



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** May 31, 2013
From: Cecilia Achiam **File:** 12-8275-10/2013-Vol
 Director, Administration and Compliance 01
Re: Intermunicipal Business Licence Trial Program

Staff Recommendation

1. That Inter-municipal Business Licence Agreement Bylaw No. 9033 be given first, second and third readings.
2. That Inter-municipal Business Licence Bylaw No. 9040 be given first, second and third readings.

Cecilia Achiam
 Director, Administration and Compliance
 (604-276-4122)

Att.

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Law	<input checked="" type="checkbox"/>		
REVIEWED BY DIRECTORS	INITIALS: DW	REVIEWED BY CAO	INITIALS:

Staff Report

Origin

In July 2007 Council received a report on creating a Single Business Licence across multiple municipalities' initiative by the Province of B.C. with a recommendation that staff report back to Council with the implications of such a program.

The purpose of this report is to provide details of this Inter-municipal Business Licence (IMBL) initiative and introduce Bylaws in support of launching a 27 month trial program.

Analysis

Richmond, on average, will have approximately 14,250 active business licenses at any one time. Of these approximately 3,300 are issued to the construction-related industry that the IMBL initiative is targeted to address.

The concept of an IMBL is based on a business requiring only one additional business license to operate in other jurisdictions in addition to a license from their home municipality. The program is intended to assist small businesses carrying out activities in multiple jurisdictions by relieving some of the administrative burden, opening up larger markets, improving customer choice and achieving greater licensing regulatory compliance for local governments.

Section 14 (1) of the Community Charter states:

“14 (1) Two or more municipalities may, by bylaw adopted by the council of each participating municipality, establish an intermunicipal scheme in relation to one or more matters for which they have authority under this Act or the *Local Government Act*.”

Following the introduction of this initiative by the Province of BC, a number of local governments began regional inter-municipal license programs. Discussion amongst Lower Mainland local governments in 2009 identified the need for a common database to support the breadth of this regional initiative. Notwithstanding the absence of a system, the North Shore communities began a program supported by a manual process.

In 2012 the Provincial Ministry of Jobs, Tourism and Innovation committed to providing the resources to implement a common database and support an IMBL program through the Small Business Branch.

Following the commitment of Provincial support, IMBL programs were initiated in the Lower Mainland from the Cities of Port Coquitlam, Coquitlam and Port Moody and a program from the Fraser Valley including Abbotsford, Chilliwack, District of Hope, City of Langley, Township of Langley, District of Maple Ridge, District of Mission, and the Cities of Pitt Meadows and Surrey. Both of these groups launched a one year trial program on January 1, 2013.

In early 2012 Richmond staff began working on an intermunicipal program with the Cities of Vancouver and Surrey through the Vancouver Economic Commission. In late 2012, the Cities of Delta, Burnaby and New Westminster joined to develop a program based on the framework and revenue sharing model of the Fraser Valley program.

The key elements of the program are based on:

1. The Provincial Government providing the support and database to store, update and retrieve licensing data from and for the participating municipalities.
2. A database analysis will determine the values for revenue sharing, with the objective to be revenue neutral when compared to the extent of each municipality's existing licensees' participation in multiple jurisdictions business license programs.
3. The program will be focused on trade contractors engaged in a construction-related business.
4. Each municipality retains authority over business licensing and will require a business to obtain an Intermunicipal license from where their principal place of business is located.
5. Only those businesses located in a municipality to this program are eligible to participate under this program.
6. The \$250 Intermunicipal License fee is separate and in addition to a local Municipal License Fee.
7. A participating municipality will retain authority to suspend or cancel an intermunicipal licence for a licensee operating within its jurisdiction even if the intermunicipal licence was issued by a different municipality.

There are an estimated 11,000 businesses impacted by this program amongst the six participating municipalities. Richmond issues approximately 3,300 business licenses to the trades and construction market and 50% of those are engaged in multiple licensing programs and one third of the total licensees' are resident in Richmond. The following table provides a summary of the contractors working in the adjacent municipalities that would benefit from the IMBL initiative.

Business Licensing Data Table

CITY	Richmond contractors purchase Licenses from	Non-resident contractors purchase Licenses from Richmond	Forecast of IMBL Sales ¹	Percentage distribution of IMBL Revenue ¹
Vancouver	505	496	605	24.3
Surrey	215	601	1,095	23.46
New Westminster	75	45	90	9.34
Delta	147	181	279	9.67
Burnaby	214	329	590	14.37
Richmond	1,100		418	18.86
Total	2,216	1,652	3,077	100%

¹ Based on Ministry of Jobs, Tourism and Innovation - Small Business Branch analysis.

Enacting this program is proposed to be accommodated with two supporting Bylaws.

Inter-municipal Business Licence Bylaw No. 9040 sets out the regulatory scheme for the program. *Inter-municipal Business Licence Agreement Bylaw No. 9033* provides the authority to enter into an appended Schedule A agreement that sets out the contractual terms amongst participating municipalities, and for clarity, includes the regulatory provisions of Bylaw No. 9040. This approach also accommodates the Vancouver Charter requirement for the City of Vancouver to enact an Inter-municipal scheme through an agreement ratified by a bylaw by each council.

Financial Impact

Based on revenue neutrality and projected uptake in IMBL sales, staff expects Richmond to be revenue neutral following the introduction of the IMBL program.

The initial cost of an Intermunicipal License is proposed at \$250. In addition, each business resident in Richmond would need to purchase a Richmond Business Licence. The total revenue from IMBL's will be allocated to achieve the same percentage of *inter-municipal revenue* distribution to participating municipalities that existed prior to implementing the IMBL program.

Conclusion

The six participating local governments in this IMBL are concurrently reporting to their respective Councils for the authority to launch this trial program with the enabling Bylaws. Staff proposes the IMBL program be effective October 1, 2013 to allow the Participating Municipalities time over the coming months to obtain their Councils' authority to enact the bylaws to implement the IMBL program. At the writing of this report, the Councils of Delta and New Westminster have approved implementation of this trial program.

Staff will monitor and evaluate this program for the potential to amalgamate with the Fraser Valley and/or the Tri Cities program either over the course of, or after the trial period.



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

WGM:wgm



Inter-municipal Business Licence Agreement Bylaw No. 9033

A By-law to enter into an agreement among the City of Burnaby, the Corporation of Delta, the City of New Westminster, the City of Richmond, the City of Surrey, and the City of Vancouver (the "Participating Municipalities") regarding an Inter-municipal Business Licence Scheme

THE COUNCIL OF THE CITY OF RICHMOND, in public meeting, enacts as follows:

- 1. Council hereby authorizes the City to enter into an Agreement with the City of Burnaby, the Corporation of Delta, the City of New Westminster, the City of Richmond, the City of Surrey, and the City of Vancouver, in substantially the form and substance of the Agreement attached to this Bylaw as Schedule A, and also authorizes the Chief Administrative Officer and the General Manager, Corporate and Financial Services to execute the Agreement on behalf of the City, and to deliver it to the Participating Municipalities on such terms and conditions as the Chief Administrative Officer and the General Manager, Corporate and Financial Services deem fit.
2. This Bylaw is cited as "Inter-municipal Business Licence Agreement Bylaw No. 9033".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

Four horizontal lines for signatures or initials.

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

MAYOR

CORPORATE OFFICER

Schedule A

Inter-municipal Business Licence Agreement

WHEREAS the City of Burnaby, the Corporation of Delta, the City of New Westminster, the City of Richmond, the City of Surrey, and the City of Vancouver (hereinafter the "*Participating Municipalities*") wish to permit certain categories of Businesses to operate across their jurisdictional boundaries while minimizing the need to obtain a separate municipal business licence in each jurisdiction;

NOW THEREFORE the City of Burnaby, the Corporation of Delta, the City of New Westminster, the City of Richmond, the City of Surrey, and the City of Vancouver agree as follows:

1. The *Participating Municipalities* agree to establish an inter-municipal business licence scheme among the *Participating Municipalities*, pursuant to section 14 of the *Community Charter* and section 192.1 of the *Vancouver Charter*.
2. The *Participating Municipalities* will request their respective municipal Councils to each ratify this Agreement and enact a bylaw to implement the inter-municipal business licence scheme effective October 1, 2013.
3. The term of this Agreement and the inter-municipal business licence scheme will be October 1, 2013 to December 31, 2015.
4. In this Agreement:

"*Business*" has the meaning in the *Community Charter*;

"*Community Charter*" means the Community Charter, S.B.C. 2003, c. 26;

"*Inter-municipal Business*" means a trades contractor or other professional related to the construction industry that provides a service or product other than from their Premises;

"*Inter-municipal Business Licence*" means a business licence which authorizes an *Inter-municipal Business* to be carried on within the jurisdictional boundaries of any or all of the *Participating Municipalities*;

"*Inter-municipal Business Licence Bylaw*" means the bylaw adopted by the Council of each *Participating Municipality* to implement the inter-municipal business licence scheme contemplated by this Agreement;

"*Municipal Business Licence*" means a licence or permit, other than an *Inter-municipal Business Licence*, issued by a *Participating Municipality* that authorizes a *Business* to be carried on within the jurisdictional boundaries of that *Participating Municipality*;

“*Participating Municipality*” means any one of the “*Participating Municipalities*”;

“*Person*” has the meaning in the *Interpretation Act*, S.B.C. 1996, c. 238;

“*Premises*” means one or more fixed or permanent locations where the Person ordinarily carries on *Business*;

“*Principal Municipality*” means the *Participating Municipality* where a *Business* is located or has Premises; and

“*Vancouver Charter*” means the *Vancouver Charter*, S.B.C. 1953 c. 55.

5. Subject to the provisions of the *Inter-municipal Business Licence Bylaw*, the *Participating Municipalities* will permit a Person who has obtained an *Inter-municipal Business Licence* to carry on *Business* within any *Participating Municipality* for the term authorized by the *Inter-municipal Business Licence* without obtaining a *Municipal Business Licence* in the other *Participating Municipalities*.
6. A *Principal Municipality* may issue an *Inter-municipal Business Licence* to an applicant if the applicant is an *Inter-municipal Business* and meets the requirements of the *Inter-municipal Business Licence Bylaw*, in addition to the requirements of the *Principal Municipality’s* bylaw that applies to a *Municipal Business Licence*.
7. Notwithstanding that a *Person* may hold an *Intermunicipal Business Licence* that would make it unnecessary to obtain a *Municipal Business Licence* in other *Participating Municipalities*, the *Person* must still comply with all other regulations of any municipal business licence bylaw or regulation in addition to any other bylaws that may apply within any jurisdiction in which the *Person* carries on *Business*.
8. An *Inter-municipal Business Licence* must be issued by the *Participating Municipality* in which the applicant maintains Premises.
9. The *Participating Municipalities* will require that the holder of an *Inter-municipal Business Licence* also obtain a *Municipal Business Licence* for Premises that are maintained by the licence holder within the jurisdiction of the *Participating Municipality*.
10. The *Inter-municipal Business Licence* fee is \$250 and is payable to the *Principal Municipality*.
11. The *Inter-municipal Business Licence* fee is separate from and in addition to any *Municipal Business Licence* fee that may be required by a *Participating Municipality*.
12. Despite paragraphs 17(a) and (b), the *Inter-municipal Business Licence* fee will not be pro-rated.

13. The *Participating Municipalities* will distribute revenue generated from *Inter-municipal Business Licence* fees amongst all *Participating Municipalities* based on the revenue sharing formula referred to in Schedule 1 to this Agreement.
14. The *Participating Municipalities* will review the inter-municipal business licence scheme and the revenue sharing formula established by this Agreement from time to time and may alter the formula in Schedule 1 by written agreement of all *Participating Municipalities*.
15. The first distribution of revenue generated from *Inter-municipal Business Licence* fees will take place following the nine month period of October 1, 2013 to June 30, 2014.
16. After June 30, 2014, each subsequent distribution of revenue generated from *Inter-municipal Business Licence* fees will take place following each subsequent six month period.
17. The length of term of an *Inter-municipal Business Licence* is twelve (12) months, except that:
 - (a) at the option of a *Participating Municipality*, the length of term of the initial *Inter-municipal Business Licence* issued to an *Inter-municipal Business* in that municipality may be less than twelve (12) months in order to harmonize the expiry date of the *Inter-municipal Business Licence* with the expiry date of the *Municipal Business Licence*; and
 - (b) any *Inter-municipal Business Licence* issued on or after January 1, 2015 will expire on December 31, 2015.
18. An *Inter-municipal Business Licence* will be valid within the jurisdictional boundaries of all of the *Participating Municipalities* until its term expires, unless the *Inter-municipal Business Licence* is suspended or cancelled or a *Participating Municipality* withdraws from the inter-municipal business licence scheme among the *Participating Municipalities* in accordance the *Inter-municipal Business Licence Bylaw*.
19. Each *Participating Municipality* will share a database of *Inter-municipal Business Licences*, which will be available for the use of all *Participating Municipalities*.
20. Each *Participating Municipality* which issues an *Inter-municipal Business Licence* will promptly update the shared database after the issuance of that licence.
21. A *Participating Municipality* may exercise the authority of the *Principal Municipality* and suspend an *Inter-municipal Business Licence* in relation to conduct by the holder within the *Participating Municipality* which would give rise to the power to suspend a business licence under the *Community Charter* or *Vancouver Charter* or under the business licence bylaw of the *Participating Municipality*. The suspension will be in effect throughout all of the *Participating Municipalities* and it will be unlawful for the

holder to carry on the *Business* authorized by the *Inter-municipal Business Licence* in any *Participating Municipality* for the period of the suspension.

22. A *Participating Municipality* may exercise the authority of the *Principal Municipality* and cancel an *Inter-municipal Business Licence* in relation to conduct by the holder within the *Participating Municipality* which would give rise to the power to cancel a business licence under the *Community Charter* or *Vancouver Charter* or the business licence bylaw of the *Participating Municipality*. The cancellation will be in effect throughout all of the *Participating Municipalities*.
23. The cancellation of an *Inter-municipal Business Licence* under section 22 will not affect the authority of a *Participating Municipality* to issue a business licence, other than an *Inter-municipal Business Licence*, to the holder of the cancelled *Inter-municipal Business Licence*.
24. Nothing in this Agreement affects the authority of a *Participating Municipality* to suspend or cancel any business licence issued by that municipality or to enact regulations in respect of any category of *Business* under section 15 of the *Community Charter* or sections 272, 273, 279A, 279A.1, 279B, and 279C of the *Vancouver Charter*.
25. A *Participating Municipality* may, by notice in writing to each of the other *Participating Municipalities*, withdraw from the inter-municipal business licence scheme among the *Participating Municipalities*, and the notice must:
 - (a) set out the date on which the withdrawing municipality will no longer recognize the validity within its boundaries of *Inter-municipal Business Licences*, which date must be at least six months from the date of the notice; and
 - (b) include a certified copy of the municipal Council resolution or bylaw authorizing the municipality's withdrawal from the *Inter-municipal Business Licence* scheme.
26. Prior to the effective date of a withdrawal under section 25 of this Agreement, the remaining *Participating Municipalities* will review and enter into an agreement to amend the revenue distribution formula set-out in Schedule 1 of this Agreement.
27. Nothing contained or implied in this Agreement shall fetter in any way the discretion of the Council of the *Participating Municipalities*. Further, nothing contained or implied in this Agreement shall prejudice or affect the *Participating Municipalities'* rights, powers, duties or obligation in the exercise of its functions pursuant to the *Community Charter*, *Vancouver Charter*, or the *Local Government Act*, as amended or replaced from time to time, or act to fetter or otherwise affect the *Participating Municipalities'* discretion, and the rights, powers, duties and obligations under all public and private statutes, bylaws, orders and regulations, which may be, if each *Participating Municipality* so elects, as fully and effectively exercised as if this Agreement had not been executed and delivered by the *Participating Municipalities*.

SIGNED AND DELIVERED on behalf of the *Participating Municipalities*, the Councils of each of which has, by bylaw, ratified this Agreement and authorized their signatures to sign on behalf of the respective Councils, on the dates indicated below.

CITY OF BURNABY

Mayor _____
Clerk _____
Date _____

CORPORATION OF DELTA

Mayor _____
Clerk _____
Date _____

CITY OF NEW WESTMINSTER

Mayor _____
Clerk _____
Date _____

CITY OF RICHMOND

Chief
Administrative
Officer _____

General Manager,
Corporate and
Financial Services _____

Date _____

CITY OF SURREY

Mayor

Clerk

Date

CITY OF VANCOUVER

Director of Legal
Services

Date

Schedule 1

The revenue generated from Inter-municipal Business Licence fees will be distributed based on the following revenue sharing formula:

Participating Municipality	% share of revenue generated from Inter-municipal Business Licence fees
City of Burnaby	14.37%
Corporation of Delta	9.67%
City of New Westminster	9.34%
City of Richmond	18.86%
City of Surrey	23.46%
City of Vancouver	24.30%
Total	100%



INTER-MUNICIPAL BUSINESS LICENCE BYLAW NO. 9040

WHEREAS the City of Burnaby, the Corporation of Delta, the City of New Westminster, the City of Richmond, the City of Surrey, and the City of Vancouver (the "*Participating Municipalities*") wish to permit certain categories of Businesses to operate across their jurisdictional boundaries while minimizing the need to obtain a separate municipal business licence in each jurisdiction;

AND WHEREAS each of the *Participating Municipalities* has or will adopt a similar Bylaw and has or will enter into an agreement with the other *Participating Municipalities* to implement the inter-municipal business licence scheme,

NOW THEREFORE the Council of the City of Richmond enacts as follows:

1. There is hereby established an inter-municipal business licence scheme among the *Participating Municipalities*, pursuant to section 14 of the *Community Charter* and section 192.1 of the *Vancouver Charter*.
2. The inter-municipal business licence scheme established by this Bylaw will operate for a 27-month period, from October 1, 2013 to December 31, 2015.
3. In this Bylaw:

"*Business*" has the meaning in the *Community Charter*;

"*Community Charter*" means the *Community Charter*, S.B.C. 2003, c. 26;

"*Inter-municipal Business*" means a trades contractor or other professional related to the construction industry that provides a service or product other than from their *Premises*;

"*Inter-municipal Business Licence*" means a business licence which authorizes an *Inter-municipal Business* to be carried on within the jurisdictional boundaries of any or all of the *Participating Municipalities*;

"*Municipal Business Licence*" means a licence or permit, other than an *Inter-municipal Business Licence*, issued by a *Participating Municipality* that authorizes a *Business* to be carried on within the jurisdictional boundaries of that *Participating Municipality*;

"*Participating Municipality*" means any one of the *Participating Municipalities*;

"*Person*" has the meaning in the *Interpretation Act*, S.B.C. 1996, c. 238;

"*Premises*" means one or more fixed or permanent locations where the Person ordinarily carries on *Business*;

“*Principal Municipality*” means the *Participating Municipality* where a *Business* is located or has a *Premises*; and

“*Vancouver Charter*” means the Vancouver Charter, S.B.C. 1953 c. 55.

4. Subject to the provisions of this Bylaw, the *Participating Municipalities* will permit a *Person* who has obtained an *Inter-municipal Business Licence* to carry on *Business* within any *Participating Municipality* for the term authorized by the *Inter-municipal Business Licence* without obtaining a *Municipal Business Licence* in the other *Participating Municipalities*.
5. A *Principal Municipality* may issue an *Inter-municipal Business Licence* to an applicant if the applicant is an *Inter-municipal Business* and meets the requirements of this Bylaw, in addition to the requirements of the *Principal Municipality's* bylaw that applies to a *Municipal Business Licence*.
6. Notwithstanding that a *Person* may hold an *Intermunicipal Business Licence* that would make it unnecessary to obtain a *Municipal Business Licence* in other *Participating Municipalities*, the *Person* must still comply with all other regulations of any municipal business licence bylaw or regulation in addition to any other bylaws that may apply within any jurisdiction in which the *Person* carries on *Business*.
7. An *Inter-municipal Business Licence* must be issued by the *Participating Municipality* in which the applicant maintains *Premises*.
8. The *Participating Municipalities* will require that the holder of an *Inter-municipal Business Licence* also obtain a *Municipal Business Licence* for *Premises* that are maintained by the licence holder within the jurisdiction of the *Participating Municipality*.
9. The *Inter-municipal Business Licence* fee is \$250 and is payable to the *Principal Municipality*.
10. The *Inter-municipal Business Licence* fee is separate from and in addition to any *Municipal Business Licence* fee that may be required by a *Participating Municipality*.
11. Despite paragraphs 12(a) and (b), the *Inter-municipal Business Licence* fee will not be pro-rated.
12. The length of term of an *Inter-municipal Business Licence* is twelve (12) months, except that:
 - (a) at the option of a *Participating Municipality*, the length of term of the initial *Inter-municipal Business Licence* issued to an *Inter-municipal Business* in that municipality may be less than twelve (12) months in order to harmonize the expiry date of the *Inter-municipal Business Licence* with the expiry date of the *Municipal Business Licence*; and

- (b) any *Inter-municipal Business Licence* issued on or after January 1, 2015 will expire on December 31, 2015.
13. An *Inter-municipal Business Licence* will be valid within the jurisdictional boundaries of all of the *Participating Municipalities* until its term expires, unless the *Inter-municipal Business Licence* is suspended or cancelled or a *Participating Municipality* withdraws from the inter-municipal business licence scheme among the *Participating Municipalities* in accordance with this Bylaw.
14. A *Participating Municipality* may exercise the authority of the *Principal Municipality* and suspend an *Inter-municipal Business Licence* in relation to conduct by the holder within the *Participating Municipality* which would give rise to the power to suspend a business licence under the *Community Charter* or *Vancouver Charter* or under the business licence bylaw of the *Participating Municipality*. The suspension will be in effect throughout all of the *Participating Municipalities* and it will be unlawful for the holder to carry on the *Business* authorized by the *Inter-municipal Business Licence* in any *Participating Municipality* for the period of the suspension.
15. A *Participating Municipality* may exercise the authority of the *Principal Municipality* and cancel an *Inter-municipal Business Licence* in relation to conduct by the holder within the *Participating Municipality* which would give rise to the power to cancel a business licence under the *Community Charter* or *Vancouver Charter* or the business licence bylaw of the *Participating Municipality*. The cancellation will be in effect throughout all of the *Participating Municipalities*.
16. The cancellation of an *Inter-municipal Business Licence* under section 15 will not affect the authority of a *Participating Municipality* to issue a business licence, other than an *Inter-municipal Business Licence*, to the holder of the cancelled *Inter-municipal Business Licence*.
17. Nothing in this Bylaw affects the authority of a *Participating Municipality* to suspend or cancel any business licence issued by that municipality or to enact regulations in respect of any category of *Business* under section 15 of the *Community Charter* or sections 272, 273, 279A, 279A.1, 279B, and 279C of the *Vancouver Charter*.
18. A *Participating Municipality* may, by notice in writing to each of the other *Participating Municipalities*, withdraw from the inter-municipal business licence scheme among the *Participating Municipalities*, and the notice must:
- (a) set out the date on which the withdrawing municipality will no longer recognize the validity within its boundaries of *Inter-municipal Business Licences*, which date must be at least six months from the date of the notice; and
- (b) include a certified copy of the municipal Council resolution or by-law authorizing the municipality's withdrawal from the *Inter-municipal Business Licence* scheme.

- 19. The invalidity or unenforceability of any provision of this Bylaw shall not affect the validity or enforceability of any other provisions of this Bylaw and any such invalid or unenforceable provision shall be deemed to be severable.
- 20. This Bylaw shall come into force and take effect on the 1st day of October, 2013.
- 21. This Bylaw is cited as **“Inter-municipal Business Licence Bylaw No. 9040”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept. <i>[Signature]</i>
APPROVED for legality by Solicitor <i>[Signature]</i>

MAYOR

CORPORATE OFFICER