

2012 Heads and Beds Levy on Institutions

Date:	May 18, 2012
To:	Executive Committee
From:	Treasurer
Wards:	All
Reference Number:	P:\2012\Internal Services\rev\ec12012rev (AFS15275)

SUMMARY

This report requests authority to adopt a by-law to levy amounts for the 2012 taxation year for public hospitals, universities and colleges, and correctional facilities (the “institutions”), totalling approximately \$15.9 million (annual “Heads and Beds” levy).

RECOMMENDATIONS

The Treasurer recommends that:

1. Council authorize the levy and collection of amounts for the 2012 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 bill in Council to levy amounts for the 2012 taxation year on hospitals, colleges and universities and correctional facilities.

Financial Impact

Revenue of approximately \$15.9 million will be raised through the 2012 levy on the institutions outlined in this report as summarized in Table 1, below.

Table 1: 2011 and 2012 Levy Amounts on Institutions

Institutions	2012 Capacity Figures	Prescribed Amount	2012 Amount	2011 Amount
Universities and Colleges	195,400	\$75	\$14,655,000	\$14,248,950
Public Hospitals	15,198	\$75	\$1,139,850	\$1,136,700
Correctional Facilities	1,617	\$75	\$121,275	\$130,050
Total	212,215		\$15,916,125	\$15,515,700

The revenue from the 2012 levy on institutions has been budgeted for in the non-program payment in lieu (PIL) account. The 2012 levy amount of \$15,916,125 exceeds the amount budgeted for 2012 of \$15,515,700 (the 2012 budget estimate was based on the amount actually levied in 2011), as capacity figures have increased since that time.

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 July 12, 13 and 14, 2011, City Council, while considering report EX7.9: "2011 Heads and Beds Levy on Institutions," dated June 2, 2011, adopted the recommendations authorizing the levy and collection of amounts for the 2011 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/2011/ex/bgrd/backgroundfile-38939.pdf>
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.EX7.9>

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 2012. This is an annual levy that applies each year to universities and colleges, public hospitals and correctional facilities. Based on the capacity figures for each eligible

institution most recently provided by the Ministry of Municipal Affairs for 2012, the 2012 total levy on the facilities are:

Universities and Colleges	\$14,655,000
Public Hospitals	\$1,139,850
<u>Correctional Facilities</u>	<u>\$121,275</u>
Total	\$15,916,125

The legislation provides that the City may pass by-laws to levy on institutions (hospitals, universities or colleges and correctional facilities) so that the annual amounts are payable by each institution on or after July 1, 2012. The by-law will be adopted by Council at the meeting on July 11 and 12, 2012, and the taxes levied on institutions are due and payable on or before September 4, 2012.

CONTACT

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SIGNATURE

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