



<b>TO:</b>	<b>CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON NOVEMBER 15, 2016</b>
<b>FROM:</b>	<b>G. KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT &amp; COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL</b>
<b>SUBJECT:</b>	<b>PUTTING CONSUMERS FIRST ACT</b>

<b>RECOMMENDATION</b>
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That on the Recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, this report **BE RECEIVED** as information, it being noted that for efficiency purposes, any proposed Business Licence by-law amendments for door to door sales and payday loan lenders be postponed pending adoption of the *Putting Consumers First Act* and associated regulations addressing municipal administration and enforcement powers.

<b>BACKGROUND</b>
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On June 21, 2016 Civic Administration presented a report to CPSC outlining proposed new categories of businesses to be licensed for a variety of different municipal purposes including consumer protection. On July 19, 2016, Civic Administration presented a schedule of proposed dates for public participation meetings before the CPSC on a number of new and revised regulations including regulations for door to door sales and payday loan lenders.

On November 3, 2016, the Ontario government announced it would soon be introducing new legislation, the *Putting Consumers First Act*, which seeks to enact new measures for the purpose of consumer protection. This legislation will address payday loans and door-to-door sales, two of the newly proposed business licensing categories.

These previous reports to CPSC indicated that there were a number of pieces of legislation before the Ontario legislature surrounding the topics of payday loans and door-to-door sales including Bill 156's amendments to the *Payday Loans Act* and MPP Yvan Bakers private members bill regarding door-to-door sales.

The recent prorogation of the Ontario legislature in September of 2016, means that all bills from the former session, including those addressing payday loans and door-to-door sales, were dropped. However, the November 3rd announcement of the *Putting Consumers First Act* seeks to include the provisions and regulations from the bills from the previous session.

Regarding payday loans industry, the newly proposed legislation would reduce the interest charged from \$21 per \$100 down to \$18 per \$100 dollar loan, set out standards or factors that payday lenders must take into account when determining a borrower's ability to repay, restrict high-frequency borrowing, provide repeat payday loan borrowers with an extended payment plan option and improve and add compliance and enforcement powers to address unlicensed lenders and loan brokers. The announcement also carried a very significant measure that the Municipal Act would be amended to allow municipalities to regulate the number and location of payday lenders through licensing.

In regards, to door-to-door sales, the new proposed legislation would ban unsolicited door-to-door sales of certain home appliances such as water heaters, furnaces, air conditioners and water filters and mandate that all consumer-initiated contracts signed in the home for prescribed goods and services would also have a 10-day cooling-off period and mandatory disclosures.

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<b>CONCLUSION</b>
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Given the introduction of the *Putting Consumers First Act* on November 3, 2016, it would be premature for the municipality to undertake a public participation process for amendments to the Business Licensing by-law to address door to door sales and payday load lenders until such time the proposed Act is in full force and effect. Civic Administration expect to participate in any public submissions with respect to this proposed Provincial legislation.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
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