



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Licensing and By-law Services Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	June 20, 2017
SUBJECT/REPORT NO:	Business Licensing By-law 07-170 – Removal of Salvage Businesses and Pawnbrokers from Second-Hand Goods, Pawnbroker and Jewellery and Precious Metals Businesses (Schedule 22) (PED17102) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Monica Ciriello (905) 546-2424 Ext. 6656
SUBMITTED BY:	Ken Leendertse Director, Licensing and By-law Services Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That the Business Licensing By-law 07-170 be amended by removing Salvage Businesses and Pawnbrokers from the “Second-Hand Goods, Pawnbroker and Jewellery and Precious Metals” (Schedule 22) to create a standalone “Second-Hand Goods, Jewellery and Precious Metals Businesses” Schedule in accordance with the amending by-law attached as Appendix “A” to Report PED17102, which has been prepared in a form satisfactory to the City Solicitor; and
- (b) That the item respecting Schedule 22 of the Business Licensing By-law be identified as complete and removed from the Planning Committee’s Outstanding Business List.

EXECUTIVE SUMMARY

This report responds to the motion made by Council on February 8, 2017 directing staff to review Schedule 22 of the Business Licensing By-law 07-170 to strengthen regulatory requirements to ensure accountability to prevent, mitigate or redress losses to, or practices which may negatively impact property owners.

Salvage and Second-Hand Goods, Pawnbrokers and Jewellery and Precious Metals Businesses are currently licensed under Schedule 22. Upon review and in conjunction

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with internal and external consultations it was determined that the licence holders under Schedule 22 should continue to be licensed, however through stand-alone Schedules.

Second-Hand Goods, Jewellery and Precious Metals businesses are licensed by the City to protect consumers, ensure goods made available for resale are not stolen and establish proper business practices, including having the business operators keep purchase records that may be examined by the Hamilton Police Service (HPS) for investigative purposes. Licensing is intended to benefit the community by aiming to prevent, mitigate or redress losses to, or practices which may negatively impact these business owners and members of the community.

The review and rewrite of the Business Licensing Bylaw 07-170 (Licensing By-law) is a key element of PED's ongoing Open for Business initiative. The primary objectives of reviewing the Licensing By-law are to modernize our approach, increase clarity and ease of understanding and remove unnecessary regulation. This report recognizes the distinctions between the businesses currently licensed together under Schedule 22 and proposes removing Pawnbrokers and Salvage Yards from the current schedule.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: The proposed changes to will have little to no impact on staff time, as administration and enforcement of this Schedule is still required.

Legal: N/A

HISTORICAL BACKGROUND

The *Municipal Act, 2001* provides Council with the authority to regulate, including license, any business, wholly or partly, carried out within its jurisdiction. The justifications for licensing certain types of businesses generally relate to the health and safety, consumer protection and nuisance control.

In 2000, a Licensing Implementation Team comprised of representatives from the Cities of Hamilton and Stoney Creek and the Towns of Flamborough, Dundas and Glanbrook and the Regional Health Unit were tasked with reviewing the existing licensing by-laws and incorporating them into one by-law for the new amalgamated municipality. There has been no comprehensive Licensing By-law review since amalgamation. The Licensing Section identified the need to modernize the Licensing By-law. The current Licensing By-law is a compilation of amendments passed by Council over many years

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and contains licensing categories that require updates. The review and rewrite of the Business Licensing By-Law is a key element of PED's ongoing Open for Business initiative. The primary objective of rewriting the By-law is to delete duplication; increase clarity and ease of understanding; clarify intent; remove unnecessary regulation; and improve overall readability.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Hamilton Police Services

BEAR Unit (Break and Enter, Auto Theft and Robbery)

Pawn Investigator

Scrap Investigator

Corporate Services

Finance and Administration

City Clerks - Access and Privacy Office

Legal Services

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Salvage and Second-Hand Goods, Pawnbrokers and Jewellery and Precious Metals Businesses are currently licensed under Schedule 22. Licensing Second-Hand Goods, Jewellery and Precious Metals Businesses operators has been a useful tool to mitigate risk and ensure the municipal purpose of consumer protection is achieved. Following internal and external consultations it was determined that Second-Hand Goods, Jewellery and Precious Metals Businesses and the public would benefit from operating under a separate licensing schedule which recognizes the distinctions between the businesses and ultimately increase clarity and understanding of the industry.

Prior to municipal amalgamation Second-Hand Goods and Precious Metals Businesses were licensed in the Cities of Hamilton and Stoney Creek. Appendix "B" attached to Report PED17102 shows the number of Second-Hand Goods licences and Precious Metals and Jewellery licences held each year in the City of Hamilton from 2001 to 2016.

Appendix "C" attached to Report PED17102 compares the licensing best practices among the 33 Ontario municipalities regarding Second-Hand Goods and Jewellery and Precious Metals. It shows that 16 other municipalities have a similar licensing category.

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From 2001-2010 there were no complaints, investigations, charges or convictions under this licensing category. The chart below outlines the number of charges from 2011-2016.

Year	Charges
2011	2
2012	7
2013	2
2014	3
2015	3
2016	0

In addition to assisting Municipal Officers, the licencing schedule has also assisted the Hamilton Police Services; Break and Enter, Auto Theft and Robbery (BEAR). From 2012-2016 the BEAR unit has seized approximately \$353,000 worth of stolen goods from Second-Hand Goods businesses, Jewellery and Precious Metals businesses and Pawnshops in the City.¹

After reviewing the requirements outlined for Second-Hand Goods and Jewellery and Precious Metals businesses, it was determined that up-dating was required. The proposed schedule has been restructured for ease of understanding and consistency with the other schedules in the Licensing Bylaw. Several comments provided by Hamilton Police Services and current licence holders during previous consultations were also considered and incorporated into the schedule. Key aspects of the proposed schedule include:

Language:

The definitions have been modified to reflect current types of goods.

Reporting:

Licence holders will be required to review an Identifiable Stolen Property list, circulated by the HPS. In addition, there a requirement specifying the minimum amount of identifiers to be considered to be recorded by the licence holder (or the employee) prior to purchase. This will aid in the identification and return of stolen goods. Finally, weekly records, omitting seller information, will be submitted electronically to the HPS.

¹ These numbers are the approximate values seized for Second-Hand Goods and Jewellery and Precious Metals operators, and Pawnbrokers combined. 2016: YTD: \$35,000 , 2015: \$100,000, 2014: \$100,000, 2013: \$55,000, 2012: \$63,000

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth *Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.*

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A”: Draft By-Law amending the Business Licensing By-Law

Appendix “B”: Total Number of Licences: 2001-2015

Appendix “C”: Best Practices in Ontario Municipalities

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