



LABRADORCITY

BY-LAW No. A-002

TOURIST ACCOMMODATION TAX

Pursuant to the authority conferred by section 129 of the *Towns and Local Service Districts Act*, SNL 2023, c. T-6.2, as amended, the Town of Labrador City hereby enacts the following by-law respecting the taxation of tourist accommodations.

1. TITLE

These by-laws may be cited as '*By-law No. A-002, Tourist Accommodation Tax*'.

2. INTERPRETATION

For the purpose of these by-laws unless the context otherwise requires:

Act	<i>means Towns and Local Service Districts Act, SNL 2023, c. T-6.2, as amended.</i>
Accommodation	means: (i) a building, part of a building or group of buildings containing one or more units and includes cabins, cottages and other permanent structures, (ii) land maintained as grounds for tents, trailers, recreational vehicles or other temporary or seasonal structures, (iii) a boat, or (iv) any other real or personal property prescribed in the regulations;
Guest	as any person, individual or corporation which is renting space in or at any Accommodation.
Non-Profit Entity	means an organization, association, or corporation that is (a) incorporated or registered under the <i>Corporations Act</i> of

Newfoundland and Labrador or under Part II of the *Canada Corporations Act* or the *Canada Not-for-profit Corporations Act*;

(b) operated solely for social, cultural, recreational, charitable, or community purposes, and not for the financial gain of its members or directors; and

(c) where any profits or surplus are used only to further the organization's stated purposes and not distributed to its members, directors, or officers.

Operator	means the owner or lessee of a tourist accommodation or other person in charge of the tourist accommodation.
Property	means any parcel of real property, with or without buildings or structures thereon.
Regulations	means <i>Tourist Accommodations Regulations</i> under the <i>Tourist Accommodations Act</i> .
Short Term Rental	means the provision of an accommodation for compensation to an individual or group of individuals for overnight lodging for a period of 30 days or less.
Town	means the Town of Labrador City, a municipal corporation incorporated under the <i>Towns and Local Service Districts Act</i> , SNL 2023, c. T-15.01, and includes the Council and any officer or employee acting under its authority.
Tourist Accommodation	means an accommodation that is offered for short term rental to the traveling or vacationing public.

3. APPLICATION

- i. All Tourist Accommodations in the Town of Labrador City shall be assessed a Tourist Accommodation Tax (hereinafter the "Tax"), which shall be payable by the Operator, to the Town of Labrador City.
- ii. The Tax shall be assessed at a rate of four percent (4%) of the daily rate for the tourist accommodation.
- iii. The Tax shall be paid by the Guest and collected by the Operator as an agent of the Town.

4. COLLECTION & REMITTANCE

i. Collection of Tax

(a) Every Operator shall collect the Tourist Accommodation Tax at the time of payment by the Guest, whether such payment is made in cash, by credit or debit card, electronic transfer, or through an online booking or third-party platform.

(b) The Operator shall hold all tax amounts collected in trust for the Town and shall not commingle such funds with other operating revenues.

(c) The obligation to collect the Tax arises upon completion of a booking or reservation, whether or not the Guest subsequently cancels, unless a full refund is provided.

(d) Where accommodation fees are paid in a foreign currency or through an intermediary, the Operator shall remit the equivalent amount in Canadian funds, based on the value received.

ii. Quarterly Remittance Periods

The Tourist Accommodation Tax shall be remitted to the Town on a quarterly basis, for the following periods:

- Quarter 1 – January 1 to March 31
- Quarter 2 – April 1 to June 30
- Quarter 3 – July 1 to September 30
- Quarter 4 – October 1 to December 31

iii. Remittance Deadline

(a) Remittance and the required reporting form shall be submitted within thirty (30) days of the end of each Quarter.

(b) A remittance shall not be deemed received until both payment and the completed statement have been delivered to the Town.

iv. Required Information

Each quarterly remittance shall be accompanied by a statement certified by the Operator, detailing:

- (a) total revenue received from accommodations during the Quarter;
- (b) the number of accommodation units available and the number rented;
- (c) the nightly or daily rates charged;
- (d) the total amount of Tourist Accommodation Tax collected; and
- (e) any applicable exemptions or adjustments claimed, with supporting documentation.

v. Method of Payment and Filing

(a) Remittances may be made by electronic funds transfer, cheque, or other method approved by the Town.

(b) The Town may prescribe an official remittance form and may require operators to file electronically through a portal or other system designated by the Town.

(c) Failure to file the required form shall constitute non-compliance under this By-Law, regardless of whether payment was submitted.

vi. Record-Keeping

(a) Every Operator shall retain, for a minimum period of six (6) years, all records relating to accommodation revenues, taxes collected, exemptions claimed, and remittances made under this By-Law.

(b) Such records shall be made available to the Town for inspection or audit upon request, in accordance with section 129(3)(e) of the Act.

5. EXEMPTIONS:

i. The following classes of accommodations shall be exempt from the Tourist Accommodation Tax imposed under this By-Law:

(a) Non-profit or charitable organizations that operate accommodations primarily for social, cultural, recreational, or educational purposes, and not for commercial gain;

(b) Municipal or government-owned accommodations operated directly by the Town or another order of government;

(c) Tourist information centres or reception facilities operated by or on behalf of the Town or a recognized non-profit tourism association, including any associated campground or recreational vehicle (RV) park, where the revenues are used solely for tourism promotion or community benefit; and

(d) Any other person, organization, or class of accommodation that may be exempted by resolution of Council.

ii. Application for Exemption

An Operator claiming an exemption under subsection (1) shall submit a written request to the Town Clerk, identifying the accommodation, its ownership structure, and the basis of the exemption. The Town may require proof of non-profit or charitable status, financial statements, or other supporting documentation.

iii. Review and Revocation

The Town may review an exemption at any time to confirm continued eligibility. If the basis for an exemption ceases to exist, the Town may revoke the exemption by written notice, and the accommodation shall become subject to the tax as of the date specified in that notice.

iv. Record of Exemptions

The Town shall maintain a public record of all accommodations exempted under this By-Law, including the effective dates of each exemption.

6. NON-COMPLIANCE – FAILURE TO REMIT

i. Failure to Collect or Remit

Where an Operator fails to collect or remit the Tourist Accommodation Tax in the manner and within the time required under this By-Law, the Operator shall be personally liable to the Town for the full amount of tax that should have been collected and remitted.

ii. Interest on Outstanding Amounts

Any unpaid Tourist Accommodation Tax, penalty, or fee shall accrue interest at a rate equal to the Bank of Canada prime lending rate plus three percent per annum, compounded monthly, commencing on the first day following the date the remittance became due.

iii. Penalty for Non-Compliance

In addition to interest on outstanding amounts, the Town may impose an administrative penalty not exceeding ten percent (10%) of the outstanding amount for failure to remit or file a required statement within the prescribed period.

iv. Deemed Assessment

Where an Operator fails to file a remittance statement or otherwise provide sufficient information for the Town to verify the amount of Tax due, the Town may issue a deemed assessment in accordance with section 7 of this By-Law.

v. Debt Due to the Town

Any amount assessed or deemed assessed under this By-Law constitutes a debt due to the Town and is recoverable by any means permitted by law, including civil action.

vi. Lien for Unpaid Tax

The Town may, in addition to other remedies, create and register a lien against the property of the Operator for any unpaid Tourist Accommodation Tax, penalties, or interest, as authorized under section 129(3)(f) of the Act.

vii. Revocation of Permits

The Town may suspend or revoke any business licence, occupancy permit, or other municipal approval held by the Operator until all outstanding amounts, including interest and penalties, are paid in full.

viii. Continuing Offence

Each day that an Operator fails to comply with this section constitutes a separate and continuing offence for the purposes of enforcement under the Act.

7. ASSESSMENT OF OUTSTANDING TAXES

i. Authority to Assess

Where an Operator fails to file a quarterly return, remit the Tourist Accommodation Tax, or otherwise provide sufficient information to determine the amount owing under this By-Law, the Town may assess the amount payable based on any information available to it, including but not limited to:

- the number of accommodation units operated; and,
- average or advertised nightly rates.

ii. **Deemed Occupancy**

For the purpose of an assessment under subsection 7(i), the Town may deem the accommodation to have been occupied at one hundred percent (100%) occupancy for the period under review, unless the Operator provides satisfactory evidence to the contrary.

iii. **Inclusion of Penalties and Interest**

An assessment made under this Section shall include any penalties and interest that have accrued under this By-Law to the date of assessment.

iv. **Notice of Assessment**

The Town shall issue a written notice of assessment to the Operator, specifying:

- the period assessed;
- the total amount of tax, penalties, and interest determined to be owing; and
- the due date for payment, which shall not be less than 30 days from the date of the notice.

v. **Finality and Collection**

Unless the Operator provides documentation acceptable to the Town within the time specified in the notice, the assessment shall be final and binding, and the amount assessed shall be deemed a debt due to the Town and collectible in the same manner as other taxes, including through lien registration under section 129(3)(f) of the Act.

8. AUDIT & INSPECTION

- i. The Town of Labrador City and its agents, employees and/or officers may at any time audit and/or inspect Accommodations and any Property utilized in conjunction with Accommodations to ensure the accuracy of information required to be provided to the Town under this Bylaw, including but not limited to the number of units in Accommodations, occupancy of units of Accommodations, rates charged to Guests and revenue collected from Accommodations.
- ii. The power of audit and inspection under section 7.1 shall include the Accommodations and any units or parts thereof; any Property used and/or occupied in conjunction with the Accommodations; and any business records, financial records or other records of any kind or sort reasonably required in the opinion of the Town to verify information or remittances required to be made to the Town by law.

9. USE OF FUNDS

i. **Purpose of the Fund**

All proceeds collected under this By-Law shall be deposited into a dedicated Tourist Accommodation Tax Reserve Fund, established and maintained by the Town. The Fund shall be used exclusively for tourism-related purposes, including the promotion, enhancement, and development of tourism within the Town and surrounding region.

ii. Eligible Expenditures

Without limiting the generality of subsection (i), eligible expenditures may include:

(a) marketing, advertising, and branding initiatives that promote the Town as a tourist destination;

(b) enhancement of visitor services, information centres, and tourism-related facilities or amenities;

(c) support for tourism events, festivals, and cultural or recreational programming that attract visitors;

(d) improvements to public spaces and infrastructure that directly benefit the visitor experience;

(e) collaboration with regional or provincial tourism agencies to advance shared marketing and development objectives; and

(f) research, data collection, and performance tracking to evaluate tourism activity and impact.

iii. Administrative Costs

In accordance with section 129(9) of the Act, the Town may allocate up to twelve percent (12%) of the total annual proceeds of the Tourist Accommodation Tax to cover administration and enforcement expenses, including staffing, compliance monitoring, and auditing.

iv. Accounting and Transparency

(a) The Town shall maintain separate accounting records for all revenues and expenditures related to the Tourist Accommodation Tax Fund.

(b) All revenues and expenditures shall be reported annually to Council and the public through the Town's audited financial statements or such other reporting format as Council may direct.

(c) Any unspent balance remaining in the Fund at year-end shall be carried forward and used solely for tourism-related purposes in subsequent fiscal years.

v. Oversight and Planning

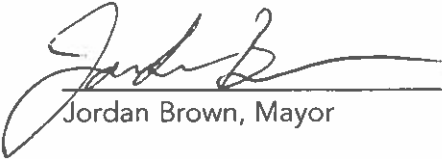
(a) The Town may, by resolution, adopt a Tourism Investment or Marketing Plan to guide allocation of funds under this By-Law.


(b) The Town may enter into partnership agreements with recognized non-profit or regional tourism organizations for the delivery of eligible programs and services funded through the Tourist Accommodation Tax Reserve Fund.

10. EFFECTIVE DATE

This By-Law comes into force on the 1st day of April, 2026.

Adopted by the Town Council of the Town of Labrador City on the 9th day of December, 2025 and to come into effect as of the 1st day of April, 2026.


Jordan Brown, Mayor


Michelle Newhook, Town Clerk