

Backgrounder

Regulation and Fee Changes Coming Into Force July 1, 2017

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Ontario is committed to modernizing the regulatory system and reducing red tape for businesses. Since 2011, Ontario's burden reduction initiatives have saved businesses and other stakeholders a total of \$152 million and 6.5 million person hours. They include:

- The Red Tape Challenge -- an online consultation designed to identify and eliminate duplication, lessen compliance burdens, shorten response times and make it easier for business to interact with government
- Creating the Regulatory Burden Reduction Team and the Regulatory Modernization Committee to address regulatory bottlenecks
- Passing the Burden Reduction Act, 2017 in March, which will save businesses up to \$31 million while helping to avoid new costs to businesses of up to \$200 million.

To further help small businesses grow and cut red tape, Ontario is proposing additional measures to be introduced this fall, including offsetting every \$1 of new administrative costs to business by removing \$1.25 of old and unnecessary costs.

The following legislative and regulation changes will come into effect on July 1, 2017, listed alphabetically by ministry:

Ministry of Agriculture, Food and Rural Affairs

Rules under the Farm Implements Act are being amended to reflect the harmonization of the Canadian Standards Association and International Organization for Standardization standards. These standards protect agricultural equipment operators from injuries caused by vehicle overturns or rollovers.

Ministry of the Attorney General

New provisions under the Election Act come into force, including:

- Requiring the Chief Electoral Officer (CEO) to create a provisional register for 16 and 17 year-olds, with the minimum age to vote remaining 18
- Creating a new streamlined nomination, registration and endorsement process for candidates
- Giving authority to the CEO to ensure registered political parties have access to all products containing elector information that are currently provided to candidates
- Requiring the CEO to provide a copy of the register of absentee electors, with all mailing addresses redacted, to each registered party

- Giving the CEO authority to issue fines to multiple residence building owners and condominium corporations if canvassers are denied access to these buildings
- Helping voters get to the polls by standardizing advance voting location hours across all locations
- Allowing the CEO to redact information from the Permanent Register of Electors of Ontario (PREO) at the request of the elector, if they believe that sharing this information would endanger the life, health or security of the elector
- Requiring the PREO to contain a unique identifier for each elector that will be assigned by the CEO
- Limiting the type of information shared from the PREO to names, unique identifiers, and mailing and permanent addresses of electors
- Requiring political parties to disclose a privacy policy that meets specific guidelines in order to receive a copy of the PREO
- Following an election, ensuring the inspection of ballots and other documents only happens under order of a judge
- Allowing candidates or their representatives to receive strike-off data on polling day, and political parties to receive this information after the election.

Under the new provisions to the Election Finances Act, nomination contestants will be required to register to receive contributions and incur expenses, and to report on these activities. Nomination contestants will also be subject to a spending limit. There will also now be a limit on contributions to nomination contestants.

There are amendments to regulations under the Courts of Justice Act, including:

- To help speed up the release of a will on deposit with the court, court staff will be able to release the will to the estate trustee's lawyer and clarify the process to obtain the release of a will on deposit with the court where there are multiple estate trustees
- Clarifying and simplifying procedures in the Court of Appeal
- Requiring that a panel of the Divisional Court, rather than a single judge of the Superior Court, determine the issue of leave to appeal temporary orders in the Divisional Court
- Requiring time estimates for oral arguments to be provided on judicial review applications and motions before the Divisional Court
- Changing the French translation of the term "panel (of the court)" to ensure accuracy
- Using gender neutral terminology where possible on 11 Family Law Rules to be consistent with the language used in the All Families are Equal Act.

The Liquor Licence Act will be amended to revoke:

- The 60-day grace period to complete server training after first being employed or contracted with a licensed liquor delivery service or by a liquor sales licence holder
- The 60-day grace period to complete server training after first being employed or contracted with a licensed liquor delivery service in the French version of the general regulation.

Ministry of Children and Youth Services

A regulation under the Child and Family Services Act has been amended to reduce the financial burden on adoption agencies. This regulation change will eliminate the \$200 application fee that adoption agencies had to pay to become newly licensed adoption agencies or pay annually to renew their existing licences. Reducing the financial burden on adoption agencies means they can focus resources on what matters most -- serving families and helping children and youth find forever homes. The regulation under the Intercountry Adoption Act was also amended to eliminate the \$1,800 annual licensing fee.

Ministry of Education

The Education Act has been amended to remove requirements to follow specific provisions when determining fees for board-operated before- and after-school programs. The regulation continues to require that board-operated programs run on a cost-recovery basis.

Ministry of Energy

Net metering is a billing arrangement that allows customers to generate renewable energy onsite for their own use, and to receive bill credits for any surplus electricity sent to the grid. Ontario is making changes to a regulation under the Ontario Energy Board Act that has been in place since 2005 and establishes requirements for energy distributors to offer net metering upon request to Ontario electricity customers. The changes will:

- Enable pairing of renewable energy systems with energy storage systems
- Remove the 500 kilowatt (kW) project capacity size limit
- Clarify that electricity bill credits can be carried forward for up to a consecutive 12-month period
- Allow participants with existing net metering agreements the option of entering into new agreements under the amended regulation.

This summer, Ontario will lower electricity bills by 25 per cent on average for all residential customers and as many as half a million small businesses and farms to provide significant rate relief and ensure greater fairness. Lower-income Ontarians and those living in eligible rural and northern communities will receive even greater reductions, as much as 40 to 50 per cent. As part of this plan, rate increases will be held to the rate of inflation for four years. These changes are the next step in the implementation of Ontario's Fair Hydro Plan, and would establish most of the necessary regulations under the Ontario Energy Board Act, 1998; Ontario Rebate for Electricity Consumers Act, 2016; and Ontario Fair Hydro Plan Act, 2017.

Electricity bills

Electricity bills regularly include information to keep customers informed on a variety of topics, such as changes to rates, program updates and application information. To support transparency and communicate the changes made under Ontario's Fair Hydro Plan, electricity bills will:

- Include information related to the Fair Hydro Plan and its impact on invoices
- Include a descriptive bill insert -- once every quarter within a 12-month period, beginning with the first invoice issued on or after July 1, 2017

- Remove information about the Debt Retirement Charge on invoices
- Remove the "8 percent provincial rebate" information from invoices and envelopes.

Electricity support programs

The regulations will define eligibility scope, reimbursement process for local distribution companies, reporting, record-keeping and auditing requirements for the following programs:

- Ontario Electricity Support Program (OESP) -- enable the Ministry of Community and Social Services to support delivery of the OESP by aligning it with social assistance programs, and ensure that anyone deemed financially eligible for social assistance is also eligible for the OESP
- First Nations Delivery Credit -- defines eligibility to include all residential (residential rate class) First Nations customers living on-reserve, as defined by the federal Indian Act, who will receive a 100 per cent credit of the delivery line on their monthly electricity bills, and facilitates the creation of a payment process to be funded by the government
- Distribution Rate Protection (DRP) -- establishes a mechanism for the Ontario Energy Board to calculate maximum monthly distribution charge for prescribed consumers and facilitates the creation of a payment process to reimburse distributors to be funded by the government
- Rural or Remote Rate Protection (RRRP) -- this program, which helps to offset the higher costs to distribute electricity to Ontario residents who live in rural or remote locations, will now have the majority of its costs funded by the government instead of by ratepayers; for a majority of customers receiving this rate protection, a fixed monthly credit of \$60.50 is prescribed in regulation.

Global Adjustment (GA)

To relieve the current burden on ratepayers and share electricity costs more fairly, a portion of the GA is being refinanced. Refinancing the GA would provide significant and immediate rate relief by spreading the cost of electricity investments over the expected life cycle of the infrastructure that has been built. In the early years, a portion of the costs covered by the GA would be refinanced to reduce pressure on today's electricity ratepayers. In later years, the cost of refinancing would be recovered from ratepayers.

The regulations will support the required calculations related to refinancing of the GA, including:

- Defining the roles and responsibilities of the Financial Services Manager and Independent Electricity System Operator (IESO) in relation to the refinancing of the GA
- Ensuring that the IESO has the authority it needs to make the appropriate adjustments in the amounts it collects from local distributors and others, and that those distributors and others reflect those adjustments in the amounts they collect from consumers
- The required rate reductions for regulated rate consumers, and the adjustments that need to be made for those who are not regulated rate consumers
- The methodology for determining electricity rates and adjustments to GA costs after April 30, 2018
- The flow-through of rates and adjustments in circumstances involving unit sub-metering.

The Energy and Water Reporting and Benchmarking (EWRB) initiative was introduced to help building owners improve their building's energy and water efficiency. EWRB is the review of a building's energy and water performance to determine how it is changing over time in comparison to other similar buildings. Ontario is establishing a new regulation to clarify details such as whom, how and when building owners are required to report their data to the government.

Ministry of the Environment and Climate Change

To improve the quality of drinking water in Ontario and ensure that Ontario remains a leader in drinking water protection, new amendments under the Safe Drinking Water Act will:

- Simplify the operator certification process for operators-in-training
- Simplify and provide greater clarity on reporting requirements and other housekeeping items
- Improve access to and require more timely reporting of all drinking water test results
- Enhance Ontario's drinking water quality standards by adding, removing and adopting Health Canada's standards for certain contaminants
- Enhance lead sampling, flushing and filter requirements for schools, private schools and child care centres.

To help Ontario transition to the new waste-free Ontario framework, amendments to the Used Tire regulation under the Waste Diversion Transition Act will support closure of the Used Tires Program and the Ontario Tire Stewardship.

Ministry of Finance

Amendments to the Alcohol and Gaming Regulation and Public Protection Act will improve margins for spirits manufacturers by replacing the current LCBO mark-up and commission structure with a tax on spirits sold at distillers' on-site stores. An exemption for promotional distribution of a specified annual amount will also be allowed. These changes will help distillers to attract new customers and grow their businesses.

The Budget Measures Act (Housing Price Stability and Ontario Seniors' Public Transit Tax Credit) includes a new Ontario Seniors' Public Transit Tax Credit that will help seniors use transit systems in all regions of the province. Starting July 1, 2017, the refundable credit will be equal to 15 per cent of a senior's eligible public transit costs for anyone aged 65 or older at the beginning of the year. The Ontario Seniors' Public Transit Tax Credit applies for the 2017 and subsequent tax years. However, for the 2017 taxation year only costs for the use of public transit services between July 1 and December 31 will be eligible for the credit.

To increase efficiency, Ontario amended the Financial Services Commission of Ontario Act to give the Financial Services Tribunal the discretion of combining tribunal proceedings without requiring the consent of the parties to the proceedings. The amendment also allows the tribunal to treat evidence admitted in one proceeding as if it were also admitted in another proceeding heard at the same time, also without the consent of the parties.

Amendments under the Pension Benefits Act include:

- Allowing and prescribing when the Superintendent of Financial Services can issue a special order that would require an administrator of a defined benefit pension plan to file a new valuation report -- this

would provide the Superintendent with an expedited method of obtaining new information about the status of a pension plan

- Expanding the current powers of the Superintendent of Financial Services that will require an administrator of a defined benefit pension plan to file a new valuation report if the assumptions and methods used in a previously filed report are inappropriate for the plan, regardless of whether the report was prepared according to accepted actuarial practice
- Providing sponsors with temporary relief from potential contribution increases while the government works to implement the new funding framework for defined benefit pension plans that will generally reduce sponsor contribution requirements to these plans
- Extending the existing solvency funding exemption for certain multi-employer pension plans, known as specified Ontario multi-employer pension plans, for an additional year. These temporary rules are set to expire on August 31, 2017. This will allow the necessary time to develop a permanent funding and regulatory framework for these pension plans.

Office of Francophone Affairs

Regulations under the French Language Services Act are being amended to partially designate Georgian Bay General Hospital and fully designate Centretown Community Health Centre Inc. as French language services providers.

Ministry of Government and Consumer Services

Amendments to the Vintners Quality Alliance Act will create a new VQA wine category, which defines production and labelling standards for wines made from white- or pink-skinned grapes using methods typical for red wines.

Ministry of Health and Long-Term Care

The new Quality of Care Information Protection Act will come into force to replace the current act, together with accompanying regulations and changes to a related regulation under the Public Hospitals Act (PHA) to help increase transparency and improve and maintain quality in Ontario's health care system. The updated act enables health care providers and other relevant parties to continue to have protected quality improvement discussions, including discussions about critical incidents, in order to help improve patient safety and ensure such incidents are not repeated in the future. At the same time, the updated act provides greater clarity for patients and their representatives and, together with the changes to the PHA regulation, helps ensure that information from discussions following critical incidents involving patients is shared with them.

The regulations under this act that are coming into force are substantively similar to existing regulations under the current act.

The changes to the regulation under the PHA that are coming into force include requirements for hospitals to:

- Establish a system for ensuring that a hospital committee reviews every critical incident as soon as is practicable after the incident occurs
- Include a patient relations representative in every critical incident review
- Offer to interview the affected patient or their representative when reviewing a critical incident

- Disclose the cause of a critical incident, if known, to patients/representatives
- When requested by the minister, share critical incident data for the purposes of conducting analyses and sharing information to support quality improvement activities.

A regulation under the Health Insurance Act will be amended to provide more flexibility for government, in the future, to accept applications for OHIP card renewals or new cards in person or in other formats.

A regulation under the Homes for Special Care Act will come into force that will increase the per diem rate paid to licensees that operate Homes for Special Care. Homes for Special Care provide room, board and assistance with daily living for tenants with serious mental illness across the province. This increase is a first step in modernizing the Homes for Special Care Program, to put a greater focus on independence and recovery, as committed to in Ontario's Long-Term Affordable Housing Strategy Update.

Ministry of Housing

Amendments to regulations under the Housing Services Act will exempt from the Land Transfer Tax (LTT) the transfer of two social housing projects and two affordable rental housing projects to other non-profit housing providers in their communities. This is consistent with the government's practice of allowing LTT exemptions to facilitate transfers of social and affordable housing from one non-profit housing provider to another.

Ministry of Labour

Amendments to the Crown Employees Collective Bargaining Act will change the composition of the Grievance Settlement Board, a provincial adjudicative agency that resolves grievance disputes involving Crown employers and unions. The amendments will establish a new model that includes a roster of mediator-arbitrators, as well as a chair and two alternate chairs. Currently, the board is composed of a chair and vice chairs appointed through Order-in-Council. The changes to the board structure are a balanced approach that will result in a more expedited and accountable grievance settlement process.

Ministry of Municipal Affairs

After an extensive two-year consultation process, the Ministry of Municipal Affairs is:

- Amending the Greenbelt Area boundary regulation to add close to 10,000 hectares of land to the Greenbelt Area
- Making administrative changes to an existing regulation under the Places to Grow Act to support implementation of the updated Growth Plan for the Greater Golden Horseshoe.

Amendments to the Oak Ridges Moraine Conservation Plan regulation will protect natural heritage and water resources, support the viability of agriculture, promote the government's climate change priorities and address the impacts of excess soil movement. The amendments will also better align and co-ordinate with the various policies of the Growth Plan for the Greater Golden Horseshoe, the Greenbelt Plan and the Niagara Escarpment Plan.

In support of Ontario's Long-Term Affordable Housing Strategy, amendments to the Building Code establish separate construction requirements for new retirement homes and make it easier for Ontarians to build secondary suites in new homes. These amendments will help maintain public safety while reducing construction costs.

Ministry of Natural Resources and Forestry

The ministry is making changes to the Crown Forests Sustainability Act to simplify processes for the forestry sector by implementing three revised planning manuals. It is also updating the rules for operating aggregate pits in Crown Forests.

Additionally, changes to regulations under the Fish and Wildlife Conservation Act will simplify small game rules for hunters in central and northern Ontario while helping maintain these wildlife species' population levels.

Ministry of Transportation

Beginning July 1, 2017, a number of changes to statutes and regulations under the Highway Traffic Act (HTA) come into force:

- The definition of road-building machines will be amended to clearly distinguish between traditional road-building machines (slow-moving vehicles used at construction sites) and vehicles that are designed to be driven on the highway. Road-building machines are exempt from many obligations under the HTA, including registration. Vehicles that no longer meet the new definition will be subject to the same fees, safety requirements and oversight as other commercial vehicles. The changes are intended to improve road safety and create a level economic playing field, ensuring that all operators contribute their fair share of tax and licence plate fees
- Amendments related to the registration and inspection of mobile cranes and concrete pumps to support compliance with new vehicle registration requirements.
- A 10-year pilot will allow low-speed vehicles on roads with a speed limit of up to 50 km/h, provided they meet federal standards and safety requirements and are permitted by municipalities. This pilot will encourage innovation in the automotive sector, and could help reduce greenhouse gas emissions and improve air quality.

Drivers seeking a commercial Class A licence must complete mandatory entry-level training before attempting their Class A road test. The new provincial training standard will teach drivers the knowledge and skills needed to safely operate heavy trucks and tractor trailers on Ontario's roads.

NEW FEES AND FEE INCREASES

Ministry of Transportation

MTO is updating the knowledge and road tests for all commercial class licences (Class A, B, C, D, E and F) to ensure new commercial drivers can demonstrate the knowledge and skills needed to drive safely. Effective July 1, 2017, knowledge test fees will increase from \$15.75 to \$23.25 and road tests fees will increase from \$89.25 to \$96.75, to help recover the costs of updating the tests.