

Date: February 8, 2013

To: All LCLB staff
All Industry Associations
All Local Governments and Police
All wine store licensees
All manufacturer licensees and applicants for a manufacturer's licence

Re: Regulation of Wine Stores and On-site Manufacturer Stores

The purpose of this policy directive is to announce amendments to the *Liquor Control and Licensing Act* regulation affecting those who hold retail wine store appointments and manufacturers with an on-site store appointment.

Background

In 2007 a transition began to shift the oversight of all private liquor retailing from the Liquor Distribution Branch (LDB) to the Liquor Control and Licensing Branch (LCLB). Since then, all wine stores, except sacramental wine stores, have been administratively supervised by LCLB. This regulatory change completes this process by enshrining this responsibility within the *Liquor Control and Licensing Act* and regulations allowing for a more equitable compliance and enforcement system for all liquor retail outlets.

There are several different wine store models that are affected:

- VQA wine stores who sell only VQA certified wine
- Off site winery stores that sell only wine from their associated winery
- Independent wine stores that sell all types of wine
- Tourist wine stores that only sell 100% BC wine
- Sacramental wine stores that only sell wine for sacramental purposes to ministers of religion.

The first element of this change converts retail wine stores from appointments under section 18(5) of the *Liquor Distribution Act* to licensed establishments under section 12 of the *Liquor Control and Licensing Act*. Although all models are being converted to one licence type their general operating terms and conditions are not affected and they will continue to sell the same types of wine as they did under the LDB appointment structure. The long standing moratorium on new licences for off site wine retail stores has been enshrined in the regulation and no new applications will be accepted or licences granted. Also, to bring wine stores in line with other private retailers, they will now be subject to annual licensing fees based on sales volumes.

The second element of this change converts manufacturer (wineries, distiller's and brewer's) on-site store appointments under section 18(5) of the *Liquor Distribution Act* to endorsements on the manufacturer's licence. Operating terms and conditions and the

application process are not affected but on-site manufacturer stores are now subject to an application and annual licensing fee.

Amendments to the Regulation

The regulations have been amended to add a new section **14.1 “Wine stores”** that outlines the operating terms and conditions for off-site wine stores. The “Wine Store” licensee guide found at <http://www.pssg.gov.bc.ca/lclb/docs-forms/guide-winestore.pdf> also contains general terms and conditions for operating a licensed wine store - such as what type of wine may be sold and to whom. Individual specific terms and conditions may also appear on the face of the licence.

Another new section **18.2 “Endorsement for manufacturer on-site store”** has been added to outline the operating terms and conditions for those stores. The “Brewers and Distiller” licensee guide found at <http://www.pssg.gov.bc.ca/lclb/docs-forms/guide-breweries.pdf> and the “Winery” licensee guide at <http://www.pssg.gov.bc.ca/lclb/docs-forms/guide-winery.pdf> also contain general terms and conditions for manufacturers.

Schedule 1: Fees has been amended to include fees associated with the changes:

- Wine store licensees first year fee \$250 (waived for 2013/14). Thereafter, renewal fees mirror those of Licensee Retail Stores and are based on annual liquor purchases or sales.
- Wine store licensees are subject to fees for changes, as per the fee schedule.
- Application for a new on-site store is \$110 and the annual renewal fee is also \$110.

The full fee schedule (Schedule 1 of the Regulation) can be found at:
http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/244_2002

Effective Date

Effective February 1, 2013, all off-site wine store appointments are converted to wine store licences and all on-site manufacturer store appointments are converted to an endorsement on the manufacturer’s licence. Wine store operators will not receive a new licence as a result of this change. Existing certificates expiring March 31, 2013 are considered 'converted licences' until they are renewed. Renewal forms are sent out in January each year.

Further Information

Further information regarding liquor control and licensing in British Columbia, including links to legislation and the LCLB licensing policy manual, is available on the Liquor Control and Licensing Branch website at www.pssg.gov.bc.ca/lclb. 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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