

**DATE:** August 14, 2017  
**TO:** Mayor and Council  
**FROM:** Steve Simmonds, Manager of Inspection Services  
**SUBJECT:** **Business Licence Requirements**

The purpose of this report is to provide background information to facilitate a discussion regarding the District's current business licence requirements.

**BACKGROUND:**

Council received a recent complaint from a member of the business community regarding an unlicensed business that is operating in the District. The complaint focused primarily on roadside vendors (i.e. persons selling vegetables or produce). As a result of the complaint, Council has asked staff to clarify when a business licence is required to operate in the District. Business Licence complaints are received on occasion but do not represent a significant challenge or workload for Bylaw Services.

**DISCUSSION AND ANALYSIS**

Bylaws establish procedures for the District of Mission to licence and regulate various businesses in the municipality. The basic principle of municipal bylaws is to protect the public and to enhance the quality of life in the community. A Business Licence makes the business a legal operation, enables the District to regulate the types and locations of businesses conducted within its jurisdiction, supports the development of promotional materials aimed at attracting business investment and job creation, and assists with the development of demographic and statistical information on the local business climate. Each legal entity or person that actively carries on business within the District of Mission is deemed to be a distinct business. This includes, carrying on a commercial or industrial activity or undertaking of any kind, providing professional, personal or other services for purpose of gain or profit, or providing any other services in exchange for money or other consideration. Except as provided in the Business Licence Bylaw, no person shall carry on any business within the District unless that person is the holder of a valid and subsisting licence issued under the provisions of the Bylaw for the business so carried on.

The Business Licence Bylaw is antiquated and in need of being updated. Staff are currently conducting a business licence regulation and fee review that will lead to more effective business regulation. As part of this planned work Council has directed staff to review the existing business licence fees and relate them to the costs driven by each category of business. This particular goal is identified in the 2016-2018 Strategic Plan under objective number 3 – Excellence in Financial Management and Planning. The business licence regulation and fee review will analyze existing business licence fees in conjunction with current business licence regulation to support positive and sustainable municipal operations and economic growth.

The District of Mission currently charges individual businesses the same licence fee (\$148), regardless of the municipal costs to service the business category. It is believed, that in many instances within the broad range of use categories, (i.e., industrial, retail, hotels, pawn brokers, fast food restaurants, banks

etc.) the District's current licence fees do not justify the actual service costs to the municipality. It is imperative that local governments regulate business in a manner that is sustainable to their operations and services levels; especially in the context of numerous "unfunded mandates" downloaded by other levels of government.

Businesses and citizens are also demanding that local government manage their local economy and community objectives more efficiently through enhanced service delivery. Business licence fees support municipal operations and economic development. Preliminary research indicates that business licence regulations, fees and associated categories vary across the Lower Mainland, which means the District of Mission cannot rely solely on how other jurisdictions regulate their businesses in order to understand "the costs driven by each category of business". Detailed research will be required in order to properly benchmark business licence fees so as to determine equitable and appropriate business fee schedules.

The District of Mission is also responding, or will need to respond, to diverse and emerging regulatory needs in a rapidly changing and innovative business climate (e.g., marihuana dispensaries and sharing economy). For this reason, there is a demonstrated need to review existing licensing regulations and fees with the goal to protect the community interest, improve the standards of health and safety, maintain the quality of the public realm, and enhance the protection of the natural environment.

**COUNCIL GOALS/OBJECTIVES:**

This particular goal is identified in the 2016-2018 Strategic Plan under objective number 3 – Excellence in Financial Management and Planning.

**FINANCIAL IMPLICATIONS:**

There are no financial implications associated with this report; however, the business licence regulation and fee review is expected to align business licence fees with cost recovery.

**COMMUNICATION:**

Staff will be preparing a communications strategy as part of the business licence regulation and fee review project. No communication action is required at this time.

**SUMMARY AND CONCLUSION:**

This report provides background information to facilitate a discussion regarding the District's current business licence requirements. Business Licensing requirements are fairly consistent across the lower mainland; however, there are improvements staff will be recommending as the business regulation and fee review project moves forward. Council and stakeholders will be consulted throughout the process.

**SIGN-OFF:**



Steve Simmonds, Manager of Inspection Services

Reviewed by:



Jennifer Russell, Deputy Corporate Officer