

Business Licence Bylaw Renewal

General Framework and Fees

Recommendation

That the May 21, 2019, Urban Form and Corporate Strategic Development report CR_6608, be received for information.

Executive Summary

Administration has begun the process of preparing a new Business Licence Bylaw, which will replace the existing Bylaw 13138. The new bylaw will be based on best practices and developed in consultation with internal and external stakeholders. It is required to address gaps in the City's current regulatory capacity and will provide flexibility to keep pace with Edmonton's evolving business environment.

The Business Licence Bylaw Renewal project aligns with other corporate priorities and projects, including the Urban Form Business Transformation project. The new Business Licence Bylaw will remove unnecessary barriers for businesses and enhance service efficiency, enabling local and regional prosperity as set forth in ConnectEdmonton. As well, the new bylaw will enable Administration to respond quickly and decisively when new business types emerge. Additional benefits include improved alignment with regulatory partners and a more timely and effective response to compliance-related issues.

Engagement with internal and external stakeholders has identified a number of areas for potential changes to application requirements, classifications and fees, renewal processes, licence reviews, and enforcement. These changes will have an effect on data entry, policies and operating procedures. Further work to examine fee structures, implementation impacts, and specific requirements for business types is ongoing. An update will be provided to Urban Planning Committee in May 2020, with a draft Business Licence Bylaw brought to committee for consideration in 2021.

Report

The current Business Licence Bylaw 13138, establishes a regulatory framework for granting licences to businesses to operate in Edmonton. This bylaw came into effect in 2002, and since then Edmonton's business environment and the needs of stakeholders have evolved. This report provides an update on the work undertaken to date, key findings, and emerging recommendations for improvements.

Approach and Methodology

Issue Identification

Since late 2017, Administration has been tracking internal stakeholder concerns related to business licensing. Internal Administration discussions identified many concerns that share some common themes:

- Businesses want fewer barriers, more transparency, and greater value;
- New and emerging types of businesses are not addressed by the current bylaw; and
- Administration must be more responsive to compliance issues and aligned with enforcement and regulatory partners.

In November 2018, 180 business owners and operators on the City of Edmonton Insight Community panel completed a mixed-topic survey that included several questions about their experiences with business licensing. Responses were used to validate and complete Administration's list of business licensing concerns. A summary of findings is provided in Attachment 1 What we Heard Summary: Insight Business Community Mixed Topic Survey - November 2018.

Jurisdictional Review and Draft Recommendations

In November 2018, Administration completed a jurisdictional review of business licensing bylaws and programs in 10 Canadian municipalities, which is summarized in Attachment 2 Business Licence Bylaw Renewal Jurisdictional Review. This study compared four business licensing program areas:

- licence administration,
- business classification,
- fee structure, and
- compliance.

Each program area was evaluated on the basis of effectiveness and business-friendly outcomes. The practices of all the municipalities reviewed demonstrated many alternatives to address the concerns with Edmonton's current bylaw and informed the proposed changes to the general framework and fee structure.

Stakeholder Consultation and Validation

After working with internal stakeholders to validate and refine the initial proposal, Administration engaged business owners and business associations (including Business Improvement Areas) by asking for their input on several of the recommendations for a new bylaw framework and fee structure. Business owners and

associations were generally supportive of the recommendations, and indicated they most often favour measures that remove barriers for businesses.

Attachment 3 Business Licence Bylaw Renewal Research Final Report provides a summary of all public engagement findings.

Emerging Recommendations for a New Business Licence Bylaw

Based on the work undertaken, Administration is planning to draft a new Business Licence Bylaw with changes to several areas of the existing general framework and fee structure. Attachment 4 Emerging Recommendations for a New Business Licence Bylaw provides details on 23 recommended changes, arranged by theme as follows:

1. *Licence Application* - Improve clarity of basic requirements for applying for a business licence and enhance connections and compliance with other regulatory agencies.
2. *Licence Classifications and Fees* - Simplify business classification and introduce a clear and predictable fee schedule.
3. *Licence Renewal* - Adopt clear criteria for when and how licences may be renewed, with an expedited process for issuing renewal licences for certain business types and circumstances.
4. *Licence Reviews* - Clarifies the situations where a licence can be suspended, canceled, refused, or conditioned when requirements are not met.
5. *Enforcement* - Clarify offences and penalties, address enforcement gaps with respect to unlicensed businesses, set penalties for bylaw infractions at a level that deters non-compliance and align specified penalties with the proposed changes to the fee schedule.
6. *Other Recommendations* - Improve overall clarity and transparency by adopting consistent and correct terminology.

Further engagement and consultation pertaining to specific business licence classification descriptions and requirements is required.

Next Steps

Administration will continue to advance its work on a new Business Licence Bylaw as follows:

1. *Impact Assessment* - Determine the requirements to successfully implement the proposed bylaw. This review includes a gap analysis of roles and responsibilities, technology, training, and operational policies.
2. *Proposed Fee Schedule* - Establish licence fees that reflect the cost of providing services.
3. *Review Licence Classifications* - Continue public engagement and stakeholder consultation related to specific types of businesses and industries.

Administration will provide an update to the Urban Planning Committee in May of 2020, with the objective of bringing forward a draft Business Licence Bylaw for adoption in January 2021. This work will be coordinated with the Zoning Bylaw Renewal to align and complement development and business licensing. This is an integrated approach that will support procedural efficiency and City building objectives.

Budget/Financial

Administration continues to work on a cost of service analysis that will be utilized to help establish a new fee schedule. The new fee schedule will be implemented with the adoption of the new bylaw in alignment with other department cost of service and fee related work. Other considerations for the fee schedule will include the role and intent of the licensing program and the future findings from the ongoing program and service review for the Land Economic Development service. Additionally, licence fees will be simplified and made more predictable for business owners in accordance with the Transparency Principle.

Corporate Outcomes and Performance Management

| Corporate Outcome(s): Edmonton has a globally competitive and entrepreneurial business climate | | | |
|---|---|--|------------------|
| Outcome(s) | Measure(s) | Result(s) | Target(s) |
| Effective and efficient service delivery. Support and guide business and industry. | Percentage of business owners satisfied with the process of obtaining a business licence. | A new Business Licence Bylaw that is responsive to the needs of business and industry. | TBD |

Attachments

1. What we Heard Summary: Insight Business Community Mixed Topic Survey - November 2018 Business Licensing
2. Business Licence Bylaw Renewal - Jurisdictional Review

3. Business Licence Bylaw Renewal Research Final Report [u](#)
4. Emerging Recommendations for a New Business Licence Bylaw

Others Reviewing this Report

- R. Kits, Acting Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- R. Smyth, Deputy City Manager, Citizen Services
- B. Andriachuk, City Solicitor