



Liquor Control and Licensing Branch

**Miscellaneous Policy
Manual**

July 2017

Date	Update Description	Updated Pages
August 2016	Section 7: Not-for-profit Liquor Clubs	19-20
January 2017	Various changes to reflect the new <i>Liquor Control and Licensing Act</i> and Regulation	Throughout the manual
July 2017	Clarified liquor delivery service requirements	14
	Section 10: Service of Liquor in Care Facilities	29-30

There may be a delay before we are able to incorporate all changes noted in the Policy Directives into all relevant branch publications. We regret any inconvenience. The date the change takes effect is the date noted on the Policy Directives.

See Policy Directives page on the Liquor Control and Licensing Branch website for list of recent Policy Directives – <http://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/liquor-law-policy/policy-directives>

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Section 1: Introduction

Purpose and Format of this Manual

This manual was created to address issues that fall under the responsibility of the Liquor Control and Licensing Branch but are not specific to licensing, compliance and enforcement, or special event permits. The Miscellaneous Policy Manual is intended as a reference guide and repository for all other policies, including the importation, distribution and sale of non-beverage alcohol, policies and procedures for the purchase and use of ethyl alcohol, and policies surrounding liquor delivery services.

It is specifically written for the staff of the Liquor Control and Licensing Branch; however, external regulatory and enforcement agencies and members of the public may also find this manual a useful source of information.

The manual is divided into broad chapters, such as Non-Beverage Alcohol, Ethyl Alcohol, and Liquor Delivery Services. Each chapter is then divided into sections according to topics that fall within the chapter headings.

Input

Every effort has been made to ensure this manual is complete; however, input from you is essential in tailoring it to your needs. Are there areas that need more detail? Are there areas where less depth is needed? Are there errors or omissions? Please provide feedback on these and any other areas of concern to:

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Section 2: Non-Beverage Alcohol

2.0 Introduction

British Columbia allows a number of non-beverage alcohol products to be sold, supplied, purchased or used for their intended purpose without a licence or permit. These products are exempted under section 10 of the *Liquor Control and Licensing Act*, which means that they may be brought into British Columbia and sold without being regulated under the Act.

This section provides information on what products qualify for exemption under section 10 of the Act, and policies and procedures for the importation and distribution of these products.

These issues are discussed under the following headings:

- Policies for importing or distributing non-beverage alcohol;
- Exemption application process;
- Monitoring of exempted products;
- Products not eligible for exemption; and
- Non-Beverage alcohol for fuel purposes

2.1 General Conditions

Policy Rationale

Non-beverage alcohol is defined as products containing liquor that are not intended for drinking, unlike beer, wine or spirits. These products contain enough other ingredients or are “denatured” by the addition of substances to prevent them from being consumed as alcoholic beverages. The sale or supply of non-beverage alcohol for use as an intoxicant is prohibited.

These include:

- medicinal products such as cough medicines, stomach bitters, ethnic medicines, herbal liqueurs and remedies, digestive aids, tinctures and tonics;
- toiletry products such as mouthwash and hand cleansers;
- culinary products such as cooking wines, cooking sheries, vanilla extract, and gelled and peppered baking extracts; and
- cleaning and disinfecting products, such as Lysol.

The most common denaturing agent in food or culinary products is salt, but a variety of denaturing agents, including gelling and peppering, can be used depending on the intended use of the product. Unsalted culinary products are generally subject to a taste test by Liquor Control and Licensing Branch staff to ensure they are not suitable for drinking.

Generally, products that have a greater potential for abuse as an alcoholic beverage, such as culinary products, are required to apply to the branch to confirm their exemptions prior to being sold or distributed in British Columbia. The sale or distribution of certain products, such as salted rice alcohol, is specifically prohibited due to a history of illegal sale and consumption.

In some cases, the Liquor Control and Licensing Branch may restrict quantities and/or determine how these products are to be stored, distributed and sold. Still other products – usually with a higher amount of alcohol or potable products, such as ice cream containing liquor – may not qualify for exemption under Section 10, and must be distributed through the Liquor Distribution Branch.

2.2 Policies for importing or distributing non-beverage alcohol

2.2.1 Medicinal alcoholic preparations

Branch staff determine whether a preparation is potable (fit to drink) by conducting a taste test. Medicinal products are categorized according to potability.

- Potable alcoholic medicinals
 - These include non-prescription stomach bitters, digestive aids and tonics claiming to have restorative or therapeutic value. Potable alcoholic medicinals are subject to the provisions of the *Pharmacy Operations and Drug Scheduling Act*, which restrict sales of these products to pharmacies and provides for the controlled distribution, storage, and retail sales of these products.
 - Anyone planning to make or import these products for sale in British Columbia must apply to the Liquor Control and Licensing Branch for exemption.
- Non-potable alcoholic medicinals
 - These include cough medicines, medicinal tonics, stomach bitters, ethnic medicines, herbal liqueurs and remedies, digestive aids, tinctures and tonics. Most contain enough ingredients other than liquor to stop them being consumed as alcoholic beverages, and manufacturers or importers of non-potable alcoholic beverages are not normally required to apply for an exemption. However, if there is any question about whether a medicinal preparation containing alcohol meets this requirement, manufacturers and importers should apply to the Liquor Control and Licensing Branch to confirm that they are exempt, before starting to make or import the product.

2.2.2 Unsalted preparations

These are toiletries, such as mouthwash; cooking preparations, such as vanilla extract and liqueur-filled chocolates; baking flavours and extracts; and "industrial strength" flavouring agents. Most are automatically exempt because they contain enough ingredients other than liquor to stop them from being consumed as alcoholic beverages. However, if there is any question about whether or not a preparation meets this requirement, manufacturers and importers should apply to the Liquor Control and Licensing Branch to confirm that they are exempt before starting to make or import the product.

2.2.3 Salted culinary preparations

These include salted cooking wine and cooking spirits. Because many salted culinary preparations have the potential to be potable unless denatured, anyone planning to make or import these products for sale in British Columbia must apply to the Liquor Control and Licensing Branch for exemption. There is no restriction on the alcohol content of these products unless they are made from rice, in which case they are further categorized based on alcohol content and container size.

2.2.3.1 Salted cooking alcohol

These products are generally cooking wines and sherries. They can be manufactured from any ingredients, but are generally made from fruits or rice, and must contain at least 1.5% salt. There are no restrictions on alcohol content for these products if they are not made from rice. Container size of these products is not regulated. If these products are manufactured from rice, alcohol content must be less than 10%.

2.2.3.2 Cooking wine made from rice alcohol

British Columbia has had a history of problems with the illegal sale and consumption of rice alcohol as a beverage. Since 1999, in response to police and community concerns about the abuse of rice alcohol products, regulations have been in place under the *Liquor Control and Licensing Act* specifically addressing rice alcohol.

The regulations define rice alcohol as a distilled spirit made from fermented rice which contains 10% or more alcohol. The regulations prohibit the retail sales of rice alcohol, as defined above, with one exception (for manufacturing or

commercial purposes in containers of at least 10L) that is discussed in the next section. Other than these large volume, commercial sales, BC government liquor stores are the only outlets permitted to sell rice alcohol.

Rice products with an alcohol content of less than 10% and a salt content of at least 1.5% are permitted for sale in retail stores.

2.2.3.3 Salted rice alcohol containing 10% or greater alcohol in containers of 10L or more

An exception from the prohibition against the sale and distribution of rice alcohol is made for rice alcohol sold in containers of 10L or more. Containers of 10L or more are permitted as long as they are pre-sold to manufacturers or other commercial users prior to importation, and they are not for further sale or distribution.

Commercial users (such as restaurants and food manufacturers) may buy cooking wine made from rice alcohol that contains 10 % or greater alcohol directly from importers or distributors, in bulk containers of 10 litres or more. Importers and distributors must pre-sell each shipment, and report this information to the Liquor Control and Licensing Branch. The reports must cover the entire shipment and be submitted for each shipment. Importers complete the Record of Cooking Alcohol Shipment form ([LCLB046](#)); distributors complete the Record of Distributor's Sales of Cooking Alcohol form ([LCLB047](#)). More information on the monitoring of these products is provided later in this document.

2.2.3.4 Salted rice alcohol containing 10% or greater alcohol in containers of less than 10L

If the alcohol content of these products is more than 10%, these products are specifically prohibited by the regulations. Importers do not qualify for and therefore cannot apply for exemptions. Anyone importing rice alcohol or other products prohibited in British Columbia, and transporting the product through British Columbia, must contact appropriate licensing and regulatory bodies in the relevant jurisdictions.

2.3 Exemption application process

New importers/manufacturers/distributors/agents/customs brokers unsure of the status of their product should apply for exemptions. To apply for an exemption for a specific non-beverage alcohol product, applicants must send the following to the Liquor Control and Licensing Branch:

- A letter of application (from the applicant or an authorized agent or customs broker) with the applicant's business name, address, e-mail, telephone and fax numbers, clearly describing the product, its intended use and the container sizes the applicant intends to make or import;
- Sample labels (front and back) for each container size; and
- Two samples of the product, if the product is not denatured using salt, for the purposes of taste testing.

Branch policy requires that labels must contain the following information, in English:

- "Brand" name (e.g. Tosca, Vicks, Harry's);
- Name/type of product (e.g. cooking sherry, cough medicine, stomach bitters);
- Container size (in ml, cl, or litres);
- Alcohol content (percentage by volume);
- Manufacturer and/or bottler; and
- Country of origin.

If salt is used as the denaturing agent labels must also provide information on:

- Salt content in grams/100 ml

The applicant must also ensure that the branch is provided with a report from an independent laboratory which must state the alcohol content and salt content if the product is denatured using salt. To do this, the applicant must provide the laboratory with two labelled sample containers of the product and, if applicable, a copy of the Drug Identification

Number (DIN) assigned to the product by Health Canada's Health Protection Branch. The applicant is responsible for ensuring that copies of the laboratory report are sent directly to the branch from the laboratory. The branch will not accept copies of laboratory reports from the applicant.

If the product is not denatured using salt, the applicant must also provide two sample containers to the branch along with the application for taste testing. Upon receipt of the laboratory report, and, in the case of unsalted products, the taste test, the branch will then evaluate the applicant's product and determine if it qualifies for exemption. The branch will advise the applicant of the product's status and any terms and conditions to be imposed on the making, importing or sale of the product.

Exemptions are not time limited, and there is no fee for an exemption.

It is important to note that confirmation of the exemption of a product by the Liquor Control and Licensing Branch does not remove responsibility from a manufacturer or importer to obtain any other approval, permission, licence or similar requirement by any other authority.

2.4 Monitoring of exempted products

The branch has the authority to monitor shipments of exempted product, including:

- In response to complaints;
- In response to reports of irregularities from other government agencies [such as Canada Border Services Agency (CBSA)];
- As part of random compliance testing; or
- For any other reason the general manager considers relevant.

Generally, the branch does not require product samples or laboratory testing for monitoring.

All importers and distributors of rice alcohol in containers of 10L or more are required to advise the branch, on a shipment by shipment basis, of any of these products that are being brought into the province or are being distributed by manufacturers in British Columbia.

Importers and distributors subject to monitoring are asked to submit the following to the branch for each shipment:

- Record of Cooking Alcohol Shipment form (LCLB046) and, if distributing as well, the Record of Distributors' Sales of Cooking Alcohol form (LCLB047). Copies of all forms are available by clicking on the "Forms" link under the Main Menu on our website. ;
- a copy of the bill of lading and/or invoice;
- exact name, container size, and quantity of each product in the shipment; and
- a sample copy of the product label for identification purposes.

Requests for monitoring are cross-checked with the branch exemption lists and label samples. If the branch confirms the rice alcohol as previously exempt, the Liquor Control and Licensing Branch will sign the form and return it to the importer or distributor confirming that the shipment may be released into British Columbia.

2.5 Products not eligible for exemption

Any other alcohol product that has not been sufficiently denatured to make it unsuitable for drinking falls under this category. If the branch issues a refusal letter, sales of these products are not exempt from section 10 of the Act and must be made under the policies and importation procedures established by the Liquor Distribution Branch [telephone (604) 252-3000 for more information]. The fines for the unlawful sale of liquor under sections 8(2) and 57(2) are up to \$50,000 for an individual, or up to \$100,000 for a corporation or licensee.

Any person found selling a denatured liquor product for use as an intoxicant may have the product seized and face a fine of up to \$10,000 for an individual, or \$50,000 for a licensee or corporation.

2.6 Non-Beverage Alcohol for Fuel Purposes

It is unlawful to own a still or manufacture alcohol (including cellulosic ethanol, alcohol produced from wood or a plant source) for the purposes of producing fuel ethanol without a licence. This includes distilling fuel ethanol for both commercial and personal usage.

Licensing the manufacturing of fuel ethanol falls under the authority of the Canada Revenue Agency and the federal *Excise Duty Act* which allows for the production and denaturing of alcohol for non-beverage purposes. Under this Act producers of fuel ethanol are required to obtain a Spirits Licence to distil fuel ethanol. Those who obtain a Spirits Licence for this purpose do not require an additional licence from the Liquor Control and Licensing Branch.

Contact a Canada Revenue Agency (CRA) regional excise duty office for details on obtaining a Spirits Licence. Please see the CRA website for current contact information: <http://www.cra-arc.gc.ca/cntct/menu-eng.html>

Authority References

Liquor Control and Licensing Act Section 8, 10, *Liquor Control and Licensing Act Regulation*, section 196, Liquor Control and Licensing Branch policy.

Section 3: Ethyl Alcohol Purchase Permits

3.0 Introduction

The *Liquor Control and Licensing Act* defines ethyl alcohol as “a solution that has not been denatured and that contains at least 95% ethyl alcohol by volume”. Ethyl alcohol is a clear, colorless, flammable liquid that is distilled from cereal grain and has a very high ethanol content. It lacks any flavor derived from the mash used to distill it, nor does it have any flavor added to it after distillation (as is done, for example, with gin). The grain from which it is produced can be any of the common cereal grains.

These issues are discussed under the following headings;

- Application process for ethyl alcohol permits;
 - Three-year permit, and
 - Single use permits
- Purchasing ethyl alcohol with a permit; and
- Where an ethyl alcohol purchase permit is not required.

3.1 General Conditions

Policy Rationale

Certain professionals may purchase ethyl alcohol without a permit. In addition, the general manager has authority to issue a permit to purchase ethyl alcohol as long as the intended use of the ethyl alcohol is not contrary to the public interest (e.g. to a person engaged in British Columbia in a mechanical or manufacturing business or scientific pursuit)

There are two types of ethyl alcohol permits available from the branch: a single use (one-time only) permit and a three-year permit. The permit holder may purchase ethyl alcohol for non-beverage purposes in a quantity specified in the permit.

3.2 Application process for ethyl alcohol purchase permits

Copies of the application form, entitled Ethyl Alcohol Purchase Permit Application ([LCLB048](#)) are available on our website.

Requests for permits must contain the following information:

- Amount of ethyl alcohol requested;
- The purpose/intended use of the ethyl alcohol;
- The location, size, and security measures in place for the storage facility in which the alcohol will be stored;
- The names of the persons buying the alcohol; and
- If the ethyl alcohol will be used by a business, evidence that the business is licensed and is registered for the purposes of paying provincial and federal taxes.

Ethyl alcohol purchase permits are generally issued for commercial, scientific or institutional use only. Permits may be issued to an individual if the general manager determines that the use would not be contrary to the public interest.

Permits are not transferable and there is a \$30 fee for both types of permit.

3.2.1 Three-Year Permits

There is no limit on the amount of alcohol that may be purchased under the three-year permit as long as the amount requested is consistent with the intended purpose and the storage facility is adequate. A new permit must be obtained if the quantities of ethyl alcohol requested change or if the facility has relocated. The branch may also require an inspection of the storage facility at any time to ensure the facility is adequate and secure, for example:

- prior to issuing the permit;
- in response to complaints;
- as part of random compliance testing;
- if the quantities of alcohol requested change;
- if the facility has relocated; or
- at the discretion of the general manager.

3.2.2 Single Use Permits

If the applicant has requested a single use permit, the branch considers the following prior to issuing a permit:

- Applicant eligibility;
- Intended use of the product:
- If it is in the public interest to issue a permit; and
- If the ethyl alcohol will be used by a business, evidence that the business is licensed and is registered for the purposes of paying provincial and federal taxes.

Single-use permits are for smaller quantities of ethyl alcohol, and are generally issued to small manufacturers (for example, beekeepers, musical instrument manufacturers). The maximum allowable amount under a single use permit is 16L. Single-use permits expire after 60 days and there is a \$30 fee.

3.3 Purchasing ethyl alcohol with a permit

Permit holders can purchase ethyl alcohol from government liquor stores or from commercial alcohol suppliers, such as Brenntag.

3.4 Where an ethyl alcohol purchase permit is not required

An ethyl alcohol purchase permit is not required to buy ethyl alcohol for the following:

- pharmacists, for use in compounding medicines or as a solvent or preservative used solely in connection with the pharmacy business, or for sale to physicians and hospitals for use as a sterilizing agent;
- dentists, medical practitioners, nurse practitioners, naturopathic physicians or veterinarians for use solely in connection with their practice;
- public or private hospitals for use only in the hospital;
- universities for scientific purposes;
- a branch, ministry, department or institution of the provincial or federal government; and
- individuals who have a prescription from a medical practitioner or nurse practitioner

Wineries who wish to fortify their wines with ethyl alcohol require a “user licence” issued by Excise Duty and Taxes of Revenue Canada and do not require an additional permit from the branch. The general manager of the Liquor Distribution Branch may sell ethyl alcohol to anyone who is authorized to purchase it.

Authority References

Liquor Control and Licensing Act, sections 8, 11(b) and 30 *Liquor Control and Licensing Regulation*, section 192(3), (4), (5) and (6), *Liquor Control and Licensing Branch Policy*, *Liquor Distribution Act*, section 18(3).

Section 4: Liquor Delivery Services

4.0 Introduction

The *Liquor Control and Licensing Act* and Regulation permits a delivery service to purchase liquor on behalf of a customer and deliver the liquor to the customer. This policy explains what types of businesses are allowed to offer liquor delivery service and the rules related to delivery.

This policy does not apply to liquor delivery by a licensee retail store, wine store or manufacturer on-site store. Specific delivery policies for these stores are found in the Terms and Conditions Handbooks for licensee retail stores, wine stores and manufacturers.

4.1 Liquor Delivery Services

Policy Rationale

Liquor delivery services are allowed by the Act but are not licensed. This policy explains what types of businesses are included in the concept of liquor delivery services and the rules related to lawful delivery including record keeping requirements and preventing delivery to minors or intoxicated persons.

4.1.1 Types of business allowed to operate a liquor delivery service

A delivery service is defined in the Regulation as a business primarily engaged in the transportation of people or goods. The business may include liquor as one of the items it will transport. In addition, flower shops and gift-basket or hamper businesses may offer their customers the option to add liquor to their products for delivery in accordance with this policy.

No special licence or authorization is required from the Liquor Control and Licensing Branch to operate a delivery service; however, there are regulations and policies controlling the delivery of liquor that must be followed. In addition, delivery services should ensure they meet all local or First Nation government requirements that may be in effect where the business operates.

4.1.2 Delivery Service Requirements

The *Liquor Control and Licensing Act* and Regulation impose the following requirements on delivery services:

- Orders must be placed by a customer before the liquor is purchased by the delivery service; a delivery service must not keep a stock of liquor in anticipation of forthcoming orders.
- All liquor purchased by a delivery service must be purchased from any of the following licensed retailers:
 - BC Liquor Stores (government liquor stores);
 - Licensee retail stores (private liquor stores);
 - Wine stores;
 - Special wine stores;
 - Liquor primary establishments (such as a bar) with an off-premises sales endorsement; and
 - Liquor manufacturers with an onsite store endorsement.
- Deliveries must be made by and to people legally able to consume liquor (i.e. not under the age of 19 or intoxicated), and only at a place where liquor may be legally possessed or consumed.
- Only customers 19 years of age or older may place an order for liquor. When proof of age is required, customers must show two pieces of identification at the time of delivery. One of those pieces must be a government issued identification card such as a driver's licence with photo, name and birth date. The other piece must contain the person's name along with a signature and/or photo. A liquor delivery service may only advertise that it will deliver beer, wine and spirits (or use the word 'liquor'). It must not advertise any liquor manufacturers or their brands or prices of the liquor.
- The charge for the liquor must be the price paid by the delivery service for the liquor, plus a separate delivery charge. Customers must be informed of both charges when they place an order and it must be itemized on the invoice given to the customer.

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- Deliveries must occur between 9 a.m. and 11:30 p.m. on the same day the order was placed.
- Delivery transaction records must be kept for at least one year. These must include the name and address of the purchaser, the purchase date, the time and date of delivery and the price of the liquor and the delivery service charge.

Authority References

Liquor Control and Licensing Act, section 8; *Liquor Control and Licensing Regulations*, section 170 and 194; Liquor Control and Licensing Branch Policy.

Section 5: Unlicensed Internet Liquor Sales

5.0 Introduction

It is not lawful to sell liquor, or to provide liquor in consideration of some other purchase, without a licence. Through the *Liquor Control and Licensing Act* and its regulations, and by requiring anyone who holds a liquor licence to meet strict terms and conditions of that licence, the government works to protect public safety.

5.1 Unlicensed internet sales

Policy Rationale

To be eligible for any kind of licence or appointment for the retail sale of liquor, a person must have a store front operation with a legal interest in the proposed physical site of the business. When there is no physical establishment from which the business would operate (where it is a “virtual” business), the business cannot be licensed.

At this time, no new licensee retail store or wine store licences are being issued.

5.1.1 Unlicensed internet liquor sales prohibited

Licensed establishments may use the internet as part of their advertising and sales strategy. However, unlicensed internet based retail liquor sales – what are commonly referred to as “virtual liquor stores” – are not permitted.

Authority References

Liquor Control and Licensing Act, sections 8, Liquor Control and Licensing Branch Policy.

Section 6: Isolated Sports and Recreation Lodges–Provision of Liquor for Guests

6.0 Introduction

It is not lawful to sell liquor, or to provide liquor in consideration of some other purchase, without a licence. Liquor may not be consumed in a public place unless that place holds a liquor licence.

6.1 Isolated sports lodges providing liquor to its guests

Policy Rationale

Generally, a sports or recreation lodge is required to be licensed before it is permitted to sell or serve liquor to its guests. However, isolated sports lodges in some circumstances may be deemed private places where liquor may be consumed by guests.

Definition of “isolated sports and recreation lodges”

A sports or recreation lodge (for example, a fishing or hunting lodge) is deemed to be isolated if it is not served by or accessible from a public highway and is normally accessed only by plane or boat and access to the buildings and grounds of the lodge is permitted only to overnight guests and live-in staff. A lodge which meets these conditions is deemed to be a private place where liquor consumption can occur without a licence. Individuals may lawfully consume liquor they have brought to the lodge for their personal use. A lodge that is open to casual visitors who may happen to come by is a public place and must have a liquor licence to serve and sell liquor.

6.1.2 Guest responsibilities

Since an isolated lodge is a private place, guests are responsible for the safe keeping of their liquor and may consume their liquor on the grounds or in a lounge or dining room area or elsewhere, subject to management’s discretion to prohibit consumption in any part of the lodge. The lodge must not keep custody of, or serve, the liquor for guests.

6.1.3 Provision of liquor as a service for guests

As a service to its guests, an isolated sports or recreation lodge may purchase liquor ordered in advance by guests and deliver it to the guests at the lodge. This type of liquor delivery service is subject to the following conditions:

- Guests must place their order with the lodge before the liquor is purchased (the lodge must not keep a stock of liquor in anticipation of forthcoming orders);
- Orders may be filled from a government or private liquor store, wine store or a liquor primary establishment (for example, a bar) with an off-premises sales endorsement ;
- Only customers 19 years of age or older may place an order for liquor. When proof of age is required, customers must show two pieces of identification at the time of delivery. One of those pieces must be a government-issued identification card, such as a driver’s licence with photo, name and birth date. The other piece must contain the person’s name along with a signature and/or photo;
- A lodge may advertise that it will deliver beer, wine and spirits (or use the word ‘liquor’) upon request of a guest. The advertising must not indicate any brands or liquor prices;
- The lodge must charge the price paid by the lodge for the liquor and may add a separate fee for delivery (the guest must be informed of both charges when the order is placed);
- The cost of the liquor and the delivery fee cannot be part of an all-inclusive fishing/hunting package.
- A liquor order may be picked up prior to the arrival of the guest; however, each order must be stored separately in a secure location until the guest picks it up;
- Deliveries must be made by and to people legally able to consume liquor (i.e. not under the age of 19 or intoxicated);

- A record of the liquor delivery, including the order form, the name and address of purchaser, date of the purchase, price of the liquor, time of delivery and delivery service charge, must be available for inspection (delivery records must be kept for at least one year);
- The lodge is responsible for the safe storage of the liquor order until it is delivered to the guest after which the guest is responsible for the liquor;
- Departing customers may take their left over liquor with them. Liquor left at the lodge cannot be sold or given to another guest.

A lodge may at any time choose to apply for a liquor or food primary licence which would enable it to provide full liquor service for its guests.

Authority References

Liquor Control and Licensing Act, section 8; *Liquor Control and Licensing Regulation*, sections 170 and 194; Liquor Control and Licensing Branch Policy.

Section 7: Non-profit Liquor Clubs

7.0 Introduction

The B.C. government regulates and monitors the sale and service of liquor to protect the public from the harm that may be caused by making and selling liquor. Through the *Liquor Control and Licensing Act* and Regulation, and by requiring anyone who holds a liquor licence to meet strict terms and conditions of that licence, the government works to protect public safety. The members of non-profit liquor clubs may purchase and consume liquor as a club activity subject to the provisions of this policy.

7.1 Non-profit liquor clubs

Policy Rationale

It is not lawful to sell liquor, or to provide liquor in consideration of some other purchase, without a licence. Individuals with particular interests in various types of liquor may want to join a group of like-minded enthusiasts to discuss liquor and their knowledge of liquor products, sample new or unusual liquors or purchase particular brands of new, unusual or hard to get liquor products as an extension of their private interest. This policy is designed to permit this type of private interest to be expressed in a social setting. This policy is not intended to support the promotional efforts of liquor businesses.

7.1.1 Definition of “liquor club”

A “liquor club” is a non-profit group or association of private individuals (who may formalize themselves as a society and incorporate under the *Society Act*) who band together because of their interest in and appreciation of liquor. A “scotch club,” for instance, may have members attend events where varieties of scotch are tasted and their respective merits discussed; newsletters, distillery tours, films about production and other background events may be part of the club’s activities. Similarly, a “wine club” may be composed of individuals who have an interest in wine and who want to meet with others interested in wine. A bona fide club will provide a variety of activities related to the type of liquor the club focuses on such as winery tours, newsletters, food pairings, lectures and documentary films about the liquor product. A liquor club does not need a liquor licence to operate. A liquor club will not be facilitated by or associated with, any licensed manufacturer, agent or other commercial liquor promotion interests. An association includes a relationship - financial or otherwise - with a liquor manufacturer or its agent that is likely to lead to the manufacturer’s products being favoured. This includes relationships where there is direct common ownership (i.e. where the same legal entity owns a manufacturer and is facilitating or operating the club), indirect ownership (i.e. where a manufacturer is a shareholder in an entity that facilitates or operates the club), or a family member.

There are four key features of a liquor club which distinguish it from a business: 1) it must be non-profit, 2) its operations must be governed by its membership 3) it is not supported, associated or facilitated by any licensees or their associates, and 4) it does not operate in a way that is likely to lead to a manufacturer’s products being favoured. Very large clubs may engage staff and have significant budgets, but they must be governed by their members and their financial accounts must show no profits/margins from co-ordinating the purchase and distribution of liquor to the members. While the club may retain a small “float” month by month, over a period of time its members must have contributed to the cost of the liquor they ordered. A liquor club may also impose a membership fee to cover non-liquor administrative expenses. A “club” which is not governed by its membership and makes, or intends to make, a profit is a business and must obtain a liquor licence. (See the LCLB website for information on [how to apply for various liquor licences](#))

7.1.2 Tastings and charges for tasting event

A liquor club may hold tastings of liquor for its members and guests and may recoup the cost of the liquor (no additional margins). When a liquor club sponsors an event where members are charged a fee to consume liquor or a liquor tasting event without a charge at a location other than a private residence, the club must ensure that the venue is appropriately licensed or the club must obtain a special event permit. (See the [Special Event Permit](#) page on the LCLB website).

7.1.3 Special orders and liquor purchases

A liquor club may coordinate the purchase of special orders from a government liquor store, licensee retail store or wine store for its members as part of the benefits of membership. Any liquor purchase must be solely at the request of some or all of the members of the club. A liquor club must not sell liquor.

7.1.4 Advertising the club

Any public information about the club must focus solely on the club itself, clearly indicating that the club is non-profit, and that membership is open to individuals (over age 19) who are interested in the particular type of liquor the club focuses on, and who want to join with other individuals in pursuit of this interest.

Authority References

Liquor Control and Licensing Act, section 8; *Liquor Control and Licensing Regulation*, sections 170 and 194; Liquor Control and Licensing Branch Policy.

Section 8: Charitable Auction Permits

8.0 Introduction

The *Liquor Control and Licensing Act* and Regulation allow certain organizations or their representatives to sell liquor to raise funds for charitable purposes. The Regulation defines charitable purpose as:

The relief of poverty and other purposes beneficial to the community, and includes the advancement of the following:

- a. Education;
- b. Sports or athletics;
- c. Religion;
- d. Aid to persons with disabilities;
- e. Recreation;
- f. Culture; and
- g. Youth or senior citizens.

Eligible organizations may conduct liquor auctions of small quantities of liquor to raise money for charitable purposes without a permit. Permits are required for auctions of larger quantities of liquor. The general manager may issue a permit to an eligible organization or their representative to sell liquor to raise money for charitable purposes. Manufacturers, agents, businesses or members of the public may donate liquor to an eligible organization for the auction.

8.1 Eligibility

Under the Regulation, only non-profit organizations or their representatives are eligible for a charitable auction permit and must use the funds raised for charitable purposes. Both incorporated and unincorporated organizations may qualify.

[*Liquor Control and Licensing Act*, section 30, *Liquor Control and Licensing Regulation*, s. 125, 126]

8.1.1 Non-profit corporations

Non-profit corporations may be incorporated under the B.C. *Society Act*, Part II of the *Canada Corporations Act*, or section 2(1) of the *Canada Not-for-profit Corporations Act*. The organization may not have directors that are paid, but they may be reimbursed for expenses that are directly related to their duties.

8.1.2 Unincorporated non-profit organizations

An eligible unincorporated non-profit organization has a name, an organizational structure and a membership and meets regularly or occasionally, and is established in the community as an organization that provides programs of community benefit. Generally an unincorporated non-profit organization is considered to be established in the community when it has been in continuous operation for a period of at least 12 months. It must be understood by its members to be an organization, not merely a group of friends or colleagues who socialize together. The organization may not have members that are paid, but members may be reimbursed for expenses that are directly related to their duties. The organization must provide programs of community benefit, and may provide services and programs to its own members or to the general public.

A “representative of a non-profit organization” is an individual who is a member of a non-profit organization who acts on behalf of the members of the non-profit organization. Since an unincorporated organization has no legal standing, the representative will be issued the permit and will be held legally responsible for the conduct of the auction event. Honorary members, temporary members, contractors and others without a direct role in the organization are not eligible representatives.

[*Liquor Control and Licensing Act*, s. 30, *Liquor Control and Licensing Regulation*, s. 125, 126, *Liquor Control and Licensing Branch Policy*]

8.2 When a permit is required

A charitable auction permit is required when the volume of liquor to be auctioned over the duration of the auction event is:

- over 6 litres (e.g. more than eight 750 ml bottles) of spirits; or
- over 18 litres (e.g. more than twenty-four 750ml bottles) of wine; or
- over 51.2 litres (e.g. more than 24 six-packs of 355 ml bottles) of beer, cider or coolers.

The maximum quantities of liquor are not interchangeable (i.e. less of one category cannot be exchanged for more of another category).

[*Liquor Control and Licensing Act*, s. 30(3), Liquor Control and Licensing Branch Policy]

8.3 When a permit is not required

An eligible organization may auction liquor without a permit as long as the funds are being raised for a charitable purpose and only a small volume of liquor is being auctioned at the event. The regulations set out the maximum quantities of liquor that can be auctioned over the duration of an auction event without a permit, as follows:

- 6 or less litres of spirits (e.g. up to eight 750 ml bottles); and
- 18 or less litres of wine (e.g. up to twenty-four 750 ml bottles); and
- 51.2 or less litres of beer, cider or coolers (e.g. up to 24 six-packs of 355 ml bottles).

The auction may offer up to these quantities for each type of liquor without a permit. The maximum quantities of liquor are not interchangeable (i.e. less of one category cannot be exchanged for more of another category).

[*Liquor Control and Licensing Act*, s. 11, *Liquor Control and Licensing Regulation*, s. 193, Liquor Control and Licensing Branch Policy]

8.4 Auction duration

Permits are issued for a single auction event which may not exceed 30 days. Auction events without a permit may not exceed 30 days.

[*Liquor Control and Licensing Act*, s. 37, *Liquor Control and Licensing Regulation*, s. 128 and 193(3)]

8.5 Types and sources of auction liquor

Liquor sold at auction events may be purchased or may be acquired by donation.

All types of liquor may be auctioned, as long as the liquor has been produced commercially. Homemade product and UBrew/UVin product may not be auctioned.

[*Liquor Control and Licensing Act*, s. 31(1)(b) and 8(3), *Liquor Control and Licensing Regulations*. 129 and 193(3), Liquor Control and Licensing Branch Policy]

8.6. Posting permit

A charitable auction held under a permit must post its charitable auction permit in a prominent location at the auction site. The permit must be immediately available for review by liquor inspectors and police upon request.

[*Liquor Control and Licensing Act*, section 31(1)(b), *Liquor Control and Licensing Regulations*, s. 139(3), Liquor Control and Licensing Branch Policy]

8.7 Venues for liquor auctions

Liquor auctions with or without a permit may take place at events held under a special event permit, and in unlicensed venues. Auctions are also permitted in most licensed establishments, with the exception of UBrew/UVin premises due to regulations prohibiting the sale of liquor from UBrew/UVin licensed establishments.

If an auction takes place in a licensed establishment, the liquor must be clearly identifiable as auction liquor and kept separate from liquor purchased by the licensed establishment for sale and consumption on the premises.

Auctions must take place at a physical location. If a permit has been issued, the location will be indicated on the face of the permit. "Virtual" or online auctions are not permitted.

The auction holder is responsible for ensuring the auction liquor is secure until the auction is complete.

[*Liquor Control and Licensing Act*, s.31(1)(b), *Liquor Control and Licensing Regulation*, s. 140, Liquor Control and Licensing Branch Policy]

8.8 Permit approval process

Where a permit is required, the applicant must submit the following information prior to each auction:

- the organization's name and contact information;
- the name of the event; and
- the date, time and location of the event.

Applications for charitable auction permits should be submitted at least 30 business days prior to the event to allow sufficient processing time.

[*Liquor Control and Licensing Act*, s. 12, Liquor Control and Licensing Branch Policy]

8.9 Removal and consumption of auction liquor

Auctioned liquor must not be consumed at the site of the auction and must be removed by the successful bidder at the end of the auction event.

The occurrence of an auction event in a licensed establishment or at a special event does not affect regular liquor service at that establishment or event.

Unsold auction liquor must be removed from the site of the auction at the end of the auction event by the organization holding the event.

[*Liquor Control and Licensing Act*, s. 31(1)(b), 7.3, and 42(4)(c), *Liquor Control and Licensing Regulation*, s. 130 and 193(3), Liquor Control and Licensing Branch Policy]

8.10 Minors

If minors are currently legally permitted to be on the premises where the auction is held, they may attend an auction, as long as they do not participate in the auction or possess or consume liquor at the event. Minors may be employed at an auction as long as they do not sell or serve liquor (e.g. they may deliver a lot to a successful bidder or assist a successful bidder in carrying the liquor out to a means of transport).

[*Liquor Control and Licensing Act*, s.77 (1), 78(1), *Liquor Control and Licensing Regulation*, s. 165, Liquor Control and Licensing Branch Policy]

8.11 Taxes

The 10% provincial sales tax (PST) must be added to the price of the successful auction bid at the auction event and remitted to the Ministry of Finance by the person holding the auction. PST must be collected and remitted on all auction liquor sales even if a charitable auction permit is not required for the auction. The PST applies whether the liquor is auctioned separately or as part of a gift basket. For information on determining the value of liquor auctioned as part of a bundled purchase such as a gift basket, or for any other PST questions or concerns, please contact the Ministry of Finance by any of the following means:

- phone toll-free 1-877-388-4440; or
- email CTBTaxQuestions@gov.bc.ca; or
- send mail to:

The Ministry of Finance
PO Box 9442 STN PROV GOVT
Victoria, BC
V8W 9V4

There may be GST/HST consequences for organizations that conduct liquor auctions in British Columbia. For general information on the application of the GST/HST, please refer to Canada Revenue Agency (CRA) GST/HST guide RC4022, *General Information for GST/HST Registrants* available on the CRA Web site at <http://www.cra-arc.gc.ca/E/pub/gp/rc4022/>.

For information on the application of the GST/HST to non-profit organizations, please refer to CRA GST/HST guide RC4081, *GST/HST Information for Non-Profit Organizations* available on the CRA Web site at <http://www.cra-arc.gc.ca/E/pub/gp/rc4081/>.

For information on the application of the GST/HST to charities, please refer to CRA GST/HST guide RC4082, *GST/HST Information for Charities* available on the CRA Web site at <http://www.cra-arc.gc.ca/E/pub/gp/rc4082/>.

Non-profit organizations and registered charities should be aware that fundraising may have implications for their status for GST/HST purposes and under the federal *Income Tax Act*.

For more information on fundraising by registered charities, please see CRA Guidance CG-013, *Fundraising by Registered Charities* available on the CRA website at <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/fndrsng-eng.html>.

8.12 Duration and frequency of auctions

An auction requiring a permit is valid only for the dates and times indicated on the permit, up to a maximum of 30 days, at any given location. Separate permits are required for auctions occurring at multiple locations.

A period of thirty days is required as a separation between the end of one auction event and the commencement of another auction event held by the same non-profit corporation or organization. The frequency restriction applies regardless of whether the auction is being held with or without a permit.

[*Liquor Control and Licensing Act*, s.82(g), *Liquor Control and Licensing Regulation*, s. 127 and 128]

8.13 Auction advertising

Liquor auction holders may advertise, in any medium:

- information about the event at which the auction will be held;
- the liquor manufacturers, types, brands, and amounts of auction liquor; and
- the name of the auction event, if a reference to a type or brand of liquor is part of the name.

Auction holders must ensure auction participants are made aware of the charitable purpose of the auction event before bidding commences.

[*Liquor Control and Licensing Act*, s. 51.1, *Liquor Control and Licensing Regulation*, s. 131, 174, 57(2) and 57(3.2)]

8.14 Disclosure to successful bidders

Successful bidders must sign an acknowledgement that the liquor may not have been tested and that the LCLB is not responsible for the quality of the auctioned liquor.

[Liquor Control and Licensing Branch Policy]

8.15 Funds raised and auction expenses

Funds raised by the auction include the total revenue, excluding sales tax, received or receivable from the sale of liquor at the auction less the cost of the liquor sold at the auction and the actual expenses, other than to purchase the liquor, incurred by the auction holder to conduct that auction. Funds raised must be paid to a charitable purpose.

Permitted expenses for liquor auctions other than the cost of liquor include, but are not limited to:

- advertising and promotion costs related to the event;
- wages and salaries of staff conducting the event;
- ticket and other printing costs attributable to the event;
- postage/ mailing costs attributable to the event;
- rent for venue(s) used for the event; and
- the application fee for the auction event permit.

Expenses must not exceed 25% of the actual gross revenue generated by the event. Auction liquor costs are not included in the 25% maximum expense calculation. Expenses in kind, such as an advertising agency donating their services to promote the event or a restaurant donating their space for the event, must be reported but are not included as part of the expense calculation.

For example:

An auction holder receives 10 donated bottles of spirits and purchases 50 bottles of wine for the auction at a cost of \$20 each, totalling \$1000 in liquor expenses for the event. If the wine sells at auction for \$3000 (before taxes), the maximum allowable expenses would be 25% of \$2000, or \$500. Total funds raised by the auction would be:

	\$2000	(auction liquor sales minus cost of auction liquor)
<i>minus</i>	\$500	(permitted non-liquor auction event expenses)
<i>equalling</i>	\$1500	(funds raised for charitable purpose)

In this case, the charitable purpose would receive \$1500.

An organization which exceeds the 25% maximum allowable expenses will not be considered for a subsequent auction permit until the permit holder explains, in writing, why the maximum was exceeded and presents a written plan showing how the percentage requirement will be met in future. A second failure to meet the percentage requirement may result in the refusal of a future auction permit.

[*Liquor Control and Licensing Act*, s.31(1)(b), *Liquor Control and Licensing Regulation*, s. 126, Liquor Control and Licensing Branch Policy]

8.16 Record keeping and financial reporting

Auction permit holders must submit a completed Revenue Report form within 60 days of the end of the auction. A template and detailed instructions for completion may be found on the [Charitable Auction Permit](#) page of the LCLB website.

All funds raised from the auction must be disbursed to the charitable purpose within 12 months of the end of auction unless otherwise exempted by the general manager.

An auction holder must prepare the following records and maintain them for two years after the end of the auction:

- Sources of auction liquor and date received by the auction holder;
- If auction liquor is purchased for the auction event, the total amount paid by the auction holder;
- Information on auction sales of liquor, including the name of the successful bidder(s); the amount of auction bid(s) and final price(s) paid including the amount of sales tax collected on the sale;
- Non-liquor expenses related to the auction event; and
- The registered charities and/or organizations which received funds from the auction, the charitable purpose served, and the amount of funds they received.

[Liquor Control and Licensing Act, section 82(g), Liquor Control and Licensing Regulations. 132 and 134]

8.17 Inspection and Enforcement

Liquor inspectors will receive notification of the issuance of all charitable auction permits for events in their area, and may attend events. Permit holders must fully cooperate with inspectors attending auction events. Non-compliance with the requirements of the Act and Regulations may result in enforcement action and may disqualify the individual and/or organization from holding future auction permits.

[Liquor Control and Licensing Act, s. 43, Liquor Control and Licensing Branch Policy]

Section 9: Manufacturing Liquor without a Licence

9.0 Introduction

The *Liquor Control and Licensing Act* permits a person to manufacture beer or wine (including cider and sake) for personal use or for use by others at no charge. The Regulation also permits a limited number of other types of liquor manufacturing to occur without a licence or permit.

This is discussed below under the following headings:

- Personal manufacturing
- Manufacturing for special purposes.
- Manufacture and sale of ethyl alcohol

9.1 General Conditions

Policy Rationale

The manufacturing of liquor without a licence or permit is generally prohibited under the *Liquor Control and Licensing Act*. The Act provides an exemption for people making their own beer and wine for their own personal use, and it also permits the person to share it with others at no cost to the recipient. The personal manufacture of spirits is not permitted due to the significant health risks, up to and including death, from the improper manufacture of spirits. Such dangers are not inherent in personal beer and wine manufacturing.

The Regulation provides a licensing exemption for liquor manufacturing in specified circumstances, as long as the liquor manufactured is not sold. The Regulation requires that these manufacturers be licensed by the federal government to ensure there is regulatory oversight of their manufacturing.

The Regulation also provides a licensing exemption for persons manufacturing ethyl alcohol. As above, the Regulation requires that such manufacturers be licensed by the federal government.

9.2 Personal Manufacturing

A person who is at least 19 years of age may manufacture wine or beer for their own consumption or for consumption at no charge by others. The manufacturing site must not be a public place, but the law does not restrict the site to the person's residence. There are no provincial government limits on the volume a person may manufacture.

9.3 Manufacturing for Special Purposes

A person may manufacture liquor without a licence or permit for:

- educational or scientific purposes
- testing equipment used in the manufacture of liquor. The person must also manufacture the liquor-making equipment
- testing beer or wine-making kits. The person must also manufacture the kits.

The following conditions apply:

- The person is authorized to manufacture the liquor under the federal *Excise Act, 2001* or the *Excise Act*;
- The liquor that is manufactured is consumed or used for the purpose for which it was manufactured or disposed of as waste;
- If the liquor is consumed, it is consumed by the manufacturer, their employees or, in the case of an educational institution, students enrolled in the liquor manufacturing course; and
- If the liquor is consumed there is no charge for the liquor.

9.4 Manufacturing and Sale of Ethyl Alcohol

Ethyl alcohol is defined in the *Liquor Control and Licensing Act* as a solution that has not been de-natured and that contains at least 95% ethyl alcohol by volume.

A person may manufacture ethyl alcohol without a licence or permit if:

- the ethyl alcohol is manufactured as part of the person's business, and
- the person is authorized to manufacture the ethyl alcohol under the federal *Excise Act, 2001*.

A person who is authorized to manufacture ethyl alcohol without a licence or permit may sell the ethyl alcohol to a person who holds an ethyl alcohol purchase permit or who is exempted from the requirement to hold such a permit (See Sections 3.2 – 3.4 of this manual for more information on purchasing ethyl alcohol).

Authority References

Liquor Control and Licensing Act, s. 2 and 8, *Liquor Control and Licensing Regulation* s.191 and 192

Section 10: Service of Liquor in Care Facilities

10.0 Introduction

Hospitals, licensed community care facilities and registered assisted living residences as designated in the *Hospital Act* and the *Community Care and Assisted Living Act* (CCALA) are collectively referred to here as “facility” or “facilities”. This policy does not apply to independent living residences.

A number of facilities serve liquor in common areas (areas available for social and recreational use by all patients and residents such as a dining room, veranda or sitting area). The *Liquor Control and Licensing Act* allows liquor to be served and sold in facilities to both residents/patients and their guests, subject to any terms and conditions imposed by the general manager of the Liquor Control and Licensing Branch. The general manager also has authority to prohibit a specific facility at any time from liquor sales and service where it is necessary to do so for purposes of enforcing the *Liquor Control and Licensing Act* and regulations.

10.1 General Conditions

Policy Rationale

This policy recognizes the rights of residents and patients to participate in social and recreational activities that respect their personal autonomy as adults, while also considering health and safety concerns. These terms and conditions are designed to allow facilities to offer liquor to residents/patients and their guests in the common areas of a facility as an additional amenity. Liquor service is not intended to be a source of profit for operators.

10.2 Facility responsibilities

The service and sale of liquor remains the responsibility of the person in charge of the facility. Facilities that choose to serve liquor may set additional restrictions regarding the service of liquor as part of their own policy dealing with liquor service. Facilities may also decide not to serve or sell liquor at all. If a facility holds a food primary licence the terms and conditions of that licence prevail in the licensed area.

10.3 Liquor in residents’ rooms

The *Liquor Control and Licensing Act* does not apply to private residences. When a patient or resident occupies a room or suite for his or her sole use, or use with family members or a person sharing the space, that space becomes his or her residence.

It is Ministry of Health policy that, in an assisted living residence, liquor storage and consumption in a resident’s room is at the resident’s discretion. In a community care facility the person in charge (i.e. operator, registrant or licensee) of the facility may set additional policy regarding liquor in a resident’s room.

10.4 Terms and conditions

The following terms and conditions apply to any facility which chooses to sell or serve liquor to patients, residents and their guests in its common areas.

10.4.1 Liquor service policy

If the person in charge of a facility offers the sale and service of liquor to patients, residents and guests, the facility’s liquor service policy must be set out in writing and provided to patients and residents (or their representatives), upon admission into the facility. The policy must be available to patients, residents, representatives of residents, the public and staff at all times upon request. The policy must set out where liquor may be served and consumed within the facility.

10.4.2 Serving It Right

Staff responsible for the service of liquor to patients, residents and their guests must complete the Serving It Right (SIR) program. The SIR program discusses topics essential to the responsible service of liquor (e.g. factors influencing intoxication, how to refuse service while avoiding conflict, liability etc.)

10.4.3 Drink prices and payment options

To protect vulnerable persons, if the facility chooses to sell liquor to its residents and/or guests of residents, the price charged must be reasonable and the charges for liquor must be clearly stated to all residents and guests of residents before the liquor is sold to the resident or guest (e.g. in a menu).

If a facility chooses to sell liquor, the facility must allow residents and/or their guests to pay for the liquor at the time of service. The facility may also allow residents to pay for their liquor at the end of the month. Liquor charges must be listed as a separate item on monthly invoices.

10.4.4 Liquor source and storage

All liquor purchased by the facility must be purchased from a government or private liquor store.

If a facility offers the sale and service of liquor in the common areas they must also allow a resident or guest to bring their own liquor into the common areas when and where liquor is sold. There can be no liquor related charges to residents or guests when they bring and consume their own liquor.

Liquor owned by the facility must be stored in a secure place (e.g. a locked cupboard).

10.5 More than one level of housing and care

In a situation where more than one level of housing and care is provided (e.g. independent and assisted living in different wings of the same building or different buildings), this policy applies only to those premises that are fully licensed or registered under the *Hospital Act* or the CCALA.

Authority References

Liquor Control and Licensing Act Section 3(3), 9, 60 (3), 73 (1)(f), *Liquor Control and Licensing Act Regulation*, section 188 (1)(c), Liquor Control and Licensing Branch policy.