



Staff Report

To: Council

From: George Vadeboncoeur, Manager, Planning Special Projects

Meeting Date: June 11, 2025

Report No.: DS2025-050

Subject: Public Comments and Recommendations on Draft Short Term Rental Accommodation and Bed and Breakfast Establishments Licensing By-law

Type: For Information Only

Motion No.:

Recommendation

It is recommended:

1. That Report No. DS2025-050 be received for information.

Introduction

The purpose of this Report is to inform Council on the comments received on the draft Short Term Rental Accommodation and Bed and Breakfast Establishments Licensing By-law (Licensing By-law) at the public information/consultation session held on March 24, 2025 and during the public consultation period ending April 17, 2025.

Background

The Township has devoted resources and staff time to examine various options to manage Short Term Rental Accommodation within the Township. 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 Short Term Rental Accommodations.

The draft Short Term Rental Accommodation and Bed and Breakfast Establishments Licensing By-law (Licensing By-law) was tabled 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](#)

The recommended Licensing By-law follows Council's consideration on January 22, 2025 [DS2025-004 Options Report to Address Illegal Short-Term Rental Accommodations In Oro-Medonte](#).

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

The draft Licensing By-law was prepared by Paul Dray and Associates with input from staff through the consideration of existing Licensing By-laws from other municipalities.

The intent of the Licensing By-law is to license **legal** Short-Term Rental Accommodations (STRA's) and bed and breakfast accommodation establishments (B&Bs) within the Township. For a use to be deemed legal it must be permitted under the Township Zoning By-law. STRA's and B&B's that do not have appropriate zoning in place are deemed to be illegal. The Licensing By-Law aims to protect renters' health and safety by enforcing life safety and property standards matters on STRA's and B&B's and to minimize neighborhood nuisances.

Under Zoning By-law 97-95, STRAs that function as commercial accommodation are only permitted within the Village One (V1) and Residential Two Exception 123 (R2*123) Zones as "Village Commercial Resort Units". Dedicated STRAs are only permitted within the following areas:

- Horseshoe Resort Condos
- The Carriage Hills and Carriage Ridge developments.

Bed and Breakfast uses are only permitted as of right in the Agricultural/Rural (A/RU) or Private Recreation (PR) Zones. They are permitted elsewhere by exception through an approved site-specific Zoning By-law Amendment that individual property owners must apply for.

The draft Licensing By-law was crafted using the sections under the Municipal Act that enable a municipality to prohibit a business from operating without a licence across the entire municipality, refuse to grant or revoke a licence, and impose conditions on a licence holder. The format of the draft is very similar to the sample licensing by-laws staff reviewed.

The draft Licensing By-law was tabled with Council on February 26, 2025 and a public information/consultation session was held on March 24, 2025. Staff with the assistance of the consulting team presented a brief history of STRAs and B&Bs in the community,

current zoning restrictions and requirements, the draft Licensing By-law, the use of technology in enforcement/enforcement methods and facilitated a Town Hall format question/answer session with attendees.

Public Comments Received

The public information session was well attended by members of the public. Numerous questions were posed and several comments made during the session. The public also provided comments during the consultation period that ended on April 17, 2025. Comments and questions received were placed in a chart attached as Schedule A.

Many of the comments and questions pertained to the proposed Licensing By-law, zoning interpretation, and enforcement matters. There were also questions on other subjects related to the function of STRAs and B&Bs that were outside of the scope of the Licensing By-law such as reporting income to the Canadian Revenue Agency.

Below is a chart that summarizes comments/issues raised on the Licensing By-law and responses by staff.

Licensing By-law Comments

| Comment | Response |
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| 1. Licensing requirements are too onerous for an operator? | <i>Requirements are based on best practice used by other municipalities.</i> |
| 2. The requirement for commercial insurance is not commercially feasible and appears also to be prohibitive and unnecessary as residential insurance can be obtained. The only requirement, if any, should be insurance that covers STRs with a limit of \$1M. | <i>Reviewed by staff with the Township Insurance Broker. Changes to be made in the Licensing By-law to require an endorsement on an existing residential policy that covers STRAs.</i> |
| 3. Limiting rentals to 8 people is too restrictive and unnecessarily impinges on the right to rent under the zoning bylaw. Suggest a limit of the lesser of 10 people or 2 per bedroom. Or 8 people and no limit on children. | <i>The two person per bedroom and limit of eight people per property is fairly standard across municipal licensing by-laws. Flexibility is being considered to allow two children under two years of age under this provision.</i> |
| 4. There is far too much discretion to issue and revoke licenses and far too many conditions, any of which, every if minor, would effectively deprive a person's right to license a property. | <i>The requirements to issue and revoke licenses is standard across licensing by-laws. The onus is on the owner to ensure that matters are addressed in a timely manner.</i> |
| 5. The AMPS and demerit points regime and investigation powers are draconian, unfair, and illegal. | <i>The AMPS program was developed based on a review of seven other AMPS programs in place in other</i> |

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| <p>They go too far and are inconsistent with the Municipal Act and the Charter of Rights and Freedoms. There is also no due diligence defense, something that is required, especially given the sanctions imposed that takes away property rights.</p> | <p><i>municipalities. The demerit point system is commonly used to address nuisance infractions in a manner that will lead to changes in behavior by owners and those they rent to.</i></p> |
| <p>6. Requirement that the Operator have a “responsible” person available twenty-four (24) hours a day, seven (7) days per week to: respond within thirty (30) minutes of being contacted or notified by the Township and attend the property within one (1) hour of being contacted by the Township is onerous in the fact that complaints can invariably be handled by a phone call rather than attend the property within the timeframe. It appears designed to prevent GTA cottage owners from renting their cottages</p> | <p><i>By-law to be amended to permit a responsible person to respond within thirty (30) minutes from initial contact by telephone.</i></p> <p><i>A further change will require the responsible person to attend the site within 24 hours if the matter is not resolved or a second complaint is made.</i></p> |
| <p>7. Numerous documents to be submitted. Requirements are unreasonable and unnecessary and would make it pragmatically impossible to apply for a licence.</p> | <p><i>Sewage system confirmation, site plan, floor plan with emergency evacuation plan shown, proof of insurance, responsible person document signed, renters code of conduct signed, zoning confirmation, and inspections are all reasonable requirements based on what is required in other STRA licensing by-laws, which are necessary to ensure health and safety and well-being persons and the community.</i></p> |
| <p>8. By-law requires to maintain the property and STRs in accordance with federal and provincial laws that have nothing to do with the health and safety and well-being of persons and are included to create opportunities to deprive property owners of the rights to rent their properties</p> | <p><i>Reference to provincial and federal laws pertains to operating a STRA on the property. Language in Schedule ‘A’ to the Licensing By-law will be amended to provide greater clarity by adding the word “applicable”.</i></p> |

Fees and Costs

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| 1. Proposed Licensing fees are too high | <i>Proposed Fees are reflective of the cost of administering the program. Staff are reviewing fee structure.</i> |
| 2. It is difficult to make money with the proposed Application Fee Structure for STRAs. They are too high. | <i>Application fees are consistent with fees charged by other municipalities.</i> |
| 3. What are the costs to the program including legal fees | <i>Costs and Revenues are based on the number of licenses issued. Inspection costs per application are fixed based on cost recovery.</i> |

Reporting Complaints and Penalties

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| 1. Like the three options for reporting complaints – Granicus, Township Office, phone and e-mail. OPP can be called after hours. | <i>Noted</i> |
| 2. Like the idea that illegal STRAs can be levied a fee under the AMPS program. | <i>Noted</i> |
| 3. Support penalties that go on property taxes when they are not paid | <i>Feature of the AMPS program. Noted</i> |
| 4. How will complaints about illegal STRAs that advertise through word of mouth be dealt with? | <i>Information to be reviewed by Municipal Law Enforcement and Granicus and acted upon.</i> |
| 5. Were the Township of Tiny's Licensing By-law fees found acceptable? | <i>The Divisional Court Decision on the Licensing By-law did not alter the fees in the by-law.</i> |
| 6. Will the Township be able to charge illegal STRAs? | <i>Yes, the Township will be able to levy a fee under the AMPS program for STRAs that operate illegally.</i> |
| 7. Residents are policing and monitoring their neighbours and feeling intimidated by doing so. | <i>The names of individuals filing complainants with Municipal Law Enforcement are kept confidential. Monitoring to be done by Granicus in a proactive manner to supplement formal complaints.</i> |
| 8. What if an STRA is only rented for two weeks? | <i>Still requires a license. Staff reviewing a tiered licensing regime</i> |
| 9. What if an STRA operator indicates the renters are "family". | <i>Would be investigated and appropriate action taken. Activity would be monitored.</i> |
| 10. Proposed AMPS fees are too high and punitive | <i>AMPS fees are based on a review of other existing AMPS fee by-laws.</i> |

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| 11. How long does the “fee“ process take against an illegal STRA operator? | <i>It can be immediate, but there is an appeal process the Owner could pursue through AMPS.</i> |
| 12. Protection of citizens is only as strong as the by-laws. What if the renters have a party at 2:00 a.m. | <i>Granicus follows up with the Responsible Person, who has an obligation to address nuisance issues. Owners would be subject to AMPS and demerit points, which provides recourse for repeated issues and neighborhood disruption.</i> |

Health and Safety

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| 1. Concerned about overcrowding in an STRA, which could over use the septic system | <i>The number of occupants limited to two per bedroom to a maximum of eight, not including up to two (2) children under the age of two. Septic system is required to be verified through the Licensing process.</i> |
| 2. The OADA should be implemented in licensing requirements | <i>Noted.</i> |
| 3. Farm Dwelling units have older fully functioning septic systems. How can they be certified to meet the STRA licensing requirements? | <i>A person with an appropriate license to certify the system meets STRA licensing requirements.</i> |

Land Use and Zoning

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| 1. STRAs are only allowed in certain specific areas – what about ones that operate outside that zoned area? | <i>To be legally permitted, the property would have to be rezoned to permit a STRA as a permitted use. <u>Please see comments below.</u></i> |
| 2. Concerned that the Agricultural/Rural Zone (A/RU) permits STRAs. | <i>Only Bed & Breakfasts (B&B) are permitted in the Agricultural/Rural (A/RU) Zone as of right.</i> |
| 3. Property owners applying for a ZBA now will not make the July 1 st timeline, which is unrealistic | <i>July 1st, 2025 was the target implementation date. Implementation date to be determined.</i> |
| 4. Concern that the ZBA process is costly? Difficult for a farmer or B&B operator to absorb these costs. | <i>The fee for a rezoning covers the cost of processing the application. B&B are permitted as of right in the Agricultural/Rural Zone (A/RU) and do not require a rezoning</i> |
| 5. How will neighbours know that an STRA is permitted? | <i>Addresses and contact information of permitted STRAs will be listed on the Township Website.</i> |

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| <p>6. If I live in an R2 Zone, can I rezone my property to a VI Zone? If Council says no, can I appeal to the OLT?</p> | <p><i>An owner can apply for an exception to the (R2) Zone to permit an STRA or B&B. If refused by Council, the applicant can appeal to the OLT.</i></p> |
| <p>7. Can current operators continue to operate?</p> | <p><i>Operators of Commercial STRAs can continue to operate provided they are zoned properly. B&Bs can continue to operate in the A/RU Zone or under an exception zone.</i></p> |
| <p>8. Will there be any grandfathering for current operators who are operating?</p> | <p><i>Only legal STRAs on zoned properties can continue to operate.</i></p> |
| <p>9. The time period to rezone a property is too long. Property owners with bookings will lose those bookings.</p> | <p><i>The re-zoning of a property is a regulated process with specific requirements and timeframes. Four to six months to final approval is not uncommon.</i></p> |
| <p>10. Rural and agricultural property owners operate STRAs on their properties to provide short-term housing for farm workers, families from the City that want to enjoy an experience on a working farm or those that just want to enjoy the natural environment. Owners live on the property or nearby. These types of STRAs do not cause any issues, similar to B&Bs. Is there a way they can be included as a permitted use under the Zoning By-law in the Agricultural/Rural (A/RU) zone similar to B&Bs.</p> | <p><i>Staff recognize that the use of dwelling units on farm properties for STRAs does not have the same land use impacts as a STRA in a subdivision or urban area. The impacts are similar to a B&B.</i></p> <p><i>Options to address this issue are currently being reviewed.</i></p> <p><i>(Please see additional comments below)</i></p> |
| <p>11. Should Oro-Medonte not wait for the court decision on the Township of Tiny Licensing By-law before proceeding with its own Licensing By-law?</p> | <p><i>The Township of Tiny enacted a STRA Licensing By-law on August 11, 2022, which is similar to the draft by-law being considered by Oro-Medonte. The by-law was appealed to the Superior Court of Justice with a request to quash the by-law for several reasons including: illegality, lack of authority to license, infringement on freedom expression under the Charter of Rights and Freedoms violations, bad faith, illegally disguised zoning by-law, too restrictive, deprives income, and</i></p> |

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| | <p><i>infringement on privacy rights. On March 24, 2025, the Court released its decision dismissing the appeal, indicating that the licensing by-law is not illegal and should not be quashed.</i></p> <p><i>The Superior Court decision has been appealed to the Ontario Court of Appeal, and it is anticipated that the application will be heard by the Court within the next six months.</i></p> <p><i>Staff are reviewing the situation with legal counsel.</i></p> |
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Additional Planning Comments

Through the review of the Licensing By-law questions arose about applicability of the OLT/Divisional Court decision dismissing the Township’s attempt to introduce the definition of “Commercial Accommodation” to the Zoning By-law. The OLT rescinded the amending by-law and the Superior Court supported the OLT decision. The Court recognized that the current Zoning By-law already prohibits commercial accommodation in dwelling units but stated it must be something “other than simply renting a dwelling unit for money”.

The Court goes on to suggest that the term “commercial accommodation” in the current definition of dwelling unit, “... could mean that temporary accommodation provided as part of an ongoing commercial enterprise akin to a hotel, motel, resort or bed and breakfast are prohibited as commercial accommodations.”

The view being expressed by certain stakeholders is that the OLT determined that in Oro-Medonte, the zoning by-law did not include or exclude STRAs which leads to the interpretation that they are a permitted use in residential zones.

During the consultation period residential property owners that only rent occasionally and advertise asked if their properties would have to be licensed. Staff explained that properties that advertise STRA’s are considered commercial accommodation and must first have the proper zoning in place before they can be licensed. It was explained that the Licensing By-law is intended to protect the safety of the travelling or vacationing public by enforcing health, life safety, and property standards matters and to minimize neighborhood nuisances.

Individual farmers also commented on the Licensing By-law indicating that they occasionally rent surplus farm dwellings as STRAs on their rural properties as a secondary use to support their farm operations. Seasonal workers stay in them and tourists wanting a “farm” experience rent them. Some advertise them as STRAs. They view STRAs as an “Agriculture-Related Use” or an “On-farm Diversified Use” and suggested that they be permitted as of right on rural properties.

The Ontario Federation of Agriculture states, “*On-farm Diversified Uses (OFDUs) are identified in the Provincial Planning Statement (PPS) as one of three categories of uses permitted in Ontario’s prime agricultural areas. They may be related to agriculture, supportive of agriculture, or able to co-exist with agriculture as the primary use in agricultural areas.*”

While OFDUs cover a broad range of business types, they must meet all five policy criteria specified in the PPS. The OMAFRA Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas (Guidelines’) elaborate on the criteria a proposal must meet to qualify as an OFDU to balance farmland preservation with economic development opportunities. Under the Guidelines, almost any proposal may qualify as an OFDU, provided that the use is:

- Located on a farm
- Secondary to the principal agricultural use of the property
- Limited in area (e.g., 2% of farmland to a maximum of 1 ha)
- Includes (but is not limited to) home occupations, home industries, agri-tourism and value-added uses
- Is compatible with, and does not hinder, surrounding agricultural operations.

The farmers that spoke to staff were not opposed to licensing but were of the view that STRAs in the rural area should be permitted as a secondary use for properties zoned Agricultural/Rural as they are part of their farming operation.

Staff are reviewing the comments on the planning matters raised during the review of the draft Licensing By-law and will return to Council with options for Council’s consideration.

Attachments

Schedule “A” – Comments Received on Draft Licensing By-law

Financial/Legal Implications/Risk Management

There will be costs incurred by the municipality to implement and administer a STRA licensing program. The main variable is the amount of revenue from penalties levied, which is unknown at this time, and therefore has not been included in the revenues.

The possibility exists 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. Funds have been set aside within the draft budget to cover potential legal costs.

Policies/Legislation

- Municipal Act
- Planning Act
- Township of Oro-Medonte Zoning By-law

- Township of Oro-Medonte Administrative Monetary Penalty System By-law

Corporate Strategic Priorities

Community Engagement
Community Safety

Consultations

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

Conclusion

Since 2018, Council and staff have undertaken multiple actions in attempt to regulate short-term rental accommodations in the Township with little success to implement a clear policy directive regarding Short Rental Accommodations.

At its January 22, 2025 meeting, Council gave direction to staff to prepare a draft STRA and B&B licensing by-law for consideration. On February 26, 2025 Council tabled a draft by-law for public input. A public consultation meeting on the draft by-law was held on March 24, 2025 and comments from the public were received until April 17, 2025.

Numerous comments were received on the STRA portion of the Licensing By-law and staff are recommending a number of changes outlined in the report to address the comments.

Comments were also received on the implications of OLT/Divisional Court decisions on the legal status of occasional STRAs in the rural area as well as the built-up areas of the Township. Staff are reviewing these comments and will return to Council with a further report.

Staff will bring forward an Action Report to a future meeting of Council with a revised STRA and B&B Licensing By-law incorporating the recommended amendments from this report.

Respectfully submitted;

George Vadeboncoeur, RPP,
Manager, Planning Special Projects

June 4, 2025

Approvals:

Date:

Brent Spagnol, Director, Development Services
Shawn Binns, CAO

June 4, 2025
June 5, 2025