

[Bill 138](#), the *Plan to Build Ontario Together Act*, received royal assent on December 10th and implemented amendments to the *Development Charges Act* (DCA) beyond those passed last June by [Bill 108](#), the *More Homes More Choice Act*.

Following Bill 138 receiving royal assent on December 10th, **Sections 8 (1), 9, 12, 13 (6) of Schedule 3 of Bill 108 the *More Homes, More Choice Act, 2019*** were proclaimed and **will come into force on January 01, 2020**.

Schedule 3 of Bill 108 covers the changes to the [Development Charges Act, 1997](#) (DCA). **The changes coming into force in two weeks are significant and are highlighted below.**

What is effective as of January 1st, 2020?

Development Charges Payment Instalments - "Deferrals"

8 (1) [DCA S 26.1]: Development charges (DCs) for rental housing (that is not-non profit), institutional development, and non-profit housing development are to be paid out in 6 instalments (20 instalments for non-profit housing) beginning the date of issuance of an occupancy permit or occupancy of the building, whichever is earlier.

Note that **S 26.1 does not apply in cases where there is an agreement under S 27**.

Also note Bill 138 removed commercial and industrial developments from S 26.1 (additional details below)

"Freezing" of Development Charge Rates

8 (1) [DCA S 26.2]: DC rates will be based (a) on the date of an application for a site plan control area, or, (b) if there is no such application, on the date of an application for zoning by-laws. Or (c) if neither of these applications have been made, the amount continues to be determined at the issuance of a building permit.

If a specified period of time has elapsed since the approval of the relevant application, the amount continues to be determined at the issuance of the building permit. This change does not apply to early or late payment agreements.

Note per **DCA ss 26.2 (6)**, "(a) and (b) do not apply in the case of an application made before the day subsection 8 (1) of Schedule 3 to the *More Homes, More Choice Act, 2019* comes into force [January 1, 2020]"

Interest Payable

S 8 (1) [DCA S 26.1 (7)-(8)] & S 9 [DCA S 32 (1)]: Where DCs are payable in instalments, the municipality may charge interest on the DC, at a rate not exceeding the prescribed maximum

interest rate, from the date of the application to the date the DC is payable. The interest payable can be added to the roll and collected like taxes. As of December 18, 2019, the Minister has not prescribed a maximum interest rate.

Front-Ending Agreements

S 12 [DCA S 52]: Lands in front-ending agreements will be subject to the same payment instalment plan for rental housing, non-profit housing, and institutional development, as lands outside of front-ending agreements.

Note per **DCA ss 52 (3.2)**, this "does not apply to an amount that is payable under subsection (1) in respect of a front-ending agreement entered into before the day section 12 of Schedule 3 to *the More Homes, More Choice Act, 2019* comes into force [January 1, 2020]"

Regulations

S 13 (6) [DCA S 60]: A number of housekeeping matters relating to the matters above will also come into force on January 1, 2020.

Other Relevant Reminders

Bill 138 *A Plan to Build Ontario Together Act*

Schedule 31 (changes to the Planning Act) introduced an appeals process for a community benefits charge by-law through the Local Planning Appeal Tribunal (LPAT). **This schedule has not yet been proclaimed.**

What's Next?

Related regulations pertaining to DCA sections 26.1 and 26.2 are expected in the very near future -- MFOA will provide an update via email when these are introduced.

Visit [MFOA's Bill 108 More Homes, More Choice Act hub](#) for more information and resources.