



CITY OF ST. ALBERT
ADMINISTRATIVE BACKGROUNDER

TITLE: Tobacco Retail Licensing Bylaw Amendment

On April 3, 2017 Councillor Hughes provided notice in accordance with Section 23 of Procedure Bylaw 22/2016 that she intended to bring forward the proposed motion below.

That the Tobacco Retail Licensing Bylaw 20/96 be amended to allow for license transferability in the case of new ownership and that pro-rated fees are added to Schedule A of the Bylaw.

BACKGROUND:

The Bylaw was created in 1996 to provide for the licensing of tobacco retail operations. It regulates which companies and staff within those companies can sell tobacco products, as well as how they can sell tobacco products. A "Tobacco Product" is defined as

- (i) tobacco in any form including, but not limited to, cigarettes, pipe tobacco, loose tobacco, plugs of tobacco, chewing tobacco and snuff; and
- (ii) merchandise used to make cigarettes, including, but not limited to, rolling papers, tubes, and filters; and
- (iii) any device intended to facilitate smoking activity, including pipes (metal/glass blown, plastic, wood), water bong and vaporizers.

The Bylaw requires any business that intends to sell tobacco products to obtain a Retail Tobacco License. The license is valid from the date it is issued until December 31st of the current calendar year, at which point it must be renewed for the following calendar year if the business will continue to sell tobacco products. The Bylaw does not allow for pro-rated fees, and the license cannot be transferred; this means that any new business owner— whether they are taking ownership of an existing business or starting a new business —must pay the full year's fee regardless of when they begin business operations or assume ownership of an existing business.

If council chooses to amend the bylaw to allow for license transferability and to include pro-rated fees for Retail Tobacco Licenses this would align with the existing Business License Bylaw. Along with the transferability, administration recommends a rate of 75% of the annual fee for businesses opening between May 1 and August 31 and 50% of the annual fee for businesses opening after September 1.

This will result in a reduction of annual licensing revenue. The 2016 licensing stats show the following:

May 1st - August 31st

1 Change of Ownership
0 New Applications

September 1st - December 31st

7 Change of Ownership
1 New Application

Potential Revenue Loss (2016)

Change of Ownership (if licenses become transferable): \$5,600.00
Pro-Rated fee for new applications: \$350.00

If the motion is approved, the bylaw would need to be officially amended and would come into affect immediately after third reading.

Report Date: May 1, 2017
Author(s): Dawn Fedorvich
Committee/Department: Economic Development
General Manager: n/a
City Manager: Kevin Scoble