



**April 18, 2012**

## **City Council Committee Report**

**To: Mayor Canfield & Members of Council**

**From: Lisa Oakes, Budget/Auditor General**

**Re: Provincial Payments in Lieu of Taxes – Rates for Hospitals,  
Universities and Colleges, and Correctional Institutions**

### **Recommendation**

**That** Council hereby supports and endorses the resolution from the Municipality of Meadford, to increase the Provincial payment-in-lieu of taxes for hospitals, universities and colleges, and correctional institutions; and further

**That** a copy of the resolution be forwarded to: the Premier of Ontario, Minister of Finance, MPP for Kenora, the Minister of Municipal Affairs and Housing, the Association of Municipalities of Ontario (AMO), and the Municipality of Meadford.

### **Background:**

This report recommends that Council support a resolution passed by the Municipality of Meadford (as well as other Municipalities) adopted March 26, 2012 requesting that the Province of Ontario review and increase the rates for Provincial payments in lieu of taxes for hospitals, colleges and universities, and correctional institutions in Ontario.

In 1970, the rate of provincial payments in lieu of taxes for universities was set at \$25 per full time student. In 1973, that was doubled to \$50 per student and the payment was expanded to include hospitals and provincial correctional institutions. In 1987, that rate was increased by 50%, still without apparent justification, to \$75 per student and bed, which remains the current rate.

The Province of Ontario currently sets a rate for annual payments in lieu of taxes of \$75 for each Provincially rated public hospital bed; \$75 for each full time student in post-secondary colleges or universities; and \$75 for each resident in a correctional institution. For municipalities in which any of these facilities exist, the municipality submits a tax bill to the facility for payment based on the rate of \$75 and the capacity of the facility as determined by the Province.

Approximately 65 Ontario municipalities have requested the Province to review the rate. In analysis, the rate for 2012 would almost double the current rate to \$146 to take into account inflation since 1987.

**Current:**

<b>Confederation College (80 Students @ \$75)</b>	<b>6,000</b>
<b>Kenora District Jail (159 Beds @ \$75)</b>	<b>11,925</b>
<b>LOTW District Hospital (148 Beds @ \$75)</b>	<b><u>11,100</u></b>
	<b>29,025</b>

**Inflation:**

<b>Confederation College (80 Students @ \$146)</b>	<b>11,680</b>
<b>Kenora District Jail (159 Beds @ \$146)</b>	<b>23,214</b>
<b>LOTW District Hospital (148 Beds @ \$146)</b>	<b><u>21,608</u></b>
	<b>56,502</b>

If the rate were to be increased by rate of inflation since the last time they were changed in 1987, the City's share would almost double, an increase of \$27,477.

**Budget:** N/A

**Communication Plan/Notice By-law Requirements:**

Resolution required.