



STAFF REPORT ACTION REQUIRED

2009 Heads and Beds Levy on Institutions

Date:	May 15, 2009
To:	Executive Committee
From:	Acting Treasurer
Wards:	All
Reference Number:	P:\2009\Internal Services\rev\ec09018rev (AFS#8954)

SUMMARY

This report requests authority to adopt by-laws to levy amounts for the 2009 taxation year for public hospitals, universities and colleges, and correctional facilities (the “institutions”), totalling approximately \$14.4 million (annual “Heads and Beds” levy).

RECOMMENDATIONS

The Acting Treasurer recommends that:

1. Council authorize the levy and collection of amounts for the 2009 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 as prescribed by Ontario Regulation 121/07;
3. Authority be granted for the introduction of the necessary bills in Council to levy amounts for the 2009 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 \$14.4 million will be raised through the 2009 levy on the institutions outlined in this report as outlined in Table 1, below.

Table 1: 2008 and 2009 Levy Amounts on Institutions

Institutions	Capacity Figures	Prescribed Amount	2009 Amount	2008 Amount
Universities and Colleges	175,770	\$75	\$13,182,750	\$12,869,550
Public Hospitals	14,948	\$75	\$1,121,100	\$1,112,625
Correctional Facilities	1,732	\$75	\$129,900	\$131,400
Total	192,450		\$14,433,750	\$14,113,575

The revenue from the 2009 levy on institutions has been budgeted for in the non-program payment in lieu (PIL) account. The 2009 levy amount of \$14,433,750 exceeds the amount budgeted for 2009 of \$14,113,575, (the 2009 budget estimate was based on the amount actually levied in 2008), as capacity figures have increased since that time. The budgeted revenue for the heads and beds levy on institutions of \$14,113,575 represents 18.2% of the total 2009 revenue budgeted for payments in lieu of \$77,426,968.

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

DECISION HISTORY

At its meeting held on June 23 and 24, 2008 City Council, in authorizing the 2008 Heads and Beds Levy on Institutions (re: Executive Committee Report EX21.13) adopted the motion:

"The City Solicitor and the Treasurer be requested to undertake a review of the legal and the legislative base for the taxing relationship between the City and the Province of Ontario and submit a report to the Executive Committee by December 2008."

At its meeting held on January 5, 2009, Executive Committee received a report from the City Solicitor and the Treasurer, dated October 23, 2008, entitled "Heads and Beds Levy on Institutions" (re: Item EC28.6) which provided a review of the legislative base for taxation on Universities and Colleges, Hospitals and Correctional Facilities.

Staff reports and Council decision document can be accessed at:

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-06-23-cc22-dd.pdf>
<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-13225.pdf>
<http://www.toronto.ca/legdocs/mmis/2009/ex/minutes/2009-01-05-ex28-mn.pdf>
<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-17662.pdf>

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 amounts 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 2009. Based on the capacity figures for each eligible institution most recently provided by the Ministry of Municipal Affairs for 2009, the 2009 total levy on the facilities are:

Universities and Colleges	\$13,182,750
Public Hospitals	\$1,121,100
<u>Correctional Facilities</u>	<u>\$129,900</u>
Total	\$14,433,750

CONTACT

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SIGNATURE

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