

Notification of Fee Change

2025-2027 Motion picture distributor, theatre, and video retailer fee changes

Introduction

Consumer Protection BC is an independent, self-funded, not-for-profit organization. Government has tasked us with regulating and licensing your sector. We have legal authority to set your licensing fees and other charges. In doing so, we are required by law to recover our costs, to consult with you and to provide at least ninety (90) days' notice prior to changing or introducing new fees.

What is happening?

We are announcing a change in our policy related to exemptions for Canadian content. Canadian made content as proven through a Canadian Audio-Visual Certification Office (CAVCO) Canadian film or video production certificate-A or Canadian Radio-television and Telecommunications Commission (CRTC) certificate showing that the content is Canadian will be exempted from classification fees. Classification fees for Manitoba and Saskatchewan are set through our agreements with each of those provinces individually and are not subject to this exemption.

No classification limit is being placed on fee exempt classifications at this time. We will **not** be moving forward with the proposal that non-profit societies registered with the Province of BC, Canadian charities registered with the Canada Revenue Agency, and local governments in BC who have applied and received an exemption from applicable fees (except for DCP submissions) will be limited to 1000 minutes per calendar year of fee exempt classifications.

We are notifying you that the licensing fees and other charges for 2025-2027 are changing. Our Board of Directors has approved the following fee changes that will take effect on January 1, 2025:

Fee type	Current	Fees	Fees	Fees
	fee	Jan. 1, 2025	Jan. 1, 2026	Jan. 1, 2027
New multipurpose licence adult/general release	\$840	\$924	\$979	\$1,018
New adult unlimited	\$773	\$850	\$901	\$937
New general release unlimited	\$773	\$850	\$901	\$937
New general release up to 6 titles per year	\$282	\$310	\$329	\$342
New general release one title per year	\$37	\$41	\$43	\$45
New general release video only	\$282	\$310	\$329	\$342
Renewal multipurpose licence adult/general release more than 2 weeks prior to expiry	\$773	\$850	\$901	\$937
Renewal multipurpose licence adult/general release less than 2 weeks prior to expiry	\$840	\$925	\$981	\$1,020

Motion picture distributors - licensing

Renewal adult unlimited more than 2 weeks prior to expiry	\$706	\$777	\$824	\$857
Renewal adult unlimited less than 2 weeks prior to expiry	\$773	\$852	\$903	\$939
Renewal general release unlimited more than 2 weeks prior to expiry	\$706	\$777	\$824	\$857
Renewal general release unlimited less than 2 weeks prior to expiry	\$773	\$852	\$903	\$939
Renewal general release up to 6 titles per year more than 2 weeks prior to expiry	\$216	\$238	\$252	\$262
Renewal general release up to 6 titles per year less than 2 weeks prior to expiry	\$282	\$313	\$332	\$345
Renewal general release one title per year more than 2 weeks prior to expiry	\$37	\$41	\$43	\$45
Renewal general release one title per year less than 2 weeks prior to expiry	\$105	\$116	\$123	\$128
Renewal general release video only more than 2 weeks prior to expiry	\$216	\$238	\$252	\$262
Renewal general release video only less than 2 weeks prior to expiry	\$282	\$313	\$332	\$345
Change of name or address	\$66	\$75	\$75	\$75
Change of directors/officers	\$66	\$75	\$75	\$75
NSF payment	\$63	\$50	\$50	\$50
Reconsideration	\$283	\$311	\$330	\$343

Motion picture distributors - classification

Fee type	Current fee	Fees Jan. 1, 2025	Fees Jan. 1, 2026	Fees Jan. 1, 2027
New motion picture – per minute	\$2.08	\$2.50	\$2.75	\$3.00
New motion picture copy – per minute	\$1.04	\$1.35	\$1.40	\$1.50
New trailer	\$10.40	\$11.00	\$11.50	\$12.00
New trailer copy	\$10.40	\$11.00	\$11.50	\$12.00
Opinion viewing – per minute	\$2.08	\$2.50	\$2.75	\$3.00
Adult or restricted motion picture intended for exhibition in a booth – per minute	\$2.08	\$2.50	\$2.75	\$3.00
Adult or restricted motion picture intended for exhibition in a booth copy – per copy	\$2.00	\$2.25	\$2.50	\$2.75
Adult or Restricted DVD for retail distribution	\$3.70	\$4.00	\$4.25	\$4.50
Adult Decal for DVD retail distribution per	\$2.00	\$2.00	\$2.00	\$2.00
Home video (voluntary submission) previously classified material- per title	\$52.00	\$57.00	\$60.00	\$63.00

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Home video (voluntary submission)	\$52.00	\$57.00	\$60.00	\$63.00
previously classified material- per episode				

Note: Classification fees for Manitoba and Saskatchewan are set through our agreements with each province individually and are not subject to change through our fee review conducted under the BC *Motion Picture Act*.

Theatres

Fee type	Current	Fees	Fees	Fees
	fee	Jan. 1, 2025	Jan. 1, 2026	Jan. 1, 2027
New general release screen	\$199	\$219	\$232	\$241
New restricted or adult screen	\$334	\$367	\$389	\$405
New single restricted or adult screen	\$334	\$367	\$389	\$405
New restricted or adult screen (subsequent screens at same location)	\$133	\$146	\$155	\$161
Renewal general release screen more than 2 weeks prior to expiry	\$133	\$146	\$155	\$161
Renewal general release screen less than 2 weeks prior to expiry	\$199	\$219	\$232	\$241
Renewal restricted or adult screen more than 2 weeks prior to expiry	\$268	\$295	\$313	\$326
Renewal restricted or adult screen less than 2 weeks prior to expiry	\$334	\$367	\$389	\$405
Renewal single restricted or adult screen more than 2 weeks prior to expiry	\$268	\$295	\$313	\$326
Renewal single restricted or adult screen less than 2 weeks prior to expiry	\$334	\$367	\$389	\$405
Renewal restricted or adult screen (subsequent screens at same location) more than 2 weeks prior to expiry	\$66	\$73	\$77	\$80
Renewal restricted or adult screen (subsequent screens at same location) less than 2 weeks prior to expiry	\$133	\$146	\$155	\$161
Change of name or address	\$66	\$75	\$75	\$75
Change of directors/officers	\$66	\$75	\$75	\$75
NSF payment	\$63	\$50	\$50	\$50
Reconsideration	\$283	\$311	\$330	\$343

Video retailer

Fee type	Current	Fees	Fees	Fees
	fee	Jan. 1, 2025	Jan. 1, 2026	Jan. 1, 2027
New adult film retailer (incl. video retailer)	\$334	\$367	\$389	\$405
New video retailer	\$199	\$219	\$232	\$241
Renewal adult film retailer (incl. video retailer) more than 2 weeks prior to expiry	\$268	\$295	\$313	\$326

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Renewal adult film retailer (incl. video retailer) less than 2 weeks prior to expiry	\$334	\$370	\$392	\$408		
Renewal video retailer more than 2 weeks prior to expiry	\$133	\$146	\$155	\$161		
Renewal video retailer less than 2 weeks prior to expiry	\$199	\$221	\$234	\$243		
Change of name or address	\$66	\$75	\$75	\$75		
Change of directors/officers	\$66	\$75	\$75	\$75		
NSF payment	\$63	\$50	\$50	\$50		
Reconsideration	\$283	\$311	\$330	\$343		

Why are licensing fees changing?

Licensing fees pay for the direct costs of regulating the sector: licensing, compliance inspections, complaint handling and enforcement activities; and indirect costs of managing the sector: information technology, finance and accounting, and office rent. The indirect cost such as rent, and administrative costs are spread proportionately across each licensed sector. Classification fees pay for the direct cost of motion picture classification and the indirect costs as described above. Every year these costs increase; sometimes consistent with inflation, in other cases based on unique factors related to a sector (ex. changes to the law that result in new regulatory requirements).

The costs for regulating the motion picture distributor, theatre, and video retailer sector have been affected primarily by inflation, which previous fee increases did not keep pace with. Throughout the COVID-19 pandemic and the years following every effort has been made to reduce costs while maintaining the ability to operate, with the intent of providing as much relief to licenced businesses as possible during unfavourable economic times. 2021 saw a 0% fee increase followed by nominal increases throughout 2022-2024. Motion picture classification fees have not increased since 2014 and classification volumes have not increased proportionally with increasing costs for providing classifications. The fee changes will ensure that Consumer Protection BC can operate effectively and that costs are accurately recovered for regulating this sector.

What did we hear from you?

During the fee review in the summer, we heard from 2.8% of the licensees in your sector. Our goals for the consultation were to raise awareness of pending licence fee changes and to solicit your feedback on those changes and our process. Of those who responded to our survey from your sector, 97% indicated they understood that we were proposing to change licensing fees and other charges. Further, 88% of respondents indicated they understand how we use their fees to regulate your sector.

The themes from the feedback we received can be summarized as follows:

- 1. Objection to raising fees and/or the size of fee increase.
- 2. Suggestions related to operational activities or regulatory framework.
- 3. Specific to exempt organization proposed classification limit.

With respect to these themes, we would like to provide the following context and clarification:

Consumer Protection BC is a regulator and separate from government and operates on a cost recovery basis and as our costs increase (largely due to inflationary pressure) we need to increase our fees to recover the costs of regulation your sector. The licensing fees and other charges represent the cost of regulation. It is important that we maintain our ability to regulate this sector and ensure that we have the resources required to do so. Consumer Protection BC prepares annual financial statements which are made publicly available on our corporate website. Our financial statements are audited by an

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independent third-party auditor and our annual budget is approved by our Board of Directors. We publish our annual financial statements in the <u>News & Media Centre</u> section of our corporate website.

The BC Government has <u>delegated</u> the responsibility to us for administering the *Business Practices and Consumer Protection Act*, the *Motion Picture Act*, the *Cremation, Interment and Funeral Services Act* and the *Ticket Sales Act* and the regulations associated with each of those statutes. We cannot change legislation or advocate for its change on behalf of anyone. If you have concerns about the legislation or want to advocate for change to legislation, you may wish to consider contacting either the constituency office of your <u>local Member of the Legislative Assembly (MLA)</u> or the <u>ministry responsible for consumer</u> <u>protection legislation in British Columbia</u>.