

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2021 Feb 25

FROM: DIRECTOR – PUBLIC SAFETY AND
COMMUNITY SERVICES

SUBJECT: **TEMPORARY EXTENSION OF CANCELLATION DATE FOR UNPAID
2021 BUSINESS LICENCE RENEWALS**

PURPOSE: To obtain authorization to bring forward an amendment to the *Burnaby Business Licence Bylaw 2017* to temporarily extend the cancellation date for unpaid 2021 business licence renewals.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a bylaw to amend the *Burnaby Business Licence Bylaw 2017* to extend the cancellation date, from 2021 March 01 to 2021 June 01, for all unpaid 2021 business licence renewals.

REPORT**1.0 INTRODUCTION**

With the exception of “Special Events Business Licences”, under the provisions of the *Burnaby Business Licence Bylaw 2017*, all business licences are valid from January 01 to December 31 of each year. The bylaw requires all businesses operating in Burnaby to pay for and receive a yearly renewal licence for each year of operation. Renewal fees are due December 31 each year and if still unpaid at the end of February of the renewal licence year, the business licence is cancelled as of March 01.

Throughout the 2021 business licence renewal timeline, Licence Office staff have closely monitored the pace of business licence renewal payments. This was done in consideration of the economic impact the global pandemic could potentially have on Burnaby based businesses. Staff can now report that the number of business licences that remain unpaid in February 2021 is significantly higher when compared to the same time period in previous years. Based on the data, staff are recommending that the Financial Management Committee request that Council amend the *Burnaby Business Licence Bylaw 2017* to extend the cancellation date for 2021 renewal licences to June 1.

2.0 POLICY SECTION

Goals

A Dynamic Community

- Economic opportunity
 - Foster an environment that attracts new and supports existing jobs, businesses and industries

A Connected Community

- Partnership
 - Work collaboratively with businesses, educational institutions, associations, other communities and governments

3.0 DISCUSSION

At the beginning of November of each year, the Licence Office mails out annual renewal notices (invoices) to all current business licence holders, including resident (often referred to as “bricks and mortar” businesses) and non-resident businesses. If payment is not received by December 01, a second reminder notice is then sent to the business to alert them of the outstanding invoice. The reminder notice also advises, that should the business fail to make payment before December 31, a late payment fee of \$50 will be added to the amount outstanding.

If payment is not received by December 31, as per section 6.3 of the bylaw, an additional \$50 late fee is added to the outstanding account. A new notice, including the added penalty, is then sent to the business in January. This notice also provides notification that under the terms of the *Burnaby Business Licence Bylaw 2017*, if the full amount remains unpaid by the last day in February the business licence will be cancelled effective March 01 and the business cannot continue to legally operate. Businesses that fail to pay by March 01, but do want to continue operations, must reapply for a first year licence and pay the associated fee, which is higher than the renewal fee and may entail further documentation and inspection requirements.

In addition to mailing out the overdue notices, beginning in early February of every year, staff attempt to make direct contact, either in person or by phone, to all bricks and mortar business that have outstanding accounts. The objective of the personal contact is to encourage payment before the deadline and to explain the consequences if the business should fail to do so. In the past this practice has been generally well received and has dramatically decreased the number of business licences that are ultimately cancelled in accordance with the bylaw.

In a typical year the number of outstanding bricks and mortar accounts recorded by early February would average 199 (see Table A below). For 2021 the number of outstanding business licences is 430. This figure represents an increase of over 116% when

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compared to the average for previous three years. When compared to 2020, the year with the highest number at 285, the 2021 number, 430, represents an increase of over 50% (145).

Table A- Yearly Business Licence Accounts Unpaid as of February 05					
Year	2018	2019	2020	Yearly Average for 2018, 2019 and 2020	2021
Accounts outstanding	189	123	285	199	430

Table B below illustrates the number of annual licences that were eventually cancelled due to the business failing to submit payment before the March 01 deadline.

Table B- Yearly Number of Business Licences Cancelled on March 01				
Year	2018	2019	2020	3 YEAR Total
Accounts cancelled	7	27	16	50

As in previous years, since early February staff have taken steps to make personal contact with all bricks and mortar businesses to encourage timely payment reduce the number of business facing cancellation under the bylaw. However due to the larger than usual number of outstanding accounts, competing work demands, and limitations due to Covid-19, coupled with the difficult economic climate faced by businesses, these attempts to has been less successful than in previous years.

In order to mitigate a larger than usual number of businesses having their business licences automatically cancelled under the *Burnaby Business Licence Bylaw 2017*, it is recommended that an amendment to the bylaw be put in place in order to extend the cancellation date and provide additional time for businesses to make payment. This request is based on the number of businesses licence accounts that remain outstanding, and in consideration of the economic impacts the business community is facing as a result of Covid-19. Staff recommend extending the cancellation date to June 01, rather than March 01, for 2021 renewal licences only. At this time, staff has placed a manual hold on the cancellation of the business licences that have not yet paid their 2021 renewal fees.

In order to implement this temporary extension, it is proposed that the following provision be added to the *Burnaby Business Licence Bylaw 2017* as section 6.6:

6.6 Notwithstanding section 6.4 of this **bylaw**, for a 2021 **renewal licence**, if the holder of an **initial business licence** or **renewal licence** does not pay the **renewal licence** fee and late payment fee for the **business** by May 31, 2021, the **business licence** is cancelled effective June 1, 2021 and thereafter, the holder shall not continue to operate the **business** without first applying for a **business**

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licence in accordance with Part 4 of this **Bylaw**, including payment of the application fee and **initial business licence** fee.

4.0 CONCLUSION

For renewals of 2021 business licences, staff have found a large increase in the number of businesses that have not paid their 2021 renewal fees. In order to provide more time for these businesses to pay their outstanding fees, it is recommended that the Financial Management Committee request Council to authorize the City Solicitor to bring forward a bylaw to amend the *Burnaby Business Licence Bylaw 2017* to extend the payment date for 2021 renewal licences for an additional three months, from 2021 March 01 to 2021 June 01. It is further recommended that the proposed amendment be valid only for the 2021 renewal year.

Dave Critchley
Director Public Safety and Community Services

DC:dl

Copied to: Director Finance
Chief Licence Inspector
City Solicitor