

Date: June 20, 2014

To: All LCLB staff
All Industry Associations
All Local Government, First Nations, and Police Agencies

Re: **Changes to regulations permitting variable pricing (happy hours) and imposing minimum drink prices in licensed establishments**

Introduction

Variable pricing throughout the day (i.e. happy hours) has up to now been prohibited by the regulations, except for licensee retail stores and caterers.

Recommendation #16 of the Liquor Policy Review Report has recommended that variable pricing throughout the day be permitted as long as minimum drink prices in licensed establishments are put in place.

The new regulation provides flexibility for licensees to adapt their business model to best suit their establishment, while the introduction of minimum drink pricing is intended to prevent aggressive pricing strategies that may lead to intoxication.

New Policy

Effective immediately, liquor primaries, liquor primary clubs, food primaries, and manufacturer lounge and special event endorsement areas may vary the price of liquor at any time during liquor service hours as long as the price of liquor in each category does not fall below the minimum pricing specified in the table. Minimum pricing applies to all liquor sales in these establishments, including the sale of manufacturer samples.

Product Category	Minimum Price per ounce (not including sales tax)	Price per drink - examples of some common sizes (not including sales tax)
Draught cider/beer	\$0.25 per oz (28 ml)	\$3 per 341 ml (12 oz) (sleeve) \$5 per 20 oz (pint) \$15 per 60 oz (jug)
Packaged beer, cider and coolers	\$0.25 per oz (28 ml)	\$3 per 341 ml (12 oz) bottle or 355 ml can
Wine/Fortified wine (including sake)	\$0.60 per oz (28 ml)	\$3 per 5 oz glass (125 ml) \$3.60 per 6 oz glass (170 ml) \$5.40 per 9 oz glass (255 ml) \$15.85 per 750 ml bottle (26.4 oz)
Liqueurs/Spirits	\$3 per oz (28 ml)	\$3 per oz (28 ml)

The minimum price levels apply provincially, and supersede any local government bylaws that may already be in place. Minimum price levels will be monitored and may be periodically adjusted for inflation.

Licensees may also vary the price of liquor for certain groups (e.g. “team night” price reductions for players in uniform, “ladies night” price reductions for women).

Minimum drink pricing does not apply to catered events. Caterers may continue to vary prices for different events and may now vary the price during the course of an event. They may also continue to give liquor away (e.g. a wedding where the host provides wine with dinner followed by a cash bar).

Variable pricing and minimum drink pricing does not apply to special occasion licensed (SOL) events, which will continue to be subject to the current rules.

There are no changes to pricing requirements for licensee retail stores, manufacturer stores and wine stores, which continue to be able to vary the price of liquor throughout the day, as long as the price is set at or above the purchase price of the product from the Liquor Distribution Branch.

“Two for one” drink specials continue to be prohibited, as in most other Canadian jurisdictions, since they are considered a strategy likely to promote intoxication.

Happy hour advertising is permitted, subject to the CRTC Code for Broadcast Advertising of Alcoholic Beverages.

The general manager may impose terms and conditions on an individual licence restricting variable pricing in a particular establishment as a result of compliance problems.

Further Information

Further information regarding liquor control and licensing in British Columbia is available on the Liquor Control and Licensing Branch website at <http://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:

Douglas Scott
Assistant Deputy Minister and General Manager