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ONTARIO REGULATION 401/22

made under the

CONSERVATION AUTHORITIES ACT

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DETERMINATION OF AMOUNTS UNDER SUBSECTION 27.2 (2) OF THE ACT

INTERPRETATION

Definitions

- 1. (1) In this Regulation,
- "benefit-based apportionment method" means the method of apportioning an authority's Category 1 CWA/LSPA operating expenses and capital costs described in section 7; («méthode de répartition fondée sur les avantages»)
- "Budget and Apportionment Regulation" means Ontario Regulation 402/22 (Budget and Apportionment) made under the Act; («Règlement relatif au budget et à la répartition»)
- "Category 1 CWA/LSPA operating expense or capital cost" means an operating expense or capital cost that is related to the provision of a Category 1 CWA/LSPA program or service; («dépense d'exploitation ou coût en immobilisations LES/LPLS de catégorie 1»)
- "Category 1 CWA/LSPA programs and services" means the mandatory programs and services that an authority is required to provide under section 21.1 of the Act with respect to its duties, functions and responsibilities under the *Clean Water Act*, 2006 and under the *Lake Simcoe Protection Act*, 2008; («programmes et services LES/LPLS de catégorie 1»)
- "Category 2 CWA/LSPA operating expense or capital cost" means an operating expense or capital cost that is related to the provision of a Category 2 CWA/LSPA program or service; («dépense d'exploitation ou coût en immobilisations LES/LPLS de catégorie 2»)
- "Category 2 CWA/LSPA programs and services" means the programs and services that,
 - (a) relate to the duties, functions and responsibilities of a municipality under the *Clean Water Act, 2006* and under the *Lake Simcoe Protection Act, 2008*, and
 - (b) an authority agrees to provide on behalf of the municipality in accordance with section 21.1.1 of the Act; («programmes et services LES/LPLS de catégorie 2»)
- "Lake Simcoe watershed" means the Lake Simcoe watershed as defined in section 2 of the *Lake Simcoe Protection Act*, 2008; («bassin hydrographique du lac Simcoe»)
- "MCVA apportionment method" means a method of apportioning an authority's Category 1 CWA/LSPA operating expenses and capital costs that is based on the modified current value assessment of the properties within the relevant source protection area or within the Lake Simcoe watershed, as the case may be, and further described in section 6; («méthode de répartition EVAM»)
- "source protection area" has the same meaning as in the Clean Water Act, 2006; («zone de protection des sources»)
- "source protection authority" has the same meaning as in the Clean Water Act, 2006; («office de protection des sources»)
- "specified municipality" means a specified municipality as defined in subsection 27.2 (1) of the Act. («municipalité précisée»)
- (2) For the purposes of the definitions of "Category 1 CWA/LSPA operating expense or capital cost" and "Category 2 CWA/LSPA operating expense or capital cost",
 - (a) a capital cost shall be considered related to the provision of a Category 1 or Category 2 CWA/LSPA program or service, as the case may be, if it is incurred in connection with a project that is related to the provision of the program or service; and
 - (b) an operating expense that is incurred in connection with a project shall be considered related to the provision of a Category 1 or Category 2 CWA/LSPA program or service, as the case may be, if the project is related to the provision of the program or service.

DETERMINATION OF AMOUNTS OWING

When determination made

- 2. For the purposes of subsection 27.2 (2) of the Act, as part of the budgetary process described in the Budget and Apportionment Regulation, an authority shall determine,
 - (a) whether, according to the criteria set out in section 3, any of its specified municipalities owe or will owe amounts in connection with the Category 1 CWA/LSPA programs and services that the authority provides during the budget year; and
 - (b) whether any of its specified municipalities owe or will owe amounts in connection with a Category 2 CWA/LSPA program or service that the authority provides on behalf of the municipality under a memorandum of understanding or other agreement made under section 21.1.1 of the Act during the budget year.

Criteria for Category 1 CWA/LSPA operating expenses and capital costs

3. An authority may determine that a specified municipality owes or will owe amounts under subsection 27.2 (2) of the Act in connection with a Category 1 CWA/LSPA program or service only if, in the authority's opinion, the specified municipality benefits from the Category 1 CWA/LSPA program or service.

How determination made

- **4.** (1) The amounts owing under subsection 27.2 (2) of the Act by a specified municipality in connection with a Category 1 CWA/LSPA program or service shall be equal to the portion of the related Category 1 CWA/LSPA operating expenses and capital costs, that the authority apportions to the specified municipality in accordance with section 5, subject to section 8.
- (2) The amounts owing under subsection 27.2 (2) of the Act by a specified municipality in connection with a Category 2 CWA/LSPA program or service shall be equal to the related Category 2 CWA/LSPA operating expenses and capital costs incurred by the authority, in their entirety, except that the operating expenses and capital costs may be reduced in accordance with section 6 of the Budget and Apportionment Regulation.

APPORTIONMENT OF CATEGORY 1 CWA/LSPA OPERATING EXPENSES AND CAPITAL COSTS

Apportionment

- **5.** (1) The apportionment of Category 1 CWA/LSPA operating expenses and capital costs shall be made among the authority's participating municipalities and any specified municipalities that, in the authority's opinion, benefit from the related Category 1 CWA/LSPA program or service.
- (2) Before apportioning a Category 1 CWA/LSPA operating expense or capital cost under this section, the authority shall determine whether to reduce the amount of the operating expense or capital cost in accordance with section 6 of the Budget and Apportionment Regulation.
- (3) Before apportioning a Category 1 CWA/LSPA operating expense or capital cost, as reduced under subsection (2), an authority shall make the following determinations:
 - 1. If the related Category 1 CWA/LSPA program or service is provided under the Clean Water Act, 2006,
 - i. whether it benefits all of the municipalities in the relevant source protection area, or
 - ii. whether it benefits only one or more, but not all, of the municipalities in the source protection area.
 - 2. If the related Category 1 CWA/LSPA program or service is provided under the Lake Simcoe Protection Act, 2008,
 - i. whether it benefits all of the municipalities in the Lake Simcoe watershed, or
 - ii. whether it benefits only one or more, but not all, of the municipalities in the Lake Simcoe watershed.
 - 3. If the related Category 1 CWA/LSPA program or service benefits all of the municipalities in the source protection area or in the Lake Simcoe watershed, as the case may be, whether one or more of the municipalities' benefit from the Category 1 CWA/LSPA program or service is disproportionate to the benefit obtained by the other municipalities.
- (4) An authority shall use the MCVA apportionment method to apportion a Category 1 CWA/LSPA operating expense or capital cost, as reduced under subsection (2), under this section, subject to subsection (5).
- (5) An authority shall use the benefit-based apportionment method to apportion the following Category 1 CWA/LSPA operating expenses or capital costs, as reduced under subsection (2), under this section:
 - 1. A Category 1 CWA/LSPA operating expense or capital cost that is related to a Category 1 CWA/LSPA program or service that, in the authority's opinion, only benefits one or more, but not all, of the municipalities in the source protection area or Lake Simcoe watershed, as the case may be.
 - 2. A Category 1 CWA/LSPA capital cost that is related to a Category 1 CWA/LSPA program or service that, in the opinion of the authority,

- i. benefits all of the municipalities the source protection area or Lake Simcoe watershed, as the case may be, and
- ii. provides one or more of the municipalities with a benefit that is disproportionate to the benefit provided to the other municipalities.

MCVA apportionment method

- **6.** (1) Under the MCVA apportionment method, the portion of a Category 1 CWA/LSPA operating expense or capital cost to be apportioned to a municipality shall be based on the ratio that the municipality's modified current value assessment bears to the authority's modified current value assessment.
- (2) For the purposes of subsection (1), the modified current value assessment of a municipality shall be determined as follows:
 - 1. For each of the property classes set out in Column 2 of the Table to this subsection, determine the sum of the current value assessment for all the properties in the municipality that are in the property class, if any.
 - 2. Multiply the current value assessment for each property class obtained under paragraph 1 by the factor set out in Column 3 of the Table to this subsection opposite the property class.
 - 3. Determine the sum of the amounts obtained under paragraph 2.
 - 4. Multiply the sum obtained under paragraph 3 by a percentage based on one of the following ratios:
 - i. if apportioning an operating expense or capital cost that is related to a program or service provided under the *Clean Water Act*, 2006, the ratio of the amount of the municipality's land that is in the source protection area for which the authority is the source protection authority under that Act to the total amount of land in the municipality, or
 - ii. if apportioning an operating expense or capital cost that is related to a program or service provided under the *Lake Simcoe Protection Act*, 2008, the ratio of the amount of the municipality's land that is in the Lake Simcoe watershed to the total amount of land in the municipality.

TABLE PROPERTY CLASSES AND FACTORS

Column 1	Column 2	Column 3
Item	Property Class	Factor
1.	Residential/Farm	1
2.	Multi-residential	2.1
3.	Commercial	2.1
4.	Industrial	2.1
5.	Farmlands	0.25
6.	Pipe lines	1.7
7.	Managed Forests	0.25
8.	New multi-residential	2.1
9.	Office Building	2.1
10.	Shopping Centre	2.1
11.	Parking lots and Vacant land	2.1
12.	Large industrial	2.1

- (3) Despite subsection (2), if a municipality is a regional municipality, the modified current value assessment for the regional municipality shall be equal to the sum of the modified current value assessment for all of the local municipalities in the regional municipality, as determined under subsection (2).
- (4) For the purposes of subsection (1), an authority's modified current value assessment shall be equal to the sum of the modified current value assessments for,
 - (a) if apportioning an operating expense or a capital cost that is related to a program or service provided under the *Clean Water Act*, 2006, every municipality in the source protection area for which the authority is a source protection authority under that Act; and
 - (b) if apportioning an operating expense or a capital cost that is related to a program or service provided under the *Lake Simcoe Protection Act*, 2008, every municipality in the Lake Simcoe watershed.

Benefit-based apportionment method

- 7. Under the benefit-based apportionment method, the authority shall,
- (a) evaluate the benefit that each participating and specified municipality obtains from the Category 1 CWA/LSPA program or service to which the Category 1 CWA/LSPA operating expense or capital cost is related; and

(b) allocate to each participating and specified municipality a portion of the Category 1 CWA/LSPA operating expense or capital cost, as reduced under subsection 5 (2), that is based on the ratio of the benefit afforded to the participating or specified municipality by the Category 1 CWA/LSPA program or service, as determined under clause (a), relative to the overall benefit afforded by the program or service to all benefitting municipalities.

Agreements

8. Despite sections 4 to 7, where an authority enters into an agreement with participating municipalities and specified municipalities with respect to the amount that the municipalities owe or will owe with respect to a Category 1 CWA/LSPA program or service provided by the authority, the amount that the specified municipality owes or will owe shall be determined in accordance with the agreement.

COMMENCEMENT

Commencement

9. This Regulation comes into force on the later of the day subsection 8 (1) of Schedule 2 to the *More Homes, More Choice Act, 2019* comes into force and the day it is filed.

Made by: Pris par:

Le ministre de l'Environnement, de la Protection de la nature et des Parcs,

DAVID PICCINI Minister of the Environment, Conservation and Parks

Date made: April 11, 2022 Pris le : 11 avril 2022

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