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Protect Ontario by Building Faster and Smarter Act, 2025 and Protect Ontario by Unleashing our Economy Act, 2025 Information Report

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In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

The purpose of this report is to provide an overview of two proposed bills: the *Protect Ontario by Unleashing our Economy Act*, 2025 (Bill 5) and the *Protect Ontario by Building Faster and Smarter Act*, 2025 (Bill 17).

Background

On April 17th and May 12th, the Province introduced the *Protect Ontario by Unleashing our Economy Act*, 2025 (Bill 5) and the *Protect Ontario by Building Faster and Smarter Act*, 2025 (Bill 17), respectively, for first reading. These bills, which were introduced by the Minister of Energy and Mines (Bill 5) and the Minister of Municipal Affairs and Housing (Bill 17), propose amendments to various Acts, with the stated intent of expediting the delivery of housing and infrastructure in Ontario. The Province is simultaneously consulting on regulatory proposals that are related to the proposed legislative amendments.

The relevant Environmental Registry of Ontario (ERO) postings are as follows:

- Bill 17: ERO #025-0450
- As-of-Right Variations from Setback Requirements: ERO # 025-0463
- Complete Application Requirements: ERO# 025-0462
- Bill 5: ERO #025-0416

Discussion

Protect Ontario by Building Faster and Smarter Act, 2025 (Bill 17)

Bill 17 proposes a series of legislative amendments intended to accelerate housing and infrastructure delivery by streamlining certain municipal planning processes, modifying development charge frameworks, and limiting the scope of planning application requirements. The Bill includes proposed changes to the *Planning Act*, *Development Charges Act*, *and* Ontario Building Code as described in more detail below.

As-of-Right Minor Zoning Variances

Bill 17 proposes amendments to the *Planning Act* to allow "as-of-right" permissions for minor variances regarding setbacks. Specifically, it would permit a reduction of up to 10% from the in-effect zoning setback provisions (called "setback distances") without requiring a minor variance application (ERO 025-0463). This flexibility would only apply to urban residential lands outside of the Greenbelt, and exclude prescribed areas defined in the *Planning Act* (e.g., hazard lands, shorelines, and lands near railways). Once a building permit is issued (and not revoked) or a legal use is established, the applicable setback provisions that are in effect at that time will continue to apply, regardless of any future amendments to the by-law. The term "setback distance" is defined as "the distance that a building or structure must be setback from a boundary of the parcel on which the building or structure is located," as set out by the applicable zoning by-law. For clarity, in instances where such relief is required, no application would be necessary; the relief would be as-of-right.

Limiting Study Requirements for Planning Applications

Bill 17 also proposes to restrict the studies municipalities can require for applications, such as official plan amendments, zoning-by-law amendments, site plan control, plans of subdivision, and consents. A municipality's official plan may only require additional information and materials (beyond prescribed information and materials), in accordance with regulations. The Minister of Municipal Affairs and Housing (the "Minister") would have the authority to make regulations:

- Governing information and material that may or may not be required for different types of planning applications, and providing that such requirements prevail over requirements in an official plan.
- Specifying topics that cannot be required for deeming a complete application (e.g., currently proposed to include sun/shadow, lighting and wind studies, and urban design information and/or materials as proposed in ERO 025-0462).

In addition, a municipality would have to obtain written approval from the Minister before adopting an amendment to its official plan that adds, amends, or revokes any

requirements for a complete application. If such approval is not obtained prior to adopting an amendment, the amendment is deemed not to have been adopted.

Mandatory Acceptance of Reports from Prescribed Professionals

Bill 17 would amend the *Planning Act* to provide that prescribed or other information required for all planning applications is deemed to meet applicable requirements if the information or materials are prepared by a person authorized to practice a prescribed profession. The reports and studies submitted by a prescribed professional would be required to be accepted as final submissions by a municipality as part of a complete planning application.

Minister Zoning Orders with Conditions

Bill 17 proposes to amend Section 47 of the *Planning Act* to enable the Minister to impose binding conditions on Minister Zoning Orders (MZOs). These conditions would be enforced through agreements with the Minister or the municipality, registered on title. Projects will not be permitted to proceed until the Minister confirms that the conditions of the MZO have been met.

Streamlining Approvals for Schools and Portables

The legislation proposes to permit elementary and secondary schools or "any ancillary uses to such schools" by right, including childcare facilities on residentially zoned urban lands. The Province also proposes to exempt the placement of school portables on school sites from site plan control.

Other potential planning changes

Although not identified in Bill 17, the Technical Briefing indicates that the Province is looking into future changes that may affect the *Planning Act*, including consulting on opportunities for making provincial policy tests inapplicable to all of the MMAH's decisions on a case-by-case basis to enable priorities, and not for broad routine use, and updating the provincial growth planning guidance to better align municipal growth with provincial forecasting.

Changes to Development Charges (DCs)

Bill 17 would amend the *Development Charges Act* to provide that DC payments would be deferred for all residential developments until an occupancy permit is issued under the Ontario Building Code or the building is occupied, whichever comes first, rather than at the time of building permit issuance. If no occupancy permit is required, the Town may require the developer to provide a financial security (letter of credit or bond) at the time of building permit issuance to secure payment of the DCs. This change may impact the timing and financing of infrastructure projects that rely on DC funding or may require adjusting capital planning to account for this deferred revenue stream.

Bill 17 would allow DC credits to be applied across merged service categories. Merged service categories refer to the grouping of distinct infrastructure services (roads, water, wastewater, parks, and libraries) into broader categories to calculate and apply development charges. This means that if a developer earns a credit for contributing to one service, such as wastewater, that credit could also be used to offset charges for another service provided if both fall under the same merged category. The specific services that can be merged and how they are grouped would be determined by municipal development charge by-laws, as directed by future provincial regulations. The proposed amendments would also include a definition of the term "local services" to standardize what infrastructure is considered local services and may be included as a condition or in an agreement related to a plan of subdivision or consent approval.

Municipalities, under the proposed changes, would have the ability to reduce DC rates without undergoing the full procedural requirements typically required for passing or amending a DC By-law under the *Development Charges Act, 1997*. Increasing or decreasing rates generally requires preparing a background study, holding public meeting(s), providing notice, and allowing for appeals. The proposed changes would allow a municipality to make reductions to DCs without triggering this full process. The change does not apply to increases in DCs. When municipalities plan and fund new infrastructure, such as roads, water mains, or community facilities, some of that infrastructure may also benefit existing residents and businesses, and not solely the new development. Under the current framework, municipalities must estimate what portion of the infrastructure cost benefits existing development and deduct that amount from the total cost before calculating DCs. The proposed changes would allow the Minister to prescribe a uniform methodology for calculating the benefit to existing developments.

Other proposed changes include expanded reserve fund spending requirements which would direct that annual reporting on reserve fund spending be for all services with provisions related to the accessibility and clarity of DC-related financial reporting including standardizing reporting requirements. Finally, the bill proposes exemptions from DC payments for long-term care homes.

Proposed Ontario Building Code (OBC) Changes

Bill 17 proposes amendments which would prevent municipalities from imposing construction standards beyond those in the OBC (e.g., mandatory green development standards tied to the building permit process), removing secondary provincial approvals for materials already approved by the Canadian Construction Materials Centre, and supporting the use of modular water systems.

Amendments are also proposed which would result in the Town being able to encourage, but not mandate, sustainable or accessible design features which are not included in the OBC. Additionally, accessibility measures for universal design features at a higher standard than the provincial minimums, or restrictions on materials such as

wood-frame construction above a certain height, may only be permitted if explicitly authorized in the OBC.

Protect Ontario by Unleashing our Economy Act, 2025 (Bill 5)

Replacement of Endangered Species Act, 2007, with the Species Conservation Act, 2025

Bill 5 proposes repealing the *Endangered Species Act, 2007*, and replacing it with the new *Species Conservation Act, 2025*. The legislation proposes narrowing the definition of "habitat" as the place where an animal lives (or a plant's critical root system) and the immediate area surrounding where it lives and is dependent upon for its survival. The definition would be subject to prescribed regulations. Newmarket does not have a definition of "habitat" in its Official Plan or Zoning By-laws and currently relies on the terms defined in the York Region Official Plan, 2022.

Under the proposed legislation, the Lieutenant Governor in Council would have the discretion to decide which species classified by the Committee on the Status of Species at Risk in Ontario (COSSARO) are added to the official list of protected species. If a species is removed from the list or its status is downgraded (e.g., from endangered to special concern), the protections and requirements under the Act cease to apply immediately. This includes the termination of any related permits, agreements, or orders.

Amendments to the *Ontario Heritage Act, 1990*, and the new *Special Economic Zones Act, 2025*

Bill 5 proposes amendments to the *Ontario Heritage Act*, 1990 as amended (OHA). The amendment would allow the Minister of Citizenship and Multiculturalism to exempt a property from an archaeological assessment or from any Part IV Regulation (Conservation of Property of Cultural Heritage Value or Interest) to advance provincial priorities. New Section 51.2 of the OHA would allow the Minister to issue inspection orders for archaeological sites to determine the presence of artifacts, on land or underwater. Findings would be required to be reported to the Minister and the landowner. The Minister could also issue assessment orders to prevent the alteration or removal of artifacts until licensed archaeological fieldwork confirms no further cultural heritage value.

Special Economic Zones (SEZs)

Bill 5 also introduces SEZs, designated areas where the Province may relax or waive regulatory requirements to expedite priority projects, such as mineral extraction, or housing and infrastructure-related development. Details such as criteria for designation, geographic locations, and implementation rules are not set out in Bill 5 and will be established through future regulation.

Consultation

The Environmental Registry of Ontario (ERO) postings identify the consultation period closing on May 17th (Bill 5) and June 26th (Bill 17). Most of the schedules in Bill 5 and Bill 17 will come into force on Royal Assent, except for certain identified provisions.

Conclusion

Bills 5 and 17 propose changes that affect the Town's policies and processes related to development charges, complete application requirements, as-of-right minor variances for setbacks, heritage protections, and policies related to the environment, among other matters. As these bills advance, Staff will monitor any changes to assess the potential impacts on the Town's ongoing Official Plan Review and the Housing Needs Assessment and Inclusionary Zoning study. Further updates will be provided as additional details become available.

Council Priority Association

This report aligns with the following Council Priority: Community and Economic Vibrancy

Human Resource Considerations

None.

Budget Impact

None.

Attachments

None.

Approval for Distribution

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Report Contact

For more information on this report, contact <u>info@newmarket.ca</u>.