



**STAFF REPORT  
ACTION REQUIRED**

**Amendments to Chapter 545, Licensing –  
Results of Phase 1 of the Comprehensive Review**

<b>Date:</b>	May 8, 2015
<b>To:</b>	Licensing and Standards Committee
<b>From:</b>	Executive Director, Municipal Licensing and Standards
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2015\Cluster B\MLS\LS15012

**SUMMARY**

---

This report proposes 34 changes to Toronto Municipal Code, Chapter 545, Licensing. The changes range from the removal of obsolete definitions and licence classes, to updating By-law language to reflect the *Ontario Human Rights Code* (the *Code*) and *Accessibility for Ontarians with Disabilities Act (AODA)*. These proposed amendments will help to modernize Chapter 545, streamline licensing processes and enhance its readability.

Municipal Licensing and Standards (ML&S) has completed Phase 1 of the four-phase comprehensive review of Chapter 545. The purpose of the comprehensive review is to improve and modernize service to customers related to licence issuance, improve effective enforcement of the By-law, and identify efficiencies and improvements for businesses.

Legal Services was consulted in the preparation of this report.

**RECOMMENDATIONS**

---

**The Executive Director, Municipal Licensing and Standards recommends that:**

1. City Council approve amendments to Toronto Municipal Code, Chapter 545, Licensing, Article I, General Licensing Provisions to better reflect the *Ontario Human Rights Code* and the *Accessibility for Ontarians with Disabilities Act, 2005* as described in Attachment 1.

2. City Council approve amendments to Toronto Municipal Code, Chapter 545, Licensing, by adding, deleting, and amending definitions and licence requirement classes, as outlined in Attachment 2 and Attachment 3.
3. City Council approve amendments to Toronto Municipal Code, Chapter 545, Licensing, to:
  - a. Remove Food regulations from "General Provisions" and include such information in Article X, "Food Establishments";
  - b. Remove the collection of shareholder information from licensed eating and drinking establishments as a requirement for licence application and renewal;
  - c. Remove all references to Appendix A, "Annual Fees for Licences" and cite instead Chapter 441, Fees and Charges;
  - d. Amend Section 545-4C.1, "Administrative Thresholds for Denial of Licence" to stipulate that only those locations of a particular business in breach of licensing thresholds will be held responsible;
  - e. Allow multi-year business licence renewal and delegate the authority to approve multi-year licence renewal to the Executive Director, Municipal Licensing and Standards;
  - f. Allow the harmonization of licence renewal dates and delegate the authority to approve harmonized renewals to the Executive Director, Municipal Licensing and Standards; and
  - g. Allow the proration of licensing fees, as they relate to recommendations 3(e) and (f) above, and delegate the authority to the Executive Director, Municipal Licensing and Standards to prorate fees.

## **Financial Impact**

The removal of 12 redundant licence classes will result in minimal revenue losses in the amount of \$2,588.58 (Table 1).

Two of the 12 classes that are recommended for removal are related to the sales of meat, fish, and/or horse meat. The 269 licences in these classes did not earn any revenues in 2014 as they are operationalized as endorsements with no fees under other licence classes (i.e. refreshments or food stuffs).

Endorsements are additional consent provided to the holder of a licence to carry on a related business activity which would otherwise require a separate licence. For instance, a

convenience store is licensed as the category "Retail Store" and may be endorsed as classes of foodstuffs and tobacco.

**Table 1**

<b>Class Recommended for Removal</b>	<b># Licences*</b>	<b>2014 Licence Fee</b>	<b>Total Revenue Loss</b>
Owner/ keeper of auto service station, erected on or since June 28, 1928, located on prohibited land (no longer in operation)	1	257.50	257.50
Owners or keepers of for-profit public pools and baths	8	\$218.99	1,751.92
Person who conducts a special sale	1	\$579.16	579.16
		<b>Total</b>	<b>\$2,588.58</b>

\*Data as at December 31, 2014.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

At its meeting of January 21, 2015, Licensing and Standards Committee directed staff to prepare a report with recommendations on a comprehensive framework review of Chapter 545 of the Municipal Code and to ensure that the City's regulatory regime accurately reflects the current business environment.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.LS1.5>

At its meeting of March 19, 2013, Licensing and Standards Committee directed staff to review and report back on Toronto Municipal Code, Chapter 545, Licensing, Appendix K, Business Licence Thresholds, and any changes that will improve consumer protection; the health, safety and well-being of taxicab passengers and the general public; and the economic, social and environmental well-being of the City.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.LS19.8>

## **ISSUE BACKGROUND**

The City of Toronto has the authority to enforce licensing requirements for businesses and certain trades, occupations, and other for-profit events. Through the *City of Toronto Act, 2006*, the City has the ability to permit, prohibit, limit, and impose conditions on businesses. The degree and extent to apply this authority is at the City's discretion.

Currently, the City licences a variety of different businesses, including but not limited to, taxicab drivers, street food vendors, restaurants, night clubs and adult entertainment clubs, and some trades, such as building renovators. Typically, municipalities license

businesses that are not licensed or otherwise governed by other levels of government and where there is a municipal purpose for so doing.

A municipal purpose includes public health and safety, nuisance control, and consumer protection.

Over the years, Chapter 545, Licensing, has undergone a number of revisions and currently contains licence classes and requirements that no longer serve a municipal purpose. Further, the administrative processes involved in enforcing the By-law are no longer efficient for the number and nature of businesses in Toronto.

## **COMMENTS**

ML&S began a comprehensive review of Chapter 545 in late 2014. The review is divided into four phases, each of which will improve the customer service experience for businesses and clients.

Staff identified a number of goals for the comprehensive review of Chapter 545:

- Streamline/simplify processes and reduce red tape;
- Remove licensing requirements that are no longer applicable;
- Ensure each By-law category and class serves a municipal purpose;
- Review and modernize existing categories and ensure alignment with *City of Toronto Act*, Zoning by-laws, and other relevant laws and policies;
- Reduce duplication and inconsistency throughout the By-law; and
- Enhance the By-law's structure and make it easier to understand.

As part of Phase 1, staff explored opportunities to make amendments that will enhance the By-law's efficiency, reduce its size, and eliminate redundancy. The proposed amendments in this report will help to streamline and improve the City's business licensing requirements without extensive by-law changes. The description and rationale for the recommended changes are outlined below and in Attachments 2 and 3.

## **Update Anti-Discrimination Provisions**

The "General Provisions" section of Chapter 545, Licensing, Article I, outlines anti-discrimination provisions that prohibit business licensees from refusing entry or service to people based on discriminatory grounds. These sections are outdated and do not entirely align with provincial legislation, specifically the *Ontario Human Rights Code* (the *Code*) and the *Accessibility for Ontarians with Disabilities Act (AODA), 2005*.

### **Current Anti-discrimination Language**

Chapter 545 requires licensees to follow provisions that outline the prohibited grounds of discrimination and currently contains three provisions designed to prohibit discriminatory

behaviour toward the public in carrying out a licensed trade, business or occupation. These provisions prohibit discrimination (i.e. the refusal of entry or service) based on the following grounds:

- Race, colour, or creed;
- Blind person using a guide dog; and
- Person with a disability.

## **Proposed Changes**

The *Code* prohibits actions that discriminate against people based on a protected ground (e.g. race, sex, age) in a protected social area (e.g. jobs, housing, and services).

Part 1, section 1 of the *Code* states that:

Every person has a right to equal treatment with respect to services, goods and facilities, without discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, gender expression, age, marital status, family status or disability.

Staff propose updating the existing discrimination provisions in the Licensing By-law to align with the *Code*.

The *AODA* is provincial legislation that prescribes accessibility standards for all Ontarians with disabilities. The *Act* applies to every person or organization in the public and private sectors of the Province.

Currently, the Licensing By-law stipulates that licensees are prohibited from refusing service to blind persons who use guide dogs. In accordance with the *AODA*, this section should be revised to delete any reference to blindness and include the broader reference to persons being guided or assisted by service animals. Staff also propose adding definitions of a guide dog and service animal to section 545-1, Definitions of the By-law.

These updates are in line with the City's efforts in creating an accessible city and developing equitable policies. With the upcoming TO2015 Pan Am/Parapan Am games (July-August, 2015), these *Code* and *AODA*-related changes are particularly time-sensitive. Since TO2015 games are expected to attract local and international attention, organizers have embraced the opportunity to plan and develop accessible infrastructure and inclusive programming. Anti-discrimination provisions in Chapter 545 should be updated to reinforce the expectation of equitable and inclusive treatment of consumers and residents in the City.

## **Enhancing By-law Relevance and Readability**

### **Definition Clean-up**

Attachment 2 outlines the 15 definitions that are recommended for removal or amendment in Section 545-1 "Definitions," the reason for the changes, and anticipated impact that may result. Staff have noted one of three key reasons for each recommended change:

1. To correct inaccurate content resulting from previous amendments to the by-law;
2. To correct outdated City of Toronto organizational information; and
3. To remove definitions linked to redundant classes identified for removal in Attachment 3.

Seven of the proposed changes are deletions that were overlooked in the course of amending by-laws over the past six years. For instance, when the Province's Electrical Safety Authority assumed responsibility for licensing electrical contractors and master electricians, the City implemented by-law 609-2009, which should have amended relevant sections of Chapter 545. The three associated definitions and licence requirements were left in the By-law when that part of the Chapter governing electricians and electrical work was removed.

Four of the 15 recommendations include amendments to definitions that refer to outdated job titles and divisions within the organization. The remaining four recommendations include definitions that are to be deleted pending the removal of their associated licence classes and article sections, which are deemed obsolete or no longer serve a municipal purpose, as outlined in Attachment 3.

Overall, the anticipated impact is minimal as most of these proposed changes are considered housekeeping.

### **Licence Class Clean-up**

Classes are those trades and businesses listed in the "Licence Requirement" section (545-2) of Chapter 545. Operationally, these classes are grouped into licence categories. For instance, a business selling meat, other food, or tobacco is licensed as a "Retail Store."

Through a preliminary review of section 545-2, staff propose the removal of 12 licence classes. Attachment 3 of this report provides a breakdown of these classes along with one or more of the following reasons for removal:

1. Class is obsolete – very few/no new licences issued in over 20 years, or class is an outstanding deletion resulting from by-law or legislative changes;
2. Class is duplicative – covered under another by-law or falls under the jurisdiction of other government or agency; and
3. Class no longer serves a municipal purpose in protecting consumers or ensuring public health and safety.

An example of an obsolete class that is also regulated by another level of government is the licence for special sales. This licence requirement was first introduced to protect the

public against false advertising, such as businesses faking closure or bankruptcy to benefit from "going out-of-business" sales. Although it used to be a source of revenue for the City, the class has not been enforced in many years – as of 2014, there was only one licence held for a special sale. More importantly, enforcement of the licence requirement does not serve a municipal purpose as it does not affect consumer health and safety and is regulated by the provincial *Consumer Protection Act, 2002* and the federal Competition Bureau. The removal of this and similarly redundant classes will help to modernize Chapter 545, reduce its length, and enhance its readability.

Tables 2 and 3 below show the number of licences held in each year from 2012 to 2014 in the classes recommended for removal (as outlined in Attachment 3). Many of the 12 classes have rarely been enforced in several years, with few or no new licences being issued in the past three years. In most cases, there are likely few businesses that need these licences and City staff are not actively enforcing them as a municipal purpose is no longer apparent.

Given the low number of licences for these classes, the financial implications will be minimal. In 2014, licence issuance and renewal for these classes resulted in \$2,588.58 in revenues.

As mentioned above, endorsements are additional consent provided to the holder of a licence to carry on a related business activity which would otherwise require a separate licence. The sales of meat and fish (items 11 and 12 in Table 3, below) are operationalized as endorsements on primary licences for businesses selling refreshment or food stuffs and consequently will result in no loss of revenue.

**Table 2**

Licence Requirement Class Recommended for Removal		Total Number Licences, by Year		
		2012	2013	2014
1	Bill, ad and sign posters, painters and distributors	2	2	0
2	Electrical contractors, master electricians	0	0	0
3	Motor vehicle and motorcycle racers	0	0	0
4	Proprietary club with billiard, pool or bagatelle table	0	0	0
5	Owner/ keeper of auto service station, erected on or since June 28, 1928, located on prohibited land	1	1	1 (this business closed in Jan. 2015)
6	Owners and drivers of horse-drawn vehicles used for sightseeing tours	0	0	0
7	Owners or keepers of for-profit public pools and baths	8	8	8
8	Owners or keepers of trailer camps	0	0	0
9	Owners or keepers of trailers, for 30 days or longer in a year	0	0	0
10	Person who conducts a special sale	12	12	1

**Table 3**

<b>Licence Requirement Class Operationalized as Endorsement and Recommended for Removal*</b>		<b>Total Number Licences, by Year</b>		
		<b>2012</b>	<b>2013</b>	<b>2014</b>
11	Seller of meat and fish excluding horse meat	277	266	267
12	Seller of horse meat	1	1	2

\* These licence classes are operationalized as larger categories. Businesses selling meat, fish, and/or horse meat are licensed eating establishments or retail stores. These classes predate the provincial and federal controls over the source and safety of meat sold by businesses in the province.

Businesses selling meat, fish and/or horse meat can continue to sell these products, as applicable provincial and federal legislation is in place.

### **Consolidate Food Provisions in Article X, Food Establishments**

Chapter 545 has two sections that refer to food establishment - "General Provisions" section and Article X, "Food Establishments." Staff propose consolidating all of this information within Article X to enhance the By-law's organization and readability.

### **Remove Fee References**

Chapter 441, Fees and Charges, includes all City fee provisions, making Appendix A ("Annual Fees for Licenses") in Chapter 545 unnecessary. Staff propose removing Appendix A and replacing fee references with references to Chapter 441. This will help shorten the By-law and eliminate redundancy.

### **Reducing Red Tape for Businesses**

Many businesses are licensed for more than one location under Chapter 545. There are 960 clients that hold licences for more than one business location. Together, these 960 clients hold 4,194 business licences. Currently, Chapter 545 provisions do not distinguish between these multi-licence clients and clients with only one business licence. Therefore, multi-licence clients are required to undergo the City's administrative processes for maintenance of each licence, separately. The following sections discuss recommendations that aim to reduce red tape by streamlining processes for multi-licensees.

### **Harmonizing Multi-Store Licence Renewal Dates**

Licenseses operating multiple businesses licensed under Chapter 545 require a licence for each location. Since licence renewal dates are based on the original application, every location has its own renewal date and may require its own renewal paperwork. Harmonizing renewal dates for multiple location licence holders will reduce the red tape and burden on companies that would otherwise have to visit licensing offices multiple times for each location's licence renewal date and would receive multiple invoices for



these renewals. Staff propose that City Council grant the Executive Director of ML&S the delegated authority to allow multi-licensee clients who, on a voluntary basis, seek to harmonize their licence renewal dates.

This change will reduce the burden for these clients by allowing them to make one visit to the Toronto Licensing office for multiple business licence renewals. Proration of fees will ensure that there are no financial impacts from this change.

### **Multi-Year Renewal**

Currently, businesses are required to renew licences annually. Staff propose that City Council delegate the authority to the Executive Director, ML&S to allow multi-year licence renewals. For example, there are instances where the licence holder is not required to provide licence renewal paperwork in person at the Toronto Licensing office and allowing multi-year renewals will help alleviate the burden on businesses to come into the office every year. Renewal fees will be prorated to reflect the renewal period.

### **Administrative Thresholds and Multi-licences**

ML&S has the ability to refuse to issue or renew a licence held or sought by persons or entities which have breached business licensing thresholds, as set out in Appendix K. Breach of thresholds can have undue affects on corporations with multiple licensed locations (e.g. a chain restaurant). When one location is in breach of thresholds, all licences associated with the client are brought before the Toronto Licensing Tribunal and scrutinized for one location's offences.

Staff propose adding a provision stipulating that licensing thresholds only apply to the location where the threshold was breached. This will reduce the burden on businesses having to refute enforcement decisions that have unfairly affected them. It will also enhance public safety and enforcement outcomes by ensuring that only appropriate matters are taken to the Toronto Licensing Tribunal and dealt with in a timely manner.

This recommendation is in line with the March 19, 2013, Licensing and Standards Committee directive requesting that staff review Appendix K, "Business Licence Thresholds," and report back with recommendations on changes that will improve provisions to better protect consumers, ensure public health and safety, and enhance the economic, social and environmental well-being of the City. ML&S will undertake a full review of Appendix K and report back at a future meeting.

### **Collection of Shareholder Information from Food Establishments**

Following the consolidation of food provisions in Article X, "Food Establishments," staff propose removing the requirement for shareholder information from clients holding licences for food establishments. There is no added value to collecting this information from food establishments in the absence of an active investigation, and as such, has not been actively enforced by ML&S. Removing this requirement will alleviate the

paperwork burden on businesses. Shareholder information can continue to be collected from a food establishment on an individual basis at the time of application or renewal under section 545-4.A(2).

## **Next Steps**

The recommendations presented in this report are part of Phase 1 of the comprehensive review and modernization of Chapter 545, Licensing. Following the implementation of Phase 1, staff will continue to research issues, opportunities, and impacts of changes to the Licensing By-law.

## **CONTACTS**

Carleton Grant  
Director, Policy and Strategic Support  
Municipal Licensing and Standards  
Tel: 416-338-5576  
Email: cgrant@toronto.ca

Marcia Stoltz  
Acting Manager, Licensing Services  
Municipal Licensing and Standards  
Tel: 416-392-6071  
Email: mstoltz@toronto.ca

## **SIGNATURE**

---

Tracey Cook, Executive Director  
Municipal Licensing and Standards

## **ATTACHMENTS**

- Attachment 1: Proposed updates to anti-discrimination language in Article I, "General Licensing Provisions"
- Attachment 2: Recommended Changes "Definitions" (Section 545-1)
- Attachment 3: Recommended Changes to "Licence Requirement" (Section 545-2)