

# Report to Council



**Date:** August 26, 2019  
**To:** Council  
**From:** City Manager  
**Subject:** Amendments to Bylaw No. 7878  
**Department:** Business Licensing

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## **Recommendation:**

THAT Council receives for information, the report from Business Licensing dated August 26, 2019, recommending that Council give reading consideration to BL11918 – Amendment No. 18 to the Business Licence and Regulation Bylaw No. 7878;

AND THAT BL11918 being Amendment No. 18 to the Business Licence and Regulation Bylaw No. 7878 be forwarded for reading consideration.

AND THAT Council directs staff to give notice by placing an advertisement in City In-Action to allow written comments from the public to be submitted to the Business Licence Manager no later than **4pm, Tuesday, September 3, 2019.**

## **Purpose:**

To amend licence type codes, to introduce new fees and to update forms.

## **Background:**

The Business Licence and Regulation Bylaw No. 7878 has been in effect since 1996. This Bylaw has been identified for updating, but this set of proposed amendments is not intended to be a complete revision. More research and consultation are required before a comprehensive restructuring of the entire Bylaw can occur. The aim of BL11918 – Amendment No. 18 is to implement necessary changes to modernize and immediately increase the effectiveness of the current Bylaw which will facilitate the implementation of new software.

## **Discussion:**

The following paragraphs describe the type of changes proposed to Business License Bylaw No.7878.

## Licence Type Codes

The required addition of 12 new licence type codes will place almost 20% of all active business licences into proper categories, removing them from the current "Unclassified" type code. The existing Bylaw does not properly align with the types of businesses that are operating within our City. It includes business categories such as circuses and shoe shine stands but lacks the scope to include any technology or web-based business models. Examples of other unaccounted for business types include fitness and recreation, creative arts and all animal related occupations (other than veterinarians).

Separating nearly 1900 unclassified licences into more specific licence types will give the City and the public a better overview of the types of businesses that are operating here, and will provide more dynamic statistics for reporting and identifying trends in the business community. There will be no impact on licence fees as the newly created type codes will retain the same fee as the previous unclassified category. The unclassified category will remain in the Bylaw for temporary use where new business types come into the City, until an amendment for that type can be brought forward.

In many cases the existing licence categories are broken down into multiple type codes based on the fee calculation, some examples are banks, child care centers, retail, manufacturing and wholesale locations. There are also instances of numerous individual type codes for specific occupations in a category. Examples of this are the contractor and professionals categories which offer a wide selection of occupations in those areas, but are not all encompassing and still contain an "other" type code. To simplify the Bylaw the general categories can be consolidated into one type code and the particular occupation for licences can be recorded using [NAICS codes](#) (North American Industry Classification System). The number of business licence type codes will be reduced by approximately 100 after consolidating and reconfiguring the existing licence type codes. Offering an updated and simplified collection of type codes will make it easier for staff and customers to identify and select the correct business categories at the time of application.

## New Fees

The following new fees are being proposed:

Application Fee – This fee is for all new business licence applications to the City. It is a flat rate fee of \$25 that will cover the review and processing of the initial business licence application.

Application fees in other municipalities:

- Vancouver \$58
- Burnaby \$50
- Armstrong \$35
- Vernon \$25, \$50, or \$100 (non-resident, home based or resident business)

Late Payment Penalty Charge – This fee will be applied to all business licence accounts that have not paid their annual renewal fee by the specified due date. It is a flat rate fee of \$25 that will cover the staff time required to follow-up and distribute reminder notices to pursue delinquent accounts. There were approximately 3000 unpaid business licence accounts in the City of Kelowna after the January 15<sup>th</sup> 2019 due date, where the total number of active business licences was approximately 9500. As of July 2019 there were still more than 900 business licences with unpaid annual fees. Implementing a late payment penalty charge should reduce the number of overdue balances as it encourages businesses to submit payment on time.

Late Payment fees in other municipalities:

- Vancouver \$40 or 10% of licence fee (whichever is greater)
- West Kelowna \$25
- Penticton \$50
- Summerland 10% of licence fee

**Conclusion:**

The aim of BL11918 – Amendment No. 18 is to implement necessary changes to modernize and immediately increase the effectiveness of the current Bylaw which will facilitate the implementation of new software. The City’s new Planning, Building and Licensing management software will improve customer experience and options for submitting applications online. Additional bylaw restructuring may be necessary over the next year as the City moves other parts of its development and building permitting application system online.

**Considerations applicable to this report:**

***Internal Circulation:***

Development Planning  
Development Services

***Legal/Statutory Authority:***

*Community Charter*

***Section 59 (2) & (3) Powers to require and prohibit*** – Council must give notice of its intention by providing an opportunity for persons who consider themselves affected by the bylaw to make representations to Council.

***Section 60*** – Business Licence Authority

***Financial/Budgetary Considerations:***

The fee structure changes proposed may result in additional revenue generation to cover the services provided. A budget amendment will be submitted through the budget process if revenues increase or decrease.

***External Agency/Public Comments:***

The proposed changes have been circulated to the Kelowna Chamber of Commerce and no concerns were expressed.

**Considerations not applicable to this report:**

***Legal/Statutory Procedural Requirements:***

***Existing Policy:***

***Communications Comments:***

Submitted by:

G.Wise, Business Licensing Manager

**Approved for inclusion:**



Ryan Smith, Divisional Director of Planning and Development