




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

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	January 14, 2025
SUBJECT/REPORT NO:	Amendment to Schedule 11 (Payday Loans businesses) of Licensing By-law 07-170 and request for relocation of an existing payday loans business (PED25022) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Dan Smith (905) 546-2424 Ext. 6435
SUBMITTED BY:	Monica Ciriello Director, Licensing and By-law Services Planning and Economic Development
SIGNATURE:	

RECOMMENDATION

- a) That Council approve the request by Cash Money, located at 158 Highway 8, Ward 10, to relocate the existing payday loan business to a new address within Ward 10.
- b) That Council approve the amendments to the Licensing By-law 07-170, Schedule 11, attached as Appendix "A", to provide the Director of Licensing and By-law Services delegated authority to consider a location change under extenuating circumstances and update the list of licensed payday loan businesses within the City, which has been prepared in a form satisfactory to the City Solicitor, be approved and enacted.

EXECUTIVE SUMMARY

This report recommends Council approve a relocation and amendment to Schedule 11 of the Licensing By-law 07-170. First, the payday loan business located at 158 Highway 8 within Ward 10, has requested to move their business to a new location within Ward 10. Currently, Ward 10 has one municipally licensed payday loan business. This is the same business which wishes to relocate. A relocation would maintain the Ward at one (1) licensed payday loan business, however Council approval is required. Second, is to

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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amend Schedule 11 to provide the Director of Licensing and By-law Services delegated authority to approve location changes under extenuating circumstances within wards which may have more than one (1) payday loans business licensed or where the number of City payday loans licenses exceeds fifteen as outlined in Appendix "A".

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Not applicable

Staffing: Not applicable

Legal: Legal Services assisted with the preparation of the appended draft amending by-law attached as Appendix "A"

HISTORICAL BACKGROUND

At the City Council meeting on July 10, 2015, Council passed the following motion:

- a) That the Mayor be authorized to forward correspondence to the Province of Ontario, to the attention of the Minister of Consumer Services, requesting that the protections afforded by the *Payday Loans Act* be strengthened and that Municipalities be authorized to limit the number and regulate the locations of payday loan and cheque cashing outlets;
- b) That Staff be directed to research the feasibility of licensing payday loan and cheque cashing outlets to assist in consumer protection by requiring the businesses to post their rates, show comparative and annualized rates and information regarding debt counselling; and,
- c) That staff analyse and map payday loan and cheque cashing outlets in Hamilton and report back to Council on recommendations for alternative accessible financial services for Hamilton residents.

At its meeting on February 16, 2016, through report PED16039, Planning Committee approved the staff recommended Licensing By-law 07-170 amendment which created a licensing schedule for payday loans businesses.

On February 20, 2018, through report PED16039(a), Council approved an amendment to Schedule 11 of the Licensing By-law 07-170 which permitted the City to limit the number of payday loans businesses and the locations of the businesses. At the time of the amendment there were 30 payday loans businesses which were licensed by the City. This amendment limited the total number of licenses available to fifteen and one

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(1) within each ward. As several payday loan businesses were previously licenced as part of the initial passing of schedule 11 in the Licensing By-law 07-170, these businesses are still permitted to operate provided they continue to operate within the regulations set forth at the same location.

In August 2024, staff received a notice that two separate licensed payday loan businesses located at 158 Highway 8, and 1392 Main St. E., would be making applications for new locations. The Licensing By-law 07-170 does not provide the authority to the Director of Licensing and By-Law Services to consider new applications under Schedule 11. As a result, should a payday loans business wish to change business locations, it requires Council approval.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Staff's review considered the following applicable Municipal and Provincial legislation:

- Licensing By-law 07-170, Schedule 11 (Payday Loans Businesses)
- *Municipal Act, 2001*
- *Payday Loans Act, 2008*

RELEVANT CONSULTATION

The following internal divisions and stakeholders were consulted:

- Corporate Services Department, Legal and Risk Management Services Division, Legal Services Section;
- Legal Services, City of Hamilton Light Rail Transit (LRT) division; and,
- Metrolinx.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Amendments to Bill 59 which received Royal Assent on December 12, 2017, and was proclaimed and put into force on January 1, 2018, relative to the *Municipal Act, 2001* and the *Payday Loans Act, 2008*, expands the City's authority to limit the number and location of payday loans establishments within the City.

Licensing By-law 07-170, Schedule 11 define a payday loan business as: *a person or entity licenced as a lender or a loan broker under the Payday Loans Act, 2008.*

Further, the Licensing By-law 07-170 Schedule 11 states that no new payday loans business shall be issued a licence for a location not listed in section 8, except if there are less than 15 total licenses in the City and less than one (1) licence per ward.

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Should a request for a new payday loans licence be received, Council may consider a request to substitute a new location for an existing location provided the new location would not result in more than one licence per ward.

Recommendation “A”

The payday loan business located at 158 Highway 8 within Ward 10, has requested to move their business to a new location within Ward 10. Currently, Ward 10 has one municipally licensed payday loan business. This is the same business which wishes to relocate. A relocation would maintain the Ward at one (1) licensed payday loan business. As per Section 7 of the By-law, Council may consider a request to relocate provided there is no more than one payday loan business within the Ward. The request would fall within Council’s authority to consider the location change.

Recommendation “B”

The draft by-law amendment attached as Appendix “A” to report PED25022 grants the Director of Licensing and By-law Services the delegated authority to approve location changes under extenuating circumstances within wards which may have more than one (1) payday loans business licensed or where the number of City payday loans licenses exceeds fifteen.

The extenuating circumstances are defined in the draft by-law amendment, attached as Appendix “A” to report PED25022 and list natural disasters or other unforeseen events, health and safety concerns, changes in zoning or infrastructure and operational closure of premise as extenuating circumstances. Should the Director use their authority to approve a location change in one of these circumstances, the Director shall report any location change approved under this section to Council on an annual basis, providing the number of changes and the reasons for each approval.

In these extenuating circumstances, Licensing and By-law Services would review each application formally requesting a location transfer. Should the Director be in support of the request based on the circumstance, a relocation and new licence for the location may be applied for and staff would draft a by-law amendment to Section 8 of Schedule 11 of the By-law with the new location.

The business located at 1392 Main Street East, Hamilton, Cash Money, has requested a relocation specifically related to the expropriation of land by Metrolinx for the Hamilton Light Rail Transit project. Staff met with the business operators to understand the request. There is no language within the Licensing By-law 07-170 which would permit Council to consider a request for a location change in these types of circumstances. Staff consulted with the City Light Rail Transit office and staff from Metrolinx and has confirmed that the purchase of land at 1392 Main Street East for the purposes of the Light Rail Transit project took place in 2018. Further, the Plan of Expropriation was

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registered on August 13, 2024, to the business by Metrolinx. By registering the Plan of Expropriation, the Lease Agreement was extinguished, and Metrolinx was schedule to obtain possession on November 29, 2024.

Should the amendment, attached as Appendix “A” to Report PED25022 associated with recommendation “B” of report PED25022 be approved, the Director would have the delegated authority to formally review the request for relocation of the business currently located at 1392 Main Street East, Hamilton.

ALTERNATIVES FOR CONSIDERATION

Council may decide to not support the relocation of the payday loans business located within Ward 10 to an alternate, yet to be determined location within Ward 10.

Council may decide not to support the proposed by-law amendment to grant the Director of Licensing and By-law Services the delegated authority to consider a location change in extenuating circumstances.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED25022	Draft By-law to Amend By-law 07-170, being a By-law to License and Regulate Various Businesses, Schedule 11 Payday Loan Businesses
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