



STAFF REPORT

Title: Bylaw No. 675-PL-20 - Business Licence Bylaw

Meeting Date: June 16, 2020

Executive Summary:

An update on Bylaw No. 675-PL-20 - Business License Bylaw for review and discussion by the Corporate Priorities Committee.

Background:

The City's existing Business Licence Bylaw No. 196-PL-05 was originally adopted in 2005 and has not been updated or amended since that time. Administration undertook a review of the existing Bylaw in order to draft an updated Business Licence Bylaw. The draft Bylaw is presented for review and discussion by the Committee and has not been circulated externally at this time.

Through Administration's review process, all staff involved with the licencing process had an opportunity to review the draft and provide input. Business Licence Bylaws from other communities were also reviewed. Overall, the review determined that the Bylaw was essentially sound, with a few areas requiring clarification. Given that the previous Bylaw is fifteen (15) years old, it was determined that the best way to move forward would be to prepare an updated Bylaw. The main revisions are outlined below:

- Clarification was added specifying that any advertisement of a business, by any means, will be considered evidence that a business is being conducted and, therefore, subject to a licence.
- All businesses will be required to provide any names that they will conduct business under. Currently, only the incorporated name is required to be provided, which makes enforcement difficult when a business operates under a different name than the actual incorporated name. As an example, a business known to the public as "John Doe Lawn Care" may actually be incorporated as "123456 Alberta Ltd." or "ABC Holdings Inc." and this would be the name on the licence. This causes an issue when Administration receives inquiries from the public asking if a particular business has a licence, as the name provided may differ from what is on the licence.
- Clarify that Business Licences are non-transferrable in the event that a business is sold to another party. A Business Licence allows a specific individual or



corporate entity to conduct business; therefore, a new licence application is required when a business is sold.

- A schedule has been added to identify known professions which are exempted from obtaining a Business Licence by Provincial Legislation. Clarification was also added that any person claiming an exemption must provide proof of exemption if the profession is not included in the list.
- Penalty section has been updated and penalty amounts moved to a separate schedule.
- The fee structure has been updated to allow for reduced fees for new licence applications made part way through the calendar year (all licences expire December 31). This addresses a frequent assertion by applicants, that they should pay a reduced fee if applying for a new licence part way through the year.

A comparison of fees was undertaken with other municipalities with a population of 10,000-20,000 residents, as well as the towns of Bonnyville and St. Paul. From the review it appears that Cold Lake has the lowest commercial licence fee among comparable communities, but is higher for home-based businesses and among the highest licence fees for out-of-town businesses. A number of the comparable communities charge higher fees for certain types of businesses, including those that require licensing from AGLC. A table outlining the fee comparison is attached.

Administration frequently receives concerns from applicants for home-based businesses regarding the fact that the licence fee is double the commercial licence fee. Based on the fee review, it appears that comparable communities typically charge home-based businesses the same or a lower licence fee than for commercial businesses.

Administration has also noted an issue regarding late renewal of existing business licences. A renewal notice is sent to all current licence holders in late October of each year, with an invoice for their licence renewal to be paid before December 31. Despite this, Administration frequently receives licence renewals into April, May or even June. To this point, Administration has been hesitant to issue fines to businesses that submit a late renewal. Under the current Bylaw, operating a business without a valid licence carries a \$500 fine. During the fee review it was noted that some other communities allow a grace period up to January 31 for licences to be renewed, after which fines are applied or a new licence application is required.

In 2019, the City issued 678 business licenses. This included 360 Commercial licenses, 179 Home-Based licenses, 61 Trading Area licenses, and 78 Out-of-Town businesses.



Administration has generated this report to solicit feedback from Council's Corporate Priorities Committee (CPC). Further to the CPC's feedback, administration will be soliciting feedback from the Cold Lake Regional Chamber of Commerce.

Alternatives:

This report has been to solicit feedback from Council's Corporate Priorities Committee.

Recommended Action:

This report has been to solicit feedback from Council's Corporate Priorities Committee.

Budget Implications (Yes or No):

No

Submitted by:

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