

# **TOURISM ACCOMMODATION LEVY BYLAW**

EFFECTIVE: MARCH 12, 2007

AMENDED: MARCH 14, 2011

## *Summary of Bylaw Amendments at end of Bylaw*

BEING A BYLAW OF THE CITY OF CHARLOTTETOWN WITH RESPECT TO TOURISM ACCOMMODATION LEVY AND THE PROMOTION OF TOURISM IN THE CITY, PURSUANT TO THE PROVISIONS OF SECTION 64 OF THE *CHARLOTTETOWN AREA MUNICIPALITIES ACT*, R.S.P.E.I., 1988, CAP. C-4.1.

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF CHARLOTTETOWN AS FOLLOWS:

### **1. Short Title**

1.1 This Bylaw shall be known as the “**Tourism Accommodation Levy Bylaw**”.

### **2. Definitions**

In this Bylaw,

2.1 “**accommodation**” means the provision of lodging in a tourism establishment in the City;

2.2 “**City**” means City of Charlottetown;

2.3 “**Operator**” means the Operator of a tourism establishment in the City;

2.4 “**purchase price**” means the price for which accommodation is purchased, including the price in money, the value of services rendered and other consideration accepted by the Operator in return for the accommodation provided, but does not include the goods and services tax;

2.5 “**levy**” means the tourism accommodation levy established by this Bylaw;

2.6 “**tourism establishment**” means an establishment that provides temporary accommodation for a guest for a continuous period of less than one month, and includes a building, structure or place in which accommodation or lodging, with or without food, is furnished for a price to travelers, such as a cabin, cottage, housekeeping unit, hotel, lodge, motel, inn, hostel, bed and breakfast establishment, and resort.

### **3. Application of Levy**

3.1 A tourism accommodation levy is hereby imposed in the City, the rate of which, subject to Section 4 of this Bylaw, shall be three percent (3%) effective June 01, 2011 of the

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purchase price of the accommodation purchase price.

3.2 The levy imposed under this Bylaw, whether the price is stipulated to be payable in cash, on terms, by installments or otherwise, shall be collected by the Operator of a tourism establishment to which this Bylaw applies, and the Operator is at all times in doing so acting as an agent of the City. The levy shall be collected at the time of the purchase on the total amount of the purchase price and shall be remitted to the City at the prescribed times and in the prescribed manner as set forth in this Bylaw.

3.3 If a person collects an amount as if it were a levy imposed under this Bylaw, the person must remit the amount collected to the City at the same time and in the same manner as a levy collected under this Bylaw.

### **4. Exemption From Levy**

4.1 The tourism accommodation levy shall not apply to

- (a) a student who is accommodated in a building owned or operated by a post-secondary educational institution while the student is registered at and attending a post-secondary educational institution;
- (b) a person, other than a student to whom subsection (a) of this section applies, who is accommodated in a room for a continuous period of one month or more; or
- (c) a person and/or a member of the person's family, accommodated while the person and/or a member of the person's family is receiving medical treatment at a hospital or provincial health-care centre or seeking specialist medical advice, provided the person or member of the person's family provides the Operator with a written statement from a hospital, provincial health-care centre or physician licensed to practice medicine in the Province of Prince Edward Island that the person and/or a member of the person's family is receiving medical treatment; that as a result the person or member of the person's family is in need of accommodation and the time period for which such accommodation is required.

4.2 This Bylaw and the tourism accommodation levy imposed hereby shall not apply to any "fully independent travel" (FIT) accommodations or motorcoach accommodations sold by an Operator until January 1, 2008.

4.3 Prior to January 1, 2009 the tourism accommodation levy shall only apply to accommodations sold in tourism establishments that contain more than twenty-five (25) tourism accommodation rooms. On January 1, 2009 and subsequently, this Bylaw and the tourism accommodation levy imposed hereby shall only apply to accommodations sold in tourism establishments that contain more than ten (10) tourism accommodation rooms.

### **5. Registration Of Operator**

5.1 Every Operator providing accommodations to which this Bylaw applies must have a

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registration certificate issued by the City. Application for a registration certificate shall be made on the form provided by the City.

- 5.2 Where an Operator carries on business at more than one place, the Operator shall obtain a separate registration certificate in respect of each place of business.
- 5.3 The registration certificate shall be displayed in a prominent public place at the Operator's tourism establishment identified in the certificate.
- 5.4 Where an Operator changes the location of the business, or changes the name or nature of the business for which a certificate has been issued pursuant to this Bylaw, the registration certificate shall be immediately returned to the City and the Operator shall apply on the form provided to have a new or amended certificate issued.
- 5.5 Where an Operator ceases to carry on the business in respect of which a registration certificate has been issued, the certificate shall thereupon be void, and the Operator shall return the issued certificate to the City within fifteen (15) days of the date of discontinuance of operations.
- 5.6 Where a registration certificate is lost or destroyed, application shall be made to the City for a replacement certificate to be issued.
- 5.7 A registration certificate issued by the City under the Bylaw is not transferable.

### **6. Return and Remittance of Levy**

- 6.1 Subject to the provisions of subsection 2, all Operators shall provide the City with a monthly statement on the form provided by the City, detailing the total number of rooms sold in the month, the purchase price for each and the amount of levy collected, or to be collected, for each room.
- 6.2 In addition to the monthly statement in subsection 1, the City may at any time require an Operator to provide the City with a statement detailing the number of rooms sold in a specified period(s), the purchase price and the amount of levy collected for each room and any other information which the City requires in order to verify the proper collection and remittance of the tourism accommodation levy.
- 6.3 A separate monthly statement shall be made for each place of business for which a registration certificate has been issued by the City, unless the City approves in advance that an Operator may make a consolidated monthly statement.
- 6.4 All levies collected by an Operator in a month shall be remitted to the City with the applicable monthly statement. Monthly statements and all levies collected by an Operator shall be delivered to the City not later than the 15<sup>th</sup> day of the month following the month in which the levy was collected.
- 6.5 If no levies have been collected in a month, the Operator shall complete and deliver a monthly statement to the City.

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6.6 Where an Operator ceases to carry on or disposes of a business in respect of which a certificate has been issued pursuant to this Bylaw, the Operator shall file a statement and remit any levies collected within fifteen (15) days of the date of discontinuance or disposal.

6.7 Any amount due under this Bylaw, shall bear interest at the rate prescribed pursuant to the Revenue Administration Act, R.S.P.E.I. 1988, Cap. R-13.2, from the day on which the amount collected should have been remitted to the City.

### **7. Records**

7.1 Every Operator shall keep such books of account, records and documents sufficient to furnish the City with the necessary particulars of:

- (a) sales of accommodation,
- (b) amount of levy collected or to be collected on sales of accommodation, and
- (c) delivery of levy to the City.

7.2 All entries concerning the levy in such books of account, records and documents shall be separate and distinguishable from other entries made therein.

7.3 Every Operator shall retain any book of account, record or other document referred to in this section until the City authorizes its destruction.

7.4 Where a receipt, bill, invoice or other document is issued by an Operator in respect of a room for which a levy is collected, the amount of the levy shall be shown on such receipt, bill, invoice or other document as a separate item or charge.

### **8. Calculation of Levy**

8.1 Where an Operator sells accommodation in combination with meals and other specialized services for an all-inclusive package price, the purchase price of the accommodations shall be deemed to be the purchase price of the accommodations when such accommodations are offered for sale in the same tourism establishment without such specialized services.

### **9. Refund of Levy**

9.1 The City may refund to an Operator who sells accommodations, all or a portion of a levy remitted by the Operator to the City, if the City determines that the Operator collected a levy on the sale of accommodation in error and the Operator provides proof to the City that the amount collected in error has been refunded to the purchaser of the accommodation.

9.2 With the permission of the City, an Operator may deduct the amount of the refund

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payable to the Operator under subsection 1 from the amount of levy that the Operator is required to remit under this Bylaw.

### **10. Inspection, Audit, and Assessment**

- 10.1 A person appointed by the City may enter at a reasonable time the business premises occupied by an Operator, or the premises where the Operator's records are kept,
- (a) to determine whether or not
    - (i) the Operator's business is one to which the provisions of this Bylaw apply; or
    - (ii) this Bylaw is or has been fully complied with, or
  - (b) to inspect, audit, and examine books of account, records or documents relating to the monthly or other statement delivered to the City and the amount of the levy remitted to the City.

### **11. Offence**

- 11.1 A person who contravenes any provision of the Bylaw is guilty of an offence punishable by summary conviction and on conviction is liable
- (a) on a first conviction, to a fine of not less than \$500 and not more than \$1,000, and
  - (b) for a subsequent conviction for the same or another provision of this regulation, to a fine of not less than \$1,500 and not more than \$5,000.

Amendment Summary	Previous Wording	Amendment Detail	1st Reading	2nd Reading	3rd Reading
To amend bylaw by increasing levy	3.1 A tourism accommodation levy is hereby imposed in the City, the rate of which, subject to Section 4 of this Bylaw, shall be 2.0 percent (2%) of the purchase price of the accommodation purchase price.	3.1 A tourism accommodation levy is hereby imposed in the City, the rate of which, subject to Section 4 of this Bylaw, shall be three percent (3%) effective June 01, 2011 of the purchase price of the accommodation purchase price.	16-Feb-11	16-Feb-11	14-Mar-11