
TO: CITY MANAGER **DATE:** 2019 Nov 04

FROM: DIRECTOR FINANCE

SUBJECT: AMENDMENTS TO SUPPLEMENTARY UTILITY FEES AND HOUSE RENTAL LICENCE FEE

PURPOSE: To obtain Council approval for amendments to the City's supplementary utility fees and house rental licence fee.

RECOMMENDATION:

1. **THAT** Council approve the amended supplementary utility fees and house rental licence fee, as outlined in Section 3.0 of this report.
2. **THAT** Council direct the City Solicitor to bring forward amendments to the following bylaws, as outlined in Section 4.0 of this report:
 - (a) *Burnaby Waterworks Regulation Bylaw 1953;*
 - (b) *Burnaby Sewer Charge Bylaw 1961;*
 - (c) *Burnaby Business Licence Bylaw 2017; and,*
 - (d) *Burnaby Business Licence Fees Bylaw 2017.*
3. **THAT** notice of the amendments to the *Business Licence Bylaw* and the *Business Licence Fees Bylaw* be advertised in the local newspaper for two consecutive weeks after first, second and third readings of these amendment bylaws, as outlined in Section 5.0 of this report.

REPORT

1.0 INTRODUCTION

In early October 2019, declaration forms requesting information on the existence of a suite, whether the suite is to be rented in 2020 as well as if the property owner resides on the property, were sent to approximately 32,000 properties, comprising of Single Family and Two Family Dwellings. The deadline for return of the declaration forms is 2019 November 30, which will allow for utility account adjustments to be processed prior to issuance of 2020 Utility Notices in late January 2020.

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The rates for Single Family and Two Family Dwellings are currently aligned in order that the combined water and sewer discounted supplementary utility fees are \$570 (undiscounted \$600) for both types of properties in 2020. Also, those properties with valid House Rental Licences in 2020 under the *Burnaby Business Licence Bylaw 2017* are exempted from the supplementary utility fee. The House Rental Licence fee is set at \$570 for initial and renewal licences in order to match the supplementary utility fees.

This report sets out recommendations for additional bylaw amendments, based on data received to date during the declaration process.

2.0 POLICY SECTION

Goal

A Dynamic Community

- Economic opportunity –
Foster an environment that attracts new and supports existing jobs, businesses and industries
- Community development –
Manage change by balancing economic development with environmental protection and maintaining a sense of belonging

3.0 PROPOSED REVISIONS

Through the declaration process thus far, the City has received phone calls and letters from residents in the community commenting on the unexpected licence fee increases. Having received the comments from the community, it would be appropriate to amend the supplementary utility fees and house rental licence fee to address the concerns and ensure better alignment with Council intentions and comparable charges in neighboring municipalities.

3.1 Supplementary Utility Fees

The fees added to Single Family Dwellings and Two Family Dwellings that contain a “rented suite” have currently been set at \$570. By setting a fixed fee, the supplementary utility fee for a Two Family Dwelling increases to 67% of the basic utility fee which is higher than previous fees. As a result, it is proposed that the supplementary utility fees are reverted back to their original 50% provision on basic utility fees. While this adjustment will not impact the fees for Single Family Dwellings, as \$570 already reflects 50% of the basic utility fee for a Single Family Dwelling, there will be a rate reduction for Two Family Dwellings. Rather than a supplementary utility fee of \$570 for rented suite within a Two Family Dwelling, the supplementary utility fee would be \$428.50 (undiscounted \$449.67) or 50% of the basic utility fee equivalent to one side of the property.

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Dwelling	Rental Suite Current Fee	Rental Suite Proposed Fee
Single Family	\$570.00 (\$294 water / \$276 sewer)	\$570.00 (\$294 water / \$276 sewer)
Two Family	\$570.00 (\$294 water / \$276 sewer)	\$428.25 (\$221.15 water / \$207.10 sewer)

3.2 House Rental Licence Fee

As amended in early October, contained within the *Burnaby Business Licence Fees Bylaw 2017* is the fee of \$570 for a House Rental Licence, for rental properties in which the owner does not live on the premises. It is proposed that this fee would now be set at \$130 to be aligned with similar fees within other Metro Vancouver municipalities. In addition, it is proposed that the standard one-time business licence application fee of \$50 would not apply to this type of licence.

With the proposed reduction of the licence fee, the fee would no longer match the supplementary utility fee. In order to ensure equity among all properties that contain a rented suite, it is proposed that these rental properties no longer receive an exemption from payment of the supplementary utility fees where there is a rented suite. As such, rental properties with a separately rented suite and in which the owner does not live on the premises would pay a House Rental Licence and supplementary utility fees.

4.0 PROPOSED BYLAW AMENDMENTS

In order to implement further changes to the Supplementary Utility Fees and House Rental Licence fee, the following bylaw amendments are proposed (effective 2020 January 1):

4.1 Burnaby Waterworks Regulation Bylaw 1953

Section 41(5) – repeal to remove provision that exempts properties with house rental licences from payment of supplementary utility fee for water rates.

Schedule A – delete the rows titled “Supplementary Utility Fee for Single or Two Family Dwelling with a Rented Suite” and corresponding fees, and replace with the following:

	Effective 2020 January 1 Paid by March 15	Effective 2020 January 1 Paid by March 15
Rented Suite in Single Family Dwelling (Supplementary Utility Fee)	\$294.00	\$310.00
Rented Suite in Two Family Dwelling (Supplementary Utility Fee)	\$221.15	\$232.21

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4.2 Burnaby Sewer Charge Bylaw 1961

Section 4B (4) – repeal to remove provision that exempts properties with house rental licence from payment of supplementary utility fee for sewer use charge.

Schedule C – delete the row titled “Supplementary Utility Fee for Single or Two Family Dwelling with a Rented Suite” and corresponding fees, and replace with the following:

	Effective 2020 January 1 Paid by March 15	Effective 2020 January 1 Paid by March 15
Rented Suite in Single Family Dwelling (Supplementary Utility Fee)	\$276.00	\$290.00
Rented Suite in Two Family Dwelling (Supplementary Utility Fee)	\$207.10	\$ 217.46

4.3 Burnaby Business Licence Bylaw 2017

Section 4.2(a) – add clause to exempt house rental licence applicants from payment of \$50 application fee.

4.4 Burnaby Business Licence Fees Bylaw 2017

Schedule A – delete “House Rental Business Licence” and corresponding fees, and replace with the following:

Business Category	Initial Licence Fee	Prorated Initial Licence Fee (effective July 1)	Renewal Licence Fee	Shared Location Fee
House Rental Licence	\$130	\$130	\$130	N/E

5.0 RECOMMENDATION

It is recommended that Council approve the program amendments as outlined in section 3.0 of this report and direct the City Solicitor to bring forward the bylaw amendments outlined in Section 4.0, effective 2020 January 1.

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In order to satisfy the notice requirement under the *Community Charter* for changes to business regulation bylaws and ensure all interested parties are provided sufficient notification, it is recommended that notice of the proposed amendments to the *Burnaby Business Licence Bylaw 2017* and *Burnaby Business Licence Fees Bylaw 2017* be advertised in the local newspaper for two consecutive weeks after first, second and third readings of these bylaws. The notice will provide a deadline of one week after the last notice to make written submissions. All responses will be collected and provided to Council prior to final adoption of the amendments to *Burnaby Business Licence Bylaw 2017* and *Burnaby Business Licence Fees Bylaw 2017*.

A handwritten signature in black ink, appearing to read 'Noreen Kassam', with a stylized flourish at the end.

Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:RR/md

cc. City Solicitor
Director Planning and Building
Director Public Safety and Community Services
Director Engineering