

Liquor Licence Act Regulatory Changes (July 2007)

QUESTIONS and ANSWERS

1. **Regulation 719 – Liquor Sales Licensees**
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Regulation 719 – Liquor Sales Licensees (Nos. 1 - 8)

1. What is the change?

Licensees must make reasonable efforts to deter potential disorderly conduct by their patrons near their licensed establishments.

What does it mean?


The potential disorderly conduct of patrons in the vicinity just outside of a licensed establishment must now be reasonably addressed by the licensee.

Licence holders are expected to have in place reasonable measures and/or to make reasonable efforts to deter or minimize the harm caused by disorderly conduct in the vicinity of their licensed premises by their patrons or persons attempting to enter their establishments. Reasonable measures/efforts will be determined on a case-by-case basis and licensees may face discipline if reasonable steps are not taken, particularly if a recurring pattern of public disturbances is reported coming from the same licensed establishment.

For example, line-ups to get into a nightclub must be properly monitored and secured, a crowd of noisy patrons gathering outside of an establishment at the end of an evening should be politely dispersed, and the police may need to be called if a dispute that spills out of an establishment escalates in nature.

Please note that licensees are expected to take reasonable steps to help ensure that their communities remain as safe and peaceful as possible but not to 'police' their local neighbourhoods.

Why was it made?

Liquor sales licences are issued with the public interest in mind and licensees are expected to be good neighbours. This change ensures that licensees are acting appropriately with regards to addressing potential disorderly conduct that may emanate from their establishments into their local communities. **[back](#)** 

2. What is the change?

Licensees and/or their management must always maintain control over their establishments, including patron entry and activities.

What does it mean?

A specific and proactive duty now exists to provide proper supervision over a licensed establishment. Licence holders and/or their management must maintain control over the licensed premises, including who is permitted to enter or remain and the activities that are

permitted to occur there. Sufficient control will be determined on a case-by-case basis and licensees may face discipline if they do not provide adequate supervision over their establishments.

For example, a licensed establishment should never be left unattended or inadequately staffed, all entrances should be properly supervised and secured, and patrons should always be sufficiently monitored to ensure that no improper activities are taking place.

Why was it made?

Illegal activities have never been permitted in licensed establishments and licensees should never create an environment that is conducive for allowing them to occur. This change reinforces the obligation of licensees to maintain proper control of their licensed premises and proactively ensures that licensees have the proper mechanisms and procedures in place to effectively control their establishments, as well as to curb potential problems before they arise or become serious. [back](#)

3. What is the change?

The lobby areas of hotels and motels may be licensed for the service of liquor.

What does it mean?

Liquor may now be sold, served and consumed in hotel and motel lobbies that have been licensed. A specific regulatory exemption now permits the lobbies of hotels and motels to be covered by a liquor sales licence, including having them added to existing licences.

Lobbies, for the purpose of this exemption, are considered to be the areas inside of an entrance where patrons of the hotel or motel are first welcomed and may contain a reception area where guests are able to "check-in". The lobby area must otherwise be eligible for liquor licensing and all of the rights and responsibilities that apply to other licensed areas apply to licensed lobbies, including the requirement to make food available for patrons. While there are no special processes involved with the licensing of hotel and motel lobbies, the licensing officer assigned to an application by the Alcohol and Gaming Commission of Ontario (AGCO) will address any specific concerns with the applicant that may arise.

Why was it made?

Hotel and motel operators are being afforded additional business flexibility while strong regulatory controls continue to be maintained. Input from industry stakeholders indicates strong support for this change because it provides an added customer service feature that allows Ontario hotels, motels and resorts to better serve their patrons and compete with other travel destinations. [back](#)

4. What is the change?

*Minimum liquor pricing and responsible drink price flexibility have been introduced for liquor sales licensees (please see **Information Bulletin No. 14** for further details).*

What does it mean?

Licensees are permitted to offer responsible drink price flexibility and packages to their patrons but may not sell or supply standard-sized drinks for less than \$2. The standard sizes for each type of liquor have been defined as being 341ml (12oz) for beers, ciders or coolers; 29 ml (1oz) for spirits; 142 ml (5oz) for wine; and 85 ml (3oz) for fortified wine; and the minimum price changes proportionately depending on the size of the serving of liquor provided to the patron. For example, a 2oz. vodka and soda must be at least \$4 and a 60 oz. pitcher of beer must be at least \$10. A licensee may vary the purchase price of liquor as long as it remains above the minimum price, whether offered in combination with food, such as 'wine with dinner' or 'beer with wings', or for a specified time.


For example, a licensee may offer a different price for a glass of wine provided with a certain meal on a regular basis, a different price for martinis on a certain day or a different price for domestic beers, house wine and bar shots during a certain period of a day as

long as the cost of the liquor itself remains at or above the minimum price.

Please note that revised drink prices must always be posted or provided to patrons, liquor prices must be the same for all patrons, drink prices may not be based on the purchase of other drinks [e.g. **no** '2 for 1' specials], and the posting and advertising of prices and promotions must be responsible in nature [e.g. **no** "Happy Hour"].

The **Liquor Advertising Guidelines for Liquor Sales Licensees and Manufacturers** issued by the Registrar of Alcohol and Gaming (Registrar) have been updated to appropriately reflect and comprehensively outline these changes and should be reviewed by all licensees. It is also important to note that liquor sales licensees remain under general obligations not to serve intoxicated individuals and/or permit drunkenness in their establishments and must continue to operate in accordance with the other provisions of the Liquor Advertising Guidelines for Liquor Sales Licensees and Manufacturers, as well as all other applicable regulations and laws.

Why was it made?

The new pricing and promotion rules provide responsible options and better reflect the realities of the hospitality industry. These changes afford licensees the opportunity to make legitimate business decisions, give the public improved consumer choice and maintain strong social responsibility controls by creating a floor price for liquor served in licensed establishments. The new structure also simplifies the pricing rules for compliance purposes and expands the availability for promotional opportunities to Ontario's tourism and hospitality industries. [back](#) 

5. What is the change?

All licensees must ensure appropriate staff members successfully complete server training by January 1, 2008, or within 60 days after being hired.

What does it mean?

The requirement to have appropriate staff members complete server training will apply to all licensees, including those issued licences prior to 1993, at the beginning of 2008 and the period for new employees to receive the training will be set at 60 days after they are hired. On and after January 1, 2008, all licence holders must ensure that managers, persons involved in the sale or service of liquor and security staff hold, within 60 days after being hired, a certificate demonstrating the successful completion of a server training course approved by the Board of the AGCO. This requirement applies to full-time, part-time and contract employees, as well as any licensees who are involved in the day-to-day operations of the establishment. This new regulatory provision supplants the standard server training licence conditions that have already been added to the vast majority of liquor sales licences and licensees may face discipline if they are not in compliance with this provision on and after January 1, 2008.

Please note that sole proprietors, partners, shareholders, officers and directors associated with a licensee but who are **not** involved in the day-to-day operations of a licensed establishment are **not** required to be server trained. Their management staff, however, must be properly trained in responsible service.


Currently, the server training program that has been approved by the Board of the AGCO for these purposes is Smart Serve. The Smart Serve Training Program is available on video or online through the Smart Serve website.

For more information about the Smart Serve Training Program, please contact:

Smart Serve Ontario
5405 Eglinton Avenue West, Unit 106
Toronto, ON M9C 5K6
Tel. (416) 695-8737

Toll-Free 1-877-620-6082
Fax (416) 695-0684
Website: www.smartserve.org
E-Mail: general@smartserve.ca

Why was it made?

The responsible service of liquor is a primary tenet of the LLA and server training is beneficial for all liquor sales licensees, new and old. Mandatory server training emphasizes the importance of responsible liquor service and creates consistency among all liquor sales licensees. The Smart Serve Training Program itself teaches hospitality staff about Ontario's liquor laws, recognizing the signs of intoxication and implementing appropriate house policies. The period for new employees to receive the training has been set at 60 days after they are hired, down from the current standard of 90 days, to ensure employees hired for a specific 'busy' season are properly trained in responsible service. [back](#) 


6. What is the change?

Alcohol without liquid (AWOL) devices are prohibited at licensed establishments.

What does it mean?

Licensees must now ensure that AWOL devices or vaporizers are not permitted or used at their licensed establishments. These devices are designed to mix alcohol with oxygen, or other gases, to produce a mist for inhalation. If an AWOL device is already located at a licensed establishment, the licensee must immediately have it removed.

Why was it made?

Concerns have been raised about the potential misuse of AWOL devices, as well as a lack of understanding about the effects the devices may have on users. AWOL devices have already been prohibited in many jurisdictions across North America. [back](#) 

7. What is the change?

Patrons are permitted to bring sealed alcohol into licensed establishments if it is purchased from a government store and intended for personal use elsewhere.


What does it mean?

Licensees may now allow patrons to bring unopened liquor into their licensed establishments if the liquor remains sealed, is bought from a government store and will be consumed somewhere besides the licensed establishment. For example, if a person purchases a bottle of spirits from a Liquor Control Board of Ontario (LCBO) outlet to take home and then decides to stop in at a restaurant, this change clarifies that the bottle of spirits will not be considered a technical violation for LLA-related purposes as long as it remains sealed within the establishment.

Despite this change, licensees may still choose to disallow patrons to bring in any liquor into their establishments. For example, licensees may feel allowing patrons to bring their own sealed liquor into the licensed premises to be too difficult to monitor, inappropriate for their establishment or a potential cause of compliance issues.

Please note that licensees are responsible for ensuring that sealed liquor brought in by patrons is not opened or consumed in the establishment, does not remain in the establishment when the patron leaves and does not mix in any manner with the establishment's own bar stock, and may face discipline if they do not.

Why was it made?

This change was made to allow licensees, particularly those located in shopping malls or near LCBO/The Beer Store outlets, the option to permit patrons to bring liquor into an establishment that is clearly intended for home use. This change provides flexibility for establishments where allowing such liquor into the premises will not cause compliance difficulties, as well as offers patrons the chance to visit these establishments after purchasing liquor from a store for their enjoyment elsewhere or as a gift for others. [back](#) 

8. What is the change?

Liquor may be served to any individual on the playing area of a licensed golf course.

What does it mean?

Licensees with a golf course endorsement attached to their liquor licences are now permitted to serve liquor to any individual on a golf course as opposed to only those actively golfing. Of course, any individual served liquor by a licensee in Ontario must be 19 years of age and liquor sales licensees remain under general obligations not to serve intoxicated individuals and/or permit drunkenness, as well as to abide by all other applicable regulations and laws.

Why was it made?

This change provides licensed golf courses with the ability to reasonably decide whom they wish to provide liquor to throughout their licensed areas. Golf courses are expected to act in a responsible manner whether persons served liquor are golfers, spectators, caddies or others on a golf course. [back](#)

Regulation 718 – Manufacturers' Representatives and Liquor Delivery Services (Nos. 9-11)**9. What is the change?**

Liquor delivery service operators must ensure appropriate staff members successfully complete server training by January 1, 2008, or within 60 days after being hired.

What does it mean?

Liquor delivery service operators are required to have staff members involved with the sale and delivery of liquor, as well as all managers, complete server training by the beginning of 2008, with the period for new employees to receive the training being set at 60 days after they are hired. On and after January 1, 2008, liquor delivery licence holders must ensure that managers and persons involved with taking liquor orders and/or supplying liquor to customers hold a certificate demonstrating the successful completion of a server training course approved by the Board of the AGCO within 60 days after being hired. This requirement applies to full-time, part-time and contract employees, as well as any licensees who are involved in the day-to-day operations of the business, and licensees may face discipline if they are not in compliance with this provision on and after January 1, 2008.

Please note that sole proprietors, partners, shareholders, officers and directors associated with a licensee but who are **not** involved in the day-to-day operations of the liquor delivery service are **not** required to be server trained. Their management staff, however, must be properly trained in responsible service.

Currently, the server training program that has been approved by the Board of the AGCO for these purposes is Smart Serve. The Smart Serve Training Program is available on video or online through the Smart Serve website.

For more information about the Smart Serve Training Program, please contact:

Smart Serve Ontario
5405 Eglinton Avenue West, Unit 106
Toronto, ON M9C 5K6
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Toll-Free 1-877-620-6082
Fax (416) 695-0684
Website: www.smartserve.org
E-Mail: general@smartserve.ca

Why was it made?

The responsible service and delivery of liquor is a primary tenet of the LLA and server training is beneficial for all licensees who provide liquor to the public. Mandatory server training emphasizes the importance of responsible liquor service and the Smart Serve Training Program itself teaches hospitality staff about Ontario's liquor laws, recognizing the signs of intoxication and implementing appropriate house policies. The period for new employees to receive the training has been set at 60 days after they are hired to ensure employees are properly trained in responsible service in a reasonable amount of time.

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10. What is the change?

Liquor delivery service operators must immediately notify the AGCO of a business address change.

What does it mean?

This change clarifies the duty of the holder of a liquor delivery service licence to immediately inform the AGCO of a new business address. As a licence to deliver liquor for a fee attaches to the business rather than a location, liquor delivery service operators are obligated to let the AGCO know when their business relocates. A liquor delivery service licensee should inform the AGCO of a business address change by way of a written notification sent to:

AGCO Head Office
Licensing and Registration Branch
90 Sheppard Avenue East, Suite 200
Toronto, Ontario M2N 0A4

Why was it made?

It is essential for the AGCO to know where a liquor delivery service is operating to ensure that all relevant documentation and notices reach the licensee, as well as to properly enforce the requirements of the LLA. This change is meant to highlight the responsibility of a liquor delivery service operator to promptly inform the AGCO of a business address change, both for the licensee's and AGCO's benefit.

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11. What is the change?

Manufacturers' representatives may keep existing liquor products, rather than strictly "new" products, for the purpose of providing samples.

What does it mean?

This change explicitly permits manufacturers' representatives to store existing liquor products for the purposes of sampling. Manufacturers' representatives were already permitted by the regulation to provide samples of existing products and this clarifies that they are also permitted to store existing products for sampling purposes.

Why was it made?

This was a technical change designed to synchronize the ability of manufacturers' representatives to both store and provide existing liquor products for sampling purposes.

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**Regulation 720 – Manufacturers
(No. 12)****12. What is the change?**

Manufacturers of liquor must keep records required for LLA inspection purposes for a minimum of six years.

What does it mean?

Liquor manufacturers are now required to keep any records necessary for LLA-related

inspections for at least 6 years. Regulation 720 did not previously specify a time period for which the records of a liquor manufacturer must be kept. This change only sets a minimum time period for retaining records under the LLA, as is outlined for other types of licensees, and does not impose any further administrative requirements on liquor manufacturers.

Why was it made?

This was a technical change meant to simply clarify what is expected of liquor manufacturers in terms of document retention under the LLA. The time period for retaining records was set at 6 years to ensure LLA-related inspections, when necessary, can be completed properly and to correspond with same time period that documents are required to be kept for other business purposes. [back](#)

**Regulation 58/00 – Ferment (or Brew) on Premise Facilities
(Nos. 13-14)****13. What is the change?**

Premises where equipment for the making of beer or wine is provided to individuals have been renamed "ferment on premise facilities" for regulatory purposes.

What does it mean?

All references to "brew on premise" in the LLA and its regulations have been changed to "ferment on premise". Please note that this is a name change only, is not substantive in nature and does not require any particular action on the part of licensees. All AGCO documents related to ferment on premise facilities are in the process of being amended to reflect this change.

Why was it made?

The name change from "brew on premise" to "ferment on premise" has been made to better reflect the current makeup of licensees who fall under this particular category and predominately facilitate wine-making. The public consultation process revealed strong support for the name change within the industry. [back](#)

14. What is the change?

Ferment on premise licensees are required to submit their licence renewal applications prior to the expiry date and are no longer afforded a 'late renewal' process.

What does it mean?

The three-month 'grace period' formerly available to ferment on premise operators for renewing their licences has been eliminated. The AGCO will no longer accept late renewal applications from ferment on premise licensees and operators who allow their licences to lapse past the expiry date will be required to apply for a new licence. While the AGCO will continue its practice of sending reminders to licensees to renew their licence 60 days prior to the expiry date, it is the responsibility of the licensee to ensure that their licence renewal application is submitted to the AGCO in advance of that expiry date.

Why was it made?

Licensees are always expected to submit their licence renewal applications on time so the three-month 'grace period' was no longer considered appropriate. This change was also made to create consistency with other types of licences issued under the LLA and to alleviate regulatory and enforcement concerns regarding licences that have lapsed but remain within the three-month 'grace period'. [back](#)

**General
(Nos. 15-21)**

15. What is the change?

The prescribed ownership sections used for licence transfer purposes have been amended for easier reference and to establish that all share transfers resulting in 10% ownership of any class require a transfer application.

What does it mean?

The prescribed ownership sections used for licence transfer purposes are now easier to reference and all share transfers resulting in 10% ownership of any class of share, whether voting, equity or otherwise, will now trigger the need for a transfer of the licence. The prescribed sections have been amended in a number of the LLA regulations and better reflect the current process applied for licence transfers. The only substantive change is the elimination of the distinction among different types of shares for transfer and disclosure purposes.

Why was it made?

These changes were made primarily for easier reference but also to synchronize licence transfers with the AGCO's enhanced liquor licensing and investigatory mandate. It is imperative that the AGCO be aware of all parties who have an interest in the business of a licensee. [back](#)

16. What is the change?

Photo cards issued by the former Liquor Licence Board of Ontario have been eliminated as a prescribed form of identification under the LLA.

What does it mean?

*Photo cards issued by the LLBO are no longer a prescribed form of identification under any of the LLA regulations for the purposes of checking the age of a patron. Licensees in Ontario are under a strict obligation to ensure that minors are neither served nor consume alcohol in their establishments, as well as to inspect appropriate identification for patrons who appear to be under 19 years of age. A licensee should not be solely relying on a LLBO photo card to determine the age of a patron. Please note that this change has **no effect** on the use of photo cards issued by the LCBO.*

Why was it made?

The LLBO no longer exists and identification issued by the LLBO is no longer reliable. Any existing LLBO photo cards would also be unfamiliar to most licensees for the purposes of verifying authenticity. [back](#)

17. What is the change?

A number of housekeeping and technical issues have been addressed throughout the LLA regulations.

What does it mean?

A number of technical amendments to the LLA regulations will make them easier to reference and understand. These changes also create LLA regulations that are better organized and better reflect their regulatory intentions.


Why was it made?

All regulations need to be reviewed and amended on an ongoing basis to ensure they continue to be as accessible, understandable and organized as possible, as well as continue to reflect the intentions for which they were drafted. These minor changes to the LLA regulation are meant to accomplish those purposes. [back](#)


18. Why were these regulatory changes made?

These regulatory amendments complement a number of statutory changes already introduced and other related policy reforms that continue to be developed. As a whole, these changes represent a balanced package that incorporates significant public safety and consumer protection initiatives, as well as measures that reduce red tape and create a more flexible and modern liquor licensing framework in Ontario. [back](#)


19. What is expected of licensees in terms of legislative and regulatory compliance?

All licence holders are expected to fully comply with all legislative and regulatory requirements pertaining to their licence. [back](#) 

20. How may updated versions of the LLA and its regulations be obtained?

Updated electronic versions of the LLA and its regulations are available online through the AGCO website at www.agco.on.ca. Updated print versions may be obtained by request through AGCO Customer Service by emailing customer.service@agco.ca, or by calling (416) 326-8700 or toll free in Ontario at 1-800-522-2876. [back](#) 

21. How should licensees further inquire about these changes and others made to Ontario's liquor licensing framework?

For further inquiries about Ontario's liquor licensing framework, including any of the recent changes, please contact AGCO Customer Service by email at customer.service@agco.ca, or by phone at (416) 326-8700 or toll free in Ontario at 1-800-522-2876, and visit the AGCO website on a regular basis. Liquor sales licensees should also pay close and careful attention to articles and notices included in *Licence Line*, a semiannual AGCO publication provided to all liquor sales licensees. [back](#) 

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