



SMITHS FALLS

RISE AT THE FALLS

Report # 2024-100

To: Mayor and Council

From: Mallory McNeely, Building Services Summer Student

Date: August 22, 2024

Committee of the Whole Date: August 26, 2024

Title: Business Licenses – Issues and Options

☒ For Direction

☐ For Information

☐ For Adoption

☐ Attachment ___ pages

Recommendation:

THAT Council receives Report #2024-100, titled “Business Licenses – Issues and Options” and provides direction on the discussion points contained in this report.

Purpose: To provide council with information regarding the implementation of the Business Licensing By-Law and to seek direction on policy and approach updates that will align with the expectations of Council

Background: The current Business Licensing By-Law outlines the requirements and general regulations of operating a business within the Town of Smiths Falls. The by-law requires all retail (goods/services) and temporary sales, auctioneers, second hand or pawn shops, and home occupations to hold a license before operating in the Town. The process of receiving a Business License requires the business owner to submit an application, that gathers details of the business, location, approval from the property owner (if applicable), and a drawing of the proposed location. The application is circulated by the Licensing Officer for approval from the Planning division, Building division, Fire Department, and Clerk before being issued. Issues that often arise within business licensing tends to be around the enforcement of the by-law. Most commonly, the requirement to obtain a Business License has very little enforcement as there are some businesses within the Town operating without a Business License. This is largely because there is no real incentive to obtaining a license and no enforced reprimand (monetary penalties) to operating without a license.

The current Refreshment Vehicle By-Law outlines the general regulations of all refreshment vehicles, as well as the individual regulations for chip wagons, mobile canteens and refreshment carts. Business owners wishing to open a mobile canteen or refreshment cart are required to apply using the same application as a business license with approval authority granted by staff. A chip wagon, however, is required to obtain approval from Council before being granted a license. Issues with this by-law tend to arise when refreshment vehicles are attending events within the town. In practice, it was determined that all events and refreshment vehicles attending be regulated under the Smiths Falls Festivals and Events Policy. Staff suggest the Refreshment Vehicle By-Law be updated and

incorporated into the Business Licensing By-law remove this duplication and clarify those roles.

After exploring how neighboring municipalities regulated businesses, it was discovered both Perth and Carleton Place do not require businesses to obtain any sort of license prior to opening, although Town of Perth asks businesses to register with the Town just to keep a database of the businesses. In both these municipalities, fire safety inspections are done on a request or complaint basis. These municipalities do regulate refreshment vehicles.

There are a number of considerations and reasons that would inform Council's decision and staff invite Council's feedback to inform policy and process updates. Ensuring health and safety through fire and health unit inspections is a huge reason why the current practice of the business licensing process is valuable. The current system can be viewed as a mechanism to health and safety because when businesses apply it triggers the need for an inspection. As important as they are, they do tend to only happen when a new business is opening at a location or not at all unless an application is submitted. As health unit inspections aren't a municipal regulation, by removing the requirement of a license it would not necessarily mean that the inspection will not happen because ultimately it is the responsibility of the business owner to do so. Since there is a lack of enforcement and little incentive to obtaining a business license, it is questioned whether it would be more beneficial to take away the requirement of obtaining a business license or update the current by-law to include better enforcement and better the health and safety measures.

Analysis and Options: The following options are available for Council consideration:

Option #1: The first option would be to and not require businesses to obtain a business license. After discussion with building staff and the Downtown Business Association, asking businesses to register with the Town to keep a data base and be aware of all the businesses within the Town would be an easy adaption. By asking business owners to register by providing the basic information of the business, it would keep the Town aware of the new businesses and would allow us to advise them to get health and safety inspections. It would remove the possibility of delays that can happen between waiting for license approval and the opening of a new business and would not require one specific staff member to take care of. When considering fire safety, although the Fire Department prefers the current system, it is possible to operate on a request or complaint basis while also understanding that the Fire Department has the authority to do an inspection of any commercial space.

The Economic Development and Tourism department currently maintains a master business database and had previously created the New Business Guide to assist new businesses by providing an all-in-one resource which includes information about licensing requirements both within the Town and through outside agencies. This tool can be easily updated and continue to inform businesses of potential municipal requirements (building permits, fire inspections) and outside agencies requirements, if the municipality no longer wishes to administer local licenses.

If Council decided to remove the requirement for business licensing, staff recommends maintaining the Refreshment Vehicle By-Law to address concerns in terms of health and safety and property owner awareness. It would be beneficial to update the current

Refreshment Vehicle By-Law to simplify it and ensure it aligns with the current practices. An important revision to be made is that all events and operating businesses at events are covered under the Smiths Falls Festivals and Events Policy and would not require a business or the event organizer to obtain a business license.

Option #2: The other option would be to continue requiring a business license to be issued prior to the opening of a new business. A positive measure of the current licensing system is that by businesses applying, it triggers the awareness and requirement for health and safety inspections, as the approval process requires Building, Planning and Fire department sign off however this can still be achieved using other marketing methods as noted above. This process can also help the business owner to ensure they meet all the requirements of any inspection before opening their establishment. It would still be recommended that the Business Licensing By-Law and Refreshment Vehicle By-Law be updated and combined to align with the current practices especially regarding events. If Council decides to continue requiring licenses, updating these by-laws would allow for the addition of more business classifications (ex. Short-term rentals, taxi licenses, etc.), there could be more value added to a business license for both the Town and business, and increase enforcement. It is also suggested that combining both by-laws into one would be beneficial to simplify them. If Council wishes to continue licensing businesses, considerations would include the following:

- Fees
- Inspections
- Any additional types of businesses or removal of current business types

Budget/Financial Implications: The Town does not currently charge a Business License fee. Implementation of one could be a source of revenue.

Link to Strategic Plan: N/A

Existing Policy: By-Law No. 8168-2008 *A By-Law To License, Regulate, and Govern Certain Businesses*; By-Law No. 8214-2009 *A By-Law To License, Regulate, and Govern Refreshment Vehicles*

Consultations:

- Fire Department;
- Development Services Department;
- Economic Development and Tourism Department;
- Downtown Business Association;
- Town of Perth;
- Town of Carleton Place

Attachments: None

Notes For Council Members

Respectfully Submitted by:

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Reviewed by:

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Approved for Agenda:

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