



Hamilton

INFORMATION UPDATE

TO: Mayor and Members Board of Health	WARD(S) AFFECTED: CITY WIDE
DATE: February 27, 2013	
SUBJECT: Tobacco Vendor Licensing Fee (City Wide)	
SUBMITTED BY: Elizabeth Richardson, MD, MHSc, FRCPC Medical Officer of Health Public Health Services Department	SIGNATURE: 

This update is being provided in follow-up to the February 12, 2013 General Issues Committee Public Health Services' (PHS) budget presentation in reference to Councillor Whitehead's inquiry regarding whether PHS has the ability to further increase licensing fees for tobacco vendors to offset tobacco control program costs for enforcement and cessation.

The January 1, 2007 amendments to the Municipal Act, 2001 subsection 391 (4) provides that a fee can be charged for a service or activity whether or not it is mandatory to provide the service or undertake the activity. This allows the City of Hamilton to charge a fee for tobacco vendor licences; however, licensing fees are subject to limits on why and what can be charged for fees under common law. The City cannot simply raise fees for revenue purposes; instead it has to consider the municipal cost of the services for licensing, general administration and enforcement.

Where PHS receives 100% funding for services from the province, additional costs to inspect for compliance and validity of the municipally-issued tobacco vendor's license are calculated for the business licence fee. The current licensing fee for tobacco vendors in the City of Hamilton is \$61 for processing, \$386 for the cigarette and tobacco licence, \$169 for a health inspection for a total cost of \$616. Across Ontario, there is a range of licensing and fee structures for vendors that sell tobacco; whereas, some municipalities do not require a business or tobacco licence other municipalities charge licensing fees of more than \$500 per year.

For the 2013 operating year, PHS is not proposing to increase its portion of the tobacco vendor license fee as the current rate per year (\$169) covers the cost of the administration, inspection and enforcement levels detailed above.

OUR Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

OUR Mission: WE provide quality public service that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Values: Accountability, Cost Consciousness, Equity, Excellence, Honesty, Innovation, Leadership, Respect and Teamwork

Across Ontario, the compliance rate in terms of youth access legislation at the time of last inspection was 79 to 100% for tobacco vendors in 2011/12. Hamilton's compliance rates were reported during 2012 at 87% mid-year and 96% at year end.

Relevant Consultation:

City Manager's Office, Legal Services and Planning and Economic Development, Municipal Law Enforcement were consulted in order to prepare this update.