

PROVINCE OF BRITISH COLUMBIA
REGULATION OF THE MINISTER OF
HOUSING AND MUNICIPAL AFFAIRS

Local Government Act

Ministerial Order No. M197

I, Ravi Kahlon, Minister of Housing and Municipal Affairs, order that, effective January 1, 2026, the Development Cost Charge and Amenity Cost Charge (Instalments) Regulation, B.C. Reg. 166/84, is amended as set out in the attached Schedule.

June 30, 2025

Date



Minister of Housing and Municipal Affairs

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Local Government Act*, R.S.B.C. 2015, c. 1, ss. 559, 570.2 and 572

Other:

R10917317

SCHEDULE

1 *The Development Cost Charge and Amenity Cost Charge (Instalments) Regulation, B.C. Reg. 166/84, is amended by repealing the title and substituting the following:*

DEVELOPMENT CHARGE (INSTALMENTS) REGULATION .

2 *Section 1 is amended*

(a) *by adding the following definition:*

“Act” means the *Local Government Act*; ,

(b) *by repealing the definition of “charge” and substituting the following:*

“charge” means a charge imposed under any of the following provisions of the Act:

(a) section 559 (1) [*development cost charges*];

(b) section 570.2 (1) [*amenity cost charges*];

(c) section 572 (1) [*school site acquisition charges*]; , **and**

(c) *by adding the following definition:*

“index date”, in relation to a charge, means the date of the subdivision approval or issuance of a building permit to which the charge relates.

3 *Section 4 is repealed and the following substituted:*

Payment of charge

4 A developer who elects to pay a charge in instalments must pay

(a) 1/4 of the charge on the index date, and

(b) the balance of the charge by the earlier of

(i) the date that is 4 years after the index date, and

(ii) if occupancy permits are required under section 298 (1) (d) [*building regulation bylaws*] of the Act in relation to the development, the date that is 15 business days after the date on which

(A) all of the required occupancy permits have been issued, and

(B) the local government gives written notice to the developer that the conditions, if any, in those permits have been satisfied and payment of the balance of the charge is due.

4 *Section 7 is repealed and the following substituted:*

Surety for payment of charge

7 (1) A developer who elects to pay a charge in instalments must, on the index date for the charge, deposit with the financial officer a surety in the form of

(a) an on-demand surety bond of an insurer that has a business authorization issued under the *Financial Institutions Act*,

- (b) an irrevocable letter of credit from
 - (i) a bank, or
 - (ii) a credit union or trust company that has a business authorization issued under the *Financial Institutions Act*, or
- (c) a security duly assigned.

(2) Subject to subsection (4), a financial officer may decline to accept the deposit of a surety under subsection (1) if the financial officer is not satisfied that, on default, the balance of the charge will be recoverable.

(3) For certainty, subsection (2) does not authorize a financial officer to require or prohibit deposit of a form of surety described in subsection (1) (a), (b) or (c).

(4) Subsection (2) does not apply in relation to an on-demand surety bond for a charge if the following criteria are met:

- (a) the insurer who issues the bond has one of the following credit ratings:
 - (i) a rating of at least A- from AM Best;
 - (ii) a rating of at least A+ from Fitch Ratings;
 - (iii) a rating of at least A1 from Moody's;
 - (iv) a rating of at least A (high) from Morningstar DBRS;
 - (v) a rating of at least A+ from S&P Global Ratings;
- (b) the bond provides the following:
 - (i) the insurer must pay the local government the balance of the charge within 15 business days after the local government demands payment from the insurer in accordance with subparagraph (ii);
 - (ii) a demand referred to in subparagraph (i) must be made in writing and must include
 - (A) a statement that the local government has determined that the developer has failed to pay the balance of the charge in accordance with section 4 (b), and
 - (B) the balance of the charge;
 - (iii) a payment referred to in subparagraph (i) must be made despite any objection by the developer, and the insurer may not assert any defence or other grounds for not making the payment;
 - (iv) the insurer may not terminate its obligations under the bond unless
 - (A) the insurer gives written notice to the local government and the developer at least 90 days before the date on which the insurer intends to terminate its obligations, and
 - (B) the developer deposits another surety in accordance with this section at least 30 days before the date on which the insurer intends to terminate its obligations.