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# **Municipal Accommodation Tax**

**Overview and Next Steps**

August 11, 2025

# Purpose

- Responds to Council's Strategic Action Plan direction
- Follows TWEPI's May 5, 2025 presentation
- Provides analysis and next steps for MAT implementation

# What is the MAT?

- Municipal charge on short-term accommodations (less than 29 days)
- Enabled through O. Reg. 435/17 (2017)
- Implemented in 70 Ontario municipalities
- Typically, 4%, 6% in Windsor, and phased in some cases.

# Benefits of a MAT?

- New funding for tourism and local attractions
- Supports infrastructure used by both residents and visitors
- Reduces reliance on resident tax base
- Encourages long-term tourism investment

# Municipal MAT Projects Ontario



## Huntsville – “Diggin’ Downtown” Streetscape Renewal

- **Cost:** \$2.5 million (approx.)
- **MAT Funds Used For:** Wayfinding signage, pedestrian lighting, benches, and landscaping
- **Impact:** Revitalized downtown core; improved visitor experience; supported local businesses

# Municipal MAT Projects Ontario



## Stratford – Tom Patterson Theatre

- **Cost:** \$45 million (theatre construction)
- **MAT Funds Used For:** Supporting tourism programming and cultural infrastructure
- **Impact:** Boosted Stratford's cultural tourism; year-round visitor attraction

# Municipal MAT Projects Ontario



## Wasaga Beach – Beachfront Revitalization

- **Cost:** \$3 million (approx.)
- **MAT Funds Used For:** Boardwalk improvements, new seating areas, enhanced lighting, landscaping, and tourism wayfinding
- **Impact:** Improved visitor experience and safety; increased tourism and local business support

# Funding Structure

- 50%: Retained by the Town
- 50%: Allocated to TWEPI for tourism promotion
- Town's share can support amenities (parks, trails, beaches, etc.)
- Administrative costs deducted before 50/50 split

# Estimated Revenue Impact

- 189 Accommodation Listings

|                          | 4% MAT    | 5% MAT    | 6% MAT    |
|--------------------------|-----------|-----------|-----------|
| <b>Town of Essex</b>     | \$98,000  | \$122,500 | \$147,000 |
| <b>TWEPI</b>             | \$98,000  | \$122,500 | \$147,000 |
| <b>Total MAT Revenue</b> | \$196,000 | \$245,000 | \$294,000 |

Source: MetaBase and Smith Travel Research



# Cost to Visitors

- Average Nightly Rate: \$269.87

| Nightly Average Rate | 4% MAT  | 5% MAT  | 6% MAT  |
|----------------------|---------|---------|---------|
| <b>\$269.87</b>      | \$10.79 | \$13.49 | \$16.19 |

Source: AirDNA

# MAT Collection Options

- By the Town
- Third-party or regional model (e.g. Windsor)
- Through Tourism Windsor Essex (TWEPI)
  
- All options to be evaluated further

# Administration and Oversight

- MAT By-law required
- Collected and remitted by accommodators
- Reporting monthly/quarterly
- Administered by Director, Corporate Services/Treasurer
- MOU with TWEPI to define roles, funding use, and reporting

# Stakeholder Engagement

- Public Survey (Fall 2025)
- Industry Session (Accommodation providers)

Targeted stakeholders include:

- BIA, Chamber, TWEPI
- Airbnb/VRBO operators, hoteliers
- Tourism businesses and the public

# Proposed Timeline

Public  
Engagement  
Launch

Sep 1, 2025

MAT Findings  
Report

Dec 1, 2025

Draft By-law  
Presentation

Jan 19, 2026

Final By-law  
Reading

Feb 17, 2026

MAT  
Implementation

Mar 31, 2026

# Next Steps

- Proceed with feasibility review
- Conduct stakeholder and public engagement
- Evaluate collection model and finalize governance
- Draft MAT policy and by-law