

June 2006

## **Qs & As**

### *Bill 53 and the new City of Toronto Act*

#### **Q. What is Bill 53 and the new City of Toronto Act?**

All municipalities, large and small, can only govern themselves in ways specifically set out by the Ontario government in provincial laws and regulations. These provincial laws establish, and limit, the powers City Council has to legislate, raise revenue, provide services and otherwise properly govern Toronto (the “legislative framework”).

Bill 53, the *Stronger City of Toronto for a Stronger Ontario Act*, was passed on June 12, 2006 by the Ontario Legislature. It enacts a new *City of Toronto Act* (“new Act”) that creates a new legislative framework for the City of Toronto. The new framework includes broader legislative and revenue tools and options, more robust enforcement measures and enhanced accountability mechanisms.

#### **When does the new City of Toronto Act take effect?**

With the exception of some heritage preservation measures which are in force now, the new *Act* will come into effect on a date to be determined by the provincial government. The City has asked for proclamation on December 1, 2006. This will ensure that the new governance and accountability measures are available when the new Council is in place. Council can then establish priorities for its four-year term under the new legislative framework.

#### **How and when will the new Act benefit the City’s residents?**

Proclamation of the *Act* will not in itself affect the delivery of City services, i.e. it will be “business as usual” in the short-term.

However among other important measures, the new *Act* provides a broad and permissive approach to Council’s powers and authorities. Instead of focusing on trying to find the specific authority to act, Council will be able to shift its focus and approach its goals and priorities more creatively and strategically.

For example, the new *Act* broadens Council’s ability to delegate its authorities and better organize the delivery of city services. Council will be able to spend more of its time on policy-making, strategic planning and priority setting. This will help the City better meet the economic, social and environmental challenges in a rapidly changing global economy and continue providing the high quality services communities and residents need.

#### **What is the relation between the new Act and City governance reform?**

The new powers and responsibilities in the *Act* provide both an opportunity and a requirement to reform the current governance system. The *Act* includes sections that describe the role of Council, the role of City staff and the role of the mayor as head of Council and as chief executive

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officer of the City. Council will be able to set its own ward boundaries, elect a Speaker by secret ballot, delegate to the mayor the authority to appoint the deputy mayor and change the composition of Council, with certain conditions.

Moreover it also provides greater authority for Council to delegate certain legislative, quasi-judicial and administrative powers and responsibilities to council committees, local boards, city corporations and staff, with certain limitations.

While the broad powers under the *Act* allow Council to establish its own governance structure, the Province has reserved the ability to impose a governance structure by regulation. The Premier has indicated that the province considers governance reform to be a very important and necessary part of the new authorities under the *Act*.

### **What are the new revenue powers?**

The new *Act* provides the City with the ability to access a broader range of financial tools needed to achieve the City's policy objectives and pay for the level of city services established by Council. However unlike some other jurisdictions, the *Act* prevents City access to taxes that grow with the economy, such as income tax and most sales taxes.

The City will continue to undertake a strong consultation process in deciding whether, and to what extent, any new revenue tools are needed to meet the City's needs.

### **Will the new Act solve the City's financial challenges?**

The province has agreed that the new revenue powers will not in themselves resolve the City's long-term fiscal imbalance, its infrastructure deficit or ensure financial sustainability. These can only be addressed through discussions and agreements with the provincial and federal governments regarding roles, responsibilities and resources.

However, the new *Act* supports stronger inter-governmental relations. It mandates a formal agreement with the province for ongoing consultation based on mutual respect and recognizes the City's authority to enter into agreements with other governments, including the government of Canada.

### **What are the next steps?**

Many of the new powers under the *Act* are at the discretion of Council to determine whether, and to what extent, they should be implemented. City staff will be reviewing the new *Act* to identify for Council's consideration any new provisions that are needed to prepare for proclamation, such as several new governance and accountability measures.

Staff will also continue work with provincial officials on developing new Regulations under the *Act* and the agreement with the Province for ongoing consultation and cooperation.

In addition, the *Act* includes provision for legislative review after two years and every five years thereafter. This will help provide a structure for the City and the Province to assess how well the new *Act* is working and to make additional amendments to further benefit Toronto and Ontario.

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