Communication Update

To: Mayor and Members of City Council

Committee Date: June 17, 2026

Subject/Report No.: Municipal Accommodation Tax (MAT) Implementation for Short-Term Rentals

Ward(s) Affected: City Wide

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Signature:

Summary

This Communication Update is to inform Mayor and Members of Council that the Municipal Accommodation Tax (MAT) for licensed short-term rentals in Hamilton will be implemented as of July 1, 2026.

Background

In 2022, Council approved By-Law 22-209, authorizing the City to impose a Municipal Accommodation Tax (MAT) on transient accommodations pursuant to the Municipal Act, 2001 and Ontario Regulation 435/17. The MAT currently applies to hotels, motels, inns, lodges, resorts, and bed and breakfasts. This phase of implementation is specifically for providers that offer temporary, furnished residential properties, often listed on platforms like Airbnb or VRBO. As of July 1, 2026, these short-term rental operators will also be required to collect and remit a 4% Municipal Accommodation Tax on room rental accommodations for continuous stays of 29 consecutive days or less.

Revenue generated through MAT is shared between the City of Hamilton and the Hamilton Tourism Development Corporation and is reinvested in destination marketing and tourism development initiatives as per the approved policies specific to these reserves. Policies support investment into further overnight visitations, tourism product development, visitor attraction initiatives, and the hosting of major arts, culture and sporting festivals, events and conferences in Hamilton.

A short-term rental provider is defined as a person or entity that offers temporary accommodations for rent, typically for stays of fewer than 30 consecutive nights. The provider must comply with local regulations, such as obtaining a license to operate and ensuring that the rental does not conflict with their principal residence.

The Ontario Restaurant Hotel & Motel Association, the City's authorized Municipal Accommodation Tax collection agent, will administer registration, reporting, remittance collection, and short-term rental operator support.

Engagement with Operators

City staff have undertaken the following communication, education, and implementation activities to support licensed short-term rental operators to meet MAT requirements:

- A formal Letter of Announcement was distributed to all short-term rental operators registered with the City's licensing records on June 2, 2026.
- Short-term rental operators were advised of their obligations to collect, report and remit the Municipal Accommodation Tax effective July 1, 2026.
- Short-term rental operators have been informed that online booking platforms, including Airbnb, VRBO, and Booking.com, are not currently collecting and remitting Municipal Accommodation Tax on behalf of Hamilton short-term rental operators and, therefore, they remain responsible for Municipal Accommodation Tax compliance.
- Short-term rental operators will be automatically registered in the Ontario Restaurant Hotel & Motel Association’s Municipal Accommodation Tax reporting portal and will receive portal credentials directly from the Ontario Restaurant Hotel & Motel Association.
- Municipal Accommodation Tax information, frequently asked questions, reporting deadlines and program resources, including those for Short-term rental operators, are available at www.hamilton.ca/mat.

Short Term Rental Operator Information Session:

To support implementation, the City and The Ontario Restaurant Hotel & Motel Association will host a virtual information session for short-term rental operators.

Date: June 22, 2026
Time: 6:00 p.m. – 7:30 p.m.

The session will provide an overview of Municipal Accommodation registration, collection and remittance procedures, reporting obligations, exemptions, timelines and short-term rental operator responsibilities. The session will also provide operators with an opportunity to ask questions directly to City and Ontario Restaurant Hotel & Motel Association representatives. Presentation materials will be shared with participants following the session.

Implementation Timeline:

June 2, 2026	Notification letters distributed to short-term rental
June 22, 2026	MAT Information Session for Short-Term Rental Operators
July 1, 2026	MAT collection begins for short-term rental operators
October 15, 2026	First quarterly MAT report and remittance due

Next Steps

Staff will continue to work with the Ontario Restaurant Hotel & Motel Association and licensed short-term rental operators to support a smooth transition to the MAT program prior to the July 1, 2026 implementation date. Staff will monitor program implementation and continue stakeholder education and outreach activities as required.

Appendices and Schedules Attached

Not Applicable