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Legislative Summary

BILL C-31:
AN ACT RESPECTING COST OF LIVING RELIEF MEASURES RELATED TO DENTAL CARE AND RENTAL HOUSING

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For clarity of exposition, the legislative proposals set out in the bill described in this Legislative Summary are stated as if they had already been adopted or were in force. It is important to note, however, that bills may be amended during their consideration by the House of Commons and Senate, and have no force or effect unless and until they are passed by both houses of Parliament, receive Royal Assent, and come into force.

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Legislative Summary of Bill C-31
(Legislative Summary)

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LEGISLATIVE SUMMARY OF BILL C-31: AN ACT RESPECTING COST OF LIVING RELIEF MEASURES RELATED TO DENTAL CARE AND RENTAL HOUSING

1 BACKGROUND

Bill C-31, An Act respecting cost of living relief measures related to dental care and rental housing (short title: Cost of Living Relief Act, No. 2 (Targeted Support for Households))[1] was introduced in the House of Commons on 20 September 2022 by the Honourable Jean-Yves Duclos, Minister of Health. A Charter Statement for the bill was tabled on 6 October 2022.[2] During its consideration of the bill on 24 October 2022, the House of Commons Standing Committee on Health (HESA) adopted several amendments. Third readings in the House of Commons and in the Senate were completed without further changes to the bill. Bill C-31 received Royal Assent on 17 November 2022.

Bill C-31 has three parts:

- Part 1 enacts the Dental Benefit Act, a dental care benefit providing parents with financial support to cover the cost of dental services for children under 12 years old. Parents must apply to receive the benefit. The benefit is available to parents with a household income below $90,000 and whose children do not have access to dental insurance. The benefit is an interim measure covering dental services received during the period from October 2022 to June 2024.
- Part 2 enacts the Rental Housing Benefit Act, which authorizes the establishment of a one-time rental housing benefit for eligible applicants who paid rent on their principal residence in 2022.
- Part 3 makes related amendments to the *Income Tax Act*[3] (ITA), the *Excise Tax Act*[4] (ETA), and the *Excise Act, 2001*.[5]

This Legislative Summary provides a brief description of the main measures proposed in Bill C-31, summarizing the substance of each part.

1.1 PUBLIC DENTAL CARE IN CANADA

Oral health is an important component of children's overall health. Poor oral health can lead to other negative health outcomes and increased use of the health care system. For example, tooth decay in children can not only cause pain and infection, but it can also affect children's ability to speak, eat, sleep and learn properly. Tooth decay is the most common preventable childhood chronic disease in Canada and is one of the most common causes of day surgery in children under five years old in Canada.[6]

The *Canada Health Act*[7] does not cover dental care services, apart from "surgical-dental procedures" carried out in hospitals. While there is some public sector funding for dental care in Canada, most dental expenses are paid for either by private dental insurance or out of pocket by individual Canadians and their families.[8] Cost is, therefore, a barrier to oral health in Canada, especially for low-income households. Statistics Canada data from 2018 showed that over one-third of Canadians do not have dental insurance and that more than one in five avoid going to the dentist because of the costs. Moreover, 2018 data revealed that those living in low-income households were less likely to have visited a dental professional in the 12 previous months regardless of insurance status.[9]

Most of the public funding for dental services in Canada is administered at the provincial and territorial level. While all provinces and territories currently have some form of publicly funded dental care, gaps in coverage exist. Public dental care programs generally target specific population groups (e.g., low-income families, persons receiving social assistance or those with craniofacial disorders). Further, many programs cover a limited number of dental services, and some require co-payments or have payment caps. A report by the Canadian Agency for Drugs and Technologies in Health published in 2018 identified over 80 different public oral health programs across federal, provincial and territorial jurisdictions.[10] There is significant variation between these programs in terms of eligibility criteria, services covered and reimbursement rates.

Federal spending on public dental care presently targets certain population groups, including First Nations and Inuit, military personnel, veterans, refugees and inmates in federal prisons.

The inclusion of dental care in universal health care in Canada was considered from the earliest discussions about medicare in Canada. The *Report of the Royal Commission on Dominion–Provincial Relations* published around 1940 included dental services as part of "state medical services."[11] The Royal Commission on Health Services report from 1964 noted that dental services were part of "the full range of essential services"[12] in health but also that implementation of a universal dental program would be challenging at that time given a shortage of professionals in the field. The report included a recommendation for the introduction of "[d]ental services, for children, expectant mothers, and public assistance recipients."[13]

A national dental care plan was proposed in Budget 2022. The scope of the plan included the following investments:

> Budget 2022 proposes to provide funding of $5.3 billion over five years, starting in 2022–23, and $1.7 billion ongoing, to Health Canada to provide dental care for Canadians. This will start with under 12-year-olds in 2022, and then expand to under 18-year-olds,

> seniors, and persons living with a disability in 2023, with full implementation by 2025. The program would be restricted to families with an income of less than $90,000 annually, with no co-pays for those under $70,000 annually in income.[14]

The Dental Benefit Act enacted by Bill C-31 is intended as an interim measure in advance of the implementation of a long-term national public dental care program in Canada.

1.2 INTRODUCTION OF A ONE-TIME RENTAL HOUSING BENEFIT

According to research by the Canada Mortgage and Housing Corporation (CMHC), a quarter of Canadian households live in housing that is unaffordable – a situation that is "even more severe for renter households," with about 40% of these households spending more than 30% of their income on housing as of 2016. CMHC notes that this rate of unaffordability

> suggests that a small increase in rents could have a significant impact on [households'] ability to afford other non-housing necessities such as food, medicine, clothing and transportation, increasing the risk of homelessness.[15]

The federal government administers a range of programs aimed at addressing housing affordability, notably through its National Housing Strategy. This includes supply-side initiatives to promote the creation of affordable housing units (e.g., the Rental Construction Financing Initiative), as well as direct supports to Canadians (e.g., the First-Time Home Buyer Incentive).[16] It also includes the Canada Housing Benefit, an initiative co-developed and co-funded with the provincial and territorial governments.[17] A total of $4 billion over eight years has been committed for this initiative, including $2 billion in cost-matching from the provinces. CMHC has indicated that as of 30 June 2022, the provinces had committed $284.79 million in support of 84,835 households.[18]

Noting that many still struggle with housing costs and "are in need of additional assistance," Budget 2022 included "$475 million in 2022–23 to provide a one-time $500 payment to those facing housing affordability challenges."[19] A September 2022 news release from the Office of the Prime Minister announced supplementary funding over and above the amount proposed in Budget 2022, highlighting the need for this payment in the context of inflation and the rising cost of living. The announcement estimated a total expenditure of $1.2 billion on rent relief, reaching approximately 1.8 million renters.[20]

A backgrounder released by Finance Canada, also in September 2022, indicated that the payment would be launched by the end of the year "pending Parliamentary approval and Royal Assent of enabling legislation."[21] Bill C-31 enacts the *Rental Housing*

Benefit Act, which authorizes the aforementioned payment in the form of a rental housing benefit.

2 DESCRIPTION AND ANALYSIS

2.1 PART 1: DENTAL BENEFIT ACT

Clause 2 of Bill C-31 enacts the Dental Benefit Act, which authorizes an interim dental care benefit to be payable to eligible children while the federal government develops a long-term national public dental care program.

2.1.1 Preamble

The preamble to Bill C-31 identifies the importance of dental care services for children and highlights the impact that the lack of access to dental care has on the health care system. It also recognizes the need to provide interim dental benefits for children under 12 as the federal government works towards a long-term national dental care program.

2.1.2 Definitions (Section 2)

Section 2 establishes the definitions that apply to the Dental Benefit Act. Many of the definitions outlined in this section are to be understood the same way they are defined in the ITA.

2.1.3 Payment of the Benefit and the Amount to Be Paid (Sections 3 and 9)

Section 3 of the Dental Benefit Act requires the Minister of Health (the Minister) to pay a dental benefit to eligible persons that make an application.

Section 9 sets out the amount of the dental benefit. Applicants with an adjusted income[22] of less than $70,000 for the base taxation year are eligible for a dental benefit of $650. Applicants with an adjusted income between $70,000 and $80,000 are eligible for $390. Finally, applicants with an adjusted income between $80,000 and $90,000 are eligible for $260.

In the case of shared custody, a parent is entitled to 50% of the amount of the benefit outlined in section 9.

2.1.4 Eligibility (Section 4)

To be eligible for a dental benefit, applicants must meet the following conditions:

- be entitled to apply for the benefit under section 5, 6 or 7;
- make an application in accordance with section 8;
- earn less than $90,000 in adjusted income for the base taxation year;
- make an application on behalf of a person who has received or will receive dental care services that are not otherwise covered by another program or plan established by the Government of Canada or a provincial government; and
- make an application on behalf of a person who is not otherwise insured under a dental service plan.

This section also discusses how adjusted income is to be calculated in the case of part-time residents or in the event of bankruptcy. Additionally, this section provides the Minister with the power to deem an applicant ineligible based on misrepresentation or concealment of a material fact.

2.1.5 Application for the Benefit (Sections 5 to 8)

The Dental Benefit Act creates two periods during which an eligible parent may apply for the dental benefit for each of their qualified dependants. Section 5 establishes the first period, which begins on 1 December 2022 and ends on 30 June 2023. To be eligible for the first period, dependants must be under 12 years of age as of 1 December 2022 and have received or will receive dental services in Canada between 1 October 2022 and 30 June 2023. Applications can be made by the parent who receives the Canada Child Benefit on the application date.

Section 6 creates the second period, which begins on 1 July 2023 and ends on 30 June 2024. To be eligible for this period, qualified dependants must receive dental care services in Canada during the period and be under 12 years of age on 1 July 2023. Applications can be made by the parent who receives the Canada Child Benefit on the application date.

Section 8 establishes the form, manner and content of an application for the dental benefit. Applications must include the applicant's name and address, the attestation referred to in section 10, details of the provider of dental services, and employment information about the applicant and any cohabiting spouse or common-law partner. This section also gives the Minister the ability to request additional information if required.

2.1.6 Attestation (Section 10)

Section 10 sets out the details of the attestation applicants must include in their application. Applicants must attest that:

- their eligible dependant received or intends to receive dental care services in Canada during the relevant period; and
- the eligible dependant is not otherwise insured under a dental services plan and does not have access to an employer-sponsored dental services plan of the applicant, their cohabiting spouse or common-law partner, or any other person.

2.1.7 General Provisions

Sections 11 to 30 of the Dental Benefit Act provide additional details about the administration of the Act and set out provisions dealing with violations, offences and penalties.

2.1.7.1 Administration of the Dental Benefit (Sections 11 to 22)

Various administrative details are outlined in the Dental Benefit Act. These include the following:

- The dental benefit payments will be paid out of the Consolidated Revenue Fund (section 14).
- The Minister is authorized to collect and use an applicant's Social Insurance Number (section 15).
- The Minister may require additional information in respect of dental care services, such as a receipt for payment (section 16).
- The Minister may reconsider an application within 24 months of the end of the benefit period (section 18).
- Persons subject to a decision of the Minister under the Dental Benefit Act may make a request for review within 90 days of being notified of the decision (section 19).
- The Minister may require repayment in case of overpayment or erroneous payment (section 20).
- Action to recover money under the Dental Benefit Act must be taken within six years of payment or acknowledgement section 21).
- Overpayment and erroneous payments are not subject to interest (section 22).

2.1.7.2 Violations, Offences and Penalties (Sections 23 to 29)

Section 23 sets out violations of the Dental Benefit Act. Persons who knowingly make a false or misleading representation on an application or apply for the benefit when they know they are not eligible are understood to have committed a violation under this Act. The Minister may impose a penalty for each violation of no more than

50% of the dental benefit that was or would have been paid up to a total maximum amount for all penalties of $5,000. The purpose of the penalty is to promote compliance with the Dental Benefit Act, not to punish those who have committed a violation. Penalties for violations may not be imposed if more than three years have passed since the violation took place (section 24).

Section 27 establishes offences under the Dental Benefit Act. Persons who knowingly use a false identity for the purpose of obtaining a dental benefit for themselves; who counsel another person to apply for the benefit with an intent to steal all or part of that person's benefit; or who knowingly make three or more representations that are false or misleading that resulted in or would have resulted in total payments of at least $5,000 commit an offence under this Act. On summary conviction, these persons are liable to a fine of up to $5,000 plus up to double the amount of the dental benefit that was or would have been paid, or to a term of imprisonment of no more than two years less a day, or to both.

Proceedings in respect of an offence under the Dental Benefit Act must be brought within five years from the day the Minister becomes aware of the offence (section 29).

2.1.7.3 Sunset Provision (Section 30)

Section 30 prevents payments under the Dental Benefit Act after the fifth anniversary of its coming into force.

2.2 PART 2: RENTAL HOUSING BENEFIT ACT

Clause 3 of Bill C-31 enacts the Rental Housing Benefit Act, which authorizes the establishment of a one-time $500 rental housing benefit for eligible applicants who paid rent on their principal residence in 2022. The Rental Housing Benefit Act includes 28 sections.

2.2.1 Payment of the Benefit (Section 3)

Section 3 of the Rental Housing Benefit Act requires the Minister to pay a one-time rental housing benefit of $500 to all who apply for it and are eligible to receive it.

2.2.1.1 Definitions (Section 2)

Section 2 establishes a set of definitions for the Rental Housing Benefit Act. These include defining:

- "[R]ent" as a payment made under a lease, licence or similar arrangement to occupy a principal residence, including any part of that payment that is intended to pay for utilities or property taxes. Rent does not include utility payments, property taxes paid to someone who is not party to the lease, licence or arrangement, business expenses under the ITA, payments for board or other services, capital leases, or payments to related persons where the payment does not count as income under section 251 of the ITA.
- "[C]ohabiting spouse or common-law partner" to mean the same as in section 122.6 of the ITA, therefore including any spouse or common-law partner who has not been living separately and apart for a period of at least 90 days due to a breakdown of their marriage or partnership.
- "Minister" to be the Minister responsible for CMHC, as defined in the *Canada Housing and Mortgage Corporation Act*. At the time of writing, this refers to the Minister of Housing and Diversity and Inclusion.[23]

2.2.1.2 Eligibility (Section 4)

Section 4 specifies that living individuals are eligible for a rental housing benefit if, on the later of 1 December 2022 or the date the Rental Housing Benefit Act comes into force, they meet all of the following criteria:

- they are at least 15 years of age (section 4(1)(a));
- they are residents of Canada in 2022 for the purposes of the ITA, and their principal residence is in Canada (section 4(1)(c));
- they have filed (along with their cohabiting spouse or common-law partner, if they have one) a tax return for 2021 or file their tax return within 120 days (section 4(1)(d));
- they have a maximum adjusted income for 2021 of $20,000, or $35,000 if they:
  - have a cohabiting spouse or common-law partner,
  - reside with a child under the age of 18 as a dependant, or
  - support a fully dependant family member who lives with them (section 4(1)(e));
- they paid rent (or their cohabiting spouse or common-law partner paid rent) in 2022 for time spent living in their principal residence situated in Canada in 2022 (section 4(1)(f)); and
- this rent is 30% or more of their 2021 adjusted income (section 4(1)(g)).

For the purposes of the 30% rent-to-income threshold in section 4(1)(g) and the meaning of income in section 4(1)(e), rent and income are subject to the following provisions:

- As originally drafted, the bill stipulated that if a rent payment included an unspecified amount for board or other services, only 75% of the payment would be considered as rent (section 4(2)). HESA amended the bill to increase the proportion of the payment considered as rent to 90%. This amendment will allow more individuals whose rent includes an unspecified amount for board and other services to qualify for the benefit.[24]
- In the original version of the bill, applicants who were living separately and apart from their spouse or common-law partner for a period of at least 90 days due to a breakdown of their relationship on the later of 1 December 2022 or the day the bill comes into force would have had their rent calculated as 50% of the rent paid by both cohabiting spouses or common-law partners in 2022 while they lived together, plus the total rent paid by the applicant after they began living separately and apart (section 4(3), with definitions from section 2(2)). Section 4(3) of the Act was amended by HESA to indicate that, for an applicant in these circumstances, rent is the total amount of rent paid by the applicant in 2022. This amendment was intended to reflect the fact that couples may not split rent evenly and to avoid penalizing individuals who were paying more than 50% of the rent.[25]
- If an applicant and their cohabiting spouse or common-law partner lived in two different principal residences at any point in 2022, then rent can include rent payments made by either of them on both of these principal residences while they were each other's cohabiting spouse or common-law partner (section 4(4)).
- If a person was non-resident in Canada for the purposes of the ITA at any time in 2021, the person's income for the year is deemed to be the amount that would have been their income for the year had they been resident in Canada throughout the whole year (section 4(5)).
- If a person went bankrupt in 2021, their income for that year is to include their income for the taxation year that begins on 1 January 2021 (section 4(6)).

Additionally, if cohabiting spouses or common-law partners are both eligible for the benefit, only one of them may receive it (section 4(7)).

2.2.1.3 Applications and Attestation (Sections 5 and 6)

Section 5 requires applicants to submit applications in the format specified by the Minister. Applicants must submit their application between 1 December 2022 or the day the legislation comes into force, whichever is later, and 120 days after that date. As introduced in the House of Commons, the bill included an application period of 90 days rather than 120 days; however, this was amended by HESA. This change provides additional time for individuals to become aware of and apply for the benefit and reflects that a 90-day application period may be challenging for groups such as seniors and individuals facing language barriers.[26]

Section 6 requires applicants to submit, as part of the application, information about the amount of rent paid in 2022 for their principal residence, the address of this principal residence, and the name and contact information of the landlord or other recipient of the rent. Applicants must also attest to the accuracy of the information in their application.

2.2.2 General Provisions

Sections 7 to 28 of the Rental Housing Benefit Act provide additional details regarding the administration of the rental housing benefit.

2.2.2.1 Roles and Delegation (Sections 7 to 10)

Sections 7(a) and 7(b) specify that in the administration of the Rental Housing Benefit Act, CMHC holds the rights, liabilities, and powers – and performs all the duties and functions – of the Minister.

Section 8 stipulates that the Minister of National Revenue – and any authorized official of the Canada Revenue Agency – may support the Minister in the administration and enforcement of the Rental Housing Benefit Act.

Section 9 enables the Minister to enter into agreements or arrangements with any department, board or agency of the Government of Canada for assistance in carrying out the purposes and provisions of the Rental Housing Benefit Act.

Section 10 allows the Minister to delegate the authority to exercise their powers or perform their duties or functions under the Rental Housing Benefit Act to the Commissioner or to any person or body, or member of a class of persons or bodies.

2.2.2.2 Use of Information (Sections 11, 13 and 14)

Subject to agreement by the Minister and the Minister of National Revenue, the latter may use information obtained under the Rental Housing Benefit Act (or prepared from information obtained under the Act) for the administration and enforcement of the ITA (section 11(1) of the Rental Housing Benefit Act). This information may also be provided to other persons or bodies considered advisable by the Minister, provided it is for the administration and enforcement of the ITA and adheres to conditions agreed upon by the Minister and the Minister of National Revenue (section 11(2) of the Rental Housing Benefit Act).

Section 13 authorizes the Minister to collect and use the social insurance numbers of rental housing benefit applicants for the administration and enforcement of the Act.

Under section 14, the Minister may require that a person provide information or documents within a specified timeline for the purposes of verifying compliance or preventing non-compliance with the Act (section 14(1)). If a person fails to comply, the Minister may deem that person ineligible for the rental housing benefit (section 14(2)).

2.2.2.3 Consolidated Revenue Fund (Section 12)

Section 12(1) specifies that all funds paid for the purposes of the Rental Housing Benefit Act are to be paid to CMHC from the Consolidated Revenue Fund. CMHC may choose to pay some or all of these funds to the Receiver General, to be credited to a special account in the Consolidated Revenue Fund in CMHC's name (section 12(2)). If funds are credited to the special account, the Minister of National Revenue may make payments out of the Consolidated Revenue Fund on behalf of CMHC for the purposes of the Rental Housing Benefit Act and charge these payments to the special account (section 12(3)(a)). Further, if funds are credited to the special account, any money owing to His Majesty under the Rental Housing Benefit Act must be deposited into the Consolidated Revenue Fund and credited to the special account (section 12(3)(b)). It should be noted that the creation of special accounts – officially called "specified purpose accounts" – is a common practice allowing the federal government to keep track of revenues and expenditures for specified purposes.[27]

2.2.2.4 Certain Restricted Actions (Section 15)

Section 15 of the Rental Housing Benefit Act specifies that the rental housing benefit is not subject to bankruptcy or insolvency laws; cannot be assigned, charged, attached or given as security; cannot be retained by way of deduction, set-off or compensation under any Act of Parliament other than the Rental Housing Benefit Act; and is not garnishable moneys for the purposes of the *Family Orders and Agreements Enforcement Assistance Act* (meaning that it cannot be garnished for the payment of child or spousal support).

2.2.2.5 Erroneous Payment or Overpayment and Recovery of Debt (Sections 16 and 18 to 20)

Under section 16(1) of the Rental Housing Benefit Act, the Minister may reconsider a rental housing benefit application for up to 24 months after the 120-day application period following the later of 1 December 2022 or the date the Act comes into force. If the Minister believes that a false or misleading statement or representation has been made in connection with the application, the Minister has 72 months instead of 24 months for reconsideration (section 16(5)). If the person received money to which they were not entitled (i.e., a payment that should not have been made or

an overpayment), this must be repaid, and if the person did not receive money to which they were entitled, then the amount is payable to the person (sections 16(3) and 16(4)). In either case, the Minister must calculate the amount and notify the person (section 16(2)).

In the case of erroneous payment or overpayment of a rental housing benefit, the person must repay the amount as soon as is feasible (section 18(1)). The amount constitutes a debt to His Majesty and is payable to, and recoverable by, the Minister, as of the day the Minister determined the amount of the erroneous payment or overpayment (section 18(2)).

Section 19(2) indicates that money owed under the Rental Housing Benefit Act may be recovered at any time through deduction from, set-off against, or compensation against any sum of money payable to the person by His Majesty, including a rental housing benefit. However, the amount may not be deducted from Canada Child Benefit payments.[28]

The recovery of debts is subject to a six-year limitation or prescription period, starting when the debt is due (section 19(1)). Sections 19(3) and 19(4) provide that the prescription period begins to run anew if an individual acknowledges the debt in the manner set out in section 19(5). In addition, the limitation or prescription period is suspended during any time when it is prohibited to undertake actions or proceedings to recover money under the Rental Housing Benefit Act (section 19(6)). The six-year limit and associated conditions do not apply in cases of action or proceedings related to the execution, renewal or enforcement of a judgment (section 19(7)).

Section 20 of the Rental Housing Benefit Act specifies that no interest is payable on debt that is the result of erroneous payment or overpayment.

2.2.2.6 Request for Review (Section 17)

Under section 17(1) of the Rental Housing Benefit Act, a person may request a review of the Minister's decision within 90 days (or any further time as allowed by the Minister) of the date they are notified of the decision. If a request for review is made, then the Minister must review the decision and either confirm, vary or rescind it (section 17(2)).

2.2.2.7 Violations (Section 21)

Section 21 provides information on violations under the Rental Housing Benefit Act.[29] It specifies that a person commits a violation if they:

- knowingly make a false or misleading representation in relation to their application for a rental housing benefit (section 21(1)(a)); or
- make an application for a rental housing benefit and receive the benefit knowing they are not eligible to receive it (section 21(1)(b)).

The Minister may impose a penalty of up to 50% of the benefit that was paid or would have been received as a result of the violation (sections 21(2) and 21(3)). Section 24 of the Rental Housing Benefit Act stipulates that a penalty constitutes a debt due to His Majesty and is payable to and recoverable by the Minister as of the date the penalty is imposed.

However, sections 21(4) and 22 of the Rental Housing Benefit Act specify that the penalty should not be imposed if the person mistakenly believed that a representation was true or that they were eligible to receive the benefit, or if more than three years have passed since the violation took place. Section 23 of the Rental Housing Benefit Act states that the Minister may rescind or reduce the penalty if new facts are presented, or if the Minister believes the penalty was imposed without knowledge of, or based on a mistake about, a material fact.

2.2.2.8 Offences (Sections 25 to 27)

Section 25 provides information about offences under the Rental Housing Benefit Act. A person commits an offence if they:

- knowingly use false identity information or another person's identity information to obtain a rental housing benefit (section 25(1)(a));[30] or
- counsel another person to apply for a rental housing benefit with the intent to steal a substantial part or all of it (section 25(1)(b)).

Those who are found guilty of the above offences are liable on summary conviction[31] to the following punishments: a fine of up to $5,000 plus up to double the amount of the benefit that was or would have been received as a result of committing the offence, or a term of imprisonment for up to two years less a day, or both (section 25(2)).

For enforcement related to offences, sections 26(1) and 26(2) of the Rental Housing Benefit Act allow the Minister to designate any person or class of persons as an investigator and to authorize the Commissioner of Revenue to designate as an investigator any employee or class of employees at the Canada Revenue Agency.

Under section 27, proceedings for an offence under the Rental Housing Benefit Act must be instituted within five years of the day the Minister becomes aware of the subject matter of the prosecution (section 27).

2.2.2.9 Sunset Provision (Section 28)

Section 28(1) of the Rental Housing Benefit Act states that payments may no longer be made out of the Consolidated Revenue Fund for the purposes of the rental housing benefit as of five years after the Act comes into force.

Section 28(2)(a) specifies that, on the day after the fifth anniversary of the Rental Housing Benefit Act's coming into force, any funds that were paid to CMHC from the Consolidated Revenue Fund for the purposes of the benefit must be paid back into the Consolidated Revenue Fund and credited to the Receiver General. Further, section 28(2)(b) provides that if CMHC has set up a special account within the Consolidated Revenue Fund for the purposes of the benefit, the account must be closed, and remaining funds must stay in the Consolidated Revenue Fund and be credited to the Receiver General.

2.3 PART 3: RELATED AMENDMENTS

Part 3 makes related amendments to the ITA,[32] the ETA[33] and the *Excise Act, 2001*.[34]

Clause 4 of Bill C-31 amends section 81(1) of the ITA, which lists amounts that are excluded from computation of the income of a taxpayer for a taxation year, by adding amounts received under the Dental Benefit Act. As a result, these amounts are not subject to tax under the ITA and "[will] not reduce other federal income-tested benefits such as the Canada Workers Benefit, the Canada Child Benefit, and the Goods and Services Tax Credit."[35]

Clauses 5, 6 and 7 amend section 241(4)(d) of the ITA, section 295(5)(d) of the ETA and section 211(6)(e) of the *Excise Act, 2001*, respectively. These sections set out circumstances in which a government official may disclose taxpayer or confidential information and to whom such information may be disclosed. The amendments allow taxpayer or confidential information to be provided to officials of the Canada Revenue Agency solely for the purposes of the administration or enforcement of the Dental Benefit Act or the Rental Housing Benefit Act and to officials of the Department of Health, as well as certain persons working for CMHC, solely for the formulation or evaluation of policy of either Act.

NOTES

1. Bill C-31, An Act respecting cost of living relief measures related to dental care and rental housing, 44th Parliament, 1st Session (S.C. 2022, c. 14).
2. Government of Canada, *Bill C-31:* An Act respecting cost of living relief measures related to dental care and rental housing – *Charter Statement*, 6 October 2022.

3. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
4. *Excise Tax Act*, R.S.C. 1985, c. E-15.
5. *Excise Act, 2001*, S.C. 2002, c. 22.
6. Government of Canada, *Oral health for children*.
7. *Canada Health Act*, R.S.C. 1985, c. C-6.
8. Office of the Parliamentary Budget Officer, *Cost Estimate of a Federal Dental Care Program for Uninsured Canadians*, 7 October 2020.
9. Statistics Canada, "Dental Care, 2018," *Health Fact Sheets*, 16 September 2019.
10. Kelsey Seal and Monika Mierzwinski-Urban, *Public Dental Programs and Reimbursement for Dental Restorative Procedures: An Environmental Scan*, Canadian Agency for Drugs and Technologies in Health, March 2018.
11. Royal Commission on Dominion–Provincial Relations, *Report of the Royal Commission on Dominion–Provincial Relations: Book II – Recommendations*, Report prepared for the Privy Council Office, p. 35.
12. Royal Commission on Health Services, *Royal Commission on Health Services*, Report prepared for the Privy Council Office, Vol. 1, 1964, p. 18.
13. Ibid., p. 19.
14. Government of Canada, "6.1 A Stronger Health Care System," *A Plan to Grow Our Economy and Make Life More Affordable*, Budget 2022.
15. Canada Mortgage and Housing Corporation (CMHC), *Research Insight: Is Rental Housing Affordable to Low-Income Households? A Supply-Side Perspective*, February 2021.
16. See CMHC, *National Housing Strategy*; CMHC, *Rental Construction Financing Initiative*; and CMHC, *First-Time Home Buyer Incentive*.
17. CMHC, *Federal/Provincial/Territorial housing agreements*.
18. CMHC, *Progress on the National Housing Strategy*. Note that this figure does not include data from Quebec, although Quebec does participate in the program. A signed agreement between Quebec and the federal government notes that funds for the Canada Housing Benefit may be used "in any Quebec program intended to provide Affordability support directly to households, in particular by exploring scenarios for enhancing Quebec's Shelter Allowance Program," an existing Quebec program that provides financial assistance to low-income individuals and families who spend a large proportion of their budget on housing. See CMHC and Société d'habitation du Québec, *Addendum to the* Canada–Quebec Housing Agreement *Regarding the Use of the Canada Housing Benefit to Enhance Quebec's Shelter Allowance Program*; and Revenu Québec, *Shelter Allowance Program*.
19. Government of Canada, "Building Affordable Homes," *A Plan to Grow Our Economy and Make Life More Affordable*, Budget 2022.
20. Prime Minister of Canada, Justin Trudeau, *Making life more affordable for Canadians this year*, 13 September 2022.
21. Department of Finance Canada, *Making Housing More Affordable: One-time top-up to the Canada Housing Benefit program*, Backgrounder.
22. Adjusted income is as defined in section 122.6 of the *Income Tax Act* and considers all income of an individual and their cohabiting spouse or common-law partner except for registered disability savings plan payments, Universal Child Care benefits and capital gains in which section 79 or 40(3.21) of the *Income Tax Act* applies.
23. *Order Designating the Minister of Housing and Diversity and Inclusion as the Minister for the Purposes of that Act*, SI/2021-92. See also *Canada Mortgage and Housing Corporation Act*, R.S.C. 1985, c. C-7, s. 2.
24. House of Commons, *Debates*, 27 October 2022, 1100 (Jenny Kwan).
25. House of Commons, Standing Committee on Health, Blues, 24 October 2022, 2130 (Jenny Kwan) [BILINGUAL CONTENT].
26. House of Commons, Standing Committee on Health, Blues, 24 October 2022, 2140 (Jenny Kwan) [BILINGUAL CONTENT].

27. Government of Canada, *Directive on Accounting Standards: GC 4100 Specified Purpose Accounts*.

28. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), s. 122.61.

29. A "violation" refers to a contravention of section 21 of the Rental Housing Benefit Act that results in an administrative monetary penalty. Section 21(5) explicitly states that the purpose of such penalty "is to promote compliance with this Act and not to punish." Section 25 of the Act, on the other hand, sets out a criminal offence punishable by a fine or a term of imprisonment or both. For a discussion of the difference between a violation and an offence, see also *Guindon v. Canada*, 2015 SCC 41, paras. 41–73.

30. This refers to "identity information" as defined in the *Criminal Code*, specifically,

> any information – including biological or physiological information – of a type that is commonly used alone or in combination with other information to identify or purport to identify an individual, including a fingerprint, voice print, retina image, iris image, DNA profile, name, address, date of birth, written signature, electronic signature, digital signature, user name, credit card number, debit card number, financial institution account number, passport number, Social Insurance Number, health insurance number, driver's licence number or password.

Criminal Code, R.S.C. 1985, c. C-46, s. 402.1.

31. The procedure for summary convictions is discussed in the *Criminal Code*, R.S.C. 1985, c. C-46, Part XXVII.

32. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

33. *Excise Tax Act*, R.S.C. 1985, c. E-15.

34. *Excise Act, 2001*, S.C. 2002, c. 22.

35. Department of Finance Canada, *Making Dental Care More Affordable: The Canada Dental Benefit*, Backgrounder.