

Staff Report

To: Council

From: George Vadeboncoeur, Manager, Planning Special Projects

Meeting Date: August 13, 2025

Report No.: DS2025-062

Subject: Public Comments and Recommendations on Draft 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. DS2025-062 be received and adopted.
2. That Council approve the recommended amendments to the draft Short Term Rental Accommodation and Bed and Breakfast Establishments Licensing By-law as outlined in Report No. DS2025-062.
3. That the Draft STRA and B&B Establishments Licensing By-law return to Council for consideration at the next available meeting.

Introduction and Background

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 the comments received during the public consultation period on the draft by-law and discussions held with the Township's consultants and enforcement staff.

The Township has identified the need to better manage STRAs within the Township as a Strategic Priority and as such has devoted resources and staff time to examine various options to enhance regulations and controls to address the negative community impacts associated with STRAs. This process has resulted in a series of reviews,

reports, information sessions and communications to keep stakeholders apprised of various approaches being considered for the management of STRAs.

The preparation of a draft Licensing By-law follows Council's consideration on January 22, 2025 of report [DS2025-004 Options Report to Address Illegal Short-Term Rental Accommodations In Oro-Medonte](#). From the review it was determined that a Zoning By-law enacted under the Planning Act is not as effective as a Licensing By-law enacted under the Municipal Act in regulating life safety measures in a STRA and controlling nuisances created by this type of commercial accommodation.

Staff tabled the draft STRA and B&B Establishments Licensing By-law (Licensing By-law) with Council for review and comment on February 26, 2025.

Links to the staff report and the draft Licensing By-law are provided below:

- [Report DS2025-023](#)
- [Draft Licensing By-law](#)

A public information session/open house was held on March 24, 2025, to inform the public of the proposed Licensing By-law and enforcement strategies to deal with legal and illegal STRAs and B&B Establishments. Comments on the draft By-law were received until April 17, 2025.

Information report [DS2025-050](#) & [Schedule A](#) outlined the comments received from the public on the draft Licensing By-law and made recommendations on changes to be considered to the By-law and was received by Council at its June 11, 2025 meeting.

This report formally outlines changes to the draft licensing By-law based on input from the public, staff, Council and the Township's consultants.

Short Term Rental Accommodation and Bed and Breakfast Establishments Licensing By-law

The draft Licensing By-law was prepared by Paul Dray and Associates and staff using examples of existing Licensing By-laws from other municipalities.

It is drafted under the authority provided to municipalities under the Municipal Act (Act). The Act enables a municipality to enact business licensing By-laws and to prohibit commercial enterprises from operating without a licence, refuse to grant or revoke a licence, and impose conditions on a licence holder. The format of the draft by-law is very similar to the sample licensing by-laws from other municipalities reviewed by staff. The overall objective of business licensing is to protect consumers' health and safety by enforcing life safety and property standards matters on commercial businesses.

The purpose of the STRA and B&B Licensing By-law is to ensure that the operators of this type of commercial accommodation provide the travelling public with safe accommodation that meets health and safety standards and minimizes any nuisances that may arise from their operation. The By-law is intended to be in effect across the whole municipality once implemented. It includes requirements that a legal operator

must meet in order to be eligible for a licence and contains provisions to address STRAs and B&Bs that are not legal or licensed.

Fines and demerit points are outlined in the By-law for violations of any of the provisions in the By-law. It should be noted that any fines imposed under the Administrative Monetary Penalty System (AMPS) are stackable, which means that for multiple violations on the same property, the fines can be added together. Finally, the suspension period for a license if seven or more demerit points are levied against the property due to violations is one (1) year.

Enforcement of the licensing By-law will also assist in gathering evidence to support a case for further enforcement of non-conforming properties through pursuing a Court Order to stop operating under section 440 of the Municipal Act.

Proposed Changes to the Licensing By-law

There are several proposed changes to the draft licensing by-law arising from input received from members of the public, Council and staff. For Council's ease of reference there are two versions of the draft Licensing By-law attached to this report, one with the changes noted using track changes and a clean copy.

Many of the changes to the proposed Licensing By-law are minor and are noted in the tracked changes version. Below is a chart that outlines the major changes.

There are three noteworthy changes:

First, staff are proposing an amended insurance provision. This new provision addresses insurance requirements and is more in keeping with similar provisions in other STRA licensing by-laws. Evidence of appropriate insurance would have to be provided as part of the application process, during renewal, and if the policy expires during the license period. The new paragraph is as follows:

(e) Evidence of insurance:

i) showing a minimum liability limit of no less than two million dollars (\$2,000,000) per occurrence for property damage and bodily injury (or similar coverage approved by the Township) with an endorsement that covers a short-term rental being operated on the property.

ii) the insurance coverage referenced in this paragraph shall be maintained by the licensee at all times while the property is licensed under this section.

Second, a paragraph has been added to the STRA licensing requirements that permits 10 people in an STRA where two (2) persons are under the age of two (2) years. The maximum of eight people remains the same and applies to anyone over the age of two (2) years.

Finally, a new class of fee for STRAs located in an apartment building or condominium in a Village One (V1) or Residential 2 Exception 123 (R2*123) zone or on a property zoned Agriculture/Rural (A/RU) or Mineral Aggregate Resource 2 (MAR2) is being

proposed. (Note: currently a zoning amendment would be required for any STRA located in the rural area.)

The proposed fee is less than the fee proposed for single detached dwelling units as owners of dwelling units that are located within apartments or condominium types of development share life safety responsibilities with professional building managers. Further, it has been the Township's experience that there are very few complaints lodged against STRAs operating in these types of dwelling units. Therefore, there is less monitoring and enforcement required to ensure licensing requirements are being met and nuisances minimized.

Owners of dwelling units in rural areas of the Township that are zoned (A/RU) and (MAR2) also operate STRAs with minimal enforcement issues. Although life safety measures are required and need to be verified, the inspection procedures are very similar to B&B accommodations. The license fee being proposed is slightly higher than the B&B accommodation fee to account for STRA third party monitoring and enforcement services.

The current proposed fee for an STRA operating in a detached dwelling unit is \$1,500 per year. The proposed new fee for a STRA operating in an apartment building, condominium or in the rural area is \$600.00.

Below is a chart that lists the proposed changes to the Licensing By-law and the rationale for the changes.

Licensing By-law Changes

Proposed Change	Rationale
1. Pg. 1. Paragraph 1 in the preamble moved to paragraph 3 and reference to section in the Municipal Act corrected	<i>Places legislative references in numerical order and corrects section reference.</i>
2. Pg. 4. Definition of Corporation added.	<i>Reference is made to Corporations not being able to own B&Bs, Adding this definition clarifies what a corporation is,</i>
3. Pg. 6. Amended definition of Short-Term Rental Accommodation by deleting the words, "and includes Village Commercial Resort Units as defined under Township's Zoning By-law".	<i>Wording not needed in the definition as already addressed in Zoning By-law as amended</i>
4. Pg. 7. Added two sections prohibiting a person to rent either a STRA or B&B if they do not have a license.	<i>The prohibition is implied but not stated in the by-law. These two statements make it clear that it is violation to rent a STRA without a license.</i>

5. Pg. 9. Added a statement that a B&B license is not to be issued to a corporation.	<i>A B&B requires the owner to be on site. This clarifies that a corporation cannot take the place of an owner.</i>
6. Pg. 11. Inserted the words “up to” in the first line of clause 9.2.	<i>This provides some discretion to the adjudicator to impose suspensions less than 14 days in duration if warranted.</i>
7. Pg. 13. Re-organized this portion of the By-law to move Section 16, Orders, Section 17, Service, and Section 18, Enforcement and Penalty Provisions to follow after Section 12, Demerit Point System	<i>The placing of these three sections in the Licensing By-law after Section 12 allows for a more logical flow of the penalty provisions before getting to the section dealing with the establishment of a licensing tribunal.</i>
8. Pg. 22 Schedule A and Pg. 26 Schedule B, paragraphs (d) and (e) respectively dealing with insurance has been amended to simplify the requirements and the renewal process and bring the requirements in line with other municipal STRA licensing by-laws.	<i>Insurance requirements were viewed as being too onerous (commercial insurance instead of an endorsement on a residential policy) and inconsistent with other municipal STRA licensing by-laws</i>
9. Pg. 24. Attendance at property requirements have been amended to 24 hours (from one (1) hour) after the responsible person has been contacted by the Township or Agent, where the initial complaint has not been resolved or a second complaint is received.	<i>Responsible person must respond to a complaint within 30 minutes of being contacted by the Township or Agent. That means a phone call or visit to the renters requesting that the activity that caused the complaint stop immediately. If a second complaint is received, the responsible person must attend the property within 24hrs. This is viewed as being more reasonable.</i>
10. Pg. 25. Clause v), added the word ‘applicable’ in front of: ‘federal and provincial legislation’	<i>Adding ‘applicable’ clarifies that the owner must comply with all applicable federal and provincial legislation.</i>
11. Pg. 25. Added a new paragraph 5 stating that 10 people are permitted in an STRA where two (2) persons are under the age of two (2) years	<i>Provided some flexibility for young children to stay with parents and not be included as part of the maximum number of eight (8) guests in an STRA.</i>
12. Pg. 34 Penalties. Added two (2) penalties to correspond with provisions 4.14 and 4.15 of the by-law	<i>These provisions deal with the requirement that a STRA or B&B have a license. If they don’t have license, they are in violation and subject to an administrative penalty for the amount specified.</i>

<p>13. Pg. 35 Applicant Fees. Added a new fee class for STRAs that are located in an apartment building or condominium type of development or on a property zoned Agriculture/Rural (A/RU) or Mineral Aggregate Resource Two (MAR2).</p> <p>The proposed fee is \$600.00 for a STRA operating in an apartment building or condominium or in the rural area.</p>	<ol style="list-style-type: none"> 1. <i>Owners of STRAs that are located within apartments or condominium types of development share life safety responsibilities with professional building managers. These professional managers maintain the life safety systems, therefore there is less work that municipal staff must do to ensure that these requirements are up to standard. Further, it has been the Township's experience that there are very few complaints lodged against STRAs operating in these types of developments.</i> 2. <i>Owners of STRAs in areas of the Township zoned (A/RU) and MAR2 operate these accommodations with minimal enforcement issues. Although life safety measures are required and verified, the inspection procedures are very similar to B&B accommodations. The fee is higher due to third-party monitoring and enforcement costs.</i>
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Licensing Fees

The licensing fees outlined on Schedule B to the draft By-law were developed on a cost recovery basis which assumes the cost to administer the STRA program is recovered through fees once rolled out. The goal is to ensure that the cost of licensing and enforcing STRAs and B&Bs is not a burden on the taxpayer. Based on the experiences of other municipalities, it will take two to three years for revenues and expenditures to stabilize due to operators leaving the market, remaining operators becoming familiar with requirements, and enforcement activities and AMPS' fees level off.

The current fees charged by Municipal Law Enforcement, Fire and Building for services that would be involved with each STRA and B&B application are as follows:

MLEO Inspection - \$150.00

Fire Inspection - \$150.00

Septic System Verification - \$123.89

An application fee of \$100.00 to cover MLEO administrative costs is in addition to above fees. The total base fee is \$523.89 for the services provided.

It is recommended that the annual fee for a B&B be set at \$500.00 and the annual renewal be \$200.00, reflective of the cost of providing licensing services. Little to no enforcement is involved for B&Bs so these costs have not been added to the base fee.

For STRAs, in addition to the base costs outlined above, Granicus, a third-party enforcement company has been contracted to assist with STRA enforcement through the provision of a 24/7 hotline for calls, monitoring service, and enforcement services, at an annual cost of \$14,703.99, including HST. This is an additional cost that will have to be covered by the fee for a STRA license.

Another cost to be added is the cost for enforcement of the Licensing By-law. This cost is unknown at this point and could vary depending on Granicus' monitoring efforts, the number of illegal operators, and nuisance complaints received. The cost of enforcement can be broken down by the type of STRA, those that operate in apartments or condominiums or the rural area or those that operate in other areas of the Township. Based on experience, STRAs operating in apartments or condominium developments or in the rural area will not generate many complaints. On the other hand, it is anticipated that STRAs that operate in residential neighbourhoods will generate most of the complaints the Township will have to deal with. As a result, two different fee levels are being proposed.

It is recommended that the annual license fee for STRA located in an apartment or condominium building or the rural area be set at \$600.00 to cover the base operating cost, plus a Granicus service premium. The annual renewal fee is proposed at \$250.00.

For STRAs located elsewhere in the Township, it is recommended that the annual license fee be set at \$1,500 to cover the Township's base operating cost, Granicus service premium and related enforcement costs. The annual renewal fee is proposed at \$1,250. The proposed annual fee is in the range of STRA Licensing Fees charged by other municipalities in the area:

Orillia - \$2,040 (max of \$680 per bedroom up to the max) along with 4% accommodation tax

Ramara - \$3,000

Springwater - \$1,250

Tiny - \$1,750

Collingwood - \$2,250

Penetanguishene – \$900 for 3 bedrooms or more and \$500 for two bedrooms or less

Township of Georgian Bay - \$1,100 more than 22 days, \$350, 21 days or less

Bracebridge – \$1,500

Huntsville - \$750.00

Muskoka Lakes – Waterfront Zones - \$1,000. All other Zones \$500

It is recommended that the proposed fees be reviewed as part of the Township's regular fee review exercise to determine if they need to be adjusted.

Financial/Legal Implications/Risk Management

There will be costs incurred by the municipality to implement a STRA and B&B licensing program. Fees have been established on a cost recovery basis and would be reviewed 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 and/or Zoning By-law could be challenged in Court. If this occurs, costs will be incurred to defend the by-law(s). Funds needed for legal services will depend on the specific challenge and costs are an unknown at this point and have not been considered in the cost recovery model.

Finally, the Superior Court Decision on the Township of Tiny Licensing By-law has been appealed and depending on the outcome of the appeal, changes may be required to the draft Licensing By-law or it may be subject to a court challenge.

Policies/Legislation

- Municipal Act
- Township of Oro-Medonte Zoning By-law
- Township of Oro-Medonte Administrative Monetary Penalty System By-law

Consultations

- Chief Administrative Officer
- Director, Development Services
- Director, Finance/Chief Financial Officer
- Chief Municipal Law Enforcement Officer

Attachments

- Track Changes Version of Draft Licensing By-law
- Clean Copy of Draft Licensing By-law

Conclusion

At its January 22, 2025, meeting Council gave direction to staff to prepare a draft STRA and B&B licensing By-law that would protect health and safety and control nuisances caused by these types of operations. It was determined that Licensing is a better tool to regulate life safety issues and nuisances and reinforce planning policies. On February 26, 2025, Council tabled a draft By-law for public input and on March 24, 2025 a public consultation meeting on the draft By-law. Comments from the public were received until April 17, 2025.

Numerous comments were received on the regulations pertaining to STRAs and staff are recommending several changes to the By-law as outlined in this report.

Pending Council's direction, the by-law will be finalized and placed on a future Council Agenda for formal consideration along with an implementation plan. It is noted that Council is also reviewing options to address zoning matters raised during the Licensing By-law review. It is not anticipated that this review will impact the draft Licensing By-law, but just in case, it is noted.

Barring any major changes, staff will be recommending that the new licensing by-law come into effect on December 1, 2025. December 1st is the normal start of the annual licensing period. This will give ample time to notify the STRA and B&B operators and the public of the new By-law coming into force. It will also provide time for staff to educate the public on licensing requirements, update the dedicated web site and to implement the administrative procedures to process applications.

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, and neighborhood nuisances will be minimized.

Effective enforcement of the Licensing By-law using the third-party hotline and municipal staff applying penalties under the AMPS program 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 31, 2025

Approvals:

Shannon Johnson, Director, Finance/Chief Financial Officer
Curtis Shelswell, Chief Municipal Law Enforcement Officer
Shawn Binns, CAO

Date:

August 6, 2025
August 6, 2025
August 7, 2025