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September 5, 2017

Jason Perrino, Owner/Operator  
Twist & Shout (953781 NWT LTD)

**By Email:      [twistandshoutyk@gmail.com](mailto:twistandshoutyk@gmail.com)**

**Re:      Request for authorization to purchase liquor directly from NWT Brewing Company**

On August 30, 2017, the Liquor Licensing Board (the Board) received your request for authorization to purchase liquor directly from NWT Brewing Company rather than through the Yellowknife liquor warehouse. The Board convened by teleconference on September 5, 2017, to consider your request. The Board is denying your request for the following reasons.

#### **Reasons for Decision**

The Board received a request from Jason Perrino by email on August 30, 2017, for authorization to purchase liquor product directly from NWT Brewing Company for resale at Twist & Shout. Jason Perrino holds two Class A (Liquor Primary) licences for the premises known as Twist & Shout located in Yellowknife, Northwest Territories. NWT Brewing Company holds a Manufacturing Licence with a Retail Outlet Licence for their manufacturing premises located in Yellowknife. They also hold a Class A (Liquor Primary) Licence with a Manufacturer's Extension for their bar, operating under the business name The Woodyard Brewhouse and Eatery, located in Yellowknife.

Jason Perrino's request is made under subsection 113(1) of the *Liquor Regulations* (the Regulations), which states:

113. (1) Unless authorized by the Board, the holder of a premises licence shall only buy liquor for sale, service and consumption in its licensed premises from
  - (a) a liquor warehouse located in the same community as the licensed premises;
  - (b) if there is no liquor warehouse in the same community, a liquor store located in that community; or
  - (c) if there is no liquor warehouse or liquor store in the same community as the licensed premises, any liquor warehouse.

.../2

Yellowknife has two liquor stores and one liquor warehouse. All premises licence holders in Yellowknife must purchase their liquor inventory from the liquor warehouse located in Yellowknife, unless authorized otherwise by the Board.

The retail outlet licence that NWT Brewing Company holds authorizes them to sell the product they manufacture to their patrons through their retail store, pursuant to subsection 52(4)(b) of the Regulations.

The manufacturer's extension on The Woodyard Brewhouse and Eatery's Class A premises licence authorizes The Woodyard Brewhouse and Eatery to sell NWT Brewing Company's manufactured liquor product to their patrons in their bar, pursuant to subsection 52(4)(a) of the Regulations.

Premises licence holders are neither patrons nor the public as contemplated under the *Liquor Act* (the Act) and the Regulations.

Under both the retail outlet licence and the manufacturer's extension, the manufactured product sold by NWT Brewing Company and The Woodyard Brewhouse and Eatery is deemed to have been sold first to the Liquor Commission and then purchased back by the licence holder. The licence holder must report the sales of the manufactured product to the Liquor Commission and must pay the mark-up established by the Liquor Commission with respect to the deemed purchase, pursuant to subsections 52(4.1) and 52(4.2) of the Regulations.

Pursuant to subsection 52(3) of the Regulations, all liquor manufactured under a manufacturing licence must be sold to the Liquor Commission for distribution. There are no exceptions to this provided for under the Act or Regulations. There is no statutory authority in the Act or Regulations under which a manufacturing licence holder may be authorized to sell their manufactured liquor product directly to a premises licence holder; it must go through the Liquor Commission.

A liquor store is defined in the Act as a premises operated by a vendor for the sale of liquor. A vendor is defined in the Act as a person who has been designated by the Minister and has entered into a vendor's agreement with the Minister to operate a liquor store and sell liquor. Section 34 of the Act speaks to establishing vendors and liquor stores. To the Board's knowledge, NWT Brewing Company does not hold a vendor's agreement with the Minister of Finance and, therefore, is not a liquor store as defined by the Act.

The Board cannot authorize a premises licence holder to purchase liquor from anyone who is not legally authorized to sell liquor directly to premises licence holders. NWT Brewing Company is required by law to sell their liquor directly to the Liquor Commission. The Board has determined that there are no provisions in the Act and Regulations under which NWT Brewing Company could be authorized as a manufacturing licence holder to sell their manufactured liquor product directly to premises licence holders. Therefore, the Board cannot grant Twist & Shout the authorization to purchase liquor directly from NWT Brewing Company.

The Board encourages purchasing local products and recognizes the benefit to the economy local producers add. The Act and Regulations are clear regarding the manner in which liquor distribution is to occur in the Northwest Territories, and they provide for resale liquor to be purchased by premises licence holders through the Liquor Commission. The Board suggests premises licence holders request of the Liquor Commission that they carry NWT Brewing Company's manufactured liquor for distribution.



Adelle Guigon

A/Chairperson, on behalf of and in concurrence with the Liquor Licencing Board panel members