

LIQUOR POLICY: NEW REGULATIONS

The provincial government announced on August 12, 2002 new liquor regulations that will come into force on December 2, 2002.

MAJOR CHANGES ANNOUNCED

- Reduction in the number of liquor licences from 7 categories to 2 major categories;
- Expansion of restaurant lounge from 20 seats or 10% of capacity (designated drinking seats policy approved in December 2000-with local government input) to a maximum of 40 seats or 20% of capacity and no approval required from local government for the license;
- Expansion of the number of drinking seats in existing licenced establishments – existing licenses will be allowed to expand to building capacity load without any approval from local government;
- Change in operating hours for all primary liquor licenced establishments - will have the ability to operate from 9 a.m. to 4 a.m., but will require local government approval for any changes in operating hours;
- Licensees will be required to check two pieces of identification for anyone appearing to be under the age of 25;
- Licence fee collected by the province will be based on the volume of alcohol sold at the establishment;
- Dual restaurant/bar licensing proposed at the March cabinet meeting has not been included in the current announcement.

NEW REGULATIONS

1. New Licensing Processes

Under the new liquor licensing process there will be two licences, one for liquor-primary and one for food-primary. Under the liquor-primary there will be a separate licence for private clubs and winery lounges.

Liquor-primary licences will require input from local government as to the desirability of another liquor-primary facility, its specific size, hours of operation, impact on the community and the views of the residents. The ministry has indicated that it will only override a local government recommendation if the regulatory requirements were not addressed or if the resolution to deny a facility is contrary to the public interest.

Food-primary processes will require local government input for late night hours or patron participation entertainment such as dancing or karaoke. No input or approval will otherwise be required from local government.

Restaurants with a capacity of at least 50 seats may apply for approval from the LCLB for lounge area seating up to 40 patrons or 20% of the total patron capacity where liquor may be served without food. Restaurants may offer games and advertise their lounge, serve any type of liquor and customers will no longer be prohibited from standing and walking around with drinks. A restaurant will also be able to serve liquor without food to a customer sitting as part of a larger party at one of its tables in the restaurant.

Please make copies of this circular and distribute to Council/Board Members /Staff

Minors

Licenses will be required to check to pieces of identification for anyone appearing to be under the age of 25, one of which must be picture identification consisting of a driver's licence, government identification card, or passport.

Minors will be allowed in restaurant lounges if accompanied by an adult but must not be served or consume liquor.

2. Maximum Patron Capacities

The size of the establishment will be determined by the occupant load of the establishment in the future (health and fire regulations).

All existing licensed establishments will be given the ability to expand the number of drinking seats to their building occupancy load on December 2, 2002. The only control that local government may have on this expansion is if the establishment needs to meet health or safety requirements and local government approval is required.

For new or amended licences and all new applications, the occupant load will determine the size of the establishment and local government input will be required.

3. Eligible Businesses - Liquor Primary Licence

Any business primarily in the hospitality, entertainment, food or beverage businesses, except those that are youth-oriented, will be eligible to apply for a liquor primary licence. The following establishments are not eligible: a facility frequented predominantly by youth or directed at minors, a movie theatre, a restaurant, a take-away service, a motor vehicle and video game arcades.

Licensees will no longer be required to provide non-licensed services or facilities, such as hotel rooms, recreation facilities, or dance floors. In local communities this will mean that licensees will be able to relocate or transfer their liquor licence to another location, subject to local government input.

4. Operating Hours

Liquor primary and food primary licensees may apply to operate their establishment at any time between 9 a.m.

and 4 a.m., subject to a local government resolution. The LCLB will only approve late night hours (after midnight - until 4 a.m.) if they are supported by local government.

Local Government Role

The provincial government has identified the following role for local government in its new liquor policy direction:

- Local government input will be required on all applications for new liquor primary licences and private club licences within their area of jurisdiction (see Section 1 for details);
- Local governments will be required to gather the views of residents, consider the criteria set out in the regulations and provide a resolution recommending whether the licence should be issued;
- Resolutions must be provided to LCLB within 90 days of receipt of the application by the local government, unless the local government requests, and LCLB authorizes, a longer period;
- Local government will have the ability to opt out from providing input on all applications or individual applications;
- Local government input will only be required for food primary licences if the establishment is applying for late night hours or patron participation entertainment;
- Local government input must be sought for approval of the following changes to a licence – an extension of the hours of operation; an increase in capacity for a new liquor primary licence; or addition of a patio to a liquor primary licence.

SALE OF LIQUOR

The provincial government approved a number of changes to the sale of liquor.

Liquor Retail Stores - Cold Beer and Wine Stores

The province on August 12, 2002 lifted the moratorium on new applications for liquor retail stores. Only those establishments with an existing licence is eligible to apply and they have until November 29, 2002 to forward

a complete application to the province.

There are currently 956 licenced establishments which may be eligible for a liquor retail store. The Branch expects that approval will be granted quickly if the criteria and zoning are complete.

Rural Agency Stores

Policy changes for the expansion of rural agency stores came into affect on May 1, 2002. The new policy provides the following criteria for the location of rural agency stores - namely, rural communities over 300 population and tourist destination resorts and that there be no distance criteria.

Government Liquor Stores

The provincial cabinet on July 31, 2002 announced that it intends to privatize a number of government liquor stores and to provide alternative distribution of liquor products by the private sector – no time frame was set on this initiative. The Liquor Distribution Branch will continue to set the wholesale price for liquor and collect the social services tax.

TRANSITION

Local government will need to review its existing bylaws to determine if they need to be brought into line with the new regulations adopted by the provincial government (e.g. any references to the old liquor licensing class system).

Local government may want to consider how it may want to address the new "restaurant lounge" issue identified in the new liquor regulations within its zoning bylaws.

CONSULTATIONS

The Protective Services Committee met with the Solicitor General on May 10, 2002 to discuss the proposed regulations announced at cabinet. The Committee discussed the

future role of local government; the need for a transition policy; concerns about the enforcement problems a dual restaurant/bar licence could create; need for flexibility in the implementation of extended operating hours; and the need for increased compliance and enforcement measures. The Committee was given no indication that the province was considering certain of the changes announced. There was no consultation with the UBCM on these liquor policy changes, specifically:

- Expansion in the maximum size of a restaurant lounge from 20 seats or 10% of capacity to a maximum of 40 seats or 20% of capacity;
- Elimination of local government input into restaurants requesting a 'lounge area';
- Elimination of local government input into the expansion in the patron capacity of existing licenses to the building occupancy load (negates work already undertaken by some local governments to identify where this should proceed or not) ;

Government also decided not to give local government the ability to introduce a one year moratorium on liquor expansion in the community (provision in Bill 80-1999).

Detailed information packages have been forwarded to local government by the Liquor Control and Licensing Branch outlining the regulations and a series of information sessions are being planned for later in the year. Information is also posted on the branch web site <http://www.pssq.gov.bc.ca/lclb/index.htm>.

An updated chronology of liquor policy development is available on civicnet and includes the Minister's March 15 comments in open cabinet on local government input to:

- Patron capacity (point 2);
- Relocation (point 3);
- Transition policies (point 5);
- Extended hours (point 6);
- Restaurant licencing (point 7).

CHECK US OUT!!

UBCM Circulars are posted on our website:
www.civicnet.gov.bc.ca