



Yukon's *Liquor Act* Proposed Approach

July 2019

Introduction

On January 6, 2017, the Minister responsible for the Yukon Liquor Corporation was mandated to:

Consult the Yukon Liquor Board, the business community, consumers and civil society to assess whether the Liquor Act meets current needs and provides for an appropriate balance between economic opportunities and social responsibility.

The review of the *Liquor Act* and regulations began in November 2017 and wrapped up early in 2019. During the engagement process we heard about the role beverage alcohol plays in the lives of Yukoners. It helped us better understand the diverse needs of our communities.

This document outlines our approach to the territory's liquor legislation. It's based on what we heard and learned from Yukoners and incorporates national best practices, as well as aims to balance economic opportunities with social responsibility.

If you have questions or concerns about this document, email YLC-connect@gov.yk.ca or call **(867) 667-5245** by August 12, 2019. Your feedback will be considered before finalizing work on the legislation.

Disclaimer: The content of this summary reflects our proposed legislative approach. No decisions are final and content may change during the drafting process.

Overview of engagement

Feedback from Yukon citizens, businesses, organizations, and First Nations and municipal governments have helped shape the proposed approach for changes to the *Liquor Act* and regulations.

In 2017 and 2018, Yukoners participated in 44 public meetings and nearly 450 Yukon citizens provided feedback through a six-week online survey. Significant comments were provided on a wide range of topics related to liquor. Read more in the [*What We Heard: Yukon Liquor Act review progress report*](#), released August 1, 2018.

In November 2018, representatives from the Yukon Liquor Board, local governments, producers, licensees, enforcement agencies, harm-reduction organizations and subject matter experts from across the territory participated in a Liquor Advisory Group. The group explored and further recommended ways to modernize Yukon's liquor legislation.

Some feedback we heard during the engagement process was beyond the scope of the *Liquor Act*. For example, some citizens raised concerns around alcohol support services in communities, as well as impaired driving regulations. We've shared all comments gathered during the process, some of which fell outside the scope of the *Liquor Act*, with the responsible departments within the Yukon government to help inform decision making.

Part 1: Introductory

The *Liquor Act* legislation provides territorial guidelines for legal importation, distribution, manufacturing, possession, consumption and sale of liquor in Yukon in a manner that balances economic opportunity and social responsibility.

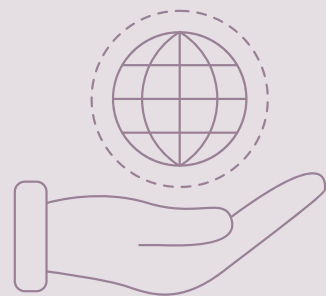
The Yukon Liquor Corporation identified themes during the *Liquor Act* review to ensure consistency:

- › social responsibility;
- › supporting local producers and businesses or licensees;
- › licensee pricing;
- › consumer access to liquor;
- › licensing, inspections, permitting and enforcement;
- › governance;
- › general administration; and,
- › other.

These themes helped clarify the advisory group's purpose, guide discussions and outline the principles around why legislation is being revised. The advisory group will reconvene again at the end of this summer to receive a progress update on this review.

The proposed approach now has an enhanced focus on social responsibility, which informs part of the purpose of the act and is built in throughout the legislation.

Social responsibility is a broad term with many meanings. In the context of the new legislation, social responsibility means making decisions with consideration of balancing the provision of liquor with impacts on economy, health and safety.



Part 2: Yukon Liquor Corporation

The liquor legislation is proposed to define the role and responsibilities of the government corporation responsible for importing liquor into and distributing liquor throughout Yukon.

Under new legislation, the Government of Yukon is proposing that the Yukon Liquor Corporation maintains its role as the corporation responsible for liquor in the territory. The corporation is the management and staff who will continue to make day-to-day operational decisions.

More specifically, the Yukon Liquor Corporation would continue to carry out the following functions:

- › purchase and import liquor for commercial sale;
- › operate liquor stores and warehouses;
- › distribute liquor to both public and private retail outlets;
- › set the price at which liquor may be sold;
- › levy proprietary charges on liquor (e.g. mark-up);
- › issue liquor permits for events;
- › receive and review liquor licence applications;
- › renew liquor licences under defined circumstances;
- › collect and have the authority to audit licensees financial records;
- › support social responsibility initiatives; and,
- › report annually on activities.

The Yukon Liquor Corporation will continue to provide an annual report to the responsible Minister to be tabled each year in the Legislative Assembly. The annual report will contain both financial and social responsibility reporting, along with financial accounts audited by the Auditor General of Canada. The revenue generated by the Yukon Liquor Corporation remains a transfer to the Government of Yukon's Consolidated Revenue Fund.

Part 3: Liquor Licensing Board

The legislation is proposed to define the role and responsibilities of the entity in charge of liquor licensing in the territory.

Under new legislation, the Government of Yukon is proposing to clarify that the president is responsible for the operations of the Yukon Liquor Corporation and reports to the Minister responsible. It also establishes an independent licensing board that would be called the Liquor Licensing Board.

The Liquor Licensing Board will act as an independent board from the government and liquor corporation, and will retain the ability to make rules regarding its operations and proceedings. Its board membership would continue to consist of five persons appointed by the Government of Yukon and remunerated for their work.

The Board would be responsible for licensing private retail businesses and would have the following powers to:

- › grant licences with or without conditions;
- › refuse to grant licences;
- › hold hearings for licence applications when there is interest or concern; and,
- › hear appeals from licensees on sanctions imposed by the President of the Yukon Liquor Corporation.

The Liquor Licensing Board will act as an independent board from the government and liquor corporation, and will retain the ability to make rules regarding its operations and proceedings.

Part 4: Licences

This part of the Act details the process and requirements to obtain a licence to manufacture, sell or serve liquor in Yukon.

The Government of Yukon proposes to streamline the number of licence types with clear statutory conditions that better support social responsibility, local economic opportunities and consumer choices.

The proposed licence classes are:

- › liquor primary;
- › food primary;
- › off-premises;
- › other use primary; and,
- › manufacturing.

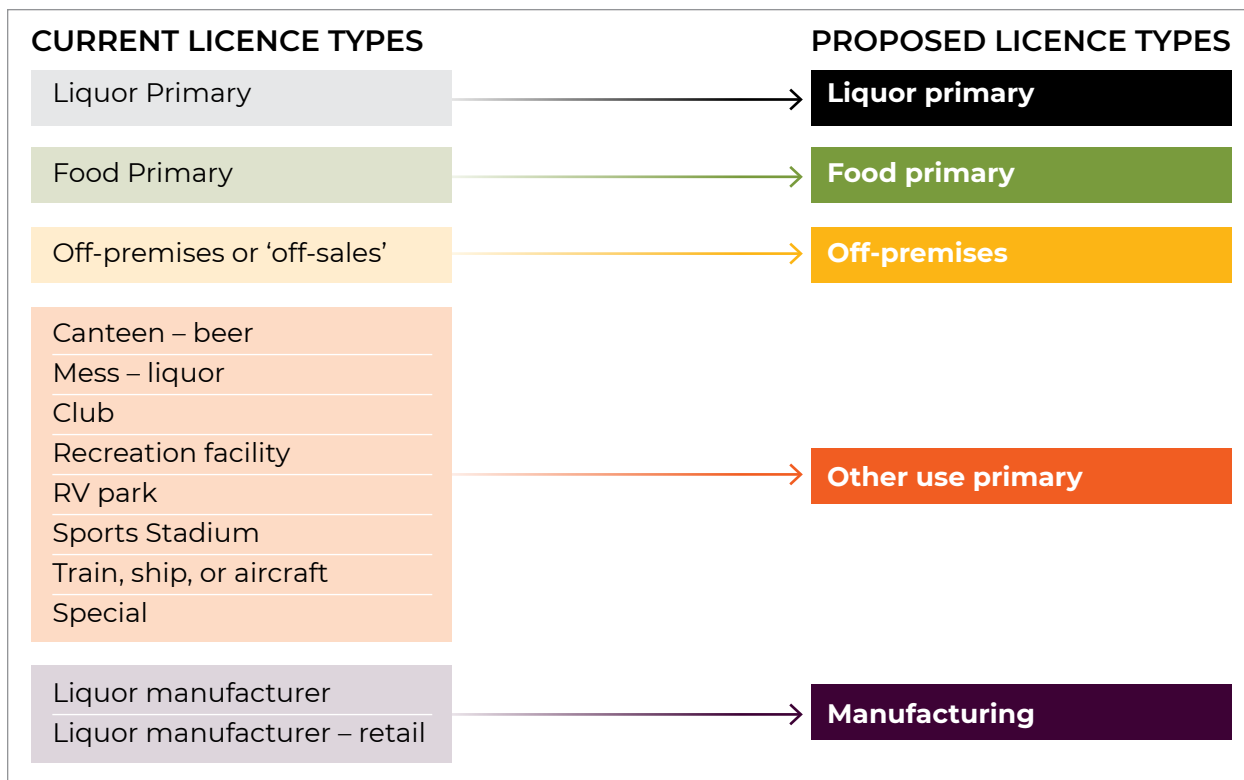
All licensees would continue to be subject to the conditions set out in the Act and regulations, as well as any other conditions the Liquor Licensing Board considers necessary.

In addition to the classes of licence, the Act would provide regulation making authority for the creation of sub-classes.

The Liquor Licensing Board would consider the following information when reviewing applications:

- › number and type of liquor licences already in the area;
- › population of the areas, including seasonal variations;
- › any local area restrictions in place related to liquor;
- › potential benefits and impacts the business may bring to the area;
- › views of the people in the area;
- › whether the premises are suitable;
- › character of the applicant(s); and,
- › any other applicable information.

The board would also take into account and respect local government bylaws as well as views submitted during a public notification period.



Note: Sub-classes to licences will be set in regulations.

Part 5: Permits

This part of the Act details the process and requirements to obtain a permit to sell or serve liquor in Yukon.

The Government of Yukon proposes that new types of permits be set out by regulation that better meet the needs of private and public event planning.

The proposed types of permits are:

- A. **public event** – resale by a non-profit organization or charity;
- B. **public event** – resale for where proceeds go to a non-profit or charity;
- C. **public event** – no sale;
- D. **private event** – no sale;
- E. **private event** – resale; and,
- F. **industrial / scientific.**

Anyone serving or selling liquor under new legislation will be required to have completed responsible server training available through the Yukon Liquor Corporation.



Part 6: Liquor control

This part of the Act provides guidelines for importing, manufacturing, possessing, selling, serving or consuming liquor in Yukon.

Advertising

All types of advertising and marketing must comply with specific standards including the *Code for broadcast advertising of alcoholic beverages* established by the Canadian Radio-television and Telecommunications Commission.

Consumption

The approach to consumption would be reversed from a permissive model to a prohibitive model, meaning that public drinking would be prohibited unless permitted by a municipal bylaw or through a Ministerial Order.

Delivery

Liquor may not be delivered to home residences.

Exemptions

It is proposed that the *Liquor Act* would contain some exemptions for medicinal and religious purposes.

Gambling

Move the prohibitions on gambling in licensed premises from the Act to the regulations.

Importation

The personal import limits for personal consumption purposes are proposed to increase.

Manufacture

Commercial (i.e. liquor produced for retail sale) may only be manufactured by a business licensed by the Liquor Licensing Board.

Persons would be allowed to home-brew beer, wine or cider for their personal consumption. Home-brewed products may not be sold.

Minors

Persons younger than 19 years may not possess or consume liquor, except within a private residence with permission from a person who is entitled to custody of the minor.

19+
MINIMUM AGE

It is prohibited to sell or serve liquor to a person under 19 years of age.

Sale

In addition to the Yukon Liquor Corporation, the only persons allowed to sell liquor in Yukon are businesses licensed by the Liquor Licensing Board and persons who obtain a liquor permit for a specific event.

Regulations will prescribe off-premises or off-sales hours of operation that may change in an effort to reduce alcohol-related harms.

Public intoxication

A person must not be intoxicated in a public place.

Vehicles

Liquor may be transported in a vehicle if it is in a closed container and inaccessible to all persons in the vehicle, unless otherwise prescribed for certain circumstances.

It is prohibited to sell or serve liquor to a person who appears to be intoxicated.



Part 7: Enforcement

This part of the Act provides the rules by which the Act and regulations will be enforced.

Offences

It will continue to be an offence to contravene a provision of the legislation or a condition of any licence or permit.

Penalties

Penalties for offences, for breaching the Act, will continue to depend upon the seriousness of the offence. Offences committed by corporations will have higher penalties than those committed by individuals. Serious offences, such as the sale of liquor to a minor, will continue to be subject to significant penalties.

Fines

Minor offences, such as public consumption, will continue to be offences for which a ticket can be issued under the *Summary Conviction Act*. No major changes are anticipated to current levels of fines.

Other sanctions

Licensees who contravene their licence conditions will be subject to other sanctions imposed by the Yukon Liquor Corporation president such as variation to one or more of their licence conditions, a monetary penalty or a licence suspension. The licensee will be able to appeal against the imposition of the sanction to the Liquor Licensing Board.

Search and seizure

Yukon Liquor Corporation inspectors will be able to perform search and seizures of liquor in licensed premises and at permitted events.

RCMP will be able to search and seize the following with reasonable grounds: vehicles; persons inside vehicles; licensed premises; permitted events; and; if authorized by a warrant, private residences.

Part 8: General

REGULATIONS

The Government of Yukon may make regulations necessary for the purpose of carrying out the *Liquor Act*, for example:

- › detail the circumstances and limits on personal importation;
- › set fees such as licence and permit fees;
- › create new classes of licences;
- › detail licences, sub-classes, and conditions;
- › specify requirements for storage, transportation and delivery;
- › set requirements for the mandatory responsible server training program;
- › regulate liquor retail hours for sales and/or service;
- › set minimum and maximum prices at which liquor may be sold in Yukon;
- › prescribe records to be kept and reporting required by the Yukon Liquor Corporation, licensees and permit holders;
- › detail exemptions from provisions of the Act; and,
- › define expressions that are not defined in the Act or further clarify defined terms.

Some regulations will require mandatory public engagement before development, such as a new class of licence.



Next Steps

The Government of Yukon invites questions or comments on our proposed approach until August 12, 2019. Please send your questions or comments to YLC-connect@gov.yk.ca or call **867-667-5245**.

Keep up to date on the *Liquor Act* by visiting www.engageyukon.ca and specifically www.engageyukon.ca/en/2017/liquor-act-review.

