



Item .....
Meeting .....2015 July 06

## COUNCIL REPORT

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**TO:** CITY MANAGER **DATE:** 2015 July 02

**FROM:** DIRECTOR PLANNING AND BUILDING **FILE:** 42000.20  
*Reference:* Payday Loan Services

**SUBJECT:** PAYDAY LOAN AND SIMILAR SERVICES

**PURPOSE:** To propose amendments to the Burnaby Zoning Bylaw to implement Council direction regarding payday loan and similar services.

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### RECOMMENDATIONS:

1. **THAT** Council approve the proposed Burnaby Zoning Bylaw text amendments, as outlined in this report.
2. **THAT** Council authorize the preparation of a bylaw amending the Burnaby Zoning Bylaw, as outlined in Section 2.0 of this report, and that the bylaw be advanced to First Reading on 2015 July 06 and to a Public Hearing on 2015 July 21 at 7:00 pm.

## REPORT

### 1.0 BACKGROUND INFORMATION

On 2015 June 01, Council adopted the recommendations of a policy report on payday loan and similar services, including a recommendation to authorize the preparation of a bylaw amending the Burnaby Zoning Bylaw, for advancement to Public Hearing at a future date. The proposed amendment would:

- define the term “payday loan service” (and similar services); and
- permit payday loan and similar services only in the C3g General Commercial District and C4g Service Commercial District.

A copy of the policy report is available from the Office of the Clerk and the Planning and Building Department.

## **2.0 PROPOSED ZONING BYLAW AMENDMENTS**

This report presents detailed recommendations for the necessary Zoning Bylaw amendments, consistent with the direction approved by Council.

### **2.1 Definition**

Currently, the Zoning Bylaw contains no definition of payday loan and similar services. In practice, these services have been considered a “bank” use, which is permitted in a wide range of C Commercial Districts and the P11 SFU Neighbourhood District. In order to regulate payday loan and similar services as a distinct use, it is necessary to define the term.

The proposed definition includes payday loan and cheque cashing services offered outside of the legislative framework governing traditional financial institutions. A definition of “installment loan services,” to be included within the definition of “payday loan and similar services,” is being further considered and will be proposed in a future report.

#### **Recommended Bylaw Amendments:**

1. **THAT** Section 3 be amended to include a definition of “payday loan and similar services” consistent with the following:

- a. “Payday loan and similar services” means the business of

- (a) making or offering to make pay day loans (as defined in and regulated under the Businesses Practices and Consumer Protection Act of British Columbia); or

- (b) cashing or offering to cash cheques or other negotiable instruments for a fee or for less than the face value of the cheque or instrument

carried on or undertaken by a person or other entity that is not governed by the Bank Act or Trust and Loan Companies Act of Canada or the Financial Institutions Act or Mortgage Brokers Act of British Columbia.

### **2.2 Permitted Zone Districts**

In order to prevent their proliferation and/or concentration in any one area of Burnaby, the adopted policy report recommended permitting payday loan and similar services only within the C3g General Commercial and C4g Service Commercial Districts, as is currently required for pawn shops and second hand stores (including cash for gold services). Any new locations would then require rezoning to permit the use. The rezoning process would allow for Council review of the potential impacts of any new proposed locations, as well as public input through the Public Hearing process.

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Existing payday loan services locations can continue to operate as legal nonconforming uses under the provisions of Section 911 of the *Local Government Act*.

**Recommended Bylaw Amendments:**

2. THAT Section 303.1G and Section 304.1E of the Zoning Bylaw be amended to include the following as a permitted use:

a. Payday loan and similar services

**3.0 CONCLUSION**

The above amendments to the Zoning Bylaw are proposed in order to implement the proposals adopted by Council on 2015 June 01. It is recommended that Council approve the proposed text amendments outlined in Section 2.0 of this report for advancement to First Reading on 2015 July 06 and Public Hearing on 2015 July 21 at 7:00 pm. These amendments will establish a requirement for Council specific rezoning approval of any new payday loan or similar service in Burnaby.

  
Lou Pelletier, Director  
PLANNING AND BUILDING

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cc: City Manager  
Director Finance  
Chief Licence Inspector  
City Solicitor  
City Clerk