

Vancouver Considers Reviewing Canada's Highest Weed Retail Fees

If a motion passes Feb. 18, city staff will review the \$34,000 annual fee, which experts say will likely lead to a decreased payment

VANCOUVER, BC, CANADA, February 12, 2021 /EINPresswire.com/ -- Vancouver cannabis retailers might not have to pay the country's highest licensing fees for much longer.

People in the industry say lowering the disproportionate, outdated payment will allow them to create more jobs — leading to a more robust local industry.

This week, city council is considering [a motion](#) that could lead to a decrease in the \$34,000 annual fee. If passed on Feb. 18, an updated fee likely wouldn't kick in until January 2022.

Coun. Rebecca Bligh introduced the motion Tuesday, which asked city staff to review the payment. If staff are unable to justify the amount it will likely come down in cost.

Council heard from speakers late Wednesday night, all who strongly supported the motion. The meeting ended before all speakers could be heard, and will resume Feb. 18 at 3 p.m. After hearing all of the speakers, city council will vote on the motion.

Retail licensing fees are collected annually by the city to recoup the cost of regulating and overseeing a business. But weed stores seem to pay a disproportionate chunk of cash for their retail licenses.

Read more: [Vancouver pot shops pay Canada's highest licensing fees.](#)

A single weed store will pay a \$33,958 annual retail licensing fee, while the entire Pacific National Exhibition pays \$18,856. A single liquor store pays \$492. Depending on hours of operation and how many seats it has, a restaurant or venue can pay anywhere from \$155 to \$23,525.

Jaclynn Pehota, executive director of the Association of Canadian Cannabis Retailers, spoke Wednesday night in support of reviewing the fee.

"The business licensing fee needs to be reduced. It's not paying for anything sensible, for anything functional, for anything actually serving the people of Vancouver," Pehota said in a

phone interview.

The fee is a carry over from Vancouver's 2015 Medical Marijuana-Related Uses bylaw, which allowed for the regulation of weed pre-legalization, Pehota says. That meant Vancouver had to shoulder all of the costs associated with regulation.

After legalization the province took over the bulk of regulation and licensing, but the fee stayed the same.

Because of this, Pehota says she's confident a review of the fee will lead to its reduction.

'It's not a fee. It's a tax'

In a June 2020 memorandum, city staff said compliance and enforcement made up 62 per cent of Vancouver's weed-related expenses, dropping to 54 per cent in 2020. The city is responsible for enforcing zoning and licensing bylaws, states the document, while the province's Community Safety Unit polices unregulated sales.

"As the province has yet to provide municipalities an equitable share of the cannabis excise duty revenue, city staff have to rely on the cannabis retail business licence fee as the sole revenue tool to recover some of the costs of legalization," Jessie Adcock, general manager of development, buildings and licensing wrote in the memorandum.

But that's not how the cost recovery licensing fees are supposed to work, Pehota says, adding that businesses on the Granville Street strip aren't paying for the cost of policing the illegal nightclubs that have been popping up [in penthouses](#).

- Vancouver considers reviewing country's highest weed licensing fees -

"It's not a fee. It's a tax," says Mike Babins, co-owner of Evergreen Cannabis, Vancouver's first regulated weed store. He's also slated as one of the speakers on Feb. 18.

If the fee was more similar to what liquor stores pay, Babins says he could...

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