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: November 7, 2025

Subject: Municipal Marketing Levy and Forming a Destination Marketing and Management Organization (DMMO)

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 ☐

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.

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.

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.

Some other Nova Scotia municipalities with, or implementing, a marketing levy include:

- Town and Municipality Digby (implemented room rate in 2021, and in 2023 implemented the marketing levy)
- Town of Antigonish (implemented January 1, 2024)
- 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 of Bridgewater (April 1, 2025)
- 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.)

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 time in the initial setup, followed by ongoing administration and compliance monitoring.

ALTERNATIVES TO A MUNICIPAL MARKETING 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.

ATTACHMENTS

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

Attachment B **Valley REN Star Report**

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 Council's 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 not to proceed with the levy or additional information associated with the marketing levy.

Option 4

TBD

Report Prepared by: ________________________________
VanEssa Roberts, Manager, Community Economic Development

Report Reviewed by: ________________________________
Kathy Kehoe, Director, Community Development

Report Reviewed by: ________________________________
Carlee Rochon, Director, Financial Services

Report Approved by: ________________________________
Mark Phillips, Chief Administrative Officer