



Building Services Notice

Development Charges Update

Bill 17 - Development Charges Payable at Occupancy

Bill 17 introduces key amendments to the *Development Charges Act, 1997 (DCA)*, notably changing the timing of Development Charge (DC) collection for most **non-residential residential developments**. Under **Section 26.1(3.1)** of the DCA, DCs for these developments will now be payable at the **earlier of occupancy permit issuance or actual occupancy**, rather than at building permit issuance.

Development Charge Categories & Payment Timing

There are now **6 distinct DC categories**, each with specific payment timelines.

1. **Education Development Charges** levied by school boards under the *Education Act*
2. DCs for **non-residential buildings** or the **non-residential portion** of mixed-use developments
3. Deferred DCs for **non-residential residential** buildings under DCA s.26.1(3.1)
4. Projects **not electing to defer** under DCA s.26.1(3.1)
5. **Rental and institutional DC deferrals** under DCA s.26(3)
6. DCs subject to a **deferral agreement** authorized under DCA s.27(1)

The DCs still payable at building permit issuance include:

- **Education Development Charges** levied by school boards under the *Education Act*
- DCs for **non-residential buildings** or the **non-residential portion** of mixed-use developments
- Projects **not electing to defer** under DCA s. 26.1(3.1)

Implications for Building Services

The timing shift affects Building Services operations in several ways:

- **Process & System Updates:** Permit systems (CityView) must link occupancy approval with DC payment.



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- **Compliance Risk:** Occupancy permits must not be issued without confirmed DC payment.
- **Interdepartmental Coordination:** Stronger collaboration with Finance is needed for tracking and financial control.
- **Developer Communication:** Clear guidance is required on new DC payment timing and occupancy procedures.

Inspection Notice Change: For non-rental residential buildings deferring DCs under DCA s. 26.1(3.1), **10 days' notice** is now required for occupancy inspections (previously 2 days). This allows time for:

- Verifying DC payment with Finance
- Updating permit records
- Prompt issuance of occupancy permits following successful inspections

Actions Underway

Short-Term (0–3 months)

- Internal briefings and workflow mapping
- Interim procedures for DC payment verification before occupancy issuance
- Public communication (bulletins, website updates)

Medium-Term (3–9 months)

- Integration of DC payment verification into permit software
- Joint SOPs with Finance for invoicing and payment confirmation
- Staff training on revised occupancy processes
- Development of reporting tools for DC tracking

Long-Term (9–18 months and ongoing)

- Ongoing monitoring of DC collection and occupancy processing
- Ongoing process refinement based on implementation experience

While Bill 17 aims to support housing supply, it introduces significant operational and financial challenges. Building Services is proactively implementing procedural controls, system updates, and enhanced interdepartmental coordination to ensure compliance and maintain service levels. We also plan to engage early with local developers and industry partners to promote awareness of recent legislative changes related to the



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payment and verification of deferred Development Charges (DCs). Our goal is to minimize the risk of occupancy delays and prevent future homeowners from being placed in a difficult position.

If you have any questions, please don't hesitate to contact us.

Contact Information

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