Committee of the Whole Excerpts
January 13, 2026

VALLEY REGIONAL ENTERPRISE NETWORK (VREN) MARKETING LEVY EXCERPT

The supplementary Marketing Levy report addressed questions from the previous Committee of the Whole meeting. The report clarified that the proposed levy would not directly affect West Hants residents or businesses and noted that similar levies are already collected from short-term rentals in other regions. It outlined that implementation would require staff resources and that the Municipality would collect and oversee the funds, while a proposed DMMO governance model would include up to 15 members and operate under service agreements with defined KPIs. The levy would not apply to existing bookings in the first year, with revenues estimated at around $700,000 based on a 70% remittance rate, and a hybrid funding model combining levy revenue and membership fees was recommended. Collection would use a third-party platform, with education and compliance prioritized before enforcement, and successful examples from other regions were cited to support the model.

The recommended motion was that Committee of the Whole recommends …

COUNCIL SUPPORT THE IMPLEMENTATION OF THE MARKETING LEVY IN PRINCIPLE, PENDING SUPPORT FROM OTHER MUNICIPAL UNITS.

WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☒	Recommendation ☐	Decision Request ☐	Councillor Activity ☐

To: Committee of the Whole

Submitted by: VanEssa Roberts, Manager of Community Economic Development

Date: January 9, 2026

Subject: Marketing Levy and Forming a Destination Marketing and Management Organization (DMMO) Follow-up to the December 2025 Committee of the Whole.

LEGISLATIVE AUTHORITY

Municipal Government Act – Bill No. 204

Under the amended *Municipal Government Act*, a Municipal Council may make a by-law to implement a marketing levy. Key provisions include:

- The maximum rate for any new levy is **3%** of the purchase price of the accommodation.
- The definition of "accommodation" is as defined by the **Short-term Rentals Registration Act (STRRA)**.
- A marketing levy collected pursuant to this section may only be used by Council to **promote tourism**.
- Council may, at its discretion, provide all or a portion of the marketing levy collected as a **grant** to any organization formed to promote tourism, whether such organization is non-profit or otherwise.

RECOMMENDATION

This report is provided for **information purposes only**.

BACKGROUND

Property ☐	Public Opinion ☐	Environment ☐	Social ☒	Economic ☒	Councillor Activity ☐

Following the December 2025 presentation to the WHRM Committee of the Whole, Council members and the public submitted questions and comments regarding the proposed formation of a DMMO and the implementation of a marketing levy.

The questions and answers are attached – Attachment D

Tourism is a key driver of local and regional economic growth. It creates employment, generates municipal and business revenues, and stimulates investment in infrastructure and community development. A thriving tourism industry enhances the appeal of a destination for both visitors and residents, contributing to a vibrant, sustainable regional economy.

Over the past four decades, the Annapolis Valley region has been served by two major tourism organizations: the **Evangeline Trail Tourism Association** and **Destination Southwest Nova Scotia (DSWNS)**. Both were independent, not-for-profit associations supporting tourism, culture, heritage, and trade. Since the dissolution of DSWNS in 2014, there has been no unified destination marketing presence for the Annapolis Valley.

To address this gap, the **Valley Regional Enterprise Network (Valley REN)** undertook the **Strategic Tourism for Areas and Regions (STAR)** program, developed by *Tourism Atlantic*. This initiative provided a framework and funding to guide the development of a comprehensive tourism strategy for the Annapolis Valley.

Key actions and outcomes included:

- Collaboration with operators, municipalities, and regional partners to identify tourism opportunities.
- Development of a regional tourism strategy to enhance key visitor experiences, strengthen the regional brand, and position the Annapolis Valley as a **year-round destination**.

The STAR program was implemented in **November 2021** to help the region rebuild its tourism sector and recover from pandemic impacts. Through the program, community and industry leaders worked with **Brain Trust Consulting**, a respected tourism consultancy, to establish a four-year tourism development strategy.

The STAR process concluded that a **dedicated entity** was needed to implement the strategy and that a **sustainable funding model** would be essential. Previous funding approaches, including municipal contributions and operator membership fees, were found to be unsustainable.

The Province of Nova Scotia enacted **Bill No. 24** in **November 2022**, allowing municipalities to introduce a marketing levy under the *Municipal Government Act*.

In **April 2023**, the Province introduced the **Tourist Accommodation Registry**, requiring all short-term rental operators to register annually. This includes rentals within private homes for stays of fewer than 28 days. Registration requires operators to display their provincial registration number on all listings, including online booking platforms such as Airbnb and VRBO.

During a **Joint Council Session** on **September 17, 2025**, municipal representatives heard a range of perspectives from accommodation operators—some strongly supporting the proposed levy, others expressing caution, and a member of the short-term rental association opposing it.

West Hants staff and tourism operators participated in the STAR program consultation and the establishment of the Transitional Implementation Working Committee (TIWC). Manager Roberts, along with Colette O'Hara and Tacha Reed, currently represent West Hants on the TIWC.

DISCUSSION

Economic Importance of Tourism

Tourism plays a vital role in community and economic development by:

- **Creating jobs:** Tourism is a labor-intensive industry providing employment across hospitality, food services, retail, transportation, and other sectors.
- **Generating revenue:** Visitor spending contributes to business income and increases municipal and provincial tax revenues.
- **Driving infrastructure development:** The need to accommodate tourists encourages investments in roads, public amenities, and services that also benefit residents.
- **Supporting small business:** Tourism drives traffic to local businesses, artisans, restaurants, and shops, helping them thrive.
- **Fostering regional growth:** Tourism diversifies local economies, particularly in rural areas, helping reduce depopulation.
- **Preserving culture and nature:** Tourism revenues can fund conservation, heritage protection, and cultural preservation.
- **Attracting business and talent:** A strong tourism brand enhances quality of life, attracting both businesses and skilled workers.

WHY A TOURISM MARKETING LEVY?

A **tourism marketing levy** generates dedicated revenue to grow the local tourism industry through coordinated regional marketing and destination management initiatives. Funds collected through the levy enable consistent promotion of the region without drawing on residential or commercial tax bases.

WHO PAYS FOR THE LEVY?

The levy would be **paid by visitors** who stay in registered tourist accommodations within the boundaries of the West Hants Regional Municipality. A "tourist accommodation" includes any **roofed accommodation** rented for 30 days or less.

There is no financial impact on West Hants residents or businesses with the establishment of a DMMO funded through a Marketing Levy.

DESTINATION MARKETING & MANAGEMENT ORGANIZATION (DMMO)

The tourism landscape is continually evolving. Establishing a **Destination Marketing and Management Organization (DMMO)** for the Annapolis Valley would provide a unified voice and vision for tourism promotion, setting the region apart from competing destinations.

A DMMO would:

- Build tourism capacity and support local operators.
- Develop and execute evidence-based marketing campaigns.
- Enhance the visitor experience through product development and coordination.
- Strengthen the regional brand to attract high-value guests year-round.

To support a DMMO, a **regional marketing levy** is proposed. The levy would sustainably fund the DMMO's activities, enabling collaborative, region-wide tourism promotion that stimulates economic growth and supports local employment.

TOURISM MARKETING LEVY OVERVIEW

A **3% tourism marketing levy** is proposed for all municipalities within the Annapolis Valley, aligning with practices across Nova Scotia and Canada. Visitors would pay the levy when booking accommodations. Accommodation operators would collect the levy and remit it to the municipality, which would in turn, allocate funds to the regional DMMO.

Key considerations:

- All other Canadian provinces have implemented forms of marketing levies or accommodation taxes.
- The proposed 3% rate is lower than the national average. (Example: a $200 nightly rate would result in a $6 levy.)
- Only accommodations registered under the *Tourist Accommodations Registration Act* would qualify.
- The levy applies only to the accommodation portion of the stay, excluding meals or package add-ons.
- Halifax has successfully collected a marketing levy for over 20 years.

Other Nova Scotia municipalities implementing the levy include:

- Bridgewater (April 1, 2025)
- Colchester County, Town of Stewiacke, Millbrook First Nation, and Town of Truro (April 1, 2024)
- Cape Breton Regional Municipality, Port Hawkesbury, Victoria County, Inverness County, and Richmond County (January 1, 2024)
- Municipality of Pictou County (January 1, 2024)
- Town and District of Yarmouth (May 1, 2025)
- Municipality of the District of Argyle (May 1, 2025)
- Municipality of the County of Annapolis (January 30, 2025)
- District of Chester (implementation January 1, 2026)

COLLECTION AND ADMINISTRATION

Staff recommend that Council consider adopting a **3% marketing levy** on the purchase price of accommodations, consistent with other Nova Scotia municipalities.

By implementing a regional marketing levy and pooling revenues through a DMMO, the Annapolis Valley can collectively fund tourism initiatives without relying on property tax revenues.

The levy would apply to all short-term accommodations in West Hants, including hotels, motels, bed and breakfasts, secondary suites, and registered short-term rentals such as Airbnb and VRBO properties. All short-term rental operators are required to register with the Province under the *Tourist Accommodations Registration Act*.

Implementation details:

- The levy is added to the accommodation price before HST.
- HST is not applied to the levy itself.

- Operators collect the levy from visitors and remit funds monthly or quarterly to the municipality.
- Exemptions apply to visitors seeking medical treatment and their accompanying family members.
- The levy does not apply to campgrounds unless they include fixed-roof accommodations for rent. (Tents and trailers are excluded and do not require registration.)

From Airbnb - Taxes Collected in Canada

In Canada, Airbnb collects and remits Goods and Services Tax (GST), Harmonized Sales Tax (HST), and/or Quebec Sales Tax (QST) for most short-term stays (30 nights or shorter).
Airbnb also collects various provincial and municipal taxes in specific areas:

- Alberta: 4% Alberta Tourism Levy.
- British Columbia: 8% Provincial Sales Tax (PST) and 2-3% Municipal and Regional District Tax (MRDT).
- Quebec: 3.5% Lodging Tax.
- Ontario (various cities): Municipal Accommodation Taxes (MAT) in cities such as Barrie, Brockville, Greater Sudbury, Mississauga, Ottawa, Toronto, and the Waterloo Regional Tourism District, with rates typically ranging from 4% to 8.5%.

CONCLUSION

The establishment of a 3% **Tourism Marketing Levy**, coupled with the formation of a **Destination Marketing and Management Organization**, offers a sustainable and collaborative path forward for tourism development in the Annapolis Valley. A unified approach will strengthen the region's tourism brand, increase visitation, and stimulate local economic growth—benefiting residents, businesses, and communities across the region.

FINANCIAL IMPLICATIONS

The collection and remittance of a marketing levy would require staff resources during the initial setup phase, followed by ongoing administration and compliance monitoring. The final Destination Marketing and Management Organization (DMMO) model selected will determine the level of financial support and involvement required from WHRM, as well as the associated impact on staff capacity, depending on the chosen collection and funding model.

Enforcement

Enforcement of the marketing levy would depend on the structure of the DMMO. This responsibility could fall to the municipality or be delegated to a third party. For example, Valley Waste Resource Management currently administers waste-related enforcement on behalf of the municipalities it serves. A similar approach may be considered as the administration of the marketing levy evolves.

ALTERNATIVES TO A MUNICIPAL TAX LEVY

In response to this report, Council may consider:

Municipal Budget Allocation:
Council could choose to fund tourism marketing directly through the annual municipal budget process with funds allocated from general revenue.

Advantages:

- Direct municipal control and accountability for spending.

Limitations:

- Competes with essential municipal services for limited tax dollars.
- Funding may fluctuate annually based on fiscal pressures.
- Residents, rather than visitors, bear the cost of tourism promotion.

Membership-Based Tourism Organization:
A tourism association could operate as a **membership-driven, non-profit organization**, similar to the historical Evangeline Trail Tourism Association and Destination Southwest Nova Scotia. Funding would come from annual membership dues paid by tourism operators, local businesses, and municipalities.

Limitations:

- Membership models have historically proven unsustainable due to limited participation and uneven contributions.
- Reliant on voluntary funding, making long-term planning difficult.
- Limited ability to fund large-scale marketing campaigns.

SUMMARY

While alternatives can provide viable opportunities, none offer the **sustainability, fairness, or scalability** of a dedicated tourism marketing levy. The levy ensures that those who benefit most directly from the tourism economy—visitors—contribute to maintaining and enhancing it.

Collaboration across the region, providing a fair and strategic approach will create tangible marketing initiatives including website and branding.

Dependence on external platforms or provincial initiatives to promote Annapolis Valley tourism is neither sustainable nor effective. Platforms like Airbnb prioritize paid listings, while provincial marketing efforts focus on Nova Scotia as a whole. Meanwhile, local municipalities, businesses, and associations often work independently rather than collaboratively. A DMMO would unify these efforts, providing a coordinated approach to attracting visitors to the Annapolis Valley.

ATTACHMENTS

Attachment A **Planning Information Report - Short-term rentals**

www.westhants.ca/planning/staff-reports/2024-staff-reports/4848-2024-01-11-information-report-pdf/file.html

Attachment B **Valley REN Star Report**

https://valleyren.ca/wp-content/uploads/2025/02/AV-STAR-Strategy_Final-June-2.pdf

Attachment C **DMMO Funding Model Framework**

Attachment D **Q and A West Hants Marketing Levy & DMMO Questions submitted by the West Hants Council, December 2025. Responses created by the Valley REN.**

CHIEF ADMINISTRATIVE OFFICER REVIEW

The rationale for the levy has been presented by VREN representatives and further information has been presented in the report by Manager Roberts. Pending Councils review of the information and discussion, staff are looking for direction from Council regarding "next steps". Possible considerations are listed below.

Option 1

Request for more information or time to gauge the position of other municipal Councils on the matter.

Option 2

Support the implementation of the marketing levy in principle, pending additional information or support from other municipal units.

Option 3

Provide direction to not proceed with levy or additional information associated with the marketing levy.

Option 4

TBD

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West Hants Marketing Levy & DMMO Questions

Question: What authority would the tourist board answer to?

Answer:
The recommended approach is to establish the DMMO as an independent nonprofit society, with accountability built in through its governance structure.

As outlined in the DMMO Funding Model Framework report, the recommended model includes:

- A Board of Directors with representation from participating municipalities and tourism sectors
- Formal accountability mechanisms established through Municipal MOUs
- Clear reporting requirements to municipalities, including annual work plans, budgets, and performance reporting

This model ensures the DMMO operates at arm's length while remaining accountable to municipal partners for the use of levy funds and delivery of agreed-upon outcomes. Ultimately, the final decision would be determined by participating municipalities.

Question: How will the administration of the tourist board be structured and how many paid staff members will there be?

Answer:
The final administrative structure and governance framework would require approval from participating municipalities. The Funding Model Framework provides a recommended starting point based on best practices in comparable regions.

Specifically, the report recommends:

- A Board-governed nonprofit society
- An initial staffing model that includes:
    - One full-time Executive Director
    - One full-time Marketing Strategist (or equivalent role)

This lean staffing model reflects what is realistic and sustainable in the early years and can scale over time as revenues and priorities evolve. Staffing levels would ultimately reflect municipal support for a marketing levy, levy revenues, and priorities.

Question: Will there be a board of directors and, if so, how would the members be chosen?

Answer:
Yes. The recommendation is to establish a Board of Directors to govern the nonprofit society that operates the DMMO.

As outlined in the Funding Model Framework, the Board would be structured to balance public accountability and industry expertise. It would include municipal representation to ensure alignment with municipal priorities, tourism sector representatives to bring industry knowledge and market insight, and ex-officio participation from economic development organizations such as Valley REN and ACOA to provide strategic connections to broader economic development initiatives.

There is an initial group of tourism industry leaders who are ready to be founding directors, representing five tourism sectors: large accommodation; small accommodation; tour operations; food & beverage; and education/training.

These individuals have been directly involved in the STAR Strategy and implementation work and bring continuity and institutional knowledge. Additional board members would be added through a public call for interest to ensure diversity of experience, geography, and perspective.

Question: How many offices would there be and in what location(s)?

Answer:
A DMMO does not require multiple offices or a public-facing location. Many destination organizations operate effectively with a modest office space. A shared office arrangement with other economic or community development organizations would be ideal.

It is important to note that a DMMO is *not a Visitor Information Centre*. Its role is primarily "behind the scenes," including marketing and promotional campaigns, digital presence and regional website management, product and experience development, industry training and workforce support, data collection, partnership development, and major event attraction.

Any office needs would be aligned with efficiency and cost-effectiveness.

Question: Would the enforcement process be handled like arrears in paying taxes with dollar figures owing and penalties charged? Or would by-law officers be involved, and if so, would they need special training? How would the amounts owing be determined?

Answer:
Across Nova Scotia, tourism marketing levies are implemented using a standardized municipal bylaw framework. This framework includes requirements for registration, reporting, and remittance, defined penalties for non-compliance, and calculation methods based on accommodation revenue.

In municipalities that have already implemented a levy, enforcement is phased and proportional. The initial focus is on education, onboarding, and compliance support to help operators understand their obligations. By-law officers are engaged only when necessary. The marketing levy bylaw includes provisions that allow the municipality to intervene when remittances are in arrears, similar to other municipal revenue processes.

There is also provincial support for enforcement. Through the Province's *Municipal Notification of Non-Compliance* process, municipalities can notify the Short-Term Rental Registry when an accommodation operator is not complying with municipal land-use or levy bylaws. The Province has the authority to suspend or deactivate an accommodation's registration if local bylaws are not being followed, which provides an important compliance backstop.

Amounts owing are determined through self-reporting. Many municipalities choose to work with a third-party levy administrator, such as ORHMA, to manage reminders, reporting, and tracking. This approach significantly reduces the administrative burden on municipal staff as well as operators.

Click here for a marketing levy bylaw sample.

Question: For municipalities that have already implemented a 3% Tourism Marketing Levy, specifically those with a large rural accommodation sector (like WHRM), could the VREN provide us with a brief analysis or case study detailing the demonstrable Return on Investment?

Answer:
In regions that have implemented a tourism marketing levy and invested it through a Destination Marketing & Management Organization (DMMO), the evidence shows that well-planned destination marketing consistently generates more visitor spending than it costs.

While no region can guarantee identical results, comparable destinations demonstrate that coordinated, data-driven tourism marketing delivers strong economic returns over time.

Destination Cape Breton is a relevant case:

- Funded through a 3% accommodation levy
- Levy revenues support year-round marketing, experience development, and event attraction
- Since implementation:
    - In 2024, Cape Breton recorded its second-highest number of room nights sold in history.
    - Tourism revenues on the island have grown by 30% over the 2019 pre-pandemic levels.
    - Approximately 88% of Destination Cape Breton's budget now comes from the marketing levy, and each dollar spent on marketing has been estimated to generate $27 in direct visitor spending

Similarly, Prince Edward County (Ontario) provides a strong rural comparison:

- Levy-funded destination organization
- Clear evidence that coordinated destination marketing:
    - Reduces reliance on peak-season volume
    - Improves revenue stability for small and rural operators
    - Supports higher-value visitation rather than simply more visitors

What these cases show is that the ROI is not just measured in bookings alone, but in:

- Longer seasons

- Higher per-visitor spending
- Reduced pressure on peak infrastructure

Our recommendation for performance measurements can be found in the DMMO Funding Model Report.

Question: Why are only accommodation operators expected to collect this levy, while wineries, retail and others benefit?

Answer:
Accommodation-based levies are a widely accepted practice because they ensure visitors pay the levy once per visit and the levy is tied directly to overnight stays, which are a strong indicator of economic impact.

Applying a levy to wineries, retail, or restaurants would result in:

- Visitors paying a levy multiple times during a single trip
- Local residents paying the levy every time they dine or shop locally
- Increased administrative complexity and reduced visitor acceptance

To address fairness and shared benefit, the recommended model is a marketing levy + membership model. We suggest accommodation operators collect the levy and have their membership fee waived, and other tourism-related businesses (wineries, attractions, retail, experiences) contribute through memberships to gain access to marketing, training, and partnership opportunities.

Question: What can be put in place or has been put in place to encourage financial contribution from the broader tourism-dependent sector to further leverage the marketing.

Answer:
The recommended hybrid funding model directly addresses this concern by combining a legislated accommodation levy with voluntary memberships, allowing non-accommodation businesses to financially participate. This approach ensures the DMMO is both visitor-funded and industry-supported.

The membership model will need to be fleshed out, but our recommendation is that it includes clear benefits including inclusion in marketing campaigns, training and workforce support, product and experience development opportunities, access to networking and partnership opportunities, and access to research and market intelligence.

Our recommended funding framework can be found in the DMMO Funding Model Report.

Regional Destination Management & Marketing

What is the Governance Structure?

Proposed Board Governance Structure with Maximum 15 Members

Based on industry consultations and a review of existing models, the following board structure is recommended for the DMMO in the Valley region:

Sectoral Representatives	Each Municipality Represented	2 Cultural Representatives	2 Non-voting Ex-officios
• Accommodations 10+ rooms • Accommodations STR • Food/Beverage • Outdoor Tour Operator/ Attraction • Culture/Heritage • Education/Training	• Tourism operator from Annapolis, Kings, West Hants, Glooscap • Director of Kentville Business Community • Director of Wolfville Business Development Corporation • Director of Windsor Township	• First Nation • Acadian/Francophone	• Valley REN • ACOA

How would it be staffed?

- Staffing would scale up as collection rates increase.
- Recommended approach:
    - Begin with an Executive Director
    - Add a Marketing Strategist when funds allow

Where would it be located?

- Does not need to be public-facing
- Can be a modest office space anywhere in the Valley - shared space would be ideal

Levy Projections

Units Sold: 2024 →	143,878
Average Room Rate →	x $162
Total Sales →	$23,308,236
Levy →	x 3%
Total Levy Projection →	$699,247.08

Funding Model

Marketing Levy

3% Levy on accommodations

+

Membership Fees

Tiered membership fees for non-accommodation tourism businesses

Revenue	**$490k** →	Marketing Levy
Total: $590k	**$60k** →	Grants
	$40k →	Guidebook Ads + Membership

Based on a 70% remittance rate on $700,000. Budgets can scale up as collection rates increase.

Recommendations for Implementation of Levy

- **Service Agreements with DMMO that outlines roles, expectations, and KPIs**

- **Adopt a Third-Party Collection Platform**

ORHMA
ONTARIO RESTAURANT
HOTEL & MOTEL ASSOCIATION

The ORHMA Reporting Tool simplifies Municipal Accommodation Tax (MAT) compliance by automating tax calculation, reporting, and remittance for accommodation providers.

- **Enforcement:**
  - Initial focus on education and compliance support.
  - By-law officers are engaged only when necessary.
  - The marketing levy bylaw includes provisions that allow the municipality to intervene when remittances are in arrears.

Where is this Working?

- In 2024, Cape Breton recorded its second-highest number of room nights sold in history.
- Tourism revenues on the island have grown by 30% over the 2019 pre-pandemic levels.
- Approximately 88% of Destination Cape Breton's budget now comes from the marketing levy, and each dollar spent on marketing has been estimated to generate $27 in direct visitor spending.

“We're great believers in the 'we over me' approach, and wholly believe that a regional direction to tourism benefits all parties involved.”

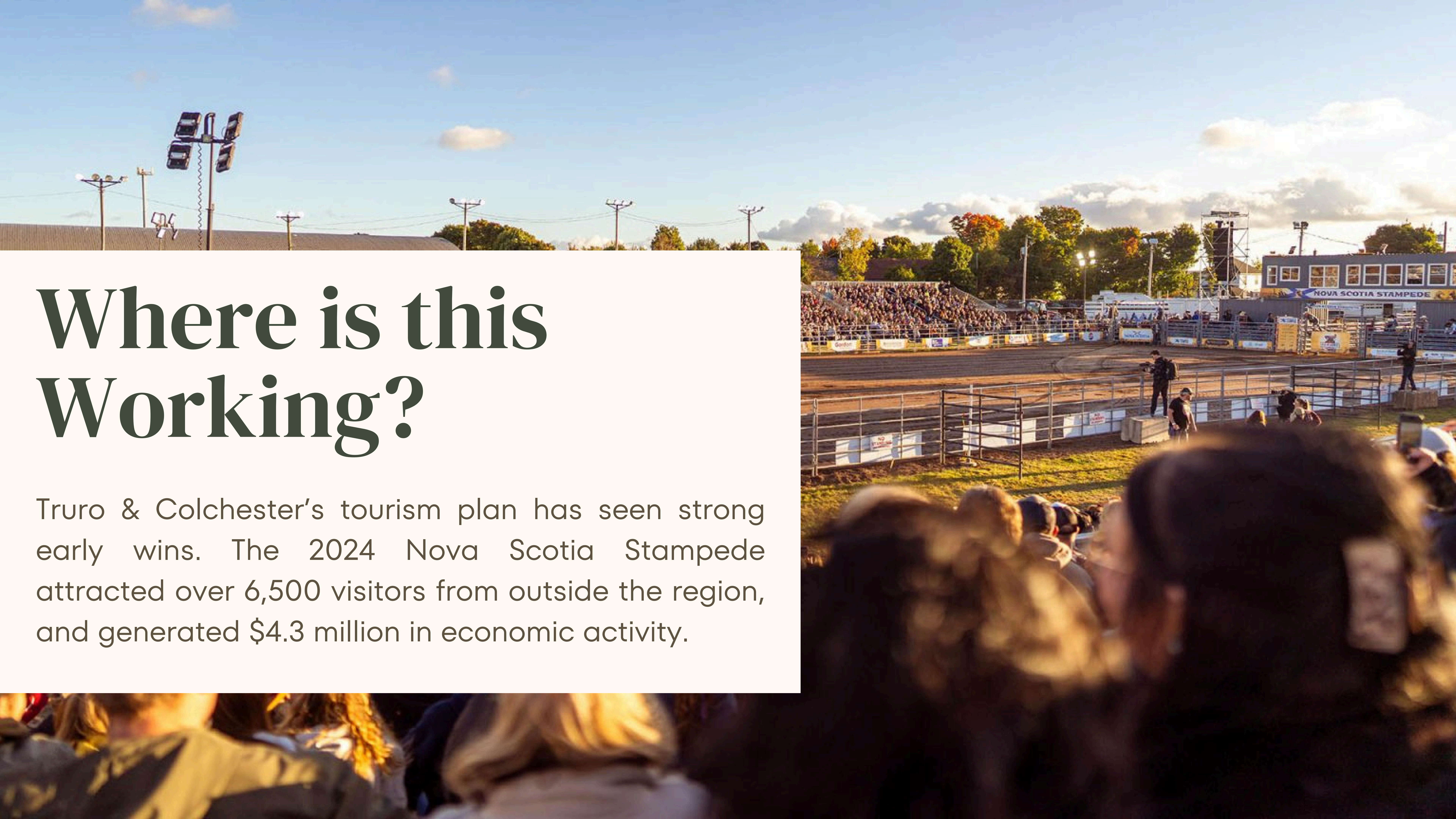
- Justin and Colin, Short Term Rental Operators in Cape Breton

Where is this Working?

- In 2024, Discover Halifax marked another record-setting year: a 2.6% increase over 2023 and an 11.4% gain since 2019.
- Helped support strong bids for major events like the 2024 Juno Awards and Pickleball Canada National Championship.
- 88% of residents now report the tourism industry’s impact as “positive” or “very positive”.

*“As the primary revenue source, the marketing levy has been instrumental in sustaining
our core services designed to promote this region. ”*

- Ross Jefferson, President and CEO Discover Halifax



Where is this Working?

Truro & Colchester’s tourism plan has seen strong early wins. The 2024 Nova Scotia Stampede attracted over 6,500 visitors from outside the region, and generated $4.3 million in economic activity.

“I have had over 5000 visitors to SEEK this year and not one guest has complained or brought up the levy.”

- Miriah Kearney, Seek Wilderness Accommodations

Where is this Working?

YASTA (Yarmouth & Acadian Shores Tourism Association) had another very successful season: over 38,000 CAT ferry tickets sold and accommodation providers reporting longer stays.

"Our marketing dollar goes farther through YASTA. Shared creative and access to their data mean we reach priority markets as a region, not as isolated businesses. Marketing the region works because visitors travel based on experiences and interest, not municipal lines."

- Jonathan Joseph, Argyler Lodge