



To: Chair and Members of the Community and Protective Services Committee (CPS)

Copies: G. Kotsifas, P. Eng. Managing Director, Development and Compliance Services and Chief Building Officer, Art Zuidema, City Manager, Mayor Matt Brown, the Government Affairs Committee and the Board of Directors, London Chamber of Commerce

Re: Business Licensing By-law – proposed new categories and existing category Regulatory Changes

Dear Chair and Members:

On behalf of the Board of Directors of the London Chamber of Commerce, we have been made aware of a report containing Draft By-laws amendments with respect to new categories of businesses to be licensed as well as amendments to existing business category regulations.

We understand that the purpose of this report is to:

- **Present proposed new categories of businesses to be licensed for a variety of different municipal purposes; and**
- **Identify existing categories of businesses licensed under the City's Business Licensing By-law which require updated regulations**

While we don't argue some of the rationale or the need that has been outlined in the preliminary report, we remain puzzled why the City would not have consulted with the Chamber of Commerce ahead of any public participation or stakeholder consultations.

Historically the City has seen fit to reach out to the Chamber as a partner on a wide variety of licensing and by-law issues prior to such consultations in order to get a better understanding of prevailing conditions and any issues that may exist within certain business sectors.

Issues such as Hawkers and Peddlers Licensing and Fee Setting, Street Signage, Disabled Parking, Pawn Shop By-law enforcement, Absentee Landlords By-laws and many others have come before us for our input and counsel.

Nevertheless, we respectfully offer the following observations and recommendations in two specific areas as outlined in the New Categories to be licensed.

The New Categories as we understand are to include:

- **Door-to-Door Sales Persons**
- Payday Loan Lenders
- Group Homes

- Pet Shops
- Donation Bin Operators
- Personal Service Establishments
- Adult Entertainers/Massage Parlour Attendants
- Tobacco Vendors
- **Contractors**
- Fireworks Sales
- Tow Truck Operators
- Driving School Instructors

Category: Door-to-door Sales Person.

Observations and Questions:

In this category we note under Type of Business – As outlined in Section 10.2 of the Business Licensing By-law, *door-to-door sales* refers to any business, person, or organization that has sales conducted by door-to-door solicitors. This section of the By-law also describes door-to-door sales as the sale of goods and not services.

Observation:

We totally understand and support the Reasons, Analysis and Proposed Regulations under this section.

Question:

We are puzzled as to why the definition of door-to-door excludes the sale of “services” and only impacts the sale of “goods”. The Chamber annually fields numerous complaints about door-to-door sales solicitations that do indeed involve “services” that may include but are not limited to services like; window cleaning, driveway re-surfacing, lawn aeration, lawn protection, duct cleaning etc.

Recommendation:

Include “services” under the definition of Door-to-door Sales Person

Category: Contractors

Observations and Questions:

In this category we note under Type of Business trades are generally referred to businesses that involve manual work in a particular trade or craft requiring skill. Examples of trades include construction, renovation, heating, drain, or driveway contactors, plumbers, fence or drain layers, HVAC contractors, and pool contractors.

Reason for Regulation:

The City of London ought to regulate such trades for the purpose of consumer protection against unfair or potentially unfair business practices that could result in loss on the part of the consumer.

Analysis:

In 2009, the Province of Ontario created the Ontario College of Trades (OCOT) as a regulatory agency mandated to protect the public interest and promote the skilled trades in Ontario.

The OCOT specifies two categories of trades in Ontario. The first is compulsory trades, which requires provincial certification for a person to participate in the activities constituting that trade including plumbers and electricians. The other is voluntary trade which does not require certification for a person to participate in activities constituting that trade. However, one must be certified to hold oneself out as certified in that trade. Examples of non-compulsory trades are construction millwright and help desk support analyst.

The OCOT was ostensibly designed for the express purpose of consumer protection to ensure consumers were protected from harmful underground business practices that could lead to massive overrun costs as well as incomplete work. Many consumer protection advocates strongly supported the creation of the College.

The OCOT has also received opposition from critics including this Chamber who argue the increased levels of regulations and the costs associated with membership and compliance with the OCOT harms legitimate businesses by placing additional costs on businesses which often means reductions in employees or increased costs for consumers.

Municipal Scan:

While most municipalities rely on the OCOT as the primary regulatory body for businesses in skilled trade, the municipalities of Oakville and Mississauga have included provisions within their own municipal by-laws governing trades including construction, renovation, heating, drain, or driveway contractors, plumbers, fence or drain layers, HVAC contractors, and pool contractors.

These regulations usually involve the businesses demonstrating certain amounts of liability insurance, the signage requirements for contractor vehicles, compliance with municipal certification exams in some fields, and regulations regarding the contracts made with consumers for these types of work.

Proposed Regulations:

Licensing contractors – including renovation work, HVAC, home improvement, driveway contractors, and pool installers; Requirement for written quotations; Liability insurance; Compliance with municipal/provincial building regulations.

Observations and Questions:

In its current form, the London Chamber of Commerce feels strongly that the Ontario College of Trades (the College) is **not** positioned to deliver on many elements of its mandate. Over the last couple of years, concerns have mounted over its compulsory membership structure, and the bias inherent to its trade classification review process. Additionally, the implications of expanding the range of compulsory trades have not yet been fully analyzed or adequately debated, and decisions appear to be made without sufficient objective evidence to support outcomes.

Building a 21st century workforce was a core component of the Ontario Chamber of Commerce's (OCC) five year *Emerging Stronger* economic agenda for Ontario. Keeping the province's economy firmly on the path from recovery to growth will require an adaptable and highly skilled labour pool.

A modern apprenticeship system and a regulatory climate that is flexible and responsive to labour market needs are crucial factors to achieving this.

To date, the Ontario Chamber's membership of 60,000 businesses remains unconvinced that the Ontario College of Trades has brought value to skilled tradespersons and apprentices across the province.

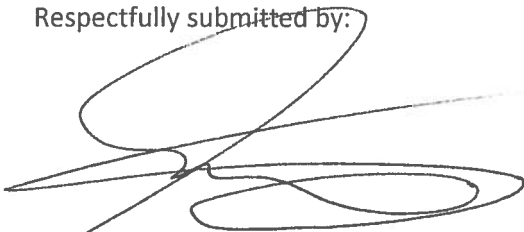
Question

Do the proposed new regulations under **Contractors** contemplate the inclusion of compliance with municipal certification exams in some fields? If they do, we would need to know specifically which fields are being contemplated and if so where does the City plan on developing the exam criteria from?

Recommendation

While we are generally supportive of Written Quotations; Liability insurance; and Compliance with municipal/provincial building regulations for "Contractors" - we do not feel that the Municipality is in a position to adequately develop or enforce municipal certification exams for any fields.

Respectfully submitted by:

A handwritten signature in black ink, appearing to be 'Gerry Macartney', written over a horizontal line.

Gerry Macartney, CEO

London Chamber of Commerce

Copies: the Board of Directors and the Government Affairs Committee