



Ability to implement a Destination Marketing Fee

When traveling outside of New Brunswick, either domestically or internationally, you will likely pay a destination marketing fee in most cities you stay in across North America. This fee is another way for cities to generate key revenue to put back into tourist attraction – allowing it to generate more revenue for locally owned businesses.

The issue

Today, our cities are not permitted to implement a mandatory destination marketing fee - meaning our cities are at a disadvantage against other cities with similar fees when trying to promote ourselves as a destination of choice in a highly competitive tourism market.

Why this is important

- The creation of a mandatory destination marketing fee to supplement existing tourism marketing activities, without compromising the successful operation of the existing destination marketing organizations, will provide new promotion opportunities for the major urban centres and the entire Province.
- In the City of Moncton, for example, the provincial government benefits by over \$8.85 Million on the provincial tax revenue portion of the HST on hotel stays in the area.
- When enabling legislation is enacted, funding will be used solely for regional tourism marketing, events attraction and programs and projects supporting the tourism industry.
- Municipalities and/regional governments will be more effective in marketing their region if a destination marketing fee is enacted.
- On an economic development perspective, cities will be much more successful in attracting new events (and tax dollars) to the region if they are able to be funded through a destination marketing fee. This directly benefits the Province of New Brunswick.

The progress

Most provinces in Canada have implemented some type of destination marketing fee which is legislated provincially and municipally. These fees generally range from 2% to 6%+.

Provincially funded tourism initiatives remain critical to all regions. We are happy that the Province of NB is investing more in provincial tourism initiatives as showcased through the development of the Provincial Tourism Growth Strategy. This investment will remain critical to our economic success. However, the Cities of NB Association is hopeful that our current New Brunswick government will choose to allow enabling legislation that will permit the collection of destination marketing fee. This will allow communities to be equipped to manage the fee within their jurisdiction.

What's next

The 8 Cities are recommending that the Province **remove the barrier that prevents cities from implementing destination marketing fees**. This would be another example of being able to generate needed revenue without forcing our residents to pay more. This fee would be paid by visitors and would be used to continue to develop tourism opportunities within our cities.

- **The New Brunswick Provincial government must enact enabling legislation to allow municipalities the flexibility to implement a mandatory destination marketing fee within their jurisdiction if they see fit.**

Destination Marketing – new promotion opportunities for the major urban centres and the entire Province