



The Corporation of the City of Courtenay

Staff Report

To: Council
From: Director of Development Services
Subject: Business Licence Amendment Bylaw No. 3199

File No.: 3800-01-2501
Date: September 17, 2025

PURPOSE:

For Council to consider the Business Licence Amendment Bylaw No. 3199 for 1st, 2nd, and 3rd reading.

BACKGROUND:

In October 2018 the *Cannabis Control and Licensing Act* came into effect providing local governments the authority to regulate cannabis through zoning and business licencing. On 19th November 2019 Council adopted the *Business Licence amendment Bylaw No. 2942, 2018* that included regulations to cannabis production and sales.

At the regular meeting of Council on the 10th September 2025, Council received correspondence regarding the disparity between Storefront Cannabis Retailer business license fee and other business license classes. Council discussed this matter and in response passed the following resolution:

THAT Council direct staff to draft a bylaw to amend the Business Licence Bylaw to remove the business licence fee for "Storefront Cannabis Retailer".

DISCUSSION:

The business licence fees for store front cannabis retailers was a new category developed in response to the cannabis industry (production and retailing) and the implications for the use(s) was not well understood. In reviewing available historical information, this licensing estimation was based on the costs associated with the general administration function and the unknown potential for bylaw enforcement which could include the business license category conditions. It is noted that the original fees were not out of line with other communities who were addressing this issue at the time and since that point some communities have examined and adjusted the licensing fees based on experiences.

Staff are currently in the process of rewriting the business licence bylaw and have identified that the fees for licencing need to be reviewed and reflect more accurately the cost associated with the administrative process across all categories.

The current fee for a storefront cannabis retailer is set at \$2,500. Based on the direction from Council, the bylaw amendment would remove the specific "Storefront Cannabis Retailer" fee. Based on the bylaw structure the business licence fee for this type of business would fall under the retail/wholesale classification and is based on a floor area and are noted below. This is consistent for other businesses that

sell intoxicants such as cold beer and wine store who retail but there is no consumption which is the case with cannabis retailers.

Retail/Wholesale

every business which has a floor area (the area of which customers have normal access for shopping purposes) of:

<i>(a) under 4,000 sq.ft.....</i>	<i>\$100.00</i>
<i>(b) 4,001 sq.ft. to 10,000 sq.ft.....</i>	<i>\$250.00</i>
<i>(c) 10,001 sq.ft. to 20,000 sq.ft.....</i>	<i>\$450.00</i>
<i>(d) over 20,001 sq.ft.</i>	<i>\$650.00</i>

POLICY ANALYSIS:

The *Community Charter* (Part 3: Division 9) and (Part 7: Division 2) provides municipalities the authority to regulate business licences and fees.

FINANCIAL IMPLICATIONS:

There are currently five licenced storefront cannabis retailers within the City of Courtenay, and it is anticipated that the reduction in revenue will be \$12,000. Part of the licence fee was associated with enforcement and at this time there has been no complaints received by the City.

OPTIONS: 1 Recommended

1. THAT Council give first, second and third reading to the “Business Licence Amendment Bylaw No. 3199”.
2. THAT Council provide alternative direction to staff.

ATTACHMENTS:

1. Business Licence Amendment Bylaw No. 3199

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