



City of Richmond

Report to Committee

To: General Purposes Committee
From: Andrew Nazareth
 General Manager, Business & Financial Services
Re: **Business Licence Bylaw No. 7360**
Amendment Bylaw 8654

Date: September 1, 2010
File:

Staff Recommendation

That Business Licence Bylaw No. 7360, Amendment Bylaw No. 8654 that creates a revised Business Licence Fee Schedule as described under Option 3 in the staff report dated September 1, 2010 from the Chief Licence Inspector be introduced and given first, second and third reading.

Andrew Nazareth
 General Manager, Business & Financial Services
 (604-276-4095)

Att.

FOR ORIGINATING DEPARTMENT USE ONLY					
ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
Budgets		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
Law		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
REVIEWED BY TAG		YES	NO	REVIEWED BY CAO	
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
				<input type="checkbox"/>	

Staff Report

Origin

Business Licence fees are established by Council in Business Licence Bylaw 7360. Fees collected support corporate administration and enforcement of the associated bylaws. Council's Long Term Financial Management Strategy calls for user fees to be increased to keep up with inflation.

Analysis

Council last approved a 2% increase in Business Licence Fees for the 2009 licence year. In late 2009 Council froze the business licence fees for the 2010 licence year at the 2009 level. Since that time, administration and enforcement efforts and costs have increased necessitating a review of Licence Fees to offset those costs.

A review of the common licence fees in the larger neighbouring municipalities shows that Richmond's most common Licence Fee at \$116 lags behind the cost of Vancouver (\$121) and Surrey's (\$154) common licence fee. Total actual licence fees realized over prior years is trending slightly above budget from efforts through collections and enforcement and from changes in the profile of our local businesses which reflects some new business being assessed at a higher licence fee from the Business Licence Fee Schedule than the fee a business that has wound up operations was assessed.

The following options are provided for Council's consideration:

Option 1 – Freeze Business Licence Fees based on the 2009 Rate Schedule

This option will see actual revenues eroded from the pressures of inflation and increased City costs.

Option 2 – Increase Business Licence Fees by 3% to catch up to inflation and keep up with cost increases over 2 years.

This option would generate an estimated \$90,000 in additional fees while catching up with two years inflation in step with Council's Long Term Financial Management Strategy (LTFMS).

Option 3 – Increase Business Licence Fees by 1.5% - RECOMMENDED

This option increases fees by 1.5% rounded to the nearest whole dollar in line with the 2010 assumption for Vancouver CPI consistent with the proposed 2011 Operating Budget and the LTFMS.

The Scotiabank Group's 2010 forecast of Canadian real GDP consumer spending and business investment shows a positive recovery from 2009 indicating the capability of business to support a modest increase in licence fees.

The following table outlines the projected cost impact to license holders of the optional increases against the existing Licence Fee structure:

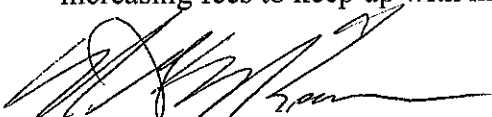
Current Licence Fee	Estimated number of Licensee's	Percentage of Total Licenses	Licensee Cost of Option 2 3% increase	Licensee Cost of Option 3 1.5% increase
≤ \$116	9,000	68	≤ \$3	≤ \$2
\$117 - \$201	2,000	15	\$3 - \$6	\$2 - \$4
\$202 - \$1,000	1,870	14	\$6 - \$30	\$4 - \$15
\$1,001 - ≥ \$3,353	432	3	\$30 - \$101	\$15 - \$50

Financial Impact

The additional fees generated by a 1.5% increase to licenses will add an estimated \$45,000 to City revenues.

Conclusion

Increased costs of administering and regulating the Business Licence program supports increasing fees to keep up with inflation.



W. Glenn McLaughlin
 Chief Licence Inspector & Risk Manager
 (604-276-4136)



Business Licence Bylaw No. 7360, Amendment Bylaw 8654

The Council of the City of Richmond enacts as follows:

1. **Business Licence Bylaw No. 7360**, as amended, is further amended by deleting Schedule A and Schedule B in their entirety and substituting Schedule A and Schedule B attached to and forming part of this bylaw.
2. This Bylaw is cited as “**Business Licence Bylaw No. 7360, Amendment Bylaw No. 8654**”.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

CORPORATE OFFICER

CITY OF RICHMOND
APPROVED for content by originating dept.

APPROVED for legality by Solicitor


SCHEDULE A to BYLAW NO. 7360

ASSEMBLY USE						
GROUP 1			GROUP 2		GROUP 3	
Business Licence Fee assessed by Square Metres			Business Licence Fee assessed by Number of Seats		Business Licence Fee assessed by Number of Employees:*	
Except: (a) Mobile Vendors (Food) which are assessed a fee of \$72 per vehicle; and (b) Food Caterers which are assessed a fee in accordance with Group 3. Food Primary Liquor Licence Fee \$307						
Square Metres	(Square Feet)	Fee	Seats	Fee	Employees	Fee
0.0 to 93.0	(0 to 1,000)	\$147	0 to 30	\$467	0 to 5	\$118
93.1 to 232.5	(1,001 to 2,500)	\$223	31 to 60	\$931	6 to 10	\$199
232.6 to 465.0	(2,501 to 5,000)	\$387	61 to 90	\$1,397	11 to 15	\$288
465.1 to 930.0	(5,001 to 10,000)	\$619	91 to 120	\$1,864	16 to 25	\$427
930.1 to 1860.1	(10,001 to 20,000)	\$1,098	121 to 150	\$2,326	26 to 50	\$619
1,860.2 to 2790.1	(20,001 to 30,000)	\$1,571	151 to 180	\$2,792	51 to 100	\$894
2,790.2 to 3720.2	(30,001 to 40,000)	\$2,051	181 to 210	\$3,254	101 to 200	\$1,261
3,720.3 to 4,650.2	(40,001 to 50,000)	\$2,523	211 and over	\$3,403	201 to 500	\$1,822
4,650.3 to 5,580.3	(50,001 to 60,000)	\$3,001			501 to 1,000	\$2,753
5,580.4 and over	(60,001 and over)	\$3,403			1,001 and over	\$3,403

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

RESIDENTIAL USE		
Business Licence Fee assessed by Number of Rental Units		
Units	Fee	
0 to 5	\$142	
6 to 10	\$218	
11 to 25	\$375	
26 to 50	\$609	
51 to 100	\$1,075	
101 to 200	\$1,538	
201 to 300	\$2,004	
301 to 400	\$2,464	
401 to 500	\$2,926	
501 units and over	\$3,403	

SERVICE USE		
Business Licence Fee assessed by Number of Employees*		
Employees	Fee	
0 to 5	\$118	
6 to 10	\$204	
11 to 15	\$299	
16 to 25	\$441	
26 to 50	\$631	
51 to 100	\$919	
101 to 200	\$1,291	
201 to 500	\$1,869	
501 to 1,000	\$2,815	
1,001 and over	\$3,403	

SCHEDULE A to BYLAW NO. 7360

MERCANTILE USE		
Business Licence Fee assessed by Square Metres		
Square Metres	(Square Feet)	Fee
0 to 93.0	(0 to 1,000)	\$118
93.1 to 232.5	(1,001 to 2,500)	\$189
232.6 to 465.0	(2,5001 to 5,000)	\$346
465.1 to 930.0	(5,001 to 10,000)	\$585
930.1 to 1,860.1	(10,001 to 20,000)	\$1,058
1860.2 to 2,790.1	(20,001 to 30,000)	\$1,539
2,790.2 to 3,720.2	(30,001 to 40,000)	\$2,011
3,720.3 to 4,650.2	(40,001 to 50,000)	\$2,485
4,650.3 to 5,580.3	(50,001 to 60,000)	\$2,961
5,580.4 and over	(60,001 and over)	\$3,403

INDUSTRIAL/MANUFACTURING USE		
Business Licence Fee assessed by Number of Employees*		
Number of Employees		Fee
0 to 5		\$142
6 to 10		\$235
11 to 15		\$329
16 to 25		\$467
26 to 50		\$656
51 to 100		\$931
101 to 200		\$1,303
201 to 500		\$1,858
501 to 1,000		\$2,787
1,001 and over		\$3,403

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

SCHEDULE A to BYLAW NO. 7360

VEHICLE FOR HIRE BUSINESSES

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

- (a) an office licence fee of \$118; and
- (b) the following per vehicle Licence Fee, based on number of vehicles:

CLASS "A" Taxicab	\$108
CLASS "B" Limousine	\$72
CLASS "C" Sightseeing Taxicab	\$108
CLASS "D" Airport Taxicab	\$108
CLASS "E" Private Bus	\$108
CLASS "I" Charter Minibus	\$108
CLASS "J" Rental Vehicle	
Group 1	\$13
Group 2	\$72
CLASS "K" Driver Training Vehicle	\$53
CLASS "M" Tow-Truck	\$108
CLASS "N" Taxicab for Persons with Disabilities	\$108
CLASS "P" Pedicab	\$108

- 2. Notwithstanding the per-vehicle licence fees stipulated in Section 1, the maximum licence fee for any Vehicle for Hire business is \$3,403.
- 3. The fee for transferring a Vehicle for Hire Licence within any calendar year is \$41
- 4. The fee for replacing a Vehicle for Hire Licence plate or decal is \$12

VENDING MACHINE USES

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

Group 1	\$26
Group 2	\$37
Group 3	\$ 8

Business Licence Fee assessed per Banking Machine - \$113

Business Licence Fee assessed per Amusement Machine - \$26

SCHEDULE A to BYLAW NO. 7360

ADULT ORIENTATED USES

(i)	Adult Entertainment Establishment	\$3,403
(ii)	Body-Painting Studio	\$3,403
	each employee	\$118
(iii)	Body-Rub Studio	\$3,403
	each employee	\$118
(iv)	Casino	\$5386
(v)	Escort Service	\$3,403
	each employee	\$118
FARMERS' MARKET		\$118

SCHEDULE B to BYLAW NO. 7360

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 \$41.
2. The fee for changing the category or subcategory of a licence is either:
 - (a) \$41; or
 - (b) the difference between the existing **licence** fee and the fee for the proposed category or subcategory,whichever is the greater.
3. The fee for a Business Licence reprint is \$10.00.