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To: ["Direct to Mayor and Council - DL"](#)

Date: 3/18/2022 9:18:02 AM

Subject: [Council Memo - By-law Amendments to Exempt Free Beverages from Single-Use Cup Fee - RTS 15017](#)

Attachments: [ENG - Council Memo - By-law Amendments to Exempt Free Beverages from Single-Use Cup Fee - RTS 15017.pdf](#)

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Dear Mayor and Council,

Please see the attached memo from Lon LaClaire. The summary of the memo is as follows:

- The Director of Legal Services will bring forward the necessary by-laws to exempt free beverages from the single-use cup fee for enactment on March 29, 2022.
- Free drinks that will be exempted from the cup fee include the following scenarios, approved in principle by Council on March 2, 2022:
  - No monetary value is charged for the drink (e.g. free water, complimentary coffee, etc.)
  - Drink is provided in exchange for a "drink voucher" (Voucher specifies that it's good for a free drink, or free drink + free meal)
  - Drink is provided in exchange for points or rewards earned using a licence holder's loyalty or rewards program
- Although Council had also approved in principle that monetary cards/vouchers provided to people experiencing poverty be included in the scope of the exemption, staff are no longer able to recommend this approach after consulting with businesses and non-profits.
- Exempting drinks purchased using monetary cards/vouchers from the single-use cup fee would risk stigmatizing people experiencing poverty or living with low incomes, because the cards/vouchers would have to be labelled in some way to indicate they were provided to people experiencing poverty (in order to distinguish them from cards purchased by someone for personal use).

If you have any questions, please feel free to contact Lon LaClaire at 604-873-7336 or [lon.laclaire@vancouver.ca](mailto:lon.laclaire@vancouver.ca).

All the best,  
Karen

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**Karen Levitt**, Deputy City Manager (she/her)  
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm/Musqueam, Skwxwú7mesh/Squamish and səliwətaʔ/Tsleil-Waututh nations.

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## MEMORANDUM

March 17, 2022

TO: Mayor and Council

CC: Paul Mochrie, City Manager  
Armin Amrolia, Deputy City Manager  
Karen Levitt, Deputy City Manager  
Katrina Leckovic, City Clerk  
Lynda Graves, Administration Services Manager, City Manager's Office  
Maria Pontikis, Chief Communications Officer, CEC  
Anita Zaenker, Chief of Staff, Mayor's Office  
Neil Monckton, Chief of Staff, Mayor's Office  
Alvin Singh, Communications Director, Mayor's Office  
Andrea Law, General Manager, Development, Buildings and Licensing  
Sandra Singh, General Manager, Arts, Culture and Community Services  
Albert Shames, Director, Solid Waste Management and Green Operations  
Sarah Hicks, Chief License Inspector  
Doug Smith, Director, Sustainability Group  
Francie Connell, Director, Legal Services

FROM: Lon LaClaire  
General Manager, Engineering Services

SUBJECT: By-law Amendments to Exempt Free Beverages from Single-Use Cup Fee

RTS #: 15017

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The purpose of this memo is to update Council on staff's work to prepare by-law amendments to exempt free drinks from the cup fee, as approved by Council on Mar. 2, 2022:

THAT Council approve, in principle, regulation to take effect on March 29, 2022, that exempts drinks provided at no cost to the customer from the cup fee requirement, including, but not limited to, free drink vouchers, monetary gift vouchers, free drinking water and food vendors' points or rewards programs.

The rationale for this recommendation by staff was to exempt people disproportionately affected by income inequality from paying the cup fee:

- When redeeming free drink vouchers and monetary cards/vouchers, such as those given out by shelters and social service agencies,
- When ordering free drinking water from food vendors, and

- When ordering free drinks using rewards or points programs, which many residents rely on to help with affordability.

The Director of Legal Services will bring forward the necessary by-laws for enactment on Mar. 29, 2022. However, upon further investigation, staff are no longer able to recommend that monetary cards/vouchers<sup>1</sup> be included in the scope of the exemption.

Staff met with two industry associations and several large chains to understand current business practices concerning monetary cards/vouchers, provincial staff to review the regulation governing monetary cards/vouchers in B.C., and with several non-profits to seek input on the proposed approach for monetary cards/vouchers.

Based on this review, staff do not recommend exempting beverages purchased with monetary cards/vouchers for the following reasons:

- There is no way to distinguish between monetary cards/vouchers provided to people experiencing poverty versus those purchased by someone for personal use, such as gift cards.
- In order to exempt monetary cards/vouchers provided to people experiencing poverty, the cards would have to be labeled differently, and this kind of labeling may stigmatize people experiencing poverty or living with low incomes.
- A person using a monetary card/voucher to purchase a drink is not required to pay the cup fee out-of-pocket because the monetary value of vouchers and gift cards can be used to cover the amount of the cup fee.
- Non-profits and social service agencies can decide whether to distribute monetary cards/vouchers, vouchers for a specific good (such as a free drink, a free drink plus a free meal, etc.), or both.
- Businesses will have several other options for helping customers experiencing poverty or living with low incomes avoid the cup fee by:
  - Not charging a customer for a drink (at their discretion),
  - Donating vouchers for a specific good (such as a free drink, a free drink plus a free meal, etc.),
  - Dropping off free drinks at non-profits, shelters and other social service agencies,
  - Offering free drinks in exchange for rewards and points earned using their loyalty programs, and
  - Offering reusable cups for drinks ordered to-stay.

This change does not apply to vouchers for specific goods (such as a free drink, a free drink plus a free meal, etc.). Beverages provided in exchange for a free drink voucher will still be exempted from the single-use cup fee in the proposed by-law amendments brought forward for enactment on Mar. 29, 2022.

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<sup>1</sup> A “monetary card/voucher” means a printed or digital card or voucher with a monetary value, including a gift card. Customers can typically use a monetary card/voucher towards the cost of any menu item of their choosing.

If you have any further questions or concerns, please do not hesitate to contact me.

A handwritten signature in blue ink, appearing to read 'Lon LaClaire', with a stylized flourish at the end.

Lon LaClaire, M.Eng., P.Eng.  
General Manager, Engineering Services

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