

The Corporation of the Town of Essex

By-Law Number 2030

Being 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 Town 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 Corporation of the Town of Essex (the "Town") 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 otherwise 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 Town may charge interest on a development charge determined under its 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 be it resolved that the Council of the Corporation of the Town of Essex enacts as follows:

Development Charge Interest Rates Imposed

1. That an interest rate, which may be referred to as the DC Deferral Interest Rate, such rate being the applicable Infrastructure Ontario rate plus two percent (2%) per annum, be hereby 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, such rate being the applicable Infrastructure Ontario rate plus two percent (2%) per annum be hereby imposed on the development charges 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 Interest Rate provided for by Section 2 of this by-law shall be zero percent (0%) per annum.
4. Interest shall be compounded annually 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. Pursuant to Section 27(1) of the Act, the Town may (by way of early payment agreement) 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. In accordance with Section 398(2) of the Municipal Act, the Town may add any unpaid amounts or charges under this By-Law to the tax roll and collect them in the same manner as property taxes.
7. The Treasurer and/or Deputy Treasurer 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 Town Solicitor and upon business terms satisfactory to the Treasurer and/or Deputy Treasurer.
8. This by-law shall come into full force and effect upon the final passing thereof.

Read a first, a second and a third time and finally passed on June 7, 2021

Mayor

Clerk