



NATIONAL ASSEMBLY

FIRST SESSION

FORTY-FIRST LEGISLATURE

Bill 88
(2016, chapter 9)

An Act respecting development of the small-scale alcoholic beverage industry

Introduced 3 December 2015
Passed in principle 12 April 2016
Passed 26 May 2016
Assented to 26 May 2016

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EXPLANATORY NOTES

This Act authorizes small-scale production permit holders to sell and deliver alcoholic beverages they make, other than alcohol and spirits, to grocery permit holders.

Under the Act, small-scale beer producer's permit holders may sell their products at the place where they are produced, for consumption elsewhere.

An artisan producers cooperative permit is created. The permit authorizes holders to make and bottle, on behalf of small-scale production permit holders who are members of the cooperative, the alcohol and spirits the latter are authorized to make.

The Act stipulates that small-scale production permit holders may not offer the alcohol and spirits they make for sale without first having them analyzed by the Société des alcools du Québec or a laboratory recognized by it to confirm their safety and quality and without having sent the analysis report to the Régie des alcools, des courses et des jeux.

The Regulation respecting use of raw materials by holders of a small-scale wine producer's permit is enacted to set out the proportions of the raw materials composing the wine made by such permit holders. In particular, the regulation provides that, from the vintage year 2022, these permit holders must make their wine from grapes that are 100% Québec grown, with at least 50% from the permit holders' own grapes.

Finally, the Act removes the requirement that table wines bottled in Québec under exclusive brand names and sold in grocery stores have no indication of origin or type of grape.

LEGISLATION AMENDED BY THIS ACT:

- Act respecting offences relating to alcoholic beverages (chapter I-8.1);
- Act respecting liquor permits (chapter P-9.1);
- Act respecting the Société des alcools du Québec (chapter S-13).

REGULATION AMENDED BY THIS ACT:

- Regulation respecting the terms of sale of alcoholic beverages by holders of a grocery permit (chapter S-13, r. 6).

REGULATION ENACTED BY THIS ACT:

- Regulation respecting use of raw materials by holders of a small-scale wine producer's permit (2016, chapter 9, section 18).

Bill 88

AN ACT RESPECTING DEVELOPMENT OF THE SMALL-SCALE ALCOHOLIC BEVERAGE INDUSTRY

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE SOCIÉTÉ DES ALCOOLS DU QUÉBEC

1. Section 24 of the Act respecting the Société des alcools du Québec (chapter S-13) is amended by inserting “, an artisan producers cooperative permit” after “small-scale production permit” in the introductory clause of the first paragraph.

2. Section 24.1 of the Act is amended

(1) by adding “and, if the permit authorizes him to make alcohol and spirits, to distil” at the end of subparagraph 1 of the first paragraph;

(2) in the second paragraph,

(a) by replacing “he makes only as follows” in the introductory clause by “referred to in the subparagraphs below, but only as provided for”;

(b) by inserting “the alcoholic beverages he makes,” after “(1)” in subparagraph 1;

(c) by inserting “, other than alcohol and spirits,” after “alcoholic beverages” in subparagraph 2;

(d) by inserting “the alcoholic beverages he makes, other than alcohol and spirits,” after “(3)” in subparagraph 3;

(3) by adding the following sentence at the end of the third paragraph: “He may also sell and deliver the alcoholic beverages he makes to the holder of a grocery permit issued under the Act respecting liquor permits (chapter P-9.1), if the beverages meet the following conditions:

(1) they are not alcohol or spirits;

(2) they are obtained by alcoholic fermentation.”;

(4) by inserting the following paragraphs after the third paragraph:

“The holder of a small-scale production permit may transport the alcoholic beverages he makes to the establishment of the holder of an artisan producers cooperative permit so that the latter may make alcohol or spirits on his behalf; the small-scale production permit holder may transport the alcohol or spirits from that establishment to his own.

The holder of a small-scale production permit may not offer the alcoholic beverages he makes for sale that are ready for marketing without first having them analyzed by the Société or a laboratory recognized by it to confirm their safety and quality and without having sent the analysis report to the Régie des alcools, des courses et des jeux.”;

(5) by replacing “paragraph” in the last paragraph by “and third paragraphs”;

(6) by adding the following paragraph at the end:

“For the application of this section, if alcohol or spirits are made by the holder of an artisan producers cooperative permit for the holder of a small-scale production permit, the latter is deemed to have made them in his establishment.”

3. The Act is amended by inserting the following section after section 24.1:

“**24.1.1.** The artisan producers cooperative permit authorizes the holder, in accordance with the regulations, to make and bottle, on behalf of members of the cooperative, the alcohol and spirits specified in the respective permits of those members.

The holder of an artisan producers cooperative permit may not sell the alcohol and spirits he makes.

The holder of an artisan producers cooperative permit may transport the alcoholic beverages made by the members of the cooperative from their establishment to his so as to make alcohol or spirits on their behalf; he may transport the alcohol or spirits made from his establishment to theirs.

Only an artisan producers cooperative constituted pursuant to the Cooperatives Act (chapter C-67.2) and composed exclusively of holders of small-scale production permits whose permit authorizes them to make alcohol and spirits may hold an artisan producers cooperative permit.”

4. Section 24.2 of the Act is amended by replacing the second paragraph by the following paragraph:

“Unless he ships them outside Québec, the holder of a small-scale beer producer’s permit may sell the alcoholic beverages he makes only if he sells them at the place where they are produced, for consumption on the premises or for consumption elsewhere, and if he is the holder of a permit, issued under

the Act respecting liquor permits (chapter P-9.1), authorizing alcoholic beverages to be sold for consumption on the premises.”

5. Section 26 of the Act is amended by adding the following paragraph at the end:

“No holder of a distiller’s permit may hold a small-scale production permit authorizing him to make alcohol or spirits.”

6. Section 28 of the Act is amended by striking out “weak” in the last sentence of the second paragraph.

7. Section 33.2 of the Act is amended, in the first paragraph,

(1) by inserting “, pursuant to the second paragraph of section 24.2” after “24.1” in the first sentence;

(2) by inserting “or a small-scale beer producer’s permit” after “small-scale production permit” in the second sentence.

8. Section 34 of the Act is amended by inserting “an artisan producers cooperative permit, a” after “production permit,” in subparagraph 1 of the first paragraph.

9. Section 34.1 of the Act is amended by replacing “Minister of Economic Development, Innovation and Export Trade” by “Minister of Finance”.

10. Section 37 of the Act is amended, in the first paragraph,

(1) by replacing “Minister of Economic Development, Innovation and Export Trade” in the introductory clause by “Minister of Finance”;

(2) by inserting “small-scale production,” after “brewer’s,” in subparagraph 7.

11. Section 53 of the Act is amended by adding the following paragraph at the end:

“In the case of the holder of an artisan producers cooperative permit, the beverages must be turned over to the members on whose behalf they were made.”

12. Section 61 of the Act is amended

(1) by replacing “30.1 to 35.3” by “30.1 to 34, 35 to 35.3”;

(2) by striking out “, and with the exception of the other provisions of Divisions III and IV which come under the jurisdiction of the Minister of Economic Development, Innovation and Export Trade”.

ACT RESPECTING OFFENCES RELATING TO ALCOHOLIC BEVERAGES

13. Section 83 of the Act respecting offences relating to alcoholic beverages (chapter I-8.1) is amended

(1) by replacing “or from the permit holder” in paragraph 5 by “, from the small-scale production permit holder or from a grocery permit holder”;

(2) by inserting “from the permit holder or” after “directly” in paragraph 6.

14. Section 91 of the Act is amended by inserting “or of an artisan producers cooperative” after “wine or cider maker” in paragraph *h*.

15. Section 93 of the Act is amended by inserting “, a small-scale beer producer’s permit” after “a small-scale production permit” in subparagraph *e* of the first paragraph.

16. Section 108 of the Act is amended by inserting the following subparagraph after subparagraph 3 of the first paragraph:

“(3.1) which is an artisan producers cooperative permit issued under the Act respecting the Société des alcools du Québec (chapter S-13), makes alcohol and spirits other than those he is authorized to make or sells alcoholic beverages;”.

ACT RESPECTING LIQUOR PERMITS

17. Section 72.1 of the Act respecting liquor permits (chapter P-9.1) is amended by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) in the establishment of a reunion permit holder, the presence of alcoholic beverages supplied by the holder of one of the following permits:

(a) a grocery permit or cider seller’s permit;

(b) a small-scale production permit or small-scale beer producer’s permit issued under the Act respecting the Société des alcools du Québec;”.

REGULATION RESPECTING USE OF RAW MATERIALS BY HOLDERS OF A SMALL-SCALE WINE PRODUCER’S PERMIT

18. The Regulation respecting use of raw materials by holders of a small-scale wine producer’s permit, the text of which appears below, is enacted.

“REGULATION RESPECTING USE OF RAW MATERIALS BY HOLDERS OF A SMALL-SCALE WINE PRODUCER’S PERMIT

1. The proportions of the raw materials composing the wine made by a small-scale production permit holder must be as follows:

- (1) at least 50%: the permit holder’s own grapes, fresh or processed;
- (2) no more than 15%: fresh or processed grapes, grape juice or grape must concentrate that may come from outside Québec;
- (3) the remainder may consist of fresh or processed grapes produced by another Québec farm producer.

However, from the vintage year 2022, the permit holder must make his wine from fresh or processed grapes that are 100% Québec grown, of which at least 50% comes from the permit holder’s own fresh or processed grapes.”

REGULATION RESPECTING THE TERMS OF SALE OF ALCOHOLIC BEVERAGES BY HOLDERS OF A GROCERY PERMIT

19. Section 2 of the Regulation respecting the terms of sale of alcoholic beverages by holders of a grocery permit (chapter S-13, r. 6) is amended

(1) by striking out “without indication of origin and without indication of the type of grape,” in paragraph 3;

(2) by adding the following paragraph at the end:

“(7) the alcoholic beverages described in the third paragraph of section 24.1 of the Act respecting the Société des alcools du Québec sold and delivered to him by a small-scale production permit holder.”

20. Section 8 of the Regulation is amended by inserting “, other than those referred to in paragraph 7 of section 2,” after “permitted alcoholic beverages”.

TRANSITIONAL AND FINAL PROVISIONS

21. Holders of a distiller’s permit issued under the Act respecting the Société des alcools du Québec (chapter S-13) who, not later than (*insert the date that is two years after the date of coming into force of section 5 of this Act*), abandon their permit to obtain a small-scale production permit authorizing them to make alcohol and spirits may sell off any remaining reserves of alcohol and spirits they had made previously. The rules applicable to the original permit apply to the sale of such alcohol and spirits.

22. This Act comes into force on the date or dates to be set by the Government.

