount of MAT collected and remittance.

14. The County or its agent may inspect and audit all books, documents, transactions and accounts of the Providers and require the Providers to produce copies of any documents or records required for the purposes of administering and enforcing this by-law, as required.

OTHER PENALITIES

14. The STA provider shall provide proof that all outstanding taxes have been submitted to The County prior to qualifying for license renewal.

15. Every Person who contravenes any provision of this By—law is guilty of an offence and, in addition to being liable for payment of the penalty imposed by section 10-11, is liable to a fine and such other penalties as provided for in the Provincial Offences Act, R.S.O. 1990, c. P. 33 and the Municipal Act., 2001 S.O. 2001 c. 25, each as amended:

(a) 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 daily fines for the offence is not limited to $100,000.00 as provided for in subsection 429(3)2 of the Municipal Act, 2001.

(b) 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:

(i) prohibiting the continuation or repetition of the offence by the person convicted; and

(ii) requiring the person convicted to correct the contravention in the manner and within the period that the court considers appropriate.

16. Without limiting the foregoing, The County may establish and use other dispute resolution mechanisms and enforcement measures if an amount assessed for outstanding tax, penalties or interest remains unpaid after it is due, including measures such as garnishment, the seizure and sale of property and the creation and registration of liens as it considers appropriate.

GENERAL

17. This By-law shall come into effect at a date to be determined in the future, providing a minimum of 90 days public notice.

18. If any section or portion of this By-law is found by a court of competent jurisdiction to be invalid, it is the intent of Council for The County that all remaining sections and portions of this By-law continue in force and effect.

PASSED this _____ day of _____, 20.

[Signatures of Mayor and Clerk]

A2 Draft Short-Term Rental By-Law Template

** urbanMetrics is not positioned to provide or dispense legal advice. The County should engage legal counsel to conduct a more detailed legal review and to draft a new bylaw that clearly sets out the legal framework and mechanics of implementing the Short-Term Rental Accommodation Licensing By-Law. The information contained herein is for informational purposes only and should not be construed or interpreted as legal advice.*

SHORT-TERM RENTAL LICENSING BY-LAW TEMPLATE

THE CORPORATION OF NORFOLK COUNTY

BY-LAW NO. [XX-2026]

A BY-LAW to licence, regulate and govern the operation of Short-Term Rentals in the Corporation of Norfolk County

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1. PREAMBLE AND AUTHORITY

WHEREAS The Corporation of Norfolk County (hereinafter "the Municipality") recognizes the emerging market for short-term rental accommodations and seeks to establish a regulatory framework that:

a) Protects public health and safety through appropriate operational standards and fire safety requirements;

b) Preserves the supply of long-term rental housing for permanent residents;

c) Ensures fair taxation through integration with the Municipal Accommodation Tax (MAT) program;

d) Supports responsible tourism and economic development;

e) Maintains neighbourhood quality of life and community compatibility;

f) Establishes clear licensing requirements and administrative processes;

AND WHEREAS section 23.2(1) of the *Municipal Act, 2001*, S.O. 2001, c. 25 (hereinafter "the *Municipal Act*"), authorizes a municipality to pass by-laws respecting the licensing of businesses, prohibit the carrying on or engaging in a business without a license, and impose terms and conditions as requirements of a license;

AND WHEREAS the Municipality wishes to establish a licensing system to regulate short-term rental operations in accordance with applicable law;

AND WHEREAS sections 390-400 of the *Municipal Act* authorize the Municipality to investigate complaints, inspect properties, issue orders, and collect fees;

AND WHEREAS section 429 of the *Municipal Act* provides that a municipality may establish a system of fines for offences under a by-law;

NOW THEREFORE the Council of the Corporation of Norfolk County hereby enacts as follows:

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2. DEFINITIONS

In this By-Law, unless the context otherwise requires:

"Accommodation Area" means the room or rooms in a short-term rental unit where guests are permitted to sleep and occupy the space, excluding common areas such as bathrooms, hallways, and storage areas.

"Applicant" means a person applying for a short-term rental license under this By-Law, and includes an owner, tenant, or authorized agent.

"Authorized Agent" means a person authorized in writing by the owner or tenant to act on their behalf for purposes of this By-Law.

"Bedroom" means a room in a dwelling unit that is designed and equipped primarily for sleeping and contains at least 70 square feet of useable floor area.

"Building Code" means the Ontario Building Code, as amended from time to time, and the *Ontario Building Code Act*, 1992, S.O. 1992, c. 23.

"Building Official" means the chief building official or inspectors appointed by the Municipality for enforcement of the Building Code.

"Common Area" means portions of a short-term rental property available for shared use by guests, such as kitchens, living rooms, bathrooms, and outdoor spaces, but excludes accommodation areas where guests sleep.

"Criminal Record and Judicial Matters Check" means a record of criminal conviction, charges pending trial, or criminal history as obtained from appropriate law enforcement authorities.

"Dwelling" means a building or part thereof used, designed, or intended to be used for residential occupation and includes a single detached house, townhouse, semi-detached house, apartment building, cottage, secondary suite, or similar residential structure.

"Dwelling Unit" means a self-contained unit in a dwelling with independent kitchen, bathroom, and sleeping facilities, including a principal residence or secondary residential unit.

"Emergency Contact Information" means current name, telephone number, and email address of a responsible person (the operator, local agent, or alternate contact) available 24/7 to respond to tenant concerns and emergencies.

"Enforcement Officer" means a person appointed by the Municipality to enforce this By-Law, including municipal by-law enforcement officers, fire officials, building officials, and public health inspectors.

"Fire Code" means the Ontario Fire Code, Ontario Regulation 213/07, as amended from time to time.

"Fire Safety Plan" means a written plan prepared by the operator that identifies emergency exits, evacuation procedures, location of fire safety equipment, and contact information for emergency services.

"General Liability Insurance" means comprehensive third-party liability insurance with a minimum coverage amount of two million dollars ($2,000,000) per occurrence that covers bodily injury, property damage, and personal liability.

"Guest" means any person occupying a short-term rental for compensation on a temporary basis for 30 consecutive days or less.

"Guest Code of Conduct" means the written rules and standards of behaviour provided to guests prior to or upon arrival, addressing noise, parking, waste disposal, and respect for the property and neighbouring residences.

"Habitable Room" means a room in a dwelling used for living, sleeping, eating, or cooking and includes bedrooms, living rooms, kitchens, and dining rooms, but excludes bathrooms, hallways, closets, and storage areas.

"Host" means the operator of a short-term rental.

"Insurance Certificate" means a certificate of insurance or proof of insurance coverage issued by an insurance broker or company demonstrating that the required insurance is in full force and effect.

"License" or "Short-Term Rental License" means permission granted by the Municipality to operate a short-term rental property in accordance with this By-Law.

"License Number" means the unique alphanumeric identifier assigned by the Municipality to a licensed short-term rental and required to appear on all advertisements and listings.

"Licensee" means the person to whom a short-term rental license has been issued under this By-Law.

"Manager" means the municipal manager, director of licensing, or other municipal officer designated by the Municipality to administer this By-Law.

"Maximum Occupancy" means the maximum number of persons (guests and occupants) permitted to occupy a short-term rental property at any one time, as determined by this By-Law.

"Municipal Accommodation Tax" or "MAT" means the transient accommodation tax imposed by the Municipality under the authority of section 364 of the *Municipal Act* on payment for room in a hotel, inn, motel, or other transient accommodation.

"Noise By-Law" means the general nuisance or noise by-law of the Municipality.

"Operator" or "Host" means a person who controls, manages, or is in possession of a short-term rental property and offers accommodation to guests in exchange for payment. The operator may be the property owner, a tenant with written consent of the property owner, or an authorized agent.

"Occupancy" means the total number of persons (guests and any residents) permitted to occupy a short-term rental at any one time.

"Owner" means a person who holds legal title to the property or has other legal interest in the property sufficient to authorize short-term rental operations.

"Owner-Occupied Short-Term Rental" means a short-term rental where the property owner or registered operator resides on the property during at least some portion of the operating period and shares common areas with guests (such as a bed-and-breakfast or home-stay model).

"Parking Plan" means a written plan prepared by the operator that identifies designated guest parking, visitor parking, street parking, or alternative arrangements for guest vehicles in compliance with municipal parking by-laws.

"Platform" means any internet-based marketplace, online booking service, or electronic marketplace that facilitates the booking, payment, or arrangement of short-term rental accommodations, including but not limited to Airbnb, VRBO, Booking.com, and similar services.

"Principal Residence" means a dwelling unit that is the primary residence of the owner or authorized tenant and where the owner or tenant resides for at least 183 days in a calendar year, except for periods of temporary absence such as holidays or business travel. A property cannot be considered a principal residence if the owner or tenant is absent for employment purposes beyond a municipality-wide standard period.

"Property" means the land and buildings associated with a short-term rental address.

"Property Ownership Documentation" means a deed, property tax assessment, property transfer documents, or other evidence of legal ownership or authorization to occupy and operate the property.

"Public Health Inspector" means an officer appointed under the *Health Protection and Promotion Act*, R.S.O. 1990, c. H.7, to enforce public health regulations.

"Renter's Code of Conduct" means the document provided to guests setting out house rules and expected standards of behaviour during their stay.

"Responsible Person" means the operator or an authorized representative available at all times (24/7) to respond to guest concerns, complaints, emergencies, and inspections.

"Room Rental" means a short-term rental where a guest rents a private bedroom or rooms within a multi-unit property where other rooms are occupied by the property owner, other permanent residents, or long-term tenants, and common areas are shared.

"Secondary Suite" means an additional residential dwelling unit in a building that was originally designed as a single-dwelling unit, including basement apartments, laneway houses, and ancillary residential structures. "Secondary residential unit" has the same meaning.

"Short-Term Rental" or "STR" means all or part of a dwelling unit offered for temporary occupancy in exchange for payment for a stay of 30 consecutive days or less, including whole-unit rentals, room rentals, bed-and-breakfast accommodations, and home-stay arrangements. Short-term rental does not include accommodations provided in licensed hotels, motels, inns, bed and breakfast establishments licensed under a separate licensing regime, or other commercial tourist accommodations.

"Tenant" means a person who rents or leases a property from an owner and seeks to operate a short-term rental at that location.

"Violation" or "Breach" means any failure to comply with the requirements of this By-Law or the terms and conditions of a license.

"Waste Management Plan" means a written plan prepared by the operator that addresses garbage collection, recycling, composting, and refuse storage in a manner that minimizes impacts on neighbouring properties.

"Whole-Unit Rental" means a short-term rental where guests have exclusive access to an entire self-contained dwelling unit with private kitchen and bathroom facilities and do not share accommodation areas with other occupants.

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3. APPLICATION AND SCOPE

3.1 Scope of Application

This By-Law applies to all short-term rentals operated within the Corporation of Norfolk County, including but not limited to:

a) Whole-unit rentals of single-detached dwellings, townhouses, apartments, or other residential properties;

b) Room rentals in properties where the owner or other permanent occupants reside;

c) Secondary suites or accessory dwelling units rented on a short-term basis;

d) Owner-occupied bed-and-breakfast and home-stay operations;

e) Short-term rentals offered on any platform, whether online-based (such as Airbnb, VRBO) or marketed by private arrangement;

f) Short-term rentals regardless of whether the operator is a resident of Ontario or Canada.

3.2 Exclusions

This By-Law does not apply to:

a) Licensed hotels, motels, inns, and similar commercial tourist accommodations regulated under separate municipal licensing regimes;

b) Hostels and dormitory-style accommodations with shared guest facilities;

c) Medical facilities, hospitals, long-term care facilities, retirement homes, and similar institutions;

d) Campgrounds and recreational vehicle parks;

e) Temporary accommodation provided by non-profit organizations, government agencies, or charities without payment;

f) Private temporary lodging provided to family members without compensation;

g) Emergency or transitional shelter as defined in the Municipality's zoning by-law;

h) Private residential accommodation of a guest for a single visit of 30 consecutive days or less without a pattern of repeated commercial operation.

3.3 Principal Residence Exemptions and Distinctions

The Municipality recognizes that owner-occupied short-term rentals (principal residence operations) may have different regulatory requirements than investment properties:

a) Principal Residence Standard: Short-term rentals in the owner's principal residence where the owner resides for at least 183 days per calendar year may be licensed under this By-Law with potentially reduced fees and streamlined requirements, provided all safety, occupancy, and operational standards are maintained.

b) Investment Properties: Short-term rentals in properties where the operator does not reside may have additional requirements, higher fees, or restrictions as determined by the Municipality and set out in the Fees and Charges By-Law.

c) Tenant-Operated Properties: Where a tenant wishes to operate a short-term rental in a property they do not own, written consent of the property owner must be obtained, and the owner's liability remains engaged throughout the licensing period.

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4. LICENSING FRAMEWORK

4.1 Requirement for License

No person shall operate, conduct, or engage in the business of providing short-term rental accommodation within the Municipality unless:

a) The person has obtained a valid, non-suspended, non-revoked Short-Term Rental License issued by the Municipality;

b) The person complies with all terms and conditions of the license;

c) The person complies with all requirements of this By-Law and all other applicable municipal by-laws and provincial legislation;

d) The license is renewed annually as required.

4.2 License Validity and Term

a) All short-term rental licenses shall be issued for a term of one (1) calendar year;

b) A license issued in any calendar year is valid until December 31 of that year;

c) Licenses are not transferable and do not run with the property. A new license is required if ownership or control of the property changes or if the operator changes;

d) A licensee wishing to continue operating a short-term rental must submit a renewal application at least 30 days before the expiration of their current license;

e) Failure to renew a license before expiration results in termination of the license and the operator must immediately cease short-term rental operations.

4.3 Annual Licensing Requirement

The requirement for annual licensing serves the following purposes:

a) Ensures ongoing compliance with safety and operational standards;

b) Provides the Municipality with current information on the location and operator of short-term rental properties;

c) Facilitates integration with Municipal Accommodation Tax registration and collection;

d) Allows for periodic review of compliance and assessment of community impacts;

e) Establishes a cost-recovery mechanism for administration and enforcement costs.

4.4 License Number Display Requirement

a) A License Number shall be assigned to each licensed short-term rental by the Municipality upon issuance of the license;

b) The Licensee shall display the License Number prominently in all advertisements, online listings, marketing materials, and booking platforms where the property is offered for rent;

c) The License Number shall be displayed in a location visible to guests upon entry to the property, such as on a refrigerator or near the main entrance;

d) Failure to display the License Number as required constitutes a breach of license conditions and may result in license suspension or revocation;

e) Online platforms shall be required under platform partnership agreements to display the License Number to potential guests before they complete a booking.

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5. LICENSE REQUIREMENTS AND APPLICATION

5.1 Application Process

a) All applications for initial Short-Term Rental Licenses and renewals shall be made to the Municipality on forms provided by the Municipality;

b) Applications shall be submitted to the designated municipal office, whether in person, by mail, or through an online application portal designated by the Municipality;

c) The completed application form shall include the name, address, and contact information of the applicant, owner (if different), operator, and any authorized agents;

d) Applications shall be accompanied by all required documentation as set out in section 5.2;

e) The Municipality shall acknowledge receipt of a complete application within five (5) business days;

f) Incomplete applications shall be returned to the applicant with notice of deficiencies within five (5) business days of receipt.

5.2 Required Application Documentation

Every application for a Short-Term Rental License shall include the following documentation:

5.2.1 Proof of Property Ownership or Authorization

a) A copy of current property deed or property transfer documents showing legal ownership;

b) If the applicant is a tenant, a copy of the current lease or rental agreement and written consent from the property owner authorizing the operation of a short-term rental;

c) If the applicant is an authorized agent, written authorization from the property owner and proof that the agent has the legal authority to control the property for short-term rental purposes;

d) Confirmation that the property is not subject to any legal restrictions (mortgages, covenants, or restrictions) that would prohibit short-term rental operations.

5.2.2 Identification Documentation

a) A government-issued identification document (driver's license, passport, or similar ID) for the operator/applicant;

b) If there are multiple owners or operators, identification for each person;

c) Date of birth and current address of all operators and responsible persons;

d) Phone number and email address of the operator and emergency contact person.

5.2.3 Floor Plans and Property Documentation

a) A floor plan or schematic diagram of the property showing:

- The accommodation areas (bedrooms, sleeping areas)
- Common areas
- Kitchen and bathroom locations
- Emergency exits and evacuation routes
- Fire safety equipment locations
- Parking areas and vehicle counts
- The total square footage of the property and accommodation areas

b) A description of the property type (single detached house, townhouse, apartment, secondary suite, etc.);

c) The number of bedrooms available to guests;

d) Confirmation of whether the rental is owner-occupied (principal residence), a whole-unit rental, or a room rental.

5.2.4 Insurance Documentation

a) A valid Certificate of Insurance demonstrating comprehensive general liability insurance with minimum coverage of two million dollars ($2,000,000) per occurrence;

b) The insurance certificate shall confirm:

- The insured property address
- The policy number and expiration date
- Coverage for bodily injury, property damage, and personal liability
- That the insured's use includes short-term rental accommodation
- The names of the property owner and operator as insured parties where applicable

c) The Certificate of Insurance shall remain valid throughout the license term and the Licensee shall provide an updated certificate upon renewal or upon request by the Municipality;

d) Failure to maintain insurance in force is grounds for immediate license suspension.

5.2.5 Criminal Record and Judicial Matters Declaration

a) A signed declaration confirming that the applicant and any authorized agents or responsible persons are not subject to any criminal convictions or outstanding criminal charges relevant to guest safety or property security;

b) The Municipality may request a Vulnerable Sector Check (police criminal record check) or similar background verification;

c) A criminal record or conviction will not automatically disqualify an applicant but will be considered in the Manager's assessment of suitability;

d) Any false statement or omission in this declaration is grounds for immediate license refusal or revocation.

5.2.6 Fire Safety Plan

a) A written Fire Safety Plan prepared by the applicant that includes:

- Identification of all emergency exits (doors, windows, exterior stairs)
- A floor plan showing evacuation routes
- Confirmation that all exits are clear, unlocked, and capable of operation by guests
- Location of fire safety equipment (fire extinguishers, smoke detectors, carbon monoxide detectors)
- Emergency contact procedures and local fire department contact information
- Contact information for the operator and emergency contact person available 24/7
- Steps taken to maintain the property in fire-safe condition

b) The Fire Safety Plan shall be reviewed by the Municipality and may be reviewed by the local fire department;

c) The Fire Safety Plan shall be provided to guests prior to arrival or displayed prominently in the property.

5.2.7 Emergency Exit Diagrams

a) A posted emergency exit diagram showing escape routes and assembly points;

b) The diagram shall be posted in a prominent location visible to all occupants (near the main entrance or bedroom);

c) The diagram shall be prepared in accordance with fire safety guidelines and shall be clear and easy to understand;

d) The diagram shall include the location of fire safety equipment and instructions for their use.

5.2.8 Guest Information Package

a) A written document to be provided to all guests prior to arrival containing:

- Emergency contact information (operator phone number, emergency contact person phone number, local emergency services 911)
- Local fire department non-emergency number
- Police non-emergency contact number
- Local public health contacts

- House rules and Guest Code of Conduct
- Parking and transportation rules
- Waste disposal instructions
- Wi-Fi network information (if applicable)
- Check-in and check-out procedures
- House amenities and appliance instructions
- Local attractions and services

b) The Guest Information Package shall be provided in writing (printed or electronic) and be reasonably accessible to guests.

5.2.9 Parking Plan

a) A written plan describing guest parking arrangements, including:

- The number of parking spaces available to guests
- Location of guest parking (on-site or street parking)
- Parking restrictions or regulations that apply
- Information on local parking by-law requirements
- Alternative transportation options (transit, rideshare, bike rental)

b) For rural properties, confirmation that parking arrangements comply with zoning and property standards;

c) For residential urban properties, confirmation that guest parking does not create undue impacts on neighbouring properties or street parking availability;

d) If on-street parking is required, confirmation that this complies with municipal parking by-laws.

5.2.10 Waste Management Plan

a) A written plan describing how garbage, recycling, composting, and other waste materials are managed, including:

- Types of waste generated and disposal methods
- Schedule for garbage collection

- Location of garbage receptacles and recycling containers
- Compliance with municipal waste collection by-laws and schedules
- Measures taken to prevent odours, pests, and overflow
- Guest instructions for proper waste disposal

b) The plan shall demonstrate that waste management will not create undue impacts on neighbouring properties.

5.2.11 Guest Code of Conduct

a) A written Guest Code of Conduct or House Rules document to be provided to all guests, addressing:

- Quiet hours and noise restrictions (consistent with municipal Noise By-Law)
- Maximum occupancy limits
- Guest responsibilities for the property
- Parking and transportation rules
- Waste disposal instructions
- Use of common areas (if applicable)
- Guest behaviour expectations
- Smoking and pet policies
- Check-in and check-out procedures
- Grievance procedures for guest disputes

b) The Code of Conduct shall be provided to guests prior to arrival and shall be acknowledged by guests;

c) The Licensee shall enforce the Code of Conduct and may refuse to accept a guest who violates these rules.

5.3 Application Review

a) The Manager shall review all applications for completeness within ten (10) business days of receipt;

b) If an application is incomplete, the Manager shall provide written notice of deficiencies and the applicant shall have 20 days to cure the deficiency;

c) If the applicant fails to cure the deficiency within the stated period, the application shall be deemed abandoned and the applicant must reapply;

d) For complete applications, the Manager shall conduct an assessment considering:

- Compliance with all documentation requirements
- Fire safety and building code compliance
- Insurance requirements
- Proposed occupancy limits
- Suitability of parking and waste management arrangements
- Neighbourhood considerations and character
- Any prior compliance history of the applicant
- Public interest and community impact

e) The Manager may request an inspection of the property by municipal inspectors, fire officials, or building officials to verify that the property meets all applicable standards.

5.4 License Issuance or Refusal

a) The Manager shall issue a Short-Term Rental License if the applicant meets all requirements of this By-Law, unless there are grounds for refusal under section 5.5;

b) A license may be issued subject to conditions or restrictions that the Manager deems necessary to ensure compliance and community protection;

c) The Manager shall provide written notice of license issuance or refusal within 30 days of a complete application;

d) If a license is refused, the notice shall state the reasons for refusal;

e) The Licensee shall pay the license fee (established in the Fees and Charges By-Law) before the license is activated;

f) No short-term rental operations may commence until a valid license has been issued and the license fee has been paid.

5.5 Grounds for Refusal of License

The Manager may refuse to issue or renew a Short-Term Rental License if:

a) The applicant has provided false, incomplete, or misleading information in the application;

b) The applicant has been convicted of a criminal offence involving violence, theft, fraud, or breach of trust within the past ten (10) years;

c) The applicant has previously operated an unlicensed short-term rental or operated a licensed short-term rental in violation of this By-Law;

d) The applicant has failed to pay municipal property taxes, utilities, or other municipal charges;

e) The property does not comply with the Building Code, Fire Code, or property standards by-laws;

f) The applicant cannot demonstrate adequate insurance coverage;

g) The applicant does not have authority to operate the property (no ownership or proper authorization from the property owner);

h) The applicant's prior conduct demonstrates that they will not operate the short-term rental in compliance with this By-Law;

i) Issuance of a license would allow the applicant to operate multiple short-term rentals in violation of any applicable restriction in this By-Law;

j) The property is subject to any legal action that would interfere with the operation of a short-term rental;

k) Any other ground set out in this By-Law for suspension or revocation of a license.

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6. LICENSE FEES

6.1 Establishment of Fees

a) The annual fee for a Short-Term Rental License shall be established by the Municipality in the current Fees and Charges By-Law;

b) The licensing fee shall be set at a level designed to recover the costs of administering and enforcing this By-Law, including application processing, inspections, complaint investigation, and compliance monitoring;

c) The current recommended fee structure is:

- Principal residence (owner-occupied) short-term rental: $200 - $400 per year
- Investment property whole-unit rental: $400 - $600 per year
- Secondary suite or room rental: $300 - $500 per year

d) Fees shall be reviewed annually by the Municipality and adjusted to reflect actual administrative costs;

e) Different fees may be charged for different classes of short-term rentals based on property type, occupancy level, or number of units offered by a single operator;

f) Fees are non-refundable.

6.2 Payment of Fees

a) The full license fee shall be paid at the time of application or before the license is activated;

b) Fees shall be paid by the method designated by the Municipality (cheque, electronic transfer, credit card, or other approved method);

c) Failure to pay the license fee within 30 days of invoice results in automatic expiration of the license;

d) If a license expires due to non-payment, the operator shall immediately cease short-term rental operations;

e) A property that operates without a valid license due to non-payment shall be subject to enforcement action and penalties under this By-Law.

6.3 Integration with Municipal Accommodation Tax

The Municipality shall coordinate short-term rental licensing with the Municipal Accommodation Tax program to ensure:

a) Licensees are registered for MAT purposes if they are not already;

b) Licensees remit appropriate MAT to the Municipality on all guest payments;

c) MAT records are cross-referenced with short-term rental licensing records for compliance verification;

d) Unlicensed short-term rental operators are identified through MAT registration and referred for enforcement action.

7. OPERATIONAL STANDARDS

7.1 General Operating Requirements

Every licensee operating a short-term rental shall:

a) Comply with all terms and conditions of this By-Law and their issued license;

b) Comply with all applicable municipal by-laws, including zoning, noise, parking, property standards, and waste management by-laws;

c) Comply with all applicable provincial legislation, including the Building Code, Fire Code, and Health Protection and Promotion Act;

d) Maintain all required permits, licenses, and certifications (building permits, fire safety approval, etc.);

e) Maintain the property and premises in a safe, clean, and well-maintained condition;

f) Not cause or permit any nuisance or disturbance to neighbouring properties or the public;

g) Respond to complaints and concerns from the Municipality, neighbours, or guests in a timely and professional manner;

h) Provide accurate and truthful information to the Municipality at all times.

7.2 License Display

a) The licensee shall display the Short-Term Rental License Number prominently in the property in a location visible to guests (such as on a refrigerator or entry way);

b) The licensee shall include the License Number in all advertisements and online listings for the property;

c) Failure to display the License Number constitutes a breach of license conditions.

7.3 Maximum Occupancy

a) The maximum occupancy (number of guests permitted to occupy the property at any one time) shall be determined as follows:

For whole-unit rentals:

- Maximum occupancy shall not exceed 2 persons per bedroom plus 2 additional persons;

- For example: a 3-bedroom property maximum occupancy is 8 persons (3 x 2 + 2)
- Maximum occupancy shall not exceed 10 persons in any case for a single property

For room rentals and owner-occupied properties:

- Maximum occupancy shall be clearly stated by the licensee in the application and on the license
- Maximum occupancy shall not exceed 1 person per 40 square feet of accommodation area
- For owner-occupied properties, occupancy limits shall be reasonable and compatible with the character of the neighbourhood

b) The licensee shall enforce maximum occupancy limits and shall not permit guests to exceed the authorized number;

c) Violation of maximum occupancy limits may result in license suspension or revocation;

d) The licensee shall provide information on maximum occupancy to guests prior to their arrival.

7.4 Noise and Nuisance

a) The licensee shall ensure that the short-term rental is operated in compliance with the Municipality's Noise By-Law at all times;

b) The licensee shall ensure that guests comply with the Noise By-Law and shall provide guests with notice of noise restrictions;

c) The licensee shall take reasonable steps to prevent noise from guests that disturbs neighbouring properties, including:

- Providing guests with noise by-law information
- Addressing guest noise complaints promptly
- Enforcing house rules regarding quiet hours
- Removing guests who persistently violate noise restrictions

d) Repeated noise complaints or violations may result in license suspension or revocation;

e) The licensee shall ensure that the short-term rental does not create any other nuisance (odours, pest problems, parking obstruction, etc.) that affects neighbouring properties.

7.5 Emergency Contact Information

a) The licensee shall ensure that emergency contact information is prominently displayed in the property and provided to guests prior to arrival;

b) Emergency contact information shall include:

- Name and 24/7 phone number of the operator or authorized responsible person
- Address of the property
- Local police non-emergency number
- Fire department non-emergency number (if available)
- Municipal bylaw enforcement contact information

c) The licensee (or designated responsible person) shall be available at all times to respond to emergencies, guest concerns, or complaints;

d) Response to calls shall be made within a reasonable time (maximum 1 hour for non-emergency concerns, immediate for emergencies);

e) If the licensee is unavailable, they shall designate an alternate responsible person who meets the same availability requirements.

7.6 Guest Code of Conduct Enforcement

a) The licensee shall provide a written Guest Code of Conduct to all guests prior to arrival;

b) The licensee shall require guests to acknowledge and agree to comply with the Code of Conduct;

c) The Code of Conduct shall address noise, maximum occupancy, parking, waste disposal, guest behaviour, and other relevant operational matters;

d) The licensee shall enforce the Code of Conduct and may refuse to accept guests who violate it or may revoke a reservation if guests violate it;

e) The licensee shall respond to breaches of the Code of Conduct promptly and may involve enforcement authorities if necessary.

7.7 Posting of Regulations and Information

a) The licensee shall post a copy of the Guest Code of Conduct in a prominent location in the property;

b) House rules, emergency information, and fire safety information shall be accessible to guests at all times;

c) Information shall be posted near the main entrance, in bedrooms, and in common areas.

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8. FIRE SAFETY AND BUILDING CODE COMPLIANCE

8.1 Fire Safety Standards

All short-term rentals shall comply with the Ontario Fire Code, as amended from time to time. At minimum, every short-term rental shall include:

a) Smoke Detectors: Approved smoke detectors installed in accordance with the Fire Code, including:

- At least one smoke detector in each bedroom
- At least one smoke detector in the hallway or living area
- Smoke detectors shall be hard-wired with battery backup or battery-powered
- Smoke detectors shall be tested monthly and batteries replaced annually
- Defective smoke detectors shall be replaced immediately

b) Carbon Monoxide Detectors: Approved CO detectors installed in accordance with the Fire Code, including:

- At least one CO detector near bedrooms
- CO detectors in any room with a fuel-burning appliance
- Detectors shall be hard-wired with battery backup or battery-powered
- Detectors shall be tested and maintained in accordance with manufacturer specifications
- Defective detectors shall be replaced immediately

c) Fire Extinguishers: Approved fire extinguishers accessible throughout the property, including:

- At least one fire extinguisher readily accessible in the kitchen
- Additional fire extinguishers in areas with high fire risk
- Fire extinguishers shall be suitable for ordinary fires and shall be rated ABC or equivalent
- Fire extinguishers shall be maintained and inspected annually
- Licensee and guests shall be advised of the location and operation of fire extinguishers

d) Emergency Exits: All emergency exits shall:

- Be clearly marked with illuminated EXIT signs
- Be kept clear of obstructions at all times
- Open readily without keys or special knowledge
- Provide direct access to a safe location outside the building
- Be of adequate width and height to permit safe egress

e) Emergency Lighting: If the property lacks natural light to emergency exits, adequate emergency lighting shall be provided;

f) Fire Separation: Multi-unit buildings shall have proper fire separation and fire-rated doors as required by the Fire Code;

g) Electrical Safety: All electrical systems shall be maintained in safe condition and shall comply with the Electrical Safety Code;

h) Gas Appliances: Any gas-powered appliances shall be installed and maintained in accordance with applicable safety codes.

8.2 Building Code Compliance

a) The short-term rental property shall comply with all applicable provisions of the Ontario Building Code, including:

- Structural safety
- Fire safety and compartmentalization

- Means of egress (exits)
- Accessibility
- Utilities and supply systems (electrical, plumbing, heating)
- Sanitation
- Ventilation

b) Any alterations, additions, or changes to the property shall be completed in accordance with the Building Code and with appropriate municipal building permits;

c) The licensee shall maintain all required building permits and certificates of occupancy;

d) Properties that were not legally constructed as residential dwellings (e.g., converted commercial buildings) shall have been properly approved for residential use by the building department;

e) Any secondary suites or accessory dwelling units shall comply with the specific Building Code requirements for such units.

8.3 Fire Safety Inspection

a) The Municipality (in coordination with the fire department) may conduct a fire safety inspection of a short-term rental property:

- Prior to license issuance or renewal
- Upon receipt of a fire safety complaint
- At any time during the license term to verify ongoing compliance

b) The licensee shall provide access to the property for such inspections at reasonable times;

c) If deficiencies are identified, the licensee shall have a reasonable time (not to exceed 30 days) to correct them;

d) Failure to correct fire safety deficiencies may result in license suspension or revocation;

e) The licensee shall bear the cost of any remediation required to meet Fire Code standards.

8.4 Fire Safety Plan Maintenance

a) The licensee shall maintain the Fire Safety Plan submitted with the application;

b) The Fire Safety Plan shall be updated if there are any changes to the property, occupancy, or emergency contacts;

c) The Fire Safety Plan shall be provided to guests and shall be accessible to emergency responders;

d) The licensee shall ensure that all persons occupying the property (including guests) are aware of emergency exit locations and procedures.

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9. INSURANCE REQUIREMENTS

9.1 Mandatory Insurance

a) Every licensee shall maintain comprehensive general liability insurance with minimum coverage of two million dollars ($2,000,000) per occurrence at all times during the license term;

b) The insurance policy shall specifically cover the use and operation of the property as a short-term rental accommodation;

c) The insurance shall cover bodily injury, property damage, and personal liability related to guest occupancy;

d) The insurance policy shall name the property owner as an insured party (where the property owner is not the licensee) to protect their interests;

e) The licensee shall provide proof of insurance (Certificate of Insurance) upon application and annually upon renewal;

f) The Certificate of Insurance shall confirm the policy number, coverage amounts, expiration date, and that short-term rental use is covered.

9.2 Maintenance of Insurance

a) The licensee shall maintain insurance in full force throughout the license term;

b) The licensee shall provide an updated Certificate of Insurance if:

- The current insurance policy is cancelled or non-renewed
- The policy renewal date approaches
- There is any change in coverage or insured parties
- The Municipality requests updated proof of insurance

c) Upon renewal of the short-term rental license, the licensee shall provide an updated Certificate of Insurance confirming that coverage remains in force;

d) Failure to maintain required insurance in force is grounds for immediate license suspension.

9.3 Insurance Verification

a) The Municipality may contact the insurance provider to verify that a policy is in force and that the coverage is adequate;

b) If the licensee cannot provide evidence of valid insurance or if insurance lapses during the license term, the license shall be immediately suspended;

c) The licensee shall not resume short-term rental operations until proof of valid insurance is provided to the Municipality.

9.4 Additional Insurance Considerations

a) The licensee should ensure that their personal homeowner's or tenant's insurance (if any) is not negated by short-term rental operations and should consult their insurance broker;

b) Some insurance providers may have specific requirements or exclusions for short-term rental operations;

c) The licensee is responsible for ensuring that all insurance requirements are met and that there are no gaps in coverage.

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10. PARKING AND TRANSPORTATION

10.1 Parking Plan Requirements

a) As part of the license application, the licensee shall submit a Parking Plan that addresses guest parking arrangements;

b) The Parking Plan shall specify:

- The number of parking spaces available to guests
- The location of guest parking (on-site, street parking, or alternative)
- Any parking restrictions or limitations
- Compliance with municipal parking by-laws
- Any alternative transportation options

c) The Parking Plan shall be approved by the Municipality prior to license issuance and the licensee shall ensure that guest parking arrangements comply with the approved plan.

10.2 On-Site Parking

a) Where the property has on-site parking, the licensee shall:

- Designate adequate parking spaces for guests
- Maintain parking areas in good condition
- Ensure that parking does not obstruct traffic flow or create safety hazards
- Enforce parking rules with guests

b) The number of on-site parking spaces shall be reasonable and shall not exceed legal maximum occupancy × 1.5 spaces (to allow for some flexibility for visitor vehicles).

10.3 Street Parking

a) Where guests are permitted to park on public streets, the licensee shall:

- Ensure that all street parking complies with municipal parking by-laws
- Inform guests of any parking restrictions, time limits, or permit requirements
- Ensure that parking does not unreasonably obstruct the street or create hazards
- Ensure that parking does not negatively impact neighbouring properties

b) The licensee shall be responsible for ensuring guest compliance with parking by-laws and may enforce this through the Guest Code of Conduct.

10.4 Parking Violations

a) The licensee shall be responsible for addressing parking violations by guests and shall:

- Educate guests about parking rules prior to arrival
- Provide clear parking instructions and restrictions
- Respond to guest parking complaints promptly
- Take action against guests who repeatedly violate parking rules

b) If guest parking repeatedly violates municipal parking by-laws or negatively impacts the neighbourhood, the Municipality may require modifications to the Parking Plan or may suspend the license.

10.5 Alternative Transportation

a) The licensee should provide guests with information about alternative transportation options in the area, such as:

- Public transit routes and schedules
- Taxi or rideshare services
- Bike rental services
- Walking and pedestrian routes

b) This information should be included in the Guest Information Package.

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11. WASTE MANAGEMENT

11.1 Waste Management Plan Requirements

a) As part of the license application, the licensee shall submit a Waste Management Plan that addresses how garbage, recycling, composting, and other waste materials are managed;

b) The Waste Management Plan shall include:

- Types of waste generated and disposal methods
- Schedule for garbage collection (aligned with municipal schedules)
- Location of garbage receptacles and recycling containers
- Compliance with municipal waste by-laws
- Measures to prevent odours, pests, and overflow
- Guest instructions for proper waste disposal

c) The Waste Management Plan shall be approved by the Municipality prior to license issuance and the licensee shall ensure compliance throughout the license term.

11.2 Garbage and Recycling

a) The licensee shall:

- Provide adequate garbage receptacles for the volume of waste generated by guests
- Ensure garbage is collected on the regularly scheduled municipal collection day
- Ensure garbage receptacles are kept in a designated location (not visible from the street where possible)
- Ensure receptacles are kept clean and do not produce odours
- Ensure there are no overflows or scattered garbage

b) The licensee shall ensure that recycling and composting programs are available to guests and that guests understand proper sorting;

c) The licensee shall provide written instructions to guests on garbage disposal, including:

- Collection schedule
- Types of waste accepted
- Proper sorting and placement of receptacles
- Restrictions on bulky items

d) Violations of waste management standards may result in license suspension or revocation.

11.3 Odour and Pest Control

a) The licensee shall take reasonable steps to prevent odours and pest problems resulting from waste management, including:

- Ensuring garbage receptacles have tight-fitting lids
- Ensuring garbage is not stored for extended periods
- Ensuring composting is managed properly
- Addressing any pest problems promptly

b) If waste management creates odours or pest problems affecting neighbouring properties, the licensee shall be required to immediately remediate the situation.

11.4 Bulky Items and Special Waste

a) The licensee shall inform guests that bulky items, hazardous waste, and special waste (electronics, batteries, etc.) cannot be disposed of in regular garbage collection;

b) The licensee shall provide guests with information on proper disposal of special waste;

c) The licensee shall be responsible for ensuring that guests do not illegally dispose of waste on the property or in neighbouring areas.

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12. GUEST CONDUCT AND COMPLAINTS

12.1 Guest Code of Conduct

a) The licensee shall establish a Guest Code of Conduct that sets out rules and expectations for guest behaviour;

b) The Guest Code of Conduct shall address:

- Quiet hours and noise restrictions
- Maximum occupancy limits
- Parking and transportation rules
- Proper use of utilities and appliances
- Waste disposal and recycling
- Guest responsibilities for property maintenance
- Smoking and pet policies (if applicable)
- Use of outdoor areas
- Check-in and check-out procedures
- Emergency procedures

c) The Guest Code of Conduct shall be provided to guests prior to arrival and shall be displayed prominently in the property;

d) The licensee shall require guests to acknowledge and agree to comply with the Code of Conduct as a condition of occupancy.

12.2 Guest Conduct Responsibilities

a) The licensee is responsible for ensuring that guests comply with:

- This By-Law
- The Guest Code of Conduct
- Municipal by-laws (Noise By-Law, parking, etc.)
- The property lease or rental agreement

b) The licensee shall take reasonable steps to ensure guest compliance, including:

- Providing clear written information and instructions
- Responding promptly to complaints
- Addressing guest breaches of the Code of Conduct
- Removing guests who persistently violate rules

c) The licensee shall not tolerate guest behaviour that violates this By-Law or disturbs neighbouring properties.

12.3 Complaint Response

a) The licensee shall respond to complaints from the Municipality or neighbours regarding guest conduct or property operation within 24 hours;

b) The licensee shall investigate complaints and take corrective action as appropriate, which may include:

- Educating guests about applicable rules
- Modifying house rules or Guest Code of Conduct
- Requiring guests to comply or leave
- Addressing underlying operational issues

c) Repeated complaints about the same issue may result in license suspension or revocation.

12.4 Neighbour Relations

a) The licensee should take a proactive approach to maintaining good neighbour relations, including:

- Introducing themselves to neighbouring residents
- Providing neighbours with emergency contact information
- Addressing neighbour concerns promptly

- Implementing practices that minimize disruption

b) The licensee should be sensitive to the character of the neighbourhood and ensure that short-term rental operations are compatible with surrounding residential uses.

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13. INSPECTION AND ENFORCEMENT

13.1 Authority to Inspect

a) The Municipality, through designated Enforcement Officers (bylaw enforcement officers, building officials, fire officials, or public health inspectors), shall have the authority to inspect short-term rental properties to verify compliance with this By-Law;

b) Inspections may be conducted:

- Upon license application or renewal (mandatory inspection)
- Upon complaint from neighbours, guests, or the public
- At any time during the license term to verify ongoing compliance
- To investigate suspected violations

c) Inspections may be conducted with or without prior notice to the licensee, as permitted by law.

13.2 Right of Entry

a) The licensee shall provide Enforcement Officers with access to the short-term rental property for purposes of inspection;

b) Where the property is occupied by guests, the Enforcement Officer shall:

- Provide reasonable notice (24 hours where possible) before entering
- Enter at reasonable times of day
- Conduct the inspection in a manner that minimizes disruption to guests
- Respect the privacy of guests while conducting the inspection

c) Where the property is vacant or the licensee is present, the Enforcement Officer may enter without notice to verify compliance;

d) If a licensee refuses to provide access, this shall be grounds for license suspension or revocation and may result in additional penalties.

13.3 Scope of Inspection

Inspections shall verify compliance with:

a) Fire safety requirements (smoke detectors, CO detectors, fire extinguishers, emergency exits);

b) Building Code compliance (structural safety, utilities, sanitation, etc.);

c) Insurance requirements;

d) Occupancy limits;

e) Parking and waste management arrangements;

f) General property maintenance and cleanliness;

g) Licence number display;

h) Guest Code of Conduct posting;

i) Emergency information posting;

j) Any other requirements of this By-Law.

13.4 Inspection Reports and Deficiency Notices

a) Following an inspection, the Enforcement Officer may issue:

- A notice of compliance (if no violations are found)
- A notice of deficiency (if violations are found but are not serious)
- A notice of violation or order to comply (if violations are serious or repeated)

b) A notice of deficiency shall specify:

- The nature of the deficiency
- The timeframe for correction (not to exceed 30 days unless otherwise specified)
- Consequences of failure to correct
- Contact information for questions

c) The licensee shall comply with all notices and orders issued by the Enforcement Officer.

13.5 Complaint Investigation

a) The Municipality shall investigate complaints regarding short-term rental operations received from neighbours, guests, or the public;

b) Complaint investigation may include:

- Site inspection
- Interview with the licensee
- Interview with neighbours or complainants
- Review of compliance records
- Review of online listings and platform records

c) The Enforcement Officer shall document the investigation and provide findings to the licensee;

d) If violations are found, the Enforcement Officer shall issue a notice and give the licensee an opportunity to remedy the violation.

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14. PENALTIES AND ENFORCEMENT POWERS

14.1 Offences Under This By-Law

A person is guilty of an offence under this By-Law if they:

a) Operate a short-term rental without a valid license;

b) Fail to comply with any term or condition of a Short-Term Rental License;

c) Provide false or misleading information in a license application;

d) Fail to display the Short-Term Rental License Number on the property or in advertisements;

e) Fail to maintain insurance as required;

f) Exceed maximum occupancy limits;

g) Operate a short-term rental in violation of the Guest Code of Conduct or in a manner that disturbs neighbours;

h) Fail to provide required documentation or information to the Municipality;

i) Refuse to provide access to the property for inspection;

j) Fail to comply with a notice of deficiency, compliance order, or other order issued by an Enforcement Officer;

k) Continue to operate after a license has been suspended or revoked;

l) Fail to pay license fees;

m) Any other breach of this By-Law.

14.2 Penalties

14.2.1 Tiered Penalty Structure

The penalties for offences under this By-Law shall be tiered based on severity:

Tier 1 - Minor Violations (first-time administrative violations):

- Fine: $500 - $1,000
- Example violations: License number not displayed, minor documentation deficiency, one-time noise complaint

Tier 2 - Moderate Violations (repeated or more serious violations):

- Fine: $1,000 - $2,500
- Example violations: Operating without license, exceeding occupancy limits, repeated noise complaints, failure to maintain insurance, repeated non-compliance with notices

Tier 3 - Serious Violations (significant or persistent violations):

- Fine: $2,500 - $5,000
- Example violations: Operating after license revocation, serious fire safety violations, persistent disruption of neighbourhood, pattern of regulatory non-compliance

Tier 4 - Critical Violations (public safety threats or egregious violations):

- Fine: $5,000 - $10,000
- Additional remedies may apply
- Example violations: Operating without fire safety equipment, operating with illegal occupancy levels, serious safety hazards, criminal conduct related to the operation

14.2.2 General Penalty Provisions

a) Each day that a violation continues constitutes a separate offence and may result in a separate penalty;

b) The Enforcement Officer shall consider aggravating and mitigating factors when recommending penalties, including:

- Prior compliance history
- Severity and duration of violation
- Good faith efforts to comply
- Impact on public safety or neighbourhood
- Level of intentionality

c) Penalties may be imposed in addition to license suspension or revocation;

d) Penalties are payable to the Municipality within 30 days of issuance of the penalty notice.

14.3 License Suspension

a) The Manager may suspend a Short-Term Rental License for:

- Non-payment of license fees (automatic suspension after 30 days of non-payment)
- Failure to maintain required insurance
- Serious violations of this By-Law or license conditions
- Investigations of potential violations (investigative suspension)

b) A suspension notice shall specify:

- The reasons for suspension
- The date the suspension takes effect
- The conditions for reinstatement
- The duration of the suspension (temporary or pending further action)

c) During a suspension, the licensee shall not operate the short-term rental and shall immediately cease accepting new bookings and cancel existing reservations;

d) A suspended license may be reinstated if:

- The reason for suspension is remedied (e.g., insurance is reinstated, fees are paid)
- The Manager is satisfied that the licensee will comply in the future
- Any required remediation is completed

e) The Manager shall provide the licensee with an opportunity to respond to the suspension notice before the suspension takes effect (except in cases of immediate public safety concerns).

14.4 License Revocation

a) The Manager may revoke a Short-Term Rental License if:

- The licensee has failed to remedy a violation within the time specified in a notice of deficiency
- The licensee has repeatedly violated the terms and conditions of the license
- The licensee has operated after a license suspension without reinstating the license
- The licensee has operated without required insurance for an extended period
- The licensee's conduct demonstrates that they will not comply with this By-Law
- The property presents a serious risk to public health or safety
- Any other ground set out in this By-Law for revocation

b) A revocation notice shall specify:

- The reasons for revocation
- The effective date of revocation
- The licensee's right to appeal

c) Upon revocation, the licensee shall immediately cease all short-term rental operations;

d) A revoked license may not be reinstated. The licensee must reapply if they wish to operate a short-term rental in the future, and the new application will be assessed on its merits.

14.5 Right to Respond and Appeal

a) Before the Manager suspends or revokes a license, the licensee shall be provided with:

- Written notice of the proposed suspension or revocation
- The reasons for the proposed action
- An opportunity to respond in writing or at a hearing

b) The licensee may submit a written response within 10 days of receiving the notice;

c) The Manager shall consider the licensee's response before making a final decision;

d) If the licensee disputes a suspension or revocation decision, they may appeal to the Municipality's Council within 20 days of the decision;

e) The appeal shall be heard by Council or a designated committee, which shall review the facts and the Manager's decision and determine whether the suspension or revocation should be upheld, modified, or reversed.

14.6 Other Enforcement Powers

a) In addition to penalties, suspension, and revocation, the Municipality may:

- Issue orders requiring compliance with this By-Law or removal of nuisances
- Take legal action to enforce this By-Law
- Coordinate with fire officials, building officials, or public health authorities to address safety violations
- Provide information to online platforms regarding unlicensed operations for removal from listings
- Refer violations to law enforcement if criminal conduct is involved

b) Multiple enforcement remedies may be applied to a single violation (e.g., both a penalty and license suspension).

15. INTEGRATION WITH MUNICIPAL ACCOMMODATION TAX

15.1 MAT Coordination

a) Short-term rental licensing and the Municipal Accommodation Tax program shall be coordinated to ensure comprehensive regulation and taxation of short-term rentals;

b) Licensees are required to register for MAT purposes if they have not already done so;

c) MAT registration shall be integrated with short-term rental licensing where possible to streamline the process;

d) The Municipality shall cross-reference short-term rental licensing records with MAT registration to identify unlicensed operators.

15.2 MAT Remittance

a) Licensees are required to remit MAT on all accommodation payments received from guests, as required by Municipal Accommodation Tax by-laws;

b) MAT collected by licensees shall be remitted to the Municipality on a monthly or quarterly basis, as established by the MAT by-law;

c) Failure to remit MAT shall be investigated and enforced, and may result in license suspension or revocation.

15.3 Platform Partnerships

a) The Municipality shall seek to enter into partnership agreements with online booking platforms (Airbnb, VRBO, etc.) to:

- Require that listed properties include a valid Short-Term Rental License Number
- Prevent unlicensed operators from listing properties
- Facilitate removal of unlicensed listings from platforms
- Share anonymized data on booking patterns and locations

b) Platforms shall be required to screen new listings and verify that the licensee holds a valid Short-Term Rental License before permitting the property to be listed;

c) Platforms shall cooperate with Municipality enforcement efforts by removing listings that do not comply with this By-Law.

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16. TRANSITION AND EFFECTIVE DATE

16.1 Effective Date

This By-Law shall come into effect on [DATE - typically 90-120 days after passage to allow for public consultation and operator preparation].

16.2 Transition Period

a) A transition period of [6 months from effective date] is established to allow existing short-term rental operators to apply for licenses;

b) Existing operators who submit a complete license application within the transition period may continue operating during the review of their application, provided they comply with all other requirements of this By-Law;

c) Any operators who do not submit an application by the end of the transition period shall cease operations immediately or face enforcement action.

16.3 Grandfathering Provision (Optional)

a) Operators who can demonstrate that they were operating a lawful short-term rental prior to the effective date may be eligible for expedited licensing;

b) Such operators may provide evidence of prior operation (booking records, platform history, tax records, etc.) with their application;

c) Expedited applications shall still be subject to all requirements of this By-Law, including insurance, fire safety, and documentation.

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17. SEVERABILITY AND GENERAL PROVISIONS

17.1 Severability

If any section or provision of this By-Law is found to be invalid or unenforceable by a court of competent jurisdiction, such section shall be severed and the remainder of this By-Law shall continue in full force and effect.

17.2 Conflict with Other By-Laws

a) If any provision of this By-Law conflicts with any other municipal by-law, the more restrictive provision shall apply;

b) This By-Law is in addition to and does not replace other municipal by-laws (zoning, noise, parking, property standards, etc.);

c) Licensees shall comply with all applicable municipal by-laws and provincial legislation.

17.3 Amendments

a) This By-Law may be amended from time to time by Council;

b) Amendments may include changes to fee schedules, operational standards, inspection procedures, or other provisions;

c) Notice of amendments shall be provided to affected licensees.

17.4 Regulations and Guidelines

a) The Manager may establish regulations, guidelines, and procedures to implement this By-Law;

b) Such regulations may address:

- Application forms and submission procedures
- Fee payment methods and schedules
- Inspection procedures and standards
- Complaint investigation procedures
- Enforcement policies
- Template documents (Guest Code of Conduct, Fire Safety Plan, etc.)

c) Regulations shall be made available to the public and affected parties.

17.5 By-Law Administration

a) The Manager shall be responsible for administering this By-Law;

b) The Manager shall have authority to:

- Receive and process applications
- Issue, suspend, or revoke licenses
- Conduct or authorize inspections

- Issue notices and orders
- Investigate complaints
- Recommend penalties and enforcement action
- Establish procedures and timelines

c) The Manager may delegate specific functions to other municipal staff as appropriate.

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18. COMING INTO FORCE

This By-Law shall come into force and effect on [DATE].

PASSED this _____ day of _____, 20.

[Signatures of Mayor and Clerk]