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VIA EMAIL ONLY

June 6, 2025

**Re: Bill 17, Protect Ontario by Building Faster and Smarter Act Passed –
Amendments to the Development Charges Act**

Dear Clients,

Bill 17, Protect Ontario by Building Faster and Smarter Act 2025, received Royal Assent on June 5, 2025. This Act serves to amend sections of the Development Charges Act. The intent of this letter is to summarize the amendments to the Development Charges Act and how these changes may impact current or future development charge by-laws. Should you have any questions about how these changes impact your current development charge by-laws, please do not hesitate to reach out.

Summary of Amendments to the Development Charge Act

1. Exemption for Long-Term Care Homes

Long-term care homes, or any portion of a development intended for use as long-term care, are now exempt from development charges. This exemption applies to all long-term care developments after June 5, 2025, but not to any development charges payable before that date.

2. Limits and Exceptions to Eligible Capital Costs

The Province will have the ability, through regulations, to impose limits and exceptions to what are considered eligible capital costs for development charges. At this time, there are no regulations in place that limit eligible expenses.

3. Changes to Amendment Process for Development Charge By-laws

Municipalities will **not** be required to update the background study and hold a public meeting prior to amending a development charge by-law if the amendment:

- a. Only has the effect of appealing the by-law expiry date or to change the date the by-law expires to a later date.
- b. Only has the effect of repealing an annual indexing provision or to provide for the development charges not to be indexed.
- c. Only has the effect of decreasing development charges for one or more types of development as specified in the amendment.

4. Deferral of Payment from Building Permit Issuance to Occupancy Permit Issuance

For residential developments payment of development charges are payable when the building is first occupied rather than the day the building permit was issued. If occupancy permits are not required, securities could be required at the time the building permit is issued. Future regulations will specify the type of security that will be accepted.

5. No Interest on Development Charge Installment Payments

Municipalities will no longer be able to charge interest on development charges being collected in annual installments for rental housing and institutional developments. This applies to any installments collected after June 5, 2025.

6. Development Charge Freeze

For development charges frozen based on the date of a site plan or zoning bylaw amendment application, the development charge amount will be the lower of the charge based on the date of the planning application or based on the date of the building permit. In other words, if the development charge at the date of the building permit is less than the charge at the date of the site plan application (or zoning bylaw amendment) including interest, the development charge will be the charge at the date of the building permit.

This does not apply to any development charges payable before June 5, 2025.

7. Credits

Future regulations will merge related service categories for the purposes of credits issued under the Development Charge Act. Previously, credits were only issued for infrastructure construction by developers within the same service category (e.g. sanitary sewage credits for work relating to sanitary sewage).

8. Local Services

Future regulations may define what is considered a local service in terms of infrastructure. This is expected to better define what local services are considered exempt from credits for the purposes of development charges.

We will continue to monitor for future updates to the Development Charge Act and associated regulations. Please do not hesitate to reach out with any questions regarding these latest changes.

Yours very truly

B. M. ROSS AND ASSOCIATES LIMITED

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Lisa J. Courtney, M.Sc., RPP, MCIP