

Date: 2020-11-05

Subject: **Amendment to Business Licensing By-law 332-2013 to License Payday Loans Businesses – Additional Existing Location**

Contact: **Teresa Olsen, Deputy Clerk, City Clerk’s Office**

Report Number: Legislative Services-2020-371

Recommendations:

1. That the report titled **Amendment to Business Licensing By-law 332-2013 to License Payday Loan Businesses – Additional Existing Location (Legislative Services-2020-371, BJX)**, to the Committee of Council Meeting of December 2, 2020, be received;
2. That Appendix 1 to Schedule 16 of Business Licensing By-law 332-2013 be amended to include the existing payday loan business located at 225 Queen Street E, Unit 2A, Brampton;
3. That Appendix 1 to Schedule 16 of Business Licensing By-law 332-2013 be amended to:
 - a. include only the pre-existing provincially licensed locations that have obtained municipal licences prior to the November 5, 2020 deadline; and
 - b. remove locations that are no longer operating or did not obtain their municipal licence prior to the November 5, 2020 deadline;
4. That the existing Payday Loan business located at 225 Queen Street E, Unit 2A, be provided an extension to December 22, 2020 to obtain the municipal payday loan business licence; and
5. That a by-law (generally set out as Appendix C to this report) be passed to amend Appendix 1 to Schedule 16 of Business Licensing By-law 332-2013.

Overview:

- At the July 8, 2020 Council meeting, Council passed an amendment to Business Licensing By-law 332-2013 to include a schedule to allow for the licensing of payday loan businesses.
- The new schedule allowed for any pre-existing provincially licensed payday loan businesses, as of July 8, 2020, to remain in their current locations without being subject to the separation distances outlined in the by-law, as long as they obtained their municipal business licence by November 5, 2020. The by-law amendment included an appendix to the schedule, which listed the addresses of the pre-existing provincially licensed payday loan businesses.
- An existing payday loan business that has been operating since 2014 and previously held a provincial licence experienced some administrative issues with renewing their provincial licence in late 2019, and as a result did not receive their renewal with the Province until August 2020 resulting in the address of the business not being included in the appendix to the schedule.
- The business has since been granted a renewed provincial licence effective August, 2020.
- Since the business has been operating at the existing location for 6 years and the provincial licence renewal was delayed due to administrative matters, staff is recommending that the business be included in the list of provincially licensed businesses set out in Appendix 1 to Schedule 16 of Business Licensing By-law 332-2013, as amended.
- Staff are further recommending amending Appendix 1 to Schedule 16 to remove any payday loan businesses that are no longer operating or businesses that did not obtain their municipal licence prior to the November 5, 2020 deadline.

Background:

In July 2020, City Council approved By-law 121-2020 to amend the Business Licensing By-law 332-2013, as amended, to regulate payday loan businesses in the City of Brampton through the addition of Schedule 16, Payday Loan Businesses (attached for reference as Appendix A to this report).

The new schedule provided regulations related to licensing requirements, including proof of a valid provincial payday loan licence, a limit on the number of locations allowed within the city (total of 49) and separation distances from other payday loan locations, and gaming, liquor and cannabis establishments. An appendix to Schedule 16 provided a listing of pre-existing provincially licensed locations, as of July 8, 2020, to remain in their current location without being subject to the separation distances outlined in the by-law. Staff obtained a printout of the provincially licensed locations on July 8, 2020 and included the pre-existing locations in the appendix that was approved as part of the by-law.

Staff contacted all pre-existing provincially licensed locations in July 2020 to advise of the new municipal licensing requirement and application period.

Current Situation:

Adding an Additional Pre-existing Payday Loan Business to Schedule 16, Appendix 1

On October 7, 2020, Loan 4 Payday, located at 225 Queen Street E, Unit 2A, contacted the City Clerk's Office to obtain the municipal payday loan business licence. As the location was not listed in Appendix 1 to Schedule 16 of Business Licensing By-law 332-2013, as amended, staff could not issue a licence to the business. In discussions with the business owner, it was noted that Loan 4 Payday had previously held a provincial payday loan licence and has been in business since 2014 at the existing location. The business owner noted that they had submitted the renewal application to the Province in 2019 however the application was received after the renewal deadline resulting in a more formal application process that caused a delay in the owner receiving their licence. Staff contacted the Province to discuss this matter and they indicated that due to the nature of the process for late applications and the subsequent impact that the COVID-19 Pandemic office closures created, the licence was not extended for its renewal period until August 2020. The owner has since submitted the renewal application to the Province for the next annual period and a copy of the provincial licence, effective November 13, 2020, has been provided to the City Clerk's Office for confirmation.

Staff can confirm that during the initial review process related to the implementation of regulating payday loan businesses in Brampton, this location was listed as a provincially licensed location in October 2019.

As the Province has renewed the provincial licence for Loan 4 Payday, located at 225 Queen Street E, Unit 2A, staff is recommending that the business be added to the list of pre-existing provincially licensed locations in Appendix 1 to Schedule 16 of the Business Licensing By-law 332-2013, as amended. Further, staff recommends that the business be permitted to obtain a municipal business licence and remain in its existing location based on the following:

- the business has been in operation at the existing location since 2004;
- the business was previously listed on the Province's payday loan listing of licensed locations in October 2019;
- the business has been granted a provincial licence effective November 13, 2020; and
- the maximum limit for the number of payday loan licences for the city has not been reached (see below).

Pre-existing provincially licensed businesses were required to obtain a municipal licence in order to remain in their existing location notwithstanding the separation distance

requirements outlined in the by-law. The deadline to obtain this licence was November 5, 2020.

As of the November 5, 2020 deadline, 43 businesses have obtained municipal licences. Section 7 of Schedule 16 of the by-law establishes a limit of 49 business licences for payday loan businesses in Brampton. With the current 43 issued business licences, an opportunity exists for up to seven (7) new payday loan businesses to obtain a business licence within Brampton, subject to the requirements of the by-law.

As the current number of municipally licenced payday loan businesses is below the limit of 49, staff does not recommend increasing the limit to account for the addition of Loan 4 Payday as it would simply fill one of the seven (7) available licences.

Given that the provincial licence of the business became effective on November 13, 2020, staff is also recommending that the deadline to obtain a municipal business licence be extended to December 22, 2020, for this business only. Future renewal periods must be adhered to as per the by-law, with no extensions permitted.

Amending Schedule 16, Appendix 1 to Reflect Current Licensed Businesses

Staff is recommending that payday loan businesses that are no longer operating, or have not obtained their municipal business licence, be removed from Appendix 1 to Schedule 16 of the Business Licensing By-law 332-2013, as amended.

As mentioned earlier, there are currently 43 pre-existing provincially licensed payday loan business locations that have also obtained a municipal business licence, as per Section 8 of Schedule 16. Any locations that have not obtained a municipal licence prior to the November 5, 2020 deadline should be removed from the list in the current Appendix 1 to Schedule 16. The proposed updates are attached as Appendix B to this report.

Further, staff recommends that a by-law be passed to amend Business Licensing By-law 332-2013, as amended, Schedule 16, Appendix 1. The proposed amending by-law is attached as Appendix C to this report.

Any future applications for payday loan businesses in Brampton will be subject to the requirements as set out in Schedule 16 of the Business Licensing By-law 332-2013, as amended.

Corporate Implications:

Financial Implications:

There are no financial implications resulting from this report.

Other Implications:

There are no other implications resulting from this report.

Term of Council Priorities:

This report is consistent with the 2018-2022 Term of Council Priorities as it supports Direction 5: Brampton is a Well-Run City by demonstrating proactive and responsible management of business licence administration.

Conclusion:

This report has identified that an administrative error appears to have occurred in relation to an existing business renewing their 2020 provincial payday loan licence prior to the City passing the amending by-law to regulate payday loan businesses within the City of Brampton. In consideration that the business has been operating in Brampton for many years in the existing location, had been in compliance with the provincial regulations in 2019 and has been granted a new provincial licence as of November 13, 2020, it is recommended that this location be added to the Appendix of the Schedule that regulates payday loan businesses.

It is further recommended that Appendix 1 of Schedule 16 of Business Licensing By-law 332-2013, as amended, be amended to reflect the current operating business locations that have been designated to remain in their existing locations as per Section 8 of the Schedule.

Authored by:

Reviewed by:

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Peter Fay,
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Approved and Submitted by:

David Barrick,
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Attachments:

- Appendix A – Schedule 16 – Payday Loan Business**
- Appendix B – Proposed Appendix 1 to schedule 16**
- Appendix C – Amending By-law for Payday Loan Establishments**

