

REPORT

Council

Meeting Date: August 13, 2024

FROM: Finance Department

DATE: August 13, 2024

SUBJECT: 2024 By-law to Invoice Payments in Lieu of Tax on Provincial Institutions – By-law 2024-118

LOCATION:

WARD: Town-wide

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RECOMMENDATION:

That by-law 2024-118, a by-law to provide for the levying of payments in lieu of taxes for the year 2024 on Halton Healthcare Services Corporation (Oakville) and the Sheridan College Institute of Technology and Advanced Learning, as attached to the report of the Finance Department dated August 13, 2024, be passed.

KEY FACTS:

The following are key points for consideration with respect to this report:

- Provincial institutions receive special tax treatment and are not taxed using the same methodology as other properties; however, provincial institutions are obliged to pay municipalities a grant in lieu of taxes based on capacity.
- To invoice the institutions as defined by the Ministry of Municipal Affairs and Housing each year, Council is required to pass a by-law.

BACKGROUND:

As property tax on provincial institutions is limited to an annual payment in lieu of taxes, eligible institutions are not included in the annual tax levying by-law. Each year, so that the Town may invoice and collect the allowable payments in lieu of taxes on provincial institutions, Council is required to pass a separate by-law.

The 2024 payment in lieu of tax grant applies to Halton Healthcare Services Corporation (Oakville) and Sheridan College: Main Campus/Trafalgar Road Campus.

COMMENT/OPTIONS:

The current rate payable to Ontario municipalities is \$75 per unit (person or bed), and the units associated with applicable institutions are determined each year by the Ministry of Municipal Affairs and Housing and provided to eligible municipalities by way of a grant listed under Section 323 of the *Municipal Act, 2001*.

The 2024 payment in lieu of tax amount per unit remains at \$75. The unit rate of \$75 has been in place since 1987 and there have been several municipalities and associations that have requested a rate increase from the Province in the past few years, to reflect increasing costs of service delivery, infrastructure and inflation that municipalities have been experiencing.

CONSIDERATIONS:

(A) PUBLIC

NA

(B) FINANCIAL

The payment in lieu of tax grant applies to Halton Healthcare Services Corp. (Oakville) and Sheridan College. The total 2024 payment for these facilities is \$653,400, an increase of \$121,125 over the 2023 payment of \$532,275, due to a greater capacity stated at Sheridan College.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

NA

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses the corporate strategic goal(s) to:

- be accountable in everything we do
- be fiscally sustainable

(E) CLIMATE CHANGE/ACTION

Ensuring the Town receives the maximum revenue allowable through this payment in lieu of tax grant, assists in funding all facets of the community.

APPENDICES:

Appendix A By-law 2024-118

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