



City of Richmond

## Report to Committee

*To Finance Select - Nov 18, 2003*

**To:** Finance Select Committee  
**From:** Anne Stevens  
Manager, Customer Services  
**Re:** **Business Licence Fess**

**Date:** November 7, 2003  
**File:** 8060-20-7464

### Staff Recommendation

That Bylaw No.7464 which amends Business Licence Bylaw 7360 by;

- licence fee increases and
- adding definitions for liquor licences in line with Provincial regulations and

be introduced and given first, second and third readings.

Anne Stevens  
Manager, Customer Services  
(4273)

FOR ORIGINATING DIVISION USE ONLY		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Budgets .....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Law .....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

## **Staff Report**

### **Origin**

#### Business Licence Fees:

Business Licence fees are currently set by Council under Business Licence Bylaw 7360, Schedules A and B, and as directed by General Purposes Committee in December of 2001, staff annually review the fee structure and costs associated to the business licence programme.

#### Liquor Licences:

The Provincial Liquor and Licencing Branch have changed their liquor licencing regulations and classes from over seven different types of liquor licences down to two types of liquor licences and have also relaxed the rules to allow establishments with previous restricted liquor sales to sell all types of liquor. Currently, the Business Licence Bylaw mirrors the liquor categories as previously set out by the Liquor and Licencing Branch and did not levy a licence fee to those businesses with restricted liquor sales.

### **Analysis**

#### Business Licence Fees:

Increased efforts to provide the business community with more efficient processes and providing ongoing enforcement of business regulations to ensure all businesses have a level playing field, have contributed to a rise associated to licencing costs. Some of these costs include:

- increased methods of payment options for clients (i.e. e-post , web services)
- monthly renewal process
- development of online applications
- summer student licencing assistant programme
- special events licencing (i.e. night markets, festivals)
- new regulations and enforcement responsibilities (i.e. liquor stores, hours of operation)

As well as costs associated to the licencing process, staff did a comparison of licence fees levied by Richmond against those levied by other districts in the lower mainland. The chart below lays out the fees as they exist today in comparison to other districts and how Richmond ranks in each of the categories.

Staff are proposing an increase in licence fees in line with the CPI of 2.2% rounded to the nearest dollar. Included in the chart below are the proposed rate increases in comparison to the fee charged by other district fees. The chart shows, that even with the proposed increases, Richmond still remains on the lower end of the fees levied.

	Van	Surrey	Bby	New West	Delta	Coq	Rmd	Rank	2.2% CPI & Rank
Retail Merchants to 1000 sq ft or 5 employees	\$97	\$195+\$19.95 per register	\$125	\$200 (4-10)*	\$97 (1-5)*	\$165	\$106	5	\$108 (5)
Manufacturer (1-5) *	\$97	\$206.25	\$273	\$200 (4-10)*	\$97	\$165	\$128	5	\$131 (5)
Contractors (1-5) *	\$119	\$195	\$80	\$156	\$97.00	\$210	\$106	5	\$108 (5)
Service Station (1-5) *	\$145	\$403	\$225	\$71 X # of nozzles	\$97	\$170	\$106	6	\$108 (5)
Auto-Body Shop (1-5) *	\$97	\$225	\$380	\$200 (4-10)*	\$97	\$145	\$106	5	\$108 (5)
Restaurants per (500 sq. Ft ) or 30 seats	\$514 flat rate	\$75+\$2/seat \$135	\$365	\$200(4-10)	\$97(1-5)*	\$832	\$133	6	\$136 (5)
Professional Service Doctor, Lawyer (1-5) *	\$97	\$195+\$19.50 per employee	\$125	\$200 (4-10)*	\$97 (1-5)*	\$205	\$106	5	\$108 (5)
Apartment Rentals-10 units	\$480	\$400	\$176	\$250	\$150	\$110	\$197	4	\$203 (4)
Escort Service	\$883	\$3,000	\$3,000	\$2,100	\$3,000	\$3,000	\$3,090	1	\$3158 (1)
Amusement Centres 20 machines/ or 5 employees	\$245-(4+)	\$3000-(6+)	\$2343-(6+)	\$200 (1-3)*	\$600.00	\$1300	\$440	5	\$449 (5)
Amusement Machines	\$24/3max	\$20/5max.	65.50 /5max.	38.50/ 2max	\$30.00 per	\$65.00 per	\$22.00 per	5	\$23 per (5)
Billiard/Pool Hall (1-5) * or 5 tables	\$197	\$185	\$2,343	\$44.5/table \$137.50 min. \$220	\$38/table \$190	\$65/table \$325	\$106	7	\$108 (7)

\*number of employees  
Ranking – 1 highest  
7 lowest

### Liquor Licences:

The current Business Licence Bylaw has 5 different types of liquor licence fee categories. These are;

- Class “A” Lounge
- Class “B” Dining Lounge
- Class “C” Cabaret
- Class “D” Neighbourhood Pubs
- Class “F” Marine Pubs.

To accurately reflect the changes of the Provincial Liquor & Licencing Branch, these classes would be changed to;

- Food Primary Liquor Licence (i.e. restaurants)
- Liquor Primary Licence (i.e. neighbourhood pubs/cabarets).

Further, the Liquor Control and Licencing Branch has relaxed the restriction of liquor sales to allow all establishments to sell all types of liquor. In order to ensure a level playing field, the reference in the Business Licence bylaw which does not levy a business licence fee to businesses who previously were restricted to selling only beer and wine, should be deleted.

### **Financial Impact**

#### Business Licence Fees:

The City will realize increased revenues of approximately \$58,000.00 for the licence year 2004 based on current revenue of 2.4 million.

#### Liquor Licences:

There are approximately 80 establishments which are exempted from paying a licence fee for Liquor Licences. the fact that these establishments will be levied a Business Licence will increase revenue by a further \$22,000.

### **Conclusion**

The proposed amendment to increase licence fees under Business Licence Bylaw 7360, will more accurately reflect the costs surrounding the issuing of business licences and enforcement of the bylaw while minimizing the impact on local businesses. The amendments to the liquor licences will more accurately reflect the Provincial licences and create a level playing field for all establishments who choose to sell liquor.



Anne Stevens  
Manager, Customer Services  
(4273)

AS2:jmh



## Business Licence Bylaw No. 7360, Amendment Bylaw No. 7464

The Council of the City of Richmond enacts as follows:

1. Bylaw No. 7360 is amended by
  - (a) deleting sections 3.3 and 3.6 and re-numbering the remaining sections accordingly; and
  - (b) adding the following as sections 3.11 and 3.12 and by renumbering the remaining sections accordingly:
    - 3.11 In addition to the requirements set out in this Part, the holder of a liquor licence under the *Liquor Control and Licensing Act* must pay the fees specified in Schedule A as follows:
      - (a) **Liquor primary licence** - Assembly Use Category (Group 2)
      - (b) **Food primary licence** - Assembly Use Category (Group 1) liquor licence fee.
    - 3.12 The provisions of subsection 3.11 do not apply to the holders of an Assembly Use Category (Group 2) **licence**.
2. Section 7.1 of Bylaw No. 7360 is amended by adding the following definitions in alphabetical order:

<b>FOOD PRIMARY LICENCE</b>	means a food primary licence issued pursuant to the <i>Liquor Control and Licensing Act</i> .
<b>LIQUOR PRIMARY LICENCE</b>	means a liquor primary licence or liquor primary club licence issued pursuant to the <i>Liquor Control and Licensing Act</i> .
3. Bylaw No. 7360 is amended by deleting Schedule A and Schedule B in their entirety and replacing them with the following:

**SCHEDULE A to BYLAW NO. 7464**

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<b>ASSEMBLY USE</b>						
<b>GROUP 1</b>			<b>GROUP 2</b>		<b>GROUP 3</b>	
<b>Business Licence Fee assessed by Square Metres</b>  <b>Except: (a) Mobile Vendors (Food) which are assessed a fee of \$66 per vehicle; and</b>  <b>(b) Food Caterers which are assessed a fee in accordance with Group 3.</b>  <b>Food Primary Liquor Licence Fee \$284</b>			<b>Business Licence Fee assessed by Number of Seats</b>		<b>Business Licence Fee assessed by Number of Employees:*</b>	
Square Metres	(Square Feet)	Fee	Seats	Fee	Employees	Fee
0.0 to 93.0	(0 to 1,000)	\$136	0 to 30	\$433	0 to 5	\$108
93.1 to 232.5	(1,001 to 2,500)	\$206	31 to 60	\$863	6 to 10	\$184
232.6 to 465.0	(2,501 to 5,000)	\$358	61 to 90	\$1,296	11 to 15	\$266
465.1 to 930.0	(5,001 to 10,000)	\$574	91 to 120	\$1,729	16 to 25	\$396
930.1 to 1860.1	(10,001 to 20,000)	\$1019	121 to 150	\$2,158	26 to 50	\$574
1,860.2 to 2790.1	(20,001 to 30,000)	\$1,458	151 to 180	\$2,592	51 to 100	\$830
2,790.2 to 3720.2	(30,001 to 40,000)	\$1,903	181 to 210	\$3,020	101 to 200	\$1,170
3,720.3 to 4,650.2	(40,001 to 50,000)	\$2,342	211 and over	\$3,158	201 to 500	\$1,691
4,650.3 to 5,580.3	(50,001 to 60,000)	\$2,786			501 to 1,000	\$2,554
5,580.4 and over	(60,001 and over)	\$3,158			1,001 and over	\$3,158

\*For the purpose of assessing a licence fee, two part-time employees are counted as one full-time employee.

<b>RESIDENTIAL USE</b>		
<b>Business Licence Fee assessed by Number of Rental Units</b>		
Units		Fee
0 to 5		\$131
6 to 10		\$201
11 to 25		\$347
26 to 50		\$564
51 to 100		\$997
101 to 200		\$1,426
201 to 300		\$1,859
301 to 400		\$2,287
401 to 500		\$2,715
501 units and over		\$3,158

<b>SERVICE USE</b>		
<b>Business Licence Fee assessed by Number of Employees*</b>		
Employees		Fee
0 to 5		\$108
6 to 10		\$189
11 to 15		\$277
16 to 25		\$407
26 to 50		\$586
51 to 100		\$851
101 to 200		\$1,198
201 to 500		\$1,734
501 to 1,000		\$2,612
1,001 and over		\$3,158

<b>MERCANTILE USE</b>		
<b>Business Licence Fee assessed by Square Metres</b>		
<b>Square Metres</b>	<b>(Square Feet)</b>	<b>Fee</b>
0 to 93.0	(0 to 1,000)	\$108
93.1 to 232.5	(1,001 to 2,500)	\$174
232.6 to 465.0	(2,501 to 5,000)	\$320
465.1 to 930.0	(5,001 to 10,000)	\$542
930.1 to 1,860.1	(10,001 to 20,000)	\$981
1860.2 to 2,790.1	(20,001 to 30,000)	\$1,427
2,790.2 to 3,720.2	(30,001 to 40,000)	\$1,865
3,720.3 to 4,650.2	(40,001 to 50,000)	\$2,305
4,650.3 to 5,580.3	(50,001 to 60,000)	\$2,748
5,580.4 and over	(60,001 and over)	\$3,158

<b>INDUSTRIAL/MANUFACTURING USE</b>	
<b>Business Licence Fee assessed by Number of Employees*</b>	
<b>Number of Employees</b>	<b>Fee</b>
0 to 5	\$131
6 to 10	\$217
11 to 15	\$304
16 to 25	\$433
26 to 50	\$607
51 to 100	\$863
101 to 200	\$1,209
201 to 500	\$1,724
501 to 1,000	\$2,587
1,001 and over	\$3,158

\*For the purpose of assessing a licence fee, two part-time employees are counted as one full-time employee.

## VEHICLE FOR HIRE BUSINESSES

1. Each Vehicle for Hire **applicant** must pay:

- (a) an office licence fee of \$108; and
- (b) the following per vehicle Licence Fee, based on number of vehicles:

CLASS "A" Taxicab	\$99
CLASS "B" Limousine	\$66
CLASS "C" Sightseeing Taxicab	\$99
CLASS "D" Airport Taxicab	\$99
CLASS "E" Private Bus	\$99
CLASS "I" Charter Minibus	\$99
CLASS "J" Rental Vehicle	
Group 1	\$11
Group 2	\$66
CLASS "K" Driver Training Vehicle	\$49
CLASS "M" Tow-Truck	\$99
CLASS "N" Taxicab for Persons with Disabilities	\$99

- 2. Notwithstanding the per-vehicle licence fees stipulated in Section 1, the maximum licence fee for any Vehicle for Hire business is \$3,158.
- 3. The fee for transferring a Vehicle for Hire Licence within any calendar year is \$37.
- 4. The fee for replacing a Vehicle for Hire Licence plate or decal is \$10.

## VENDING MACHINE USES

Business Licence Fee assessed for each vending machine as per group:

Group 1	\$23
Group 2	\$33
Group 3	\$ 6

Business Licence Fee assessed per Banking Machine - \$103

Business Licence Fee assessed per Amusement Machine - \$23



**ADULT ORIENTATED USES**

(i)	Adult Entertainment Establishment	\$3,158
(ii)	Body-Painting Studio	\$3,158
	each employee	\$108
(iii)	Body-Rub Studio	\$3,158
	each employee	\$108
(iv)	Escort Service	\$3,158
	each employee	\$108

**SCHEDULE B to BYLAW NO. 7464**

1. The fee for transferring a licence from one person to another, or for issuing a new licence because of a change in information on the face of such licence, except a change between licence categories or subcategories, is \$37.
2. The fee for changing the category or subcategory of a licence is either:
  - (a) \$37; or
  - (b) the difference between the **licencee's** existing fee and the fee for the proposed category or subcategory,
 whichever is the greater.

4. This bylaw is cited as **Business Licence Bylaw No. 7360, Amendment Bylaw No. 7464.**

FIRST READING

SECOND READING

THIRD READING

ADOPTED

\_\_\_\_\_  
MAYOR\_\_\_\_\_  
CITY CLERK

CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor