

Business Licence Fees – 2021 Update



Business Licences

The City issues stationary business licences under the following licensing by-laws:

Business Licensing By-law 332-2013

Includes 27 schedules with varying renewal periods:

- January 31 renewal – 12 licence types
- April 30 renewal – 8 licence types
- May 31 renewal – 8 licence types
- Per event (up to 7 days) – 2 licence types
- One year from date of issuance – 1 licence type

Adult Entertainment Establishment By-law 114-2017

Includes 3 schedules with April 30 renewal periods:

- Adult Entertainment – 3 licence types
- Body-Rub Parlors – 3 licence types
- Adult Merchandise – 2 licence types

Fee Increase Chronology

<u>Year</u>	Percentage increase and factors considered
2014	<ul style="list-style-type: none">Fees increased generally by 20% based on benchmarking and cost recovery
2015	<ul style="list-style-type: none">No fee increase for renewal groups
2016	<ul style="list-style-type: none">Fees increased generally between 3-6% based on benchmarking
2015	<ul style="list-style-type: none">No fee increase for renewal groups
2018	<ul style="list-style-type: none">Fees increased by 3% based on corporate-wide inflation
2019	<ul style="list-style-type: none">No fee increase for renewal groups
2020	<ul style="list-style-type: none">Fees increased by 2% corporate-wide inflation, to the 75 percentile of the average fee comparator or cost recovery
2021	<ul style="list-style-type: none">Extension period provided to January renewal group so they can pay their 2020 fees by April 30, 20212021 fees will remain same as 2020 fees

2019 Benchmarking

Fee comparison with 15 comparable urban municipalities:

- Toronto
- Mississauga
- Oakville
- Vaughan
- London
- Ottawa
- Milton
- Oshawa
- Burlington
- Markham
- Guelph
- Kitchener
- Windsor
- Barrie
- Hamilton

- Results indicated that Brampton fees were below the average fee of the comparator municipalities
- Recommendation:
 - i. to increase fees to the 75 percentile of the average fee of the comparators
 - ii. Any fees at or above the 75 percentile to be increased by 2% corporate-wide inflation rate

2020 Fee Increase – By-law 332-2013

Business licence fees reviewed & approved on February 25, 2020 Budget meeting.

Fee increase applied on a go-forward basis resulting in the following January 31 renewal licences incurring the 2019 fee:

- Automobile Service Station
- Billiard Halls, Bowling Alleys
- Fixed Food Premises
- Place of Amusement
- Place of Public Assembly
- Tobacco Sales
- Vehicle Pound Facilities

Amending Fee By-law approved and enacted March 11, 2020.

All renewal categories for April 30 and May 31 as well as all new applications for licence categories, including the January 31 renewal categories, incurred the 2020 fees.

2020 Fee Increase – By-law 114-2017

Adult Entertainment Establishment licence fees reviewed on February 25, 2020 Budget meeting and required further review of fees based on cost recovery.

Fee increases approved at the February 26, 2021 Budget meeting resulted in significant increases for the following categories:

- Body-rub Businesses
- Adult Entertainment and Body-rub Operators

A two percent (2%) increase was approved for:

- Adult Entertainment Entertainers and Body-rub Attendants
- Adult Merchandising

Amending Fee By-law approved and enacted March 11, 2020

Adult Entertainment Establishments have an April 30 renewal period and incurred the 2020 fee increase at this time.

Fee Increases Above 2%

The noted licence category fees were under the average comparator fee and were increased to the 75% percentile of the average comparator fee

Type of licence	% Increase	\$ Increase
Billard & Bowl	11%	\$ 23
Building Renovator	16%	\$ 31
Carnival/Circus	22%	\$ 44
Fixed Food Premises	37%	\$ 57
Consumer Fireworks	23%	\$ 44
Lodging Houses	133%	\$ 232
Pawn Brokers	7%	\$ 17
Places of Amusement	28%	\$ 60
Places of Public Assembly	32%	\$ 68
Plumbing Contractors	12%	\$ 22
Pool Installation Contractors	50%	\$ 95
Tobacco Sales	41%	\$ 93
Adult Entertainment Operators	342%	\$ 667
Body-rub Parlours	105%	\$ 4,625
Body-rub Operators	335%	\$ 648

Fee Increase Comparator

As illustrated in the table, the majority of Brampton fees were significantly below the average comparator fee.

Type of Business Licence	Brampton 2019 Fee	Average 2019 Fee of comparator municipalities	Fee Difference between avg. comparator & Brampton 2019 fees	Brampton 2020 Fee	Fee difference between avg. comparator 2019 fees & Brampton 2020 fees
Auctioneer	\$190	\$276	\$86	\$207	\$69
Automobile Service Station:					
Class A - Gasoline, Oil, Lub	\$238	\$234	-\$4	\$243	-\$9
Class B - Repair & Servicing	\$238	\$234	-\$4	\$243	-\$9
Class C - Parking Lot	\$238	\$234	-\$4	\$243	-\$9
Class D - Car Wash	\$238	\$234	-\$4	\$243	-\$9
Class E - Renting, Leasing, Buying	\$238	\$234	-\$4	\$243	-\$9
Class F – Auto Body Repair, Painting	\$238	\$234	-\$4	\$243	-\$9
Billiard/Bowl	\$212	\$313	\$101	\$159	\$154
Building Renovator	\$190	\$294	\$104	\$143	\$152
Carnival/Circus	\$204	\$331	\$127	\$153	\$178
Drain Laying	\$190	\$210	\$20	\$194	\$16
Driveway Paving	\$190	\$250	\$60	\$194	\$56
Fence Contractor	\$190	\$222	\$32	\$194	\$28
Fixed Food Premises	\$152	\$278	\$126	\$114	\$164
Flea Market	\$3,863	\$1,671	-\$2,192	\$3,940	-\$2,269
Consumer Fireworks Vendors	\$191	\$313	\$122	\$143	\$170
HVAC	\$190	\$237	\$47	\$194	\$43
Horse Riding	\$160	\$210	\$50	\$163	\$47
Lodging House	\$175	\$543	\$368	\$131	\$412
Pawn Broker	\$228	\$326	\$98	\$171	\$155
Personal Services	\$212	\$289	\$77	\$159	\$130
Pet Shops	\$234	\$275	\$41	\$239	\$36
Places of Amusement	\$212	\$363	\$151	\$159	\$204
Places of Public Assembly	\$212	\$373	\$161	\$159	\$214
Plumbing	\$190	\$283	\$93	\$143	\$141
Pool Installation Contractor	\$190	\$380	\$190	\$143	\$238
Salvage Yard	\$276	\$364	\$88	\$282	\$82
Second Hand Goods	\$276	\$331	\$55	\$282	\$49
Tobacco Shop	\$228	\$428	\$200	\$171	\$257
Vehicle Pound Facilities	\$238	\$280	\$42	\$243	\$37

* Fee differences in red indicate Brampton fee is higher than average comparator

Timeline Summary

February 2020

- 2020 Budget meeting
- Fee increases approved
- Anticipated annual revenue increase:
 - Business licences: \$128,000
 - Adult Entertainment: \$85,000

April 2020

- Renewal applications and notification letters sent to April and May licence categories
- 3-month renewal extension provided to April and May licence renewal categories

December 2020

- Information report to Council
- 3-month fee extension granted to January 31 renewal categories
- Notification letters sent to January 31 licence renewal categories

March 2021

- Report to Council on history of licence fee increases
- Anticipated annual revenue based on 2020 licences issued:
 - Business licences: \$128,000
 - Adult Entertainment: \$75,000
- Options for consideration

Fixed Food Premises

Licence fees increased from \$152 to \$209

1,378 licences in total for the January group have renewed. Of those licences, 689 are specific to the Fixed Food Premises licence category:

- 235 are Restaurants
- 228 are Take out Food Businesses
- 226 are Grocery/Bakery/Convenience Stores

2021 fee renewal comparison of GTA municipalities indicates Brampton's fees are lower than the average of the comparators.

Municipality	Toronto	Mississauga	Vaughan	Markham	Hamilton	Brampton	Average
Renewal fee	\$376	\$194	\$200	\$265	\$263	\$209	\$251

Options

Option 1

No Change

- Business licence fees remain at 2020 rates
- Consideration of extending renewal payments for 3 months; allowing renewal processes to proceed with required

Option 2

One-time Licence Fee Freeze for Fixed Food Premises

- Business licence fees set at 2019 rate for 2021
- Businesses who have not renewed will pay 2019 rate
- Businesses who have renewed either receive a refund cheque (\$57) or a credit (\$57) applied to their 2022 renewal

Option 3

One-time Licence Fee Freeze for all business licences

- Business licence fees set at 2019 rate for 2021
- Businesses who have not renewed will pay 2019 rate
- Businesses who have renewed either receive a refund cheque for the fee increase amount or a credit be applied to their 2022 renewal

Financial Impact of Options

Option 1

No Change

- 2021 Revenue remains stable
- Revenue collection delayed

Option 2

One-time Licence Fee Freeze for Fixed Food Premises

- 2021 revenue reduction of \$85,500
 - i. Additional \$20 fee per refund cheque issued: approx. \$13,800 expense
 - ii. Administration time required to track and implement fee credit in 2022

Option 3

One-time Licence Fee Freeze for all business licences

- 2021 revenue reduction of \$203,300
 - Business licence: \$128,000
 - Adult Entertainment: \$75,000
 - i. Additional \$20 fee per refund cheque issued: approx. \$26,000 expense
 - ii. Administration time required to track and implement fee credit in 2022

Thank you!

