



Municipal Accommodation Tax

April 20, 2026

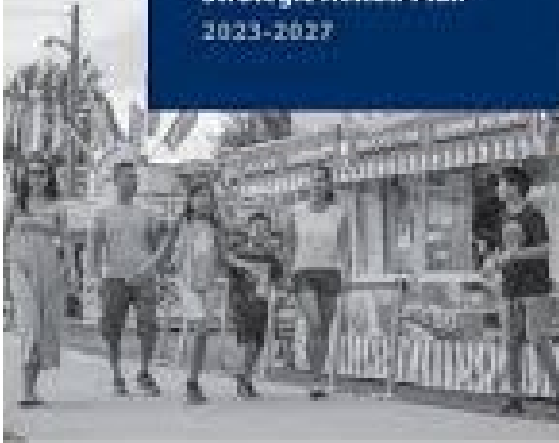
Council Meeting Presentation



Strategic Plan 2023-2027

GETTING THINGS DONE FOR YOU

Town of Essex
Strategic Action Plan
2023-2027



essex



RESPONSIBLE AND PEOPLE-FOCUSED GOVERNMENT

GOAL: Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.

4.1 - Diversifying our revenue sources to reduce reliance on residential taxpayers.

- Explore the implementation of a Municipal Accommodation Tax.

essex

Purpose



**Provide update on
MAT research and
engagement**

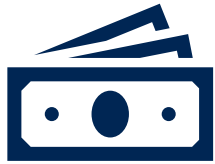


**Present financial and
operational analysis**



**Seek Council direction
on implementation**

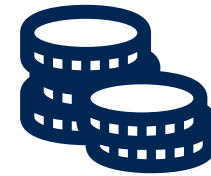
Opportunity



**Create dedicated
tourism funding
stream**



**Support local
economy and business
growth**



**Shift cost from
taxpayers to visitors**

Public & Stakeholder Engagement

- Public Survey
- Accommodation Provider Session

Public Survey

In **September 2025**, a Public Survey aimed to collect input on a MAT and its potential use was posted online through the Town's website and social media channels.

A total of **85 respondents** participated in the survey, representing less than 1% of the Town's total population. The responses were completed by the following groups :

8



Accommodation providers

5



Local Business

70



Residents

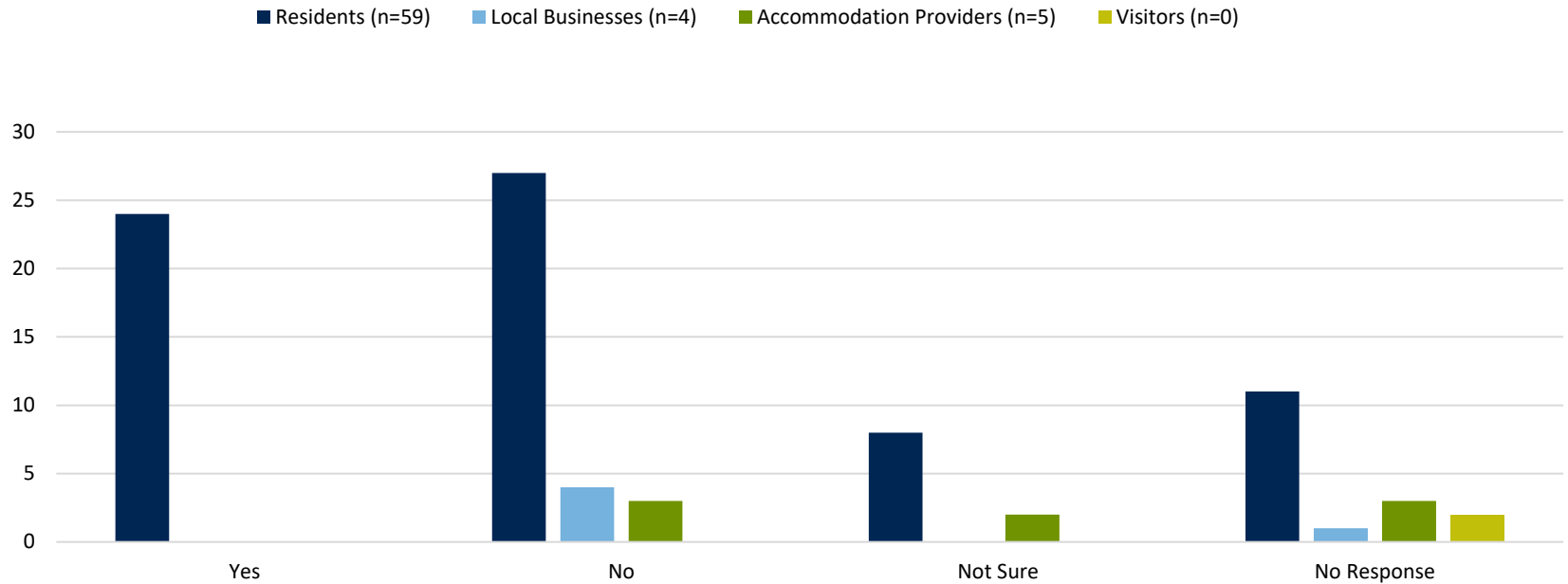
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Visitors

Public Survey

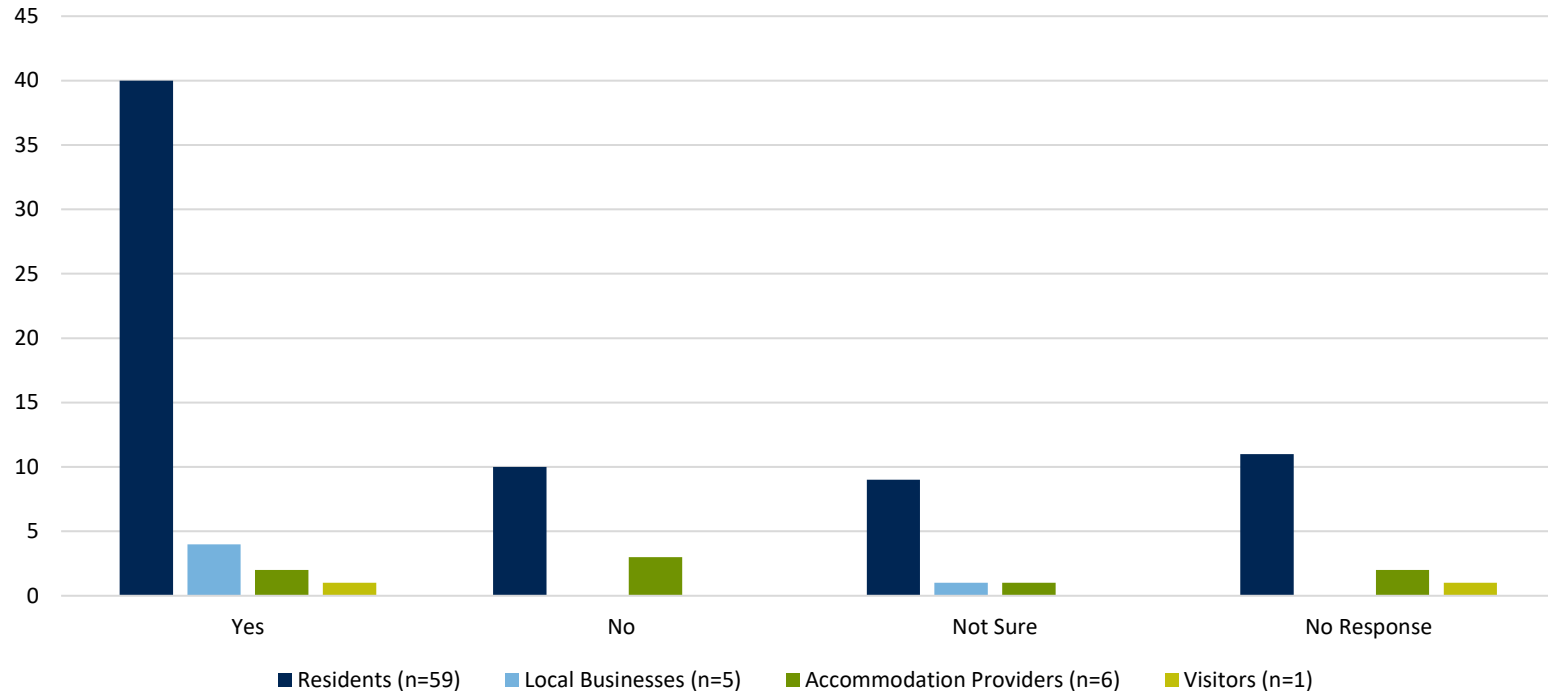
Support for Introducing a 4-6% MAT



Respondents were asked whether they would support the introduction of a 4%–6% visitor-paid MAT, if revenues are transparently reinvested into local tourism and community enhancements.

Public Survey

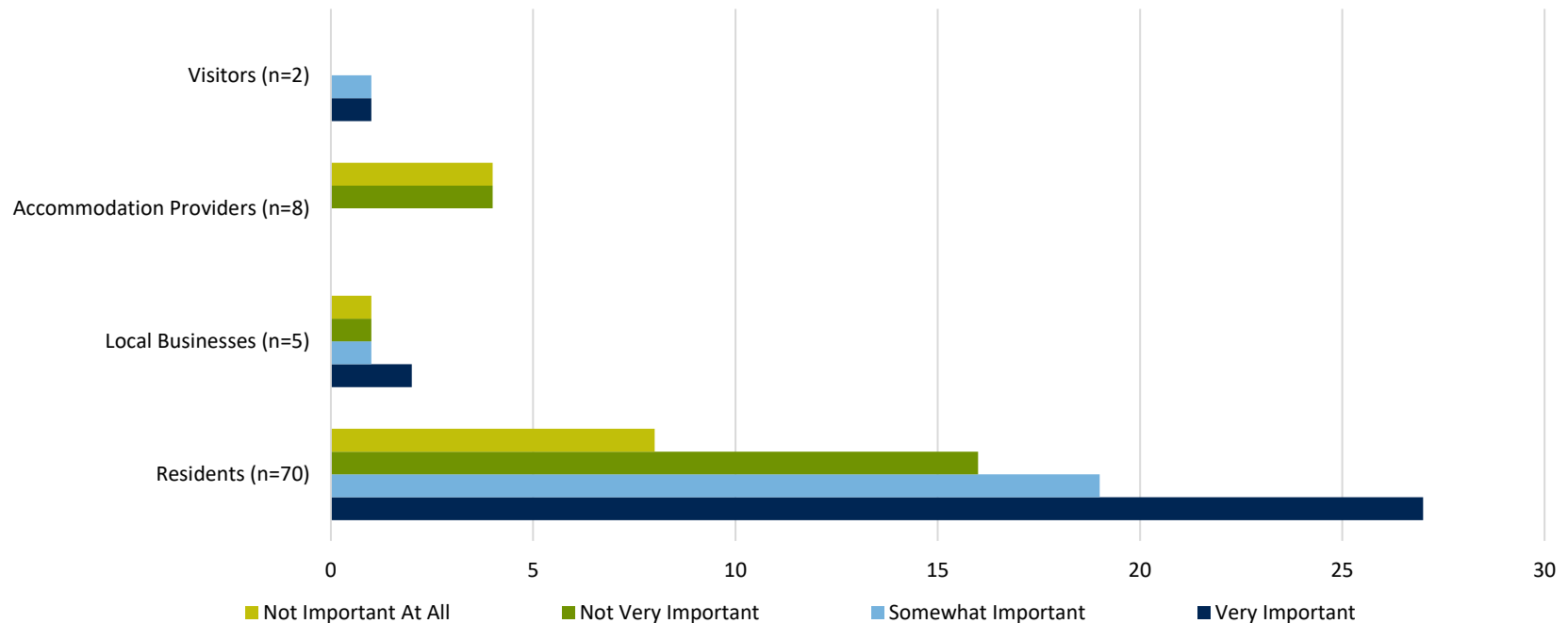
Perceived Economic Impact of Tourism Investment



Respondents were asked whether they believe that increased investment in tourism can have a positive economic impact on local businesses and the broader community.

Public Survey

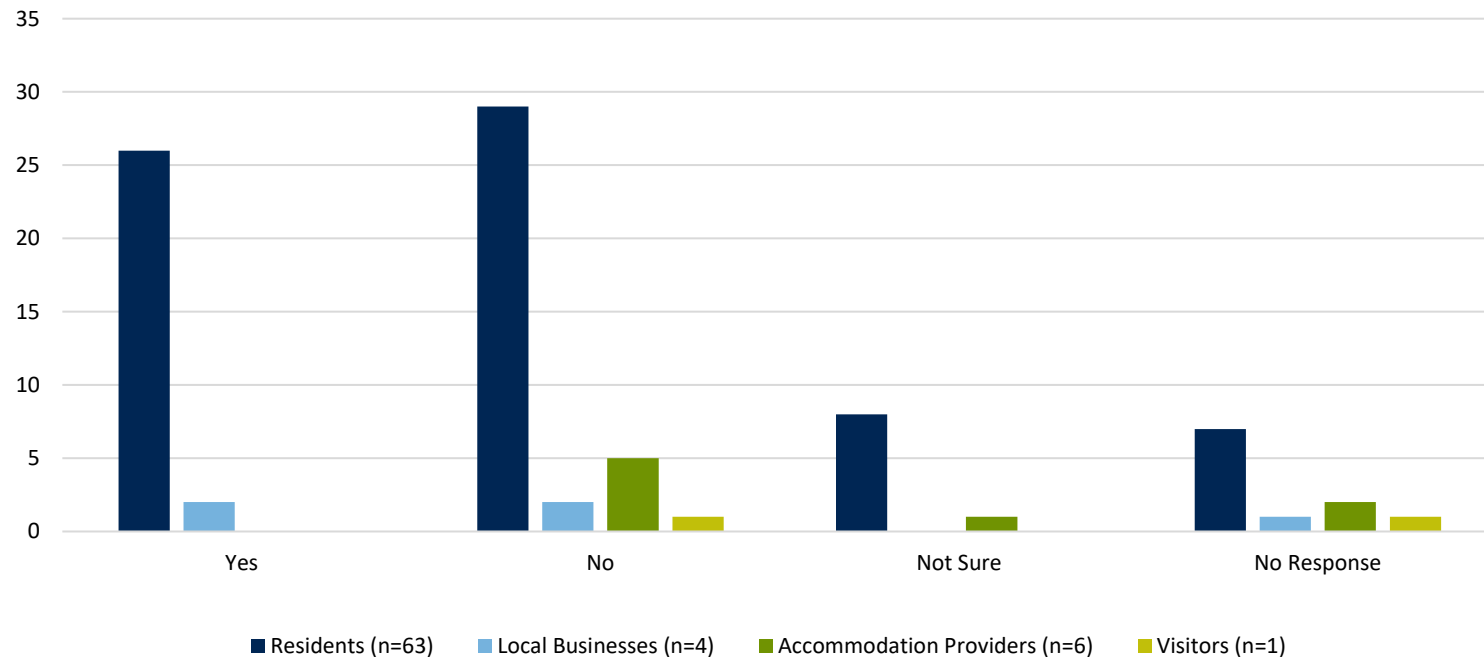
Importance of a Dedicated Tourism Funding Source



Respondents were asked how important it is for the Town to have a dedicated source of funding, beyond local taxpayer dollars, to support tourism promotion, local events, and community amenities.

Public Survey

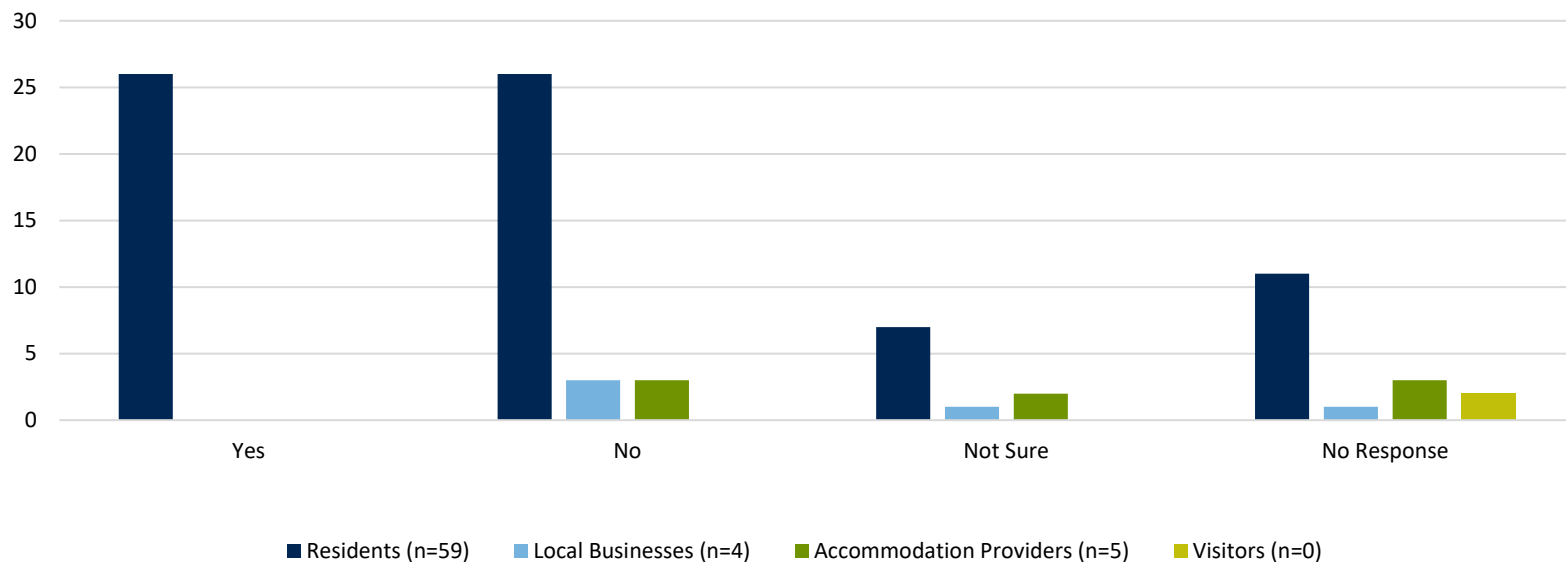
Perceived Fairness of MAT as a Revenue Tool



Respondents were asked whether they believe implementing a MAT is a fair way to generate revenue that helps reduce the financial burden on residents and taxpayers.

Public Survey

Perception that Accommodation Providers Should Support Tourism through a Visitor Paid-Fee



Respondents were asked whether they believe local accommodation providers (hotels, motels, short-term rentals) should contribute to tourism development through a visitor-paid fee, such as the MAT.

Accommodation Provider Session



An in-person Information Session was held with Accommodation Providers on **November 4, 2025** to present information about provincial MAT legislation, how the tax is applied, and how revenues are allocated.

Participation:

- 128 providers invited
 - 12 attended
 - 1 written submission

Themes of Concern:

- **Clarity & Transparency**
 - How MAT will be collected, reported, and enforced
 - Where funds go and how decisions are made
- **Financial Impact**
 - Sensitivity to visitor pricing
 - Concern MAT could impact demand
- **Administrative Burden**
 - Added workload for tracking and remittance
 - Strong preference for simple, automated systems

Accommodation Provider Session

Operator Expectations:

- MAT must drive visitation and support local business
- Desire for input into how funds are used

Low administrative burden → Simple, streamlined system

Transparency → Clear reporting and accountability

Reinvestment → Visible tourism and economic impact

Financial Projections

- Collection Options

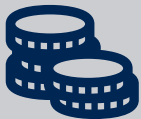
Financial Projections



Estimated annual accommodation revenue:
\$7.8M



4% MAT generates an estimated \$315K annually



Roughly \$8–\$12 per night visitor impact

Financial Projections

The table below identifies the annual **estimated** breakdown for 4%, 5%, and 6% MAT.

Amounts calculated below are gross and do not include administration fee related to MAT collection :

	4% MAT	5% MAT	6% MAT
Town of Essex	\$156,779.27	\$195,974.09	\$235,168.91
TWEPI	\$156,779.27	\$195,974.09	\$235,168.91
Total Annual MAT Revenue	\$313,558.55	\$391,948.19	\$470,337.82

Collection Options



Internal Collection

Town of Essex

- Higher administrative burden
- Estimated cost: up to \$75K/year
- Estimated net revenue: \$120K
- Requires additional staff resources

Third Party Collection (Recommended)

Ontario Restaurant Hotel Motel Association

- Low administrative burden
- Estimated cost: \$10K–\$13K/year
- Estimated net revenue: \$151K annually
- Proven system used across Ontario

City of Windsor

- Lack of defined fee structure
- No confirmed program design
- Insufficient detail from City to support informed decision-making or reliable revenue planning.

Collection Options

The table below identifies the **estimated** annual financial impact should the MAT be adopted at a 4% rate:

	OPTION 1: ORHMA	OPTION 2: Internal
Total MAT Revenue	\$315,000	\$315,000
Administration Expense:	\$13,000	\$75,000
Net Revenue	\$302,000	\$240,000
50% Allocation to TWEPI	\$151,000	\$120,000
Revenue to the Town	\$151,000	\$120,000

Local Context

An estimated \$151,000 in additional **annual** revenue in the Town of Essex is equivalent to a 0.75% tax increase.

Projects in the Town of Essex that could be funded by MAT revenues, thereby alleviating current funding sources such as taxation and reserves:

- Art Installations - Murals
- Sadler's Park Pavilion
- Essex Centre Sport Fields
- Essex Tourism Events Fund Grants
- Future County Wide Active Transportation Initiatives
- Essex Fun Fest
- Harrow Dog Park
- Colchester Beach Showers and Foot Wash
- Colchester Streetscaping Study

Regional Context









An estimated \$151,000 in additional **annual** revenue for TWEPI would translate into a substantial increase to Town of Essex-specific tourism promotion including:

- Cross border marketing campaigns
- Destination development activities
- Event promotion and seasonal tourism draws
- Sector specific promotion (wine, main streets, waterfront, recreation)
- Travel media partnerships
- Supporting operators in attracting and servicing visitors

Establish an MOU with TWEPI to clearly define how MAT funds are allocated and ensure alignment with Town priorities.



Regional Participation in MAT

- **City of Windsor:** Implemented in 2018, at 4%. MAT at 6% since 2025 
- **Town of Amherstburg:** Administration directed to investigate MAT 
- **Municipality of Lakeshore:** Deferred pending STR Licence implementation 
- **Town of LaSalle:** Approved MAT implementation 
- **Town of Tecumseh:** Approved 4% MAT implementation (hotels only) 
- **Town of Kingsville:** Not pursuing MAT implementation 
- **Municipality of Leamington:** Administration directed to investigate MAT 
- **Township of Pelee:** Administration directed to investigate MAT 

Governance and Transparency



Clear by-law and reporting framework



Annual public reporting



Accommodation provider input



Council retains final decision-making authority

Next Steps

Recommendation

1

Direct Administration
to implement a MAT

2

Direct Administration
to retain ORHMA as
collection partner

3

Direct Administration
to prepare
MAT By-law for
adoption

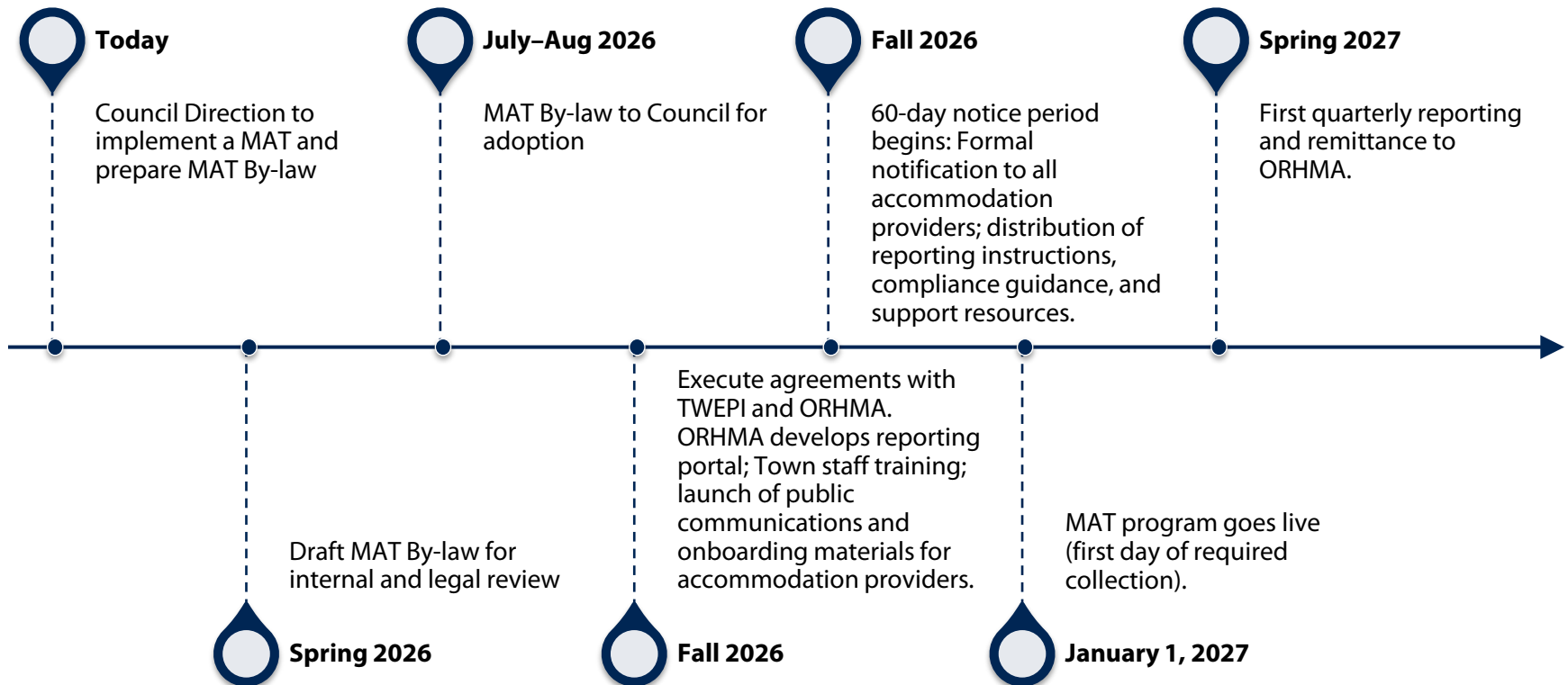
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Establish an MOU
with TWEPI to clearly
define how MAT
funds are allocated

5

Effective date:
January 1, 2027

Next Steps





Discussion