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**TO:** CITY MANAGER **DATE:** 2013 June 11

**FROM:** DIRECTOR FINANCE **FILE:** 9100-25

**SUBJECT:** INTER-MUNICIPAL BUSINESS LICENCE PILOT PROGRAM

**PURPOSE:** To obtain Council approval to establish an Inter-Municipal Business Licence Pilot Program with the cities of: Delta, New Westminister, Richmond, Surrey, and Vancouver.

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**RECOMMENDATIONS:**

1. **THAT** Council adopt a bylaw to establish an Inter-Municipal Business Licence agreement;
2. **THAT** Council authorize staff to enter into an agreement with the cities of Delta, New Westminister, Richmond, Surrey, and Vancouver to participate in a Inter-Municipal Business Licence pilot program as detailed in this report; and
3. **THAT** Council adopt a bylaw to ratify the Inter-Municipal Business Licence Agreement referred to in Recommendation 2.

**REPORT**

The Community Charter provides for the establishment by bylaw of an Inter-Municipal Business Licence (IMBL) program to allow businesses to operate in more than one city under a single business licence. Discussions have been held with representatives from the cities of; Delta, New Westminister, Richmond, Surrey and Vancouver to create an IMBL pilot program that would allow construction trade businesses to work in any of the participating cities under one business licence. This report provides detail on the proposed IMBL pilot program and recommends Burnaby's participation.

**1.0 BACKGROUND**

A business is required to hold a business licence in each city that it operates. Through agreement between participating cities, an Inter-Municipal Business Licence program specifies the types of businesses that can operate in all participating cities under a single licence.

The main benefit of an IMBL program is the promotion of a business friendly environment and economic development by reducing costs and administration for businesses. Improved

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compliance with business licence requirements and a modest revenue increase are additional expected benefits for the City of Burnaby.

The Burnaby Board of Trade expressed its support of an IMBL program to Council at the 2012 June 18 Council meeting. The Ministry of Jobs, Tourism and Skills Training (the Ministry) is an active partner in IMBL programs and is responsible for maintaining a central database of IMBL program information and providing analysis of the data to participating cities. The Ministry's shared database will allow for licence compliance checks by staff of participating cities.

To date IMBL programs have been established in the Okanagan, Capital Regional District, North Shore and Tri-cities. In addition in 2013 a two year IMBL pilot program was established in cities from Surrey to Hope. This IMBL program applies to construction trade businesses and is based on a cost-sharing arrangement developed to be revenue neutral for the participating cities. Initial reports from participating cities confirm that the program is working well and the feedback from the business community has been positive. The major points of the Burnaby IMBL pilot program are intentionally similar to the Fraser Valley program to help facilitate future expansion and integration of IMBL programs in the region.

## **2.0 PROPOSED PILOT INTER-MUNICIPAL BUSINESS LICENCE PROGRAM**

Since 2012 December, staff have worked and collaborated with colleagues in Delta, New Westminster, Richmond, Surrey, and Vancouver to develop a pilot IMBL program. With the assistance of the Ministry, a tentative agreement has been developed and is now ready for presentation to the councils of the participating cities for approval (attached). The main points in the agreement include:

- The pilot program applies to construction related businesses; the annual Inter-Municipal Business Licence fee will be \$250.
- Eligible businesses must have a business licence from the city of their principal business location and may also obtain the IMBL to operate in all participating cities. Alternatively, a business may choose to obtain a licence separately in one or more of the participating cities based on their business requirements.
- A business located outside of the participating cities is not eligible for the program and will still need to obtain a business licence in each individual city in which they operate.
- The first IMBL pilot year will see a 15 month agreement term with subsequent years being 12 months from January 1 through December 31. The pilot program is expected to start 2013 October 01 and end 2015 December. All aspects of the program will be reviewed during this period including opportunities to adjust processes where necessary, expand to additional cities and expand to other types of businesses where beneficial.

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- Businesses will be required to comply with the bylaws of the city in which they operate. Participating cities will continue to enforce their bylaws as if they issued the licence but will access business information from a shared database. Cities will continue to retain independence and authority to protect their citizens through Council authority to unilaterally regulate, suspend and cancel business activity in their city. The cancellation by one city of a business's licence terminates the business's IMBL. However, the business may still apply for an individual business licence in the other cities.
- The IMPL pilot program will include a revenue-sharing process based on the apportionment of 2012 business licence revenues from construction businesses in the participating cities. This model is designed to ensure that business licence revenues for all participating cities are not negatively impacted.

Burnaby currently generates approximately \$164,000 annually from licence fees for construction related business licences associated with the proposed IMBL pilot program. With the proposed IMBL fee and the revenue sharing model, it is anticipated that Burnaby's revenue will increase by approximately \$13,000 annually during the pilot period.

The Community Charter requires that proposed changes to business regulation be published as notification of intention. This notification provides an opportunity for those who consider they are affected by the bylaw to make representation to Council. If Council adopts the staff recommendations, notice will be published in a local newspaper to invite written comments which will be compiled for presentation to Council.

### **3.0 RECOMMENDATIONS**

A two year IMBL pilot program has been collaboratively developed with five neighbouring cities. It is recommended that Council authorize staff to enter into an agreement with the cities of Delta, New Westminster, Richmond, Surrey, and Vancouver to participate in an Inter-Municipal Business Licence program as detailed in this report.

The Community Charter requires two bylaws be adopted to establish an inter-municipal agreement and then execute the specifics of the agreement. It is therefore recommended that Council adopt a bylaw to establish an Inter-Municipal Business Licence program agreement; and that Council adopt a bylaw to ratify the Inter-Municipal Business Licence Agreement to enable staff to deliver the program.



Denise Jorgenson  
DIRECTOR FINANCE

DJ:CMC/ml

*Attachment: Schedule A – Inter-Municipal Business Licence Agreement*

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Copied to: Director Planning and Building  
Chief Building Inspector  
City Solicitor  
President & CEO – Burnaby Board of Trade

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## Schedule A

## Inter-municipal Business Licence Agreement

WHEREAS the City of Burnaby, the Corporation of Delta, the City of New Westminster, the City of Richmond, the City of Surrey, and the City of Vancouver (hereinafter the "*Participating Municipalities*") wish to permit certain categories of Businesses to operate across their jurisdictional boundaries while minimizing the need to obtain a separate municipal business licence in each jurisdiction;

NOW THEREFORE the City of Burnaby, the Corporation of Delta, the City of New Westminster, the City of Richmond, the City of Surrey, and the City of Vancouver agree as follows:

1. The *Participating Municipalities* agree to establish an inter-municipal business licence scheme among the *Participating Municipalities*, pursuant to section 14 of the *Community Charter* and section 192.1 of the *Vancouver Charter*.
2. The *Participating Municipalities* will request their respective municipal Councils to each ratify this Agreement and enact a bylaw to implement the inter-municipal business licence scheme effective October 1, 2013.
3. The term of this Agreement and the inter-municipal business licence scheme will be October 1, 2013 to December 31, 2015.
4. In this Agreement:

"*Business*" has the meaning in the *Community Charter*;

"*Community Charter*" means the Community Charter, S.B.C. 2003, c. 26;

"*Inter-municipal Business*" means a trades contractor or other professional related to the construction industry that provides a service or product other than from their Premises;

"*Inter-municipal Business Licence*" means a business licence which authorizes an *Inter-municipal Business* to be carried on within the jurisdictional boundaries of any or all of the *Participating Municipalities*;

"*Inter-municipal Business Licence Bylaw*" means the bylaw adopted by the Council of each *Participating Municipality* to implement the inter-municipal business licence scheme contemplated by this Agreement;

"*Municipal Business Licence*" means a licence or permit, other than an *Inter-municipal Business Licence*, issued by a *Participating Municipality* that authorizes a *Business* to be carried on within the jurisdictional boundaries of that *Participating Municipality*;

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*"Participating Municipality"* means any one of the *"Participating Municipalities"*;

*"Person"* has the meaning in the *Interpretation Act*, S.B.C. 1996, c. 238;

*"Premises"* means one or more fixed or permanent locations where the Person ordinarily carries on *Business*;

*"Principal Municipality"* means the *Participating Municipality* where a *Business* is located or has *Premises*; and

*"Vancouver Charter"* means the *Vancouver Charter*, S.B.C. 1953 c. 55.

5. Subject to the provisions of the *Inter-municipal Business Licence Bylaw*, the *Participating Municipalities* will permit a Person who has obtained an *Inter-municipal Business Licence* to carry on *Business* within any *Participating Municipality* for the term authorized by the *Inter-municipal Business Licence* without obtaining a *Municipal Business Licence* in the other *Participating Municipalities*.
6. A *Principal Municipality* may issue an *Inter-municipal Business Licence* to an applicant if the applicant is an *Inter-municipal Business* and meets the requirements of the *Inter-municipal Business Licence Bylaw*, in addition to the requirements of the *Principal Municipality's* bylaw that applies to a *Municipal Business Licence*.
7. Notwithstanding that a *Person* may hold an *Intermunicipal Business Licence* that would make it unnecessary to obtain a *Municipal Business Licence* in other *Participating Municipalities*, the *Person* must still comply with all other regulations of any municipal business licence bylaw or regulation in addition to any other bylaws that may apply within any jurisdiction in which the *Person* carries on *Business*.
8. An *Inter-municipal Business Licence* must be issued by the *Participating Municipality* in which the applicant maintains *Premises*.
9. The *Participating Municipalities* will require that the holder of an *Inter-municipal Business Licence* also obtain a *Municipal Business Licence* for *Premises* that are maintained by the licence holder within the jurisdiction of the *Participating Municipality*.
10. The *Inter-municipal Business Licence* fee is \$250 and is payable to the *Principal Municipality*.
11. The *Inter-municipal Business Licence* fee is separate from and in addition to any *Municipal Business Licence* fee that may be required by a *Participating Municipality*.
12. Despite paragraphs 17(a) and (b), the *Inter-municipal Business Licence* fee will not be pro-rated.

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13. The *Participating Municipalities* will distribute revenue generated from *Inter-municipal Business Licence* fees amongst all *Participating Municipalities* based on the revenue sharing formula referred to in Schedule 1 to this Agreement.
14. The *Participating Municipalities* will review the inter-municipal business licence scheme and the revenue sharing formula established by this Agreement from time to time and may alter the formula in Schedule 1 by written agreement of all *Participating Municipalities*.
15. The first distribution of revenue generated from *Inter-municipal Business Licence* fees will take place following the nine month period of October 1, 2013 to June 30, 2014.
16. After June 30, 2014, each subsequent distribution of revenue generated from *Inter-municipal Business Licence* fees will take place following each subsequent six month period.
17. The length of term of an *Inter-municipal Business Licence* is twelve (12) months, except that:
  - (a) at the option of a *Participating Municipality*, the length of term of the initial *Inter-municipal Business Licence* issued to an *Inter-municipal Business* in that municipality may be less than twelve (12) months in order to harmonize the expiry date of the *Inter-municipal Business Licence* with the expiry date of the *Municipal Business Licence*; and
  - (b) any *Inter-municipal Business Licence* issued on or after January 1, 2015 will expire on December 31, 2015.
18. An *Inter-municipal Business Licence* will be valid within the jurisdictional boundaries of all of the *Participating Municipalities* until its term expires, unless the *Inter-municipal Business Licence* is suspended or cancelled or a *Participating Municipality* withdraws from the inter-municipal business licence scheme among the *Participating Municipalities* in accordance the *Inter-municipal Business Licence Bylaw*.
19. Each *Participating Municipality* will share a database of *Inter-municipal Business Licences*, which will be available for the use of all *Participating Municipalities*.
20. Each *Participating Municipality* which issues an *Inter-municipal Business Licence* will promptly update the shared database after the issuance of that licence.
21. A *Participating Municipality* may exercise the authority of the *Principal Municipality* and suspend an *Inter-municipal Business Licence* in relation to conduct by the holder within the *Participating Municipality* which would give rise to the power to suspend a business licence under the *Community Charter* or *Vancouver Charter* or under the business licence bylaw of the *Participating Municipality*. The suspension will be in effect throughout all of the *Participating Municipalities* and it will be unlawful for the



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holder to carry on the *Business* authorized by the *Inter-municipal Business Licence* in any *Participating Municipality* for the period of the suspension.

22. A *Participating Municipality* may exercise the authority of the *Principal Municipality* and cancel an *Inter-municipal Business Licence* in relation to conduct by the holder within the *Participating Municipality* which would give rise to the power to cancel a business licence under the *Community Charter* or *Vancouver Charter* or the business licence bylaw of the *Participating Municipality*. The cancellation will be in effect throughout all of the *Participating Municipalities*.
23. The cancellation of an *Inter-municipal Business Licence* under section 22 will not affect the authority of a *Participating Municipality* to issue a business licence, other than an *Inter-municipal Business Licence*, to the holder of the cancelled *Inter-municipal Business Licence*.
24. Nothing in this Agreement affects the authority of a *Participating Municipality* to suspend or cancel any business licence issued by that municipality or to enact regulations in respect of any category of *Business* under section 15 of the *Community Charter* or sections 272, 273, 279A, 279A.1, 279B, and 279C of the *Vancouver Charter*.
25. A *Participating Municipality* may, by notice in writing to each of the other *Participating Municipalities*, withdraw from the inter-municipal business licence scheme among the *Participating Municipalities*, and the notice must:
  - (a) set out the date on which the withdrawing municipality will no longer recognize the validity within its boundaries of *Inter-municipal Business Licences*, which date must be at least six months from the date of the notice; and
  - (b) include a certified copy of the municipal Council resolution or bylaw authorizing the municipality's withdrawal from the *Inter-municipal Business Licence* scheme.
26. Prior to the effective date of a withdrawal under section 25 of this Agreement, the remaining *Participating Municipalities* will review and enter into an agreement to amend the revenue distribution formula set-out in Schedule 1 of this Agreement.
27. Nothing contained or implied in this Agreement shall fetter in any way the discretion of the Council of the *Participating Municipalities*. Further, nothing contained or implied in this Agreement shall prejudice or affect the *Participating Municipalities'* rights, powers, duties or obligation in the exercise of its functions pursuant to the *Community Charter*, *Vancouver Charter*, or the *Local Government Act*, as amended or replaced from time to time, or act to fetter or otherwise affect the *Participating Municipalities'* discretion, and the rights, powers, duties and obligations under all public and private statutes, bylaws, orders and regulations, which may be, if each *Participating Municipality* so elects, as fully and effectively exercised as if this Agreement had not been executed and delivered by the *Participating Municipalities*.



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**SIGNED AND DELIVERED** on behalf of the *Participating Municipalities*, the Councils of each of which has, by bylaw, ratified this Agreement and authorized their signatures to sign on behalf of the respective Councils, on the dates indicated below.

**CITY OF BURNABY**

Mayor \_\_\_\_\_

Clerk \_\_\_\_\_

Date \_\_\_\_\_

**CORPORATION OF DELTA**

Mayor \_\_\_\_\_

Clerk \_\_\_\_\_

Date \_\_\_\_\_

**CITY OF NEW WESTMINSTER**

Mayor \_\_\_\_\_

Clerk \_\_\_\_\_

Date \_\_\_\_\_

**CITY OF RICHMOND**

Chief \_\_\_\_\_

Administrative  
OfficerGeneral Manager,  
Corporate and  
Financial Services

Date \_\_\_\_\_

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**CITY OF SURREY**

Mayor

\_\_\_\_\_

Clerk

\_\_\_\_\_

Date

\_\_\_\_\_

**CITY OF VANCOUVER**

Director of Legal  
Services

\_\_\_\_\_

Date

\_\_\_\_\_

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**Schedule 1**

The revenue generated from Inter-municipal Business Licence fees will be distributed based on the following revenue sharing formula:

<b>Participating Municipality</b>	<b>% share of revenue generated from Inter-municipal Business Licence fees</b>
City of Burnaby	14.37%
Corporation of Delta	9.67%
City of New Westminster	9.34%
City of Richmond	18.86%
City of Surrey	23.46%
City of Vancouver	24.30%
<b>Total</b>	<b>100%</b>