



## Plain Language Summary for Bill 83: Liquor Act

### Introduction

The Government of the Northwest Territories (GNWT), Department of Finance, wants to modernize the Northwest Territories (NWT) *Liquor Act*. The Department is proposing to replace the existing *Liquor Act* with a new Bill that will be introduced to the 19<sup>th</sup> Legislative Assembly in March 2023. The purpose of this Plain Language Summary is to provide an overview of the changes being proposed in the Bill.

### Background

The current *Liquor Act* is nearly 15 years old and is out of sync with changes that have occurred in technology, best practice and public expectations. To address this, the Department of Finance (Finance) conducted a study called the Liquor Legislation Review (Review). The Review was a two-year process that included a jurisdiction scan, literature review and public engagement. The Liquor Legislation Review made 66 recommendations to modernize the legislation and the policies that support it.

Based on the Review's recommendations, Bill 82 has been drafted to:

1. Streamline how the industry is regulated;
2. Ensure safe public access to liquor;
3. Enhance community control over liquor; and
4. Modernize liquor enforcement.

The pages that follow identify how the Bill achieves each of these four (4) goals.

## #1 Streamline How the Industry is Regulated

### 1.1 Licensing

The existing *Liquor Act (Act)* requires the Liquor Licensing Board (Board) to issue liquor licences by holding a hearing each time someone applies. For the Bill, a Registrar who is a government employee will be authorized to issue liquor licences. An applicant for a licence who disagrees with the Registrar's decision will have the right to appeal the decision. This is consistent with how licensing works across Canada.

### 1.2 Compliance

Currently, when a liquor licence holder violates liquor legislation there are two (2) options: 1) an inspector gives a warning; or 2) the Liquor Licensing Board holds a compliance hearing and may dismiss the matter, order a fine, suspend or cancel the licence. Under the Bill, there will be three options: 1) an inspector gives a warning; 2) the Chief Inspector considers whether to issue an administrative monetary penalty (fine); or 3) the Registrar considers whether to suspend or cancel the licence. Options 2 or 3 can be appealed. The new approach is common across liquor jurisdictions in Canada.

## **1.3 Appeals**

Currently, appeals of Liquor Licensing Board decisions may only be to the Supreme Court and only on the grounds that the Board erred in law or exceeded its jurisdiction. In the Bill, decisions of the Registrar or Chief Inspector will be appealable to a new Liquor Appeals Board (the existing Liquor Licensing Board will no longer exist). Decisions of the Liquor Appeals Board will be appealable to the Supreme Court for legal errors.

## **#2 Ensure Public Access to Liquor**

### **2.1 Retail Classes and Outlets**

The Bill will allow the Minister to designate different types of vendors for different types of retail liquor outlets. To clarify, any change to the existing retail model in an NWT community would require community consultation, and any introduction of retail services where there is currently none would first need to be requested by the community. However, once this is done, there will be more options to choose from.

## **#3 Enhance Community Control Over Liquor**

### **3.1 Local Authority**

The existing *Act* allows two (2) councils in each community to make decisions. It is unclear how disagreements between councils would be handled or what happens if a community has more than two (2) governments. Having multiple authorities is confusing. The Bill creates a single “local authority”. In communities that are municipalities, the local authority will be the municipal council. In communities that are not municipalities, the Minister will designate the council that has primary responsibility for delivering municipal services as the local authority. This is similar to other NWT legislation.

### **3.2 First Instance of Retail Liquor Sales**

In the existing *Act*, the Minister of Finance initiates the introduction of retail liquor sales in communities that have none. Under the Bill the Minister will not be able to introduce retail liquor sales in a community unless that community first requests it.

### **3.3 First Instance of a Licence**

The existing *Act* requires a plebiscite before liquor licences of certain classes can be issued in a community. The Bill switches this from a plebiscite to a resolution by the local authority. If the local authority does not agree, no licences of that class can be issued. This change was made because a plebiscite adds a level of complexity that is unnecessary.

### **3.4 Closing Licensed Liquor Sales**

If a community no longer wants certain classes of liquor licences the community may hold a plebiscite. In the existing *Act*, if the plebiscite results require the cancelling of licences, the cancellation happens immediately. In the Bill, the cancellation date would be at the discretion of the Registrar but will not be less than six (6) months. This gives a degree of protection to affected businesses that does not exist in the existing *Act*.

### **3.5 Closing Retail Liquor Sales**

The existing *Act* does not allow a community to close all retail liquor sales. The Bill will allow a community to hold a plebiscite for this purpose. If residents vote to close retail liquor outlets, those results cannot come into effect until all vendor agreements in that community expire.

### **3.6 Sahtu Retail Sales**

In the existing *Act*, residents of Sahtu communities may vote to control the quantities of liquor sold in Sahtu liquor stores. The results of such a vote could be imposed on a Sahtu retail liquor outlet immediately. The Bill will require that plebiscite results may not be imposed until existing contracts expire or the existing vendors agree in writing.

### **3.7 Options for a Plebiscite**

NWT communities currently have four liquor system options: unrestricted, restricted quantities, committee or prohibited. Residents of a community may vote in a plebiscite to establish, replace, modify, or cancel one of those systems. The Bill removes the committee option because it has rarely, if ever, been used. The other three options will remain.

### **3.8 Temporary Prohibition Orders (TPOs)**

A TPO means liquor is prohibited in a community for a few days. The ability for communities to have TPOs will continue in the Bill although much of the detail will now be in regulations. This includes the maximum number of days for the TPO and the number of days that communities must wait between TPOs. The Bill will also allow TPOs in communities that have licensed premises and retail liquor outlets but only with the consent of those businesses. This is currently prohibited.

## **#4 Enhance Liquor Enforcement**

### **4.1 Inspections, Investigations and Searches**

The Bill modernizes the powers of inspectors by including powers such as taking photographs and making digital copies of records. Inspectors will also be able to seize things other than liquor. The Bill also updates and expands the powers of investigators including the addition of warrantless searches, the ability to search a person, and the authority to use reasonable force. Search, seizure and arrest provisions for peace officers (e.g., RCMP) are also updated in keeping with more modern NWT legislation.

### **4.2 Public Intoxication**

Peace officers (e.g., RCMP) have the legal authority to take an intoxicated person into custody for that person's protection or the protection of those around them. The Bill will clarify that, in order for a peace officer to intervene, a person's intoxication must render them likely to cause injury to themselves or be a danger or nuisance to others. The Bill will clarify that peace officers must not take a person into custody if another person, who is at least 19 years old and not intoxicated, is willing and able to take care of the intoxicated person.

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