

Amendments to the Local Governance Act Respecting a Tourism Accommodation Levy

Department of Environment and Local Government
Department of Tourism, Heritage and Culture

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Overview

The *Local Governance Act* is being amended to give local governments the option to impose a tourism accommodation levy. These amendments align with the overall spirit and intent of the recently enacted *Local Governance Act*, which recognizes local governments as responsible and accountable levels of government which are separate and distinct from the provincial government. The changes will provide local governments with another tool to expand local choice and control over economic development through by-law making authority. The amendments are also in line with other Canadian jurisdictions, where a levy is helping to attract more tourists, thereby supporting local economies.

Details

- Local governments include cities, towns, villages, rural communities and regional municipalities. They do not include local service districts.
- If a local government decides to enact a tourism accommodation by-law, the levy will be paid by guests of lodging establishments within the territorial limits of the local government.
- Guests include persons who contract for sleeping accommodation in a lodging establishment for a continuous period not exceeding 31 days.
- A lodging establishment will include any premises operated to provide, for remuneration, temporary sleeping accommodation for the travelling public or for the use of the public engaging in recreational activities, and includes campgrounds and trailer camps, but does not include mobile home parks.
- Local governments may limit the imposition of the levy to the provision of accommodation at certain types of lodging establishments. For example, some local governments may limit the application of the levy to hotels and motels, while others may expand the application to campgrounds or other lodging establishments. These will be local decisions.
- The levy rate, or the amount of the levy, will be set by local governments by by-law.

- A by-law will also set out the way in which the levy is to be collected, including the designation of those who are required to collect the levy as agents for the local government (e.g., hotel operators).
- The levy will be remitted to the local government by lodging establishments to fund tourism promotion and development.
- A local government's by-law may also provide for such matters as:
 - exemptions from the levy,
 - penalties for failing to comply with the by-law,
 - audit and inspection powers, and,
 - enforcement measures.
- A local government will be permitted to make a grant of money to any organization formed for tourism promotion and development, such as a local or regional tourism association. In line with the Government's commitment to expand local choice and control over decision-making, these decisions will be made at the local level.