

# Legalization of Recreational Cannabis

## Private Recreational Cannabis Retail Storefronts

December 11, 2018



# History of Cannabis Legalization

**April 13, 2017**

Federal Bill C-45, otherwise known as the Cannabis Act, was introduced in the House of Commons

**June 19, 2018**

The Cannabis Act was passed

**October 17, 2018**

Cannabis is legalized across Canada

# Role of the Federal Government

The federal Cannabis Act outlines rules and regulations for the production, distribution, sale, and possession of cannabis and establishes the overarching legislative framework for cannabis in Canada.

# Federal Legislative Framework

Supply Chain Oversight and Regulation	Youth Access Restrictions	Adult Access
<ul style="list-style-type: none"><li>• <b>Federal licensing</b> for the production, cultivation, and processing of cannabis</li><li>• <b>Provinces and territories authorized to distribute and sell cannabis</b>, subject to federal conditions</li><li>• <b>Federal regulation of cannabis for medical purposes</b> would continue</li></ul>	<ul style="list-style-type: none"><li>• <b>Minimum age of 18</b></li><li>• Not an offence for youth to possess five grams or less of cannabis</li></ul>	<ul style="list-style-type: none"><li>• <b>30 gram adult public possession limit</b> of legal dried cannabis</li><li>• <b>Adults can grow up to 4 cannabis plants</b> per residence for personal use</li></ul>

# Role of the Provincial Government

Provinces and territories have been given the ability to set their own rules with respect to the sale, distribution, purchase, possession, transportation, cultivation, and consumption of cannabis.

# Provincial Legislative Framework

Sale of Recreational Cannabis	Youth Access Restrictions	Consumption of Cannabis
<ul style="list-style-type: none"><li>• Currently <b>Cannabis is only available through the Ontario Cannabis Store</b></li><li>• Sets <b>provincial licensing requirements for forthcoming</b> private recreational cannabis retail storefronts</li><li>• <b>Opt-in/opt-out</b> options for municipalities</li></ul>	<ul style="list-style-type: none"><li>• <b>Minimum age of 19</b> to purchase recreational cannabis from the Ontario Cannabis Store or in (future) private recreational cannabis retail storefronts</li><li>• It is an <b>offence for any youth under the age of 19 to buy, use, possess and grow cannabis</b> in Ontario</li></ul>	<ul style="list-style-type: none"><li>• <b>Designate areas for consumption and prohibit consumption in other areas</b></li><li>• Permitted areas include private residences, and controlled areas</li><li>• Restricted areas include schools, hospitals, parks with playgrounds</li><li>• Guided by the <i>Smoke Free Ontario Act</i></li></ul>

# Sale of Cannabis in Ontario

- The sale of legal cannabis is presently controlled by the provincially run Ontario Cannabis Store
- Consumers may purchase the product exclusively online through the Ontario Cannabis Store
- Product is delivered to the purchaser via Canada Post

# Private Recreational Cannabis Retail Storefronts

- The first private recreational cannabis retail storefronts will open in Ontario on April 1, 2019
- The Alcohol and Gaming Commission of Ontario (AGCO) will begin accepting applications for Private Recreational Cannabis Storefront licences on December 17, 2019
- Retail cannabis storefronts must be 150 metres from any school (public, private, elementary, secondary, etc.)
- Retail cannabis stores and staff will be licensed, regulated, and inspected by the AGCO



# Private Recreational Cannabis Retail Storefronts

- Private recreational cannabis retail storefront operators will be required to purchase all product from the Ontario Cannabis Store to ensure the safety of the product being consumed by the public
- Stores will be required to meet specific requirements for signage, display, security measures, hours of service, etc.
- There are also restrictions on the number of stores one entity can own

# Provincial Licensing Framework

- Retailers will not be permitted to allow anyone under the age of 19 to enter their stores
- Specific instances in which applicants will be denied a licence, including cannabis-related criminal offences
- A prohibition on the issuance of a licence to any individual or organization who has an association with organized crime
- Individuals or entities applying for an operator licence must demonstrate tax compliance status to show that they are in good standing with the government
- A requirement for all private recreational cannabis retail storefronts to be stand-alone stores only
- Individuals with a store authorization, cannabis retail managers and all retail employees will be required to complete the approved training to ensure that any individual who works in the cannabis retail market is trained in the responsible sale of cannabis

# Municipal Authority

- Municipalities cannot create specific zoning or municipal licensing by-laws restricting, regulating, or prohibiting private recreational cannabis retail storefronts
- Recreational cannabis retail storefronts will be permitted where retail stores are permitted under the applicable zoning by-law
- Municipalities will have input on applications for private recreational cannabis retail storefronts in our community through the 15 day public consultation period
- Staff will monitor the AGCO website daily and implement an internal consultation process and provide comment on applications to the AGCO
- Public consultations on recreational cannabis retail storefronts will be coordinated by the AGCO

# Law Enforcement

- *The Cannabis Act, 2017* allows officers and other persons designated by the Attorney General to enforce the Act
  - Removal of persons from premises
  - Interim Closure Order
  - Barring of Entry
  - Seizure of product and proceeds
- Provincial and local police and the AGCO are the primary enforcement agencies of the *Cannabis Act* and any other cannabis related offences

# Opt-in or Opt-out?

- The Province has set a deadline of January 22, 2019 for municipalities to opt-in or opt-out of having private recreational cannabis retail storefronts located in their municipalities
- If the City opts-in to private recreational cannabis retail storefronts
  - The City will receive a minimum of \$10,000 provincial funding to offset costs of enforcement and other effects of legalization
  - If Ontario's portion of the federal excise duty on recreational cannabis over the first two years of legalization exceeds \$100 million, the province would provide 50% of the surplus to municipalities that have opted-in
  - The city can not opt out at a later date

# Opt-in or Opt-out?

- If the City opts-out of private recreational cannabis retail storefronts,
  - The City will receive \$5000 in provincial funding to offset costs of enforcement and other effects of legalization
  - The City can opt-in at a later date but will not be eligible for any excise duty surplus pay-outs
  - Legal cannabis will still be available and present in the City via the OCS, personal growing, and from private recreational cannabis retail storefronts in neighbouring municipalities

# Next Steps

- Staff will bring forward a report for the January 15, 2019 Council meeting with further background information and options
- Staff will continue to monitor information and program details as made available by the Province