



## ADMINISTRATIVE REPORT

**Topic: BYLAW 2015-29 (Repeal of Business Licensing Bylaw 2014-09)**

### Introduction:

To repeal the Business Licensing Bylaw 2014-09.

### Facts (Background Information):

#### LEGISLATIVE HISTORY

On May 4, 2015 the Economic Development and Tourism Advisory Committee (EDTAC) received a presentation from Administration about business licensing. EDTAC supported the recommendation that the Business Licensing Bylaw be repealed. If this were to be approved by Council, local businesses would not require a business license to operate in Parkland County.

On September 15, 2015 Committee of the Whole received a report on the need for a business license to conduct business activities in Parkland County.

On November 10, 2015, Council directed Administration to bring forward a bylaw repealing both Bylaw No. 2014-09 for the Licensing and Regulation of Businesses within Parkland County, and Bylaw No. 2015-25 to amend the Business Licensing Bylaw No. 2014-09 – Business License Fees Schedule 'A'.

In addition, Council approved the 2016 Fee Schedule. This Schedule did not include fees for business licenses; therefore, no business license fees are in place for 2016.

#### PURPOSE OF AMENDMENT

The report of November 10, 2015 provided the rationale for removing resident business license requirements:

- The system is not monitored or enforced, so is not an effective means of monitoring businesses operating in the County
- A development permit is required to establish a business in Parkland County, with the exception of home-based-office businesses, which do not require a development permit
- Any change in land use triggers the requirement for a development permit
- The amended Bylaw is intended to support Council's strategic priority of economic diversification by providing assistance to local businesses

#### FURTHER CONSIDERATIONS

Additional information has come to light since this issue was presented to Council.

#### **Public feedback**

In late December 2015, a letter was sent to approximately 1,600 businesses who received business licenses in 2015, indicating a business license would no longer be required. Over 100 calls have been received since January 4, 2016 wherein Administration was advised that many businesses require a verified business license for their operations, for reasons such as:

- proof to provincial and federal agencies they either work with or are regulated by

- verification for other businesses they work with (eg. Wholesalers)
- participation in various trade shows requires a valid business license
- ability to get a Tri-Municipal business license

Staff from Spruce Grove and Stony Plain also received many calls from concerned business owners. Staff from those municipalities also expressed concern over how the County's proposed change would affect the Tri-Municipal agreement.

### **Tri-Municipal Agreement**

The report presented to Council in November 2015 dealt with resident and non-resident businesses. However, in 1991 the County entered into a Memorandum of Agreement with Spruce Grove and Stony Plain to provide Tri-Municipal business licenses to enable businesses to have a single license to operate in all three municipalities. The license fee was \$50 (in addition to the \$100 resident fee for a total of \$150) and affects nearly 400 resident businesses in Parkland County.

Removal of all business license requirements in the County creates some hardship to resident businesses who also operate in the two urban municipalities, but also to other non-resident businesses that operate in Parkland County.

Should the Tri-Municipal license be removed, the 376 businesses that previously paid the \$50 Tri-Municipal fee (plus the \$100 resident fee) for such a business license will now be paying \$675-\$725 annually (combined non-resident business license fees for Stony Plain and Spruce Grove) to operate in the Tri-municipal area. The negative impact on these resident businesses, many of which are smaller in scale, will be significant. This runs counter to the intent of the original intent of facilitating the operation of local businesses.

The municipalities regularly share an updated list of any businesses who have purchased a Tri-Municipal license. The agreement does not preclude a municipality from choosing not to charge a fee for the Tri-Municipal license.

### **NEW PROCESS**

To address the concerns raised, Planning & Development (P&D) and Community Economic Diversification (CED) have developed a new approach to certify businesses. It meets the needs of resident businesses, is consistent with the Tri-Municipal Agreement, and more effectively supports the work of CED in business outreach and development. Discussions with staff from Stony Plain and Spruce Grove have resulted in support for the new approach. It includes:

#### **Approval to Operate Certificate**

- An approved development permit will now be considered as a permit to operate a business in the County
- An Approval to Operate certificate will be issued at no charge, including the development permit number
- An additional Tri-Municipal stamp on the Approval to Operate certificate will serve as the County's approval in accordance with the Tri-Municipal Agreement
- Should Council repeal the Business Licensing Bylaw, an information package will be sent to all resident and tri-municipal businesses with a letter outlining the new approach, along with a new Approval to Operate certificate

#### **Interim compensation**

- As Spruce Grove has a deadline of January 15 to renew their business licenses, some Parkland County resident businesses that previously had a Tri-Municipal license have paid the full non-resident fee in Spruce Grove. Some have also paid a similar fee in Stony Plain.

- Stony Plain will reimburse those Parkland County businesses that applied through their process but Spruce Grove advises it will not. Therefore, for those businesses that went through Spruce Grove's process, Parkland County will provide reimbursement. This would apply to those licenses purchased during the interim period between January 1, 2016 and the date the bylaw is repealed.
- Through discussions with Spruce Grove, this number is anticipated to be about 20-30 businesses.

#### Responsibility and ongoing process

- Going forward, Community Economic Diversification (CED) will assume responsibility for this process as part of their business outreach initiatives
- An annual renewal sticker, free of charge, will automatically be sent to Parkland County resident businesses by CED each year as part of a package of information on upcoming CED services
- Front counter staff in P&D will support CED in this process
- Staff from the three municipalities will draft an updated Memorandum of Agreement for Tri-Municipal Licenses to share with their respective senior staff

A summary of business licenses for the County in 2015 is provided in Table 1, along with the proposed new approach.

**Table 1 – 2015 business licenses in Parkland County with proposed new requirements**

Type of business	No.	Current	Proposed
Resident businesses	626	License required (\$100)	Voluntary Approval to Operate certificate (no fee)
Non-resident businesses	653	License required (\$150)	No requirements
Tri-Municipal	376	License required (regular fee +\$50)	Voluntary Approval to Operate certificate (no fee) with Tri-Municipal stamp
	1,655		

#### **Conclusion/Summary:**

Staff recommend the Business Licensing Bylaw be repealed.

The new Approval to Operate certificate approach will facilitate opportunities for business outreach by Economic Diversification and continuation of the Tri-Municipal business permit program.

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