

## Liquor in Eating Establishments

### Background

The two most common types of liquor licenses in Nova Scotia are an Eating Establishment license and a Lounge license. A licensee cannot get a Lounge License without having an adjacent Eating Establishment license.

An Eating Establishment only permits the purchase and consumption of alcohol with a meal. A Lounge license permits the purchase and consumption of alcohol without a meal. Many of the businesses that are considered to be a restaurant have both an Eating Establishment license and a Lounge license and do not take on a lounge-type atmosphere but do allow for the business to serve customers alcohol without a meal in a portion of their business. Businesses which are solely Eating Establishments would like to be able to serve small quantities of alcohol to customers without a meal. An example would be a customer wanting to stop and have a beer on their way home from work.

### Issue

- 1) There are 105 dry communities in Nova Scotia where a business can get an Eating Establishment license only if public consultation is held. Public consultation adds delay to the licensing process and is an expense to the government. AGFT rarely receives objections during public consultations for Eating Establishments in dry communities.
- 2) Dry communities cannot get a Lounge license. In order to get a Lounge license a plebiscite must be held. These plebiscites are a considerable expense to the government and add substantial delay to the licensing process.
- 3) There are many municipalities where zoning or bylaws do not allow for a Lounge license. A business can apply for permission to operate a Lounge by going through a Development Agreement process. Depending on the municipality this process can take a year or more and cost thousands of dollars. For this reason businesses rarely engage in this process and for those that do it involves significant red tape for the business and ties up valuable municipal resources.

### Proposed Solution

Alcohol, Gaming, Fuel and Tobacco (AGFT) is proposing a minor amendment to the Liquor Licensing Regulations which would allow an Eating Establishment to provide up to two (2) drinks to a customer without the requirement to order food. If a customer would like in excess of two (2) drinks then they would have to order a meal, as is the case under the present regulations.

## Benefits

The risk of the establishment taking on a lounge-type atmosphere is mitigated by a two (2) drink maximum without food service. The intent of the provincial legislation and municipal bylaws to control Lounge licenses would be maintained.

This will allow these businesses to attract new customers and grow their business.

Costs and delays resulting from consultation, plebiscites, and municipal requirements intended to control Lounge licenses will be eliminated for licensees who have no intention of operating a lounge.

Businesses will not have to go through a lengthy and costly Development Agreement process in places where that option is open to them.

Municipal staff will not have to tie up valuable resources to facilitate the Development Agreement process.

The government at both the provincial and municipal level will realize cost savings as fewer applications will require consultation, plebiscites, planning processes and development agreements.

## Consultation

We welcome your feedback and comments in relation to this proposal.

Please send comments by July 3<sup>rd</sup>, 2015 to:

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