

Re: BUSINESS LICENCE FEES

Following is a report from the Municipal Treasurer on Business licence fees.

RECOMMENDATIONS:

1. THAT the basic licence fee of \$50.00 be increased to \$55.00, that the fee for each additional person be increased from \$15.00 to \$16.50 and that the maximum of \$3,000.00 be retained, for application to the year 1976; and
2. THAT the fee structure outlined in Tables 3 to 5 attached be adopted by Council for application to the year 1976; and
3. THAT by-laws to amend By-law No. 3084, being Burnaby Trades Licence By-law 1950; By-law No. 3102, being Burnaby Cab and Commercial Vehicles By-law 1951; and By-law No. 1914, being Burnaby Automatic Vending Machine By-law 1946; be brought down.

* * * * *

TO: MUNICIPAL MANAGER

11 December 1975

FROM: MUNICIPAL TREASURER

File: L34

RE: BUSINESS LICENCE FEES

A municipality controlled by the Municipal Act employing a business tax must abate the tax by the amount of business licence fee paid. For this reason, for most businesses the licence fee per se has little significance. A non-resident business is not subject to business tax, nor are a small number of resident businesses. In 1975 in Burnaby, licence fees on this latter group of businesses will amount to approximately \$305,000.

Vancouver City, under its Charter, is empowered to levy and collect licence fees as well as business taxes without abatement. It has two classes of fees, one for businesses subject to business tax and another for businesses not subject to business tax.

In the first category, the fees for 1976 range from \$10.00 to \$15,000.00, dependent upon category. The fees are calculated on the cost of providing inspectional services such as health, fire, police, etc.

In the second category the fees are:

1 to 2 persons	\$	75.00
Each additional person		35.00
Maximum (22 persons)		750.00

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The 1976 fees were adopted by Council by by-law passed 4 November 1975. Most fees were increased over the 1975 level. The 1975 level for the second category of fees was \$50.00, \$25.00 and \$500.00. The rate of increase was 50%. Vancouver's business tax rate is 9.5% - unchanged from 1975.

The District of Coquitlam, which employs a business tax, has made some changes in its rate structure, the most significant being those applicable to contractors. The changes in this category, passed by Council on 17 November 1975 are:

	<u>1975</u>	<u>1976</u>	<u>Increase</u>
1 - 5 persons	\$ 36.00	\$ 50.00	39%
6 - 10 persons	60.00	100.00	67%
11 - 15 persons	180.00	200.00	11%
16 - 20 persons	300.00	300.00	0
21 - 50 persons	600.00	600.00	0

Their business tax rate is 4 1/2% - unchanged from 1975.

Burnaby's fees, except for special categories, are:

1 to 5 persons	\$	50.00
Each additional person		15.00
Maximum (202 persons)		*3,000.00

* limit prescribed by Municipal Act

Burnaby's business tax rate is 7 1/2% - unchanged from 1975.

For information purposes, attached are Tables 1 and 2, showing a comparison between Burnaby's present fees and the fees for 1975 and 1976 employed by Vancouver, Coquitlam and New Westminster.

Ideally, Burnaby's rates applicable to non-resident businesses should be comparable with Vancouver's. In anticipation of power to tax businesses on a mill rate greater than chargeable to residential properties, and in anticipation of power similar to that of the City of Vancouver with respect to licencing separate and apart from the tax structure, a study is under way attempting to relate to a scale of licence fees the costs of making inspections of commercial and industrial operations.

Until the study is complete, we hesitate to recommend an increase in fees greater than those provided in the Federal Price & Wage Guidelines - 10%. The reason, of course, is that we can't relate an increase in costs with an increase in fees. The 10% referred to would apply to the general licence fee referred to above and, with some exceptions, to the occupations referred to in Table 3 attached, to vending machines referred to in Table 4 attached and to vehicles for hire referred to in Table 5 attached. The revenue increase for 1976 will amount to approximately \$30,000.

Due to the mail strike, it was not possible for the Assessment Authority to process the business tax roll so that a Court of Revision could be held in December, thereby permitting business tax and licence bills to be in the mail by 1 January. In other words, collections of at least \$2,500,000 will be delayed by approximately one month at an interest cost to the Municipality of approximately \$18,000.

The business tax bill is a combination business tax/business licence form. The Court of Revision will take place on 15 January. The bills will be mailed 23 January and become due and payable on 26 January, and be subject to a penalty of 5% if unpaid by 27 February. Comparable dates in 1975 were: bills mailed 13 December, due and payable on 2 January; subject to a 5% penalty if unpaid by 3 February.

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Under the circumstances, most businesses will be operating without a licence for the first month or so of 1976.

RECOMMENDATIONS

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2. THAT the fee structure outlined in Tables 3 to 5 attached be adopted by Council for application to the year 1976; and
3. THAT by-laws to amend By-law No. 3084, being Burnaby Trades Licence By-law 1950; By-law No. 3102, being Burnaby Cab and Commercial Vehicles By-law 1951; and By-law No. 1914, being Burnaby Automatic Vending Machine By-law 1946, be brought down.


MUNICIPAL TREASURER

BM:ep
Attach.

THE CORPORATION OF THE DISTRICT OF BURNABY

TABLE 1 - page 1

STATEMENT OF FEE COMPARISONS

OCCUPATIONS	1975	1976	1975	1976	1975	1975
	BURNABY Minimum fee	COQUITLAM		VANCOUVER Minimum fee		NEW WESTMINSTER
Advertising agent.....	\$ 50.	\$ 60.	\$ 60.	\$ 75.	\$ 50.	\$ 40.
Agents.....	50.	60.	60.	75.	50.	40.
Apartments - 4 room average.....	3. per rm.	3. per rm.	2. per rm.	13. per un.	10. per un. or 4. per rm.	3. per rm.
Auctioneers.....	50.	60.	48.	75.	50.	100.
Auto courts.....	3. per rm.	3. per rm.	2. per rm.	20. plus: 13. per dwlg.un. 9. per hskpg.un. 5. per sl. un.	15. plus: 10. per dwlg.un. 7. per hskpg.un. 4. per sl.un.	3. per rm.
Bill posters.....	50.	60.	60.	75.	50.	40.
Book agencies.....	50.	60.	60.	40.	25.	40.
Canvassers.....	50.	60.	60.	40.	25.	40.
Circus.....	min. 50. per day max. 500. per day	min. 50. per day or 10. per ride	no change	750. per day	500. per day	400. per day
Chimney sweeps.....	50.	50.	36.	75.	50.	40.
Contractors:						
Building.....	(50. 1-5 pers.	(50. 1- 5 pers.	(36. 1- 5 pers.	(75. 1-2 pers.	(50. 1-2 pers.	(40. 1-5 pers.
Electrical.....	(15. ea.add.p.	(100. 6-10 pers.	(60. 6-10 pers.	(35. ea.add.p.	(25. ea.add.p.	(5. ea.add.person
Excavating.....	(3,000. max.	(200. 11-15 pers.	(180. 11-15 pers.	(750. max.	(500. max.	"
Heating.....	"	(300. 16-20 pers.	(no change	"	"	"
Miscellaneous.....	"	(600. 21-50 pers.	(no change	"	"	"
Moving.....	"	(1,200. over 50 p.	(no change	"	"	"
Painting.....	"	"	"	"	"	"
Plumbing.....	"	"	"	"	"	"
Road building.....	"	"	"	"	"	"
Sand & gravel.....	"	"	"	"	"	"
Sanitary.....	"	"	"	"	"	"
Wrecking.....	"	"	"	"	"	"
Dressmakers.....	20.	30.	24.	20.	15.	20.
Fuel dealers.....	50.	60.	60.	25.	50.	40.

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STATEMENT OF FEE COMPARISONS (cont'd)

TABLE 1 - page 2

OCCUPATIONS	1975	1976	1975	1976	1975	1975
	BURNABY Minimum fee	COQUITLAM	COQUITLAM	VANCOUVER Minimum fee	VANCOUVER	NEW WESTMINSTER
Home occupations.....	\$ 20.	\$ 30.	\$ 24.	\$ 15.	\$ 15.	\$ 20.
Lumber broker.....	50.	60.	60.	75.	50.	40.
Milk vendors.....	50.	60.	60.	75.	50.	40.
Miscellaneous.....	50.	60.	60.	75.	50.	40.
Collection agency & bailiff.....	50.	60.	60.	75.	50.	40.
Manufacturer's agent.	50.	60.	60.	75.	50.	40.
Public accountant....	50.	60.	60.	75.	50.	40.
Trucking service.....	50.	60.	60.	75.	50.	100.
Music teacher & dancing academy.....	20.	30.	24.	15.	15.	20.
Peddlers.....	50.	60.	60.	40.	25.	200.
Photographers.....	50.	60.	60.	75.	50.	40.
Private patrol agencies	50.	50.	36.	75.	50.	20.
Private hospitals.....	50.	4. per bed	no change	20.	4. per rm.	40.
Private nursing homes.	50.	4. per bed	no change	20.	4. per rm.	40.
Private schools (kindergartens).....	40.	60.	60.	30.	50.	40.
Radio or T.V. repairer	50.	50.	60.	75.	50.	40.
Scavenger.....	50.	30.	24.	40.	50.	50.
Sign painter.....	50.	60.	36.	75.	50.	40.
Trailer camps.....	50. per space	12. per space	no change	50. per space	40. per space	40. per space
Vending machines.....	5. to 25. ea.	6. to 36. ea.	no change	10. per machine	5. per machine	5. to 30. per machine
Christmas tree vendor.	10. per loc.	12. per loc.	no change	25. per loc.	no change	10. per location

Business tax
rate - 7.5%

Business tax rate - 4%

Business tax rate - 9.5%

Business tax rate
to 31 Dec./75 - 6%
*Effective 1 Jan.76 -
3%

* This comes about because the Assessment Authority has taken over the task of preparing business tax assessments and has used a different rental basis, causing the City to reduce the tax rate that business tax receipts will be at the 1975 levels.

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TABLE 2

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TAXICAB LICENCE FEES

	<u>1975</u>	<u>1976</u>
Burnaby	\$ 80.00	\$ 88.00
* City of Vancouver	150.00	150.00
** City of New Westminster	80.00	80.00
District of Coquitlam	30.00	30.00

* Increase effective 1 January 1975 from \$80.00 to \$150.00

** Increase effective 1 January 1975 from \$30.00 to \$80.00

TABLE 3

THE CORPORATION OF THE DISTRICT OF BURNABY

MISCELLANEOUS LICENCE FEES

	<u>Current fee</u>	<u>Recommended fee</u>
1. Auto camp, apartment, hotel, motel, rooming house, lodging house (for each room let or available for letting)	\$ 3.00	\$ 3.50
2. Carnival or circus		
(a) for each person employed - per day	1.00	1.00
Provided that the minimum fee shall be	50.00	50.00
and the maximum fee shall not exceed	500.00	500.00
3. Christmas tree vendor	10.00	11.00
4. Dressmaker and seamstress, operating from a home	20.00	no change
5. Home occupation	20.00	no change
6. Music or elocution teacher, operating from a home	20.00	no change
7. Dance instructor operating from a home	20.00	no change
8. Private school and kindergarten	40.00	no change
9. Trailer camp (whether operated with an existing auto court or not)	50.00	55.00

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TABLE 4

THE CORPORATION OF THE DISTRICT OF BURNABY

VENDING MACHINE LICENCE FEES

<u>Class</u>	<u>Current fee</u>	<u>Recommended fee</u>
(a) Machines for the sale of confectionery operated by coins greater than one cent	\$ 10.00 ea.	\$ 11.00 ea.
(b) Machines for the sale of stationery	10.00 ea.	11.00 ea.
(c) Machines for the sale of tobacco, cigars or cigarettes	10.00 ea.	11.00 ea.
(d) Machines for the sale of any other goods	10.00 ea.	11.00 ea.
(e) Amusement vending machines when operated by coins greater than one cent	25.00 ea.	27.50 ea.
(f) Machines for the sale of confectionery operated by one cent pieces	5.00 ea.	5.50 ea.
(g) Amusement vending machines operated by one cent pieces	5.00 ea.	5.50 ea.
(h) Coin operated radio receivers	5.00 ea.	5.50 ea.
(i) Postage stamp vending machines	5.00 ea.	5.50 ea.

TABLE 5

THE CORPORATION OF THE DISTRICT OF BURNABY

VEHICLES FOR HIRE LICENCE FEES

	<u>Current fee</u>	<u>Recommended fee</u>
1. Cabs		
(1) Class "A" taxicab	\$ 80.00	\$ 88.00
(2) Class "B" ambulance	50.00	55.00
(3) Class "C" funeral cab	50.00	55.00
(4) Class "D" school cab	50.00	55.00
if operated also as charter cab an additional	25.00	27.50
(5) Class "E" charter cab	50.00	55.00
(6) Class "F" drive self cab		
(a) group 1	6.00	6.00
(b) group 2	40.00	45.00
(7) Street carrier cab	50.00	55.00
2. Cab premises	10.00	10.00
3. Business of a taxi-service broker	100.00	110.00
4. Driving instruction cab	50.00	55.00
5. Vehicles for hire used for any business not hereinbefore enumerated	50.00	55.00