



ADMINISTRATIVE REPORT

Report Date: November 2, 2016
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VanRIMS No.: 08-2000-20
Meeting Date: November 30, 2016

TO: Standing Committee on Policy and Strategic Priorities

FROM: Chief Licence Inspector

SUBJECT: Increased Municipal Ticket Fines for Operating Without a Business License and Failing to Comply with License Conditions

RECOMMENDATION

- A. THAT Council approve an increase to the municipal ticket information fines for operating without a business licence and failure to comply with license conditions, from \$250.00 to \$1,000.00.
- B. THAT Council instruct the Director of Legal Services to bring forward amendments to the Ticket Offences By-law No. 9360, generally in accordance with Appendix B, for consideration by Council.

REPORT SUMMARY

The City's Ticket Offences By-law No. 9360 designates enforcement of certain by-law offences by Municipal Ticket Information (MTI). This report recommends increasing the fines for violations of the License By-law for operating a business without a business licence, and for failure to comply with licence conditions. The MTI fine associated with these by-law violations would increase from \$250.00 to the maximum fine amount of \$1,000.00 per offence per day allowed under the Vancouver Charter By-law Enforcement Ticket Regulation.

The intent of the penalty is to promote voluntary compliance with the City's by-laws. The Licence Office has been working at streamlining approval processes, providing online services and creating multi-jurisdictional licensing to better serve the business community. However, in the last three years, there has been a decrease of 1-2% on average, year over year in the number of active business licences. In addition to these enhancements, increasing the MTI fine associated with failing to hold a business licence or failing to comply with business license conditions creates an incentive for businesses to change behaviour and comply with these requirements.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Ticket Offences By-law No. 9360 designates enforcement of certain By-law offences by ticket.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager and General Manager of Development, Buildings and Licensing RECOMMEND approval of the foregoing.

REPORT

Background/Context

The City uses the court system to enforce its non-parking by-laws. By-law violations can be prosecuted through the court system using one of two methods:

1. Long form Information pursuant to the Offence Act; or
2. Municipal Ticket Information (MTI) pursuant to the Ticket Offences By-law.

Prosecutions pursuant to the Offence Act (#1 above) may be complex, may take a year or more to complete, and can result in fines of up to \$10,000.00 per offence in accordance with section 333 of the Vancouver Charter. Long form informations are often used to prosecute repeat offenders and more serious by-law offences.

Prosecutions by way of MTIs (#2 above) can take less time to complete than prosecutions by long form information. MTIs can be issued for any by-law violations specified in the Ticket Offences By-law and are often used for first-time or less serious offences. Pursuant to the Vancouver Charter By-law Enforcement Ticket Regulation, fines levied under the Ticket Offences By-law are limited to a maximum of \$1,000.00 per offence.

It is important to note that failing to hold a business licence and failing to comply with a business license condition are already included in the Ticket Offences By-law and can already be prosecuted by MTI. Staff is recommending only that the associated fines be increased to \$1,000.00 from the current amount of \$250.00.

The primary reason for the proposed fine increases is to encourage voluntary compliance, because best practices show that the possibility of significant financial penalty generally increase compliance.

Strategic Analysis

In the past three years the city has seen a decrease of 1-2% on average, year over year in the number of active business licences. The Licence Office has implemented communication mechanisms (website, pamphlets, renewal notices) to educate business owners of continued requirements. In addition, we have partnered with outside organizations such as Small Business BC, One Stop and various other specific industry associations to ensure requirements for new businesses to operate in the City

of Vancouver are understood. We have also streamlined approval processes, provided online services and created multi-jurisdictional licensing to better serve the business community, and making it easier to meet requirements.

Research into best practices show that escalating enforcement tactics are also needed to achieve compliance objectives. This process typically begins with a warning and a negotiated resolution. It can then be escalated to a prosecution by MTI, or long form information. If necessary, it could be further escalated by seeking an injunction or other remedy. Ideally, compliance is to be achieved at the first level of warnings and negotiation. However, if compliance is not achieved at this level, there is a greater incentive to comply if the possible fine amount resulting from a prosecution is higher.

For Council's information, table 1 in Appendix A sets out the MTI fines imposed by other municipalities for operating without a business licence and for failing to comply with licence conditions.

The goal of increasing the stipulated MTI fines to \$1,000.00, which is the maximum permissible fine allowed under the Vancouver Charter By-law Enforcement Ticket Regulation, is to encourage voluntary compliance without increasing enforcement activity, or requiring additional resources.

CONCLUSION

It is recommended that Council increase the fine to \$1,000.00 for operating a business without a business licence, or failure to comply with licensing conditions. It is further recommended that Council direct the Director of Legal Services to bring forward for Council's consideration, proposed amendments to By-law No.9360 to implement this increase.

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Comparing MTI Rates of Other Municipalities

Table 1

Municipality	Penalty for Operating Without a Business Licence	Penalty for Failing to Comply with Licensing Conditions
Surrey By-law No. 12508	\$500.00	n/a
Burnaby By-law No. 12657	\$500.00	\$200.00 (variety of specific conditions)
Richmond By-law No. 7321	\$100.00	\$100.00 - \$1000.00 (dependent on specific conditions)
Calgary By-law No. 32M98	\$1000.00	\$2000.00
Edmonton By-law No. 13138	\$400.00 or Double the Licence Fee (whichever is greater)	\$2000.00

