



AMO
Policy



AMO Policy Update - Ontario Introduces Bill 5 and Re-Introduces Homelessness Encampments Bill, New Report on Tariffs Impacting Municipal Construction Costs

Ontario Introduces Bill 5 – *Protect Ontario by Unleashing our Economy Act*

On April 17, the province [introduced an omnibus bill](#) which proposes changes related to development approvals including:

- Allowing the province to designate “special economic zones” including geographic areas, “trusted proponents” or projects that would be exempt from provincial legislation and regulations, and from municipal by-laws
- Replace species-at-risk permitting requirements with a registration-first approach that would allow work to begin immediately upon registration
- Allow the province to direct energy agencies to prohibit companies from procurements based on country-of-origin requirements
- Streamline the archaeological assessment and artifact protection process for developments where archaeological sites are present
- Streamline the province’s mine permitting process

AMO is reviewing Bill 5 and consulting with our members as we prepare to bring the discussion to the Standing Committee process. AMO is encouraged that Minister Lecce committed to adhering to robust environmental protections and to fulfilling the province’s obligations to Indigenous communities.

For special economic zones to be successful, it’s vital that they are developed in partnership with local communities. Ontario’s municipalities are committed to supporting proactive steps that strengthen our economy. AMO understands

that economic prosperity is tied to social, cultural, and environmental prosperity, and AMO is confident that provincial officials and legislators understand that too.

Trade and Tariffs – New Report on the Impacts of Tariffs on Municipal Construction Costs

AMO is pleased to share a [final report](#) from Oxford Economics analyzing the projected impact of tariffs on municipal construction costs in Ontario. This report sets out in detail which kinds of municipal capital projects are most likely to be exposed to direct impacts from tariffs based on the materials they use and how heavily Ontario relies on US imports.

With this report, municipalities can better inform Councils' decisions on capital projects, understand and explain price fluctuations, and support procurement negotiations with vendors.

The report estimates that:

- Tariff impacts will raise capital expenditures for Ontario municipalities by an estimated \$1.04 billion, or 2.0% in the next two years.
- Given their majority share of total capital expenditure, impacts on roads and non-residential buildings account for half of the overall impact.
- Expenditure on constructing building and infrastructure assets will increase by between 1.4% and 2.3% for each asset type. Expenditure on non-residential buildings is estimated to experience the largest relative impact, at 2.3%.

Soon, AMO will provide a tool that we developed with Oxford Economics. This tool goes along with the report and will help municipalities estimate how much more new construction projects might cost because of tariffs.

Homelessness Encampments Bill Re-Introduced in the Legislature

Yesterday, the government [re-introduced](#) the same encampments legislation that was previously tabled prior to the provincial election in December 2024. This is in keeping with campaign commitments and the Speech from the Throne. [Bill 6, the Safer Municipalities Act, 2025](#) focuses on increasing enforcement around encampments and public drug use.

Bill 6, if passed by the legislature, would:

- Enact the *Restricting Public Consumption of Illegal Substances Act, 2025*.
- Subject to specified exemptions, the Act would prohibit the consumption of an illegal substance in a public place. A police officer or a prescribed provincial offences officer may issue directions, ticket and arrest if they have reasonable grounds to believe that the person is consuming an illegal substance in a public place. It also establishes fines of up to \$10,000 and imprisonment of up to six months.
- Make amendments to the *Trespass to Property Act* that would enhance penalties for people and establishing upon conviction a fine of up to \$10,000. It would also add new aggravating factors of continuous trespassing and the likelihood of reoffending.

The province also highlighted their previous funding commitments and other measures announced in 2024 assisting municipalities to address homelessness encampments.

- \$75.5 million in provincial and federal funding for housing and homelessness supports, including \$5.5 million to increase the Canada-Ontario Housing Benefit (COHB), \$20 million for emergency shelters and temporary accommodation, and \$50 million for ready-to-build affordable housing projects.
- Additional requirements for municipal service managers to report back to the province on the number of individuals moved from encampments into new accommodations and to submit spending plans for Homelessness Prevention Program funding for MMAH approval.

AMO continues to call for provincial guidance that clarifies municipal enforcement powers around encampments. The lack of shared understanding of municipal authorities across municipal Councils, police services, and community members has led to divisive local confrontations and undermined effective responses to encampments.

Enforcement alone will not effectively address encampments. While the investments are a good start, serious investments and coordinated action on transitional, supportive and community housing, mental health, addictions and social services, and income support are needed to make real progress. For more information, see AMO's January 2025 Report: [Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis](#).

Reminder – Health Survey Responses Due May 2!

Responses to AMO's Health Survey that was sent to Heads of Council and Treasurers on April 15th are due on May 2nd at 5pm. Through this survey, AMO is collecting data on the specific contributions municipalities are making to health services in your communities. Survey data will be complemented by a series of voluntary interviews with key municipalities interested in sharing more details about their responses. Survey results and related advocacy materials will be made available to all AMO members upon completion.

The success of the project is dependent upon the gaining insights from all municipalities in Ontario. The participation of your municipality is crucial and appreciated. If you or your staff have any questions about the survey or the timeline for completion, please contact Daniela Spagnuolo, Policy Advisor at dspagnuolo@amo.on.ca.

This Policy Update is also available to read on the [AMO Website](#).