



To: General Purposes Committee
From: Marcia Freeman
 Manager, Business Liaison & Development
Re: **Business Licence Fee Increase**

To General Purposes - Oct. 7/02
Date: October 2, 2002
File: 4150-01

Staff Recommendation

That Bylaw No. 7432 which adjusts business licence fees effective December 1, 2002, and amends Business Licence Bylaw No. 7360, be given first, second and third readings.

Marcia Freeman
Manager, Business Liaison & Development

Att.

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

Staff Report

Origin

At the General Purposes Committee meeting on December 3, 2001 staff were directed to establish a procedure that would facilitate an annual review of business licence fees and associated costs surrounding the delivery of the service.

Analysis

In recent years the City has seen a variety of increases in the cost of issuing business licences and in providing ongoing enforcement of the Business Licence and Business Regulation Bylaws. Some of these costs include:

- . salaries and basic overhead expenses,
- . upgrades and replacements of outdated equipment,
- . the addition of new regulations to enforcement responsibilities,
- . recent partnerships with the Community and Safety Division, in particular the RCMP, which have led to increased off-hours enforcement; and
- . reduced or eliminated resources through senior levels of government including: the Provincial Health Unit, Liquor Control Branch and Motor Carrier Branch (now ICBC) which have led to increased responsibilities for municipal licencing departments.

In addition to reviewing the costs associated with business licence enforcement and administration, current fees charged were reviewed in a regional context to determine the City's competitive position. A recent survey of business licence fees charged by comparative municipalities showed Richmond consistently ranked amongst the lowest in all major categories.

The following table details the survey results.

	Van	Surrey	Bby	New West	Delta	Coq	Rmd	Rank
Retail Merchants to 1000 sq ft or 5 employees	\$95	\$195+\$19.95 per register	\$125	\$192 (4-10)*	\$97 (1-5)*	\$165	\$103	5
Manufacturer (1-5) *	\$95	\$206.25	\$273	\$192 (4-10)*	\$97	\$165	\$124	5
Contractors (1-5) *	\$116.00	\$195	\$237/\$80	\$150	\$97.00	\$210	\$103	5
Service Station (1-5) *	\$142	\$403	\$225	\$68 X # of nozzles	\$97	\$170	\$103	6
Auto-Body Shop (1-5) *	\$95	\$225	\$380	\$192 (4-10)*	\$97	\$145	\$103	5
Restaurants per (500 sq. Ft) or 30 seats	\$503 flat rate	\$75+\$2/seat \$135	\$365	\$132.50 1-3*	\$97(1-5)*	\$832	\$129	6
Professional Service Doctor, Lawyer (1-5) *	\$95	\$298+\$19.50 per employee	\$125	\$192 (4-10)*	\$97 (1-5)*	\$205	\$103	5
Apartment Rentals-10 units	\$470	\$400	\$176	\$240	\$150	\$110	\$191	4
Escort Service	\$864	\$3,000	\$3,000	\$2,020	\$3,000	\$3,000	\$3,000	1
Amusement Centres 20 machines/ or 5 employees	\$240-(4+)	\$3000-(6+)	\$2343-(6+)	\$132.00 (1-3)*	\$600.00	\$1300	\$420	5
Amusement Machines	\$24/3max	\$20/5max.	65.50 /5max.	37.50/ 2max	\$30.00 per	\$65.00 per	\$21.00 per	
Billiard/Pool Hall (1-5) * or 5 tables	\$193	\$185	\$2,343	\$42.5/table \$132.50 min. \$212.50	\$38/table \$190	\$65/table \$325	\$103	7


In light of the increase in the cost of service provision and the fact that the City of Richmond currently charges amongst the lowest business licence fees in the region, staff are recommending an increase of 3%, rounded up to the nearest whole dollar, to all business licences effective December 1, 2002.

Financial Impact

The City will realize increased revenues of approximately \$66,000 for the licence year of 2003.

Conclusion

The proposed amendment to Business Licence Bylaw No.7360 and the resulting business licence fee increase will more accurately reflect the costs associated with the service provided while minimizing the impact on local businesses.


 Marcia Freeman
 Manager, Business Liaison & Development

MF:mf



Business Licence Bylaw No. 7360, Amendment Bylaw No. 7432

The Council of the City of Richmond enacts as follows:

1. 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. 7360

ASSEMBLY USE						
GROUP 1			GROUP 2		GROUP 3	
Business Licence Fee assessed by Square Metres Except: (a) Mobile Vendors (Food) which are assessed a fee of \$65 per vehicle; and (b) Food Caterers which are assessed a fee in accordance with Group 3.			Business Licence Fee assessed by Number of Seats Except: Liquor Establishments which are assessed a flat fee of \$278		Business Licence Fee assessed by Number of Employees:*	
Square Metres	(Square Feet)	Fee	Seats	Fee	Employees	Fee
0.0 to 93.0	(0 to 1,000)	\$133	0 to 30	\$424	0 to 5	\$106
93.1 to 232.5	(1,001 to 2,500)	\$202	31 to 60	\$844	6 to 10	\$180
232.6 to 465.0	(2,501 to 5,000)	\$350	61 to 90	\$1,268	11 to 15	\$260
465.1 to 930.0	(5,001 to 10,000)	\$562	91 to 120	\$1,692	16 to 25	\$387
930.1 to 1860.1	(10,001 to 20,000)	\$997	121 to 150	\$2,112	26 to 50	\$562
1,860.2 to 2790.1	(20,001 to 30,000)	\$1,427	151 to 180	\$2,536	51 to 100	\$812
2,790.2 to 3720.2	(30,001 to 40,000)	\$1,862	181 to 210	\$2,955	101 to 200	\$1,145
3,720.3 to 4,650.2	(40,001 to 50,000)	\$2,292	211 and over	\$3,090	201 to 500	\$1,655
4,650.3 to 5,580.3	(50,001 to 60,000)	\$2,726			501 to 1,000	\$2,499
5,580.4 and over	(60,001 and over)	\$3,090			1,001 and over	\$3,090

*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	\$128
6	to 10	\$197
11	to 25	\$340
26	to 50	\$552
51	to 100	\$976
101	to 200	\$1,395
201	to 300	\$1,819
301	to 400	\$2,238
401	to 500	\$2,657
501	units and over	\$3,090

SERVICE USE		
Business Licence Fee assessed by Number of Employees*		
Employees		Fee
0	to 5	\$106
6	to 10	\$185
11	to 15	\$271
16	to 25	\$398
26	to 50	\$573
51	to 100	\$833
101	to 200	\$1,172
201	to 500	\$1,697
501	to 1,000	\$2,556
1,001	and over	\$3,090

MERCANTILE USE		
Business Licence Fee assessed by Square Metres		
Square Metres	(Square Feet)	Fee
0 to 93.0	(0 to 1,000)	\$106
93.1 to 232.5	(1,001 to 2,500)	\$170
232.6 to 465.0	(2,5001 to 5,000)	\$313
465.1 to 930.0	(5,001 to 10,000)	\$530
930.1 to 1,860.1	(10,001 to 20,000)	\$960
1860.2 to 2,790.1	(20,001 to 30,000)	\$1,396
2,790.2 to 3,720.2	(30,001 to 40,000)	\$1,825
3,720.3 to 4,650.2	(40,001 to 50,000)	\$2,255
4,650.3 to 5,580.3	(50,001 to 60,000)	\$2,689
5,580.4 and over	(60,001 and over)	\$3,090

INDUSTRIAL/MANUFACTURING USE		
Business Licence Fee assessed by Number of Employees*		
Number of Employees		Fee
0	to 5	\$128
6	to 10	\$212
11	to 15	\$297
16	to 25	\$424
26	to 50	\$594
51	to 100	\$844
101	to 200	\$1,183
201	to 500	\$1,687
501	to 1,000	\$2,531
	1,001 and over	\$3,090

*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 \$106; and
 - (b) the following per vehicle Licence Fee, based on number of vehicles;

CLASS "A" Taxicab	\$97
CLASS "B" Limousine	\$65
CLASS "C" Sightseeing Taxicab	\$97
CLASS "D" Airport Taxicab	\$97
CLASS "E" Private Bus	\$97
CLASS "I" Charter Minibus	\$97
CLASS "J" Rental Vehicle	
Group 1	\$11
Group 2	\$65
CLASS "K" Driver Training Vehicle	\$48
CLASS "M" Tow-Truck	\$97
CLASS "N" Taxicab for Persons with Disabilities	\$97

2. Notwithstanding the per-vehicle licence fees stipulated in Section 1, the maximum licence fee for any Vehicle for Hire business is \$3,090.
3. The fee for transferring a Vehicle for Hire Licence within any calendar year is \$36.
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	\$22
Group 2	\$32
Group 3	\$ 5

Business Licence Fee assessed per Banking Machine - \$101

Business Licence Fee assessed per Amusement Machine - \$22

ADULT ORIENTATED USES

(i)	Adult Entertainment Establishment	\$3,090
(ii)	Body-Painting Studio each employee	\$3,090 \$106
(iii)	Body-Rub Studio each employee	\$3,090 \$106
(iv)	Escort Service each employee	\$3,090 \$106

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 \$36.
2. The fee for changing the category or subcategory of a licence is either:
 - (a) \$36; or
 - (b) the difference between the **licencee's** existing fee and the fee for the proposed category or subcategory,
 whichever is the greater.
2. This Bylaw is cited as "**Business Licence Bylaw No. 7360, Amendment Bylaw No. 7432**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

_____	CITY OF RICHMOND

_____	APPROVED for content by originating dept.
_____	APPROVED for legality by <i>[Signature]</i>

MAYOR

CITY CLERK