



POLICY REPORT

Report Date: October 2, 2019
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VanRIMS No.: 08-2000-20
Meeting Date: November 5, 2019

TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Commercial Vehicle Decal Program Renewal

RECOMMENDATION

- A. THAT Council approve, in principle, the repeal of the Vehicle Licensing By-law No. 4021 and the end of the commercial vehicle licensing program for commercial vehicles operating in the City of Vancouver as outlined in this report;

FURTHER THAT Council instruct the Director of Legal Services to bring forward for enactment a by-law to repeal Vehicle Licensing By-law No. 4021, as generally set out in Appendix A.

- B. THAT Council approve, in principle, amendments to the Street and Traffic By-law No. 2849, and the Parking Meter By-Law No. 2952, generally as set out in this report and Appendix A;

FURTHER THAT Council instruct the Director of Legal Services to bring forward for enactment amendments to the Street and Traffic By-law No. 2849 and the Parking Meter By-Law No. 2952, as generally set out in Appendix A.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Local Government Act (BC) gives municipalities, including Vancouver, the option to declare that the Division of the Act relating to the Licensing of Commercial Vehicles, which requires commercial vehicles to obtain a license to operate on a highway in a participating municipality, applies to the municipality. In the early 1960s, Vancouver passed Vehicle Licensing By-law No. 4021, declaring that the Division applied to Vancouver.

Under the Act, the Commercial Vehicle Licensing Program was administered by the provincial government, most recently through the UBCM. The UBCM would provide decals to the

provincial municipalities which would then be issued by the municipality to owners of commercial vehicles. In Vancouver, these decals were issued under the Vehicle Licensing By-law.

The Vancouver Charter grants Council the ability make by-laws to regulate vehicle parking and stopping upon any street, and also the ability to define the classification of vehicles. Under the Street and Traffic By-law No. 2849, owners of commercial vehicles must either have their name and address displayed on the vehicle or purchase a permit in the form of a metal plate to be affixed to the vehicle in order to stop in a lane or a commercial loading zone while loading or unloading merchandise or other commodities.

The definition of commercial vehicles also required them to display a valid decal identifying it as being registered or licensed pursuant to the Vehicle Licensing By-law.

Under the Parking Meter Bylaw No. 4021, commercial vehicles are permitted to park at metered spaces free of charge before 10:30 AM.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

The Union of BC Municipalities' (UBCM) Commercial Vehicle Licensing (CVL) program was first established in 1906 by the Provincial government with the main intent of the program being to provide a revenue source for participating municipalities to offset the expenses incurred from the use of local roads and highways as a result of commercial vehicle activity. A fact sheet on the program provided by the UBCM can be found in Appendix B. UBCM provided decals to participating municipalities and vehicle owners could purchase them in any municipality. The municipalities retained an administrative fee for each decal sold and remitted the remaining revenues to UBCM. UBCM then pooled the revenues back to participating municipalities on a per capita basis. Approximately 10,000 vehicles purchase decals in Vancouver under the UBCM CVL program today.

The UBCM has administered the program since 1987 and determined in August 2019 that the initiative no longer meets its original intent. The program requires significant administration, and provided limited financial return for both UBCM and participating municipalities.

Currently under the Street and Traffic By-law, owners of commercial vehicles must either have their name and address displayed on the vehicle or purchase a permit in the form of a metal plate to be affixed to the vehicle in order to stop in commercial vehicle loading zones, commercial lanes, and passenger zones before noon. The definition of commercial vehicle also required them to display the decal identifying it as having been registered or licensed pursuant to the Vehicle Licensing By-law. Additionally, under the Parking Meter By-law No. 6059, commercial vehicles are permitted to stop in metered parking spaces before 10:30 AM free of charge.

Strategic Analysis

Without creation of a program to identify commercial vehicles, it will not be possible for the City to enforce its stopping restrictions in 241 commercial vehicle loading zones, commercial lanes, passenger zones before noon, and parking meter spaces before 10:30 am, as there is will be no clear way to identify a vehicle as a commercial vehicle. This will negatively impact businesses that depend on the use of these loading areas for their day to day operations.

The licensing of commercial vehicles through the UBCM CVL program to operate on City streets does not currently serve a practical use for the City. In order to conduct business in Vancouver, the primary regulatory tool used is business licensing. Accordingly, it is recommended that Vehicle Licensing By-law No. 4021 be repealed.

However, staff recommend that a new permit requirement be added to the Street and Traffic By-law for all commercial vehicles who want to stop in these zones, in the form of a decal to be affixed to the vehicle. This means that commercial vehicles with their name and address displayed on the vehicle will now be required to purchase a permit consisting of the new decal, and vehicles without those marking will now be required to purchase a permit consisting of the current plate plus the new decal. The decal will cost the same as the decal that was issued under the UBCM CVL program and is intended to replace this program.

Given that the City received notice in August 2019 of the end of the UBCM CVL, there was not sufficient time to develop a robust new program. Accordingly, this program is intended to be transitional, and will allow staff time to develop a more meaningful and strategic program to manage commercial vehicle curb and lane use, which takes into account the City's Climate Emergency Response priorities.

Other municipalities may choose to not continue with a similar commercial vehicle program. Therefore commercial vehicle policy will differ across cities whereas before every city was under the same program. Staff have undertaken engagement with other cities, which is summarized in the next section.

Due to section 630(3) of the Local Government Act, which says that a repeal of a by-law declaring that the provisions of the Act relating to the Licensing of Commercial Vehicles apply to that municipality does not take effect until the end of the license year in which the repealing by-law is adopted, it is recommended that the proposed repeal of the Vehicle Licensing By-law be enacted immediately, to take effect December 31, 2019.

Due to the short time frame available to sell the new commercial vehicle decals , which are generally sold in advance of the permit year starting January 1, it is recommended that the proposed amendments to the Street and Traffic By-law and the Parking Meter By-law be enacted immediately, to take effect January 1, 2020.

Public/Civic Agency Input

Neighbouring municipalities have been contacted regarding their plans for the end of the UBCM CVL program. Currently, only one other Lower Mainland municipality has communicated plans to the City for a replacement program that will be ready by 2020. The responses from municipalities and TransLink can be seen in the table below.

Municipalities Contacted	Response
Burnaby	Is not considering a replacement program
Coquitlam	Would like a replacement program, but is not currently planning a program
New Westminster	Is not considering a replacement program
North Shore municipalities (District of North Vancouver, City of North Vancouver, City of West Vancouver)	Replacement program upcoming
Richmond	Is not considering a replacement program
Surrey	Is not considering a replacement program
University of British Columbia	Is not considering a replacement program
TransLink	Is not considering a replacement program
Victoria	Replacement program upcoming

BC Trucking has been informed of the City's proposed plan to create a new Vancouver-specific program to address the use of curb space and lanes in Vancouver that will act as an interim program. The group has acknowledged this change and is ready to engage with the City on next steps regarding future programs.

Implications/Related Issues/Risk

Financial

As the program will utilize existing program resources, including leveraging existing staff and software, staff do not anticipate a cost to the City related to the administration of the new decal.

It is recommended that the fees associated with the City's commercial vehicle identification (decal) program match the existing fees of the UBCM CVL program to minimize the amount of impact on the commercial vehicle owners and operators. The table below summarizes the price structure of the City of Vancouver's CVL program.

Decals

Service	Annual fee
New decal: Up to 2,800 kg GVW	\$25.00
New decal: 2,801 kg – 11,800 kg GVW	\$30.00
New decal: 11,801 kg – 20,000 kg GVW	\$35.00
New decal: 20,001 kg GVW and over	\$40.00
Service	Fee
Transfer decal or replace damaged decal	\$6.25

Licence Plates

Service	Annual fee
New plate or renewal	\$200.00 + GST
Service	Fee
Transfer plate or replace damaged plate	\$11.83 + GST

The CVL program generates approximately \$750,000 revenue per year, which goes into General Revenue, and comprises of \$250,000 from the sale of UBCM decals, and \$500,000 from the sale of commercial vehicle licence plates from the City of Vancouver. Staff anticipate that the City of Vancouver commercial vehicle identification (decal) program will generate a similar level of revenue.

Legal

To implement the changes outlined within this report, by-law amendments are required. It is recommended that the Vehicle Licensing By-law No. 4021 be repealed, to be enacted immediately to take effect December 31, 2019, and that amendments to the Street and Traffic By-law No. 2849 and Parking Meter By-law No. 2952 be made and enacted immediately to take effect January 1, 2020.

The draft by-laws have been developed with Legal Services and are provided in Appendix A.

CONCLUSION

Staff seek endorsement from Council for the end of the City of Vancouver Commercial Vehicle Licensing program, and for the addition of a new permit requirement to regulate the use of commercial load zones and lanes. These changes are intended to be transitional as staff prepare an updated program as part of the development of the Urban Freight Strategy in 2021 with a focus on addressing the objectives described in the Climate Emergency Response.

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**DRAFT By-law to amend Street and Traffic By-law No. 2849
Regarding Commercial Vehicle Permits**

Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

1. This By-law amends the indicated provisions of the Street and Traffic By-law.
2. In section 3, Council:
 - (a) strikes out the definition of “Commercial Vehicle” and substitutes the following in the correct alphabetical order:

“**Commercial Vehicle**” means a vehicle defined as such and licensed under the Commercial Transport Act (BC), or a vehicle not so licensed but used for the collection or delivery, or both, of merchandise or another commodity in the ordinary course of a business.”; and
 - (b) strikes out the definition of “Commercial Loading Zone” and substitutes the following in the correct alphabetical order:

“**Commercial Loading Zone**” means an area or space on a roadway to be used exclusively by commercial vehicles displaying a valid permit obtained under section 21.6 or 21.6A.”.
3. In section 19.2, Council:
 - (a) adds “, and who obtains a permit under section 21.6A and displays that permit in accordance with that section,” after “on both sides of the vehicle”;
 - (b) strikes out “during the actual loading or unloading of materials, merchandise or goods” and substitutes “while actively engaged in loading or unloading merchandise or other commodities, or passengers”;
 - (c) strikes out “and a driver of a taxi cab may stop the vehicle in a lane while actually embarking or discharging passengers or goods” and substitutes “or passengers”.
4. Council strikes out subsection 21.2(b) and substitutes the following:

“(b) a commercial vehicle displaying a valid permit obtained under section 21.6 or 21.6A may stop in a passenger zone before 12:00 noon on any day, for no more than 30 minutes, while actively engaged in loading or unloading merchandise or other commodities, or passengers; and”.
5. In section 21.5, Council:
 - (a) adds “and the permit obtained under section 21.6A and displayed in accordance with that section” after “as set out in section 19.2”; and
 - (b) strikes out “materials” and substitutes “merchandise or other commodities, or passengers,”.

6. In section 21.6, Council:

- (a) strikes out “Chief License Inspector of the City” and substitutes “City Engineer”;
- (b) strikes out “or decal” and substitutes “and decal”; and
- (c) strikes out “The annual fee for the permit is \$200.00. The replacement fee for a lost permit is \$11.59.” and substitutes the following:

“The annual fee for the permit is \$200.00, plus the following, as applicable:

Gross Vehicle Weight Fee

Up to 2,800 kilograms.....	\$25.00
2,801 to 11,800 kilograms.....	\$30.00
11,801 to 20,000 kilograms.....	\$35.00
20,001 kilograms and over.....	\$40.00

The replacement fee for a lost plate is \$11.83, and the replacement fee for a lost decal is \$6.25.”.

7. Council adds a new section 21.6A as follows:

“21.6A Where a person displays the permanent signage referred to in section 19.2, such person must obtain a permit from the City Engineer for the purposes of section 19.2 and 21.5. The permit shall consist of a decal which shall at all times be kept securely fashioned to the front of the vehicle for which it is issued. The annual fee for the permit, and the replacement fee for a lost permit, shall be as follows:

Gross Vehicle Weight Fee

Up to 2,800 kilograms.....	\$25.00
2,801 to 11,800 kilograms.....	\$30.00
11,801 to 20,000 kilograms.....	\$35.00
20,001 kilograms and over.....	\$40.00

Replacement Fee.....\$6.25”.

DRAFT By-law to amend Parking Meter By-law No. 2952
Regarding Commercial Vehicle Permits

Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

1. This by-law amends the indicated provisions of the Parking Meter By-law No. 2952.
2. Council amends section 6(4) by striking out “, as the same are defined in the Street and Traffic By-law,” and substituting “displaying a valid permit obtained under section 21.6 or 21.6A of the Street and Traffic By-law”.

DRAFT By-law to Repeal the Vehicle Licensing By-law No. 4021

Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

1. Council repeals Vehicle Licensing By-law No. 4021.

THE UNION OF BC MUNICIPALITIES COMMERCIAL VEHICLE LICENCE FACT SHEET

Commercial Vehicle Licensing

SERIES NO.
28

General Licensing Authority

Under the *Community Charter*, councils are given a broad power, subject to limitations, to license. However, the specific regulation of carriers and licensing of commercial vehicles is found in the *Local Government Act*, Part 20 (see Fact Sheet #27 for information on general licensing provisions).

Origin and Usage

The decades old Commercial Vehicle Licensing Program was established by provincial statute (currently the *Local Government Act*) to provide a source of revenue to participating municipalities to offset expenses related to the use of local government roads and highways as a result of commercial vehicle traffic. Expenses would include the cost of maintenance of municipal roadways, road signage, snow removal, parking control, etc.

Program Participation [s. 664–672 LGA]

Municipalities (but not regional districts) may participate in the Commercial Vehicle Licensing Program. To become a participating municipality within the program, a municipality must adopt a bylaw [LGA s. 666].

There were 100 municipalities participating in this program in 2014.

Program Application

In December 1987, UBCM assumed the administration of the Commercial Vehicle Licensing Program from the provincial government. Participating municipalities receive decals from UBCM for the upcoming licence year. The decals are then issued, by municipalities, to owners of commercial vehicles defined as such and licensed under the *Commercial Transport Act* (CTA) and used on a highway within a municipality. They may also be issued to a vehicle not so licensed but which is used for the collection or delivery of merchandise or another commodity in the ordinary course of a business. LGA s. 667 sets out which vehicles are exempt under this program.

Owners may purchase decals from any participating municipality beginning November 1 for the upcoming year.

The single decal is recognized province-wide and replaced the requirement for individual plates from each community, for those vehicles engaged in inter-municipal business.

Fees

The licence year is defined as the calendar year [LGA s. 664]. Annual licence fees are set out in the *Local Government Act* regulations; in 2014 under BC Reg. 405/93 fees were as follows:

Vehicle licence fees for each licence year, for a vehicle of gross vehicle weight:	
- not exceeding 2,800 kg	\$25.00
- over 2,800 kg but not over 11,800 kg	30.00
- over 11,800 kg but not over 20,000 kg	35.00
- over 20,000 kg	40.00
- licensed under CTA agreement	30.00
Vehicle licence transfer fee	6.25

The municipality retains administration fees of \$6.25 and any transfer fees. The balance of the fee is remitted to UBCM and deposited into a Commercial Vehicle Licence trust account. The proceeds are then distributed to the participating members on a per capita basis at the end of the licensing year (\$0.93 million for the 2013 licensing year).

Enforcement and Penalties

Failure by an owner or operator of a commercial vehicle to hold and display a licence decal is punishable upon conviction by a fine of up to \$50. A person who displays a decal, but is not authorized to do so, is liable upon conviction to a fine of up to \$200.

Updated December 2014