



October 19, 2022

*Sent via email*

[Legc.office@novascotia.ca](mailto:Legc.office@novascotia.ca)

To whom it may concern,

In my absence at the Legislative Assembly Committee today I wanted to ensure the Hotel Association of Nova Scotia (HANS) sent along our support of Bill 204. HANS has been working on the ability to increase the marketing levy in Halifax for more than 5 years. HANS recognizes how Halifax and Nova Scotia are not competitive with other parts of Canada. Recently New Brunswick announced legislation to support a hotel levy of 3.5% and Ontario 4%. This new legislation also allows municipalities to make the decision whether to enforce the levy and how to spend the levy based on their current needs. The new investment will allow Discover Halifax to promote Halifax Regional Municipality as a destination for leisure and business travellers, and build a better Halifax for everyone, not just tourists. While hotels in Halifax and Nova Scotia will benefit from more visitation, I am excited to see the vision of the Integrated Tourism Master Plan implemented.

The Hotel Association appreciated being consulted on Bill 204 and we look forward to future opportunities to help grow our province.

Thank you,

Megan Delaney, President  
Hotel Association of Nova Scotia

**Hotel Association of Nova Scotia**  
**PO Box 473 Station M Halifax, NS B3J 2P8**



## **Discover Halifax Presentation to Law Amendments Committee**

Ross Jefferson  
President and CEO

October 2022

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### **About Discover Halifax**

- Non-Profit, Membership based with 500+ members throughout all HRM.
- We were created in 2002 by our founding members: HRM and Hotel Association of Nova Scotia
- Council's official Tourism Agency
- Funded primarily by the hotel tax

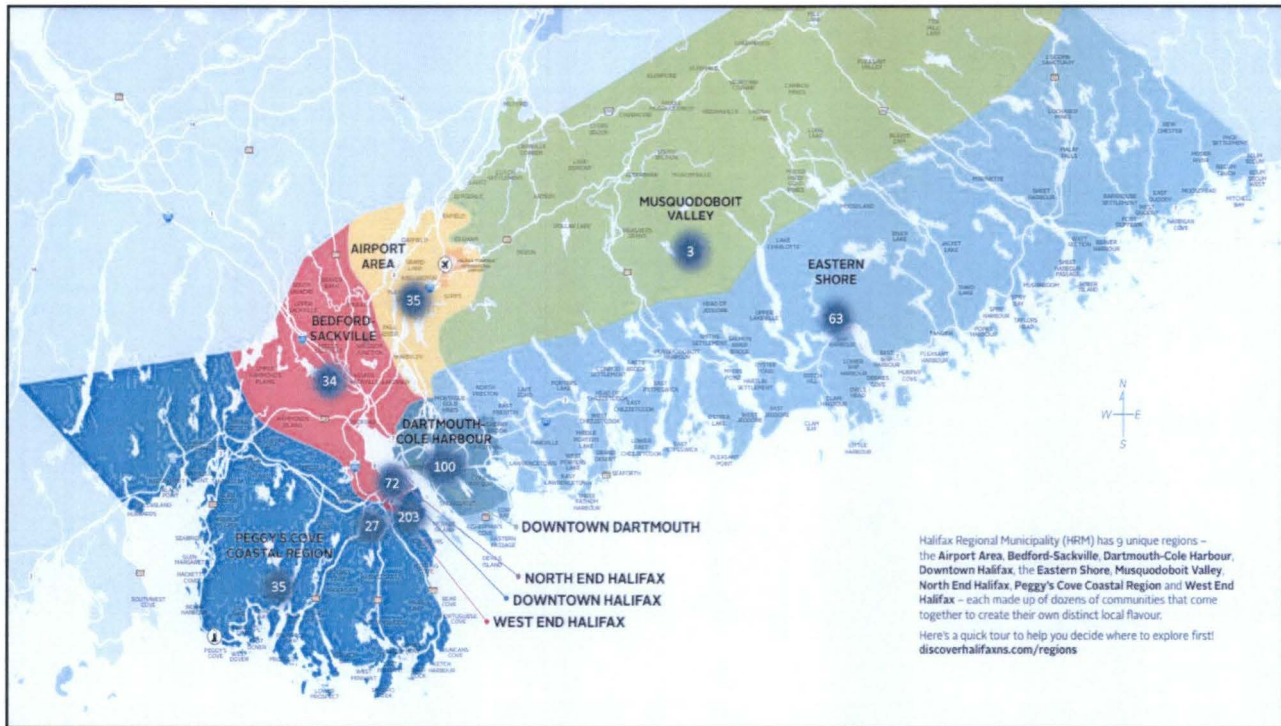


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# Discover Halifax

## Our New Mission

We seek to **maximize economic and social benefits** derived from the tourism industry for the benefit of the people who **live, visit, and invest in our region**.

We do this by **showcasing the best of our region to the world**, and through **collective impact**, we seek to shape the future of our industry through **good planning, investment, and design**.

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## About Tourism In HRM

- 5.3 Million overnight stays annually and they spend \$1.3 Billion each year
- HRM represents 53% of all Nova Scotia Tourism Expenditures
- Supports over 4,000 businesses and 34,000 jobs
- About \$90 million in HST collected annually from this industry



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## Background - Hotel Levy In HRM

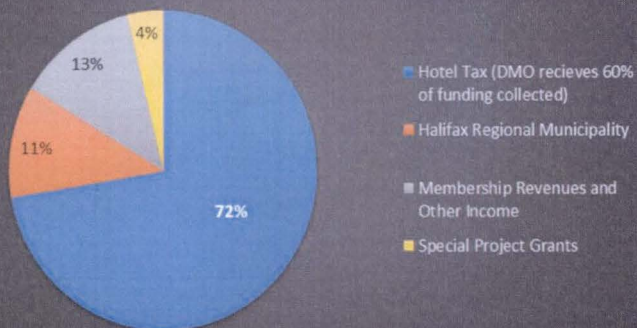
2002 - Bill 94, Halifax Regional Municipality Marketing Levy Act was enacted

Today, the levy is capped at 2% and applied to accommodations with 20 rooms or more. In 2019, \$4.16M was generated by the Hotel Levy.

60% of the hotel levy is used to support services provided by Discover Halifax. The remaining 40% supports grants used for major events as decided by HRM Council.

In both DMO and the Event Grants Programs, HRM partner with the Province of Nova Scotia on common goals and objectives including direct financing of programs and bids.

Discover Halifax  
Sources of Revenue 2019



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## Canada's Competitive Environment

Of the regions relying on hotel taxes to support their industry, Halifax has the lowest hotel tax in the country.

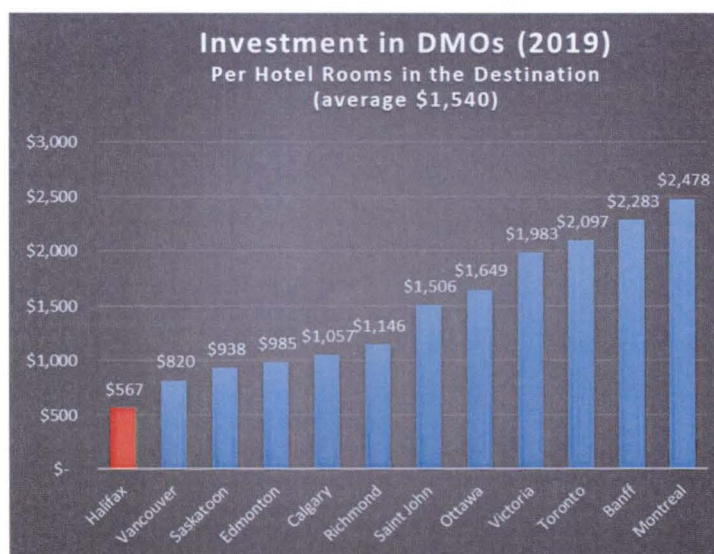


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## Canada's Competitive Environment

The average investment made by our Canadian competitors on a per room basis is more than 2.5 times greater than in HRM.

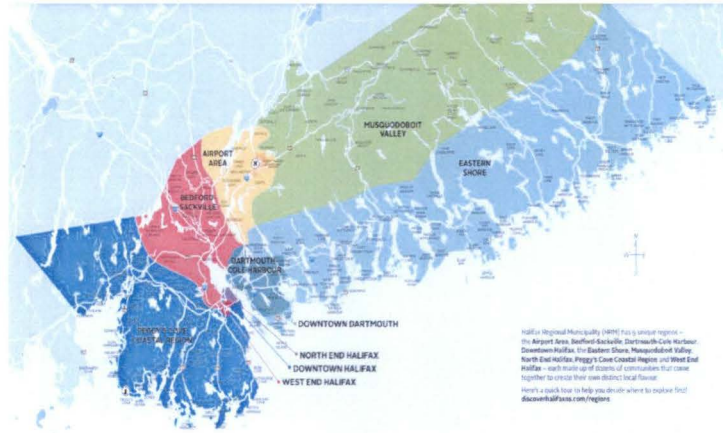
Additionally, most of our competitors are leveraging their investments against other federal programs. Currently, Discover Halifax does not have the basic entry investment to qualify for these matching dollar programs.



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## Canada's Competitive Environment

The territory served by Discover Halifax is larger than that of PEI.



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## Staying Competitive in the Canadian Context

In recognizing the importance of tourism industry and staying competitive in the Canadian context;

HRM and the Hotel Association of Nova Scotia have reached an agreement to jointly increase funding through an increase in the hotel levy and service grant from HRM.

Specifically, passing of this legislation will be matched by HRM in an amount not to exceed \$1M annually.

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## Current and Proposed Programs supported by the Levy:



Destination  
Marketing



Visitor  
Experience



Meetings &  
Conventions Sales



Destination  
Development  
(New)



Festivals &  
Events Support

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Destination  
Marketing  
(Discover Halifax)

- We provide “always on” marketing campaigns promoting Halifax as a leisure destination and can reach and exceed 200 million media impressions annually. These include:
  - Broadcast TV Commercials
  - Pre-roll in cinema
  - Pre-roll digital video
  - Digital
  - Out of Home
- We develop inspiring content and share with our community partners
- Social Media
- Travel Media
- We directly contribute to TNS programs

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Destination  
Marketing  
(Discover Halifax)

### Proposed Enhancements:

- Due to financial constraints today we are constrained to “drive markets”. The new funding will allow us to extend to National “Fly-Drive Markets” in Canada and select “International Markets”
- “Fly Drive” markets are aligned with Rural Product, thereby increasing support for our rural regions.
- Ability to support select “Air Access Development” Routes
- Ability to leverage with Destination Canada and other partners

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Visitor  
Experience  
(Discover Halifax)

- Host and Operate a Digital Market Place for all our member experiences
- Produce and print the Official Visitor Guide and “Kids Visitor Guide” covering experiences across all 9 HRM Regions
- Maps of HRM regions
- Visit – Stay – Enjoy Hotel TV Channel
- Digital Kiosks
- Public Wi-Fi content
- Fulfillment for Convention Delegates

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Meetings &  
Conventions Sales  
(Discover Halifax)

- Approximately 50% of Conventions and Meetings Business occurs in Conference Hotels outside of the Convention Center
- Working with Events East and our Convention Partners (approx. 60), we present a unified team of suppliers with a common mission, message, and sales program.
- Through our integrated CRM system, we manage over 200 bids / events annually including room rates and holds for up to 120,000 rooms per year

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Meetings &  
Conventions Sales  
(Discover Halifax)

**Proposed Enhancements:**

Today, Halifax is the only major convention destination with no direct financial incentives for major events. This new funding will permit "strategic incentives" for events growth in our slower season.

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### Festivals & Events Grants Program (HRM)

- 40% of the Hotel Levy supports a grant program for Festivals and Events in HRM.
- Estimated \$1.7 M annually
- Types of events supported:
  - Major Events
  - Sports Events
  - Cultural Events
- Ability to financially partner with the Province of Nova Scotia on major bids and events

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### Festivals & Events Grants Program (HRM)

#### Proposed Enhancements:

- Increase allocation of grants to events grant program
- Discover Halifax to create a dedicated festivals and events office with support services to coordinate bid development and implementation of a coordinated strategic plan for events

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Destination  
Development

### New Proposed Program:

Destination Development is the coordinated management of all elements that make up a destination ranging from policy, investment, to sustainability and it includes consideration of economic, social, and environmental impacts of tourism in a managed process.

The processes bring together stakeholders in a collective impact model with the common goal of developing a well managed and sustainable visitor destination.

This will directly support the implementation of the Halifax Regional Integrated Tourism Master Plan.

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## Nova Scotia DMO Network Opportunity

**Visitors don't typically visit one region along, they often travel across jurisdictions.**

**Today, strong cooperative relationships exist between the 4 Nova Scotia DMOs.**

**The opportunity to grow this network is viewed as an opportunity to match the structures in our neighboring provinces.**

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**From:** Hendsbee, David <hendsbd@halifax.ca>  
**Sent:** October 19, 2022 11:49 PM  
**To:** Office of the Legislative Counsel  
**Cc:** Ross Jefferson; Traves, John; Mike Savage; Dube, Jacques  
**Subject:** HRM Charter Amendment to the Marketing Levy - Bill 204.

**\*\* EXTERNAL EMAIL / COURRIEL EXTERNE \*\***

Exercise caution when opening attachments or clicking on links / Faites preuve de prudence si vous ouvrez une pièce jointe ou cliquez sur un lien

Dear Members of the Legislature's Law Amendments Committee :

I want to voice my support for Bill 204 that proposes making amendments to the Halifax Regional Municipality ( HRM ) Charter and the Municipal Government Act to amend the percentage and application of the Marketing Levy on tourism accommodations.

As the proud past Member of this House, it was my privilege to present the initial legislation for the HRM Marketing Levy Act as a Private and Local Bill #94 on November 15, 2001 when I served as the MLA for the Constituency of Preston. That was during the 58th Assembly, the Second Session of the NS Legislature.

That legislation made it possible for HRM to form its own Destination Marketing Organization ( DMO ) formerly known as Destination Halifax now branded as Discover Halifax in partnership with the Hotel Association of Nova Scotia ( HANS ) to bring many tremendous tourism opportunities for the Halifax Region. Funds raised by this levy made it possible to sponsor and host many spectacular events, conferences, and festivities in our Province.

We have seen the Marketing Levy grow from its initial rate 1.5 % up to the current 2 % level. This proposed legislation will enable HRM to increase that to a maximum of 3%. This increase will bring in more revenues for the municipality and with the collaboration of HANS and other partners to host even more tourism and major civic events into the future.

From my interpretation of the proposed amendments, this will allow HRM and any other municipalities in the Province to set a levy or a series of levies up to a maximum rate of 3% on ALL registered tourism accommodations regardless of how many rooms are being offered by the operator.

The current legislation was only applicable to the larger hotels.

Is it my understanding that if this legislation passes then the marketing levy can be applied to any registered tourism accommodations including motels, inns, Bed & Breakfast units, AirBnB and campground sites. And with respect to campgrounds sites, I trust that will be inclusive of privately operated and provincially owned campgrounds alike.

It is my hope that a series of Marketing Levies can be set to fit the size and scope of the accommodation operators.

For example: 1% for all campground sites; 1.5% on all Bed & Breakfast and AirBnB units; 2% on motels and inns with less than 50 rooms; 2.5 % for motels, hotels, and inns with 50 + but less than 100 rooms; and 3% on all the major hotels with 100 rooms or more.

Furthermore, this Marketing Levy should be universally applied across the entire Province. Bill 204 should enable all the municipalities to administer this levy onto all registered tourism accommodations within their jurisdictions.

This new source of revenue can be used to develop their own DMOs or support the endeavours of the RENs - Rural Enterprise Networks and/or any other recognized tourism development agencies that operate for the betterment of their respective communities.

Thank you for this opportunity to provide my comments on the proposed Bill 204. I wish you all well with your deliberations and debate on this important initiative.

Best regards-

David Hendsbee

HRM Councillor - District 2

Preston - Chezzetcook - Eastern Shore



**Mayor Savage - speaking points**

**Law Amendments Committee: Bill 204 (marketing levy)**

**Thursday, October 20<sup>th</sup>, 2022 | 9:10am**

- I am here to lend my support to this bill, which will allow the Halifax region to leverage new dollars from visitors to further invest in a tourism industry that today results in about \$1.3 billion in annual spending in HRM.
- This legislation puts Nova Scotia closer to a level playing field with other Canadian provinces when it comes to tourism marketing and development.
- For example, New Brunswick recently announced legislation to support a hotel levy of 3.5% and Ontario is at 4%. While rates vary across the country, the range is from 3% to 8%
- HRM supports the increase to the 2 per cent cap on the market levy – however, Regional Council has requested that the levy cap be removed altogether.
- This would provide us with the flexibility needed to work with our industry partners to determine appropriate funding levels to respond to developments in the tourism sector and remain competitive with other destinations.

- HRM likewise welcomes the amendment enabling the levy to be applied to operations consisting of less than 20 rooms.
- Short-term rentals are playing an increasingly large role in the tourist accommodation sector. The ability to apply the levy to these operations will help ensure a more level playing field between traditional hotels and short-term rental operations while also providing greater support for destination marketing and development activities.
- Tourism dollars spent in our province benefit everyone – not just the businesses on the front lines, but residents and communities as well. It supports rural, urban suburban parts of HRM, improving the lot for many small to mid-size businesses.
- The need to increase the levy is one of those instances where there seems to be agreement, between the city and province, Destination Halifax and the Hotel Association.
- HRM and the Hotel Association entered into an MOU in 2022 to support an increase in the current marketing levy.



- the Hotel Assoc. has agreed to support the lifting of the 2 per cent cap and the Municipality has agreed to match this investment.
- An increased levy will make us more competitive in marketing our region and allow marketing and tourism investment to realize the potential of the expanding tourism sector and enhance our competitive position relative to other jurisdictions.
- Consider this: The average investment by our Canadian competitors is right now more than 2.5 times greater than in HRM. And, unlike many of its urban competitors Destination Halifax is mandated to a geographic area the size of PEI.
- While DH continues to benefit from municipal contributions that make up 11 % of its revenue; it has received no provincial funding since it was canceled in 2016. This, combined with the lower levy, means Halifax is now in last place among its competitors for per hotel room marketing investment.
- The work that can be undertaken with additional revenues from an increased levy to draw more people to the region

pays dividends to provincial and municipal coffers. Indeed, the business case prepared by HRM, the Hotels Assoc and Destination Halifax found a modest 2.5 % increase in visitation would generate over \$265 M annually in new revenues to the tourism industry; over \$1 million in new sales tax; and over \$1 million in property taxes.

- Tourism supports all communities through economic contributions of taxes created by payroll and sales taxes, but also tourism infrastructure, amenities, and community programming is often used by and created for the benefit of both visitors and residents.
- There was broad consultation on changes undertaken with this work, which reinforces the vision of the Integrated Tourism Master Plan to support and grow our local tourism industry, and by extension support our diverse economy.
- This will further allow us to promote the Halifax Region as a destination of choice for leisure and business travellers, and build a better Halifax experience for not just tourists, but for everyone.

Thank you.