

Staff Report for Decision

DATE OF MEETING MARCH 4, 2019

AUTHORED BY HEIDI DAVIDSON, MANAGER, PERMIT CENTRE AND BUSINESS LICENSING

**SUBJECT “INTER-COMMUNITY BUSINESS LICENCE AMENDMENT
BYLAW 2019 NO. 7176.01”**

OVERVIEW

Purpose of Report

To present amendments to “Inter-Community Business Licence Bylaw 2013 No. 7176” to enable the City of Nanaimo to be part of an expanded inter-community business licence program.

Recommendation

That:

1. “Inter-Community Business Licence Amendment Bylaw 2019 No. 7176.01” (To expand the participants in the inter-municipal business licensing program) pass first reading;
2. “Inter-Community Business Licence Amendment Bylaw 2019 No. 7176.01” pass second reading; and
3. “Inter-Community Business Licence Amendment Bylaw 2019 No. 7176.01” pass third reading.

BACKGROUND

At its meeting on 2013-OCT-07, Council adopted “Inter-Community Business Licence Bylaw 2013 No. 7176” (the “ICBL Bylaw”). The ICBL Bylaw was established as a means to provide mobile businesses that operate in multiple municipalities the opportunity to do so without the need to obtain a separate licence for each municipality in which they did business. Participating municipalities collaborated to adopt the same Inter-Community Business Licence (ICBL) bylaw to simultaneously come into effect on 2014-JAN-01. Besides Nanaimo, participating municipalities include: Campbell River, Comox, Courtenay, Cumberland, Duncan, Ladysmith, Lantzville, Lake Cowichan, North Cowichan, Parksville, Port Alberni, and Qualicum Beach.

Since its inception, the ICBL program has been very successful. Currently, there are 6,353 active business licences in the city of Nanaimo, of which, 564 businesses have opted to pay for and participate in the inter-community business licence program. The regular business licence fee is \$165. At an additional \$150 above the regular business licence fee, the revenue from ICBLs alone is \$84,600 annually. Although some revenue may have initially been lost from businesses purchasing ICBLs in their home municipality, overall, there has been an increase in ICBLs issued and in revenue received as illustrated in the following table:

Year	ICBLs Issued in Nanaimo	Revenue to City of Nanaimo
2014	180	\$27,000
2015	304	\$45,600
2016	371	\$55,650
2017	469	\$70,350
2018	527	\$79,050

DISCUSSION

On 2018-FEB-08, representatives from the Central Island, Cowichan Valley Regional District, and Greater Victoria business licence groups met in Duncan to discuss expanding the ICBL partnership to include Victoria and the Greater Victoria area municipalities. It was unanimously agreed that expanding the program would benefit mobile businesses and that each municipality would bring forward a report to their respective Councils for adoption effective January 2019.

So far, Esquimalt and Sooke are the only municipalities in the Greater Victoria area that have adopted the bylaw; however, Central Saanich, Colwood, Highlands, North Saanich, Oak Bay, Langford, Metchosin, Saanich, Sidney, Victoria and View Royal have committed to bringing the bylaw to their Councils for consideration and adoption. Once adopted, there will be a total of 25 municipalities participating in the program.

In addition to expanding the partnership, it is proposed that the ICBL fee be increased to \$170 (from \$150) and to allow for the fee to be pro-rated. Currently, the \$150 fee is not pro-rated and businesses are required to pay the fee regardless of when in the calendar year it is purchased. Pro-rating the fee quarterly to align with what is currently practiced for new business licences will be seen as a positive change.

Business licence analysis carried out by the Province of British Columbia (the Province) revealed that expanding inter-community partnerships would support mobile businesses by eliminating the need and the burden of obtaining a business licence in each municipality where business is operated, while ensuring increased compliance by ensuring that businesses that may not normally obtain additional licences in each community where business is conducted would purchase an inter-community licence.

Statistics Canada indicates there are 32,000 businesses on Vancouver Island in the construction sector alone. This number is the best figure the Province has that represents the total number of businesses on Vancouver Island that might be mobile in nature. Assuming that 10% of these businesses are working between ICBL regions, then a substantial 3,200 businesses throughout Vancouver Island could benefit from a broader ICBL partnership.

In summary, ICBL agreements streamline and simplify the licensing process, making it easier to do business in participating communities. ICBLs allow mobile businesses (e.g., contractors, caterers, and other service providers) to operate across participating government jurisdictions without having to apply for multiple business licences. The ability for Nanaimo-based mobile businesses to operate Island wide will be seen as a positive move by the local business community.

OPTIONS

1. That:
 1. "Inter-Community Business Licence Amendment Bylaw 2019 No. 7176.01" (To expand the participants in the inter-municipal business licensing program) pass first reading;
 2. "Inter-Community Business Licence Amendment Bylaw 2019 No. 7176.01" pass second reading; and

3. "Inter-Community Business Licence Amendment Bylaw 2019 No. 7176.01" pass third reading.
 - **Budget Implication:** The ICBL fee will be increased from \$150 to \$170 per annum and be prorated. The impact on the Business Licensing revenue is expected to remain the same.
 - **Legal Implication:** As per Section 8(6) of the *Community Charter*, Council has the ability to regulate business. The regulations are captured under the ICBL Bylaw and will require a bylaw amendment.
 - **Engagement Implication:** The ICBL Bylaw will be communicated to Staff and to business owners. Notice will be advertised in the local newspaper and the bylaw will be added to the Provincial Government's website. Staff will provide an update to the Chamber of Commerce on the ICBL program.
 - **Strategic Priorities Implication:** The 2016-2019 Strategic Plan identifies Economic Health as one of the core values of the City. Expanding the inter-community business licence program will assist local businesses to reach new markets.
 - **Political Implication:** The business community will likely view the expansion of the program as a favourable policy direction by Council.
2. That "Inter-Community Business Licence Bylaw 2013 No. 7176" not be amended at this time.

SUMMARY POINTS

- On 2013-OCT-07, Council adopted "Inter-Community Business Licence Bylaw 2013 No. 7176".
- The bylaw was established as a means to provide mobile businesses the opportunity to conduct business in other participating municipalities without having to obtain a separate licence for each municipality. In 2018, Nanaimo issued 502 inter-community business licences.
- On 2018-FEB-08, representatives from the Central Island, Cowichan Valley Regional District, and Greater Victoria business licence groups met in Duncan to discuss expanding partnerships to include communities in Victoria and the Greater Victoria area.
- By increasing the number of ICBL participating municipalities, mobile businesses will benefit from a reduced and unnecessary administrative burden of obtaining a separate licence for each community in which they provide a service.
- ICBL fees will be increased from \$150 to \$170.
- Currently, the \$150 ICBL fee is not prorated; however, if Council approves the amendments to the ICBL Bylaw, the new \$170 fee will be prorated for new business licences.]

ATTACHMENTS

“Inter-Community Business Licence Amendment Bylaw 2019 No. 7176.01”

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