



Council Report

For the Meeting of June 13th, 2019

To: Council

Date: May 28th, 2019

From: Chris Coates, City Clerk

Subject: Vancouver Island Inter-Community Business Licensing Bylaw

RECOMMENDATION

That Council give first, second, and third readings to the Inter-Community Business Licensing Bylaw at the June 13th Council meeting.

EXECUTIVE SUMMARY

On October 4th, 2018, Council approved the following motion:

"That Council direct staff to bring forward a bylaw establishing the City's participation in a Vancouver Island Inter-Community Business Licensing (ICBL) program."

The Vancouver Island Inter-Community Business Licensing Bylaw is attached as Appendix A. The September 27, 2018 Committee of the Whole report providing details on this issue is attached as Appendix B.

This program would allow mobile businesses to obtain a licence to operate in all participating local governments. Participating local governments currently include Duncan, Esquimalt, Ladysmith, Lake Cowichan, Nanaimo, North Cowichan, Parksville, and Sooke. More local governments are considering participation in this framework.

Eligible mobile businesses would not need to be located within a participating local government, therefore Esquimalt and Songhees Nation businesses would be able to benefit from this business licence.

The business licence fee is set at \$170 in order to maintain existing licensing revenue, offset any anticipated administrative costs, and promote consistency across participating communities. The Province drew upon analysis of 2017 Metro West Vancouver business licencing data to conclude that increasing the business licence fee by 12% supports revenue neutrality. The Central Island ICBL fee is set at \$150 and when multiplied by 1.12 equals \$168, which can be rounded up to \$170.

Higher administrative costs would result from greater ICBL business licence uptake and data sharing with participating local governments.

Respectfully submitted,



Monika Fedyczkowska
Legislative and Policy Analyst



Chris Coates
City Clerk



Susanne Thompson
Deputy City Manager



Quinn Anglin
Business Ambassador

Report accepted and recommended by the City Manager:



Date:

May 28, 2019

List of Attachments

Attachment A: Vancouver Island Inter-Community Business Licensing Bylaw

Attachment B: September 27, 2018 Committee of the Whole report

NO. 19-064

VANCOUVER ISLAND INTER-COMMUNITY BUSINESS LICENSING BYLAW

A BYLAW OF THE CITY OF VICTORIA

The purpose of this Bylaw is to establish the City of Victoria's participation in an intercommunity business licensing framework on Vancouver Island.

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PART 1 – INTRODUCTION

Title

- 1 This Bylaw may be cited as the "Vancouver Island Inter-Community Business Licensing Bylaw".

Definitions

- 2 In this Bylaw:

“Business”

Has the same meaning as defined by the Community Charter Schedule – Definitions and Rules of Interpretation.

“Excluded Business”

Means a business excluded from application for an Inter-Community Business Licence and includes those businesses referred to in Schedule A.

“Inter-Community Business”

Means a business that performs a service or activity within more than one Participating Local Government by moving from client to client rather than have clients come to them. This includes but is not limited to trades, plumbers, and electricians, cleaning services, pest control and other similar businesses. This does not include fruit stands, flea markets, trade shows and other similar businesses.

“Inter-Community Business Licence”

Means a business licence that authorizes inter-community business to be carried on within the boundaries of any or all of the Participating Local Governments in accordance with this Bylaw.

“Municipal Business Licence”

Means a licence or permit, other than an Inter-Community Business Licence, used by a Participating Local Government that authorizes a business to be carried on within the jurisdictional boundaries of that Participating Local Government.

“Participating Local Government”

Means local governments located on Vancouver Island that have adopted a corresponding bylaw and any other local governments located on Vancouver Island that adopt a corresponding bylaw at a later date.

“Person”

Has the same meaning as in the Interpretation Act.

“Premise”

Means a fixed or permanent location where the applicant ordinarily carries on business.

“Principal Local Government”

Means the Participating Local Government where a business is physically located, or has a premise, or, where the licensee does not maintain a Premise in any of the Participating Local Governments, the Participating Local Government that issues the Inter-Community Business Licence.

PART 2 – INTER-COMMUNITY BUSINESS LICENCE REGULATIONS**Participation in the Inter-Community Business Licensing Program**

- 3 (1) Subject to Subsection (3) and (5), a Person who has obtained an Inter-Community Business Licence may carry on Business within a Participating Local Government without obtaining a Municipal Business Licence in the other Participating Local Governments.

- (2) A Participating Local Government may issue an Inter-Community Business Licence to an Inter-Community Business that is not an Excluded Business, and the applicant meets the requirements of this Bylaw.
- (3) A Person holding an Inter-Community Business Licence must comply with all other regulations and bylaws of the Participating Local Government in which they are carrying on business.
- (4) A Business that operates under an Inter-Community Business Licence in more than one Participating Local Government shall only apply for an Inter-Community Business Licence from the Participating Local Government in which they maintain a Premise.
- (5) Notwithstanding the issuance of an Inter-Community Business Licence, every Person who carries on, maintains, owns or operates, within a Participating Local Government, any profession, business, trade, occupation, calling, undertaking or thing in or from more than one branch, office, place, premise or store shall obtain a separate Municipal Business Licence for each branch, office, place, premise or store. Further notwithstanding Sections (2), (3), and (4), the Participating Local Governments agree that where an applicant for an Inter-Community Business Licence:
 - (a) Does not maintain Premises in any of the Participating Local Governments, then the applicant may apply at any one of them; or
 - (b) Maintains a Premise in more than one of the Participating Local Governments, the applicant must apply at one of the Participating Local Governments where they maintain a Premise.

PART 3 – LICENCE ADMINISTRATION

Licence Application and Fees

- 4 (1) Every Inter-Community Business Licence shall be issued on a standard form provided for that purpose, as agreed upon from time to time by the Participating Local Governments and including, as a minimum, the following information:
 - (a) Disclosing the nature and character of the profession, business, trade, occupation, calling, undertaking, or thing to be carried on, maintained, owned or operated by the applicant;
 - (b) Declaring the mailing address and contact information for such profession, business, trade, occupation, calling, undertaking or thing;
 - (c) Declaring the mailing address and contact information for such profession, business, trade, occupation, calling undertaking or thing;
 - (d) Declaring the number of persons engaged or occupied in such profession, business, trade, occupation, calling, undertaking or thing
 - (e) Disclosing the number of distinctive lines of goods sold or offered for sale;
 - (f) Including any other information concerning the profession, business, trade, occupation, calling, undertaking or thing, which the Participating Local Government may require.

- (2) The fee for an Inter-Community Business Licence is \$170

Information Sharing with Participating Local Governments

- 5 Each Participating Local Government shall provide to all other Participating Local Governments standardized information regarding the Inter-Community Business Licences issued by way of at least weekly updates on a shared database available to all Participating Local Governments.

Licence Suspension or Cancellation

- 6 (1) A Council or Designated Officer or Employee of a Participating Local Government may suspend or cancel an Inter-Community Business Licence. The suspension or cancellation shall be in effect throughout all Participating Local Governments.
- (2) Before suspending or cancelling an Inter-Community Business Licence under Section 6(1), the Participating Local Government must give the licence holder notice of the proposed action and must inform the licence holder of their right to be heard.
- (a) If the licence holder wishes to exercise this right, the Participating Local Government shall communicate in writing to the licence holder and Principal Local Government that issued the Inter-Community Business Licence, together with such documentary evidence of the reasons for suspension or cancellation as may be available and the request to be heard. Such Principal Local Government shall then as soon thereafter as reasonably possible provide the Licence Holder an opportunity to address their respective Council who will then consider whether to suspend or cancel the Inter-Community Business Licence.
- (b) If the licence holder does not exercise their right to be heard, the Participating Local Government may suspend or cancel the Inter-Community Business Licence in accordance with Section 6(1).
- (3) Any conduct by a licence holder resulting in a hearing made under Section 6(2)(a) shall be considered by the Council of the Principal Local Government as though it happened within the jurisdiction of the Principal Local Government.
- (4) A decision by a Principal Local Government or Participating Local Government to cancel or suspend an Inter-Community Business Licence under Section 6(2) shall be honoured by all Participating Local Governments.
- (5) Nothing in this Bylaw impedes the authority of a Participating Local Government to suspend or cancel any business licence issued by that Local Government, or to enact regulations in respect of any class of Business Licence in accordance with Section 15 of the Community Charter.

PART 5 – MISCELLANEOUS

Withdrawal from Inter-Community Business Licensing Program

- 7 (1) A Participating Local Government may, by notice in writing to each of the other Participating Local Governments, withdraw from the Inter-Community Business Licensing Program established by this bylaw. The notice must:
- (a) Set out the date on which the withdrawing Participating Local Government will not longer recognize the validity within its boundaries of business licences issued pursuant to this Bylaw, which date must be at last six months from the date of the notice; and
- (b) Include a certified copy of the Bylaw authorizing the withdrawal.
- (2) An Inter-Community Business Licence issued prior to the effective date of the withdrawal shall, until it expires, remain valid within the boundaries of the withdrawing Local Government.
- (3) If any section, paragraph, or phrase in this bylaw is for any reason held to be invalid by a decision of a Court of competent jurisdiction, that portion shall be severed and the remainder of this bylaw shall continue in full force and effect.

Severability

- 8 Each section of this Bylaw shall be severable. If any provision of this Bylaw is held to be illegal or invalid by a Court of competent jurisdiction, the provision may be severed and the illegality or invalidity shall not affect the validity of the remainder of the bylaw.

Effective Date

- 9 This Bylaw shall come into force and effect on the day it is adopted.

| | | |
|------------------------|--------|-------|
| READ A FIRST TIME the | day of | 2019. |
| READ A SECOND TIME the | day of | 2019. |
| READ A THIRD TIME the | day of | 2019. |
| ADOPTED on the | day of | 2019. |

CITY CLERK

MAYOR

SCHEDULE A

The following Business types are Excluded Businesses for the purposes of application for an Inter-Community Business Licence under the Inter Community Business Licence Framework set out in the bylaw:

- Social escort services
- Vehicles for hire (for example, taxis, limousines, or buses)
- Body-rub services (which includes the manipulating, touching or stimulating by any means, of a Person or part thereof, but does not include medical, therapeutic or cosmetic massage treatment given by a person duly licensed or registered under any statute of the Province of British Columbia governing such activities or a therapeutic touch technique)
- Cannabis related businesses (a business which involves the sale of cannabis)



Committee of the Whole Report

For the Meeting of September 27, 2018

To: Committee of the Whole **Date:** September 19, 2018
From: Chris Coates, City Clerk
 Susanne Thompson, Director of Finance
Subject: Vancouver Island Intercommunity Business Licensing Proposal

RECOMMENDATION

That Council direct staff to bring forward a bylaw establishing the City's participation in a Vancouver Island Inter-Community Business Licensing (ICBL) program.

EXECUTIVE SUMMARY

An inter-municipal business licence or ICBL makes obtaining a licence easier and less costly for businesses which provide services in more than one municipality.

The City of Victoria (City) has participated in the Greater Victoria Inter-Municipal Business Licensing program with all 13 municipalities in the Capital Regional District (CRD) since January 1, 2000. In February 2018, a representative of the Greater Victoria business licensing group and of the Central Island business licensing group met to discuss progress in building business partnerships on Vancouver Island. This meeting resulted in a recommendation to develop a Vancouver Island Inter-Community Business Licensing program.

As broader program administration could accommodate a business licence uptake without staff implications, staff recommend that Council approve participation in the Vancouver Island Inter-Community Business Licensing program, with business licences available for \$170, to continue promoting businesses by removing administrative barriers for mobile businesses providing services in other Vancouver Island municipalities.

PURPOSE

The purpose of this report is to provide information to Council on a new Vancouver Island Initiative for an Inter-Community Business Licensing regime for Vancouver Island municipalities and to recommend that Council approve the City's participation in the Program.

BACKGROUND

The City has participated in the Greater Victoria Inter-Municipal Business Licensing program since its inception in 2000. In this program that all Capital region municipalities participate in, a local business owner can purchase a business licence for \$100 to operate in any municipality in the Capital region. A business owner qualifies for an Inter-Municipal Business Licence by living in or

having a business located in a municipality within the Capital region. Out of town businesses may only obtain a business licence to operate in Victoria. In 2017, the City issued 1259 inter-municipal business licences to local businesses and 225 licences to out of town businesses. It is unknown how many businesses based in Greater Victoria purchase licences in other Vancouver Island municipalities that would participate in the proposed ICBL program.

On February 8th, 2018, representatives from the Greater Victoria Inter-Municipal Business Licensing program, the Central Island ICBL program, and the Cowichan Valley Regional District met to discuss expanding business partnerships throughout Vancouver Island. Other Vancouver Island municipalities in the north (Alert Bay, Port Alice, Port Hardy, Port McNeil) and west (Tofino and Ucluelet) were invited to this meeting, as these municipalities are considering ICBL partnerships. Following discussions, they recommended developing an ICBL program for Vancouver Island municipalities.

As of July 2018, Esquimalt and Ladysmith Councils have directed to proceed with developing ICBL framework and Sooke Council has agreed in principle. Provincial staff will continue to update an ICBL adoption tracker with intent of other Vancouver Island municipalities to participate in an ICBL program.

ISSUES AND ANALYSIS

Purpose and Goals of Inter Community Business Licensing Program

Created in partnership with local governments, the Union of British Columbia Municipalities and the Province, ICBL agreements simplify the business licensing process by enabling a business to purchase a single business licence to operate in all participating municipalities.

The Province conducted a business licensing analysis concluding that ICBL partnerships support a significant number of mobile businesses (e.g. contractors, caterers, and other service providers) throughout Vancouver Island by reducing administrative burden, fostering intercommunity partnerships, increasing compliance and displaying business friendliness without substantial impact to municipal revenues.

The Greater Victoria Inter-Municipal Business Licensing program has met these goals since 2001 and the Central Island ICBL program has done likewise since 2014.

ICBL Impact on Vancouver Island Businesses

In 2017, the Province received business licensing data from most participating Central Island and Greater Victoria ICBL communities. The data shows that approximately 10% of non-resident businesses purchased licences in both ICBL programs. Assuming that most mobile business are in the construction sector which has 32,000 businesses on Vancouver Island according to Statistics Canada, and that 10% of these businesses are working in both the Central Island and Greater Victoria ICBL communities, then 3,200 businesses could benefit from broader ICBL partnerships.

It is unknown how many Victoria businesses would directly benefit from an ICBL program. The City does not collect data regarding the number of local businesses that purchase business licences outside of the Greater Victoria Inter-Municipal Business Licensing area. The proposed ICBL program would enable to City to collect this data.

An ICBL program would also establish a business licensing framework that would allow out of town businesses, whose business owners do not live or reside in participating municipalities, to purchase a single business licence to operate in participating municipalities rather than purchasing a business licence in each municipality. As a result, Esquimalt Nation and Songhees Nation businesses, which are currently unable to get a Greater Victoria Inter-Municipal Business Licence, would be able to benefit from the ICBL program.

ICBL Fee, Revenue, and Administrative Costs

The Province indicated that a business licence fee increase of 12% supports revenue neutrality, based on an analysis of 2017 Metro West Vancouver business licensing data. The Central Island ICBL fee is \$150 and when multiplied by 1.12 equals \$168, which could be rounded up to a \$170. This proposed ICBL fee would maintain existing licensing revenues, offset any anticipated administrative costs in Victoria, and also promote consistency across participating communities. At an October 30, 2017 Central Island ICBL progress meeting, representatives agreed this prorated licensing fee will maintain licensing revenues.

Local mobile businesses who currently hold Greater Victoria Inter-Municipal Business Licences are likely to accept the fee increase for the ICBL license in return for the ability to operate in participating Vancouver Island communities.

Some revenue may be lost from out of town businesses that could purchase their licences in another participating municipality and still operate here; however, there is also potential for additional revenue from out of town applicants that may prefer to obtain licences in Victoria.

Although the proposed ICBL licence presents minimal risks for the City, a greater volume of licences would require more data entry. These licences would require staff to enter licence data into a master list that the Province maintains and all participating ICBL communities can access. While this requirement is unlikely to significantly increase staff workload, higher licence fees would offset any potential administrative costs.

OPTIONS AND IMPACTS

Option 1 - Participate in an Inter-Community Business Licensing program (Recommended)

The development of this program requires a new bylaw to list participating municipalities and disclose the business licence fee to \$170. Businesses would be able to then purchase either an Inter-Municipal Business Licence for \$100 or an ICBL for \$170.

Option 2 – Do not participate in an Inter-Community Business Licensing program

Local businesses would continue to purchase licences for \$100 to operate in Greater Victoria and would be required to pay the cost of any additional business licence elsewhere.

2015 – 2018 Strategic Plan

The recommendation aligns well with the City's strategic goals in Economic Development for reducing red tape and barriers for businesses while supporting innovation, creativity and collaboration and making it easier to do business in the City of Victoria.

Impacts to Financial Plan

The suggested licence fee of \$170, and anticipated administrative support required to manage the proposed ICBL licence, would be revenue neutral and would not impact the Financial Plan.

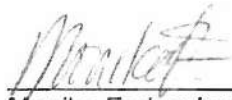
Accessibility Impact Statement

A new licensing program of this nature has no specific accessibility implications.

CONCLUSION

The City's participating in a Vancouver Island Inter-Community Business Licensing Program would promote business partnerships by streamlining business licensing requirements within participating communities.

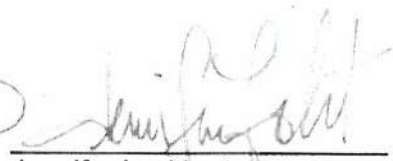
Respectfully submitted,



Monika Fedyczkowska
Legislative and Policy Analyst



Quinn Anglin
Business Ambassador



Jennifer Lockhart
Manager of Revenue




Chris Coates
City Clerk



Susanne Thompson
Director of Finance

Report accepted and recommended by the City Manager:


Date: Sept. 20, 2018