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Cross Country Regulatory Review
British Columbia

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Summary of Recent Policy Changes

4 recent policy changes all relate to the outdoor sampling regime and will pertain to 2025 onwards, once the TESA rules are finally eliminated permanently.

In addition, if I have time, I will comment briefly on the suite of policy changes that are currently being requested to respond to the 2 cold snaps in BC.

TESA

- **TESA** = Temporary Expanded Service Area
  - Temporary COVID relief
  - Allowed for wine tasting and service anywhere on site, despite liquor license endorsements (i.e. patio area, picnic area, lounge area)
  - TESA regime is similar to what I understand to be the Ontario by the glass regime that you can taste everywhere and anywhere
  - Operators have gotten used to the fact that they can taste everywhere and anywhere without a bunch of rules. And without going to the RDOS (municipality) and FN bands for any approvals

- Extended numerous times. Currently until <u>December 31, 2024</u>
- Commitment by Solicitor General to extend permanently. In the mandate letter of the minister. Never happened.
- Now, BC has rolled out the April 5, 2024 Bulletins which do **<u>NOT</u>** provide for permanent TESA

What now?

- TESA is gone at year end. Unless you have already got a picnic endorsement or a patio endorsement, you are going to have to do something to continue to taste outdoors.
- Picnic area is a tasting only area where sampling and sales are strictly prohibited
- Patio area is a tasting and sampling area and you must serve food

Outdoor Sampling Areas

- In June 2023, BC announced it would allow manufacturers to apply to permanently license an outdoor sampling area. This includes those under a TESA, provided it is not an extension of a lounge or special event area (SEA).
  - 300 sq m
  - Adjacent to existing tastings room
  - Furniture and shade must all be temporary

New LCRB Bulletins (April 5, 2024)

- Bulletin 24-02: Authorizes two types of areas under a picnic area endorsement: one sale area, and one or more consumption-only areas. A manufacturer may now sell and serve products by the glass in a designated portion of its picnic area.

- Bulletin 24-03: Manufacturers with an on-site store endorsement can now sell packaged liquor anywhere on the manufacturing site. Packaged liquor sales are not permitted in picnic consumption-only areas or in co-located businesses and drive through sales are not permitted.

- Bulletin 24-04: Maximum individual sample sizes are removed from manufacturer Terms & Conditions, and limits of samples that may be sold to each patron per day have been increased. If there is a charge for samples, the maximum total is 10 oz.

New LCRB Bulletins (April 5, 2024)

Sales in a manufacturer picnic area

- A manufacturer may now sell and serve their products by the glass in a picnic sale area. Liquor consumption is also permitted in a sale area.
- Sale area must be no more than 300 square metres
- No more than 30 people are permitted in the sale area and signage indicating maximum person capacity must be posted for visitors to see
- The sale and service of liquor is permitted from 9 a.m. to 6 p.m. or a half-hour after sunset, whichever is earlier
- The sale area may only have temporary and removable furnishings like picnic tables and umbrellas
- There must be clearly marked boundaries around the sale area separating it from the consumption-only area and other licensed/unlicensed areas on the manufacturing site

New LCRB Bulletins (April 5, 2024)

Update to packaged sales from a manufacturer on-site store

- Manufacturers with an on-site store endorsement are now permitted to sell packaged liquor almost anywhere on the manufacturing site (including contract manufactured inventory i.e. custom crush).
- Packaged liquor sales must still be attributed to the on-site store endorsement no matter where they occur (mobile POS systems allowed, subject to certain area restrictions)
- Drive-through type sales remain prohibited
- Packaged liquor sold from the on-site store cannot be consumed at the manufacturer site except in a consumption picnic area.

New LCRB Bulletins (April 5, 2024)

Guided tours and sampling at a manufacturer site

- Maximum individual sample sizes have been removed from and there are new and increased limits on the volume of samples that may be *sold* to each patron per day
- If samples are sold: Multiple servings (e.g., flights) are permitted to a total maximum of 10 oz (284 ml) per patron per day
- There are no limits on the volume of *free samples* you can serve patrons daily, but you must not serve patrons to the point of intoxication.
- Manufacturers may vary guided tour routes anywhere on the manufacturing site.
- Seated intervals are permitted during a guided tour and must be supervised by the tour guide. Temporary seating provided for patrons during a tour is not intended to be an alternate consumption area.
- Packaged liquor sales from an on-site store are now permitted on a guided tour. For example, through a mobile-point-of-sale system.

Example: Summer Party at a Winery

Quote New Release BC: "*The changes we are making will create better experiences for visitors of wineries and liquor manufacturers across the province, helping them — and all of B.C. — to be a more competitive and desirable destination for visitors*," - Mike Farnworth, Minister of Public Safety and Solicitor General

Hypothetical - designs beautiful and flexible event space during the freedom of COVID… now has to:

- Chop up wonderful field and put consumption area vs non-consumption area boundaries, borders, and signage
- Only 10oz wine
- No music unless SEA permit
- Signage and occupancy limits
- 6:00pm cutoff for serving
- No permanent structures – all removable / temporary

WINES OF BRITISH COLUMBIA

Immediate Support Government

1. Allow all BC wineries the ability to utilize non-BC grapes/juice/finished wine
2. Markup concessions & BC VQA rebate on non-100% BC wine for a temporary period
3. Temporary suspension of relevant Agricultural Land Commission rules
4. Creation of a VQA Canada designation
5. Guardrails to ensure transparency and truth in labelling
6. Resiliency support for BC grapegrowers

DRAFT

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QUESTIONS?

THANK YOU!

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