

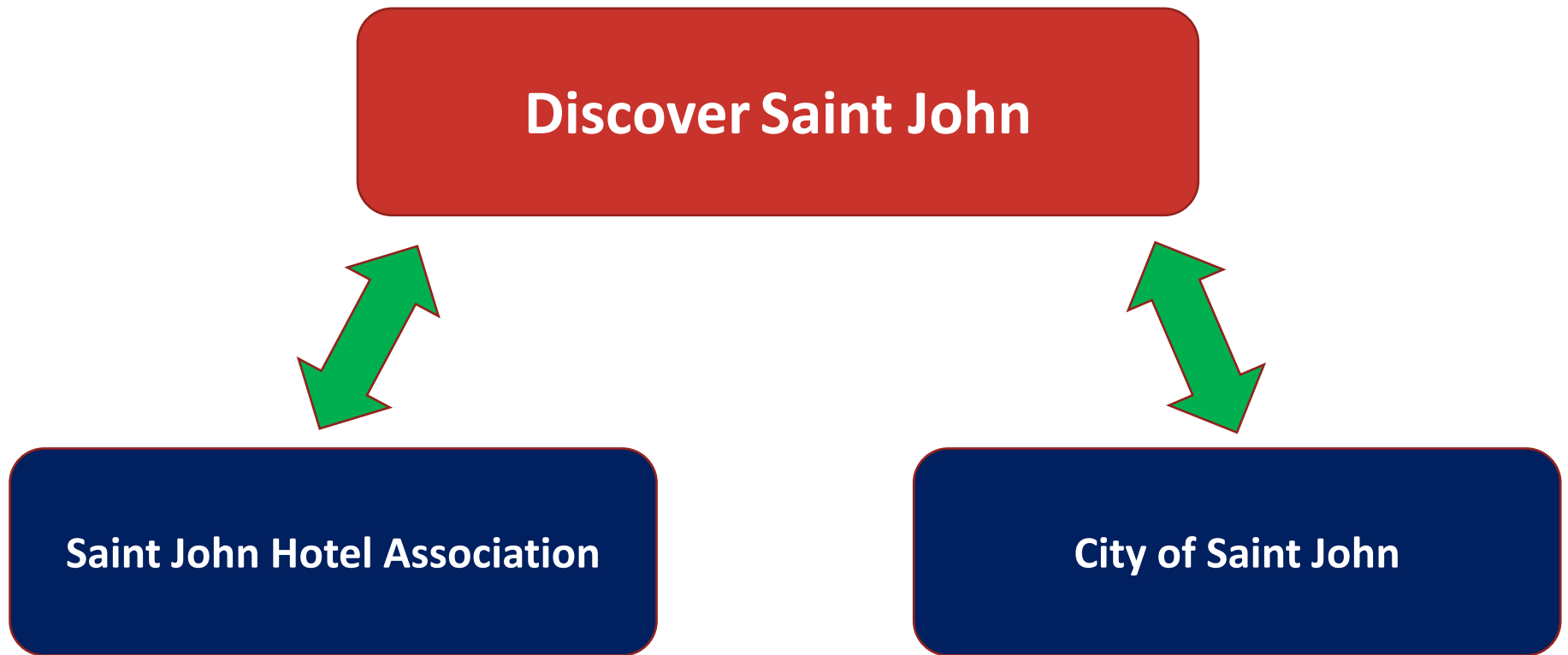


Municipal Accommodation Levy

July 16 2019



Background: Voluntary Hotel Levy



Background: Voluntary Hotel Levy

- Tourism prior to Discover Saint John
- Timelines
 - 2007 – Saint John Hotel Association (SJHA) was incorporated
 - 2010 - formations of Discover Saint John (DSJ)
- Contract includes
 - Tourism
 - Marketing
 - Visitor Information Centres
 - Event Attraction
 - Among others...



Background: Voluntary Hotel Levy

- Collection of DMF

CONFIDENTIAL SJHA FINANCIAL SUMMARY TO DATE			
	DMF Collected by SJHA	DMF invested to Discover Saint John	Additional DMF invested in bids, sponsorship & marketing
2010	\$434,108	\$347,286	\$70,129
2011	\$424,671	\$339,737	\$7,344
2012	\$437,697	\$350,157	\$79,664
2013	\$594,082	\$504,898	\$20,300
2014	\$689,899	\$597,866	\$8,484
2015	\$717,055	\$621,400	\$41,551
2016	\$752,484	\$652,103	\$43,202
2017	\$835,907	\$724,398	\$120,312
2018	\$948,773	\$822,206	\$137,690
TOTAL	\$5,834,676	\$4,960,051	\$528,676



Background: Voluntary Hotel Levy



Accomplishments

Transformational change
Saint John positioned as a leader in this sector
Significant growth in the visitor economy
Stronger brand image
Revitalized Urban Core
Product Development – Field House, Fort la Tour, Cruise, Timber Top, Reversing Falls
Signature Festival – Area 506
Attracting world class events – placing Saint John on a National Stage



Model for rest of Canada

Moncton will emulate our model
DMAC – Best in Class model
Building our pipeline



Why the existing model was so successful

Lasor Focus
Top performing team and experts in their respective fields
Alignment with strategic partners
Collective approach – money, resources and talent



Discover our WINS

DISCOVERTHEWINS.COM

North. South. East. West.
One great city.


DISCOVER
THE WINS

Enabling Provincial Legislation

- For years, the City of Saint John, along with municipalities across New Brunswick, has requested that the Government of New Brunswick enhance and diversify municipal governments' revenue generating capacity.
- The Cities of New Brunswick has advocated on behalf of cities for the creation of a mandatory accommodation levy.
- The Tourism Industry Association of New Brunswick (TAINB) has actively pursued a mandatory accommodation levy in New Brunswick for years.
- Progressive Conservatives included a promise in 2018 election platform to introduce a new mandatory accommodation levy



Enabling Provincial Legislation

2019

CHAPTER 5

An Act to Amend the Local Governance Act

Assented to June 14, 2019

Her Majesty, by and with the advice and consent of the Legislative Assembly of New Brunswick, enacts as follows:

1 *Subsection 10(1) of the Local Governance Act, chapter 18 of the Acts of New Brunswick, 2017, is amended by adding after paragraph (m) the following:*

(m.1) a tourism accommodation levy;

2 *The Act is amended by adding after section 19 the following:*

By-laws respecting a tourism accommodation levy

19.1 A by-law of a local government made under paragraph 10(1)(m.1) is subject to section 101.1 and to any regulation made under section 101.2.

3 *The Act is amended by adding after section 101 the following:*

Tourism accommodation levy

101.1(1) The following definitions apply in this section.

CHAPITRE 5

Loi modifiant la Loi sur la gouvernance locale

Sanctionnée le 14 juin 2019

Sa Majesté, sur l'avis et avec le consentement de l'Assemblée législative du Nouveau-Brunswick, édicte :

1 *Le paragraphe 10(1) de la Loi sur la gouvernance locale, chapitre 18 des Lois du Nouveau-Brunswick de 2017, est modifié par l'adjonction de ce qui suit après l'alinéa m) :*

m.1) la taxe sur l'hébergement touristique;

2 *La Loi est modifiée par l'adjonction de ce qui suit après l'article 19 :*

Arrêtés concernant la taxe sur l'hébergement touristique

19.1 Les arrêtés des gouvernements locaux qui sont pris en vertu de l'alinéa 10(1)m.1) sont assujettis à l'article 101.1 ainsi qu'à tout règlement pris en vertu de l'article 101.2.

3 *La Loi est modifiée par l'adjonction de ce qui suit après l'article 101 :*

Taxe sur l'hébergement touristique

101.1(1) Les définitions qui suivent s'appliquent au présent article.



Enabling Provincial Legislation

What you need to know about provincial legislation:

- **Very permissive** - giving the authority of municipalities to define the parameters that best serve their interest.
 - Municipalities are not forced to implement bylaws
 - Municipalities can define the parameters of the bylaws
 - Municipalities can set the rate
 - No provincial revenue sharing
- The levy will be remitted to the local government to fund “tourism promotion and development”

Next Steps: What we know

- Saint John will maintain existing voluntary levy until end-of-2019
- Tourism will continue to play a central role in Saint John's future growth efforts
- Into 2020, Saint John must build-off of the success of our past 10 years
- Greater horizontal synergy between tourism efforts with other economic development efforts on go-forward basis
- Staff intend to introduce a bylaw to Common Council to benefit from the Government of New Brunswick's new enabling legislation



Next Steps: What we know

- City of Saint John is committed to building alignment on the details of a municipal levy among the cities of Moncton and Fredericton, and cities across New Brunswick
- Saint John will work with regional partners to invite the ability to collaborate and build alignment between municipalities on accommodation levy
- We are committed to work hand-and-hand with the Saint John Hotel Association and industry in the development and implementation of the new accommodation levy
- A mandatory accommodation levy in Saint John is expected to generate new revenues for the City of Saint John

Next Steps: Timeline

- **July – September 2019** – engagement of key stakeholders
- **October 2019** – introduction of draft bylaw
- **October 2019** – information sessions with key stakeholders
- **November 2019** – adoption of new bylaw
- **January 2020** – activation of new bylaw and introduction of new economic development framework