

# Review of Business Licensing Fees

April 28, 2021

By: Economic Development Office & Enforcement



Corporate Report:  
**Review of Business Licensing Fees**

**In 2020, staff were directed to review all business and mobile licensing fees and consider options to reduce these fees as means of financial relief in response to COVID-19.**

Corporate Report:  
**Review of Business Licensing Fees**

- **Business licence fees** are intended to **offset the costs** associated with the administration and enforcement of the by-laws in place
- **The City of Mississauga** issued **8,697 licences** in 2020 to businesses and individuals operating within the City, generating **\$2,257,057 in revenue**

## Corporate Report: 2020 Business License by Industry

	Number of Licenses	2020 Revenue	Share of Total Revenue
<b>Taxi, Limousine &amp; Airport Transportation Services</b>	2,711	\$729,752	32.3%
<b>Restaurants &amp; Related Food Services</b>	1,652	\$321,753	14.3%
<b>Auto Service Stations</b>	1,157	\$278,220	12.3%
<b>Tow Truck Services</b>	638	\$278,003	12.3%
<b>Driving School Services</b>	767	\$151,908	6.7%
<b>Contractor, Trades or Building Renovators</b>	517	\$101,693	4.5%
<b>Body Rub Parlours</b>	102	\$95,974	4.3%
<b>Personal Services</b>	417	\$86,543	3.8%
<b>Tobacco Sales</b>	297	\$72,102	3.2%
<b>Adult Entertainment Parlours</b>	5	\$27,805	1.2%
<b>Sub-total, Top Ten</b>	<b>8,263</b>	<b>\$2,143,753</b>	<b>95%</b>

# **Business License Fee Reduction Considerations**

## Support for Businesses: Federal & Provincial

**Canada Emergency Wage Subsidy:**

\$74.25B

**Canada Emergency Rent Subsidy:**

\$2.76B

**Canada Emergency Business Account:**

\$46.36B

**Ontario Small Business Support Grant:**

\$3.4B

**Ontario Property Tax & Energy Cost Rebates:**

\$40M

Number of programs in  
business relief portal  
as of week of April 19,  
2021: **162**

## Support for Businesses: City of Mississauga



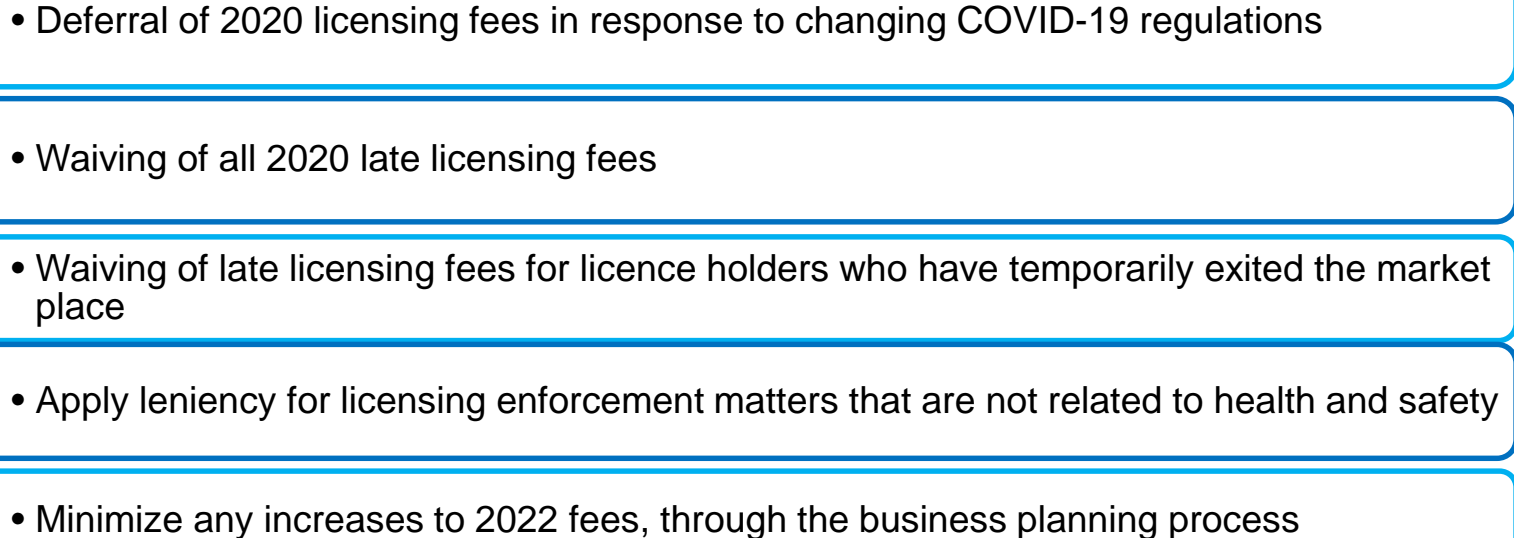
### 2021 Property Tax Deferral

- Businesses and residents may apply for tax deferral until **December 15, 2021**

### Covid-19 Small Business Supports

- Through EDO, Tourism and Culture, including:
  - One-on-one business advisory services with professionals catered to businesses needs
  - One-on-one guidance in accessing funding and other supports along with our online resource centre to improve local business access and participation in support programs

## Support for Businesses: Business License Relief Provided To-date

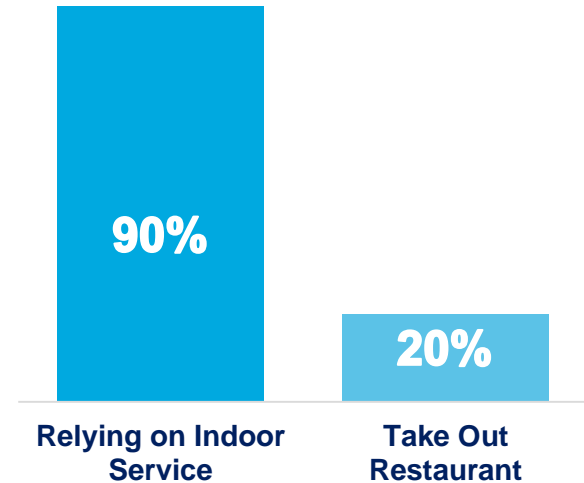
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- Deferral of 2020 licensing fees in response to changing COVID-19 regulations
  - Waiving of all 2020 late licensing fees
  - Waiving of late licensing fees for licence holders who have temporarily exited the market place
  - Apply leniency for licensing enforcement matters that are not related to health and safety
  - Minimize any increases to 2022 fees, through the business planning process



## Targeted Support for Business is More Appropriate

- Impact of public health restrictions and economic disruption from C19 has been very uneven
- Businesses less impacted by restrictions are better able to pivot operations to avoid significant losses or even thrive during the pandemic

*Example:  
Revenue Losses  
Restaurant & Related Food Service*



## Provincial Responsibility

- The **Province of Ontario** determined which businesses could remain open, and under which conditions, during each stage of the pandemic.
- Although some **financial support** has been provided, the amount of support provided to date is **insufficient**, relative to the revenue impacts the province has imposed on businesses
- Precedence for provincial support - **Ontario's Property Tax and Energy Costs Rebates Programs**

## Minimal Relief to Business

### Over 80% of license fees fell below the average

**\$256.46**

New Business  
License (Average)

**\$260.28**

Business License  
Renewal (Average)

License Type	2020 Renewal Fee
Taxicab Driver or Owner	\$175 - \$480
Tow Truck Driver or Owner	\$170 - \$603
Restaurant & Related Food Service	\$194
Auto Service Stations	\$229 - \$260
Personal Care Services	\$203

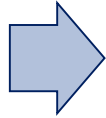
## Material Impact to the City

Estimate cost of refunding 2020 fees and waiving 2021 fees –  
**\$4 million**

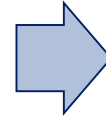
- This excludes additional administrative costs associated with refunds or other new processes
- For example, the additional costs required to administer a 2020 refund for all business licences would be approximately **\$200,000**

## Jurisdictional Scan

Staff benchmarked cities within Ontario to determine licensing relief options being provided.



To date, no city has implemented fee reductions for all business licensing types.



The vehicle for hire sector appears to be the only sector receiving any significant reductions.

## Review of Business Licensing Fees: Recommendations

### 1. **Maintain current fee structure & continue existing support programs for business, including:**

- ☐ **2021 Property Tax Deferral – Businesses** and residents **may apply for tax deferral until December 15, 2021** due to impacts from COVID-19.
- ☐ **Waiving of late licensing fees** for **licence holders** who have **temporarily exited the market place**;
- ☐ **Apply leniency** for **licensing enforcement** matters that are not related to health and safety;
- ☐ **Minimize any increases to 2022 fees**, through the business planning process
- ☐ **COVID-19 small business** city supports through EDO, Tourism and Culture to **improve local business access** and **participation in financial support programs**

## Review of Business Licensing Fees: Recommendations

### 2. That the Provincial Government be requested to reimburse business operators license fees, as they have done for property tax and energy bill rebates.

- ☐ The Province should also be requested to develop **targeted business financial relief programs** where funding formulas match the **actual business finance impacts**