

RE: LETTER FROM McLELLAN AGENCIES LTD. WHICH APPEARED ON THE AGENDA FOR THE
1982 MARCH 29 MEETING OF COUNCIL (ITEM 4f)
BUSINESS LICENCE FEES

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Chief Licence Inspector be adopted.

* * * * *

TO: MUNICIPAL MANAGER
FROM: CHIEF LICENCE INSPECTOR
RE: BUSINESS LICENCE FEES

RECOMMENDATION

1. That a copy of this report be forwarded to McLellan Agencies Limited,
7565 - 6th Street, Burnaby, V3N 3M4.

SUMMARY

This report reviews calculation and application of business licence fees, particularly as they relate to a business that has changed locations.

REPORT

1. INTRODUCTION

At the meeting of 1982 March 29 Council received correspondence from McLellan Agencies Limited, protesting the assessment of a licence fee based on the rate of a new licence because they have relocated their business premises.

2. CALCULATION OF FEES

2.1 BACKGROUND

In 1977 Council resolved that licence fees were to be calculated to recover only the administration and inspection costs of the various Municipal services that are utilized in processing and issuing licences. Licencing was not to be a source of general revenue; nor was it to be a cost to general revenue. Effective 1978 January 01, the collection of business tax was repealed and a two-part schedule of licence fees was introduced.

In calculating the fees it was determined that initial processing of a licence is a greater expense than renewal processing. This is because there are administrative and inspection costs that are non-recurring in the second and following years. A schedule of fees at a new rate and renewal rate was adopted.

When a business changes its location it involves the same processing as a new business starting up. Consequently the operator is assessed the new rate for the current year, with credit for the renewal fee paid for the old location.

2.2 CURRENT FEES

The basic licence fee for resident business (place of business located within the Municipality) is:

New Licence	-	\$190.00
Renewal Licence-		90.00

Various classifications identified as requiring more than the basic inspections are assessed a correspondingly higher fee, i.e. food processing or dispensing operations are assessed additional costs because of greater Health Department involvement.

3. STATUS OF COMPANY

During 1981 McLellan Agencies occupied premises at #1 - 7673 - 6th Street, Burnaby. The renewal licence for \$90.00 due 1982 January 02 was not paid. Inspection of 7565 - 6th Street on 1982 March 05 determined that the company had relocated to that address. A notice requesting them to apply for licence for the new location was left at the office. Because the licence is for the new location the fee is \$190.00. It should be understood that a licence for a resident business is valid only for the location as shown on the licence. To date an application for licence for the new location has not been received in the Licence Department.

4. SUMMARY

Since this system of calculating fees was introduced in 1978 it has been reviewed annually. Adjustments to the calculation and assessment of fees, and the reduction of what was a multiplicity of classifications have been implemented. In my opinion, the results are a cost recover licencing system that is cost effective, administratively efficient, and equitable to the licensee. This is supported by the fact that other communities are examining our system of calculating licence fees. While our method of assessing fees was discussed with a representative of McLellan Agencies, it is recommended that a copy of this report be forwarded to them for information.



P. Kenzie
CHIEF LICENCE INSPECTOR

cc: Municipal Treasurer