

THE REGIONAL MUNICIPALITY OF PEEL

BY-LAW NUMBER 21-2020

**A by-law to establish interest rates and impose interest charges on instalment payments of development charges pursuant to Section 26.1 of the *Development Charges Act, 1997* and on development charges determined under the development charge by-law at the date of a site plan or rezoning application pursuant to Section 26.2 of the *Development Charges Act, 1997*.**

WHEREAS pursuant to subsection 26.1(7) of the *Development Charges Act, 1997*, S.O. 1997, c. 27 (the "Act"), The Regional Municipality of Peel (the "Regional Corporation") may charge interest on the instalments for development charges required by subsection 26.1(3) of the Act for rental housing, institutional, and non-profit housing from the date the development charge would have been payable under Section 26 of the Act to the date an instalment is paid;

AND WHEREAS, pursuant to Section 26.2(3) of the Act, the Regional Corporation may charge interest on a development charge determined under the development charge by-law on the date of an application for a site plan approval or for a zoning by-law amendment stipulated in clause 26.2(1)(a) or (b) of the Act, from the date stipulated to the date the development charge is payable; and

NOW THEREFORE, the Council of the Regional Corporation enacts as follows:

**Development Charge Interest Rates Imposed**

1. That an interest rate, which may be referred to as the DC Deferral Interest Rate, of zero percent (0%) per annum is imposed pursuant to subsection 26.1(7) of the Act on instalments required by subsection 26.1(3) of the Act, to be applied from the date the subject development charges would, but for subsection 26.1(3) of the Act, have been payable under Section 26 of the Act to the date each instalment is paid.
2. That an interest rate, which may be referred to as the DC Freeze Interest Rate, of five and a half percent (5.5%) per annum is imposed on the development charge determined under section 26.2 of the Act pursuant to subsection 26.2(3) of the Act, to be applied from the date referred to in clause 26.2(1)(a) or (b) of the Act, as applicable, to the date the development charge is payable.
3. Despite Section 2 of this by-law where a building permit for a development has been issued prior to August 1, 2020 by a local municipality for the development in respect of which a development charge is levied, the DC Freeze Interest Rate provided for by Section 2 of this by-law shall be zero percent (0%) per annum.

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- 4. Interest shall be compounded on any unpaid amounts of interest accrued when due. Any arrears of interest or compound interest shall be added to the principle amounts on the payment due date and interest at the rate provided for in this by-law shall be charged on such increased principle amounts.
  
- 5. The Regional Corporation may accept one or more payments of development charges at an earlier date than would have been permitted under Section 26.1 of the Act, with interest at the DC Deferral Interest Rate provided for in this by-law accrued from the date that a building permit has been issued for the development which is subject to the payment of development charges.
  
- 6. The Chief Financial Officer is authorized to execute development charges payment agreements , to execute agreements under Section 27 of the Act for payment before or after payments would otherwise be payable, and to require any security which he or she deems necessary to the proper implementation or administration of the collection of development charges, upon legal terms satisfactory to the Regional Solicitor and upon business terms satisfactory to the Chief Financial Officer.

READ THREE TIMES AND PASSED IN OPEN COUNCIL this 9<sup>th</sup> day of July, 2020.

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Regional Clerk

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Regional Chair