



Staff Report

To: Council

From: George Vadeboncoeur, Manager, Planning Special Projects

Meeting Date: July 22, 2026

Report No.: DS2026-086

Subject: Proposed Amendments to the Short-Term Rental Accommodation and Bed and Breakfast Establishments Licensing By-law

Type: Requires Action

Motion No.:

Recommendation

It is recommended:

1. That Report No. DS2026-086 be received and adopted.
2. That Council approve the proposed amendments to the draft Short Term Rental Accommodation (STRA) and Bed and Breakfast Establishments (B & B) Licensing By-law as outlined in Report No. DS2026-086.
3. That the Draft STRA and B&B Establishments Licensing By-law be approved as amended.
4. Should Council choose to adopt the Short Term Rental Accommodation (STRA) and Bed and Breakfast Establishments (B & B) Licensing By-law, that Council direct staff to implement the By-law immediately requiring legal STRA operators to be licensed two months after adoption and illegal operators to be licensed six months after adoption.
5. That the Licence fee cover the balance of 2026 and all of 2027 as part of the implementation.

Background

The Licensing By-law has been prepared under the authority granted to the municipality under the Municipal Act, 2001. If adopted, it will cover the entire municipality and will address legal as well as illegal STRAs and B&B establishments. For an STRA that advertises or B&B Establishment to be eligible for a license, the subject property must be properly zoned to permit such uses. Without proper zoning, a property is not eligible

for license, and if the STRA is advertised, it would be considered illegal by the Township. Note: The abbreviation STRA is used in the report and means an STRA that is advertised.

The purpose of this report is to outline proposed changes to the draft Short Term Rental Accommodation (STRA) and Bed and Breakfast (B&B) Establishments Licensing By-law (Licensing By-law) resulting from public input since the By-law was last before Council on June 24, 2026. The report also provides the results from the enforcement options survey conducted on the Township's public engagement webpage.

Through the survey and through direct contact several comments were received on the by-law from members of the public. Staff have reviewed the comments and are proposing amendments to the Licensing By-law, which are highlighted within the report.

Proposed Amendments to the Licensing By-law

In addition to some minor housekeeping items there are six amendments being proposed to the Licensing By-law:

1. a) Proposed definition of Village Resort Commercial Unit that mirrors the Zoning By-law definition.
- b) Proposed definition of 'primary use'.
- b) A clause indicating that a Village Resort Commercial Unit could be rented more than 92 days in a calendar year as a primary use.

Rationale: Under the Village One (V1) Zone Village Resort Commercial Units are permitted along with different types of dwelling units. Some of the units are located in developments that are managed under a rental or lease management program and are excluded from licensing. Other units are part of a condominium development (Highland Estate) where individual owners determine the use of the unit and they manage it themselves.

Under the (V1) Zone an owner of a condominium dwelling unit could use their unit as a dwelling unit, a secondary use STRA or as an STRA for a period longer than 92 days per year. To provide a distinction between a dwelling unit that is used as an STRA for 92 days or less and an STRA that is used longer than 92 days per year, the term "primary use" has been introduced. This will be used for STRAs that are rented more than 92 days in a calendar year.

2. Permitting a bedroom in a legal Sleeping Cabin to be counted as a bedroom for the purpose of an STRA licence.

Rationale: Some properties have legal sleeping cabins that house one or two bedrooms. Under the proposed amendment, bedrooms in a legal sleeping cabin could be counted as part of the total person (bedroom) count for a license. The maximum occupancy remains the same at eight (8) persons or two (2) persons per bedroom per

property, whichever is less, plus two persons under the age of 12. All requirements to obtain a license remain the same.

3. Demerit points arising from a conviction or AMPS penalty as a result of a by-law violation can only be applied if the conviction/AMPS penalty is a result of a violation while the dwelling unit being used as an STRA.

Rationale: Clarifies that demerit points can only be applied if the conviction/AMPS penalty was applied while the dwelling is being used as an STRA.

If there is a conviction/AMPS penalty for a violation of a municipal regulatory by-law while the dwelling is being used as a dwelling unit, penalties under the Licensing By-law would not apply.

4. Where a single violation gives rise to a conviction/AMPS penalty, of more than one provision of this By-law (or any other By-law referenced in the Demerit Point Table) it shall be treated as a single conviction/AMPS and the demerit points assessed will be under one conviction/AMPS, the conviction/AMPS attracting the greatest number of points, unless the matter involves the health and safety of a renter, hindering or obstructing an officer, or is the second violation within a six month period, then the demerit points for more than one Designated Violation Provision under the Demerit Point System may be applied.

Rationale: Demerit points are applied against a license upon conviction/AMPS penalty. Under the Demerit Point System the number of points vary depending on the offence and range from two (2) points to six (6) points. Once a licensee receives seven (7) demerit points, their license may be revoked or suspended. Demerit points remain in place against the licensee for two (2) years from the date the demerit points were imposed.

This amendment provides staff with flexibility to apply one category of demerit points (the one with the maximum number of points) where there is a single occurrence that generates multiple violations to the Licensing By-law and other municipal By-laws. If it wasn't in place, a first-time offence that involves multiple violations could result in immediate license suspension or revocation (subject to appeal) which could be considered excessive depending on the nature of the violation.

Violations involving the health and safety of renters, obstructing an officer or is the second violation in a six-month period would be subject to full demerits.

5. A requirement has been added that a consent letter from the Condominium Property Manager or designate be obtained and included with an application for a Short-Term Rental Accommodation in a condominium development.

Rationale: The parking requirement for an STRA under the Licensing By-law is one (1) parking space per bedroom. Condominium dwelling units in the Highland Estate Development were each allocated one (1) parking space. Some owners purchased an additional space giving them two (2). A dwelling unit with two (2) bedrooms would require two (2) parking spaces to operate an STRA. The Condominium Association

wants to ensure that adequate parking is provided for those owners intending to use their unit as an STRA.

6. A paragraph has been added in the enforcement section as follows:

“Notwithstanding the provisions of this By-law, if an owner is required to take action in relation to, or to prevent, a possible violation associated with their short-term rental accommodation or bed and breakfast establishment and can demonstrate to a court of competent jurisdiction, a hearing officer, or the Licensing Appeal Tribunal, the failure to do so was due to circumstances beyond the owner’s control, the owner shall not be found to have violated the By-law.”

Rationale: This formally gives an Officer and the Licensing Tribunal the authority to consider extenuating circumstances outside of the licensee’s control when considering the penalty to apply for a violation(s) to the by-law. This is generally the practice of enforcement officials unless directed otherwise by Council.

Implementation and Enforcement

Typically, a regulatory by-law is in effect once it is adopted. In some cases where By-laws require the public to adjust an existing activity, the by-law is effective immediately, but enforcement is delayed so that notice can be provided to those impacted out of fairness.

The Licensing By-law will require that legal STRAs and B&B establishments become licensed. It will also require those that are currently operating, but do not have proper zoning, to seek a zoning amendment for their property or cease advertising.

Staff are seeking direction on the timing of enforcement of the by-law.

Steps

As a first step, staff plan to send notices out to those that currently advertise STRAs and B&Bs to advise the following:

- a) If the property is legal (properly zoned) – it is now required to be licensed and outlining the process to apply for a license along with requirements, deadlines, etc.
- b) If the property is illegal (not properly zoned) - they are required to stop advertising by the deadline (see below). If they wish to continue to use their property as a commercial STRA or B&B, they must apply for a rezoning.

Granicus is prepared to send notices to those in its database that will outline the requirements to establish an STRA and Municipal Law Enforcement will be prepared to start receiving applications on Cloudpermit.

Staff will also look to host an information session(s) to ensure stakeholders are well informed of the requirements, process and provide assistance to guide the implementation.

The second step pertains to enforcement. Enforcement involves sending out warning notices to all those that are still advertising without a license and providing deadlines to either:

1. Apply for a license because their property is legal.
2. Apply for re-zoning because their property is illegal or stop advertising.

Staff considered four options related to enforcement:

1. Enforce immediately upon adoption of the Licensing By-law
2. Commence enforcing one month after adoption
3. Commence enforcing two months after adoption
4. Commence enforcing two months after adoption for STRAs and B&B establishments that are properly zoned and six months for those requiring a rezoning

There are advantages and disadvantages to each option that are outlined to Schedule B to this report.

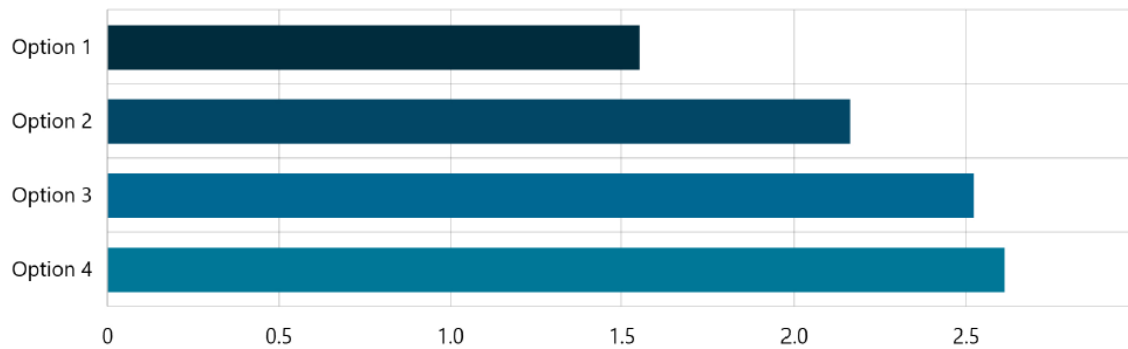
Public Survey

At its June 24, 2026 meeting Council directed staff to seek public input on the Licensing By-law and enforcement approach. Staff developed a brief survey and used the Engage Oro-Medonte platform and the STRA website to create awareness and collect surveys.

There were 41 responses to the survey and 31 ranked the enforcement options. The results of the survey are as follows:

2. Based on the four proposed options, please rate each from highest (favourite) to lowest (least favourite):

Ranking | Skipped: 10 | Answered: 31 (75.6%)



	1	2	3	4	Count	Score	Avg Rank
Option 1	24.00% 6	0% 0	20.00% 5	56.00% 14	25	1.55	3.08
Option 2	16.67% 4	45.83% 11	37.50% 9	0% 0	24	2.16	2.21
Option 3	26.92% 7	46.15% 12	26.92% 7	0% 0	26	2.52	2.00
Option 4	46.67% 14	10.00% 3	10.00% 3	33.33% 10	30	2.61	2.30

Score - Sum of the weight of each ranked position, multiplied by the response count for the position choice, divided by the total contributions. Weights are inverse to ranked positions.

Avg Rank - Sum of the ranked position of the choice, multiplied by the response count for the position choice, divided by the total 'Count' of the choice.

In the June report staff had recommended Option 4. The survey results indicate that Option 4 is preferred followed closely by Option 3.

If Council approves Option 4 and adopts the Licensing By-law on July 22nd, staff proposed the following implementation steps:

1. July 24th – Education Letter/Notice to be sent out to all listed legal and illegal STRA and B&B operators and posted on the Township Website advising:
 - Legal Operators – may continue to operate. Must apply for a License and be legal by September 30, 2026 or cease advertising. Details to be provided on application process under Cloud Permit.
 - Illegal Operators – may continue to operate. Must apply for a re-zoning by September 30, 2026 or cease advertising. Property must be rezoned by January 30, 2027 to permit an STRA.

Note: All notices will be posted on the Township Website and through social channels to provide notification of those that did not receive a direct notice and to the public.

Note: Staff plan to undertake a public consultation of the four options dealing with potential amendments to the Zoning By-law pertaining to STRAs in early 2027. STRA operators will be advised of the review.

2. Staff to process license and re-zoning applications as they are received.
3. Website to be updated with information on the application process to obtain an STRA and B&B Establishment License; provision of an interactive map showing the location of licensed STRAs and B&B and the name and contact information for licensed properties, and a direct link to submit a complaint or concern about an STRA or B&B Establishments.
4. On August 30th, 2026, Granicus will send out reminder Education Letters/Notices to those legal operators not licensed, requesting that they apply for a license by September 30th or stop advertising.

Note: If property owners (legal) have applied for a license or (illegal) have applied for a rezoning application and are proceeding through the review process, they will be permitted to continue to advertise while the application is being processed.

5. On September 1, 2026, Granicus and Municipal Law to send out reminder Education Letters/Notices to illegal operators that have not applied for a re-zoning advising that they need to apply for a re-zoning by September 30th or there will not be sufficient time for Council to consider their application by the January 30, 2027 deadline. They also must stop advertising by September 30th or be in violation of the By-law.
6. On October 1, 2026, Municipal Law would start issuing warning notices to Illegal operators that are still advertising and not licensed.
7. On November 1, 2026 (three (3) months after By-law Adopted) Municipal Law would start issuing AMPS Notices to Illegal operators that are still advertising and not licensed.

Financial/Legal Implications/Risk Management

There will be costs incurred by the municipality to implement the STRA and B&B licensing programs. Fees have been established on a cost recovery basis and will be reviewed annually to achieve this objective as the program is implemented. The main variable is the amount of revenue from penalties levied, which is unknown at this time, and therefore has not been included in projected revenues.

There is a possibility that the Licensing By-law could be challenged in Court. If this occurs, costs will be incurred to defend the By-law. Funds needed for legal services will depend on the specific challenge and potential costs unknown at this point and have not been considered in the cost recovery model.

Background Reports

Report DS2025-004, Options Report to Address Illegal Short-Term Rental Accommodations In Oro-Medonte.

Report DS2025-023, Tabling of Draft Licensing By-law for Council and Public Comment Report DS2025-050 & Schedule A, Summary of Public Comments Received

Report DS2025-062, Proposed Short Term Rental Accommodation and B&B Licensing By-law

Report DS2026-064, Short Term Rental Accommodation and Bed and Breakfast Establishments Licensing By-law Proposed Amendments

Report DS2026-064 - Schedule 1

Report DS2026-064 - Schedule 2

Policies/Legislation

- Municipal Act, 2001
- Township of Oro-Medonte Zoning By-law
- Township of Oro-Medonte Administrative Monetary Penalty System By-law
- Township of Oro-Medonte Engagement Policy

Consultations

- Chief Administrative Officer
- Director, Development Services
- Chief Municipal Law Enforcement Officer

Attachments

- Schedule 1: Chart of Advantages/Disadvantages
- Schedule 2: Track Changes Version of Proposed Licensing By-law

Conclusion

On March 30, 2026, the OLT approved revised STRA Official Plan policies, including a new definition of STRA establishing one pillar in the STRA regulatory framework. The other two pillars are the new Licensing By-law and Zoning By-law amendment to implement the new Official Plan policies.

The Licensing By-law has been prepared under the authority provided by the Ontario Municipal Act, 2001 which regulates how properties are maintained and operated. It covers the entire municipality and deals with both legal and illegal STRAs and B&B establishments. It also covers properties that are zoned to permit STRAs that advertise and B&B Establishments and those that are operating illegally without proper zoning in place. A robust Administrative Monetary Penalty System (AMPS) penalty regime is also being proposed with significant fines that address legal and illegal STRAs and B&Bs.

Should Council choose to adopt the Licensing By-law it is recommended that it come into effect immediately with enforcement of licensing requirements commencing on

October 1, 2026 for illegal STRA and B&B operators. This will provide ample time to notify STRA owners that advertise and B&B operators so they can apply for a license by the deadline. It will also provide time for staff to educate the public on licensing requirements, update the dedicated website, and to implement the administrative procedures necessary to process applications.

Illegal operators would be required to stop advertising by September 30, 2026, and enforcement would commence October 1, 2026 with warning notices unless a rezoning application has been submitted to permit an STRA or B&B as such applications would be considered as co-operative efforts to obtain compliance. AMPS notices would commence November 1, 2026.

Only owners of properties that are currently zoned to permit STRAs and B&Bs would be eligible to submit license applications. Staff could start receiving applications as early as July 22, 2026 for review. It is proposed that fees cover the balance of 2026 and all of 2027 as an incentive to apply for a licence.

Third party services (Granicus) are in place to assist with enforcement and a complementary report dealing with amendments to the Administrative Monetary Penalty System (AMPS) By-law to implement penalties for violations of the Licensing By-law is to be considered by Council.

As of July 1, 2026 there were 276 STRAs and approximately 10 B&B establishments identified in the Township. Staff plan on tracking the performance of the regulatory framework and provide quarterly reports to Council on the program.

Staff are confident based on the experiences in other municipalities that the adoption of a Licensing By-law to regulate STRAs and B&Bs will ensure that the health and safety of the travelling public is maintained, neighborhood nuisances minimized and will be a strong deterrent to problem Short Term Rental Accommodations operating in the municipality.

Respectfully submitted,

George Vadeboncoeur, RPP,
Manager, Planning Special Projects

July 15, 2026

Approvals:

Curtis Shelswell, Chief Municipal Law Enforcement Officer
Brent Spagnol, Director, Development Services
Shawn Binns, CAO

Date:

July 16, 2026
July 16, 2026
July 17.,2026