
CITY OF KELOWNA

MEMORANDUM

Date: March 11, 2003
File No.: 3900-20

To: City Manager

From: Bylaw Enforcement Supervisor

Subject: Canadian Home Builders Association
-Request for Waiver of Trade Show Business License Fee

Recommendation

THAT request from the Canadian Home Builders' Association of Kelowna to amend the business license fee as it applies to Trade Shows as outlined in their letter dated February 20, 2003, as attached to the report from the Bylaw Enforcement Supervisor dated March 11, 2003, be received.

Background

The Department was forwarded a letter dated February 20, 2003 from Linda Phillips, Executive Officer for Canadian Home Builders Association of Kelowna, outlining her position as it relates to Trade Shows and Home Shows that they may be organizing and/or involved in within the City of Kelowna. The City of Kelowna Business License and Regulation Bylaw No.7878 addresses the fee schedule for those agencies or businesses conducting or participating or organizing such shows in that it provides a fee schedule for such activities. Should the participants be offering goods, wares or merchandise for sale, each merchant must have a valid business license or obtain one under the Trade Show blanket license based on a fee of \$84.44 per merchant or space, with a maximum fee set at \$1,688.75 per trade show.

Discussion

This portion of the bylaw has been implemented and enforced whenever possible in order to protect the businesses in Kelowna who depend on their existence by doing business with Kelowna's citizens, etc., pay for their business license each year, and in return support the City's economical development. This enforcement of the business license bylaw prevents out of City and Province businesses from coming into the City and removing local business from the City by participating in such shows without having to be accountable for a business license or for proper business practices.

Non-Profit Societies are not exempt from business licensing when operating a business in the City of Kelowna, except a performance, concert, exhibition or entertainment when the entire proceeds go to a charitable purpose. Business Licenses are required by non-profit societies for the following:

- selling or offering anything for sale
- providing any service for a fee
- owning and renting out apartments in an apartment building
- operating a care facility for a fee

Some businesses operated by non-profit societies are entitled to a reduced license fee which only applies to specific categories within the Business License Bylaw such as:

- flea market operated and under the control of a non-profit society
- apartment, owned and operated by a non-profit society

In addressing the Trade Show/Home Show issue, there are ways that a non-profit society can operate the show and encompass the license fee prescribed by this bylaw. Firstly, the **participants in a show who are already licensed to conduct business in the City of Kelowna, do not require an additional license to display/sell their product** in such a show. Their yearly license is accepted in this instance. Secondly, any business participating in a show from outside the City must have a business license to do so. This may be accomplished by the individual business applying for and obtaining their own license, or the event organizer may obtain a blanket business license for the entire show which would cover the out of town participants. Each License fee is \$84.44 up to a maximum fee of \$1,688.75 per show. The fee charged could be recovered by the event organizer by charging back to the out of town business the amount of their license fee covered by the blanket license. Keep in mind that only non-licensed out of town business need to be covered under the blanket license as long as in town businesses have their own City license. This way the cost to the organizer is recovered, local businesses are protected, and everyone meets the regulations of the Business License Bylaw.

Any participant in a Trade Show/Home Show that is there purely for the purposes of displaying or dispensing information only, and does not participate in promoting a company, product, merchandise or wares, would not require a business license. The exception being if the participant is the organizer of the show, which triggers the blanket fee.

Summary

Although the Canadian Home Builders Association is a valuable organization, staff do not feel that amending the bylaw is warranted as this is not a charitable event. The vendors participating are not donating their proceeds to charity. These are businesses conducting business for profit in the City of Kelowna. As such, in an effort to ensure a level playing field, those businesses require a City of Kelowna business license or the event organizer could cover them under the blanket license. Staff feel that the current rules maintain a fair balance.

Short of not requiring business licenses for trade shows and their participants, which would allow out of town businesses an advantage, another alternative could be to reduce the blanket fee by roughly 75% for trade shows operated and under the control of non-profit societies. This is what the City of Kelowna does in the case of Flea Markets. In this case, the blanket fee would be reduced to \$422.18, if the group was a non-profit society. Staff, however, do not recommend this alternative for the reasons stated above.

Al Dixon, Bylaw Enforcement Supervisor

Approved for inclusion



R.L. (Ron) Mattiussi, ACP, MCIP
Director of Planning and Development Services

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