

Date: October 20, 2016

To: All LCLB Staff
All licensees
All industry associations
All local government, First Nations and police agencies

Re: Liquor primary licence policy changes

Please note: These policy changes will come into effect on January 23, 2017

1. Allow liquor primaries to relocate to a new community

Current Policy

Liquor primaries can only relocate within their community or reasonably close to their current location.

New Policy

Liquor primaries can now relocate anywhere in the province, but they are still subject to a local government/First Nation community input process for the new location. A liquor primary with an off-sales endorsement can only keep the endorsement if the new location complies with the off-sales distance criteria of being 30 km from the nearest liquor retail outlet.

2. Employing minors in a liquor primary establishment

Current Policy

Minors may be employed in a liquor primary establishment if minors are permitted in the establishment as patrons. There are no restrictions on the hours a minor can be employed.

New Policy

If a licence permits minors in a liquor primary (either with or without a parent or guardian), minors may be employed in the establishment during the hours minors are permitted as patrons; however, they may not sell or serve liquor. Minors hired before January 23, 2017 at a liquor primary establishment that limits the hours minors can be patrons may continue to work unrestricted hours at that establishment.

Explanation

If minors are not allowed to be in an establishment as patrons it is not appropriate for them to be present as employees. Providing an exception for minors employed prior to January 23, 2017 ensures that employees will not lose their jobs.

3. Permit hotels/resorts with a liquor primary to provide a free alcoholic drink to guests in the lobby/reception area at check-in

Current Policy

Hotels/resorts with a liquor primary are restricted to serving alcohol to guests in the service area.

New Policy

Hotels/resorts with a liquor primary can now serve one standard free alcoholic drink to guests in the lobby or reception area at check-in, as long as the hotel/resort and the liquor primary licence have the same owner. Guests can consume the drink in the lobby/reception area or take it to their hotel room, as long as they take a direct route to the room and don't leave the hotel's property.

4. Permit patrons in a hotel liquor primary or food primary to take an unfinished alcoholic drink to their room**Current Policy**

Guests at hotels with a liquor primary or food primary are restricted to drinking alcohol in the service area of the hotel.

New Policy

Guests at hotels with a liquor primary or food primary, as well as anyone who accompanies a guest to their room, can take unfinished alcoholic beverages from the bar or restaurant to their room to drink, as long as they take a direct route and don't leave the hotel's property. A guest can also drink an unfinished alcoholic beverage that was purchased from the bar or restaurant while walking to their room. Licensees must not permit a patron to take an unfinished alcoholic beverage to their room if the person is intoxicated. This policy only applies if the hotel/resort and the liquor primary or food primary licence have the same owner.

5. Permit establishments to have dual food primary and liquor primary licensing**Current Policy**

Food primary and liquor primary establishments may not occupy the same location with each licence operating under different hours. For example, an establishment may not operate as a food primary until 9 p.m., and then as a liquor primary from 9 p.m. until closing.

New Policy

Food primary establishments can now apply for a liquor primary licence at the same location and operate as a bar or nightclub after a certain hour, such as 9 p.m. The standard process for applying for a liquor primary licence, which includes input from local government/First Nations and the public, applies. Liquor primary establishments can also apply for a food primary licence at the same location, which allows them to operate as a restaurant during specified hours (for example, from opening until 7 p.m.), during which time minors must be permitted as patrons (with or without a parent or guardian).

6. Modernize the club licence and allow clubs to more easily transition to a liquor primary licence¹**Current Policy**

The liquor primary (LP) club licence is the oldest liquor licence type and it contains many historical restrictions that are not related to public interest and safety. Eligibility criteria include being in operation for at least a year, having a \$10 membership fee, having its own facilities and not subletting its food or liquor sales. In addition, a veteran's club licence is cancelled if the club is not in good standing with its parent organization.

¹ Amended to reflect changes to the Liquor Control and Licensing Regulation (241/2016) deposited on December 8, 2016.

Clubs wanting to transition to a liquor primary must cancel their club licence and apply for a liquor primary licence, which is often a cost-prohibitive process for a small non-profit organization.

New Policy

The LP club licence is now officially a sub-class of the liquor primary licence.

Many of the eligibility criteria for clubs have been removed. To qualify as a club, an applicant must only meet two criteria: it must have 50 members who pay an annual membership fee, and it must be either:

- A corporation without share capital (e.g. a society) that does not operate for the financial gain of its members, or
- A chartered branch of this type of corporation (e.g. a branch of a Legion).

Clubs that currently hold LP club licences continue to be eligible for licensing, as long as they have 50 members who pay an annual membership fee.

LP clubs that wish to maintain the club designation must continue to limit entry to club members and their guests and maintain a guest register, and they cannot advertise to or serve the public.

LP clubs may now engage in third-party operator agreements and the licence may be transferred. The branch does not consider the standing of a veterans' club with its parent organization. All licensees, including clubs, must report changes to the entity holding the licence, including changes to the organization's leadership. See page 21 of the liquor primary terms and conditions for more information.

LP clubs will retain previous privileges approved by the branch unless they transition to a liquor primary. LP clubs wanting to transition to a liquor primary can apply for a permanent change, which is subject to a local government/First Nations community impact assessment process. This process is cheaper than what was previously required.

7. Streamline requirements for promotional events

Current Policy

Manufacturers and agents must have a theme night to promote their products at liquor primary establishments, and the events must have an educational component.

New Policy

The rules for manufacturers and agents hosting promotional events at liquor primaries have been streamlined. Manufacturers and agents are no longer required to have a theme night or an educational component to promote their products at these establishments. See page 35 of the liquor primary licence terms and conditions for more information.

8. Enhance flexibility for liquor primaries to hold liquor-free events

Current Policy

Liquor primaries are required to notify the branch (through OneStop) of every all-ages liquor-free event they host, and they must apply to the branch, up to a maximum of six times per year, to host any liquor-free event that is not considered an all-ages event.

New Policy**Liquor primaries and LP clubs (for public events only)**

Liquor primaries and LP clubs (for public events only) are required to notify the branch (through OneStop) at least 14 days in advance of any liquor-free event that ends between 8 p.m. and close, regardless of the event start time. The number of liquor-free events is not restricted. Notification is not required for events that end before 8 p.m. You must follow all of the terms and conditions outlined on page 16 of the liquor primary licence.

Explanation

This change enables inspectors and police to monitor late night all-ages events as necessary to maintain public safety.

9. Allow businesses outside hospitality, entertainment or beverage service to apply for a liquor primary licence**Current Policy**

Only businesses that are primarily engaged in hospitality, entertainment or beverage service can apply for a liquor primary licence.

New Policy

Any business, except those that operate in a motor vehicle or are primarily directed at minors, can now apply for a liquor primary licence. Examples may include spas, art galleries and cooking schools. Halls and multi-purpose facilities will also be eligible for a liquor primary licence. The new policy allows businesses to offer liquor as an additional service to their patrons. The licensed area can overlap all or part of the business, or it can be adjacent to the primary business.

The branch will determine whether minors should be permitted in the liquor primary establishment when the primary business is operating. A business with a liquor primary licence must notify the branch if the primary business changes or closes.

Explanation

Notification of a change in the primary business is required so the branch can assess whether any terms and conditions of the liquor primary licence need to be revised.

10. Allow liquor primaries with an off-sales endorsement to deliver liquor**Current Policy**

Liquor primary establishments with off-sales endorsement may not deliver liquor.

New Policy

Liquor primaries with an off-sales endorsement may deliver liquor to customers upon order under the same terms and conditions for delivery that apply to other retailers. See page 23 of the liquor primary terms and conditions for further information.

11. Concert halls and live event theatres

Current Policy

Liquor purchased on-site can be consumed in the lobby, even if minors are present; however, liquor consumption is only allowed in licensed seating areas when minors are not present. Only the lobby and theatre seating areas are eligible for licensing. Concert halls and live event theatres can only apply for an event-driven liquor primary licence.

New Policy

Concert halls and live event theatres may now permit patrons to consume liquor purchased on-site in both the lobby and licensed seating areas when minors are present. All areas of concert halls and live event theatres are now eligible for licensing. Concert halls and live event theatres are no longer restricted to an event-driven liquor primary licence. For example, they can apply to have a lounge with set hours (not event-driven), subject to local government/First Nation and public input.

Explanation

Due to the nature of concert halls and live theatres, there is a low risk of minors accessing liquor in these settings. This change is consistent with existing policies for minors at stadiums and arenas.

12. Streamline the application process for a liquor primary licence

Current Policy

An applicant for a liquor primary licence is not permitted to seek input from the local government/First Nation. The branch seeks input from the local government/First Nation during the application process.

New Policy

An applicant for a liquor primary licence must take their completed application to the local government/First Nation for sign off just prior to submitting it to the branch. Applicants should ensure they meet all local government/First Nations and branch requirements before submitting their application. Applications will be considered by local government/First Nation and the branch at the same time.

Explanation

This policy change was made to shorten the processing time.

13. Permit minors at licensed recreation facilities after 10 p.m. for family-focused events

Current Policy

Minors are permitted in recreational facilities that have a lounge until 10 p.m., as long as the licensee has received branch approval to permit minors in the lounge.

Minors may attend award ceremonies if they are participants, are accompanied by their parents, and leave at the end of the meal and related ceremony.

New Policy

Minors are permitted to stay at recreational facilities that have a lounge past 10 p.m., as long as the licensee has received branch approval to permit minors in the lounge, the event is family-focused, and the service area is not open to the public.

Minors may attend award ceremonies if they are associated with the event.

Explanation

These changes allow more flexibility for minors to attend events at recreation centres. This is consistent with existing policies for minors at event-driven establishments.

14. Golf course patrons can take a drink from one service area to another**Current policy**

A patron cannot purchase a drink in one service area at a golf course and take it across an unlicensed area to another service area at the golf course.

New policy

A patron may purchase a drink in one licensed area at a golf course and take it to another service area at the golf course, as long as the patron takes a direct route between the service areas. This allows patrons to carry liquor between the licensed club house and the licensed playing area.

15. Stadiums and concert halls**Current Policy**

Stadiums and concert halls must apply for an exemption for a tied house arrangement. If they qualify, they must post social responsibility material.

New Policy

Eligible stadiums and concert halls no longer need to apply for a tied house arrangement. There is no longer a requirement to post social responsibility material in addition to the social responsibility material that all licensees are required to post.

16. Remove requirement for licensees to state where unfinished wine must be stored in a vehicle**Current Policy**

Before allowing a patron to remove an unfinished bottle of wine, a licensee must instruct the patron about where the liquor must be stored in a vehicle.

New Policy

Licensees are no longer required to instruct patrons about where unfinished wine must be stored in a vehicle.

17. Amend requirement for local governments/First Nations to assess their own applications**Current Policy**

A local government/First Nation that applies for a liquor primary licence for a facility it owns may conduct the public input process and provide comment.

New Policy

If a local government/First Nation is the applicant for a liquor primary licence, the branch will conduct the public input process, and the local government/First Nation will not be asked to provide a resolution.

Explanation

This change increases administrative fairness by preventing a conflict of interest, and ensures that the public interest is considered for these applications.

18. Streamline the comment criteria for local governments/First Nations**Current Policy**

Local governments/First Nations must follow a list of prescribed criteria for comment when assessing the community impact of a proposed establishment.

New Policy

In consultation with local governments/First Nations, the list of criteria for comment has been reduced for liquor primaries, manufacturer lounges and special event areas.

Local governments/First Nations are no longer required to comment on:

- The proximity of the establishment to other social or recreational facilities and public buildings
- The number and market focus or clientele of liquor primary licence establishments within a reasonable distance of the proposed location

Local governments/First Nations must continue to comment on:

- The impact of noise on the community in the immediate vicinity of the establishment
- The impact on the community if the application is approved
- A food primary application that includes closing hours past midnight, or a food primary application that includes patron-participation entertainment. The comments must address whether either amendment may result in the food primary being operated contrary to its primary purpose

In providing comments, the local government/First Nation must take into account the following attributes of the establishment (or proposed establishment):

- The location
- The person capacity and hours of liquor service

Additional policy changes

Please see the General Policy Directive and the Compliance and Enforcement Policy Directive for additional policy changes that apply to liquor primary licences.

Further Information

Further information regarding liquor control and licensing in British Columbia is available on the Liquor Control and Licensing Branch website at <http://www.gov.bc.ca/liquorregulationandlicensing>. If you have any questions regarding these changes, please contact the Liquor Control and Licensing Branch toll free in Canada at 1-866-209-2111 or 250 952-5787 if calling from the Victoria area.

Original signed by

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