



STAFF REPORT ACTION REQUIRED

2010 Heads and Beds Levy on Institutions

Date:	May 31, 2010
To:	Executive Committee
From:	Treasurer
Wards:	All
Reference Number:	P:\2010\Internal Services\rev\ec10015rev (AFS11210)

SUMMARY

This report requests authority to adopt by-laws to levy amounts for the 2010 taxation year for public hospitals, universities and colleges, and correctional facilities (the “institutions”), totalling approximately \$15 million (annual “Heads and Beds” levy).

RECOMMENDATIONS

The Treasurer recommends that:

1. Council authorize the levy and collection of amounts for the 2010 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 2010 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 \$15 million will be raised through the 2010 levy on the institutions outlined in this report as summarized in Table 1, below.

Table 1: 2009 and 2010 Levy Amounts on Institutions

Institutions	Capacity Figures	Prescribed Amount	2010 Amount	2009 Amount
Universities and Colleges	183,958	\$75	\$13,796,850	\$13,182,750
Public Hospitals	15,143	\$75	\$1,135,725	\$1,121,100
Correctional Facilities	1,740	\$75	\$130,500	\$129,900
Total	200,841		\$15,063,075	\$14,433,750

The revenue from the 2010 levy on institutions has been budgeted for in the non-program payment in lieu (PIL) account. The 2010 levy amount of \$15,063,075 exceeds the amount budgeted for 2010 of \$14,433,750 (the 2010 budget estimate was based on the amount actually levied in 2009), as capacity figures have increased since that time. The budgeted revenue for the heads and beds levy on institutions of \$14,433,750 represents 15.6% of the total 2010 revenue budgeted for payments in lieu of \$92,281,200.

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 August 5 and 6, 2009, City Council, while considering a report (May 15, 2009), entitled "2009 Heads and Beds Levy on Institutions" (re: Executive Committee Report EX33.15), adopted the recommendations authorizing the levy and collection of amounts for the 2009 taxation year on hospitals, colleges and universities and correctional facilities.

The staff report and Council decision document can be accessed at:

<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-21507.pdf>

<http://www.toronto.ca/legdocs/mmis/2009/ex/reports/2009-06-02-ex33-cr.htm>

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 2010. Based on the capacity figures for each eligible institution most recently provided by the Ministry of Municipal Affairs for 2010, the 2010 total levy on the facilities are:

Universities and Colleges	\$13,796,850
Public Hospitals	\$1,135,725
<u>Correctional Facilities</u>	<u>\$130,500</u>
Total	\$15,063,075

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SIGNATURE

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