Bill 17 & Information Sharing

July 14, 2025
BB 2025-05

Dear Valued Customers,

With the passing of **Bill 17, "Protect Ontario by Building Faster and Smarter Act, 2025"**, it is important to share what we understand are the changes and the status of such changes. This bulletin is to clarify, inform, and provide the status on the proposed changes as well as provide some non-Bill 17 information.

Bill 17 – Status of Regulations

Although Bill 17 has been passed and the Acts updated, the **regulations under the legislation have NOT been approved to date**. The most common industry question is "when do deferred Development Charges (DC) for all residential projects take effect". The answer is "once the 'regulation(s)' are filed and approved."

Development Charge Act – Bill 17 Change Highlights (administration of charging DC's)

1. **Long-term care homes exempt from development charges** for any part of a building used for that purpose. We believe the exemption is for **City and Regional DC only***.
2. **Defer residential (non-rental) DC's***, with full payment due at **occupancy** (or first occupancy for multi-residential) and connected to an occupancy permit issued by the Building Inspector. (Note: Rental housing would still be eligible for deferred payment in installments).
   - City Staff have concerns with this proposal specifically the process, which is outlined in more detail below.
3. Projects eligible for deferred payments may choose to pay early **without requiring an early payment agreement**.
4. Possible prohibiting the municipality from charging interest on the deferred instalment amount on some projects.
5. **Cap for frozen DC's**. If the frozen rate plus interest is greater then the current DC rate, current DC rate applies (lesser of the 2).
6. Additional municipal resources will likely be required to administer the deferred DC payments, such as payments due at first occupancy and, where applicable, the processing of five annual installments.

**Items 1 & 2 above does not appear to defer the Educational DC's, which would be required at time of permit issuance.*

City Staff Concerns and Suggestions on DC Changes

City Staff have questions and concerns with how the deferred DC payment process will work.

- **Will DC's be required to be paid in full prior to the occupancy inspection and occupancy permit issuance?**
  - If not, what happens if the applicant no longer owns the new home and the purchaser is now responsible, and the purchase price included DC amounts. Adding the outstanding deferred DC amount to property taxes is unfair and duplicative for the purchaser.
- **Will DC's be invoiced to the applicant after the issuance of the occupancy permit?**

- This seems unfair to the municipality and purchaser and may pose a delay in the purchaser moving in.

- **Timing challenges for purchasers and staff:**
  - It's common for the purchaser to have the moving van in the driveway on the same day as occupancy permit issuance. Adding DC payment on same day is likely going to cause unwanted stress for the purchaser, Finance staff, and building inspector.

Suggested Solution:

Chief Building Officials have suggested adding a **new prescribed inspection**, titled "Residential Deferred DC payment" (when applicable). This inspection would occur at least 10 days before the request for occupancy inspection, allowing applicants to pay any outstanding DC's and providing Finance Staff time to process payments and update City records.

Benefits of this approach;

- Supports the goal of deferring DC's until occupancy
- Allows municipalities time to invoice and process payments
- Ensures purchasers pay DC's only once and no move-in delays
- Helps avoid stressful interactions on closing day

Building Code Act – Bill 17 Change Highlights

1. New provisions to provide greater certainty added that **prohibit municipalities** from imposing local building standards that go beyond the provincial Building Code.
2. **Ministers Rulings** no longer required to accompany a Canadian Construction Materials Center (**CCMC**) evaluation report for innovative materials. (Note: regulation to still be updated to reflect this). Ministers Ruling cost savings is estimated at $700/application, process is approx. 3-5 months and about 12 rulings issued annually.

Other Updates

- **Removing barriers** for Canadian manufacturers (unsure the exact details).
- Development of a **Planning and Building IT Solution** (unsure the exact details).
- Growing support for **4 Storey Townhouses** due to affordability and other important reasons.
  - Presently many may require an Alternative Solution for various provisions. Supports viable solution, multi-unit, economic viability.
  - The single exit buildings (4 storey, 4 units per floor) type developments might be paused to explore the 4-storey townhouse option to support housing and affordability.

Any changes to the regulations such as the Building Code, the Province will likely go through a public consultation process. The exact timing of the public consultation is unknown but likely Summer-early Fall.

If there are additional comments or questions from the above material shared, please contact myself directly. As new information is learned, our customers can expect to be updated with another bulletin.

Regards

M.S.

Mike Seiling, CET, CBCO
Director/CBO
519.783.5282