Municipal Webinar Series

ALCOHOL AND GAMING COMMISSION OF ONTARIO

WEBINAR 4: LIQUOR REGULATION IN ONTARIO - MAY 15, 2019



Participants

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In today's presentation...

1. Liquor Licensing in Ontario:

- What are the municipal letters of approval?
- Can the public provide input to the licensing process for new liquor establishments?
- What is the role of the Licence Appeal Tribunal?

2. Tools Used for Compliance:

- What is risk based licensing?
- How are inspections a tool for compliance?
- Is education a tool for compliance?
- What partnerships are available to help ensure establishments are complaint?

3. Municipally Significant Special Occasion Permits:

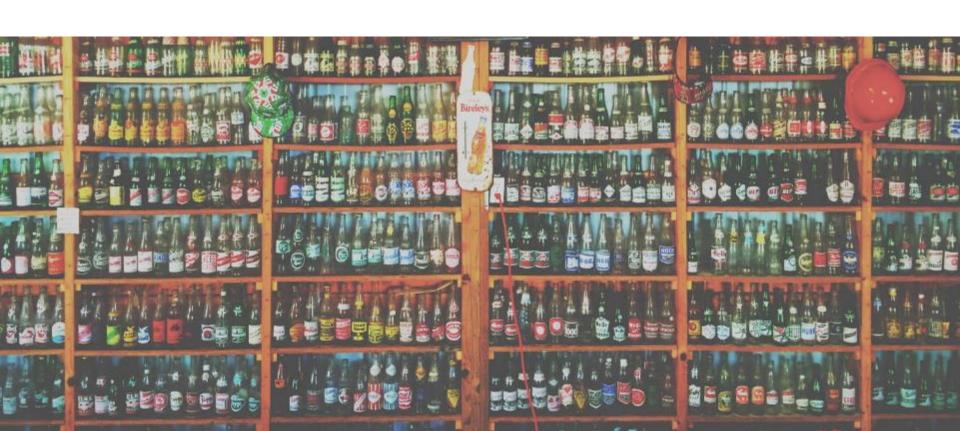
- What is a special occasion permit?
- What does Municipally Significant mean?

4. How the Liquor Industry is Modernizing:

- What is the new tailgating SOP?
- What are the new hours for sale and service?
- What are municipally designated licensed areas?
- Are there any other changes that will impact my municipality?



Liquor Licensing in Ontario



Information on Liquor Sales Licensing



The AGCO is responsible for administering the *Liquor Licence Act* (LLA) and specific sections of the *Liquor Control Act* (LCA)

The AGCO licenses and regulates establishments that sell or serve alcohol to the public for on-site consumption. This includes:

- bars,
- · restaurants,
- lounges,
- night clubs.



Municipal Requirements for New Liquor Sales Licences

The following municipal information and documentation must be provided to the AGCO in order to support an application for a new liquor sales licence or an outdoor addition to an existing liquor licence:

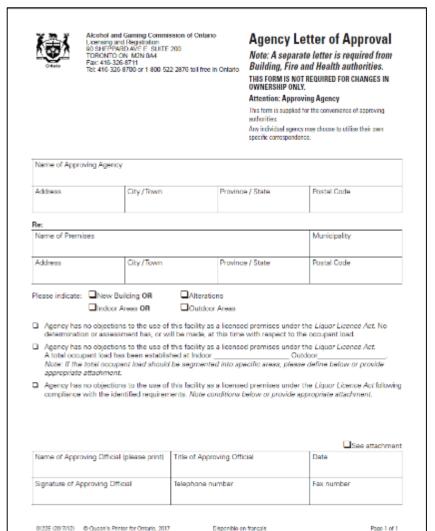
- A Municipal Information Form
- Three municipal agency letters of approval (also known as "compliance letters")
 - Building Department (Building Code Act, 1992)
 - Fire Protection Officer or Fire Marshal (Fire Protection and Prevention Act, 1997)
 - Public Health Department (Health Protection and Promotion Act)



Agency Letters of Approval

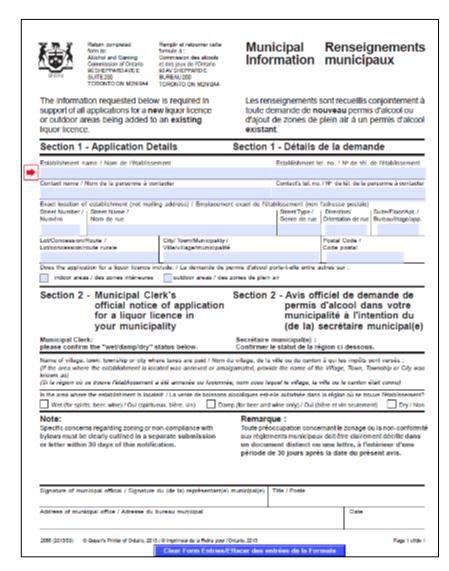
The compliance letters must indicate that an applicant's establishment meets the <u>current</u> standards or by-laws administered by each agency.

The compliance letter from Building or Fire Department should indicate an occupant load for the licensed area.



Municipal Information Form

- The AGCO provides a template of an approval letter to be used by municipal officials
- Some municipalities prefer to use their own letterhead.
- The letter must be signed and dated by the appropriate official.
- This form indicates whether the area is "wet", "damp" or "dry"
- Some municipalities prefer to return the form to the applicant for delivery to the AGCO, others mail the form directly to the AGCO. Either approach is acceptable.



Additional Helpful Information for Municipal Staff

A Municipal Information Form must be completed and signed by an applicant's local municipal clerk's office and returned to the AGCO when applying for:

- "tied house" liquor sales licence associated with a manufacturing site of a winery, distillery or brewery in Ontario
- to support an application for a manufacturer's retail store in your municipality

Written notice must be received from the Council of the municipality where the applicant's manufacturing site is located confirming that it has passed a resolution in support of a 'by the glass' licence

- By the glass licence allows a manufacturer to sell and serve their products for consumption on their manufacturing site(s) where the sale is primarily aimed at promoting the product/ providing an enhanced tourist experience/ fulfilling an educational purpose.
- Guests are allowed to carry and consume wine, beer and spirits on the manufacturing site in areas that are under the sole control of the manufacturer and approved under the licence.

Additional Helpful Information for Municipal Staff



If an applicant is applying to licence an outdoor area (patio), the compliance letters submitted from the local municipality's fire department and health department must specify that the outdoor area was inspected and assigned a capacity (occupant load).

Municipalities can prohibit the sale of VQA wine and/or fruit/honey/maple wine at any or all farmers' markets within their jurisdiction at any time by providing a written objection to the Registrar.

Additional information can be found on our website



What is Public Notice?

The public notice process offers residents in the municipality:

- An opportunity to respond to a new application; and,
- An opportunity to voice any concerns or objections to the application within the time period set.

Where to find the Public Notice:

- The AGCO website; and,
- the licence applicant must post a placard at the premises.



A liquor sales licence may be issued <u>unless</u> it is not in the public interest.



When is Public Notice Required?

The AGCO posts a public notification/placard:

- 1. Where an application for a liquor sales licence has been filed with the AGCO and there has been no liquor sales licence at that address for at least six (6) months;
- 2. Where an existing licensee wishes to licence an outdoor space such as a patio;
- 3. Where an existing licensee wishes to increase the licensed capacity of the establishment (indoor or outdoor) by more than 25%; and
- 4. Where the Registrar may require public notification due to the location or the past compliance history of an establishment.

There is no public notice for a transfer of a Liquor Licence, however the AGCO performs due diligence checks on all transfer applicants to determine eligibility.

What happens after the Public Notice?

Public Meeting Conference Call (PMCC)

- Generally, when 4 or less objections have been filed with the AGCO, a public meeting may be arranged.
- Participants include the Deputy Registrar of the AGCO, the licence applicant and the objectors
- the meeting is to identify the concerns of the residents and see if the concerns can be resolved.
- The Deputy Registrar can approve the issuance of the licence if the issues can be resolved.

If the issues cannot be resolved at the public meeting, or if there are 5 or more objections filed, then the Deputy Registrar will send the matter to a public interest hearing before the Licence Appeal Tribunal (LAT).

Licence Appeal Tribunal

Adjudication of alcohol matters under the *Liquor Licence Act* rests with the **Licence Appeal Tribunal (LAT)**, an agency of the Government of Ontario that adjudicates matters involving licensing activities regulated by various Ministries.

LAT is an independent adjudicative authority and is not part of the AGCO.



How to find Liquor Sales Licence applications in your Municipality

To view liquor sales licence applications filed with the AGCO for which a public notification is required, please search via the iAGCO portal.

If residents have concerns about a proposed licensed premises or an expansion of an existing licensed premises, they may object to the application.

Formal objections can only be made via the iAGCO portal and must be received before the submission deadline.





KEY TAKE AWAYS:

- 1. <u>First time</u> liquor applicants must include a variety of municipal related forms when submitting an application to the AGCO:
 - 1. Municipal Information Form
 - Filled in by municipal officials (ie. Clerk)
 - Indicates if the municipality is dry, damp or wet.
 - 2. Compliance Letters (Building, Fire, Public Health)
 - Filled in by the agencies that administer the by-laws
 - Ensure the applicant is in compliance with current local by-laws
- 2. Municipalities may use their own letter or use the ones provided on the AGCO website.
- The AGCO is mindful of the concerns of residents, while also seeking to have an environment that permits the responsible sale and service of alcohol.

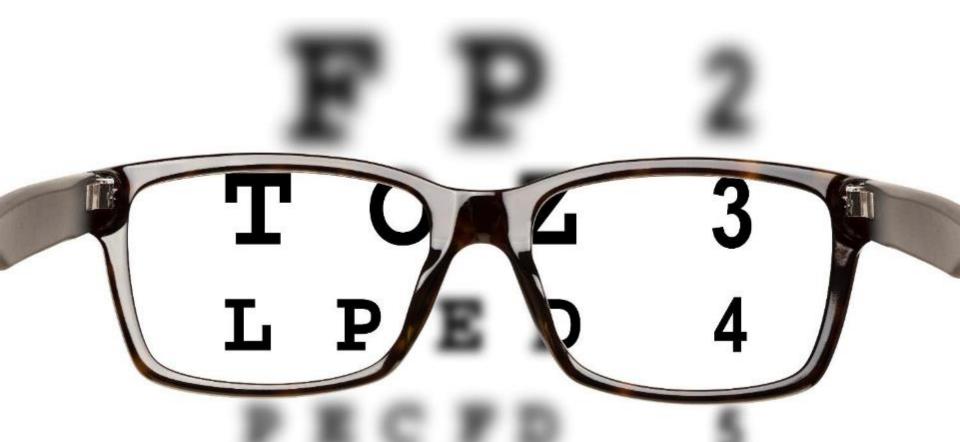


KEY TAKE AWAYS:

- 4. When there are concerns with respect to a liquor licence application, the AGCO will arrange a teleconference between the AGCO, the Licence applicant and the objectors.
 - The goal of this meeting is to identify the concerns, and to work toward a resolution
 - If the issues cannot be resolved, the AGCO will send the matter to a public interest hearing before the Licence Appeal Tribunal (LAT)
- 5. LAT encourages discussion and mediates settlements between applicants and objectors.
 - The Registrar of the AGCO does not take a position to whether the application should be approved, rather the Registrar may take a position on which conditions, if applicable, should attach to the licence should the application be approved.
- 6. The AGCO's goal is to support an agreement or resolution that will meet the interests of both the objector and the licence applicant.



Inspection and Compliance



What is Risk-Based Licensing?



There are four key principles behind risk-based licensing:

- To identify persons or places that pose specific risks to public safety or the public interest;
- 2. To lessen any risks and ensure compliance with the *Liquor Licence Act* through the entire lifecycle of a liquor licence;
- To reduce the administrative burden for those who pose a lower risk, where possible; and
- 4. To focus more AGCO resources on those establishments that pose enhanced risks.



Risk-Based Licensing at the AGCO

The AGCO employs a risk-based licensing approach to issuing and regulating liquor sales licences.

The AGCO recognizes that some establishments pose a greater risk to public safety, to the public interest and/or to non-compliance with the law based on:

- Type of business,
- Location,
- Past history,
- Experience.

Risk-based licensing has been in place since 2007 to move toward regulation based on compliance rather than solely on enforcement.

Risk-based licensing is helpful for liquor sales licensees as it assists in operating establishments in a safe and responsible way, and in compliance with the *Liquor Licence Act* and its regulations.

Risk-Based Licensing

Risk-based licensing is an ongoing process and not just a one-time application

Risk level attached to a licensed establishment can change over time. A licensee's risk level can be changed because:

- a change in circumstances that could lead to a reassessment,
- the licensee requests a reassessment.

Licensee/applicants are able to provide input to the AGCO before a risk designation is made or conditions are imposed.





Inspecting Establishments

Thousands of joint inspections are completed annually by AGCO Compliance Officials partnered with police officers.

AGCO has a long history of working in partnership with local Municipal Licensing and Standards (MLS) divisions/agencies.

- The AGCO's Regulatory Compliance Branch and MLS divisions regularly partner during fieldwork operations.
- These bodies are able to work together to identify establishments that pose the greatest risk to communities
- They also can coordinate methodologies to bring these establishments into compliance with municipal and provincial laws

This type of information sharing also supports better decision-making at both the provincial and municipal levels.





Inspecting Establishments

An AGCO Compliance Official or a police officer can inspect for compliance with the LLA and its Regulations.

An AGCO Compliance Official or a police officer has the authority to do the following, but not limited to:

- Enter and inspect the premises
- Ask to see the Liquor Sales Licence and require that it be displayed in a conspicuous place
- Ask to see records of liquor purchases and sales for the past 12 months including cash register tapes and purchase invoices
- Remove documents and liquor for examination
- Bring forward information to the Registrar to consider for compliance action including risk-based licensing, monetary penalties, suspension or revocation

Top 5 Infractions:

- 1. Permit Drunkenness (also includes Promote Immoderate Consumption)
- 2. Sell/Serve Outside Prescribed Hours (also includes Fail to Remove Evidence of Service)
- 3. Permit Disorderly Behavior (also includes drugs & gambling related infractions)
- 4. Exceed Lawful Capacity of Premises
- All infractions related to Minors

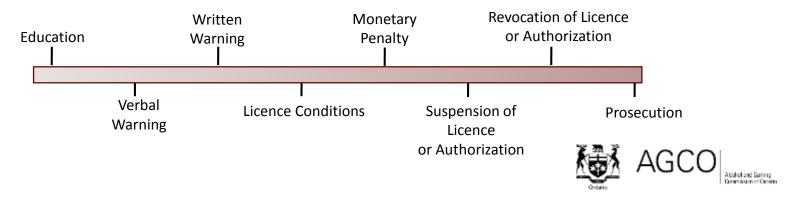


Tools for Compliance

The Registrar has various compliance tools available to deal with contraventions of the *Liquor Control Act*, the *Liquor Licence Act* and their **regulations**.

These include a series of escalating regulatory options to enforce compliance:

- Education
- Verbal Warning
- Written Warning
- Monetary Penalty
- Additional Licence Conditions
- Suspension of Licence
- Revocation of Licence or Authorization



Education for Compliance

The AGCO regularly aims to provide proactive information and educational sessions for stakeholders on important regulatory issues.

The AGCO's goal in providing educational programs and products is to assist those we regulate in complying with the regulatory requirements applicable to them.

Examples of products include information bulletins, packages and toolkits; stakeholder education webinars; and Licence Line newsletter.





Strategic Partnerships

Strategic Actions for Effective Results (SAFER)

- Created in 2014 to enhance the Risk-Based Enforcement strategy
- Addresses problematic licensees that are habitually non-compliant.

Award for Outstanding Liquor Enforcement

 The Ontario Association of Chiefs of Police (OACP) presents annual awards relating to liquor enforcement.

Best Bar None

- an industry-led international accreditation and awards program that rewards excellence amongst responsible liquor sales licensees.
- The Ontario Restaurant Hotel Motel Association (ORHMA) runs Ontario's BBN program with the support of the AGCO and industry partners.

Last Drink Program

- Aims to improve public safety and reduce impaired driving on Ontario's roadways.
- Municipal police services inform the AGCO of alcoholrelated driving infractions where drivers name a licensed establishment as the location where they last consumed alcohol.

Community Alcohol Safety and Enforcement Program

- Partnership between the AGCO and the OACP
- police officers throughout the province partner with AGCO Inspectors and OPP
 officers to inspect establishments that cater to post-secondary students returning to
 school, and promote the responsible sale and service of liquor throughout the year.



KEY TAKE AWAYS:

- The AGCO employs a risk-based licensing approach to issuing and regulating liquor sales licences.
- Some establishments pose a greater risk to public safety, to the public interest and/or to non-compliance with the law.
- 3. Risk-based licensing is an ongoing process and can occur at any point in the lifecycle of a liquor licence
- 4. Most licensees will have taken action on their own to address the risk(s) identified by the AGCO and will receive no designation.



KEY TAKE AWAYS:

- 5. Thousands of joint inspections are completed annually by AGCO compliance officials partnered with police officers.
- The Registrar has various compliance tools available to deal with contraventions of the *Liquor Control Act*, the *Liquor Licence Act* and their regulations.
 - These range in severity from education all the way to the revocation of a licence.
- 7. The AGCO relies on education and strategic partnerships to assist those we regulate in complying with the regulatory requirements applicable to them.

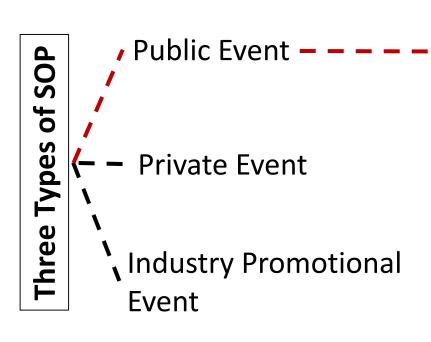


Large Event Special Occasion Permits (SOP)



Special Occasion Permits

Ontario's *Liquor Licence Act* requires you to have a **Special Occasion Permit (SOP)** if you wish to <u>serve</u> alcohol outside of a residence, a private place or a licensed establishment or to <u>sell</u> alcohol anywhere outside of a licensed establishment.



Public Events – Are held to raise funds for charitable purposes, or an event of significance that benefit the public at large. A Public Event SOP can be issued for:

- A charity registered under the *Income Tax Act* (Canada)
- A non-profit organization or association organized to promote charitable, educational, religious or community objects
- An event of provincial, national or international significance
- An event designated by a municipal council as an event of municipal significance
- <u>Tailgate events that are held outdoors, in</u> <u>connection with and in proximity to, an</u> <u>eligible sporting event.</u>

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Municipally Significant Events



In order to qualify as an event of municipal significance, the event must be designated as such by the municipality in which the event will take place.

Municipally significant events generally:

- A one time, annual or infrequently occurring event that is open to the public, has a predetermined opening and closing date and time,
- has local, regional, national or international historical or cultural significance;
- builds awareness of diverse cultures;
- benefits the community at large;



Municipally Significant Events

Examples include:

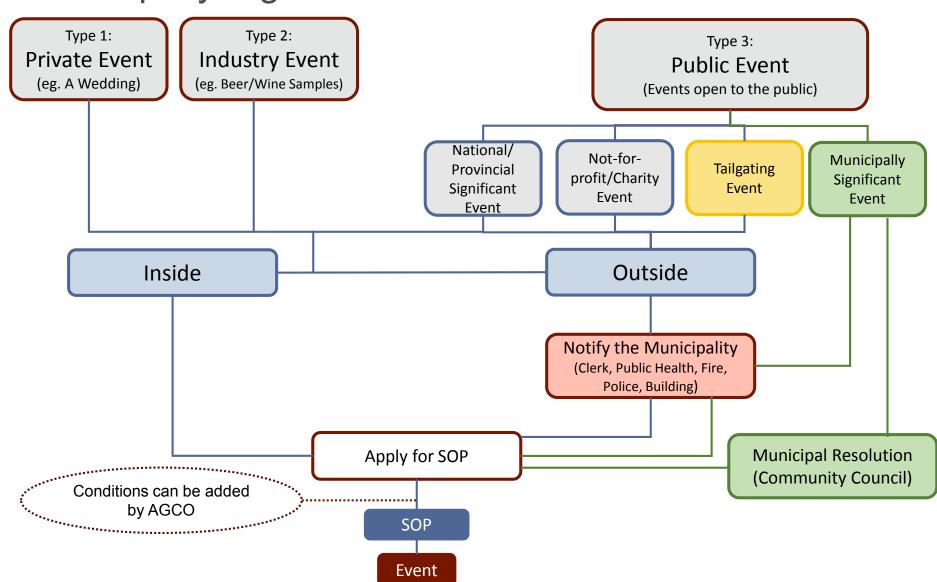
- Burlington Sound of Music Festival
- Ottawa Blues Festival
- Chatham Art in the Park
- Taste of the Danforth

SOP applications for a municipally significant Public Event must be accompanied by either a municipal resolution or a letter from a delegated municipal official designating the event as municipally significant.





Municipally Significant Events



The Permitting Process

Key Information Required With an SOP Application

- ☑ Type of "public event"
- ☑ Responsible person(s)
- ✓ Hours of sale
- Estimated attendance
- ✓ Sketch permit area and location of tiered seating
- Involvement of liquor licenced establishments (i.e. outdoor public events)

- Local authorities' notification letters (certain event types only)
- Storage of alcohol (series of events)

Additional information may be requested, such as:

- By-laws/Constitution (for nonprofit entities)
- Security Plan



At the Event

The AGCO is here to help prepare for and execute a safe and successful event. It is highly recommended that the permit holder works closely with local AGCO officials and municipal partners as part of the event planning process.

Groups to Co-ordinate With:

- Local AGCO Compliance Official
- Local Police Service
- Fire Service
- Emergency Medical Services
- Public Health
- Municipality (including By-law Enforcement)
- Landlord or Entity in control of the event site
- Local Building Department

Permit Holder's Responsibility

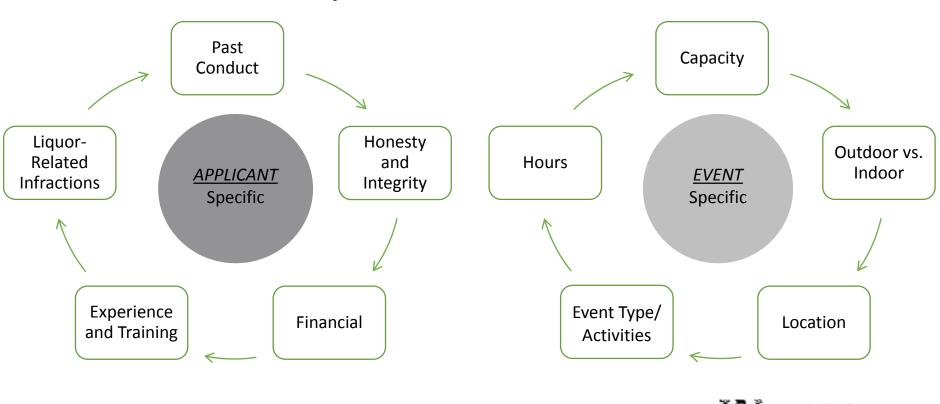
The permit holder is responsible for ensuring that alcohol is sold and served responsibly and according to the law.

The permit holder or responsible person(s) listed on the permit must be in attendance at the event.



The Permitting Process

Key Risk Considerations



Extension of Hours for Liquor Licensed Establishments During Municipally Significant Events

For licensed establishments - extensions of hours of sale and service are also possible for municipally significant events.

The Registrar has authority for extending the standard hours of sale and service in licensed establishments across the province:

- (i) during events of provincial, national or international significance, or
- (ii) during events of municipal significance.





Extension of Hours for Liquor Sales Licensees OR Significant Events

Effective January 2018, any liquor sales licensee or special event organizer applying for an extension of hours for the sale and service of alcohol must notify the local municipality that they have applied to the AGCO for an extension of hours.

The notification <u>must</u> include:

- that the liquor sales licensee / event organizer has applied to the AGCO for an extension of hours for the sale and service of alcohol
- the name and date(s) and location of the event
- the date(s) and time(s) of the extension requested

All applications submitted to the AGCO for a temporary extension of hours must now be accompanied by a copy of the written notification the applicant has sent to the local municipality.

KEY TAKE AWAYS:

- 1. A Special Occasion Permit (SOP) is required if you wish to <u>serve</u> alcohol outside of a residence, a private place or a licensed establishment or to <u>sell</u> alcohol anywhere outside of a licensed establishment.
- 2. There are 3 types of SOP's Public Events, Private Events, Industry Promotional Events.
 - Public Events Are held to raise funds for charitable purposes, or an event of significance that benefit the public at large or for a tailgate event. In order to qualify as an event of municipal significance, the event must be designated as such by the municipality in which the event will take place.
- 3. SOP applications for a municipally significant Public Event must be accompanied by either a municipal resolution or a letter from a delegated municipal official designating the event as municipally significant.
- 4. The AGCO is here to help permit holders prepare for and execute a safe and successful event.



Liquor Modernization



Context for Liquor Modernization:

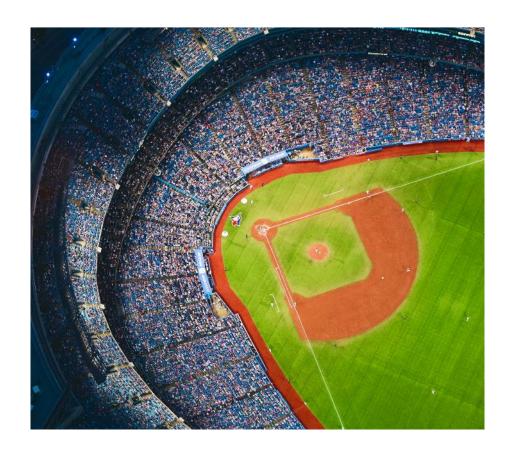
2018 Fall Economic Outlook and Fiscal Review

- the Government committed to review the framework governing the retail sale and consumption of beverage alcohol in Ontario.
- Since then, the Government has launched a review of the alcohol sector, with input from stakeholders, on a range of issues that impact Ontario's rules around the sale and consumption of beer, cider, wine and spirits.
- Public online consultation, led by the Ministry of Finance closed on February 1.
- The Ministry of Finance has also led stakeholder roundtable consultations in early March 2019.

Consistent with its stated commitment to enhance consumer choice the government announced several changes in the Budget on April 11, 2019.

New Tailgate Permit

- Tailgate event permit is a new class of Special Occasion Permit (subtype of Public Event)
- 2. Permit holders must allow attendees to bring their own alcohol for consumption (Key difference from other Public Event SOPs)
- Will be available for outdoor and ground level events held in connection with, and in proximity to, an eligible sporting event
 - Proximity = the location of the tailgate must be within reasonable physical proximity to the live sporting event to which the tailgate event is connected
- 4. Tailgate event permit holder may also sell alcohol
- No restrictions on vehicles in the permit area





Sporting Event Description

To be eligible, the tailgate event must be held in connection with and in proximity to a sporting event which fall into these three categories:

- Professional may include sports where the participants are major league teams such as the Canadian Football League, Major League Baseball, National Hockey League etc.
- Semi Professional Sporting events may include sports where the participants are minor league teams such as a members of Ontario Hockey League, AAA Baseball, United Soccer League Championship
- 3. Post Secondary sport events may include sports where the participants are extramural, varsity or intercollegiate sports teams that are members of Canadian Interuniversity Sports, Ontario Colleges Athletic Association



Additional Information on the Tailgate Permit

No requirement that the event be designated as an event of Municipal Significance.

Applicants must notify in writing and in advance, the local municipal clerk's department as well as other municipal authorities informing them of the tailgate event.

The permit holder is responsible for ensuring they are compliant with municipal by-laws and other laws.

- Required to ensure sufficient security is available
- Must ensure that conditions of the permit and requirements of the Liquor Licence Act are observed





Additional Information on the Tailgate Permit

- The AGCO is accepting applications for the Tailgate Event Permit through iAGCO. Applications opened May 6, 2019.
- As for other SOP events, AGCO Compliance Officials will work closely with permit holders to help them understand their obligations under the LLA and regulations.
- Regulation 389/91 sets out the requirements for a tailgate event permit and is available on elaws.ca





Special Occasion Permit Partition

The partition requirements for SOP holders have been removed and permit holders will now have greater flexibility for determining the appropriate boundaries of the area under the permit.

Permit holders must continue to ensure that the permitted area is readily distinguishable from adjacent premises to which the permit does not apply.

Previously, the area had to be defined by a 0.9 metre partition to identify the boundaries of the permit area.

Removing the requirement for a partition provides permit holders with the flexibility to determine how best to meet their responsibilities.



Hours of Alcohol Sale



Extend hours of alcohol service for licensed establishments, By-the-Glass as well as Special Occasion Permits:

- Includes bars, restaurants and golf courses, etc.
- Hours of alcohol service will be able to start at 9:00 am, seven days a week
- For SOP's the Registrar of the AGCO has final discretion
- New hours align with those in place for alcohol retail stores and cannabis retail stores



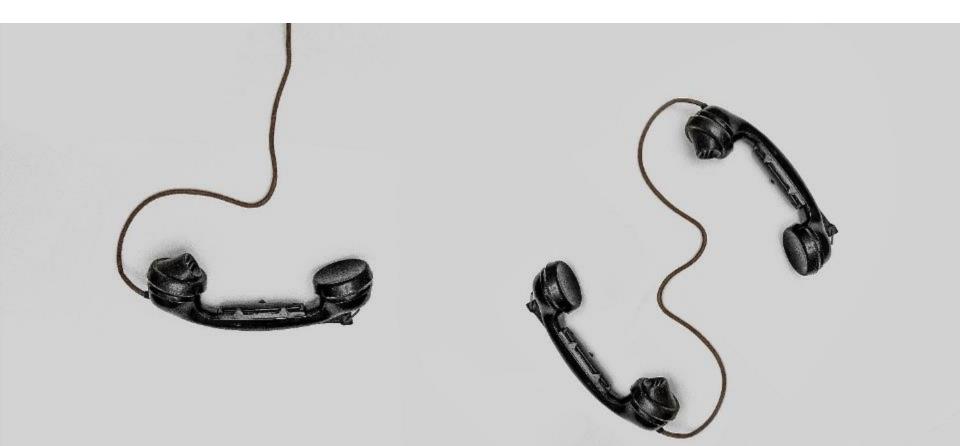
Municipally Designated Areas of Public Consumption of Alcohol

The *proposed* amendments would give municipalities the flexibility and control to independently regulate and manage alcohol consumption in designated public areas.

Please note: If and where a municipality has created a new area for public consumption, local police are responsible for ensuring compliance with the law. There is no regulatory role for the AGCO.



Questions



Additional questions and concerns can be sent to

municipal@agco.ca

Find the AGCO on Twitter at:

Ont_AGCO (English)

Ont_CAJO (French)

