

2011 Heads and Beds Levy on Institutions

Date:	June 2, 2011
To:	Executive Committee
From:	Treasurer
Wards:	All
Reference Number:	P:\2011\Internal Services\rev\ec11009rev (AFS 12592)

SUMMARY

This report requests authority to adopt a by-law to levy amounts for the 2011 taxation year for public hospitals, universities and colleges, and correctional facilities (the “institutions”), totalling approximately \$15.5 million (annual “Heads and Beds” levy).

RECOMMENDATIONS

The Treasurer recommends that:

1. Council authorize the levy and collection of amounts for the 2011 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 2011 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 \$15.5 million will be raised through the 2011 levy on the institutions outlined in this report as summarized in Table 1, below.

Table 1: 2010 and 2011 Levy Amounts on Institutions

Institutions	2011 Capacity Figures	Prescribed Amount	2011 Amount	2010 Amount
Universities and Colleges	189,986	\$75	\$14,248,950	\$13,796,850
Public Hospitals	15,156	\$75	\$1,136,700	\$1,135,725
Correctional Facilities	1,734	\$75	\$130,050	\$130,500
Total	206,876		\$15,515,700	\$15,063,075

The revenue from the 2011 levy on institutions has been budgeted for in the non-program payment in lieu (PIL) account. The 2011 levy amount of \$15,515,700 exceeds the amount budgeted for 2011 of \$15,063,075 (the 2011 budget estimate was based on the amount actually levied in 2010), 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 6, 7 and 8, 2010, City Council, while considering report EX45.11: "2010 Heads and Beds Levy on Institutions," dated May 31, 2010, adopted the recommendations authorizing the levy and collection of amounts for the 2010 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/2010/ex/bgrd/backgroundfile-30873.pdf>
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.EX45.11>

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 2011. 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 2011, the 2011 total levy on the facilities are:

Universities and Colleges	\$14,248,950
Public Hospitals	\$1,136,700
<u>Correctional Facilities</u>	<u>\$130,050</u>
Total	\$15,515,700

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SIGNATURE

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