



Liquor Control and Licensing **LIQUOR LICENCE FEE CHANGES** Effective December 1, 2006

Effective December 1, 2006 fees for liquor licences will change — some will increase, some will decrease and some will remain the same. The increases apply primarily to licensees who want to make a change to their business, such as a relocation, structural change, or temporary extension of the licensed area. (In this case the average increase is \$261, based on the number of licensees who applied for similar changes in 05/06.)

Most licence application and renewal fees will stay the same. That means that small to medium sized businesses for whom it's business as usual (they're not applying to extend their hours or their licensed area, for example) will not be impacted.

Why fee increases are required:

The Liquor Control and Licensing Branch (LCLB) is a self-funded agency that receives all of its operating funds through fees paid by liquor licensees and/or individuals applying for or making changes to their liquor licence.

Fees have not increased significantly since 1988. The current fee schedule does not generate enough revenue to cover the cost of processing applications in a timely fashion and inspecting establishments to protect against service to minors, over-service, overcrowding, and illicit liquor.

Most of the additional revenue will go to support increased operating costs. On the licensing side, the number of applications for relocations and complex licensing changes has nearly tripled since 2000/01, for example. On the compliance and enforcement side, the branch will continue to focus attention on high priority public safety issues such as underage drinking, overcrowding, over-service and community issues associated with intoxication such as public disturbances, drunk-driving and criminal activity.

A portion of the fees will also help to fund the development of an online licence application and renewal system so that it will be easier for licensees to apply for and renew their liquor licence.

Why only some fee amounts are being increased:

Certain change requests consume significantly more resources to process than the LCLB recovers through the associated fee. The proposed new fee schedule is designed to ensure costs are fully recovered, while not discouraging licensees from making changes to their business because the costs are prohibitive.

Why some licence fees are going to decrease:

The purpose of the fee changes is to ensure cost recovery and consolidate fees so they are consistent for similar processes across all licence classes. On renewals for example, licensee retail store operators used to pay a flat \$1,200 renewal fee. To ensure consistency with other licence types, renewal fees for licensee retail stores are now based on volume of liquor purchased from the Liquor Distribution Branch. Under this system, the renewal fee for low volume stores will decrease.

Number of licensees affected by the fee increase:

Most of the increases are for changes to an existing licence – liquor-primary relocations (31 applications last year), temporary changes with local government input (453 applications last year), structural alterations (463 applications last year). High-volume licensee retail store operators and wineries with a special event or lounge endorsement will pay more to renew their licence each year (approx 500 licensees).

Liquor licensees that will be impacted most:

- **Liquor-primary relocations** (from \$330 to \$1,000)
- **Temporary changes** to a licence with local government input (from \$55 to \$330)
- **Structural alterations** (from \$110 to \$330),
- **High-volume licensee retail store** operators will have to pay \$200 more to renew their licence (from \$1,200 to \$1,400). Basing these renewal fees on volume of sales is consistent with renewal fees for other licence types. In addition, establishments with a high sales volume have more potential enforcement issues than low volume ones.

With the exception of the annual licence fee for high volume licensee retail stores, these fees are for discretionary changes a licensee could make to their business that could potentially improve their cash flow. They impact approximately 1,000 licensees each year. Previous fees did not reflect the true cost of processing these transactions.

Impact of licence fee increases on the consumer:

It's unlikely that the fee increases will be passed on to consumers. Most licensees won't face higher fees. The increases apply primarily to licensees making a discretionary change to their business that will improve their cash flow.

Fees that the public pay to take *Serving It Right* or to acquire a one-time licence to serve liquor at a special event such as a wedding will stay the same.

Fees compared to other jurisdictions:

British Columbia liquor licensing fees are not easily compared with other jurisdictions because there are significant differences in how liquor control agencies are structured, the degree to which they rely on fees to recover their costs, and the nature of the fees collected. However, where there is a comparison to be made, B.C.'s fee schedule is in line with fees charged in other jurisdictions.

The new fee schedule, effective December 1, 2006:

Item	Current Fee	New Fee	Decrease / Increase
Special Occasion Licences			
Private special occasion	25	25	Same
Public special occasion	100	100	Same
Licence Application Fees			
Liquor primary	1 100	1 100	Same
Liquor primary club	1 100	1 100	Same
Food primary	475	475	Same
Distiller	550	550	Same
Brewer	550	550	Same
Winery – no endorsement	550	550	Same
Winery – special event	650	660	Increase
Winery – lounge	825	880	Increase
Winery – lounge & special event	925	990	Increase
U-Brew and U-Vin	550	550	Same
Annual Licence Fees			
Liquor primary first year	1 100	1 100	Same
Liquor primary club first year	1 100	1 100	Same
Food primary first year	475	475	Same
Licensee retail store	1 200	1 200	Same
U-Brew and U-Vin	750	750	Same
Renewal Fees			
Liquor primary, club, food primary purchases:			
\$12,500 or less	275	275	Same
over \$12 500 up to \$20 000	550	550	Same
over \$20 000 up to \$45 000	825	825	Same
over \$45 000 up to \$100 000	1 100	1 100	Same
over \$100 000 up to \$250 000	1 300	1 200	Decrease
over \$250 000	1 500	1 400	Decrease
Licensee retail store purchases:			
\$12,500 or less	1 200	275	Decrease
over \$12 500 up to \$20 000	1 200	550	Decrease
over \$20 000 up to \$45 000	1 200	825	Decrease
over \$45 000 up to \$100 000	1 200	1 100	Decrease
over \$100 000 up to \$250 000	1 200	1 200	Same
over \$250 000	1 200	1 400	Increase
Distiller	1 100	1 100	Same
Brewer			
Per hectolitre	\$0.11	\$0.11	Same
Minimum fee	1 100	1 100	Same
Winery – more than 135 000 litres			
No endorsements	1 100	1 100	Same
Special event	1 200	1 210	Increase
Lounge	1 375	1 430	Increase
Lounge and special event	1 475	1 540	Increase
Winery – 135 000 litres or less			
No endorsements	550	550	Same
Special event	650	660	Increase
Lounge	825	880	Increase
Lounge and special event	925	990	Increase
U-Brew and U-Vin	750	750	Same
Agent – independent	100	100	Same

Item	Current Fee	New Fee	Decrease / Increase
Late Renewals			
Renewal after expiry – except agent	125	200	Increase
Renewal after expiry –agent	50	50	Same
Amendments			
Amendment of licence			
Transfer	330	330	Same
Transfer shares new shareholder	330	330	Same
Structural alterations	110	330	Increase
Golf kiosk, take-out, golf cart	110	330	Increase
Item	Current Fee	New Fee	Decrease / Increase
Transfer shares no new sharehdr	110	110	Same
Third party use	110	110	Same
Name of the licensee	55	110	Increase
Directors, officers resident in BC	55	110	Increase
Name of establishment	55	110	Increase
Off-premises sales	110	110	Same
Amendment to change location			
Liquor primary	330	1 000	Increase
LRS or manufacturer	330	330	Same
Food primary	330	330	Same
U-Brew/U-vin	110	110	Same
Amendment to winery			
Lounge endorsement	275	330	Increase
Special event area	100	110	Increase
Any other amendment no local govt	55-110	110	Same or Increase
Any other amendment local govt	55-110	330	Increase
Miscellaneous			
Training program	65	65	Same
Off premises sales annual endorsement	100	100	Same
Copy of validated floor plan or similar	30	30	Same

*Liquor Control and Licensing Branch
September 19, 2006*