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- Are municipalities permitted to discount development charges?
- Are municipalities able to levy a development charge that applies only to a specific area of a municipality?
- Where can I find financial information pertaining to development charges?

**FINANCIAL INFORMATION**  
[Separate Development Charges Reserve Funds](#)

New growth requires new infrastructure services, such as roads, water and wastewater, transit and libraries. The Development Charges Act, 1997 provides municipalities with the ability to levy development charges to help pay for these services. Development charges do not pay for operating costs or for the costs of future repair and rehabilitation of infrastructure.

- A map of municipalities with Development Charge By-laws - pdf.
- List of Ontario Municipalities with Development Charge By-laws - text version.

Implementing a development charge is not mandatory. Instead, it is a local municipal decision. The Development Charges Act, 1997 provides sufficient flexibility for municipalities to apply development charges in a manner that meets local needs and goals. The full text of the Development Charges Act, 1997, is available on [claws](#).

**Frequently Asked Questions**  
**What are development charges and why are they collected?**  
 Development charges are charges imposed by municipalities on developers to pay for increased capital costs related to growth. Development charges provide municipalities with a tool to help fund the infrastructure needed to serve new growth. They help finance the growth-related capital costs of providing important services like roads, water and wastewater services, police, fire and transit.

**Do development charges pay for operating costs or costs associated with the rehabilitation of infrastructure?**

Français

## Development Charges Act, 1997

### S.O. 1997, CHAPTER 27

**Consolidation Period:** From December 15, 2009 to the [e-Laws currency date](#).

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**Definitions**

**PART I  
DEFINITIONS**

1. In this Act,

“area municipality” means a lower-tier municipality; (“municipalité de secteur”)

“development” includes redevelopment; (“aménagement”)

“development charge by-law” means a by-law made under section 2; (“règlement de redevances d’aménagement”)

“front-ending agreement” means an agreement under section 44; (“accord initial”)

“local board” means a local board as defined in section 1 of the *Municipal Affairs Act* other than a board as defined in subsection 1 (1) of the *Education Act*. (“conseil local”) 1997, c. 27, s. 1; 2002, c. 17, Sched. F, Table.

**PART II  
DEVELOPMENT CHARGES**

**DEVELOPMENT CHARGES**

**Development charges**

2. (1) The council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies. 1997, c. 27, s. 2 (1).

**What development can be charged for**

(2) A development charge may be imposed only for development that requires,

(a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;

(b) the approval of a minor variance under section 45 of the *Planning Act*;

(c) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;

(d) the approval of a plan of subdivision under section 51 of the *Planning Act*;

(e) a consent under section 53 of the *Planning Act*;

(f) the approval of a description under section 50 of the *Condominium Act*; or

(g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure. 1997, c. 27, s. 2 (2).

**Same**

(3) An action mentioned in clauses (2) (a) to (g) does not satisfy the requirements of subsection (2) if the only effect of the action is to,

(a) permit the enlargement of an existing dwelling unit; or

(b) permit the creation of up to two additional dwelling units as prescribed, subject to the prescribed restrictions, in prescribed classes of existing residential buildings. 1997, c. 27, s. 2 (3).

**Ineligible services**

(4) A development charge by-law may not impose development charges to pay for increased capital costs required because of increased needs for any of the following:

1. The provision of cultural or entertainment facilities, including museums, theatres and art galleries but not including public libraries.
2. The provision of tourism facilities, including convention centres.
3. The acquisition of land for parks.
4. The provision of a hospital as defined in the *Public Hospitals Act*.

5. The provision of waste management services.
6. The provision of headquarters for the general administration of municipalities and local boards.
7. Other services prescribed in the regulations. 1997, c. 27, s. 2 (4).

#### **Local services**

(5) A development charge by-law may not impose development charges with respect to local services described in clauses 59 (2) (a) and (b). 1997, c. 27, s. 2 (5).

#### **Services can be outside the municipality**

(6) A development charge by-law may impose development charges with respect to services that are provided outside the municipality. 1997, c. 27, s. 2 (6).

#### **Application of by-law**

(7) A development charge by-law may apply to the entire municipality or only part of it. 1997, c. 27, s. 2 (7).

#### **Multiple by-laws allowed**

(8) More than one development charge by-law may apply to the same area. 1997, c. 27, s. 2 (8).

#### **Limited exemption**

**3.** No land, except land owned by and used for the purposes of a municipality or a board as defined in subsection 1 (1) of the *Education Act*, is exempt from a development charge by reason only that it is exempt from taxation under section 3 of the *Assessment Act*. 1997, c. 27, s. 3.

#### **Exemption for industrial development**

**4.** (1) If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with this section. 1997, c. 27, s. 4 (1).

#### **Enlargement 50 per cent or less**

(2) If the gross floor area is enlarged by 50 per cent or less, the amount of the development charge in respect of the enlargement is zero. 1997, c. 27, s. 4 (2).

#### **Enlargement more than 50 per cent**

(3) If the gross floor area is enlarged by more than 50 per cent the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

1. Determine the amount by which the enlargement exceeds 50 per cent of the gross floor area before the enlargement.
2. Divide the amount determined under paragraph 1 by the amount of the enlargement. 1997, c. 27, s. 4 (3).

#### **Determination of development charges**

**5.** (1) The following is the method that must be used, in developing a development charge by-law, to determine the development charges that may be imposed:

1. The anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.
2. The increase in the need for service attributable to the anticipated development must be estimated for each service to which the development charge by-law would relate.
3. The estimate under paragraph 2 may include an increase in need only if the council of the municipality has indicated that it intends to ensure that such an increase in need will be met. The determination as to whether a council has indicated such an intention may be governed by the regulations.
4. The estimate under paragraph 2 must not include an increase that would result in the level of service exceeding the average level of that service provided in the municipality over the 10-year period immediately preceding the preparation of the background study required under section 10. How the level of service and average level of service is determined may be governed by the regulations. The estimate also must not include an increase in the need for service that relates to a time after the 10-year period immediately following the preparation of the background study unless the service is set out in subsection (5).

5. The increase in the need for service attributable to the anticipated development must be reduced by the part of that increase that can be met using the municipality's excess capacity, other than excess capacity that the council of the municipality has indicated an intention would be paid for by new development. How excess capacity is determined and how to determine whether a council has indicated an intention that excess capacity would be paid for by new development may be governed by the regulations.
6. The increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would benefit existing development. The extent to which an increase in service would benefit existing development may be governed by the regulations.
7. The capital costs necessary to provide the increased services must be estimated. The capital costs must be reduced by the reductions set out in subsection (2). What is included as a capital cost is set out in subsection (3). How the capital costs are estimated may be governed by the regulations.
8. The capital costs must be reduced by 10 per cent. This paragraph does not apply to services set out in subsection (5).
9. Rules must be developed to determine if a development charge is payable in any particular case and to determine the amount of the charge, subject to the limitations set out in subsection (6).
10. The rules may provide for full or partial exemptions for types of development and for the phasing in of development charges. The rules may also provide for the indexing of development charges based on the prescribed index. 1997, c. 27, s. 5 (1).

**Capital costs, deductions**

(2) The capital costs, determined under paragraph 7 of subsection (1), must be reduced, in accordance with the regulations, to adjust for capital grants, subsidies and other contributions made to a municipality or that the council of the municipality anticipates will be made in respect of the capital costs. 1997, c. 27, s. 5 (2).

**Capital costs, inclusions**

(3) The following are capital costs for the purposes of paragraph 7 of subsection (1) if they are incurred or proposed to be incurred by a municipality or a local board directly or by others on behalf of, and as authorized by, a municipality or local board:

1. Costs to acquire land or an interest in land, including a leasehold interest.
2. Costs to improve land.
3. Costs to acquire, lease, construct or improve buildings and structures.
4. Costs to acquire, lease, construct or improve facilities including,
  - i. rolling stock with an estimated useful life of seven years or more,
  - ii. furniture and equipment, other than computer equipment, and
  - iii. materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act*.
5. Costs to undertake studies in connection with any of the matters referred to in paragraphs 1 to 4.
6. Costs of the development charge background study required under section 10.
7. Interest on money borrowed to pay for costs described in paragraphs 1 to 4. 1997, c. 27, s. 5 (3).

**Capital costs, leases, etc.**

(4) Only the capital component of costs to lease anything or to acquire a leasehold interest is included as a capital cost under subsection (3). 1997, c. 27, s. 5 (4).

**Services with no percentage reduction**

- (5) The services referred to in paragraph 8 of subsection (1), for which there is no percentage reduction, are the following:
1. Water supply services, including distribution and treatment services.
  2. Waste water services, including sewers and treatment services.
  3. Storm water drainage and control services.

4. Services related to a highway as defined in subsection 1 (1) of the *Municipal Act, 2001* or subsection 3 (1) of the *City of Toronto Act, 2006*, as the case may be.
5. Electrical power services.
6. Police services.
7. Fire protection services.
- 7.1 Toronto-York subway extension, as defined in subsection 5.1 (1).
8. Other services as prescribed. 1997, c. 27, s. 5 (5); 2002, c. 17, Sched. F, Table; 2006, c. 32, Sched. C, s. 12 (1); 2006, c. 33, Sched. H, s. 1.

**Restriction on rules**

(6) The rules developed under paragraph 9 of subsection (1) to determine if a development charge is payable in any particular case and to determine the amount of the charge are subject to the following restrictions:

1. The rules must be such that the total of the development charges that would be imposed upon the anticipated development is less than or equal to the capital costs determined under paragraphs 2 to 8 of subsection (1) for all the services to which the development charge by-law relates.
2. If the rules expressly identify a type of development they must not provide for the type of development to pay development charges that exceed the capital costs, determined under paragraphs 2 to 8 of subsection (1), that arise from the increase in the need for services attributable to the type of development. However, it is not necessary that the amount of the development charge for a particular development be limited to the increase in capital costs, if any, that are attributable to that particular development.
3. If the development charge by-law will exempt a type of development, phase in a development charge, or otherwise provide for a type of development to have a lower development charge than is allowed, the rules for determining development charges may not provide for any resulting shortfall to be made up through higher development charges for other development. 1997, c. 27, s. 5 (6).

**Toronto-York subway extension**

**Definition**

**5.1** (1) In this section,

“Toronto-York subway extension” means an extension of the subway service located in the City of Toronto beyond its terminus at Downsview subway station further north in the City of Toronto and into The Regional Municipality of York, and works and equipment directly related to that extension. 2006, c. 33, Sched. H, s. 2.

**Provision does not apply**

(2) Paragraph 4 of subsection 5 (1) does not apply in determining the estimate for the increase in the need for the Toronto-York subway extension. 2006, c. 33, Sched. H, s. 2.

**Applicable restriction**

(3) For the purposes of section 5, the estimate for the increase in the need for the Toronto-York subway extension shall not exceed the planned level of service over the 10-year period immediately following the preparation of the background study required under section 10. 2006, c. 33, Sched. H, s. 2.

**Regulations**

(4) The method of estimating the planned level of service for the Toronto-York subway extension and the criteria to be used in doing so may be prescribed by regulation. 2006, c. 33, Sched. H, s. 2.

**Contents of by-law**

6. A development charge by-law must set out the following:
  1. The rules developed under paragraph 9 of subsection 5 (1) for determining if a development charge is payable in any particular case and for determining the amount of the charge.
  2. An express statement indicating how, if at all, the rules provide for exemptions, for the phasing in of development charges and for the indexing of development charges.
  3. How the rules referred to in paragraph 1 apply to the redevelopment of land.

4. The area of the municipality to which the by-law applies. 1997, c. 27, s. 6.

**Categories of services**

7. (1) A development charge by-law may provide for services to be grouped into a category of services. However, services for which there is a 10 per cent reduction under paragraph 8 of subsection 5 (1) may not be grouped with services for which there is no such reduction. 1997, c. 27, s. 7 (1).

**Effect of categories**

(2) A category of services shall be deemed to be a single service for the purposes of this Act in relation to reserve funds, the use of money from reserve funds and credits. 1997, c. 27, s. 7 (2).

**Commencement of development charge by-law**

8. A development charge by-law or a by-law amending it comes into force on the day it is passed or the day specified in the by-law, whichever is later. 1997, c. 27, s. 8.

**Duration of development charge by-law**

9. (1) Unless it expires or is repealed earlier, a development charge by-law expires five years after the day it comes into force. 1997, c. 27, s. 9 (1).

**Council can pass new by-law**

(2) Subsection (1) does not prevent a council from passing a new development charge by-law. 1997, c. 27, s. 9 (2).

PROCESS BEFORE PASSING BY-LAW

**Background study**

10. (1) Before passing a development charge by-law, the council shall complete a development charge background study. 1997, c. 27, s. 10 (1).

**Same**

- (2) The development charge background study shall include,
- (a) the estimates under paragraph 1 of subsection 5 (1) of the anticipated amount, type and location of development;
  - (b) the calculations under paragraphs 2 to 8 of subsection 5 (1) for each service to which the development charge by-law would relate;
  - (c) an examination, for each service to which the development charge by-law would relate, of the long term capital and operating costs for capital infrastructure required for the service; and
  - (d) such other information as may be prescribed. 1997, c. 27, s. 10 (2).

**By-law within one year after study**

11. A development charge by-law may only be passed within the one-year period following the completion of the development charge background study. 1997, c. 27, s. 11.

**Public meeting before by-law passed**

12. (1) Before passing a development charge by-law, the council shall,
- (a) hold at least one public meeting;
  - (b) give at least 20-days notice of the meeting or meetings in accordance with the regulations; and
  - (c) ensure that the proposed by-law and the background study are made available to the public at least two weeks prior to the meeting or, if there is more than one meeting, prior to the first meeting. 1997, c. 27, s. 12 (1).

**Making representations**

(2) Any person who attends a meeting under this section may make representations relating to the proposed by-law. 1997, c. 27, s. 12 (2).

**Council determination is final**

(3) If a proposed by-law is changed following a meeting under this section, the council shall determine whether a further meeting under this section is necessary and such a determination is final and not subject to review by a court or the Ontario Municipal Board. 1997, c. 27, s. 12 (3).

## APPEAL OF BY-LAW

### Notice of by-law and time for appeal

**13.** (1) The clerk of a municipality that has passed a development charge by-law shall give written notice of the passing of the by-law, and of the last day for appealing the by-law, which shall be the day that is 40 days after the day the by-law is passed. 1997, c. 27, s. 13 (1).

### Requirements of notice

(2) Notices required under this section must meet the requirements prescribed in the regulations and shall be given in accordance with the regulations. 1997, c. 27, s. 13 (2).

### Same

(3) Every notice required under this section must be given not later than 20 days after the day the by-law is passed. 1997, c. 27, s. 13 (3).

### When notice given

(4) A notice required under this section shall be deemed to have been given,

(a) if the notice is by publication in a newspaper, on the day that the publication occurs;

(b) if the notice is given by mail, on the day that the notice is mailed. 1997, c. 27, s. 13 (4).

### Appeal of by-law after passed

**14.** Any person or organization may appeal a development charge by-law to the Ontario Municipal Board by filing with the clerk of the municipality on or before the last day for appealing the by-law, a notice of appeal setting out the objection to the by-law and the reasons supporting the objection. 1997, c. 27, s. 14.

### Clerk's duties on appeal

**15.** (1) If the clerk of the municipality receives a notice of appeal on or before the last day for appealing a development charge by-law, the clerk shall compile a record that includes,

(a) a copy of the by-law certified by the clerk;

(b) a copy of the development charge background study;

(c) an affidavit or declaration certifying that notice of the passing of the by-law and of the last day for appealing it was given in accordance with this Act; and

(d) the original or a true copy of all written submissions and material received in respect of the by-law before it was passed. 1997, c. 27, s. 15 (1).

### Same

(2) The clerk shall forward a copy of the notice of appeal and the record to the secretary of the Ontario Municipal Board within 30 days after the last day of appeal and shall provide such other information or material as the Board may require in respect of the appeal. 1997, c. 27, s. 15 (2).

### Affidavit, declaration conclusive evidence

(3) An affidavit or declaration of the clerk of a municipality that notice of the passing of the by-law and of the last day for appealing it was given in accordance with this Act is conclusive evidence of the facts stated in the affidavit or declaration. 1997, c. 27, s. 15 (3).

### OMB hearing of appeal

**16.** (1) The Ontario Municipal Board shall hold a hearing to deal with any notice of appeal of a development charge by-law forwarded by the clerk of a municipality. 1997, c. 27, s. 16 (1).

### Who to get notice

(2) The Ontario Municipal Board shall determine who shall be given notice of the hearing and in what manner. 1997, c. 27, s. 16 (2).

### Powers of OMB

(3) After the hearing, the Ontario Municipal Board may,

(a) dismiss the appeal in whole or in part;

- (b) order the council of the municipality to repeal or amend the by-law in accordance with the Board's order;
- (c) repeal or amend the by-law in such manner as the Board may determine. 1997, c. 27, s. 16 (3).

**Limitation on powers**

- (4) The Ontario Municipal Board may not amend or order the amendment of a by-law so as to,
  - (a) increase the amount of a development charge that will be payable in any particular case;
  - (b) remove, or reduce the scope of, an exemption;
  - (c) change a provision for the phasing in of development charges in such a way as to make a charge, or part of a charge, payable earlier;
  - (d) change the date the by-law will expire. 1997, c. 27, s. 16 (4).

**Dismissal without hearing**

(5) Despite subsection (1), the Ontario Municipal Board may, where it is of the opinion that the objection to the by-law set out in the notice of appeal is insufficient, dismiss the appeal without holding a full hearing after notifying the appellant and giving the appellant an opportunity to make representations as to the merits of the appeal. 1997, c. 27, s. 16 (5).

**When OMB ordered repeals, amendments effective**

17. The repeal or amendment of a development charge by-law by the Ontario Municipal Board, or by the council of a municipality pursuant to an order of the Ontario Municipal Board, shall be deemed to have come into force on the day the by-law came into force. 1997, c. 27, s. 17.

**Refunds, if OMB repeals by-law, etc.**

18. (1) If the Ontario Municipal Board repeals or amends a development charge by-law or orders the council of a municipality to repeal or amend a development charge by-law, the municipality shall refund,

- (a) in the case of a repeal, any development charge paid under the by-law;
- (b) in the case of an amendment, the difference between any development charge paid under the by-law and the development charge that would have been payable under the by-law as amended. 1997, c. 27, s. 18 (1).

**When refund due**

- (2) If a municipality is required to make a refund under subsection (1), it shall do so,
  - (a) if the Ontario Municipal Board repeals or amends the by-law, within 30 days after the Board's order;
  - (b) if the Ontario Municipal Board orders the council of the municipality to repeal or amend the by-law, within 30 days after the repeal or amendment by the council. 1997, c. 27, s. 18 (2).

**Interest**

(3) The municipality shall pay interest on an amount it refunds at a rate not less than the prescribed minimum interest rate from the time the amount was paid to the municipality to the time it is refunded. 1997, c. 27, s. 18 (3).

**PROCESS AND APPEALS FOR AMENDMENTS TO BY-LAWS**

**Application of other sections to amendments**

19. (1) Sections 10 to 18 apply, with necessary modifications, to an amendment to a development charge by-law other than an amendment by, or pursuant to an order of, the Ontario Municipal Board. 1997, c. 27, s. 19 (1).

**Limitation of OMB powers**

(2) In an appeal of an amendment to a development charge by-law, the Ontario Municipal Board may exercise its powers only in relation to the amendment. 1997, c. 27, s. 19 (2).

**COMPLAINTS ABOUT DEVELOPMENT CHARGES**

**Complaint to council of municipality**

20. (1) A person required to pay a development charge, or the person's agent, may complain to the council of the municipality imposing the development charge that,

- (a) the amount of the development charge was incorrectly determined;

- (b) whether a credit is available to be used against the development charge, or the amount of the credit or the service with respect to which the credit was given, was incorrectly determined; or
- (c) there was an error in the application of the development charge by-law. 1997, c. 27, s. 20 (1).

**Time limit**

(2) A complaint may not be made under subsection (1) later than 90 days after the day the development charge, or any part of it, is payable. 1997, c. 27, s. 20 (2).

**Form of complaint**

(3) The complaint must be in writing, must state the complainant's name, the address where notice can be given to the complainant and the reasons for the complaint. 1997, c. 27, s. 20 (3).

**Hearing**

(4) The council shall hold a hearing into the complaint and shall give the complainant an opportunity to make representations at the hearing. 1997, c. 27, s. 20 (4).

**Notice of hearing**

(5) The clerk of the municipality shall mail a notice of the hearing to the complainant at least 14 days before the hearing. 1997, c. 27, s. 20 (5).

**Council's powers**

(6) After hearing the evidence and submissions of the complainant, the council may dismiss the complaint or rectify any incorrect determination or error that was the subject of the complaint. 1997, c. 27, s. 20 (6).

**Notice of decision and time for appeal**

**21.** (1) The clerk of the municipality shall mail to the complainant a notice of the council's decision, and of the last day for appealing the decision, which shall be the day that is 40 days after the day the decision is made. 1997, c. 27, s. 21 (1).

**Requirements of notice**

(2) The notice required under this section must be mailed not later than 20 days after the day the council's decision is made. 1997, c. 27, s. 21 (2).

**Appeal of council's decision**

**22.** (1) A complainant may appeal the decision of the council of the municipality to the Ontario Municipal Board by filing with the clerk of the municipality, on or before the last day for appealing the decision, a notice of appeal setting out the reasons for the appeal. 1997, c. 27, s. 22 (1).

**Additional ground**

(2) A complainant may also appeal to the Ontario Municipal Board if the council of the municipality does not deal with the complaint within 60 days after the complaint is made by filing with the clerk of the municipality a notice of appeal. 1997, c. 27, s. 22 (2).

**Clerk's duties on appeal**

**23.** (1) If a notice of appeal under subsection 22 (1) is filed with the clerk of the municipality on or before the last day for appealing a decision, the clerk shall compile a record that includes,

- (a) a copy of the development charge by-law certified by the clerk;
- (b) the original or a true copy of the complaint and all written submissions and material received in support of the complaint;
- (c) a copy of the council's decision certified by the clerk; and
- (d) an affidavit or declaration certifying that notice of the council's decision and of the last day for appealing it was given in accordance with this Act. 1997, c. 27, s. 23 (1).

**Same**

(2) If a notice of appeal under subsection 22 (2) is filed with the clerk of the municipality, the clerk shall compile a record that includes,

- (a) a copy of the development charge by-law certified by the clerk; and

- (b) the original or a true copy of the complaint and all written submissions and material received in support of the complaint. 1997, c. 27, s. 23 (2).

**Same**

(3) The clerk shall forward a copy of the notice of appeal and the record to the secretary of the Ontario Municipal Board within 30 days after the notice is received and shall provide such other information and material that the Board may require in respect of the appeal. 1997, c. 27, s. 23 (3).

**OMB hearing of appeal**

**24.** (1) The Ontario Municipal Board shall hold a hearing to deal with any notice of appeal relating to a complaint forwarded by the clerk of a municipality. 1997, c. 27, s. 24 (1).

**Parties**

- (2) The parties to the appeal are the appellant and the municipality. 1997, c. 27, s. 24 (2).

**Notice to parties**

- (3) The Ontario Municipal Board shall give notice of the hearing to the parties. 1997, c. 27, s. 24 (3).

**Powers of OMB**

(4) After the hearing, the Ontario Municipal Board may do anything that could have been done by the council of the municipality under subsection 20 (6). 1997, c. 27, s. 24 (4).

**Dismissal without hearing**

(5) Despite subsection (1), the Ontario Municipal Board may, where it is of the opinion that the complaint set out in the notice of appeal is insufficient, dismiss the appeal without holding a full hearing after notifying the appellant and giving the appellant an opportunity to make representations as to the merits of the appeal. 1997, c. 27, s. 24 (5).

**Refund if development charge reduced**

**25.** (1) If a development charge that has already been paid is reduced by the council of a municipality under section 20 or by the Ontario Municipal Board under section 24, the municipality shall immediately refund the overpayment. 1997, c. 27, s. 25 (1).

**Interest**

(2) The municipality shall pay interest on an amount it refunds at a rate not less than the prescribed minimum interest rate from the time the amount was paid to the municipality to the time it is refunded. 1997, c. 27, s. 25 (2).

## COLLECTION OF DEVELOPMENT CHARGES

**When development charge is payable**

**26.** (1) A development charge is payable for a development upon a building permit being issued for the development unless the development charge by-law provides otherwise under subsection (2). 1997, c. 27, s. 26 (1).

**Special case, approval of plan of subdivision**

(2) A municipality may, in a development charge by-law, provide that a development charge for services set out in paragraphs 1, 2, 3, 4 or 5 of subsection 5 (5) for development that requires approval of a plan of subdivision under section 51 of the *Planning Act* or a consent under section 53 of the *Planning Act* and for which a subdivision agreement or consent agreement is entered into, be payable immediately upon the parties entering into the agreement. 1997, c. 27, s. 26 (2).

**Agreement prevails**

- (3) This section does not apply in cases where there is an agreement under section 27. 1997, c. 27, s. 26 (3).

**Agreement, early or late payment**

**27.** (1) A municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of a development charge to be paid before or after it would otherwise be payable. 1997, c. 27, s. 27 (1).

**Amount of charge payable**

(2) The total amount of a development charge payable under an agreement under this section is the amount of the development charge that would be determined under the by-law on the day specified in the agreement or, if no such day is specified, at the earlier of,

- (a) the time the development charge or any part of it is payable under the agreement;

(b) the time the development charge would have been payable in the absence of the agreement. 1997, c. 27, s. 27 (2).

**Interest on late payments**

(3) An agreement under this section may allow the municipality to charge interest, at a rate stipulated in the agreement, on that part of the development charge paid after it would otherwise be payable. 1997, c. 27, s. 27 (3).

**Withholding of building permit until charge paid**

**28.** Despite any other Act, a municipality is not required to issue a building permit for development to which a development charge applies unless the development charge has been paid. 1997, c. 27, s. 28.

**Upper-tier municipalities, development charges**

**29.** If a development charge is imposed by an upper-tier municipality on a development in an area municipality, the following apply:

1. The treasurer of the upper-tier municipality shall certify to the treasurer of the area municipality that the charge has been imposed, the amount of the charge, the manner in which the charge is to be paid and when the charge is payable.
2. The treasurer of the area municipality shall collect the charge when it is payable and shall, unless otherwise agreed by the upper-tier municipality, pay the charge to the treasurer of the upper-tier municipality on or before the 25th day of the month following the month in which the charge is received by the area municipality.
3. If the charge is collected by the upper-tier municipality, the treasurer of the upper-tier municipality shall certify to the treasurer of the area municipality that the charge has been collected. 1997, c. 27, s. 29.

**If upper-tier issues building permits**

**30.** If an upper-tier municipality issues building permits, the treasurer of each area municipality within the upper-tier municipality shall, when all development charges are paid with respect to a development in the area municipality, certify to the chief building official of the upper-tier municipality that those charges have been paid. 1997, c. 27, s. 30; 1997, c. 31, s. 146.

**Agreement, upper-tier to collect charges**

**31.** (1) If building permits are issued by an upper-tier municipality, the upper-tier municipality may agree with an area municipality to collect all the development charges on development in the area municipality. 1997, c. 27, s. 31 (1); 1997, c. 31, s. 146.

**Sections 29 and 30**

(2) If an agreement is made under this section, sections 29 and 30 do not apply with respect to development in the area municipality. 1997, c. 27, s. 31 (2).

**Unpaid charges added to taxes**

**32.** (1) If a development charge or any part of it remains unpaid after it is payable, the amount unpaid shall be added to the tax roll and shall be collected in the same manner as taxes. 1997, c. 27, s. 32 (1).

**Treasurer certifies unpaid amount**

(2) If a development charge or any part of it imposed by an upper-tier municipality remains unpaid after it is payable, the treasurer of the upper-tier municipality shall certify to the treasurer of the area municipality in which the land is located the amount that is unpaid. 1997, c. 27, s. 32 (2).

**RESERVE FUNDS AND THE USE OF DEVELOPMENT CHARGES**

**Reserve funds**

**33.** A municipality that has passed a development charge by-law shall establish a separate reserve fund for each service to which the development charge relates. 1997, c. 27, s. 33.

**Development charges paid into reserve funds**

**34.** The municipality shall pay each development charge it collects into the reserve fund or funds to which the charge relates. 1997, c. 27, s. 34.

**Use of reserve funds**

**35.** The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 8 of subsection 5 (1). 1997, c. 27, s. 35.

#### **Municipality may borrow from reserve fund**

36. Despite section 35, a municipality may borrow money from a reserve fund but if it does so, the municipality shall repay the amount used plus interest at a rate not less than the prescribed minimum interest rate. 1997, c. 27, s. 36.

#### **Exclusions**

37. (1) Subsections 417 (2), (3) and (4) and 418 (3) and (4) of the *Municipal Act, 2001* and any equivalent provisions of, or made under, the *City of Toronto Act, 2006* do not apply to development charges collected by a municipality. 2002, c. 17, Sched. F, Table; 2006, c. 32, Sched. C, s. 12 (2).

#### **Limitation**

(2) Development charges may not be advanced by a municipality to its capital account as interim financing of capital undertakings of the municipality, except for those capital undertakings for which the development charges may be spent under this Act. 2002, c. 17, Sched. F, Table.

### **CREDITS**

#### **Credits for work**

38. (1) If a municipality agrees to allow a person to perform work that relates to a service to which a development charge by-law relates, the municipality shall give the person a credit towards the development charge in accordance with the agreement. 1997, c. 27, s. 38 (1).

#### **Amount of credits**

(2) The amount of the credit is the reasonable cost of doing the work as agreed by the municipality and the person who is to be given the credit. 1997, c. 27, s. 38 (2).

#### **Limitation: above average level of service**

(3) No credit may be given for any part of the cost of work that relates to an increase in the level of service that exceeds the average level of service described in paragraph 4 of subsection 5 (1). 1997, c. 27, s. 38 (3).

#### **Credit can be given before work completed**

(4) A credit, or any part of it, may be given before the work for which the credit is given is completed. 1997, c. 27, s. 38 (4).

#### **Credit relates to service for which work done**

39. (1) A credit given in exchange for work done is a credit only in relation to the service to which the work relates. 1997, c. 27, s. 39 (1).

#### **Credits can be divided among services**

(2) If the work relates to more than one service, the credit for the work must be allocated, in the manner agreed by the municipality, among the services to which the work relates. 1997, c. 27, s. 39 (2).

#### **Exception by agreement**

(3) The municipality may agree that a credit given be in relation to another service to which the development charge by-law relates. 1997, c. 27, s. 39 (3).

#### **Changes after credit given**

(4) The municipality may agree to change a credit so that it relates to another service to which the development charge by-law relates. 1997, c. 27, s. 39 (4).

#### **Transfer of credits**

40. (1) A credit may not be transferred unless,

- (a) the holder and person to whom the credit is to be transferred have agreed in writing to the transfer; and
- (b) the municipality has agreed to the transfer, either in the agreement under which the holder of the credit was given the credit or subsequently. 1997, c. 27, s. 40 (1).

#### **Transfer is by municipality**

(2) The transfer of a credit is not effective until the municipality transfers it. 1997, c. 27, s. 40 (2).

#### **When municipality must transfer credit**

(3) A municipality shall transfer a credit upon being requested to do so by the holder, the person to whom the credit is to be transferred or the agent of either of them and being given proof that the conditions in subsection (1) are satisfied. 1997, c. 27, s. 40 (3).

**Use of a credit**

41. (1) A credit that relates to a service may be used only with respect to that part of a development charge that relates to the service. 1997, c. 27, s. 41 (1).

**Use under another development charge by-law**

(2) A credit given towards a development charge under a development charge by-law may be used for a development charge under another development charge by-law only if that other development charge by-law so provides. 1997, c. 27, s. 41 (2).

**Used by holder or agent**

(3) A credit may be used only by the holder or the holder's agent. 1997, c. 27, s. 41 (3).

MISCELLANEOUS

**Registration of by-law**

42. A municipality that has passed a development charge by-law may register the by-law or a certified copy of it against the land to which it applies. 1997, c. 27, s. 42.

**Statement of treasurer**

43. (1) The treasurer of a municipality shall each year on or before such date as the council of the municipality may direct, give the council a financial statement relating to development charge by-laws and reserve funds established under section 33. 1997, c. 27, s. 43 (1).

**Requirements**

(2) A statement must include, for the preceding year, statements of the opening and closing balances of the reserve funds and of the transactions relating to the funds and such other information as is prescribed in the regulations. 1997, c. 27, s. 43 (2).

**Copy to Minister**

(3) The treasurer shall give a copy of a statement to the Minister of Municipal Affairs and Housing within 60 days after giving the statement to the council. 1997, c. 27, s. 43 (3).

**PART III  
FRONT-ENDING AGREEMENTS**

FRONT-ENDING AGREEMENTS

**Front-ending agreement**

44. (1) A municipality in which a development charge by-law is in force may enter into an agreement, called a front-ending agreement, that,

- (a) applies with respect to work, done before or after the agreement is entered into,
  - (i) that relates to the provision of services for which there will be an increased need as a result of development, and
  - (ii) that will benefit an area of the municipality, defined in the agreement, to which the development charge by-law applies;
- (b) provides for the costs of the work to be borne by one or more of the parties to the agreement; and
- (c) provides for persons who, in the future, develop land within the area defined in the agreement to pay an amount to reimburse some part of the costs of the work. 1997, c. 27, s. 44 (1).

**Restrictions on services covered**

(2) The services to which the work relates must be services to which the development charge by-law relates and that are set out in paragraph 1, 2, 3, 4 or 5 of subsection 5 (5). 1997, c. 27, s. 44 (2).

**Reimbursement restriction**

(3) A front-ending agreement may provide for a person who is not a party to the agreement to pay an amount only if the person develops land and a development charge could be imposed for the development under subsections 2 (2) and (3). 1997, c. 27, s. 44 (3).

**Exemption for industrial development**

(4) Section 4 applies, with necessary modifications, to amounts a person who is not a party to a front-ending agreement must pay under the agreement. 1997, c. 27, s. 44 (4).

**“Tiering” of front end costs**

(5) A front-ending agreement may provide for persons who reimburse part of the costs of the work borne by the parties to be themselves reimbursed by persons who later develop land within the area defined in the agreement. 1997, c. 27, s. 44 (5).

**Person can not be reimbursed for their share**

(6) A front-ending agreement must not provide for a person to be reimbursed for any part of their non-reimbursable share of the costs of the work as determined under the agreement. 1997, c. 27, s. 44 (6).

**Inclusions in cost of work**

(7) A front-ending agreement may provide for the following to be included in the cost of the work:

1. The reasonable costs of administering the agreement.
2. The reasonable costs of consultants and studies required to prepare the agreement. 1997, c. 27, s. 44 (7).

**Contents of agreements**

45. (1) A front-ending agreement must contain the following:

1. A description of the work to be done, a definition of the area of the municipality that will benefit from the work and the estimated cost of the work.
2. The proportion of the cost of the work that will be borne by each party to the agreement.
3. The method for determining the part of the costs of the work that will be reimbursed by the persons who, in the future, develop land within the area defined in the agreement.
4. The amount, or a method for determining the amount, of the non-reimbursable share of the costs of the work for the parties and for persons who reimburse parts of the costs of the work.
5. A description of the way in which amounts collected from persons to reimburse the costs of the work will be allocated. 1997, c. 27, s. 45 (1).

**Other provisions allowed**

(2) A front-ending agreement may contain other provisions in addition to those required under subsection (1). 1997, c. 27, s. 45 (2).

**OBJECTIONS TO AGREEMENTS**

**Notice of agreement and time for objections**

46. (1) The clerk of a municipality that has entered into a front-ending agreement shall give written notice of an agreement and of the last day for filing an objection to the agreement, which shall be the day that is 40 days after the day the agreement is made. 1997, c. 27, s. 46 (1).

**Requirements of notice**

- (2) Notice must be given, not later than 20 days after the day the agreement is made,
  - (a) by mailing a notice to every owner of land within the area defined in the front-ending agreement; or
  - (b) by publishing a notice in a newspaper having general circulation in the municipality. 1997, c. 27, s. 46 (2).

**Same**

(3) A notice required under this section must explain the nature and purpose of the agreement and must indicate that the agreement can be viewed in the office of the clerk of the municipality during normal office hours. 1997, c. 27, s. 46 (3).

**Agreement to be available**

(4) The clerk of the municipality shall ensure that the agreement can be viewed as set out in the notice. 1997, c. 27, s. 46 (4).

#### **Objection to agreement**

47. Any owner of land within the area defined in the front-ending agreement may object to a front-ending agreement by filing with the clerk of the municipality on or before the last day for objecting to the agreement, a notice of objection setting out the objection to the agreement and the reasons supporting the objection. 1997, c. 27, s. 47.

#### **Clerk's duties if objection**

48. (1) If the clerk of the municipality receives a notice of objection on or before the last day for filing an objection, the clerk shall compile a record that includes,

- (a) a copy, certified by the clerk, of every development charge by-law that applies to the area defined in the front-ending agreement;
- (b) a copy of the front-ending agreement certified by the clerk;
- (c) an affidavit or declaration certifying that notice of the front-ending agreement and of the last day for filing an objection to it was given in accordance with this Act. 1997, c. 27, s. 48 (1).

#### **Same**

(2) The clerk shall forward a copy of the notice of objection and the record to the secretary of the Ontario Municipal Board within 30 days after the last day for filing an objection and shall provide such other information or material as the Board may require in respect of the objection. 1997, c. 27, s. 48 (2).

#### **Affidavit, declaration conclusive evidence**

(3) An affidavit or declaration of the clerk of a municipality that notice of the front-ending agreement and of the last day for filing an objection to it was given in accordance with this Act is conclusive evidence of the facts stated in the affidavit or declaration. 1997, c. 27, s. 48 (3).

#### **OMB hearing of objection**

49. (1) The Ontario Municipal Board shall hold a hearing to deal with any notice of objection to a front-ending agreement forwarded by the clerk of a municipality. 1997, c. 27, s. 49 (1).

#### **Powers of OMB**

- (2) After the hearing, the Ontario Municipal Board may,
  - (a) dismiss the objection in whole or in part;
  - (b) terminate the agreement;
  - (c) order that the agreement is terminated unless the parties amend it in accordance with the Board's order. 1997, c. 27, s. 49 (2).

#### **Same**

(3) If the Ontario Municipal Board terminates the agreement or makes an order under clause (2) (c), the Board may order the municipality to refund any amount paid under the agreement in excess of,

- (a) if the agreement is terminated, what would have been payable under the development charge by-law; or
- (b) if the agreement is amended, what would have been payable under the amended agreement. 1997, c. 27, s. 49 (3).

#### **Effective date of amendment**

(4) An amendment in accordance with an order under clause (2) (c) shall be deemed to have come into force on the day the agreement comes into force. 1997, c. 27, s. 49 (4).

#### **Dismissal without hearing**

(5) Despite subsection (1), the Ontario Municipal Board may, where it is of the opinion that the objection to the agreement set out in the notice of objection is insufficient, dismiss the objection without holding a full hearing after notifying the person filing the objection and giving that person an opportunity to make representations as to the merits of the objection. 1997, c. 27, s. 49 (5).

#### **Objections to amendments**

50. Sections 46 to 49 apply, with necessary modifications, to an amendment to a front-ending agreement other than an amendment pursuant to an order of the Ontario Municipal Board. 1997, c. 27, s. 50.

## MISCELLANEOUS

### When agreements in force

**51.** (1) A front-ending agreement comes into force on the day the agreement is made. 1997, c. 27, s. 51 (1).

### If agreement terminated

(2) A front-ending agreement that is terminated by the Ontario Municipal Board shall be deemed to have never come into force. 1997, c. 27, s. 51 (2).

### Application to amendments

(3) This section applies, with necessary modifications, with respect to amendments to front-ending agreements. 1997, c. 27, s. 51 (3).

### Non-parties bound by agreement

**52.** (1) A person who develops land within the area defined in a front-ending agreement shall pay any amount the agreement provides under clause 44 (1) (c). 1997, c. 27, s. 52 (1).

### When amounts payable

(2) An amount that is payable under subsection (1) is payable upon a building permit being issued for the development unless the front-ending agreement provides for the amount to be payable on a later day or on an earlier day as allowed under subsection (3). 1997, c. 27, s. 52 (2).

### Same

(3) A front-ending agreement may provide that an amount payable under subsection (1) for development that requires approval of a plan of subdivision under section 51 of the *Planning Act* or a consent under section 53 of the *Planning Act* and for which a subdivision agreement or consent agreement is entered into, be payable immediately upon the parties entering into the subdivision or consent agreement. 1997, c. 27, s. 52 (3).

### Amounts paid to municipality

(4) Amounts paid under subsection (1) shall be paid to the municipality. 1997, c. 27, s. 52 (4).

### Building permits withheld until amounts paid

**53.** If an amount is payable under a front-ending agreement by a person who develops land, no municipality shall issue a building permit for the development until the amount is paid. 1997, c. 27, s. 53.

### Use of money received under an agreement

**54.** (1) A municipality that receives money under a front-ending agreement shall place the money in a special account. 1997, c. 27, s. 54 (1).

### Use of money in special account

(2) The money in the special account shall be used, in accordance with the agreement, only for the following purposes:

1. To pay for work provided for under the agreement.
2. To reimburse those who, under the agreement, have a right to be reimbursed. 1997, c. 27, s. 54 (2).

### Return of excess funds

(3) Despite subsection (2), if the municipality receives money from parties to the agreement to pay for work provided under the agreement, the municipality shall, if the agreement so provides, return to the parties any amounts that are not needed to pay for the work. 1997, c. 27, s. 54 (3).

### Money held until objections disposed of

(4) If an objection to a front-ending agreement is made, the municipality shall retain any money received from persons who are not parties to the agreement until all the objections to the agreement are disposed of by the Ontario Municipal Board. If the Board makes an order that the agreement be terminated unless the parties amend it in accordance with the Board's order the municipality shall retain the money until the agreement is either terminated or amended. 1997, c. 27, s. 54 (4).

### Application to amendments

(5) Subsection (4) applies with necessary modifications with respect to amendments to front-ending agreements. 1997, c. 27, s. 54 (5).

### Credits

**55.** (1) A person is entitled to be given a credit towards a development charge for the amount of their non-reimbursable share of the costs of work under a front-ending agreement. 1997, c. 27, s. 55 (1).

**Restriction on the amount**

(2) If the work would result in a level of service that exceeds the average level of the service in the 10-year period immediately preceding the preparation of the background study for the development charge by-law, the amount of the credit must be reduced in the same proportion that the costs of the work that relate to a level of service that exceeds that average level of service bear to the costs of the work. Any regulations relating to the level of service and average level of service for the purposes of paragraph 4 of subsection 5 (1) also apply with necessary modifications for the purposes of this subsection. 1997, c. 27, s. 55 (2).

**Credits are treated like s. 38 credits**

(3) Credits under this section shall be treated, for the purposes of this Act, as though they were credits under section 38. 1997, c. 27, s. 55 (3).

**Registration of agreement**

**56.** A party to a front-ending agreement may register the agreement or a certified copy of it against the land to which it applies. 1997, c. 27, s. 56.

**Notice to other tier**

**57.** (1) An upper-tier municipality that is a party to a front-ending agreement shall, within 20 days after the agreement is made or amended, give a copy of the agreement or amendment to any area municipality that is not a party to the agreement and whose territory includes any part of the area defined in the agreement. 1997, c. 27, s. 57 (1).

**Same**

(2) An area municipality that is a party to a front-ending agreement shall, within 20 days after the agreement is made or amended, give a copy of the agreement or amendment to the upper-tier municipality that the area municipality is part of, if the upper-tier municipality is not a party to the agreement. 1997, c. 27, s. 57 (2).

**PART IV  
GENERAL**

**58.** REPEALED: 2009, c. 33, Sched. 2, s. 24.

**Planning Act, ss. 51, 53**

**59.** (1) A municipality shall not, by way of a condition or agreement under section 51 or 53 of the *Planning Act*, impose directly or indirectly a charge related to a development or a requirement to construct a service related to development except as allowed in subsection (2). 1997, c. 27, s. 59 (1).

**Exception for local services**

(2) A condition or agreement referred to in subsection (1) may provide for,

- (a) local services, related to a plan of subdivision or within the area to which the plan relates, to be installed or paid for by the owner as a condition of approval under section 51 of the *Planning Act*;
- (b) local services to be installed or paid for by the owner as a condition of approval under section 53 of the *Planning Act*. 1997, c. 27, s. 59 (2).

**Limitation**

(3) This section does not prevent a condition or agreement under section 51 or 53 of the *Planning Act* from requiring that services be in place before development begins. 1997, c. 27, s. 59 (3).

**Notice of development charges at transfer**

(4) In giving approval to a draft plan of subdivision under subsection 51 (31) of the *Planning Act*, the approval authority shall use its power to impose conditions under clause 51 (25) (d) of the *Planning Act* to ensure that the persons who first purchase the subdivided land after the final approval of the plan of subdivision are informed, at the time the land is transferred, of all the development charges related to the development. 1997, c. 27, s. 59 (4).

**Exception, old agreements**

(5) This section does not affect a condition or agreement imposed or made under section 51 or 53 of the *Planning Act* that was in effect on November 23, 1991. 1997, c. 27, s. 59 (5).

## Regulations

- 60.** (1) The Lieutenant Governor in Council may make regulations,
- (a) defining or clarifying “gross floor area” and “existing industrial building” for the purposes of this Act;
  - (b) for the purposes of clause 2 (3) (b), prescribing classes of residential buildings, prescribing the maximum number of additional dwelling units, not exceeding two, for buildings in such classes, prescribing restrictions and governing what constitutes a separate building;
  - (c) clarifying or defining terms used in paragraphs 1 to 6 of subsection 2 (4);
  - (d) prescribing, for the purposes of paragraph 7 of subsection 2 (4), services for which development charges may not be imposed;
  - (e) governing the determination as to whether the council of a municipality has indicated, for the purposes of paragraph 3 of subsection 5 (1), an intention to ensure that an increase in need for service will be met;
  - (f) governing the determination of the level of service and the average level of service for the purposes of paragraph 4 of subsection 5 (1);
  - (g) for the purposes of paragraph 5 of subsection 5 (1), governing the determination of excess capacity and whether a council has indicated an intention that excess capacity would be paid for by new development;
  - (h) governing the determination of the extent to which an increase in service would benefit existing development for the purposes of paragraph 6 of subsection 5 (1);
  - (i) governing the estimation of the capital costs for the purposes of paragraph 7 of subsection 5 (1);
  - (j) prescribing an index for the purpose of paragraph 10 of subsection 5 (1);
  - (k) governing reductions, under subsection 5 (2), to adjust for capital grants, subsidies and other contributions, including governing what are capital grants, subsidies and other contributions for the purposes of that subsection and how much the reduction shall be for such grants, subsidies and other contributions;
  - (l) clarifying or defining terms used in paragraphs 1 to 7 of subsection 5 (5);
  - (m) prescribing, for the purposes of paragraph 8 of subsection 5 (5), services for which there is no percentage reduction;
  - (m.1) further clarifying or defining the term “Toronto-York subway extension” in subsection 5.1 (1);
  - (m.2) prescribing the method and criteria to be used to estimate the planned level of service for the Toronto-York subway extension;
  - (n) prescribing information that must be included in a background study under section 10;
  - (o) defining or clarifying “operating costs” for the purposes of clause 10 (2) (c);
  - (p) for the purposes of clause 12 (1) (b), governing notice of meetings;
  - (q) for the purposes of subsection 13 (2), governing notices of the passing of development charge by-laws;
  - (r) requiring municipalities to keep records in respect of reserve funds and governing such records;
  - (s) prescribing the minimum interest rate or a method for determining the minimum interest rate that municipalities shall pay under subsections 18 (3) and 25 (2) and section 36;
  - (t) prescribing the information to be included in the statement of the treasurer of a municipality under section 43;
  - (u) requiring municipalities to give notice of the particulars of development charge by-laws that are in force, in the manner, and to the persons, prescribed in the regulations;
  - (v) requiring municipalities to prepare and distribute pamphlets to explain their development charge by-laws and governing the preparation of such pamphlets and their distribution by municipalities and others. 1997, c. 27, s. 60 (1); 2006, c. 33, Sched. H, s. 3.

## Forms

- (2) Regulations under subsection (1) may require the use of forms approved by the Minister of Municipal Affairs and Housing. 1997, c. 27, s. 60 (2).

## PART V TRANSITIONAL RULES

### Interpretation

**61.** In this Part,

“old Act” means the *Development Charges Act* as it reads immediately before this section comes into force; (“ancienne loi”)

“transition period” means the 18-month period beginning on the day this section comes into force. (“période de transition”) 1997, c. 27, s. 61.

### By-laws under the old Act

**62.** (1) This section applies with respect to a development charge by-law under the old Act. 1997, c. 27, s. 62 (1).

### Continues during transition period

(2) Unless it expires or is repealed earlier, a development charge by-law continues in force until the end of the transition period and the old Act continues to apply with respect to the by-law. 1997, c. 27, s. 62 (2).

### Application of old Act

(3) A municipality may, under the old Act, amend or repeal a development charge by-law with respect to which the old Act applies under subsection (2) but the municipality may not pass a new development charge by-law under that Act. 1997, c. 27, s. 62 (3).

### Repeal at the end of transition period

(4) A development charge by-law under the old Act that has not already expired or been repealed expires at the end of the transition period. 1997, c. 27, s. 62 (4).

### Front-ending agreement requirement

(5) For the purposes of subsection 44 (1), a development charge by-law under the old Act shall be deemed to be a development charge by-law under this Act. 1997, c. 27, s. 62 (5).

### Reserve funds under the old Act

**63.** (1) This section applies with respect to a reserve fund under a development charge by-law under the old Act that expires or is repealed during the transition period or expires, under section 62, at the end of the transition period. 1997, c. 27, s. 63 (1).

### Eligible services

(2) If a reserve fund is not for a service referred to in paragraphs 1 to 7 of subsection 2 (4) then, upon the expiry or repeal of the development charge by-law, the reserve fund shall be deemed to be a reserve fund under this Act. 1997, c. 27, s. 63 (2).

### Ineligible services

(3) If a reserve fund is for a service referred to in paragraphs 1 to 7 of subsection 2 (4) then, upon the expiry or repeal of the development charge by-law, the following apply:

1. The reserve fund shall be deemed to be a general capital reserve fund for the same purpose.
2. The municipality may, at any time, allocate all the money in the fund to one or more reserve funds established under development charge by-laws under this Act.
3. Five years after the development charge by-law expires or is repealed, the municipality shall allocate any money remaining in the fund to reserve funds established under development charge by-laws under this Act or, if there are no such reserve funds, to a general capital reserve fund.
4. Despite paragraph 1, subsection 417 (4) of the *Municipal Act, 2001* and any equivalent provision of, or made under, the *City of Toronto Act, 2006* do not apply with respect to the fund. 1997, c. 27, s. 63 (3); 2002, c. 17, Sched. F, Table; 2006, c. 32, Sched. C, s. 12 (3).

### Credits under old section 13, ineligible services

**64.** (1) The following apply with respect to a development charge by-law that expires or is repealed during the transition period or expires, under section 62, at the end of the transition period:

1. Within 20 days after the expiry or repeal of the development charge by-law, the clerk of the municipality shall give written notice of the expiry or repeal of the by-law and of the last day for applying for a refund of ineligible credits given under section 13 of the old Act which shall be the day that is 80 days after the day the by-law expires or is repealed.
2. Notices required under paragraph 1 must meet the requirements prescribed in the regulations and shall be given in accordance with the regulations.
3. A notice required under paragraph 1 shall be deemed to have been given,
  - i. if the notice is by publication in a newspaper, on the day that the publication occurs,
  - ii. if the notice is given by mail, on the day that the notice is mailed.
4. On or before the day that is 90 days after the last day for applying for a refund of ineligible credits given under section 13 of the old Act, the municipality shall pay each holder of such a credit the full value of the credit. 1997, c. 27, s. 64 (1).

**“Ineligible credit”**

(2) In this section,

“ineligible credit” is a credit given under the old Act in respect of a service referred to in paragraphs 1 to 7 of subsection 2 (4) including such a credit given under the old Act as it applies under section 62. 1997, c. 27, s. 64 (2).

**Credits under old section 13, eligible services**

**65.** (1) The following apply with respect to a development charge by-law that expires or is repealed during the transition period or expires, under section 62, at the end of the transition period:

1. The holder of an eligible credit given under section 13 of the old Act is entitled to be given a credit towards a development charge under a development charge by-law under this Act of the same municipality under whose by-law the eligible credit was given.
2. A credit may only be given with respect to the service to which the eligible credit related. 1997, c. 27, s. 65 (1).

**“Eligible credit”**

(2) In this section,

“eligible credit” is a credit given under the old Act in respect of a service not referred to in paragraphs 1 to 7 of subsection 2 (4) including such a credit given under the old Act as it applies under section 62. 1997, c. 27, s. 65 (2).

**Debt under the old Act for eligible services**

**66.** (1) This section applies with respect to a debt, other than credits, incurred with respect to a service not referred to in paragraphs 1 to 7 of subsection 2 (4), under a development charge by-law under the old Act that expires or is repealed during the transition period or expires, under section 62, at the end of the transition period. 1997, c. 27, s. 66 (1).

**Can be included as capital cost**

(2) For the purposes of developing a development charge by-law, the debt may be included as a capital cost subject to any limitations or reductions in this Act or the regulations. 1997, c. 27, s. 66 (2).

**Agreements to pay early or late**

**67.** (1) This section applies with respect to an agreement under subsection 9 (4) or (8) of the old Act (early or late payment) that relates to a development charge under a development charge by-law under the old Act that expires or is repealed during the transition period or expires, under section 62 at the end of the transition period. 1997, c. 27, s. 67 (1).

**Agreements continued**

(2) An agreement continues in force after the development charge by-law expires or is repealed but only in respect of a development charge that was payable, in the absence of the agreement, before the development charge by-law expired or was repealed. 1997, c. 27, s. 67 (2).

**Regulations, transition**

- 68.** (1) The Lieutenant Governor in Council may make regulations,
- (a) governing notices for the purposes of paragraph 2 of subsection 64 (1);

- (b) for the purposes of section 66, limiting the circumstances in which a debt may be included as a capital cost and prescribing reductions that shall be made if a debt is to be included as a capital cost;
- (c) setting out transitional rules relating to credits given under section 14 of the old Act;
- (d) setting out transitional rules relating to front-ending agreements under Part II of the old Act;
- (e) setting out transitional rules dealing with matters not specifically dealt with in this Part;
- (f) clarifying the transitional rules set out in this Part. 1997, c. 27, s. 68 (1).

**Same**

(2) Regulations under clause (1) (c) may provide for procedures to apply in relation to credits given under section 14 of the old Act and, without limiting the generality of the foregoing, such regulations may provide for appeals to the Ontario Municipal Board. 1997, c. 27, s. 68 (2).

**69.-72.** OMITTED (AMENDS OR REPEALS OTHER ACTS). 1997, c. 27, ss. 69-72.

**73.** OMITTED (PROVIDES FOR COMING INTO FORCE OF PROVISIONS OF THIS ACT). 1997, c. 27, s. 73.

**74.** OMITTED (ENACTS SHORT TITLE OF THIS ACT). 1997, c. 27, s. 74.

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