

Update on the Business Licence and Permit Applications Action Plan and Other Outstanding Directives

Date: March 24, 2026

To: Economic and Community Development Committee

From: Interim Executive Director, Municipal Licensing and Standards

Wards: All

SUMMARY

The City of Toronto's Municipal Licensing and Standards (MLS) Division continues to refine the administration of its business licence and permit services to remain responsive to client needs and reduce regulatory burden. MLS issues and enforces 89 business licence and permit types, with 56 of them contained in [Chapter 545, Licensing](#) (the Licensing Bylaw). In 2025, MLS issued and renewed a total of 32,906 business licences and processed 7,552 service requests associated with businesses licensed under Chapter 545.

In July 2025, City Council adopted MLS' Business Licence and Permit Applications Action Plan (the Action Plan) ([2025.EC22.7](#)), which sets out a four-year roadmap to review and modernize regulations for various licence categories. This report provides a progress update on implementation of the Action Plan and responds to outstanding directives. Specifically, it:

- Outlines recent customer service enhancements, including simplifying licence applications, launching a Business Licensing Information Phone Line and upgrading the Division's licence renewal portal;
- Describes operational enhancements for food, beverage and entertainment businesses based on insights from the implementation of updated licensing and zoning regulations, which includes process and system changes to advance the Division's client-centered/business friendly approach when supporting businesses in changing into a new licence type ([2025.EC24.7](#));
- Responds to outstanding directives and proposes minor bylaw amendments to reduce regulatory burden and provide clarity for businesses.

In 2026, staff will continue to advance the Action Plan by proposing amendments to street vending regulations, launching a new online licence application portal, launching user engagement research, and preparing for implementation of new regulations for pet

establishments. Staff are also preparing to report back in 2027 regarding regulations for temporary sign providers; certain trade licences, such as home renovation trades; certain driver/vehicle owner licences; second-hand goods related businesses; a regulatory sandbox framework for new business models; and a further review of holistic centres and adult services establishments.

This report was prepared in collaboration with the Economic Development and Culture Division and the Technology Services Division.

RECOMMENDATIONS

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

1. City Council amend Toronto Municipal Code, Chapter 545, Licensing as follows:
 - a. Amend Article XXIII, 545-282 and Article XXIV, 545-291 by deleting requirements pertaining to hours and days of operation.
 - b. Amend Article XXIII, 545-285 and Article XXIV, 545-293 by:
 - A. Deleting the requirement that the register of goods received be kept in the form of a book, and written in ink in a plain, legible hand; and
 - B. Adding that the register shall be in a format satisfactory to the Executive Director of MLS.
 - c. Amend Article XXIII, 545-286 to remove the requirement that information from the Second-Hand Goods Register book be submitted to the Executive Director.
 - d. Amend Article XXIV, 545-293.1 by deleting the requirement that information from the Old Gold or Old Jewellery Register book be submitted to the Executive Director.
 - e. Amend the definition of an Entertainment Establishment/Nightclub so that it reads:
 - A. Premises used to provide amplified music for dancing or patron entertainment, and where the premises meets three or more of the following criteria:
 - 1) The premises offers or advertises bottle service, meaning the sale or service of liquor by the bottle;
 - 2) The operator, or an agent acting on behalf of the operator refers to or advertises the premises as a club, nightclub, disco, dance hall, dance club, or similar venue;
 - 3) The premises are equipped with a lighting system, sound system, or disc jockey booth greater in scope than one expected in an eating or drinking establishment;
 - 4) The premises has a stage, dance floor, or other area used for dancing or patron entertainment.

- B. Despite Subsection A, an entertainment establishment/nightclub shall not include an adult entertainment club.
2. City Council repeal Toronto Municipal Code Chapter 832, Videotape Stores, Licensing.
 3. City Council direct that Recommendation 1 and Recommendation 2 come into effect on September 30, 2026.

FINANCIAL IMPACT

There are no current year or future year financial impacts resulting from the recommendations contained in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact Section.

EQUITY IMPACT

Municipal Licensing and Standards is committed to advancing the City's priorities of reconciliation, confronting anti-Black racism, and equity. Staff are conducting user experience research to understand the challenges people face when applying for, obtaining, or renewing a City of Toronto business licence or permit. Engagement will include a focus on input from Indigenous, Black, and/or equity-deserving communities. Feedback will be used to determine how processes can be improved at each stage of the licensing experience, with the goal of fostering participation by Toronto's diverse communities in the city's economy.

DECISION HISTORY

On November 14, 2025, City Council adopted [EC24.7 – Creating a Small Business Friendly Approach to Licensing and Permitting](#), which directed staff to streamline the transition process for existing business owners to new licence classes established under the Bars, Restaurants and Entertainment Venues framework. Council also directed staff to report back with compliance-focused engagement for small business license and permit holders and an outline of training for small business owners and operators.

On July 23 & 24, 2025, City Council adopted [EC22.7 – Business Licence and Permit Applications Action Plan: Chapter 545, Licensing \(2025 to 2029\)](#), which is Municipal Licensing and Standards' roadmap for improving the business licensing and permitting experience for applicants and licence holders by 2029.
<https://secure.toronto.ca/council/agenda-item.do?item=2025.MM30.24>

On April 23 & 24, 2025, City Council adopted [EX22.9 – Mayor’s Economic Action Plan in Response to United States Tariffs – Update to Council](#), to continue efforts to advance the Mayor’s Economic Action Plan in Response to United States Tariffs, including identifying potential changes to administrative fees and licensing requirements.

On December 17 & 18, 2024, City Council adopted [EY18.8 - Community Safety Zone - Mount Olive Drive - Housekeeping Amendment](#), which directed City Planning to review zoning permissions for nightclubs along Lake Shore Boulevard West.

On December 17 & 18, 2024, City Council adopted [SC18.5 - Review of Zoning Regulations for Nightclubs in Ward 20, Scarborough Southwest - Final Report](#), which directed City Planning to review zoning permissions for nightclubs in Ward 20.

On July 24 & 25, 2024, City Council adopted [EC14.14 – Making Business Licence and Permit Applications Easier](#), to further simplify the application process for business licences and permits regulated under Toronto Municipal Code Chapter 545, Licensing, and other licensing bylaws administered by Municipal Licensing and Standards.

On December 13, 14 & 15, 2023, City Council adopted [EC8.13 – Recommended Amendments to Chapter 545, Licensing for Bars, Restaurants, and Entertainment Venues as part of the Night Economy Review](#), which updated the regulatory framework for bars, restaurants and entertainment venues to pursue activity-based licensing and enforcement resource efficiency and introduced new, broader licensing categories to capture emerging business models.

On December 13, 14 & 15, 2023, City Council adopted [PH8.2 – Recommended Amendments to Zoning By-laws for Bars, Restaurants and Entertainment Venues as part of the Night Economy Review – Final Report](#), which included zoning by-law amendments to modernize and clarify the rules for bars, restaurants and other entertainment venues licensed by the City.

On December 13, 14 & 15, 2023, City Council adopted [EC8.14 – Supporting the Growth of the Night Economy](#), which outlined consultation feedback, achievements and next steps for strengthening the night economy sector.

COMMENTS

Background

Chapter 545, Licensing (the Licensing Bylaw)

Municipal Licensing and Standards Division (MLS) issues and enforces 56 business licences through Chapter 545, Licensing (the Licensing Bylaw). In 2025, MLS issued and renewed 32,906 business licences and handled 7,552 business licensing service requests for the Licensing Bylaw.

Chapter 545, Licensing exists under the authority of the City of Toronto Act, 2006, which grants the City the ability to adopt and enforce licensing and permitting regulations for businesses and trades if regulations support various municipal purposes, including enhancing the economic, social, and environmental well-being of the city; supporting public health and safety; protecting consumers; and/or mitigating potential community nuisance. Typically, municipalities license and regulate businesses or trades where there is a clear municipal purpose to do so and where they are not otherwise licensed or regulated by other levels of government or regulatory bodies.

Business Licence and Permit Applications Action Plan

MLS developed the Business Licence and Permit Applications Action Plan (“Action Plan”) to fulfill Council direction ([2024.EC14.14](#)). The Action Plan was approved by City Council in July 2025 and outlines a roadmap from 2025 to 2029 to review all licence categories under the Licensing Bylaw.

It contains the following 5 actions: simplifying Municipal Licensing and Standards’ business licence and permit application and renewal requirements; transforming the technology that enables Municipal Licensing and Standards’ business licence and permit administration and enforcement; optimizing interdivisional reviews, issuance, and enforcement of business licences and permits; modernizing the City of Toronto’s business licensing regulations; and broadening access to and streamlining direct supports and information on MLS’ business licence and permit services. The goal the Action Plan is to reduce burden for businesses and trades and improve the client licensing and permitting experience.

Bars, Restaurants and Entertainment Venues

Updated licensing and zoning regulations came into effect on January 1, 2025 for food, beverage and entertainment businesses ([2023.EC8.13](#)). The changes aimed to reduce administrative burden on low-impact businesses, provide flexibility, while ensuring an appropriate level of regulatory oversight.

2025 represented a transition year for MLS to educate clients on the updated regulations and support them in migrating to the updated licensing framework. The updated regulations resulted in businesses either no longer requiring a licence, remaining in the same licence category, or changing into a different licence category. In 2025, MLS issued or renewed 14,824 food, beverage and entertainment business licences (2,254 new licences and 12,740 renewals). The majority of renewing clients remained in same licence category, while approximately 209 clients (1.6%) changed licence types, and an estimated 142 clients no longer required a licence.

There were many lessons learned from the implementation of these regulations and several clients who changed licence categories shared that the experience was burdensome and confusing. In November 2025, City Council requested MLS establish a streamlined process to transition remaining business owners to their new licence classes ([2025.EC24.7](#)), and this report provides an overview of actions MLS is taking to remedy these issues and better support businesses.

Customer Service Improvements

Through implementation of the Action Plan, MLS has undertaken several business friendly service enhancements intended to reduce administrative burden and improve the overall licensing and permit experience. These enhancements are outlined below.

Launching the Business Licensing Information Phone Line

Staff have heard that clients want access to support in real-time. To provide flexibility for small business operators to get the information they need without interrupting their business operations and to accommodate different access needs and levels of digital comfort, MLS launched a Business Licensing Information Phone Line on January 16, 2026.

This service provides licensees and applicants with direct access to expert representatives who can guide them through the application process and respond to inquiries related to business licensing. The Phone Line is available 5 days a week from 8:30 a.m. to 4:00 p.m., at 416-392-6700. Business owners and licence applicants can now access live support without coming into the Licence & Permit Issuing Office at 850 Coxwell Ave.

Between January 16 and March 23, 2026, staff received 2,235 calls - an average of 50 calls per business day. Callers spent an average of approximately 12 minutes being assisted by staff and waited an average of 3.5 minutes to access support. To date, licensing and permitting staff have assisted clients with navigating the new renewal portal and with questions about business and trade licences, vehicle-for-hire driver licences, and permits for cafés, marketing, clothing drop boxes, vending, and gaming permits.

MLS is working to build resource capacity to support the phone line and prioritize customer service by training additional staff. In Spring 2026, staff intend to broaden public communications about the phone line to the business community and initiate a customer service feedback survey.

New Online Renewal Portal (Phase 1)

MLS received feedback that the system for renewing business licensing and permits is time-consuming and caused confusion and processing delays. In response, MLS launched a new online renewal portal with a modern, client-centred interface on January 19, 2026.

The new online renewal portal includes capabilities such as one [City of Toronto Login](#) that provides access to multiple City accounts and services under one email; and a user-friendly interface that allows clients to view all licences on one dashboard, check licence status, download electronic copies of their licence and permit, renew online, pay online, and review and access their personal and corporate business licence and permit details. These changes aim to simplify the renewal process, remove redundancies, and

provide a self-serve model for clients to access the information needed to manage their licences. From January 19 – March 17, 2026, 1,936 business licence holders renewed their licence with the new renewal portal, using the City of Toronto Login account.

By Q4 2026, MLS will launch Phase 2 of this project, which will result in a new online application portal, wherein applicants can update their information online, access automatic status and payment updates, and navigate a simplified online application experience with added step-by-step guidance to select and apply for the right licence.

Initiating User Engagement Research

Staff are procuring a vendor in 2026 to plan and conduct user experience engagement and research regarding MLS' business licensing and permitting services. The goal is to understand the challenges and/or barriers people face in applying for and obtaining a City of Toronto business licence or permit, from pre-application to application and renewal. This work will engage current licensees and potential applicants, focusing on representation from Indigenous, Black, and/or equity-deserving communities.

Streamlining Communications to Clients

Staff are reviewing licensing-related communications to make it easier for clients to access supports, and continue to promote resources such as a dedicated [website](#) for new licensing and zoning rules for restaurants, bars and entertainment venues and a [licence finder tool](#) during enforcement with the goal of connecting clients with information.

Update on Regulatory Changes for Food and Entertainment Venues

Updated licensing and zoning regulations for bars, restaurants and entertainment venues came into effect on January 1, 2025 following Council adoption of recommendations on December 15, 2023 ([2023.EC8.13](#)). Amendments to Chapter 545 were made following extensive industry and client engagement such as a survey, 10 vendor-led consultation sessions, and several City-led information sessions. Changes included creating new licence categories, streamlining, clarifying, and supporting existing ones, and introducing an activity-based licensing framework based on the complexity of business activities for Eating or Drinking Establishment and Entertainment Place of Assembly licence categories.

In 2025, City Council directed MLS to establish a streamlined process to transition existing business owners to the updated licence classes established under the new Framework, where they have otherwise not altered their business practices, and to collaborate with the Economic Development and Culture Division on training and education for small business owners and operators ([2025.EC24.7](#)).

This report provides a reflection on the new framework one year after it came into effect, as well as describes operational enhancements MLS has made to respond to feedback from clients and Council direction.

Implementation Update

Staff used 2025 as a transition year, advancing an education-first approach to bringing clients into compliance with new regulations. Prior to January 1, 2025, MLS delivered a communications and education campaign that included creating a [dedicated webpage](#) and [licence finder tool](#); updating online City resources; running transit shelter ads and targeted online and social media ads; promoting through industry, divisional and Councillor newsletters; and engaging clients through written notices, two virtual information sessions, booths at community and industry events, media blitzes, and educational visits.

The outcome of these efforts is that the majority of renewing clients remained in the same licence category, while approximately 209 clients (1.6%) changed licence types by January 1, 2026. Of the 209 that changed licences, 52% converted into an Expanded Activity licence type and 1 converted from an Eating Establishment into an Entertainment Establishment/Nightclub. An estimated 142 businesses no longer required a licence following the implementation of updated regulations.

While the education-first approach brought majority of clients into compliance with the updated regulations, staff identified general implementation issues. It was difficult for clients to access clear and timely information, which meant several were unaware of changes relevant to them. Staff also learned that the licence change process was onerous and in some cases clients were receiving inconsistent messaging about having the appropriate licence.

In response to Council direction in item [2025.EC24.7](#), MLS undertook proactive, targeted efforts to support clients who had already renewed their licence in 2025 to confirm whether their licence type aligned with their business operations. As a result, staff identified an additional 265 clients who may need to change licence types. Staff continue to assess businesses impacted by the updated regulations and to provide individual, step-by-step support with changing licences.

Enhancing the Licence Conversion Experience

Based on stakeholder feedback and to respond to Council direction, MLS is taking the following actions: (a) conducting targeted outreach to clients, (b) implementing a streamlined licence conversion process, and (c) refining educational supports. The objective of these enhancements is to refocus on a proactive approach that identifies businesses potentially in need of a conversion and provide support (instead of waiting for clients to self-assess about whether they require a licence change).

Targeted Client Outreach

Staff are conducting targeted outreach throughout 2026 to engage business owners and operators to identify the clients who need to change licence categories. This outreach is client-centered and typically occurs during non-peak business hours, with work carried out by a dedicated team. The aim is to assist clients in determining whether their existing licence aligns with their business operations, and to focus on a more business friendly compliance approach, specifically for small businesses.

When a client determines that they need a different licence, a warm transfer takes place: bylaw enforcement officers refer clients to licensing and permitting staff. Licensing and permitting staff lead communications and support clients step-by-step with completing the licence change before the client's next planned renewal date.

Streamlined Licence Conversion Process

MLS staff are proactively identifying owners and operators who may benefit from assistance in assessing the licence appropriate for their operations using data on business renewal and/or expiration dates, service requests and referrals from other Divisions or external agencies, including Toronto Police Services, and/or communications from clients.

When the need for a licence change is identified, in most cases MLS will not require clients to make the change immediately, but instead at the client's next planned renewal date. If a licensed business has complaints or poses potential health and safety considerations, MLS may require the licence change to in advance of the next planned renewal date. In these cases, clients will only need to submit the additional documents required to change licence types (as opposed to resubmitting a full application) and pay a prorated fee (amounting to the difference in cost between the client's current licence category and their new one). This conversion process will become a model for future licence category conversions.

Education and Training

MLS continues to refine public education supports for small businesses and to enhance staff training. Efforts include delivering refresher training for licensing and permitting staff and bylaw enforcement officers on changes resulting from the updated regulations as well as aligning cross-divisional resources. MLS and EDC have coordinated to ensure training for staff incorporates experiences of night economy businesses and small business owners and operators. The Toronto Small Business Enterprise Centre hosted through EDC offers businesses with a range of supports, including about starting a business, accessing funding, and complying with business licensing. As part of ongoing collaboration efforts, staff across the two divisions will work together to identify opportunities for streamlining how clients receive information from the City. Staff will also update MLS' website to link to EDC resources on business growth and operating as a good neighbour to make resources more readily available for small businesses.

Responses to Outstanding Directives and Bylaw Amendments

This section of the report responds to outstanding directives and proposes bylaw amendments to reduce regulatory burden and provide clarity for businesses.

Regulations for Second-Hand Goods Related Businesses

In July 2025, City Council directed MLS to review provisions for retailers of second-hand goods in the Licensing Bylaw and report back in 2026 ([2025.EC22.7](#)). Under the

Licensing Bylaw, second-hand goods retailers include salvage shops and yards (automobile wrecking yards or premises) and premises selling or exchanging second-hand goods (waste paper, rags (clothes), bones, bottles, bicycles, automobile tires, old metal and other scrap material and salvage) or second-hand gold, other precious metals, and jewellery.

Staff have heard feedback from stakeholders that certain provisions for second-hand goods retailers are outdated and put licensed retailers at a competitive disadvantage compared to online retailers. These provisions include restrictions on operating hours, a requirement to hold all goods taken in for fifteen business days before they are altered, disposed of or sold, and requirements to maintain a hand-written register of all goods received and to submit information from the log daily to MLS. As stated in the Action Plan, MLS had planned to review all provisions for second-hand goods retailers in 2028 and 2029, however in response to stakeholder feedback and Council direction, staff have initiated the work. Staff are recommending several bylaw amendments to reduce regulatory burden through this report and will continue the review and report back on any further changes in 2027.

Staff recommend amending Chapter 545 to remove operating hour restrictions for second-hand goods retailers as the bylaw does not restrict hours for other low-impact business types. Staff also recommend eliminating the requirement for paper-based records and allowing the register of goods received to be kept electronically and be provided for inspection upon request, instead of submitted to MLS. Staff are not recommending changes to the fifteen-business day hold requirement for goods received at this time as this provision supports Toronto Police Service (TPS) investigations. Engagement with TPS demonstrated that this provision continues to be of value for them. Staff will continue to engage TPS to determine future regulatory changes.

Updating the Definition of Entertainment Establishment/Nightclub

As part of the updated licensing and zoning regulations for food, beverage and entertainment venues that came into effect on January 1, 2025, updated regulations for Entertainment Establishment/Nightclubs were established under the Licensing Bylaw, including a new definition – a premises where amplified music is provided for patron entertainment or dancing, or a premises that meets at least three specified criteria, including offering or advertising bottle service, advertising as a nightclub or similar, having an extensive light or sound system, or disc jockey booth, and having a stage or dance floor.

Over the first year of implementation, staff have received feedback from industry stakeholders that this definition lacks clarity and does not adequately distinguish an Entertainment Establishment/Nightclub from an Expanded Activity Entertainment Place of Assembly or an Expanded Activity Eating or Drinking Establishment. In response to this feedback, staff are recommending administrative changes to clarify the definition, including specifying that an Entertainment Establishment/Nightclub is a premises that provides amplified music for dancing or patron entertainment and also meets at least three of the specified criteria. The changes also clarify the criterion related to advertising

the premises as a nightclub or similar, specifically that it can be undertaken by the operator or an agent acting on behalf of the operator.

As staff monitor implementation of the updated licensing and zoning regulations, MLS will continue to engage with internal partners, including EDC, and industry stakeholders on the updated licensing definition for Entertainment Establishment/Nightclub and report back in 2027 as part of Action Plan initiatives. The City Planning Division is also monitoring impacts of recent zoning updates for nightclubs, including the implementation and effectiveness of nightclub permissions along Lake Shore Boulevard West ([2024.EY18.8](#)) and in Ward 20 ([2024.SC18.5](#)).

Repealing Chapter 832, Videotape Stores, Licensing

Toronto Municipal Code [Chapter 832, Videotape Stores](#) outlines licensing requirements and regulations for adult videotape stores in Scarborough and does not apply to any other part of the city. The Bylaw was adopted by Council in 2003 as a transfer from the former municipality of Scarborough following the 1998 amalgamation of the City of Toronto. Since 2003, MLS has not issued any licences under Chapter 832. Since 2020 there have been no service requests (complaints) about the licence category. Given the outdated nature of the Bylaw and that it does not apply city-wide, staff recommend repealing Chapter 832.

Implementation and Next Steps

Pending Council approval, implementation of regulatory changes for second hand goods business owners and operators, repeal of Chapter 832, Videotape Stores, and amending the definition of an Entertainment Establishment/Nightclub will come into effect on September 30, 2026.

Staff will continue to implement the enhanced actions to support food, beverage and entertainment venues in transitioning to the updated regulations so that all clients are appropriately licenced by their next planned renewal date. In 2026, staff will continue to advance the Action Plan by launching a new online licence application portal, preparing for implementation of updated regulations for pet establishments, and proposing amendments to street vending regulations. Procurement of a vendor to conduct user engagement research in 2026 is also underway.

From 2027 to 2029, Municipal Licensing and Standards also plans to report back on reviews of the following licence categories in Chapter 545, Licensing:

- 2027: Second-hand goods related businesses; temporary sign providers; certain trade licences such as home renovation trades, adult services trades, and holistic trades; certain driver/vehicle owner licences; precious metal shops; and a regulatory sandbox framework for new business models. Work is underway in 2026 for these initiatives.
- 2028: Clothing drop box operators and tobacco and vapour products retailers.

- 2029: Automobile-related businesses; parking-related businesses; and loans and goods exchanges-related businesses.

In addition to implementing the recommendations, Municipal Licensing and Standards will continue to collaborate with other Divisions to make operational improvements to Municipal Licensing and Standards' business licence and permit services.

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