

Date: 2020-11-16

Subject: **Business Licensing Fees – Information Update**

Contact: **Teresa Olsen, Deputy Clerk, Administrative Services and Elections**

Report Number: Legislative Services-2020-421

Recommendations:

1. That the report titled **Business Licensing Fee Increase Information**, to the Committee of Council meeting of December 2, 2020, be received;

Overview:

- This report outlines the business licence fee increases that were approved for Business Licensing By-law 332-2013, as amended, at the February 26, 2020 Budget Meeting.
- Staff recommended business licence fees generally be increased in 2020 by either two (2) percent or to the 75 percentile of the average fee of surveyed municipalities, rounded up to the nearest dollar.
- As the fee increase was approved in late February 2020, all January 30 annual renewal business categories were not be subject to the fee increase until 2021, as their renewals had already been processed at the 2019 fees.
- This report provides information to Council about the scheduled business licence fee increases currently planned for 2021, in light of the ongoing COVID-19 pandemic and impact of City businesses.

Background:

Business licence fees have been adjusted every other year to keep them consistent with City costs with the last fee increase occurring in 2018. Council approved fee increases to all stationary business licences in Business Licensing By-law 332-2013, as

amended, during Budget deliberations in February 2020. Many of the fees were increased by the 2% corporate-wide inflation rate however some of the fees were increased significantly to align with the 75 percentile of the average business licensing fees of other Ontario municipalities.

The following reflect the annual January 30 renewal business licence categories that were increased beyond the 2% CPI fee increase (there were eight (8) business licence categories in other renewal periods that were also subject to the higher fee increase in 2020):

Type of Business Licence	# of licences issued in 2019	# of licences issued in 2020	2019 Fee applied to 2020 licence renewals issued before February 26, 2020	2020 Fee approved as of February 26, 2020	2021 Fee scheduled for licence renewals to be issued in late December 2020	Average 2019 fee of municipal survey	% increase from 2019-2020
Billiard/ Bowl	4	3	\$212	\$235	\$235	\$313	11%
Fixed Food Premises	1495	1499	\$152	\$209	\$209	\$278	37%
Pawn Broker	6	5	\$228	\$245	\$245	\$326	7%
Places of Amusement	12	11	\$212	\$272	\$272	\$363	28%
Places of Public Assembly	33	33	\$212	\$280	\$280	\$373	32%
Tobacco Shop	241	234	\$228	\$321	\$321	\$428	41%

* Fees rounded to the nearest dollar

Although the fee increases became effective February 26, 2020, all existing stationary businesses with January 31 annual renewal deadlines were not subject to the fee increase as their renewals had already been processed at the 2019 fee; the new fee schedule would be applied to the January 30 renewal group in January 2021. New applications for licence categories with the January 30 renewal date that were processed in 2020 were subject to the fee increase set in February 2020.

In the report presented during the 2020 Budget Meeting, it was estimated that the total fee increase for the business licences would result in \$128,000 in revenue; however as the January 30 renewal categories were not subject to the fee increase, an increase of approximately \$13,000.00 was incorporated into the 2020 budget submission recognizing the January 30 renewal group account for approximately \$115,000 in revenue. The full \$115,000 in revenue has been incorporated into the 2021 budget submission.

All business categories whose licence renewal dates occurred after February 25, 2020 were notified of and subject to the fee increase as their renewals occurred throughout 2020.

Current Situation:

Staff are preparing to send the renewal notifications to the January 30th business licence group and the notification will include the information related to the 2020 fee increase that was approved in February 2020.

Due to the COVID-19 Pandemic and subsequent Provincial and Municipal Orders that may have closed and/or significantly impacted the operation of a number of businesses throughout 2020, staff recognize that this fee increase notification may come as a surprise to many businesses and wanted to inform Council in advance. It should be noted that the 2020 fee increase was consistently applied to all business categories with renewal dates after January 30 throughout 2020.

Communications:

- Existing license holders will be notified upon renewal letters sent out in advance of their renewal period. For the January 30 renewal period those letters will be sent out in late December 2020.

Corporate Implications:**Financial Implications:**

There are no financial implications from this report.

Other Implications:**Term of Council Priorities:**

This report is consistent with the 2018-2022 Term of Council Priorities as it supports Direction 5: Brampton is a Well-Run City by demonstrating proactive and responsible management of business licence fee increases.

Conclusion:

This report updates Council on business license fee increases that were approved during Budget 2020. A small number of business licence fees were recommended for a larger increase, based on existing fees being significantly lower than comparable other municipalities. The annual January 30 licensing categories were not subject to this fee increase in 2020 due to the timing of the budget approval and will receive notice of the increase in their upcoming January renewal notices.

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