

REPORT

Council

Meeting Date: August 11, 2025

FROM: Finance Department

DATE: July 29, 2025

SUBJECT: 2025 By-law to Invoice Payments in Lieu of Tax on Provincial Institutions

LOCATION:

WARD: Town-wide

Page 1

RECOMMENDATION:

That by-law 2025-137, a by-law to provide for the levying of payments in lieu of taxes for the year 2025 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 July 29, 2025, 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 payment 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 2025 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 2025 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 – Trafalgar Road Campus. The total 2025 payment for these facilities is \$674,550, an increase of \$21,150 over the 2024 payment of \$653,400, 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 2025-137

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