



Town of Niagara-on-the-Lake

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REPORT #: FES-25-019 **COMMITTEE DATE:** 2025-12-02
REPORT TO: COTW-General **DUE IN COUNCIL:** 2025-12-09
SUBJECT: Master Business Licensing Program

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Council **RECEIVE** report FES-25-019;
- 1.2 Council **DIRECT** Staff to create a comprehensive Master Business Licensing Program aimed at becoming a cost-recoverable program, while determining all expected costs and developing an approach to implement.

2. EXECUTIVE SUMMARY

- At the direction of Council, Staff investigated a Master Business Licensing Program, including analyzing the current processes/resources for licensing within the municipality.
- Staff reviewed successful programs within the Region as well as across Ontario to better understand what opportunities existed.
- Currently, the Town has a limited licensing program which primarily focuses on Short Term Rentals. There is no direct process for new businesses to approach the Town to advise of their intended operation. Staff may not become aware of a new business until they are operating or advertising.
- The Niagara Region currently licenses a limited number of businesses, but the Town is not necessarily consulted or made aware of new businesses that obtain licenses through the regional program.
- The Municipal Act, 2001, permits the municipality to license businesses and provides discretion to create a program that fits the needs of the municipality. There is potential for a wide scope of businesses to be licensed within the community.
- Staff have identified several business types that could be of benefit to review or be aware of their presence in the community. This includes Hawker's/Peddlers, Food Trucks, Restaurants, Retail Stores, and Temporary Markets. Prior to the development of a program, the refinement of which businesses will fall within its scope is required.
- Staff have determined that the implementation of a program would be a significant undertaking and will most likely require additional resources, primarily staffing, to roll out the program and operate. The extent will depend on the full scope of the program, including the number of licence types and whether existing businesses will be grandfathered.

3. PURPOSE

This report is intended to provide details about potential opportunities of bringing forward a Master Business Licensing Program.

4. BACKGROUND

At its meeting held on July 25, 2023, staff were directed to explore options and impacts of implementing a Master Business Licensing Program within the Town. Staff have spent considerable time understanding the details of how a program would function, the types of businesses that could be considered, and its potential success within the Town.

5. DISCUSSION / ANALYSIS

Niagara-on-the-Lake Current Status

Currently, within Niagara-on-the-Lake, the only municipal licensing programs that are actively administered through municipal By-laws are Dog Licences, Short-term Rental Licences, Lottery Licences (in conjunction with AGCO requirements) and Hunting Licences. Of these licences offered, only the Short-term Rental Licence could be considered similar to a business licence, as the licence is required to operate a short-term rental within the community.

In Niagara-on-the-Lake, several challenges over the years have arisen because the municipality was unaware of which businesses were operating in the Town. Examples include numerous properties operating in contravention of the permitted land use established by the Town's Zoning requirements, and multi-unit building owners renting space to different-hazard-level businesses, creating building code and fire code contraventions. As the Town often becomes aware of these issues after business begins operating, this presents a challenge for staff, who must frequently address them over weeks or months, while the business continues to operate.

Niagara Region Business Licence Program

The Niagara Region does operate a business licence program; however, it is specific to only a limited number of businesses. Specifically, this includes:

- Adult Entertainment Facilities
- Body Rub Parlours
- Salvage Yards and Shops
- Second-hand Shops and Dealers
- Taxis
- Transportation Network Companies
- Vehicles for Hire

Additionally, through the Niagara Region Public Health and Emergency Services, a food premise (restaurant or similar) must obtain the proper permits to operate. Obtaining this permit registers each facility within the Region's records for future inspections, which helps them maintain a master list of operating facilities.

All business or food premises that are granted permission to operate by the Region are not directly required to inform the municipality within which they operate. The Region's website does advise that all applicants contact their local authorities. If the new business owner moving

into an existing facility does not pursue the municipality, or if a regional licence is not required, the Town will not know a new business is operational until it either advertises that it will be opening, is operating, or applies for a building permit to complete renovations if required. The building permit application, however, may not always provide accurate information about the services the renovated space will offer.

Local Area Municipalities Licence Programs

Staff have reviewed which licence types are required in the other Local Area Municipalities (LAMs) to determine which could be considered in Niagara-on-the-Lake. Nearly all other LAMs require a business licence of some kind to operate a variety of business types. This ranges from businesses with no single property they operate from, such as Master Plumber Licences and Hawkers/Peddlers licences, to businesses with a single location, such as Restaurant Licences and Theatre Licences.

Staff looked beyond the LAMs to see which other similar municipalities across Southern Ontario require licences for outdoor cafes and tattoo parlours and found that one municipality requires all general business and home-based businesses to be licenced.

Additional licences that Staff found most LAMs and similar municipalities within Southern Ontario regulate through a licence included Marriage Licences, Vehicles for Hire Licences, and Food Vendor Licences (restaurant, beverage cart, or food truck).

The Municipal Act

Part IV, section 150, of the Municipal Act, 2001, SO 2011, c. 25, addresses a municipality's ability to establish a system of licences for a business. A Business identified within the Municipal Act is:

“*business*” means any business wholly or partly carried on within a municipality, even if the business is being carried on from a location outside the municipality, and includes,

- a) trades and occupations,
- b) exhibitions, concerts, festivals and other organized public amusements held for profit or otherwise,
- c) the sale or hire of goods or services on an intermittent or one-time basis and the activities of a transient trader,
- d) the display of samples, patterns or specimens of goods for the purpose of sale or hire. **2006, c. 32**, Sched. A, s. 82.

The Act further details the powers a municipality may have to establish a licence system, including, but not limited to, implementing a business licence system, prohibiting a business from operating without a licence, and imposing conditions as requirements for obtaining a licence.

Additionally, the Act outlines limits for licence systems and notably states that a licence cannot be refused solely based on a business's location. However, a municipality may impose a condition requiring compliance with land use controls or requirements under the Planning Act or any other applicable Act to obtain a business licence.

Several other opportunities, conditions, limits, and restrictions are spoken to in the Act.

Niagara-on-the-Lake Businesses Licence Program Opportunities

There are several reasons a municipality might consider implementing a business licence program. In Niagara-on-the-Lake, staff have consistently faced enforcement issues related to businesses operating on properties not zoned for their activities. A licensing program would help create opportunities for proactive education for potential business operators and assist in gathering an accurate list of businesses in Town. An accurate list would then assist in identifying current Zoning Bylaw, Building Code, and Fire Code infractions.

Businesses identified by Staff that may benefit from inclusion in a licensing program include, but are not limited to:

- Hawker's/Peddlers
- Food Trucks
- Restaurants or premises that offer food
- Retail Stores or premises that offer goods for sale
- Temporary Markets
- New Businesses

There is also an opportunity to begin issuing other types of licences, such as Marriage Licences. With the number of wineries and hotels in Town that host weddings, capitalizing on this opportunity could provide an additional revenue stream for the municipality. Nearly all LAMs provide Marriage Licences. Currently, if a resident requests a Marriage Licence from the Town, Staff redirect them to neighbouring municipalities that provide this service.

During a review of other municipal programs, staff have identified that a Master Business Licence Program within Niagara-on-the-Lake would be a considerable undertaking to implement and maintain. It would be outside the current staff capacity. It is anticipated that two new staff members would be required to ensure the smooth implementation and continual operation of this program. The new Customer Relationship Management (CRM) software to be implemented in 2026 may be an option for managing the licensing process/database, but it is important to note that the cost of this use would be outside the current scope of the CRM project.

It is believed that the operational costs may be partially recovered through licensing fees, and the program can aim to become fully cost-recoverable; however, this is unlikely to be achievable for several years until all businesses identified for licensing are licensed. While new businesses could enroll immediately, Staff believe that a phased approach across the existing business community would be beneficial. Staff also believe that phasing in the program fees would be helpful to avoid a shock to the business community.

Of all the LAMs, it was identified that the Town of Fort Erie has had success with the management of a business licensing program that targets only certain types of new businesses. If Staff are directed to create a detailed program following the footsteps of already successful programs, there would be many advantages for the Town.

6. STRATEGIC PLAN

The content of this report supports the following Strategic Plan initiatives:

Pillar

1. Vibrant & Complete Community

Priority

1.2 Economic Development & Community Partnerships

Action

1.2 a) Economic Development

Pillar

1. Vibrant & Complete Community

Priority

1.3 Strategies & Masterplans

Action

1.3 a) Strategies & Masterplans

7. OPTIONS

7.1 Option 1: Council receive report FES-25-019 for information and directs Staff to create a comprehensive Master Business Licensing Program aimed at becoming a cost-recoverable program, while determining all expected costs and developing an approach to implement and treat all businesses, new or existing, fairly.

(Recommended)

7.2 Option 2: Council directs Staff not to pursue a Master Business Licensing Program.
(Not Recommended)

8. FINANCIAL IMPLICATIONS

There are no immediate financial implications of this report. All financial impacts, including the cost of additional required Staff, recommended fees, and possible cost recovery timelines, will be reported back to Council for final approval.

9. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising from this report.

10. COMMUNICATIONS

If staff are asked to create a Master Business Licensing Program, a comprehensive communication strategy would be included. Council will be informed of the program's details, including the communication strategy, before the official rollout.

11. CONCLUSION

Implementing a Master Business Licensing Program in Niagara-on-the-Lake could provide opportunities for proactive education for new businesses, monitoring of existing data to identify improvement areas, and clear communication channels. It could also pose challenges in enforcement, program adoption by existing businesses, and cost recovery. A program would need to be clearly defined, with multiple phases and consideration of the community's various factors, to ensure smooth implementation.

12. APPENDICES

- N/A

Respectfully submitted:

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