

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE PUBLIC PARTICIPATION MEETING ON JULY 18, 2017
FROM:	G. KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL
SUBJECT:	PUBLIC PARTICIPATION MEETING BUSINESS LICENSING BY-LAW REVIEW LODGING HOUSES, SECOND HAND STORES, SALVAGE YARDS

RECOMMENDATION

That, on the recommendation of the Managing Director, Development & Compliance Services and Chief Building Official, this report **BE RECEIVED** as information, it being noted that upon completion of all public participation meetings related to the review of the Business Licensing By-law, a further public participation meeting will be scheduled to repeal and replace the current Business Licensing By-law as per the direction of Municipal Council on December 19, 2016.

PREVIOUS REPORTS

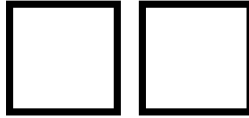
June 21, 2016	CPSC	Proposed new categories / existing by-law changes
November 15, 2016	CPSC	Putting Consumers First Act
December 13, 2016	CPSC	Status Update
January 24, 2017	CPSC/PPM	General Provisions, Payday Loans, Door to Door Sales
February 22, 2017	CPSC/PPM	Contractors, Donation Bins, Personal Service Establishments, Tobacco and Electronic Cigarette Retailers
April 25, 2017	CPSC/PPM	Commercial Parking, Pet Shops, Public Halls, Seasonal Sales Businesses
May 24, 2017	CPSC/PPM	Food Premises, Refreshment Vehicles, Auto Services
June 20, 2017	CPSC/PPM	Adult Entertainment Establishments

BACKGROUND

Civic Administration previously reported on a number of new categories of businesses to be licensed for a variety of municipal purposes, as well as consideration of existing businesses that require updated licensing regulations. The purpose of this report is to receive public comments on proposed licensing regulations for the following categories:

- Lodging Houses
- Second Hand Stores
- Salvage Yards

As previously reported, Civic Administration is proposing to utilize section 23 of the *Municipal Act* authorizing the delegation of legislative powers. The intent of this section is to streamline City Council's decision-making process and enable it to focus on larger issues in a more strategic manner. The Licence Manager has a written Standard Operating Procedure on delegated authority of regulation development including public consultation and posting of the regulations on the City's web site.



Lodging Houses

Lodging houses are currently licensed for purpose of protecting the health and safety of the persons residing in the house by ensuring that the fire code regulations are met, the required essentials such as plumbing and water are provided, for ensuring that the lodging house does not create a nuisance to the adjoining property or surrounding lands, and for consumer protection such that the persons residing in the house know who to contact in the case of a problem or emergency within building.

As this is an existing business category, the focus of the review was on consolidation of regulations. The general provisions of the Business Licensing by-law cover off compliance with other applicable legislation such as the Property Standards by-law and the Fire Code.

The current by-law contains a regulation requiring a register of lodgers including their names and previous addresses. The holder of the licence shall make the register open to inspection, at any reasonable time, to a London Police Officer or a Municipal Law Enforcement Officer. The collection of this personal information must comply with the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA).

Section 28(2) of MFIPPA states: No person shall collect personal information on behalf of an institution [which includes a municipality: s. 2] unless the collection is expressly authorized by statute, used for the purposes of law enforcement or necessary to the proper administration of a lawfully authorized activity.

To comply with section 28(2) of MFIPPA the municipality must demonstrate that both the collection of all of the information and register required by the by-law (name and previous address of the lodger), as well as the making of the register available to the London Police and Municipal Law Enforcement Services, is necessary for a valid municipal purpose of regulating lodging house operators. This regulation (as currently drafted and adopted) is vague and uncertain. There is no requirement to provide any government identification to verify the name of the lodger or previous address. This regulation is likely not in compliance with privacy legislation as there is no expressed municipal purpose to collect this information. MLEOs have not accessed this registry recently and no charges have been laid with respect to this provision.

Under the delegated authority powers of the Licence Manager, signage regulations will be prescribed outlining the required property maintenance contact information which shall be posted in common areas of the lodging house. This information will allow for lodgers to make contact with the licensee's agent to address any building or property issues.

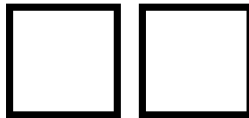
The proposed fee for a lodging house licence is \$509. The fee takes into consideration administration and enforcement costs.

Second Hand Stores and Salvage Yards

Second hand stores and salvage yards are currently licensed for the purposes of protecting the consumer purchasing items and to ensure that the building/yard is safe and healthy for the persons who enter. An additional municipal purpose of deterring crime will be added to the by-law preamble. Regulations will focus on preventing the acquisition of alleged stolen products.

The focus of this review of this existing category was on consolidation and modernization. Current regulations address articles or objects being sold or exchanged which have an obliterated serial number, obtaining goods from youth and obtaining goods from persons appearing to be under the influence of alcohol or drugs. These regulations will remain in the new by-law. One new regulation will be that all operators will be required to verify the identity of the person disposing of a product prior to acquiring any goods articles or objects. The personal information will not be recorded, just verified.

Another key regulation is the requirement for a record of all transactions (including goods collected, obtained, purchased or taken in exchange) to be maintained and open to inspection by London Police Service and Municipal Law Enforcement Services. Some pawnbrokers fax or email the information to the London Police as forwarding the information is a Provincial regulation. (Civic Administration will be reviewing Pawnbrokers Licensing by-law in 2018). It would be preferable



from an administrative and efficiency perspective to require all second hand stores to maintain records as prescribed by the Licence Manager in an electronic format and such information be forwarded to the London Police on a daily basis. The format and content of the record or transactions will be reviewed by Civic Administration in consultation with the London Police and be approved by the Licence Manager. The focus of the items which will be required for daily electronic submission will be those commonly involved in theft and break and enters: electronics, sporting goods, bicycles and jewelry. There are numerous “point of sale” inventory software programs commercially available specifically designed for pawnshop and second hand store management. Alternatively, commonly available spreadsheet programs can be formatted to collect and forward the required information. The information submitted will only focus on the descriptors of the product; no personal information will be collected and submitted to the Police.

The issue of requiring items such as electronics and jewelry to be photographed and submitted to the Police on a daily basis has been discussed with the London Police and interested members of the industry. There are several pros and cons. It may be a hardship for second hand store operators to photograph all items of a higher value, catalogue the photos and electronically send them to the Police on a daily basis. Also, the appearance of many electronic items are exactly the same based on the make and model year of manufacture. On the positive side, a person who wishes to dispose of stolen goods at a second hand store may refrain from doing so if the person is made aware that the products will be photographed and information shared with the Police. Based on these discussions, Civic Administration recommend that only certain products of a higher value, such as jewelry be photographed. This regulation is operational in nature and will be crafted by the Licence Manager. It would be unproductive to photograph all electronic items as the product description can be attained from the make and model of the item. For electronics, it is more important that the serial number information be recorded and submitted to the Police.

To further discourage attempts of disposing of stolen goods, each second hand shop will be required to hold all products acquired for five business days prior to displaying the products for sale. This will allow for reported occurrences of theft and break and enter to be investigated and alleged stolen product be returned to the rightful owner.

The proposed fee for a second hand shop / salvage yard licence is \$311. The fee takes into consideration administration and enforcement costs.

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