

**INFORMATION BULLETIN - No. 007**  
**Licensing Arrangements for the Sale and Service of Liquor on Campus**  
**(September 2003)**

As a result of some recent discussions with the Double Cohort Committee around the area of liquor liability, the AGCO wanted to take this opportunity to contact you about licensing arrangements on campus.

There are four licensing options for sale and service of liquor on campus:

- university as licensee
- student union as licensee
- an outside party as licensee or
- university as licensee hires a manager to oversee the operations on its behalf provided the manager is an employee of the licensee

If you are a liquor licence holder, this letter is intended to remind you of your responsibilities under the *Liquor Licence Act (LLA)* and to take the time to ensure that you are in compliance with the *Act*. As a liquor licence holder, you are responsible for retaining full control over the business conducted out of the licensed premises, including the purchase, sale and service of liquor, collecting the proceeds of sales and paying wages and other expenses.

For those of you who are holders of licences and have engaged another party such as the student union or a caterer to operate the premises under a management agreement, it is highly recommended that you conduct a review of your current or proposed management arrangements to ensure that you are in compliance with the *LLA*.

Your review should look for potentially unlawful arrangements where the licensee does not retain control over the purchase, sale and service of liquor, collect on proceeds of sales and payment of wages and other expenses and ends up being in a contractual relationship that is contrary to sections 15(1) or 93 of Regulation 719.

These sections state:

**719/15. (1) The holder of a licence to sell liquor shall not contract out the sale and service of liquor.**

**719/93. If a person other than the holder of a liquor sales licence or mini bar licence is entitled to receive 15 percent or more of the gross revenue from the sale of liquor under the licence, the licence holder shall provide the Registrar of Alcohol and Gaming with a copy of the agreement or, if the agreement is not in writing, with details of the arrangement entitling the person to the payment within thirty days after entering into the agreement.**

You also want to ensure that any arrangements or agreements that entitle a person or organization other than you as the liquor license holder to receive 15% or more of the gross revenue from the sale of liquor under the licence is submitted to the AGCO for review.

It is ultimately your responsibility to decide how to structure the ownership of the liquor licence to ensure that any licensing arrangements and agreements do not contravene the legislation. If you wish to ensure that your arrangements are authorized under the LLA, you should contact your lawyer or the AGCO for clarification.

We have also enclosed some additional information you may find of interest: A copy of the most recent Licence Line and four Tip Sheets:

- Liability – there’s more to lose than your licence
- Just saying “No” not enough
- Checking ID
- Recognizing Intoxication

For further information regarding your responsibilities under the LLA, you may contact David Baxter, Manager of Liquor Sales Licensing at (416) 326-0440 or toll free at 1-800-522-2876.