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August 9, 2016

Dear Head of Council:

I am writing to provide you with an update regarding recent amendments to Ontario Regulation 282/98 under the *Assessment Act*.

As you may know, a commitment to exempt non-profit long-term care homes from property taxation was announced in the 2014 Ontario Budget. The regulation to exempt non-profit long-term care homes from property taxation subsequently took effect on January 1, 2016.

The purpose of this property tax exemption is to provide consistent and equitable property tax treatment to all charitable and non-profit long-term care homes across the province.

Long-term care homes make significant contributions to their local communities, providing high-quality care and services to residents in a safe and supportive environment, and creating jobs in the local area.

The majority of non-profit homes were already exempt from property taxation. As a result, the associated revenue adjustment is expected to be minimal for most of the affected municipalities.

This change was announced in the 2014 Ontario Budget to provide municipalities with time to plan for the revenue adjustment. However, some municipalities that have benefitted from a higher proportion of non-profit long-term care homes have expressed concerns that more time is needed to plan for this change.

In recognition of these concerns, I am pleased to confirm that the Ministry of Finance will be providing eligible municipalities with transitional mitigation for 2016, targeting assistance to those municipalities where the revenue implications represent a more significant proportion of the municipality's total revenue base.

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The one-time transitional funding will support the implementation of this exemption in 2016, and assist municipalities to plan for future years. The Ministry of Finance's Provincial-Local Finance Division will be providing your municipal Treasurers and Clerk-Treasurers with further details.

The province remains committed to working with our municipal partners toward a prosperous and sustainable future. In partnership with communities, Ontario is making significant investments to revitalize infrastructure, connect people and grow the economy.

Sincerely,

Charles Sousa
Minister