



Government Relations Issues Update

City of Toronto Act - Licensing

TREB Key Message

TREB supports the exemption for REALTORS® from the licensing authority of the City of Toronto under the new City of Toronto Act

REALTOR®S in Ontario are already adequately regulated under the Real Estate and Business Brokers Act, which was recently updated by the provincial government. Under this Act, REALTORS® are required to:

- Be registered and licensed with the Real Estate Council of Ontario
- Adhere to a strict legislated Code of Ethics
- Fulfill ongoing mandatory continuing education requirements
- Carry, and pay for, Errors and Omissions Insurance
- Pay bi-annual licensing fees of \$250 - \$350 to the Real Estate Council of Ontario.

Background

In 2004, Premier Dalton McGuinty and City of Toronto Mayor David Miller announced the creation of a joint Ontario-City of Toronto Task Force to review the *City of Toronto Act*, 1997 and other legislation pertaining to Toronto.

The creation of the joint task force and the review of the *City of Toronto Act*, 1997 was in response to requests from the City of Toronto and the provincial government's commitment to recognize the importance and autonomy of municipalities through a "new deal" with them. For a number of years, the City of Toronto, and other municipalities have argued that they do not have the appropriate authority or funding capability to ensure their continued competitiveness and quality of life.

On November 14, 2005, the joint task force released its final report with recommendations to the provincial government on what should be included in the new *City of Toronto Act*. The report contained a number of recommendations relevant to REALTORS® and the real estate industry. One of the most important was a recommendation that could expose REALTORS® working in Toronto to municipal licensing requirements. On December 14, 2005, the Minister of Municipal Affairs and Housing introduced Bill 53, the Stronger Toronto for a Stronger Ontario Act, 2005, which adopted these recommendations. Bill 53 was passed on June 12, 2006.

Ontario REALTORS® are exempt from municipal licensing. This exemption is provided for under Section 7 of Ontario Regulation 243/02 of the *Municipal Act*, 2001, which states that municipalities cannot license, regulate, or govern "the business of trading in real estate" or "a person registered under the *Real Estate and Business Brokers Act*". This exemption was the result of a successful lobbying effort by the Ontario Real Estate Association against attempts by an Ontario municipality to require municipal licenses for REALTORS® a number of years ago.

However, under the new *City of Toronto Act*, the *Municipal Act*, 2001 does not apply to the City of Toronto. This meant that Toronto REALTORS® could have been subjected to municipal licensing on top of their current RECO requirements. However, as a direct result of TREB's lobbying efforts, the Minister of Municipal Affairs and Housing implemented a regulation to the *City of Toronto Act* that continues to exempt Toronto REALTORS® from any municipal licensing.