



Executive Summary

The Rural Community of Fundy Shores is emerging as a key tourism destination in New Brunswick, known for its rugged coastline, beautiful Lepreau Falls, New River Beach Provincial Park, access to the Bay of Fundy, vibrant cultural heritage, and outdoor recreation opportunities. As tourism continues to grow, so too does the demand on local infrastructure, services, and natural assets and increasing mandated regional RSC tourism service fees. In response, the Fundy Shores Council is proposing the introduction of a 3.5% Tourism Accommodation Levy (TAL) on all short-term, paid accommodations within the community.



The proposed TAL would apply to campgrounds, hotels, motels, bed & breakfasts, inns, and short-term vacation rentals. It would be collected from visitors at the point of sale and remitted by accommodation providers. The rate of 3.5% aligns with similar levies adopted in other New Brunswick municipalities and across Canada, ensuring regional competitiveness while generating meaningful revenue to reinvest in local tourism priorities.

Purpose of the 3.5% Tourism Accommodation Levy:

The purpose of the Tourism Accommodation Levy is to establish a dedicated, equitable, and sustainable funding source that supports the development, promotion, and management of tourism within Fundy Shores. The levy ensures that visitors contribute to maintaining and enhancing the infrastructure, experiences, and natural assets they enjoy, while providing lasting benefits to residents, the local economy, and the region.

Initial projections suggest that the 3.5% TAL could generate substantial annual revenue, dependent upon occupancy rates and seasonal trends. The funds would be managed transparently, with oversight through an advisory board or tourism partnership model. Implementing this levy positions Fundy Shores to proactively manage economic and tourism growth, maintain its appeal, and ensure the sector's long-term benefits are reinvested back into the community.

Program Design

1. Program Overview

The Rural Community of Fundy Shores is proposing the implementation of a **3.5% TAL** to be applied to all short-term paid accommodations within the community. The TAL aims to create a sustainable, community-controlled funding stream to support tourism-related infrastructure, services, and promotion, ensuring the continued growth and long-term sustainability of the local tourism sector.

Objectives

1. **Regional Tourism Services Contribution** – Allocate the first portion of levy funds to cover the Regional Service Commission’s mandated tourism services, reducing municipal budget pressures and freeing funds for other priorities.
 2. **Generate Sustainable Revenue** – Create a dedicated, locally controlled funding stream for tourism infrastructure, marketing, product development, and strategic growth.
 3. **Enhance Visitor Experience** – Invest in amenities, signage, attractions, and public spaces that improve visitor satisfaction, encourage longer stays, and build repeat visitation.
 4. **Support Local Economy** – Stimulate job creation, strengthen small businesses, and expand off-season tourism activity to promote year-round economic stability.
 5. **Protect Natural and Cultural Assets** – Fund conservation, environmental stewardship, and heritage preservation to safeguard the natural landscapes and cultural heritage that define Fundy Shores.
 6. **Foster Community Benefits** – Ensure residents benefit through improved amenities, waterfront access, trails, and other shared infrastructure upgrades.
 7. **Economic & Tourism Growth** – Strengthen destination marketing, sponsor events, and support tourism product development to grow the year-round visitor economy and support accommodation providers.
 8. **Fair Cost-Sharing** – Ensure visitors contribute to maintaining and enhancing the tourism experiences and infrastructure they use, reducing the cost burden on local taxpayers
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3. Scope and Application

- **Levy Rate:** 3.5% of the total nightly room charge (excluding HST).
 - **Applicability:**
 - Campgrounds
 - Hotels, motels, inns
 - Bed & breakfasts
 - Vacation and short-term rentals (e.g., Airbnb, VRBO)
 - **Exemptions:**
 - Accommodations booked for 30 consecutive days or more
 - Post-secondary education student accommodations
 - Accommodations used for emergency shelter e.g. natural disasters, house fire, or domestic violence.
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4. Administration and Governance

- **Collection Mechanism:**
 - Accommodation providers collect the 3.5% levy from guests at the point of sale.
 - Collected levies are remitted monthly or quarterly to Fundy Shores.
 - **Governance Model:**
 - **Service Provider:** A multi-stakeholder advisory body to oversee fund allocation and ensure transparency. Suggested representation includes:
 - Fundy Shores council representatives
 - Recreation and Destination Development Committee representatives
 - Tourism operators
 - Local business and community members
 - Indigenous and/or cultural representatives
 - Municipal Treasurer
 - The Service Provider will report on a quarterly and annual basis to Council and the public on fund usage and outcomes. They must also provide a budget to the municipality by October of each year.
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5. Fund Allocation Framework

Funds collected will be dedicated exclusively to tourism development and support as directed by council, including but not limited to:

1. **RSC Regional Tourism:** First portion of the fund will be utilized to pay for the mandated service.
2. **Destination Marketing:** Branding, advertising, content creation, and digital promotion.
3. **Tourism Infrastructure:** Trails, signage, parking, washroom facilities, and public access improvements.

4. **Events and Festivals:** Support for cultural, recreational, and heritage events that attract visitors.
5. **Capacity Building:** Training and support for tourism operators and workforce development.
6. **Environmental and Cultural Stewardship:** Coastal protection, trail maintenance, heritage site preservation.

To ensure stability and avoid funding shortfalls caused by late remittances, refunds and post-period adjustments, Council will base allocations of the Tourism Accommodation Levy on amounts received by the municipality in the calendar year two years prior to the allocation year (the ‘Second-Prior Year’). Funds will only be allocated after full reconciliation for that Second-Prior Year has been completed.

Annual budget planning will align with Fundy Shores’ economic development and tourism strategies.

6. Implementation Timeline

Phase	Timeline	Key Activities
Planning and Research	Aug.- Oct. 2025	Preparation of stakeholder consultations, legal review, and communications plan/package, and drafting of by-law, policies, and terms of reference.
Stakeholder Engagement	Oct. 2025-Feb. 2026	Begin stakeholder engagement and meetings regarding TAL. Along with time for oral and written objections during by-law implementation.
By-Law Implementation	Dec. 2025-March 2026	First to Third Reading of By-law.
Structure Setup	March-Apr. 2026	Service Provider formation, registration process established, and applications ready for disbursement, and registration reminder notice to accommodation providers sent.
Public Launch	Apr.-May 2026	Goal is to have the public launch in time for tourism season 2026.

7. Communications & Stakeholder Engagement

- **Pre-Launch:**
 - Public information sessions/packages, and direct engagement with accommodation providers.
 - FAQ materials, website updates, and contact points.
- **Ongoing:**
 - Annual public reports
 - Regular updates via newsletters, social media, and community meetings

8. Monitoring and Evaluation

- **Key Performance Indicators:**
 - Revenue generated per quarter
 - Number and scope of funded projects
 - Visitor satisfaction metrics
 - Impact on off-season tourism and repeat visitation
- **Evaluation Mechanism:**
 - Annual third-party review or municipal audit
 - Public feedback surveys
 - Regular Service Provider review. e.g. compliance

9. Risk Management

Risk	Mitigation
Resistance from accommodation providers	Early and consistent consultation; clear reporting on benefits
Administrative burden	Simple, digital remittance tools and training for providers
Public perception	Transparent governance and visible community reinvestment
Impact on visitor demand	Benchmarking against similar communities shows minimal impact at 3.5%

10. Conclusion

The introduction of a 3.5% Tourism Accommodation Levy offers the Rural Community of Fundy Shores a tool to sustainably support its growing tourism sector. By reinvesting visitor contributions into the region's infrastructure, marketing, and experiences, the community can preserve what makes it special while enhancing its appeal for future generations.

BY-LAW NO. 2026-

A BY-LAW RELATING TO A TOURISM ACCOMMODATION LEVY IN THE RURAL COMMUNITY OF FUNDY SHORES

BE IT ENACTED by the Council of the Rural Community of Fundy Shores, under the authority vested in it by the *Local Government Act, 2017, c18* Sections 19.1 and 101.1-101.3, and amendment thereto, hereby makes and enacts this By-Law as follows:

1. TITLE

- 1.1. This By-Law may be cited as the Tourism Accommodation Levy By-Law of the Rural Community of Fundy Shores.**

2. DEFINITIONS

- 2.1. In this By-Law, unless the context otherwise requires:**

- 2.1.1. “COUNCIL”** means the Council of the Rural Community of Fundy Shores.
- 2.1.2. “EMERGENCY SHELTER”** means a shelter for the purposes of a guest(s) who is a victim of a natural disaster, fire, or domestic violence.
- 2.1.3. “GUEST”** means an individual or group that acquires accommodation under this By-Law.
- 2.1.4. “LEVY”** means the Tourism Accommodation Levy.
- 2.1.5. “MUTUAL SHARED SERVICES”** means that projects can be combined between Tourism Development and Tourism Promotion that jointly benefit tourism initiatives in the community.
- 2.1.6. “OPERATOR”** means any person who sells, offers to sell, provides, and offers to provide Tourism Accommodation within the municipal boundaries of the Rural Community of Fundy Shores.
- 2.1.7. “SERVICE PROVIDER”** means the organization or committee established or selected by the Rural Community of Fundy Shores’ Council to conduct tourism initiatives on behalf of the Rural Community.
- 2.1.8. “TOURISM ACCOMMODATION”** means the provision of lodging in any premises operated to provide, for remuneration, temporary sleeping accommodation for the travelling public or for

the use of the public engaging in recreational activities and includes Airbnb, campgrounds, glamping, hotels, and motels for a continuous period not exceeding 31 days.

2.1.9. “TOURISM DEVELOPMENT” means planning and implementation of strategies, infrastructure, or other projects deemed appropriate by the Council to support tourism with the objective of developing the tourism sector to increase attractiveness of a destination and thereby attract more tourists.

2.1.10. “TOURISM PROMOTION” means activities, operations, and expenditures designed to increase the number of visitors at a destination and to maximize the utilized capacity of a tourist business including but not limited to advertising, publicizing, or otherwise collecting and distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists.

2.1.11. “RURAL COMMUNITY” means the Rural Community of Fundy Shores as incorporated on January 1, 2022.

3. SCHEDULE AMENDMENTS

3.1. The Council may from time to time amend by resolution Schedules “A” and “B” inclusive of this By-Law.

4. SCHEDULE AMENDMENTS

4.1. A Guest shall pay a Levy on the purchase price of the Tourism Accommodation in the amount specified in Schedule A on all accommodation bookings finalized on or after **May 30, 2026**.

4.2. An Operator shall include on every invoice or receipt for the purchase of such accommodation a separate item for the amount of Levy imposed on the purchase and the item shall be identified as “Tourism Accommodation Levy”.

5. EXEMPTIONS

5.1. The Levy imposed under Section 4 shall not apply to:

5.1.1. A student who is accommodated for the purposes of pursuing studies at a post-secondary educational institution while the student is registered at and attending a post-secondary institution.

5.1.2. A person who is accommodated in a room for more than 30 consecutive days.

5.1.3. Hotel or motel rooms provided by the Rural Community, the province, or their agents for emergency shelter accommodations.

6. REGISTRATION OF OPERATOR

6.1. Every operator of a facility providing Tourism Accommodation shall apply annually by March 31st of each year for registration certificates from the Rural Community.

6.2. If an Operator owns more than one establishment in the Rural Community of Fundy Shores, they are required to obtain a registration for each individual property.

6.3. The registration certificate shall be displayed prominently on the premises.

6.4. Any changes in the business including ownership, change of address, operating structure, or cessation of business, the Operator shall notify the Rural Community.

6.5. When an operator changes the nature of the business, they shall immediately return the current registration certificate and be issued a new one.

6.6. In the event the Operator ceases business, the certificate becomes void, and it shall be returned to the Rural Community.

6.7. All registered Operators must ensure they comply with the By-Laws of the Rural Community of Fundy Shores, all applicable laws and regulations of the Province of New Brunswick. Registration and payment under this By-Law do not confirm compliance with all other By-Laws.

6.8. The annual fee for registration shall be in accordance with Schedule “A” of this By-Law.

7. COLLECTION BY OPERATOR

7.1. Operators shall collect the levy from the Guest at the time the Tourism Accommodation is paid for and shall remit the Levy to the Rural

Community at the prescribed times and in the prescribed manner as set forth in this By-Law.

- 7.2. The collection of the levy is not subject to the Harmonized Sales Tax (HST) and shall remain separate thereof.

8. REPORT AND REMITTANCE OF LEVY

- 8.1. Subject to the provisions of Subsection 8.2, unless otherwise provided, all Operators shall make separate monthly reports to the Rural Community, on the prescribed report form of Tourism Accommodation sales and Levy collected.
- 8.2. A separate report shall be made for each place of business unless a consolidated report has been approved by the Rural Community.
- 8.3. The Operators shall submit reports and remit the Levy to the Rural Community of Fundy Shores on a monthly basis. Such reports and remittances shall be made on the last calendar day of the month.
- 8.4. If an Operator, during the preceding period, has collected no Levy, they shall nevertheless make a report to that effect (NIL) on the prescribed report form.
- 8.5. Where an Operator ceases to carry on or disposes of their business, they shall make the report and remit the Levy collected within 20 days of the date of discontinuance of disposal.

9. RECORDS

- 9.1. Every Operator shall keep books of accounts, records, and documents with the necessary particulars of:
- 9.1.1. Sales of Tourism Accommodation.
- 9.1.2. Amount of Levy collected.
- 9.1.3. Remittances of Levy.
- 9.2. All entries concerning the Levy in such books of accounts, records, and documents shall be separate and distinguishable from other entries made therein.

- 9.3. Every Operator shall retain any books of accounts, records, or other documents referred to in this Section for a minimum period of the current year plus six (6) years.
- 9.4. Council may appoint an independent auditor to inspect and audit all books, documents, transactions, and amounts of Operators and require Operators to produce copies of any documents or records required for the purposes of administering and enforcing this By-Law.

10. ADMINISTRATION

- 10.1. The Tourism Accommodation Levy funds will be allocated as set out in Schedule “A”.
- 10.2. All collections of the Levy and related disbursements shall be held and accounted for in a separate bank account.
- 10.3. The Rural Community may charge an Administration Fee to cover expenses related to the administration and enforcement of this By-Law.
- 10.4. A cap of \$5,000 has been established for the Administration Fee. If the administrative fee funds fall below the established cap, funds will be recouped from the Tourism Accommodation Levy in accordance with the Terms of Reference as per Schedule “B” of this By-Law.
- 10.5. Council will appoint a Service Provider to administer and manage the portion of the Tourism Accommodation Levy in accordance with the Terms of Reference as per Schedule “B” of this By-Law.
- 10.6. The Rural Community of Fundy Shores will administer and manage the portion of the Tourism Accommodation Levy in accordance with the Terms of Reference as per Schedule “B” of this By-Law.
- 10.7. As per Section 3.2(1) of the *Regional Service Delivery Act*, 2012, c.37, the Southwest Regional Service Commission has a mandate for developing and supporting tourism at the regional level. The Regional Service Commission, on an annual basis will tax the Rural Community of Fundy Shores to support initiatives at the regional level. Tourism Fees charged to the Rural Community by the Regional Service Commission will come from the Tourism Accommodation Levy before funds are provided to the Rural Community and the Service Provider as outlined in Schedule “A”.

11. INTEREST

- 11.1.** Interest payable under this By-Law shall be payable at a rate of 1% compounded monthly.

12. ENFORCEMENT

- 12.1.** Any By-Law Enforcement Officer is hereby authorized to make such actions, exercise such powers, and perform such duties, as may be set out in this By-Law, or in the *Local Governance Act*, and as they deem to be necessary to enforce any provision of this By-Law.

13. ACTION ON ARREARS

- 13.1.** Where a Levy imposed by this By-Law is in arrears, in addition to other remedies, including interest as per Section 11, that the Rural Community must enforce payment, the Rural Community may commence legal proceedings to collect arrears, register liens against the subject property provided to the person who owes the Levy to the Rural Community.

14. OFFENCES

- 14.1.** Enforcement of this By-Law shall be subject to the provisions of Part 14 of the *Local Governance Act*.
- 14.2.** Any Operator who violates any provision of this By-Law is guilty of an offence and is liable on conviction to a fine.
- 14.3.** Any Operator who does not register or circumvent registration with the Rural Community of Fundy Shores, in accordance with this By-Law, is guilty of an offence and liable on conviction to a fine.
- 14.4.** All contraventions of this By-Law are designated By-Law contraventions that may be dealt with by a Notice of Penalty pursuant to the provisions of the *Local Governance Act*.
- 14.5.** The Administrative Penalty for each applicable contravention of this By-Law shall be in accordance with Schedule “A”.
- 14.6.** A Person to whom a penalty notice is delivered may pay the Administrative Penalty on or before a change pertaining to the offence has been laid in Provincial Court as follows:
- 14.6.1.** In person at the Rural Community of Fundy Shores Office, 31 Malcolm Meehan Rd., Musquash, New Brunswick by cash, debit,

credit card, money order, or bank draft, payable to the Rural Community of Fundy Shores; or

14.6.2. By mail to: Rural Community of Fundy Shores,
31 Malcolm Meehan Rd., Musquash, New Brunswick E5J 2G2.

14.6.3. Over the phone with a credit card to the Rural Community of Fundy Shores at (506) 693-0207.

14.6.4. Electronically by e-transfer to the Rural Community of Fundy Shores: linda.sullivanbrown@fundyshores.ca

14.7. A person who pays the Administrative Penalty shall be deemed to have contravened the provision of this By-Law in respect of which the payment was made and shall not be charged with an offence in respect of the same incident that gave rise to the Administrative Penalty.

14.8. If the Administrative Penalty is not paid in accordance with Section 14.6, the person charged with the offence, under the *Provincial Offences and Procedures Act, Section 56(4) Category D Offence*, in the Court of King's Bench is liable on summary conviction to a minimum fine of one hundred and forty dollars (\$140.00) to a maximum fine of two thousand one hundred dollars (\$2,100.00). All penalties issued as per Schedule "A" are still in effect if the penalties are charged in the Court of King's Bench.

14.9. Conviction of a person for an offence under this By-Law or the payment of an Administrative Penalty does not relieve the person from compliance with this By-Law and the Rural Community may take further actions as set out in Section 13, which may be necessary to collect any outstanding Levy.

15. EFFECTIVE DATE

Read for the First Time	Day Month Year
Public Hearing of Objections	Day Month Year
Read for the Second Time	Day Month Year
Read for the Third Time	Day Month Year

George D. Cogswell, Mayor

Linda Sullivan-Brown, CAO

SCHEDULE “A”

FUNDY SHORES TOURISM ACCOMMODATION LEVY

1. TOURISM ACCOMMODATION LEVY PERCENTAGE COLLECTED

- 1.1.** The amount of the Tourism Accommodation Levy shall be set at 3.5% of the purchase price of the Tourism Accommodation excluding the Harmonized Sales Tax on all Tourism Accommodations as described in this By-Law on or after **May 30, 2026.**

2. ANNUAL REGISTRATION FEE

- 2.1.** The annual fee for the registration of a Tourism Accommodation is \$0.00.

3. ALLOCATION OF FUNDS

- 3.1.** The Tourism Accommodation Levy funds shall be allocated as follows:
- 3.1.1.** The Administration Fee of five percent (5.0%) is withheld by the Rural Community of Fundy Shores based on Section 10.4 of this By-Law. If the cap established for the Administration Fee is reached, the 5.0% funds are distributed at one-third (1/3) or thirty-three-point thirty-three percent (33.33%) rate to the Rural Community and two-third (2/3) or sixty-six-point sixty-six percent (66.66%) rate to the Service Provider.
- 3.1.2.** The Regional Service Commission Fee for Tourism, for the Rural Community of Fundy Shores based on taxation, will be drawn from the Tourism Accommodation Levy funds annually. These funds will be drawn from the whole fund before the remaining funds are divided between the Rural Community and the Service Provider.
- 3.1.3.** Sixty-six-point sixty-six percent (66.66%) of the Tourism Accommodation Levy funds are to be administered and managed by the Rural Community of Fundy Shores.
- 3.1.4.** One-third (1/3) or thirty-three-point thirty-three percent (33.33%) of the Tourism Accommodation Levy funds are to be administered and managed by the Rural Community of Fundy Shores.
- 3.1.5.** Mutually Shared Services between the Service Provider and the Rural Community can be jointly funded from the Tourism Accommodation Levy funds if both parties agree on the project or service.

4. Administrative Penalties

4.1. The Administrative Penalties for contravention of this By-Law are as follows:

- 4.1.1.** First Offence- verbal or written warning.
- 4.1.2.** Second Offence- minimum of one-hundred and forty dollars (\$140.00) per day for each day the offence has occurred.
- 4.1.3.** Third Offence- minimum of five hundred dollars (\$500.00) per day for each day that the offence occurred plus a one-month suspension of registration.
- 4.1.4.** More than three offences- minimum of one thousand dollars (\$1,000.00) per day for each day that the offence occurs plus a one-year suspension from registration.
- 4.1.5.** Failure to follow the Administrative Penalties will result in charges being laid, based under the *Provincial Offences and Procedures Act*, Section 56(4) Category D Offence, to the Court of Kings Bench as per Section 14.6 with a minimum fine of one-hundred and forty dollars (\$140.00) to a maximum of two thousand one hundred dollars (\$2,100.00), not including the penalties listed in Section 4.1.2-4.1.4.
- 4.1.6.** Failure to follow the Administrative Penalties will disqualify the Operator from applying or benefitting from any advertising or promotions, utilized by the Tourism Accommodation Levy. Should payments be arranged, the Operator will be disqualified for the equivalent of the time payment is not rendered.

SCHEDULE “B”
TERMS OF REFERENCE
FUNDY SHORES TOURISM ACCOMMODATION LEVY

1. PURPOSE

- 1.1. The purpose of this Terms of Reference is to provide direction on the management and administration of funds collected under the Tourism Accommodation Levy.

2. SERVICE PROVIDER

- 2.1. The Rural Community of Fundy Shores is hereby appointed as the Service Provider to manage and administer the Service Provider portion of the Tourism Accommodation Levy, until at which time a service provider has been chosen to administer the fund.
- 2.2. The Rural Community of Fundy Shores reserves the right to appoint a Service Provider by a simple majority vote of the Council.
- 2.3. The Service Provider shall be comprised of the following:
- (a) An elected member of the Fundy Shores Council;
 - (b) Two representatives of the Recreation and Destination Development Committee;
 - (c) Two tourism operators; and/or a local business owner;
 - (d) A resident of Fundy Shores;
 - (e) An indigenous and/or ethnic cultural representative

3. AUTHORITY

- 3.1. The Service Provider will only be given the authority to spend the funds the calendar year after they are collected.
- 3.2. By October 31st of the prior calendar year, the Service Provider must submit a budget to Council for approval.
- 3.3. Council may approve, amend, or reject the budget submitted by the Service Provider.
- 3.4. The Rural Community of Fundy Shores will for the purposes of accountability and transparency of the Service Provider strike a committee of Council to administer the Tourism Accommodation Levy. The committee will be made up of two councillors and two members appointed by the Recreation and Destination Development Committee.

4. REPORTING

- 4.1.** The Service Provider shall provide a written report, every quarter, including ongoing initiatives, and financial reports that include a comparison to budgeting to the Rural Community of Fundy Shores.
- 4.2.** The Service Provider may be required to provide a third-party audit when requested by the Rural Community of Fundy Shores for the Council to review the accuracy of spending. The cost of such an audit will be paid by the Rural Community of Fundy Shores.

5. FUNDING MANDATE

- 5.1.** The Service Provider will be provided the portion of the funds collected through the Tourism Accommodation Levy by February 1st of each year to begin funding Tourism elements for the upcoming year if a budget has been approved by the Council of the Rural Community of Fundy Shores.
- 5.2.** From the Service Provider portion of the Tourism Accommodation Levy collected, a minimum of 20% of the funds must be allocated to Community events, programs, and festivals. All events, programs, and festivals funded by the Tourism Accommodation Levy must promote tourism in the Rural Community of Fundy Shores.
- 5.3.** Tourism Accommodation Levy funds can be used to fund initiatives including tourism-related staff, consultant studies, advertising, marketing, transit, infrastructure, and other initiatives to increase tourism on Fundy Shores. Activities must produce measurable benefits for tourism in the Rural Community of Fundy Shores.