



# AGCO

Alcohol and Gaming  
Commission of Ontario

# Licence Line

Special Edition • Summer 2011

# Liquor Licence Act Regulatory Reform 2011

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ELEANOR MESLIN

## From the Chair...

On June 1, 2011, the government of Ontario introduced changes to regulations under the Liquor Licence Act, specifically Regulation 719 (Licences to Sell Liquor) and Regulation 389/91 (Special Occasion Permits). The changes are intended to remove some operational barriers and provide more flexibility for liquor sales licensees and Special Occasion Permit holders.

As part of the AGCO's mandate to keep liquor sales licensees and their staff current on matters which affect the sale and service of alcohol, we have prepared this special issue of Licence Line which provides an explanation of each of the regulatory changes, as well as how these changes affect licensed establishments.

We hope this information is helpful to you. For more information, please visit our website at [www.agco.on.ca](http://www.agco.on.ca) or contact our Customer Service Department at 1 800.522.2876 (toll free in Ontario) or 416.326.8700 (in the Greater Toronto Area).

## Eleanor Meslin

Interim Chair

## LLA Regulatory Amendments remove barriers, add flexibility

The Government of Ontario has made several amendments to Regulation 719 (Licences to Sell Liquor) and Regulation 389/91 (Special Occasion Permits) under the *Liquor Licence Act* (LLA). These changes are being introduced following extensive consultation with a wide range of liquor industry stakeholders, law enforcement agencies, public health organizations and other interested parties and are intended to:

- Remove some previous barriers and restrictions for liquor sales licensees,
- Provide flexibility to businesses,
- Improve tourism and local economies,
- Strengthen Ontario's economy and create new opportunities for jobs, and
- Expand enforcement options where violations of Ontario's liquor laws occur.

The regulatory changes affecting liquor sales licensees are being introduced in two phases— June 1, 2011 and August 2, 2011.

The regulatory changes affecting the Special Occasion Permit (SOP) program are being introduced in three phases. In the near term these changes take effect on June 1, 2011 and August 2, 2011.

For more information on regulatory amendments affecting liquor sales licensees, please visit the AGCO website at [www.agco.on.ca/en/topics/govt\\_initiatives.aspx](http://www.agco.on.ca/en/topics/govt_initiatives.aspx), or contact the AGCO Customer Service Department at 1 800.522.2876 (toll free in Ontario) or 416.326.8700 (in the Greater Toronto Area). ■

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## Changes to Regulation 719 of the *Liquor Licence Act* (Liquor Sales Licensees) – Effective June 1, 2011

*Licensees may now offer complimentary drinks to their customers under certain limited circumstances.*

*Staff are now permitted to carry drinks from the licensed establishment to its licensed patio across a public sidewalk.*

*There are no further restrictions on the time or number of occasions during the year that liquor can be sold and served on a boat for hire.*

*There are now three additional types of government-issued identification that have been added to the prescribed list.*

### **Complimentary drinks/ minimum pricing**

Licensees may now offer complimentary drinks to their customers under certain limited circumstances, which will be included in the *Registrar's Liquor Advertising Guidelines for Liquor Sales Licensees and Manufacturers' Representatives*.

Unless providing a complimentary drink to a patron, a licensee must maintain the current minimum pricing requirement and not sell a serving of alcohol for less than two dollars (\$2.00), including tax. *More on page 4.*

### **Boats for Hire**

Subject to any conditions on their liquor sales licence, boats can now serve liquor between 11:00 a.m. and 2:00 a.m. the following day, as long as the boat is used for the primary purpose of transporting passengers, and is either underway (i.e. actually transporting passengers) or soon to be underway. *More on page 4.*

### **Outdoor Special Occasion Permits**

If a Special Occasion Permit has been issued for an outdoor event that has both licensed areas (bars, restaurants, etc.) and unlicensed areas (i.e. the street on which the permitted event is taking place), under certain circumstances patrons can move freely between the licensed areas and unlicensed areas with a single serving of alcohol, as long as these areas are within the boundaries approved for the SOP. There are several conditions

which the licensee and SOP holder must abide by under this arrangement before the Registrar will approve. *More on page 4.*

### **Patios**

Staff are now permitted to carry drinks from one licensed area to another licensed area of the same establishment across an area that is not under the exclusive control of the licensee, such as a sidewalk. Separate service bars are no longer required. *More on page 5.*

### **Additional forms of prescribed identification**

Although any identification with a photo, a date of birth and that reasonably appears to have been issued by a government may be accepted by a licensee, there are now three additional types of government-issued identification that have been added to the prescribed list and that the licensee may rely on to reasonably establish a patron's age:

- Secure Indian Status card (Canadian),
- Permanent Resident card (Canadian), and
- Any photo card issued under the *Photo Card Act, 2008*.

*More on page 5.*

### **All-inclusive travel packages**

Certain licensees may now offer packages that include the cost of liquor and one or more of the following: a trip, accommodation, food, or other services for one price.

*More on page 5.* ■

## Changes to Regulation 719 of the *Liquor Licence Act* (Liquor Sales Licensees) – Effective August 2, 2011

*Licensees are now permitted to sell and serve liquor in areas that contain tiered seating without obtaining a stadium endorsement.*

### **Primary Use**

The primary business of a premises no longer has to be the sale and service of liquor and food in order to be eligible for a liquor sales licence. *More on page 6.*

### **Stadium Endorsement / Tiered Seating**

The category of "stadium endorsement" no longer exists. Licensees are

now permitted to sell and serve liquor in areas that contain tiered seating without obtaining a stadium endorsement (e.g. fixed tiered seating), including the use of temporary tiered seating (e.g. bleachers).

A licensee cannot add tiered seating without the written approval of the Registrar. *More on page 6.* ■

## Changes to Regulation 389/91 of the *Liquor Licence Act* (Special Occasion Permits) – Effective June 1, 2011

*A new type of special occasion —“Public Event”—replaces three types of special occasions for which an SOP may be issued.*

*Applicants can now apply for an SOP for a premises with fixed tiered seating or temporary tiered seating (i.e. bleachers).*

*A permit holder is no longer restricted to selling or serving certain amounts or types of liquor.*

*To qualify for an SOP, the primary business of a premises no longer has to be the sale and service of liquor and food.*

### **“Public Event” SOP**

A new type of special occasion — “Public Event” — replaces three types of special occasions (Fundraisers, Significant Event, Community Event) for which a Special Occasion Permit may be issued. A Public Event is one which is conducted by a registered charity or not for profit entity or an event of municipal, provincial, national or international significance.

### **Notification to municipalities for outdoor events**

For outdoor events, the applicant must provide written notice at least 30 days before the event to the clerk, police, fire and health departments of the municipality in which the event is to take place. The previous notification period was 21 days before the event.

### **Tiered Seating**

Applicants can now apply for a Special Occasion Permit for a premises with fixed tiered seating or temporary tiered seating (i.e. bleachers).

### **Primary Use**

To qualify for a Special Occasion Permit, the primary business of a premises no longer has to be the sale and service of liquor and food. However, an adequate supply of food must be available for those attending the event.

### **Hours of Sales and Service**

Except for New Year’s Eve (December 31), the hours for the sale and service of liquor under an SOP are 11 a.m. to 2 a.m. the following day. On New Year’s Eve (December 31), the hours for the sale and service of liquor under an SOP are 11 a.m. to 3 a.m. on the next day (January 1).

### **Designate on a permit**

A permit holder has always been able to designate someone to attend the SOP event in his/her place, however a letter is no longer required to advise of the designation. The permit holder and designate simply both must sign the permit.

### **Conditions on an SOP**

Depending on the nature of the event and/or the compliance history of the permit holder, the Registrar of Alcohol and Gaming may impose conditions on a Special Occasion Permit.

### **Types and quantities of liquor**

A permit holder is no longer restricted to selling or serving certain quantities or types of liquor.

### **Bringing liquor not purchased on permit into an SOP event**

A person attending an event at which liquor is being sold or served under a Special Occasion Permit may bring sealed, unopened liquor into the event, providing that the liquor was purchased at a government authorized retail store with the intent that it is to be consumed elsewhere than on or next to the premises.

### **Posting the permit and levy receipts**

The permit and levy receipts no longer have to be posted at the event, but must be available for AGCO Inspectors and police.

### **Record of food purchased**

Permit holders no longer have to keep a record of food purchased for an SOP event. ■

## Changes to Regulation 389/91 of the *Liquor Licence Act* (Special Occasion Permits) – Effective August 2, 2011

*An applicant for a Public Event SOP must provide 60 days notice to the AGCO and local municipality for events where 5,000 or more people are expected to attend.*

### **Notification to municipalities for outdoor events**

An applicant for a Public Event SOP must provide 30 days notice to the AGCO and local municipality (including clerk, police, fire and health departments) for events where fewer than 5,000 people are expected to attend, and 60 days notice to the AGCO and local municipality

(including clerk, police, fire and health departments) for events where 5,000 or more people are expected to attend.

*For more information relating to changes to SOPs, please visit our website at [www.agco.on.ca](http://www.agco.on.ca)* ■

## Regulatory Amendments – Effective June 1, 2011

## Reg. 719 (Licences to Sell Liquor)

Section	Before June 1, 2011	After June 1, 2011
COMPLIMENTARY DRINKS / MINIMUM PRICING	Subsection 20(2) – amended	<p>Licenseses and their employees were not permitted to give free drinks to customers under any circumstances.</p> <p>Licenseses may now offer complimentary drinks to their customers under certain limited circumstances, which are defined in the <i>Registrar's Liquor Advertising Guidelines for Liquor Sales Licensees and Manufacturers' Representatives</i>.</p> <p>Licenseses may not advertise that they can provide free drinks or provide free drinks as part of a promotion. They are also not permitted to encourage the immoderate consumption of liquor.</p> <p>An example of a circumstance under which providing a complimentary drink to a patron would be permitted is because the patron received poor service.</p>
	Subsection 20(3) – amended	<p>Licenseses were not permitted to sell or give drinks for less than two dollars (\$2.00) per single serving, including tax.</p> <p>Unless providing a complimentary drink to a patron in certain limited circumstances per the Registrar's liquor advertising guidelines, a licensee must maintain the current minimum pricing requirement and not sell a serving of alcohol for less than two dollars (\$2.00), including tax.</p> <p>If the drink contains more than a serving of alcohol, the price must be adjusted upwards accordingly. If the drink contains less than a serving of alcohol, the price can be adjusted downwards accordingly.</p>
BOATS FOR HIRE	Section 28 – amended	<p>Licenseses could only sell and serve liquor on a boat for hire under certain time restrictions, and up to a maximum number of times during the year, when the boat was docked, based on bad weather.</p> <p>Subject to any conditions on their liquor sales licence, boats can now serve liquor between 11:00 a.m. and 2:00 a.m. the following day, as long as the boat is used for the primary purpose of transporting passengers, and is either underway (i.e. actually transporting passengers) or soon to be underway.</p> <p>If the boat is docked for an unforeseen reason (i.e. bad weather) liquor can still be sold and served and licenseses do not have to advise the Registrar in writing if a boat trip is cancelled for an unforeseen reason.</p> <p>AGCO Board-approved conditions may be added to the licence to mitigate identified risks.</p>
OUTDOOR SOP HOLDERS MAY ENTER INTO AGREEMENT WITH LIQUOR SALES LICENSEES	Section 34.1 – amended	<p>For large outdoor events, such as fairs and festivals, patrons were prohibited from bringing alcohol into licensed premises from unlicensed areas (such as the street on which the event was taking place), and they were prohibited from removing alcohol from licensed premises.</p> <p>If a Special Occasion Permit has been issued for an outdoor event that has both licensed areas (bars, restaurants, etc.) and unlicensed areas (i.e. the street on which the event is taking place), patrons can move freely between the permitted areas and the licensed areas with a single serving of alcohol if the following conditions apply:</p> <ul style="list-style-type: none"> <li>• The SOP applicant (or event organizer) must make a request to the AGCO for patrons to be able to move between premises with a serving of liquor.</li> <li>• The municipality must designate the event as one of municipal significance.</li> <li>• The permit holder and participating licenseses must enter into an agreement which is provided to the Registrar 30 days prior to the event to establish which establishments are participating and ensure there is no unreasonable risk to public safety, the public interest and no unreasonable risk of non-compliance with the legislation.</li> <li>• Depending on the nature of the event, the Registrar may impose certain conditions to mitigate identified risks to public safety and enhance compliance with the law.</li> </ul>

**Reg. 719 (Licences to Sell Liquor) continued**

Section	Before June 1, 2011	After June 1, 2011
<b>PATIOS</b>  <b>Section 48 – amended</b>	For premises with two or more licensed areas that were separated by unlicensed areas not under the licensee’s exclusive control (e.g. a public sidewalk), servers were not permitted to carry drinks from one licensed area to another licensed area. In such cases, a service bar was required in each of the licensed areas.	Staff are now permitted to carry drinks from one licensed area to another licensed area of the same establishment across an area that is not under the exclusive control of the licensee. For example, an employee of a liquor sales licensee may carry drinks across a public sidewalk to get from the licensed premises to a licensed patio or vice-versa. Separate service bars are no longer required.  Licensees must comply with all other applicable legislation, including municipal by-laws.  Patrons remain prohibited from removing drinks from a licensed area.
<b>ADDITIONAL FORMS OF PRESCRIBED IDENTIFICATION</b>  <b>Subsection 41(5) – amended</b>	Although any identification with a photo, a date of birth and that reasonably appears to have been issued by a government may be accepted by a licensee, there were five types of government-issued identification on the prescribed list that the licensee may rely on to reasonably establish a patron’s age: <ul style="list-style-type: none"> <li>• Ontario Driver’s Licence</li> <li>• Canadian Passport</li> <li>• Canadian Citizenship card</li> <li>• Canadian Armed Forces identification card</li> <li>• LCBO “BYID” photo card</li> </ul>	Although any identification with a photo, a date of birth and that reasonably appears to have been issued by a government may be accepted by a licensee, there are now three additional types of government-issued identification that have been added to the prescribed list and that the licensee may rely on to reasonably establish a patron’s age: <ul style="list-style-type: none"> <li>• Secure Indian Status card (Canadian)</li> <li>• Permanent Resident card (Canadian)</li> <li>• Any photo card issued under the <i>Photo Card Act, 2008</i></li> </ul> The other five forms of prescribed identification are: <ul style="list-style-type: none"> <li>• Ontario Driver’s Licence</li> <li>• Canadian Passport</li> <li>• Canadian Citizenship card</li> <li>• Canadian Armed Forces identification card</li> <li>• LCBO “BYID” photo card</li> </ul>
<b>ALL-INCLUSIVE TRAVEL PACKAGES</b>  <b>Subsection 20(8) – amended</b>	Only licensees who operated an airport lounge, boat or railway car were permitted to offer all-inclusive packages that included liquor as part of the price.	Licensees may now offer vacation and travel related packages that include the cost of a trip, accommodation, food or other services and liquor for one price. For example, hotels with a liquor sales licence may offer all-inclusive vacation packages that include overnight accommodations with liquor service, or food and drink vouchers to be used at the hotel’s restaurant or bar.  The prohibition against engaging in practices that may tend to encourage immoderate consumption remains in place.

Continued on p. 6 See *Regulatory Amendments*

## AGCO website has lots of information

If you are looking for general information on beverage alcohol, how to apply for a liquor sales licence or other liquor licensing matters, please visit our website at [www.agco.on.ca](http://www.agco.on.ca). You can download and fill out on screen liquor-related forms such as liquor licence applications, renewals, transfers, etc. ■



Continued from p. 5 *Regulatory Amendments*

## Regulatory Amendments – Effective August 2, 2011

Reg. 719 (Licences to Sell Liquor)

Section	Before August 2, 2011	After August 2, 2011
<b>PRIMARY USE</b>	<p>Only premises where the primary business was the sale and service of liquor and food were eligible for a liquor sales licence.</p> <p><b>Section 23 – amended</b></p>	<p>The primary business of a premises no longer has to be the sale and service of liquor and food in order to be eligible for a liquor sales licence.</p> <p>Other types of businesses (spas, hair salons, art galleries, book stores, etc.) may now apply for a liquor sales licence.</p> <p>AGCO Board-approved conditions may be added to the liquor sales licence to mitigate identified risks to public safety.</p>
<b>STADIUM ENDORSEMENT / TIERED SEATING</b>	<p>Licensees who wished to sell and serve liquor in areas that contained tiered seating were required to apply for a “stadium endorsement” and comply with regulations respecting the stadium endorsement.</p> <p><b>Paragraph 8(2)7 – revoked</b> <b>Section 11 – revoked</b></p>	<p>The category of “stadium endorsement” no longer exists.</p>
	<p>A licensee cannot alter the boundaries of the licensed areas of his/her establishment without the written approval of the Registrar.</p> <p><b>Section 49 – amended</b></p>	<p>A licensee cannot alter the licensed areas of his/her establishment or add tiered seating without the written approval of the Registrar.</p> <p>The requirement to obtain Registrar approval prior to the addition of “tiered seating” allows for a proper assessment and determination of conditions to reduce the risk to public safety, if required.</p>
	<p>A liquor sales licensee using his/her catering endorsement must include information about the boundaries of an area where liquor may be sold and served when submitting a notification about the catered event to the AGCO.</p> <p>The notification must be submitted to the AGCO at least 10 days before the catered event. Local officials must also be notified within 10 days of the catered event.</p> <p><b>Clause 63.1(1)(e) – amended</b></p>	<p>A liquor sales licensee using his/her catering endorsement at a premises with tiered seating must include information about the tiered seating when submitting a notification about the catered event to the AGCO.</p> <p>The notification must be submitted to the AGCO at least 10 days before the catered event. Local officials must also be notified within 10 days of the catered event.</p>

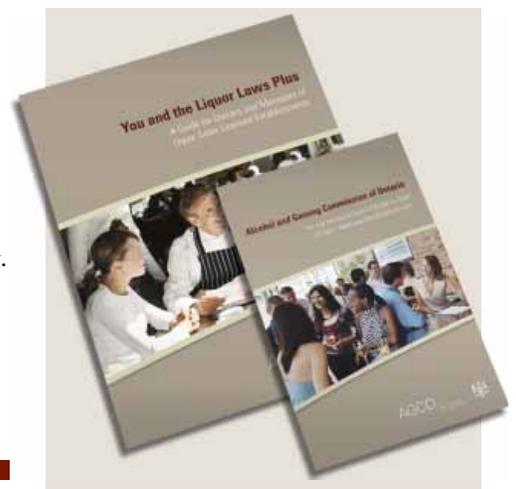
**ORDER NOW!****Free Information materials available**

**You and the Liquor Laws:** A short booklet for employees of liquor sales licensed establishments.

**You and the Liquor Laws – Plus:** A guide for owners and managers of liquor sales licensed establishments focusing on the operational aspects of maintaining a licence in good standing.

These materials may be requested by calling AGCO Customer Service at 416.326.8700 or toll free in Ontario at 1 800.522.2876 or by emailing [customer.service@agco.ca](mailto:customer.service@agco.ca).

These and other information materials such as Responsible Service Tip Sheets, Annual Reports and Sandy's Law poster can be viewed and downloaded from the AGCO website at [www.agco.on.ca](http://www.agco.on.ca).



Licence Line is published by the Alcohol and Gaming Commission of Ontario to provide licensees and interested parties with information regarding alcohol legislation and related issues. Reader comments are welcome. This newsletter is available free of charge to all holders of a liquor sales licence in Ontario.

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