

Staff Report

To: Council

From: George Vadeboncoeur, Manager, Planning Special Projects

Meeting Date: June 24, 2026

Report No.: DS2026-064

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

Type: Requires Action

Motion No.:

Recommendation

It is recommended:

1. That Report No. DS2026-064 be received and adopted.
2. That Council receive the proposed amendments to the draft Short Term Rental Accommodation and Bed and Breakfast Establishments Licensing By-law as outlined in Report No. DS2026-064.
3. That the public be provided the opportunity to comment on the draft Licensing By-law for a two-week period to conclude on July 8, 2026.
4. That the Draft STRA and B&B Establishments Licensing By-law return for consideration at the July 15, 2026 Council meeting.
5. Pending adoption of the Licensing By-law, that Council direct staff to implement the By-law immediately and enforce license requirements on legal STRA operators two months after adoption and illegal operators six months after adoption.

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 Ontario Land Tribunal (OLT) settlement and the need to align the by-law with established STRA Official Plan Policies.

The Licensing By-law was previously before Council on August 13, 2025 and was granted preliminary approval. Staff were directed to bring the By-law back to Council for consideration at the next available meeting. At that time staff were dealing with appeals to the STRA policies in the Official Plan (OP) and were discussing potential revisions to the OP policies with the appellants in advance of an OLT hearing. It was determined defer final approval of the Licensing By-law until a decision was rendered by the OLT to ensure alignment with Official Plan policies. In early 2026 the OLT hearing was held, and a decision was rendered on March 30, 2026. The decision approved revised STRA Official Plan policies that were agreed to by the Township and the appellants.

The Licensing By-law is one pillar in the STRA regulatory framework, with the other two being the Official Plan and Zoning By-law. The Official Plan policies and the Licensing By-law have been prepared to address the following municipal objectives:

1. Ensure safe, healthy, and peaceful neighbourhoods
2. Ensure life safety provisions are in place to manage the operation of STRAs
3. Provide effective tools for regulation and enforcement
4. Establish structured process for the establishment of STRAs
5. Establish clear land use regulations (permissions vs. prohibitions)
6. Reduce the potential for significant costs associated with litigation (Court and OLT Appeals)
7. Establish a financially sustainable program (revenue generation to cover costs)

The Licensing By-law covers the entire municipality and establishes clear parameters to regulate the impact of STRAs that advertise on residential neighbourhoods. It also regulates STRAs that operate illegally, without zoning or a license and provides penalties for non-compliance that can be applied daily. The penalties are outlined on Schedule D to the By-law and were created to deter the operation of illegal STRAs. These penalties will be reflected in an update to the Administrative Monetary Penalty (AMP) Bylaw which will be brought forward for Council's consideration on July 15, 2026.

With the new STRA OP policies in place, staff undertook a review of the proposed Licensing By-law to ensure consistency with the policies. In addition, comments were received by members of the public that have also resulted in changes to the draft by-law.

Proposed Amendments to the Licensing By-law

Two changes have been made to the proposed STRA Licensing By-law to reflect the new Official Plan policies.

First, the concept of Secondary Use of a Dwelling Unit has been added along with a provision outlining the maximum number of days a dwelling unit can be rented as an STRA and still be considered a secondary use. Second, the definition of Short Term Rental Accommodation has been amended to align with the Official Plan.

1. Secondary Use to a Residential Use

To ensure that the residential character of a property and neighbourhood is maintained, STRAs that advertise will only be permitted to operate as a secondary use to the primary residential use of the property. This concept is also included in the proposed Zoning By-law amendment that is before Council for consideration.

To ensure that a STRA remains a secondary use licensing by-laws often outline a defined number of days in a calendar year a property can be used as a STRA. The following chart provides examples:

Municipality	Limit on Number of Rental Days Per Year
Township of Georgian Bay	21 days (Light Rental)
Prince Edward County	45 days
Township of Tiny	92 days
City of Kawartha Lakes	180 days
City of Mississauga	180 days
City of Toronto	180 days

Recognizing there is no accepted industry standard, staff are recommending that Council approve 92 days as the maximum a dwelling unit could be used as an STRA and still be considered secondary. This represents 25% of the number of days in a calendar year and may assist in addressing seasonal labour requirements of farms and other seasonal industries. To implement this provision the following amendments to the Licensing By-law are proposed.

1. Secondary Use Time Limit Amendments

- a. That the definition section of the Licensing By-law be amended by including a definition of “secondary use”, which reads as follows:

““secondary use” means shall be used for 92 days or less.”

- b. New offence section has been created to read as follows:

“4.16 No **person** shall **rent** a **short-term rental accommodation** for more than ninety-two (92) days in a calendar year.”

- c. Demerit Point System Chart is amended, to read as follows:

Section 4.16	Rent in Excess of Ninety-two (92) days in a Calendar Year	5 (points)
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- d. AMPS Penalty Chart is amended, to read as follows:

23	Rent Short Term Rental Accommodation - In Excess of Ninety-Two (92 days)	4.16	\$1250.00 (Penalty per day)	\$1750.00	\$2250.00
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2. Short Term Rental Accommodation Definition Amendment

The new Official Plan policies introduced a new definition of Short Term Rental Accommodation. To ensure consistency between the definition of STRA in the Licensing By-law with the Official Plan and the definition being proposed through the amendment to the Zoning By-law before Council, the following amendment is proposed:

“**“short-term rental accommodation”** means any whole or part of a **dwelling-unit advertised**, used or maintained for the accommodation of the travelling or vacationing public for a period less than twenty-eight (28) consecutive days and includes a **Bed and Breakfast Establishment**, **but does not include a hotel, motel, boarding lodging or rooming house, residential care home, time share establishment and Village Commercial Resort Units that are part of rental or lease management program.”**
~~includes Village Commercial Resort Units and vacation homes;~~

Two Additional Amendments

As a result of comments received since the proposed Licensing By-law was tabled with Council in 2025, two additional amendments are being proposed.

1. Age of Child Staying with Parent

When the draft Licensing By-law was reviewed by Council in August 2025, a paragraph was added to the STRA licensing requirements that permits ten (10) people in an STRA where two (2) persons are under the age of two (2) years. The maximum of eight (8) people remains the same and the additional number applies to anyone over the age of two (2) years.

Staff received feedback on this provision with a suggestion that the age limit should be increased. Staff researched the age provisions in other Licensing By-laws, and this chart provides the findings.

Municipality	Number of Persons Per Bedroom
Township of Oro-Medonte (August 2025 Draft)	Two persons per bedroom to a maximum of ten (where a minimum of two persons are under the age of two years) or two persons per bedroom
Township of Georgian Bay	Two persons per guest room. Children under two are not included in the occupancy calculation
Town of Huntsville	Two persons per guest room, maximum of ten persons, children under four years of age are not included in occupancy count
Prince Edward County	Two persons per sleeping area, one child under the age of ten per room

Town of Blue Mountain	Two persons per bedroom, plus four additional persons, maximum nine persons
Town of Collingwood	Two persons per quest room, not to exceed eight persons, children under thirteen are not included in occupancy count
Township of Springwater	Maximum ten persons, children twelve years of age and under are not included in the maximum occupancy calculation
Township of Tiny	Two renters per bedroom, maximum ten persons
City of Kawartha Lakes	Two renters per bedroom, plus two additional renters overall, children under fifteen shall not be considered in the total number of renters
City of Orillia	Two persons per bedroom
Town of South Bruce Peninsula	Two persons per bedroom, third person allowed if person is under the age of twelve
Municipality of North Bruce Peninsula	Two persons per bedroom based on OBC, two extra children aged twelve and under are permitted if sufficient parking and beds are available , no more than two young children can stay in addition to the two persons per bedroom maximum.
Municipality of Lambton Shores	Two persons per bedroom, plus two extra to a maximum of ten persons, children twelve and under are not included in the occupancy calculation.

Based on staff's review, it is recommended that the age of a child staying in a parent's bedroom not included in the occupancy calculation be increased to twelve (12) years of age. This seems to be reasonable based on the review of other Licensing By-laws.

Increasing the age limit requires an amendment to Schedule A (Requirements for a STRA License) and Schedule B (Requirements for a B&B Establishment License) to the Licensing By-law as follows:

- "5. Notwithstanding Section 4 (f), the maximum occupancy stated on a licence may be increased by an additional two (2) persons where a minimum of two (2) persons are under the age of twelve (12) years."

2. Fire Access Route

In reviewing the draft STRA Licensing By-law, the Fire and Emergency Services Department requested that the location of the road access and driveway access to the

property be shown on the site plan submitted with the License application so that the Department could review and approve the accesses as part of the License review process.

To address this request, provisions under Schedule A and B, Section 1 (b), outlining the information to be provided on the submitted site plan have been amended to include a requirement that the road access and driveway access be shown.

Further, under Section 2 (d) on both Schedules, a statement has been inserted that indicates suitable accesses are to be provided to the property to the satisfaction of the Fire Department.

All the changes noted above are shown on the attached “red-line” version of the STRA/B&B Establishment Licensing By-law.

Implementation and Enforcement

Once a new Licensing By-law is in place, it is suggested that Council provide staff direction on the timing of implementation and enforcement of the by-law.

Implementation of the by-law involves processing applications to license STRAs and B&Bs. As a first step, staff plan to send notices out to those that currently advertise STRAs and B&Bs advising:

- a) If the property is legal – it is now required to be licensed and outlining the process to apply for a license along with 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 an STRA or B&B, they must apply for a rezoning.

Granicus is ready to start sending notices to those in its database outlining the requirements and Municipal Law Enforcement will be prepared to start receiving applications on Cloudpermit.

Enforcement involves sending out warning notices to all those that are 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.

Staff considered four options related to enforcement:

- 1. Implementation (start taking applications) and enforcement immediately
- 2. Implementation immediately and enforcement one month after adoption
- 3. Implementation immediately and enforcement two months after adoption
- 4. Implementation immediately and enforcement two months (legal) and six months (illegal) after adoption

There are advantages and disadvantages to each option as outlined below.

Option 1 – Implementation and Enforcement Immediately (Not Recommended by Staff)

Advantages

- ✦ Municipal Law starts receiving applications immediately
- ✦ Enforcement commences immediately through Granicus notifying property owners that are advertising that they must stop advertising and:
 - Legal - need a license and must apply immediately and receive a license to be legal.
 - Illegal - must stop operating immediately or will be subject to enforcement under the Licensing By-law (AMPS penalty) or apply for a rezoning.
- ✦ Reduction in the number of illegal operators through enforcement
- ✦ Revenue from License applications will start to be realized ~ 4.5 months of revenue
- ✦ Revenue from AMPS will start to be realized
- ✦ Some neighbours to STRA properties will be pleased that the new Licensing By-law is in place and there are deterrents to operating illegally

Disadvantages

- ✗ Criticism by operators that no time has been provided to obtain a license
 1. Legal operators – will be operating illegally as soon as the by-law is enacted. Must apply for a license immediately and obtain a license to continue to operate.
 2. Illegal operators:
 - a. Have no time to bring properties into compliance - apply for a rezoning of their property and then license.
 - b. Will be critical of the Township as they will be subject to enforcement under the Licensing By-law (AMPS penalty) immediately
 - c. Operators may be impacted financially through cancelled bookings and/or AMPS penalties.
- ✗ Township could be challenged due to lack of procedural fairness
- ✗ Staff have no time to prepare, receive and process applications – customer service, municipal law, building, GIS and fire.
- ✗ No time to educate operators and the public on the new rules, regulations and consequences of not adhering to the rules.

Option 2 – Implementation Immediately and Enforcement One Month After Adoption (Not Recommended by Staff)

Advantages

- ✦ Implementation commences immediately through Granicus notifying property owners that are advertising STRAs and B&Bs that they:
 1. Legal - need a license and must apply immediately and receive a license prior to enforcement date to be legal.
 2. Illegal - must stop operating by the enforcement date or will be subject to enforcement under the Licensing By-law (AMPS penalty) or apply for a rezoning.
- ✦ Reduction in the number of illegal operators through enforcement
- ✦ Revenue from License applications will start to be realized ~ 4.5 months of revenue collected
- ✦ Revenue from AMPS will start to be realized one month after adoption
- ✦ Some neighbours to STRA properties will be pleased that the new Licensing By-law is in place and there are deterrents to operating illegally
- ✦ Gives some time for legal operators to gain compliance

Disadvantages

- ✗ Criticism by operators that there is only one month grace period provided to obtain a license
 1. Legal operators – will be operating illegally within one month. Must apply and obtain a license to continue to operate immediately
 2. Illegal operators:
 - a. Have no time to bring properties into compliance - apply for a rezoning of their property and then license.
 - b. Will be critical of the Township as they will be subject to enforcement under the Licensing By-law (AMPS penalty) immediately
 - c. Potentially will be impacted financially through cancelled bookings and/or AMPS penalties.
- ✗ Could be challenged due to lack of procedural fairness
- ✗ Staff have no time to prepare, receive and process applications – customer service, municipal law, building, GIS and fire.
- ✗ No time to educate operators and the public on the new rules, regulations and consequences of not adhering to the rules.

Option 3 – Implementation Immediately and Enforcement Two Months After Adoption (Not Recommended by Staff)

Advantages

- ✚ Implementation commences immediately through Granicus notifying property owners that are advertising STRAs and B&Bs that they:
 1. Legal Operators - need a license and must apply by the beginning of the second month to receive a license by the enforcement date to be legal.
 2. Illegal Operators – Within two months must stop advertising/operating or will be subject to enforcement under the Licensing By-law (AMPS penalty) or apply for a rezoning
- ✚ Reduction in the number of illegal operators through enforcement
- ✚ Revenue from License applications will start to be realized
- ✚ Revenue from AMPS will start to be realized two months after implementation
- ✚ Gives Staff time to prepare, receive and process applications – customer service, municipal law, building and fire

Disadvantages

- ✗ Criticism by some members of the public that the Licensing By-law is not being enforced immediately
- ✗ Criticism by operators that there is only two months provided to:
 1. Legal operators – apply and obtain a license to continue to operate
 2. Illegal operators:
 - a. Only have two months to bring properties into compliance - apply for a rezoning of their property and then license
 - b. Will be critical of the Township as they will be subject to enforcement under the Licensing By-law (AMPS penalty)
 - c. Potentially will be impacted financially through cancelled bookings and/or AMPS penalties
- ✗ Could still be challenged due to a lack of procedural fairness
- ✗ Staff have limited time to prepare (could start receiving applications immediately), receive and process applications – customer service, municipal law, building and fire
- ✗ Only one month to educate operators and the public on new requirements, rules and consequences of not following the rules.

Option 4 – Implementation Immediately - Legal Operators Must be Licensed Within Two Months After Adoption; Illegal Operators Must Become Legal and Licensed Six Months After Adoption. Enforcement After Six Months (Staff Recommendation)

Advantages

- ✦ Implementation commences immediately through Granicus notifying property owners that are advertising that they:
 1. Legal Operators - need a license and must apply at least one month before enforcement date and receive a license by the enforcement date to be legal.
 2. Illegal Operators – Within two months must stop advertising/operating or will be subject to enforcement under the Licensing By-law (AMPS penalty) or apply for a rezoning.
- ✦ Reduction in the number of illegal operators through enforcement
- ✦ Revenue from License applications will start to be realized
- ✦ Revenue from AMPS will start to be realized
- ✦ Gives staff time to prepare, receive and process applications – customer service, municipal law, building, GIS and fire
- ✦ Gives staff two months to educate operators and the public on requirements, rules and regulations prior to enforcement commencing
- ✦ Gets through the busy enforcement season before enforcement of the Licensing By-law commences
- ✦ Gives illegal operators time to prepare and submit a rezoning application
- ✦ Procedural fairness can be demonstrated

Disadvantages

- ✗ Criticism by some members of the public that the Licensing By-law is not being enforced immediately and illegal operators are being given too much time to comply.
- ✗ Criticism by legal operators that only two months are provided to:
 1. To apply and obtain a license to continue to operate by a certain date
- ✗ Criticism by illegal operators that only six months are provided:
 - a. To bring properties into compliance - apply for a rezoning of their property and then license
 - b. Will be critical of the Township as they will be subject to enforcement under the Licensing By-law (AMPS penalty)
 - c. Potentially will be impacted financially through cancelled bookings and/or AMPS penalties

Implementation Steps

If Council approves Option 4 and adopts the Licensing By-law on July 15th, staff proposed the following implementation steps:

1. July 17th – Education Letter/Notice sent out by Granicus to all listed legal and illegal STRA and B&B operators and posted on the Township Website.
 - Legal Operators – must apply for a License and be legal by September 15, 2026 or cease advertising. Details provided on application process under Cloud Permit.
 - Illegal Operators – must apply for a re-zoning by September 15, 2026 or cease advertising. Property must be rezoned by January 14, 2027 to permit an STRA.
Note: Staff will advise of Zoning Review intended to take place in early 2027.

Note: All notices will also 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.

2. Staff to process license and re-zoning applications as they are received.
3. Website to be updated with information on address of Licensed STRAs and B&B and name and contact information of licensed person.
4. On August 15th, 2026, Granicus to send out reminder Education Letters/Notices to those legal operators not licensed, requesting that they apply for a license by September 1st 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 15th, 2026, Granicus and Municipal Law to send out reminder Education Letters/Notices to those 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 14, 2027 deadline.
6. On September 15th, 2026, Granicus and Municipal Law to start issuing AMPS notices for Illegal operators advertising and not being licensed.

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 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 costs are an 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](#)

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
- Chief Municipal Law Enforcement Officer

Attachments

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

Conclusion

Council granted preliminary approval to an STRA and B&B Licensing By-law at its August 13, 2025 meeting and requested that the By-law be introduced to Council for consideration at the next available meeting. Staff continued to review the by-law while the appeals to the STRA Official Plan policies were being resolved by the OLT. On March 30, 2026, the OLT approved revised STRA Official Plan policies, including a new definition of STRA. The new policies provide the framework for regulating STRAs in the Township through the Zoning By-law and new Licensing By-law.

The Licensing By-law has been prepared under the provisions of the Ontario Municipal Act and regulates how property is used. The objective of the By-law is to ensure the health and safety of the travelling public is protected and that nuisances are controlled.

The new Licensing By-law applies to the whole Township. It covers properties that are zoned to permit a 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.

It is proposed that the latest draft of the Licensing By-law be tabled for public input until July 8, 2026. Barring any major changes, staff recommend that the new STRA and B&B Establishments Licensing By-law be considered by Council at its July 15, 2026 meeting.

Pending adoption by Council, it is recommended that the Licensing By-law come into effect immediately with enforcement commencing on September 15th, 2026 for legal STRA and B&B operators. This will provide ample time to notify STRA owners that advertise, 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 necessary to process applications.

Enforcement for illegal operators would commence September 30, 2026 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

Only owners of properties that are currently zoned to permit STRAs and B&Bs are eligible to submit license applications. Staff could start receiving applications as early as July 16, 2026 for review. It is proposed that fees be prorated to the end of this licensing period which concludes November 30, 2026. Staff will review the Licensing By-law in early 2027 to see if any adjustments need to be made.

Third party services 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.

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

June 17, 2026

Approvals:

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

Date:

June 17, 2026
June 17, 2026
June 19, 2026