

2007 Heads and Beds Levy on Institutions

Date:	August 20, 2007
To:	Executive Committee
From:	Treasurer
Wards:	All
Reference Number:	P:\2007\Internal Services\Rev\ec07021Rev (AFS #3343)

SUMMARY

To obtain Council's authority for the adoption of by-laws for the levying and collection of taxes for the 2007 taxation year for public hospitals, universities and colleges, and correctional facilities (the "institutions"), totalling approximately \$14.0 million.

RECOMMENDATIONS

The Treasurer recommends that:

1. Council authorize the levy and collection of taxes for the 2007 taxation year on hospitals, colleges and universities and correctional facilities as authorized by Section 285 of the *City of Toronto Act, 2006*;
2. the maximum prescribed amount of \$75 be applied per provincially rated hospital bed, full time student, or resident place;
3. authority be granted for the introduction of the necessary bills in Council to levy taxes for the 2007 taxation year on hospitals, colleges and universities and correctional facilities; and,
4. the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

Revenue of approximately \$14.0 million will be raised through the 2007 levy on the institutions outlined in this report as outlined in Table 1, below.

Table 1: 2007 Heads and Beds Levy on Institutions

Institutions	Capacity Figures	Prescribed Amount	2007 Levy
Universities and Colleges	169,497	\$75	\$12,712,275
Public Hospitals	14,835	\$75	\$1,112,625
Correctional Facilities	1,750	\$75	\$131,250
Total	186,082		\$13,956,150

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on July 25, 26 and 27, 2006, while considering a report entitled "2006 Heads and Beds Levy on Institutions under Section 323 of the *Municipal Act, 2001*" (June 29, 2006) from the Treasurer, City Council recommended, among other things, that the Minister of Finance be requested to amend the regulations establishing the Heads and Beds levy to provide for an annual inflationary adjustment in the levy amount (re: Clause 18 of Policy and Finance Committee Report 6).

This report can be accessed at:

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/pof6rpt/cl018.pdf>

To date, the City has not received a response from the Minister, and no changes have been made to the legislative or regulatory provisions to incorporate Council's request. Despite Council's July 2006 resolution, no legislative authority exists for the City to levy a tax rate other than that permitted by the provincial regulation for 2007.

ISSUE BACKGROUND

Section 285 of the *City of Toronto Act, 2006* provides the authority for the City of Toronto to pass by-laws to levy annual taxes payable on colleges and universities, hospitals and correctional institutions in an amount not to exceed the prescribed amount.

Section 15 of Ontario Regulation 121/07 made under the *City of Toronto Act, 2006*, prescribes a rate of \$75 for each full time student, provincially-rated bed or resident place respectively as determined by the owner Ministry of each facility.

COMMENTS

The by-law associated with this report provides for levies on institutions in Toronto for 2007. Based on the capacity figures for each eligible institution most recently provided by the Ministry of Municipal Affairs for 2007, the total levy on these facilities are:


Universities and Colleges	\$12,712,275
Public Hospitals	\$1,112,625
Correctional Facilities	<u>\$131,250</u>
Total	<u>\$13,956,150</u>

The recommended due date for payment is November 1, 2007.

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SIGNATURE



Cam Weldon
Treasurer