

TOWN OF CLAREVILLE BY-LAWS

Title: Tourism Accommodation Tax By-Law

Council Motion No.: 26-005

Pursuant to the authority conferred in Section 129. (1) of the *Towns and Local Service Districts Act*, the Town Council of Clareville adopted the following by-law on the 13th day of January, 2026.



Mayor



Town Clerk

1. TITLE

- 1.1. This document will be known and cited as the Tourism Accommodation Tax By-Law.

2. PURPOSE

- 2.1. To impose a 4% Municipal Accommodation Tax on the purchase of short-term accommodations within municipal boundaries of the Town of Clareville, in accordance with Section 129 of the *Towns and Local Service Districts Act*.
- 2.2. To generate revenue from this tax to support tourism initiatives, thereby enhancing the Town's economic opportunities.

3. AUTHORITY

- 3.1. *Towns and Local Service Districts Act* – Section 129
- 3.2. *Fire Protection Services Act*
- 3.3. *Town of Clareville Development Regulations*
- 3.4. Other applicable provincial and federal legislation

4. DEFINITIONS

- 4.1. **“Accommodation”** shall mean hotel and short-term rentals for 30 days or less that are registered under the *Tourism Accommodations Act* and hold valid permits under the *Town of Clareville Development Regulations* within the Town of Clareville.
- 4.2. **“Tourist Accommodation”** shall mean short-term lodging for the travelling public.
- 4.3. **“Town”** shall mean the Town of Clareville.
- 4.4. **“Council”** shall mean Council of the Town of Clareville.
- 4.5. **“Ancillary Charges”** shall mean charges related to the purchase of accommodations, including, but not limited to, food, mini bar products, movie rentals, etc.
- 4.6. **“Purchaser”** shall mean the person who makes payment in consideration for accommodation.
- 4.7. **“Provider”** shall mean hotel operators and short-term rental hosts.
- 4.8. **“Broker”** shall mean platforms or agents facilitating short-term bookings.

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4.9. **“MAT”** shall mean Municipal Accommodations Tax.

5. PROCEDURE

5.1. SCOPE

- 5.1.1. This by-law applies to all providers of paid tourist accommodations for periods of 30 days or less, are registered under the Tourist Accommodations Act and hold valid permits under *Town of Clareville Development Regulations*.
- 5.1.2. All tourist accommodations must become registered under the Tourist Accommodations Act and request valid permits under *Town of Clareville Development Regulations*.

5.2. TAX RATE AND COLLECTION

- 5.2.1. A Purchaser of Accommodation shall pay, at the time of purchase, a Municipal Accommodation Tax (MAT) of 4% on the purchase price of the accommodation for a continuous period of 30 days or less.
- 5.2.2. MAT does not apply to Ancillary Charges if those charges are itemized separately. If they are not itemized, accommodation tax will apply to the entire purchase price.

5.3. EXEMPTIONS

5.3.1. 2026 Exemption only;

- Legal contracts pertaining to tour and convention accommodations entered into prior to January 1st, 2026, that cannot be legally amended to include MAT. Refer to Section 5.7.3 & 5.7.4

5.3.2. The accommodation tax shall not apply to:

- Real property belonging to Canada or the Province of Newfoundland;
- Real property belonging to a town or its agents, a regional service board or a municipal service delivery corporation;
- Real property exempted by an Act of the Legislature;
- Churches and other places of worship together with the land on which they are situated;
- Cemeteries operated by churches or non-profit organizations;
- The rectory or other principal place of residence of a religious leader in charge of a

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church or other place of worship where that residence is owned by the church or other place of worship, together with the land on which it is situated;

- Public health care facilities owned and operated by the Provincial Health Authority and the land on which they are situated, including student residences, but not including other residences and apartments;
- Schools as defined in the Schools Act, 1997 and the land on which they are situated, including student residences and playing fields and other recreational facilities owned by the Crown.
- Universities and colleges established under the Memorial University Act and the College Act, 1996, and the land on which they are situated, including student residences and playing fields and other recreational facilities owned by them, but not including other residences and apartments;
- Productive farmland and woodland and buildings on and used with respect to farm or wood production as the Minister of Fisheries, Forestry and Agriculture may designate;
- Tent or trailer sites supplied by a campground, tourist camp, or trailer park; and
- Accommodation supplied by employers to their employees in premises operated by the employer.

5.4. COLLECTION – HOTEL ACCOMMODATIONS & OTHER SHORT-TERM ACCOMMODATION PROVIDERS

- 5.4.1. Shall list the MAT as a separate line on receipts/invoices and identify such tax as "Municipal Accommodation Tax".
- 5.4.2. If the purchase of Short-term Accommodation is made through a Short-Term Accommodation Broker, the Short-Term Accommodation Broker shall list the Municipal Accommodation Tax as a separate item on the Purchaser's receipt or invoice and identify such as tax as "Municipal Accommodation Tax".
- 5.4.3. Shall collect the Municipal Accommodation Tax at the time of purchase as agents of the Municipality.
- 5.4.4. If the purchase of Short-term Accommodation is made through a Short-Term Accommodation Broker, the Short-Term Accommodation Broker shall list the Municipal Accommodation Tax as a separate item on the Purchaser's receipt or invoice and identify such as tax as "Municipal Accommodation Tax".
- 5.4.5. Shall remit MAT monthly, no later than the 30th day following each month, to the Town's tax collection agent, in a manner deemed acceptable by the

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Town Treasurer.

5.4.6. Shall submit a monthly statement, no later than the 30th day following each month, in a manner deemed acceptable by the tax collection agent, and shall include:

- a. Number of rooms available for rent;
- b. Number of rooms sold;
- c. Purchase prices of the room sold;
- d. The number of rooms exempt under the by-law and proof of the Provider relied on; and
- e. MAT collected

5.4.7. Shall provide any information as required by the Town for the purposes of enforcing this by-law.

5.5. REFUNDS

5.5.1. Where a Purchaser has paid an amount that is not payable, the Town Treasurer or the Town's agent, may upon receipt of satisfactory evidence, make a determination that the amount was wrongly paid, and if such a determination is made, the Town or its agent shall refund or credit all or part of the amount, but no refund shall be made unless an application is made within twenty-four (24) months after the payment date.

5.5.2. Where a Provider remits a surplus in error, the Town or its agent, may upon receipt of satisfactory evidence, make a determination that an amount was wrongly paid, and if such a determination is made, the Town or its agent, shall refund all or part of the amount, but no refund shall be made unless an application for such a refund is made within twenty-four (24) months after the date of remittance.

5.5.3. Where a person has applied for a refund and the person's claim is in whole or in part refused, the Town or its agent shall provide a statement of disallowance in such form as determined by the Town or its agent, and the statement *shall specify the amount of disallowance and the reasons for the disallowance*.

5.6. INTEREST & FEES

5.6.1. Penalties and interest at a monthly rate of interest applicable to overdue property taxes shall apply to any outstanding Municipal Accommodation Tax and shall be payable monthly by the Providers of Accommodation on the amount of any tax payable or remittable from the business day following the date on which the Municipal Accommodation Tax was payable, or its

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remittance was due up to and including the date on which such tax is paid or remitted in full.

- 5.6.2. The Town Treasurer may refer the collection of any Municipal Accommodation Tax payable or required to be remitted to a bailiff or a collection agency.
- 5.6.3. Upon default of Municipal Accommodation Tax required to be paid or remitted under this bylaw, the Town Treasurer may bring an action for the recovery of the amount in any court in which a debt or money demand or similar amount may be collected, and every such action shall be brought and executed in the name of the Town.
- 5.6.4. A fee may be charged in respect of all remittances made by cheque that are not honoured by the financial situation upon which it is drawn.

5.7. AUDIT & INSPECTIONS

- 5.7.1. Every Provider shall keep, for no less than three (3) years, books of account, records, and documents sufficient to furnish the Town or its designated tax collection agent(s) with the necessary particulars of:
 - a. Sales of accommodation;
 - b. Amount of the Municipal Accommodation Tax collected; and
 - c. The remittances made to the tax collection agent.
- 5.7.2. Every Short-term Accommodation Broker shall keep, for no less than (3) years, books of account, records and documents sufficient to furnish the Town or its designated tax collection agent with the necessary particulars of:
 - a. Sales of accommodation; and
 - b. Amount of the Municipal Accommodation Tax collected.
- 5.7.3. The Town Treasurer or designate or the Town 's designated tax collection agent may inspect and audit all books, documents, transactions, legal contracts, and accounts of Providers and Short-term Accommodation Brokers and require Providers or Short-term Accommodation Brokers to produce copies of any document or records required for the purpose of administering and enforcing this by-law.
- 5.7.4. Every Provider or Short-term Accommodation Broker shall furnish upon the demand of the Town Treasurer or the Town 's designated tax collection agent for reasonable inspection, copies of any books, documents, transactions, legal contracts, accounts or records required for the purposes of the administration and enforcement of this by-law.

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5.8. OFFENCES & PENALTIES

- 5.8.1. Any accommodation provider who fails to collect or remit the Municipal Accommodation Tax in accordance with this By-law shall permit the Town to assess an appropriate amount of Tax based on the number of units in the Accommodation and a reasonable rate for the Accommodations shall be calculated on the basis of One Hundred Percent (100%) occupancy of the Accommodations for the period applicable.
- 5.8.2. Failure of the Accommodation provider to collect the Municipal Accommodation Tax from the purchaser shall render the Accommodation Provider liable to pay the rate of the Municipal Accommodation Tax to the Town.
- 5.8.3. Failure of the Accommodation Provider to remit the Municipal Accommodation Tax shall constitute a breach of trust pursuant to the agency authority under the Provisions of the Towns and Local Service Districts Act and may be collected through Court enforced action or referred to a collection agency.
- 5.8.4. These penalties may be imposed in addition to any other remedies or actions the Town may pursue in the enforcement of this by-law.

5.9. MAT REMITTANCES & PAYMENT PROCESS

- 5.9.1. Accommodation Providers subject to MAT may remit the monthly payments via Visa, Mastercard or Online Banking.
- 5.9.2. They must also complete the Town of Clareville "Municipal Tourist Accommodation Tax Report" outlining the remittance details. Completed forms shall be remitted by email at info@clareville.ca or fax at (709) 466-2276.

5.10. REGULAR REVIEW OF THE BY-LAW

- 5.10.1. Town Council shall review this by-law annually to assess its effectiveness and identify potential areas for improvement or amendment.

6. ENACTMENT

- 6.1. This policy shall come into effect on the 1st day of January 2026.