



Corporate Report

NO: R027

COUNCIL DATE: FEBRUARY 26, 2007

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **February 26, 2007**
FROM: **Manager, Economic Development Office;
Manager, Bylaw Enforcement & Licensing** FILE:
SUBJECT **Inter-Municipal Business License**

RECOMMENDATION

That Council:

1. Receive this report for information.
2. Authorize staff to work with partner municipalities to further explore the opportunities and implications of implementing an inter-municipal licensing system in the Greater Vancouver Region, and report those findings back to City Council.

BACKGROUND

At the 2006 UBCM convention, the Premier urged municipalities to develop an inter-municipal or harmonized business license system by 2008. The purpose of this initiative is to create a more business friendly environment.

BC Municipalities have the authority to require businesses operating within their boundaries to hold a valid business licenses. The business license process enables municipalities to:

- regulate the type of businesses operating within their community;
- ensure that business premises comply with public safety code requirements;
- ensure that business operations comply with municipal land-use regulations; and
- raise revenues from license fees

Businesses operating in multiple municipalities are typically required to hold a valid business license in each municipality in which they do business. However, in some regions, municipalities have collaborated to adopt 'inter-municipal business license agreements'. These agreements allow certain businesses to purchase one business license that allows them to operate

in multiple municipalities, eliminating the need to purchase separate business licenses from each municipality within that region.

Municipalities within the Capital Regional District (CRD) were the first in the province to adopt an inter-municipal license agreement. Established in 1999, the initial agreement was adopted by 9 of the CRD's 14 municipalities; participation has now grown to 13 municipalities. All municipalities within the Cowichan Valley Regional District adopted a similar agreement in 2003, and most recently, municipalities within the Comox Valley Regional District entered into an inter-municipal license agreement.

Cities on the north shore (North Vancouver District, North Vancouver City and West Vancouver) have successfully participated in an inter-municipal business license system since 2001.

Establishment of an inter-municipal business license system in the Greater Vancouver region was the sole agenda item at a recent Regional Economic Development Sub-Committee (REDS) meeting at the GVRD. After presentations by representatives of the North Shore and the Capital Regional District, and following a lengthy discussion, members of the REDS Committee agreed to proceed with further exploration of the concept.

DISCUSSION

Inter-municipal businesses licenses could initially be available to some small 'mobile' type businesses, such as construction contractors, on-site repair services, and caterers serving local and regional markets. In the absence of an inter-municipal business license, these businesses are required to take out a business license in each municipality in which they conduct business. The introduction of an inter-municipal business license would save these businesses time, money and confusion.

Inter-municipal business licenses are established by municipal bylaw and must be adopted by each participating municipality. The agreement between the municipalities states how business license applications will be reviewed, the types of businesses that are eligible, the license fees and how the municipalities will handle complaints across jurisdictions.

Eligible businesses apply for an inter-municipal business license in the municipality where they have a permanent location, such as an office or workshop. That municipality reviews the application to ensure the business complies with required bylaws, collects the license fees and issues the inter-municipal license. The municipality also keeps a list of issued inter-municipal licenses and provides that list to the partner municipalities.

There are close to 2,500 Surrey business licenses held by 'non-resident' mobile-type businesses, with corresponding annual licensing fees of approximately \$475,000. Though the affect on business license revenue appears to vary among municipalities, with some reporting a reduction in revenues and others an increase, there is a strong potential for Surrey's business license revenue to suffer a substantial loss. Another potential downside is a reduced ability to regulate and enforce to Surrey's current standards. Both of these issues would need to be fully explored and addressed in the agreement.

CONCLUSION

There is not currently an inter-municipal business license agreement in the Greater Vancouver Region. The Capital Regional District (CRD), Cowichan Valley Regional District, Comox Valley Regional District and the three north shore municipalities have all successfully adopted inter-municipal licensing systems.

In light of Council's business development thrust and appreciation for streamlining government processes for the benefit of the business community, it would be appropriate to further explore the opportunities and implications of implementing an inter-municipal licensing system in Surrey as part of the Greater Vancouver Region.

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