

Liquor Policy: New Directions

The Honourable Rich Coleman, Minister of Public Safety and Solicitor General announced eight new policies related to the serving of liquor at an Open Cabinet meeting on March 15, 2002. The regulations implementing these new measures are expected to go back to cabinet this spring and licensees will be required to operate under the existing rules until new regulations and policies are in place.

It is anticipated that local government will be given several months lead time to implement the new regulations. UBCM will provide more information on the new liquor policy and local government involvement in the regulation development process as it becomes available.

The Minister in announcing the changes to the liquor policy indicated that they were needed to shift the focus to public safety issues:

- Serving Minors;
- Intoxication –over serving of liquor;
- Overcrowding;
- Illegal liquor sales.

Overall the Minister indicated that the provincial government was moving from a detailed regulatory approach in order to focus on public safety issues associated with the use of liquor.

Preliminary information outlined below is based on direct quotes from the Honourable Rich Coleman, Minister of Public Safety and Solicitor General in his presentation to Cabinet.

1. New Licensing Processes

"There will be two licence processes, one for food-primary and one for liquor-primary, instead of a multitude of different processes. Food-primary processes

need local government input for late hours and patron participation and entertainment. Liquor-primary licences require input from local government as to the desirability of another liquor-primary facility and the specific size, hours of operation, etc."

2. No Set Maximum Patron Capacities

"No maximum patron capacity set in regulation. Currently, liquor regulations restrict the size of establishments by limiting the number of patrons allowed per each licence class. For example, the patron limit for a neighbourhood pub is 65 and for hotel pubs, 125. Liquor regulations also set a maximum physical size for the building.

The recommendation is that regulations will not set a fixed maximum patron capacity. Local government input and community need will dictate this. Applications will be considered on a case-by-case basis with local government input. The physical size of the building will be equal to the space required by the Building Code for the approved person-capacity."

3. Broader Grouping of Businesses

"We are recommending that any busi-

ness primarily engaged in hospitality, entertainment, food or beverage business be eligible to apply. Youth-focused venues like video arcades would not be eligible. It must be emphasized that for a liquor-primary licensee to be eligible does not mean a licence will be granted. The number of licensed establishments will still be limited by public input, by consultation with police and by us controlling the licensing provincially."

4. Ability to Relocate the Licence

"Licensees will be able to apply to move to a new location. This policy will allow owners to apply to relocate their operations. The approval of relocation applications will be subject to a number of considerations, including local government input and the views of residents at the new location. Relocation to an undesirable location can be prevented, because a new location must meet a public interest test, not just a business interest test.

This policy change will allow the relocation of businesses from an area that is no longer suited for a licensed establishment or is overserved. This is expected to reduce the community disturbances and complaints and to address some of the issues that you may find in areas like the downtown eastside of

Vancouver. Moving the bars out of areas where there are too many is important, because that will allow us to address our policing.”

5. Policies for Transition of Licensess

“Existing establishments will be reclassified into liquor- or food-primary. Any changes to the conditions of these licences, such as extended hours or increased person capacity, will be subject to local government input, a public interest assessment and approval by our licensing branch. Those restaurants that currently can only serve beer and wine will be able to serve liquor.”

6. Extended Operating Hours

“We are recommending extending liquor service to 4 a.m. and removing the maximum of 14 hours of service between 9 a.m. and 4 a.m.

Later closing hours, when used in appropriate circumstances, are expected to help reduce the noise problems for communities caused when most patrons all leave at the same time. Later hours won't work in every community or every neighbourhood. Approval will be granted only on a case-by-case basis and only if supported by local government and police.”

7. Dual Restaurant/Bar Licensing

“This will allow businesses to respond to market demands when the community is in support. This policy change will benefit restaurants that want to operate as a food-primary in the day and liquor-primary at night, and benefit neighbourhood pubs and cabarets that want to operate as a food-primary in the day

to allow families and children in to eat.

Not every restaurant will be eligible for a liquor-primary licence. Applications will be processed in the same way as any application for a new liquor-primary licence and will require local government, police and residents' input and the consideration of a number of factors, including the number of bars or liquor establishments in any given area.”

8. Clubs Retain Privileges and Restrictions (No Changes)

“Private clubs such as legions and some golf courses have special privileges coupled with restrictions. Their access is limited to members and their guests, and in some cases members can store private liquor stock on site.”

Local Government Role

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

- *Stronger role for local government – local governments will have more input into liquor licensing decisions and can charge fees to recover cost;*
- *Can opt out.*

The Minister outlined the role in the following manner:

“Local government will have a stronger role. Local government will have a greater role in licensing decisions and input. The province will still be responsible for the final decision to protect against overlicensing and the issues around public safety.

New bar licences will be granted where there is a demonstrated community

need, taking into account the number of licensed establishments and socio-economic factors including the rate of population growth, number of assaults related to alcohol, and tourism and economic potential. Local governments will be provided with statistical information to assist them in determining community need. Local governments will determine how to notify residents of the pending application and how to gather their views.

If local governments opt out, the liquor control and licensing branch will conduct the public process in the absence of that. In any case, a public process and community input will take place on any liquor-primary licence in B.C.”

Policing

“I've also had ongoing discussions with both the deputy commissioner of the RCMP and the B.C. chiefs of police with regard to us getting more specialized in our liquor enforcement in our five-year plan so that we will actually create a team of people that are interacting with them on liquor from the police side, which will concentrate on that side of the enforcement. I think that's very, very critical, because, frankly, there are some very tough bars in this province that we ask liquor inspectors to go in and inspect. They're not armed; they're not backed up. Frankly, they're not police officers. I think we have to give more strength to that.”

Changes to the Sale of Liquor

The provincial government approved a number of changes to the sale of liquor. (See page 3 for details)

Sale of Spirits in Cold Beer and Wine Stores

Minister Coleman requested and got approval from cabinet for two changes:

- *The first change was for an amendment to the Liquor Control and Licensing Act regulations to permit the sale of spirits in cold beer and wine stores effective April 2, 2002 and to allow the stores to apply to increase their maximum floor space from 1,000 square feet to 2000 square feet;*
- *The second change was for "an approval to the future lifting of the moratorium on cold beer and wine stores".*

The Minister outlined the following process related to the lifting of the moratorium:

"My intention is that if you support the general direction of lifting the moratorium, I will direct the development of regulations that set out a fair application process and establish eligibility criteria.

I expect these regulations will be prepared in conjunction with the regulations for the two licence classes and that the process for reviewing these applications will be much like the process for considering liquor-primary licences that I described in my earlier presentation - that is, they will include input from local government and a consideration of community need.

The regulations will address eligibility criteria, which will include the requirement that the applicant hold a valid licence for a liquor-primary establishment and has a good record of compliance with the four key public safety issues I outlined earlier - which are service to minors, intoxication, overcrowding and illegal sale of liquor. The reality of this is that by tying it to a valid licence for liquor-primary establishments, it will take out the mis-

conception of the public that's there today that we're going to start to build independent freestanding liquor stores across the province."

Rural Agency Stores

The provincial cabinet changed the current policy that required approval by the Minister of store locations and a minimum distance of 20 km between stores and adopted a new policy outlined as follows:

- *two categories for the location criteria for rural agency stores - namely, rural communities over 300 population and tourist destination resorts and that there be no distance criteria;*
- *that approval for rural agency stores be made by the General Manager at the Liquor Distribution Branch.*

The policy changes are intended to allow for the expansion of rural agency stores in the province and will be in place by May 1, 2002.

REGULATIONS

All existing regulations, with the exception of cold beer and wine stores remain status quo until new regulations are introduced, for example restaurants may offer liquor without food in specific circumstance today:

Restaurants

Under current regulations, introduced in 2001, restaurant licensees are able to apply to operate Designated Food Optional (DFO) areas. A Designated Food Optional Area is a limited area in a restaurant where patrons can be served liquor without having to consume food.

Restaurants are able to apply to change ten per cent of their current licensed capacity (excluding patios and banquet room capacities) for use as DFO seats, up

to a maximum of 20 seats. Minors may enter the area if accompanied by an adult, but staff may not serve liquor to them.

CONSULTATIONS

UBCM has been extensively involved in discussions around implementation of the Surich Report and the legislative changes made in 1999. However, the UBCM was not consulted about the new liquor policy changes proposed by the provincial government, specifically:

- *Expansion in the type of businesses that will be allowed to serve liquor - any business related to the hospitality, entertainment, food or beverage industry, except those with a youth focus and convenience venues like takeout, fast food, food courts etc.;*
- *Relocation of liquor licenses - the current requirement that some categories of licensed establishments must have certain non-licensed services or facilities (such as hotel rooms) is being eliminated and the licensed portion could be allowed to relocate;*
- *Extended operating hours - new hours for serving liquor on a province wide basis would be 9 a.m. to 4 a.m.;*
- *Dual restaurant/bar licencing - allow an establishment to operate as a restaurant during the day and a bar in the evening.*

The province has indicated that the Liquor Control and Licensing Branch will be consulting with the UBCM to develop processes for local government input into liquor licensing under the new regulations.

Detailed information packages will be forwarded to local government by the Liquor Control and Licensing Branch once the regulations have been approved. Information will also be posted on the branch web site <http://www.pssq.gov.bc.ca/lclb/index.htm>.