



Vehicle Sales Authority  
of British Columbia

## FEE REVIEW

### Fee Review for the 2022/2023 Fiscal Year

We are undertaking a fee review for all our licensees. In 2021, we deferred fee increases, keeping fees at the same rate as 2020. In fact, while we conduct annual fee reviews each year, we have deferred fee increases for over 10 years. Over this past year, we have embarked on several projects which will provide the industry with:

- Increased awareness and transparency of issue resolution
- Wider range of options for issue resolution
- Faster and easier resolution of issues, and
- Increased overall efficiency in applying and renewing licences.

At this time, we are preparing a fee schedule for implementation with the start of the 2022/2023 fiscal year in April. As part of the process, we are providing you with an opportunity for feedback. We will make a final decision on the actual implementation of increases within 30 days.

As always, we work with government, industry, and consumers to provide the best possible ways to provide fair and prompt service within our regulatory model while balancing associated costs to license and regulate your sector.

### INFORMATION ABOUT YOUR FEES

#### **Our authority to set fees and our mandate to recover costs**

The *Motor Dealer Act* gives us the legal authority to set fees to fund our operations. The government has tasked us with regulating and licensing the motor dealer



industry and, we have authority to set licensing fees and other charges to cover the costs in doing so. Before we increase fees, we are required to consult with you, and give you 30 days' notice prior to changing or introducing fee changes.

## What is happening?

We are in the process of setting your licensing fees for 2022/2023. Following a review of our costs and forecasted revenues, we are proposing to change some of our fees. To sustain and improve the oversight of the motor dealer industry and recover costs, we are giving you the opportunity to provide feedback on the following proposed fee increases and other fee changes.

The proposed fee increases are outlined in the attached fee schedule: Appendix 1.

## Why are fees changing?

Your licensing fees pay for the direct costs of regulating the motor dealer industry, such as licensing, compliance inspections, complaint handling, education, and enforcement activities as well as indirect costs like IT, finance and accounting, and maintaining our offices. Every year these costs increase. In some cases, cost increases are consistent with inflation, in other cases increases are based on specific and unique factors related to our industry (for example, changes to the laws that result in new regulatory requirements). Our costs for regulating the industry have increased significantly due to increases in both the number and complexity of consumer and licensee inquiries. Further, as experienced by all businesses, labour costs and other costs such as property taxes have significantly increased over the past year.

Throughout the COVID-19 pandemic we significantly tried to control spending to operate, but inflationary and other financial costs are now outpacing those efforts. This is not sustainable and due to a 0% increase in fees for ten years, and increased inflationary pressures, we are proposing a 5% fee increase on some fees for the 2022/2023 fiscal year.

## How are fees determined?

We operate on a cost recovery basis. We receive no funding from the province of British Columbia. This means that the costs to license and regulate industry and provide trade practice regulation are primarily covered by licensing fees. In setting these fees, we allocate costs using several factors to determine the overall costs for

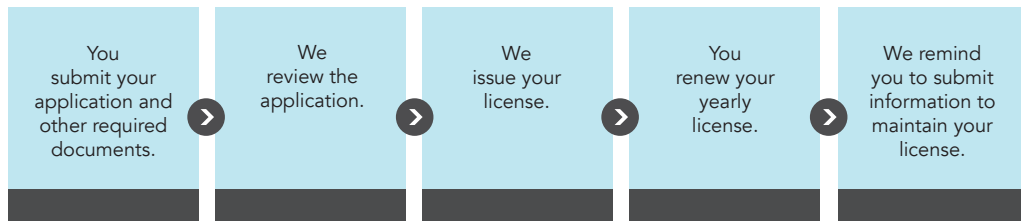


us to operate. The factors that determine costs are broken down by the functions of our organization. Once these costs are determined, fees are developed so that projected revenues closely match our costs to regulate. Due to the uncertainty that COVID-19 caused in the marketplace, we have used fact-based assumptions from our previous fee review and economic forecasting to allocate costs.

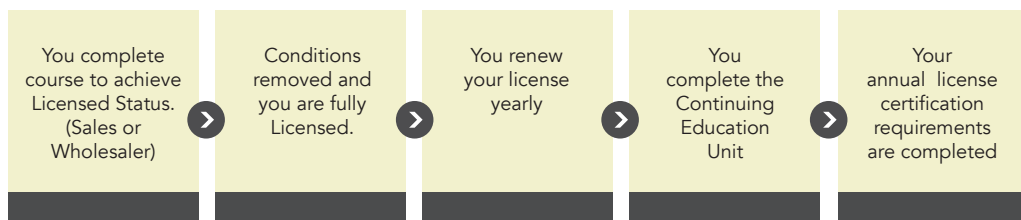
## What your fees pay for:

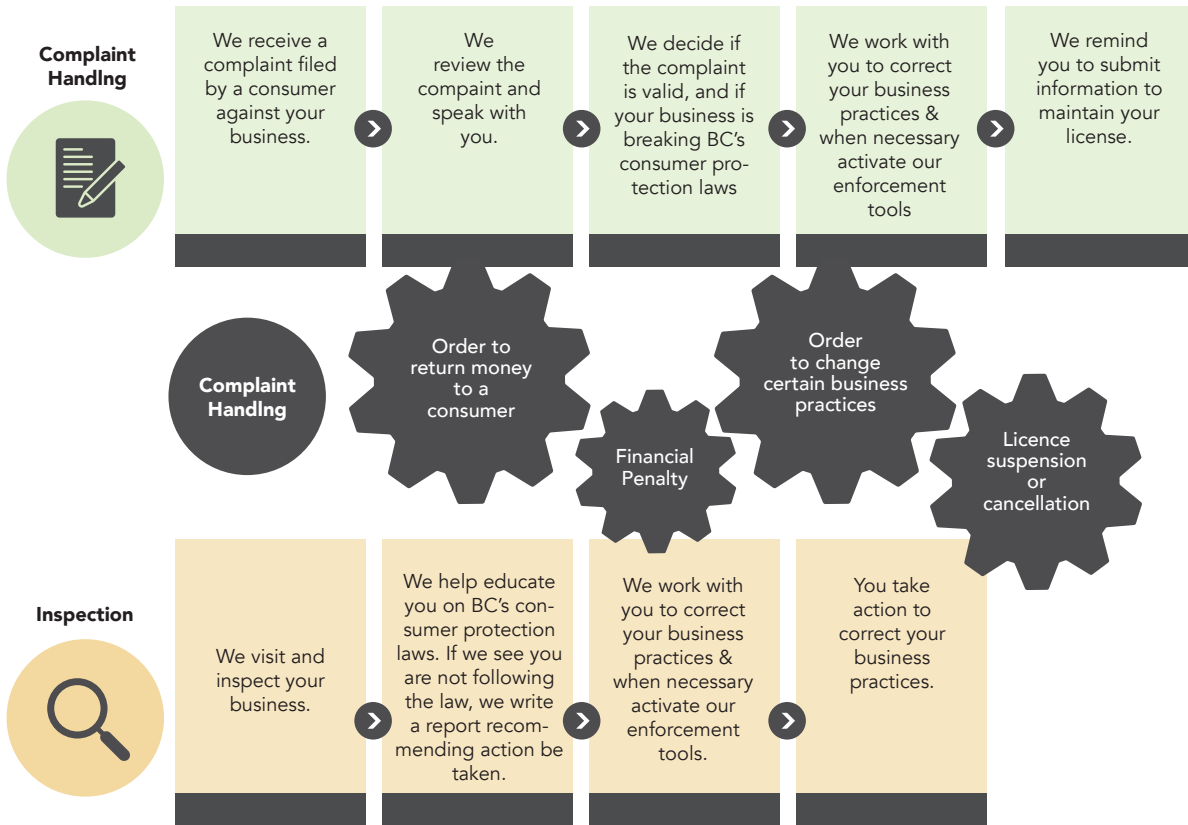
Function	What your fees pay for
Licensing & Compliance	The costs of licensing and compliance are based upon the number of active licenses and the average time to process a license or perform an inspection.
Complaint handling, inquiries, and dispute resolution	Complaint handling costs are based upon the annual number of complaints and average time to attend to inquiries.
Education, awareness, business practises, industry relations, policy and research	Costs to deliver education, a core function of our regulation, which includes research, policy development, industry relations and sharing best business practises.

### Licensing



### Education





### Give us your feedback:

This consultation document provides information about the proposed fee changes and is an opportunity for you to provide feedback. To provide feedback, please click on the link: [feedback@mvsabc.com](mailto:feedback@mvsabc.com)

The deadline to provide feedback is Friday, March 18th, 2022.

### What happens next?

Once the feedback timeframe has closed and feedback has been assessed, we will provide notice prior to any fee changes.



## Appendix 1:

Fee Schedule			
Dealer Licensing	Current Price	New Price	\$ Increase
Motor Vehicles (1 or less)	\$588.00	\$618.00	\$30.00
Motor Vehicles (2 to 5)	\$799.00	\$839.00	\$40.00
Motor Vehicles (6 or more)	\$960.00	\$1,008.00	\$48.00
New Vehicle Dealership	\$3,044.00	\$3,197.00	\$153.00
New RV Dealership	\$3,044.00	\$3,197.00	\$153.00
Leasing Dealer	\$3,044.00	\$3,197.00	\$153.00
Motorcycles & Mopeds/Trailers	\$320.00	\$336.00	\$16.00
New Motorcycle Dealer	\$1,218.00	\$1,279.00	\$61.00
Mopeds Only	\$96.00	\$101.00	\$5.00
Consignment Renewals	\$250.00	\$263.00	\$13.00
Small Dealer : Motorcycles & Mopeds/Trailers	\$898.00	\$943.00	\$45.00
Small Dealer : New Vehicle Dealership	\$2,245.00	\$2,357.00	\$112.00
Wholesaler	\$250.00	\$263.00	\$13.00
Broker Agent	\$100.00	\$105.00	\$5.00
<b>Sales Licensing</b>			
SP Renewals - 1 year	\$150.00	\$158.00	\$8.00
SP Renewals - 2 year	\$135.00	\$142.00	\$7.00
New SP	\$195.00	\$205.00	\$10.00
Re-instatement	\$150.00	\$158.00	\$8.00
New Sales course	\$420.00	\$441.00	\$21.00
CE Course	\$55.00	\$58.00	\$3.00
<b>Other Revenue : no increases</b>			
New Applications Dealers	\$500.00		
Wholesaler Application Fee	\$195.00		
Broker Agent Application Fee	\$150.00		
Location Change	\$250.00		
Name/Director Change	\$150.00		
Extra Permits - Marketing	\$40.00		
CRC - Dealer Applicant	\$50.00		
CRC - SP Applicant	\$50.00		
CRC - SP Re-instatement	\$50.00		
SP Re-instatement App Fee	\$45.00		
Late Fees SP - \$30	\$30.00		
Late Fees SP - \$75	\$75.00		
Late Fees Dealer	\$200.00		