

R059 : Late Payment of Business Licenses - Penalty Fee (the "Proposed Amendments")

**Corporate** NO: R059**Report** COUNCIL DATE: March 26, 2001

REGULAR			
TO:	Mayor & Council	DATE:	March 15, 2001
FROM:	City Solicitor	FILE:	0023-13680
SUBJECT:	Late Payment of Business Licenses - Penalty Fee(the "Proposed Amendments")		

RECOMMENDATION

That Council adopt the Proposed Amendments to Business By-law, 1999, No. 13680 to provide for a penalty for late payments of business licenses.

DISCUSSION

The Bill 88 changes to the *Local Government Act*, R.S.B.C. 1996, c.323 now allow a municipality to impose penalties on delinquent payments for business licenses (Section 363).

The By-law and Licensing Services Section each year follows up on local businesses and in some cases payments made through NSF cheques. A considerable amount of resources are expended to follow up on these late payments with no penalty or fee for the services rendered. Approximately 20% of businesses do not pay their business licenses until a second notice is sent and/or follow up is undertaken by a By-law Enforcement Officer.

In the 2000/2001 business license year, approximately \$800,000 in business license fees were delinquent after initial billing in April, 2000. Even after the second billing in August, 2000, approximately \$320,000 was still outstanding and required personal follow up and collection service by By-law Enforcement Officers. The imposition of a 5% penalty for business license fees not paid within 30 days and an additional 5% penalty for fees not paid within 90 days of the due date will generate sufficient revenue to offset the City's additional costs associated with following up on delinquent license fee payments.

CONCLUSION

The Proposed Amendments will compensate the City for the work expended to collect on delinquent business license payments and at the same time encourage business owners to pay their license fees by the due date.

CRAIG MACFARLANE

City Solicitor

Encl.

JS/rd

c.c. John Sherstone, Manager, By-laws & Licensing Services