

City of Toronto Act, 2006 Public Notice

Municipal Licensing and Standards is proposing that the Council of the City of Toronto establish a new municipal code chapter for short-term rentals.

At its meeting to be held in Committee Room 1 in Toronto City Hall on November 16, 2017, at 9:30 a.m., or as soon as possible thereafter, Licensing and Standards Committee of Toronto City Council will hear in person or by his or her counsel, agent or solicitor, any person who wishes to speak to the matter.

The proposed by-law is subject to the decision of Licensing and Standards Committee and the decision of Toronto City Council. Consequently, the proposed by-law may be modified. Additional or other amendments to the above-noted by-laws, including amendments not contemplated or considered in the proposal by Municipal Licensing and Standards, may occur as a result of the decisions of Licensing and Standards Committee and Toronto City Council.

It is proposed that the by-laws be amended at the Council meeting to be held on December 6, 2017, or at a subsequent meeting.

The Executive Director, Municipal Licensing and Standards recommends that:

New By-law

1. City Council direct that a separate Toronto Municipal Code Chapter be established for short-term rentals, in accordance with the recommendations contained in this report.

Definitions

2. City Council define the following terms in the short-term rentals by-law:

a. A **short-term rental company** is any person in the business of facilitating or brokering bookings for short-term rentals via the internet and who:

- i. receives payment, compensation, or any other financial benefit as a result of a person making or completing bookings of those short-term rentals; or
- ii. collects, accesses, or holds information on the number of nights that bookings of those short-term rentals are made or completed.

This definition does not apply to a person who facilitates or brokers bookings for a short-term rental owned by that person or his or her immediate family. "Person" includes multiple persons who act together to carry on the business of a short-term rental company, despite the fact that no single one of those persons carries on the activity in its entirety. Such persons shall be subject to the requirements and may be held jointly and severally responsible for each other's actions.

b. A **short-term rental** is all or part of a dwelling unit in the city of Toronto used to provide sleeping accommodations for any rental period that is less than 28 consecutive

days in exchange for payment. This includes existing bed and breakfasts and excludes hotels and motels and accommodations where there is no payment.

c. An **operator** is any individual person (owner or tenant) who operates a short-term rental. Operators must be 18 years of age or older. Corporations cannot be operators.

d. A **principal residence** is a dwelling unit owned or rented by an individual person, alone or jointly with another person, where he or she is ordinarily resident.

e. An **entire-unit rental** is a short-term rental in which the renter occupies an entire dwelling unit.

f. A **partial-unit rental** is a short-term rental in which the renter occupies part of the dwelling unit.

Short-Term Rental Operator Registry

3. City Council direct that short-term rental operators register with the City annually. Registration shall consist of paying an annual registration fee and providing the following information:

a. Name, contact information (phone and email), address and identification of a type to be determined by the Executive Director, Municipal Licensing and Standards;

b. Emergency contact information (name and phone number of a person available by phone 24 hours a day during rental);

c. Description of which parts of the property will be used for short-term rental (entire unit, number of bedrooms, secondary suite, other shared space);

d. Building type (condominium, apartment, detached, semi-detached, row house, townhouse, etc.); and

e. Any other information or documents required by the Executive Director, Municipal Licensing and Standards.

Short-Term Rental Operator Requirements

4. City Council direct that:

a. No one shall operate or advertise any short-term rental that is not registered;

b. Operators must include the City-issued registration number in any advertisement and in any invoice or contract related to the short-term rental;

c. Operators must update the registry within six days of any changes to the information provided to the City;

d. Operators must keep records of transactions related to every short-term rental listing for three years with the following details and provide this information to Municipal Licensing and Standards within 30 days of being requested to do so:

- i. Number of nights rented as a short-term rental;
 - ii. Rental type (entire unit, shared unit, or secondary suite); and
 - iii. Any other information as required by the Executive Director, Municipal Licensing and Standards.
- e. Operators must provide emergency contact information (reachable during guest stay) to all guests; and
- f. Operators must provide guests with a diagram of all exits from the building and 911 emergency contact information.

Principal Residence Requirements and Rental Limits

5. City Council direct that short-term rental operators comply with the following:
- a. No operator shall rent or advertise for rent a short-term rental except at their principal residence;
 - b. An operator can only have one principal residence at any time; and
 - c. An operator must, upon request from Municipal Licensing and Standards, provide evidence that is satisfactory to the Executive Director within ten days that the property they have registered for short-term rental use is their principal residence.
6. City Council direct that an operator shall not be permitted to operate an entire-unit rental for more than 180 nights per calendar year.

Refusing or Cancelling an Operator's Registration

7. City Council direct that the Executive Director, Municipal Licensing and Standards, can:
- a. refuse or cancel a registration if the operator meets specific criteria developed by the Executive Director, Municipal Licensing and Standards. The criteria will be similar but not limited to the criteria summarized in this report; or
 - b. exercise discretion to refuse or cancel a registration where the operator:
 - i. Has not carried on the activity with integrity and honesty;
 - ii. Has violated any law or by-law;
 - iii. Is conducting activity in such a way that would infringe on the rights of other members of the public; or
 - iv. Has or would endanger the health or safety of other members of the public.
8. City Council direct that the Executive Director, Municipal Licensing and Standards, provide the operator with written notice that consideration is being given to the refusal or cancellation

of the operator's registration, and that the operator have an opportunity to respond in writing to this notice within ten days of being notified. Municipal Licensing and Standards will then provide the operator with written notice of any decision to refuse or cancel the registration.

9. City Council direct that an operator be provided with an opportunity to request, in writing, a second review of any decision to cancel their registration by the Executive Director, Municipal Licensing and Standards, within 30 days of the decision. The Executive Director will consider the request for second review and inform the operator in writing of the decision made, which may affirm or change the original decision.

10. City Council direct that where Municipal Licensing and Standards is reviewing whether to refuse or cancel an operator's registration, the process by which the decision is reached shall be in writing unless the operator requests an oral or electronic hearing and the Executive Director determines that there is a good reason to hold an oral or electronic hearing and, if so, by whom and how the hearing shall be conducted.

11. City Council direct that, if an operator's registration has been refused or cancelled pursuant to this process, the operator cannot reapply to the registry for one year.

12. City Council direct that the Executive Director, Municipal Licensing and Standards, have the discretion to cancel a registration if the operator's registration was issued due to a technological or clerical error.

Short-Term Rental Company Licence

13. City Council require all short-term rental companies to be licensed with the City. To apply for a short-term rental company licence, the company shall pay a licence fee and provide the following information:

- a. Name, phone number, and email address of a person responsible for responding to all City communications;
- b. A registered business address in Ontario; and
- c. Any other information or documents as required by the Executive Director, Municipal Licensing and Standards.

14. City Council require companies keep transaction records of every short-term rental listing for three years with the following details and disclose this information to Municipal Licensing and Standards in a format and in accordance with a schedule determined by the Executive Director:

- a. Name, address, and registration number of the operator;
- b. Number of nights rented as a short-term rental;
- c. Rental type (entire unit, shared unit, or secondary suite); and
- d. Any other information as required by the Executive Director, Municipal Licensing and Standards.

15. City Council require a company, upon request by Municipal Licensing and Standards, to convey any communications issued by the City that relate to the requirements of the short-term rental by-law to all operators advertising with the company in a format and manner determined by the Executive Director.

16. City Council require that companies:

- a. Maintain and make publicly available their procedure for dealing with listings when complaints are received about nuisances, criminal activity, and/or contraventions of federal, provincial or municipal law;
- b. Be prohibited from imposing a mandatory arbitration clause on individuals (operators and guests) using the company to facilitate or broker short-term rentals or requiring the law of any jurisdiction other than Ontario to be applied in relation to use of the company in Toronto. If clauses contrary to this requirement are included in any company agreement with individuals using its services, such clauses are unenforceable.

17. City Council direct that the Executive Director, Municipal Licensing and Standards, have the discretion to revoke, reject, or not renew a company's application for a licence if the licence was issued due to a technological or clerical error.

18. City Council require companies to create operator and guest accounts for use by Municipal Licensing and Standards for enforcement purposes upon request by Municipal Licensing and Standards, and prohibit the company from obstructing access to those accounts.

Sharing Records between Short-Term Rental Companies and the City

19. City Council direct that companies must, as a condition of licensing, execute an agreement with the City governing the collection, use, retention, and transmission of operator information on terms satisfactory to the Executive Director, Municipal Licensing and Standards, and that the Executive Director shall have authority to execute such an agreement on the City's behalf.

20. City Council direct that should a company choose to facilitate the operator registration process, it must obtain consent from operators applying for registration to the collection, use of, and potential disclosure of personal information to and by the City for the purposes permitted by the by-law, which consent must be in a form satisfactory to the Executive Director, Municipal Licensing and Standards.

General Licensing Provisions

21. City Council direct that the short-term rental bylaw import all relevant general provisions from the Toronto Municipal Code Chapter 545, Licensing, as necessary to be consistent with Chapter 545 and to operationalize the by-law. This includes providing authority for the Toronto Licensing Tribunal to suspend, revoke or refuse the issuance of a short-term rental company licence when appropriate.

22. City Council delegate authority to the Executive Director, Municipal Licensing and Standards, to suspend or place conditions on the short-term rental operator registration or

company licence without a hearing for up to 14 days at her or his discretion if she or he has reasonable grounds to conclude that the continued activity of the operator or company poses an immediate danger to health or safety of any person or to property.

General Requirements for Advertising, Facilitating and Brokering Short-term Rentals

23. City Council direct that any person, including a corporation:

- a. Ensure that an operator's registration number is included in all short-term rental advertisements; and
- b. Remove all short-term rental advertisements that are not registered within 24 hours of notification from the City.

24. City Council direct that no person, including a corporation, can advertise, facilitate or broker a short-term rental that is not registered with the City.

Registration and Licence Fees

25. City Council amend Chapter 441 to include the following fees for the short-term rental bylaw, as detailed in Attachment 1:

- a. Operator annual registration fee: \$50
- b. Company licence fee: one-time application fee of \$5,000; fee of \$1.00 per night booked

Fines

26. City Council establish:

- a. That anyone who contravenes any provision of this bylaw is guilty of an offence and upon conviction is liable to a fine of not more than \$100,000.
- b. A system of fines that includes fines for continuing offences and special fines where it is determined that the conduct could have resulted in economic advantage or gain to the party found to have breached the by-law.
- c. That directors or officers of a corporation who knowingly concur in the contravention of any offence under the bylaw are guilty of an offence.

Administration

27. City Council direct that all communications between the City and operators and companies must be sent via email, except where another method is authorized by the Executive Director, Municipal Licensing and Standards, in her or his sole discretion, and that any email shall be deemed to be received on the day it is sent to the most recent email address provided to Municipal Licensing and Standards as part of the licensing and registration process.

28. City Council provide the Executive Director, Municipal Licensing and Standards, the authority to:

- a. issue interpretation bulletins or guidelines on matters relating to the short-term rental by-law; and
- b. delegate any authority or function provided for in the short-term rental by-law to the Executive Director's designate.

29. City Council require operators and companies submit to audits of their records as requested by the Executive Director, Municipal Licensing and Standards.

30. City Council give the City Solicitor the authority to make technical and stylistic amendments as required in the drafting of this by-law.

Implementation

31. City Council direct that the bylaw come into effect June 1, 2018. If no zoning changes permitting short-term rentals are in force by June 1, 2018, the by-law will come into effect on the day any of the zoning changes come into force.

To view copies of the report outlining and explaining the proposed by-law you may view the Licensing and Standards Committee agenda at:

<http://app.toronto.ca/tmmis/decisionBodyProfile.do?function=doPrepare&meetingId=11885#Meeting-2017.LS23>

current as of November 8, 2017. To obtain copies of the report at no cost, or to submit comments or make a deputation to Licensing and Standards Committee, please contact the Licensing and Standards Committee administrator no later than 12:00 p.m. on November 15, 2017:

Licensing and Standards Committee
City Clerk's Office
Toronto City Hall, 100 Queen Street West
10th Floor, West Tower, Toronto, Ontario, M5H 2N2
Telephone: 416-397-4592
Fax: 416-392-1879
Email: lsc@toronto.ca

To ask questions regarding the content of the report, respecting the above items, contact:

Carleton Grant
Director, Policy and Strategic Support
Municipal Licensing and Standards
Toronto City Hall, 100 Queen Street West
16th Floor, West Tower, Toronto, Ontario, M5H 2N2
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Any comments received after the Committee meeting will be processed to Council.

If this matter is deferred at the Committee meeting or Council meeting or considered at a subsequent Committee or Council meeting, no additional notice will be provided other than the information on the subsequent Committee or Council agenda. Please contact the above City officials if you require notice in these cases.

Notice to people writing or making presentations to the Licensing and Standards

Committee: The City of Toronto Act, 2006 and the City of Toronto Municipal Code authorize the City of Toronto to collect any personal information in your communication or presentation to City Council or its committees.

The City collects this information to enable it to make informed decisions on the relevant issue(s). If you are submitting letters, faxes, e-mails, presentations or other communications to the City, you should be aware that your name and the fact that you communicated with the City will become part of the public record and will appear on the City's website. The City will also make your communication and any personal information in it - such as your postal address, telephone number or e-mail address - available to the public.

The City videotapes committee and community council meetings. If you make a presentation to a committee or community council, the City will be videotaping you and City staff may make the video tapes available to the public.

If you want to learn more about why and how the City collects your information, write to the City Clerk's Office, City Hall, 100 Queen Street West, Toronto ON M5H 2N2, or by calling 416-397-4592.

This Notice is dated this November 8, 2017.

Ulli S. Watkiss
City Clerk