



Town of Whitby Policy

Policy Title:	Municipal Accommodation Tax Reserve Fund Policy
Policy Number:	F 490
Category:	Finance
Reference:	Municipal Act, 2001, S.O. 2001, c. 25 Part XII.1 Ontario Regulation 435/17: Transient Accommodation Tax Council Resolution # 103-24 By-law # 8082-24
Date Approved:	October 9, 2024
Date Revised:	n/a
Approval:	Council
Point of Contact:	Financial Services Department

Policy Statement

This is a policy governing the use and administration of the Municipal Accommodation Tax Reserve Fund.

Purpose

The purpose of the Municipal Accommodation Tax Reserve Fund is to provide a funding source for local tourism development initiatives, programs and services that support visitors to Whitby, and the promotion of Whitby as a tourism destination.

Scope

This policy applies to management of the portion of Municipal Accommodation Tax (“MAT”) revenues allocated to the Town. Of the total revenue collected, 50% is allocated to the Town of Whitby, and the remaining 50% is allocated to the Whitby Tourism Development Corporation, a Municipal Services Corporation.

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1. Definitions

- 1.1. **Council** means the Mayor and members of Council for the Town of Whitby.
- 1.2. **Reserve Fund** means a fund established through a by-law of Council, or by a requirement of provincial or federal legislation for a specific purpose and segregated from the general revenues of a municipality to meet the financial requirements of a future event. Reserve Funds may be discretionary (funds authorized by Council) or obligatory (legislated funds that may only be used for their prescribed purpose). Reserve Funds typically earn interest.
- 1.3. **Treasurer** means the employee designated as such by Council for the position. The Treasurer shall exercise all powers and duties of the Treasurer as set out in the Municipal Act, 2001, S.O. 2001, c.25, as amended.

2. Responsibilities

- 2.1. The Treasurer or delegate has the authority to utilize the Municipal Accommodation Tax Reserve Fund as approved under Section 3 of this policy.

3. Utilization of Funds

- 3.1. The Municipal Accommodation Tax Reserve Fund can be utilized to fund:
 - 3.1.1. approved infrastructure that are related to actions identified in the Tourism Strategy or Community Strategic Plan (including wayfinding and signage, event and attraction support, public art, waterfront and downtown beautification, and community placemaking);
 - 3.1.2. approved programs that increase visitor spending and strengthens the local economy;
 - 3.1.3. approved projects that expand the community's capacity for tourism offerings such as sports, art, music, heritage, and cultural experiences;
 - 3.1.4. staffing as required in support of the uses noted above.
- 3.2. Usage of the Municipal Accommodation Tax Reserve Fund must be identified in the Council approved annual budget and forecast, in a subsequent report to Council or approved in accordance with the Capital Budget Management and Control policy.

4. Funding Sources

- 4.1. One half (50%) of the Municipal Accommodation Tax collected from all Whitby accommodation providers, which includes hotels and motels, for room

rental accommodations of four hours or more and continuous stays of 29 days or less.

4.2. Annual interest allocated by Treasury to the Municipal Accommodation Tax Reserve Fund.

4.3. Investment income earned, if applicable.

5. Reserve Target Level

5.1. The minimum uncommitted reserve fund target balance cannot go below \$0.

5.2. The maximum reserve target level has not been established.

This Policy is hereby approved by Council Resolution # 180-24 on this 9 day of October, 2024.