

Cannabis Legalization

Meeting with Education Stakeholders
October 26, 2018

Agenda

1. Welcome and Introductions (EDU)
2. Overview of Federal and Provincial cannabis legislation (MAG)
3. Overview of Licence Application Review (AGCO)
4. Demonstration of Ontario schools using GIS mapping (EDU)
5. Discussion of appropriate distance buffer in Ontario (roundtable)
6. Next Steps (MAG)
7. Adjourn



Federal Cannabis Legalization and Regulation

The federal *Cannabis Act* received Royal Assent on June 21, 2018 and came into force on October 17, 2018.

- The federal Cannabis Act creates rules for producing, distributing, selling and possessing cannabis across Canada and establishes the overarching legislative framework for cannabis in Canada, including:

Supply Chain Oversight and Regulation

- **Federal licensing** for the production, cultivation and processing of cannabis
- **Provinces and territories authorized to distribute and sell cannabis**, subject to federal conditions
- **Federal regulation of cannabis for medical purposes** would continue

Youth Access Restrictions

- **Minimum age of 18**
- Not an offence for youth to possess five grams or less of cannabis

Adult Access

- **30 gram adult public possession limit** of legal dried cannabis
- **Adults could grow up to 4 cannabis plants** per residence for personal use

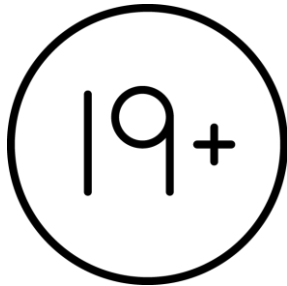
- Provinces and territories have the ability to set their own rules for cannabis, including the legal minimum age, how recreational cannabis can be sold, where cannabis can be used, and how much cannabis can be possessed and by whom. See Appendix for additional information on government roles in legalization.



Provincial Cannabis Legislation

Provincial cannabis legislation necessarily aligns with the federal *Cannabis Act*. The provincial *Cannabis Act, 2017* also came into force on October 17, 2018.

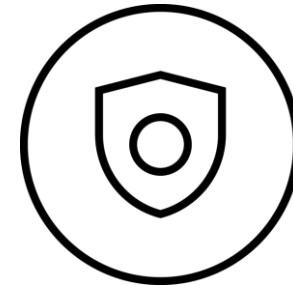
- Provincial legislation establishes rules with respect to the sale, distribution, purchase, possession, transportation, cultivation and consumption of cannabis. Key elements include:



Prohibiting the sale of recreational cannabis to anyone under the **age of 19**



Prohibiting **youth (under 19)** from **possessing, cultivating, consuming and sharing** cannabis



Addressing **illegal selling**, including storefront dispensaries*

Bill 36

- On October 17, 2018, Bill 36, *Cannabis Statute Law Amendment Act, 2018* was passed by the Ontario legislature. This statute includes new legislation and amendments to existing cannabis legislation, including the *Cannabis Act, 2017*, to enable the implementation of private retail storefront sales in Ontario, introduce new places of consumption rules and make various other amendments.

* As of October 17th, 2018, the Ontario Cannabis Retail Corporation (OCRC), operating as the Ontario Cannabis Store, is the exclusive online retailer for legal cannabis in Ontario



SFOA: Places of Consumption

- Under the *Smoke-Free Ontario Act, 2017*, the smoking and vaping of cannabis (medical and recreational) is prohibited in the same places where the smoking and vaping of tobacco is prohibited, including:
 - in enclosed public places, enclosed workplaces, and other specified places;
 - at school, on school grounds, and all public areas within 20 metres of these grounds;
 - on children's playgrounds and public areas within 20 metres of playgrounds;
 - in child care centres or where an early years program is provided; and
 - in places where home child care is provided, even if children aren't present.
- Smoking and vaping of medical and recreational cannabis is allowed in private residences and many outdoor places (e.g., sidewalks and parks).
- All methods of consuming cannabis (e.g. smoking, vaping, ingestion) are prohibited in vehicles and boats that are being driven or under a person's care or control, subject to certain exceptions that would be prescribed by regulation (e.g. use of medical cannabis edibles by a passenger who is a medical cannabis user)
- Generally speaking, municipalities could pass by-laws further restricting the use of cannabis



Enabling Private Retail

- Schedule 2 of Bill 36, the *Cannabis Licence Act, 2018*, would create a regulated licensing model and regulatory framework for private retail of cannabis in Ontario.
- The *Cannabis Licence Act, 2018* would enable the implementation of a tightly regulated licensing and regulatory framework for private storefront cannabis retailing in Ontario and establish the AGCO as the provincial regulator for cannabis storefronts
- Private retailers would be licensed by the Alcohol and Gaming Commission of Ontario (AGCO) with the intent of enabling the AGCO to begin to accept applications in December 2018 and private retailing of cannabis by April 1, 2019.
- The Ontario Cannabis Retail Corporation (OCRC) would be the exclusive wholesaler and online retailer of cannabis in the province
- AGCO currently licenses, regulates and ensures compliance in the alcohol, gaming and horse racing industries in Ontario, and as such offers considerable experience and expertise as a regulator of controlled substances.
 - The AGCO, as the independent provincial regulator, would oversee the private channel and ensure the province's objectives related to cannabis retailing, protecting youth and combatting the illegal market are met.

AGCO Licensing Process

- Issue a Retail Operator Licence after investigation (i.e. due diligence) into the business
- Issue a Retail Store Authorization to a licensed Retail Operator for the operation of a specified retail store after a local public notice process (administered by the AGCO), and upon confirmation of meeting certain requirements (e.g. safety and security plans in place)
- Issue certain individuals a Cannabis Retail Manager Licence
- Conduct compliance and audit processes, including store inspection prior to opening



Licensing Parameters

License Eligibility

- The *Cannabis Licence Act, 2018* would establish due diligence requirements and specific eligibility criteria for the issuance of licenses and store authorizations, including financial responsibility and conduct based on the principles of integrity and public interest.
 - Persons operating in contravention of provincial and federal Cannabis legislation would not be eligible to operate a cannabis retail store.
- The licensing framework would:
 - Not cap the total number of licenses or authorizations
 - Enable ownership concentration limits for private retailers to be established by regulation in advance of December 2018 following appropriate consultation
 - Permit licensed producers to operate a single store at a single production facility in Ontario, per company, including all affiliates
 - Require authorized retailers to display the cannabis retailer seal and create new offences for false representations as an authorized cannabis retailer



Licensing Parameters

Store Operating Parameters & Distance Buffers

- Additional store operating parameters (e.g. store format, security requirements, staff training requirements) would be established by regulation or by AGCO Registrar's standards and requirements subject to additional consultation and before the AGCO begins accepting applications in December 2018.
- A distance buffer between private cannabis retail stores and schools would be set through regulation in advance of December 2018 following further consultation with municipalities and key stakeholders.

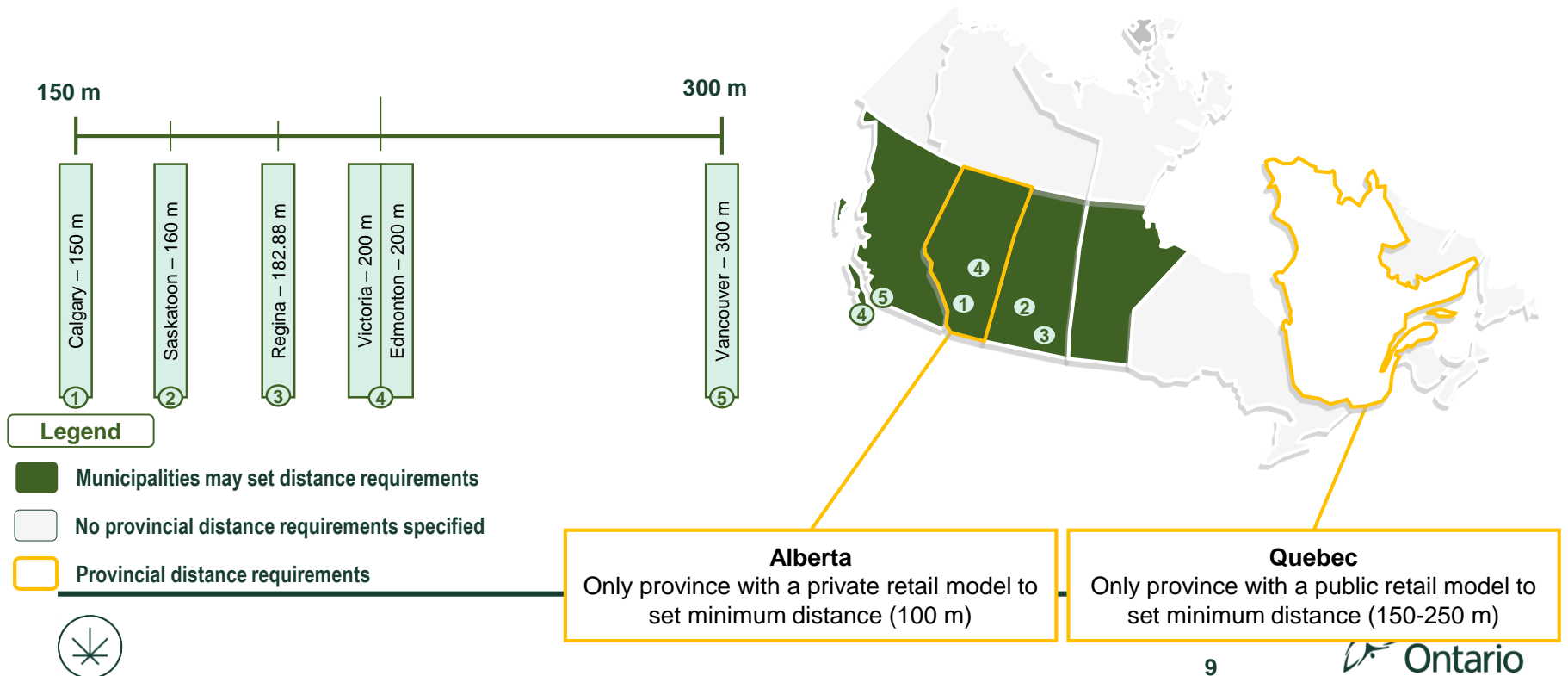
Municipalities

- Local municipalities will be provided with the opportunity to prohibit cannabis retail stores in their communities by January 22, 2019.
 - Municipalities that prohibit cannabis retail stores could allow them in the future, but if a municipality does not prohibit them by January 22nd, it cannot prohibit them at a later date.
- Municipalities will not be able to designate cannabis retail as a separate land use from retail generally or create a cannabis retail licensing regime within their jurisdiction.
- When a licensed operator submits a request for a store location to be authorized (in a municipality that has not prohibited cannabis retail), the CLA would require the AGCO to issue a public notice process in which the affected municipality would have an opportunity to identify any concerns within a 15-day period. The Registrar would consider any concerns raised through this process when making its final decision to grant an authorization for that location.
 - MAG will continue to consult with municipalities on the implementation of this process.



Distance Buffers in Other Jurisdictions

- Most provinces have not set minimum distance requirements.
- Several provinces with private retail options have allowed municipalities to determine minimum distances through by-laws; generally, these municipalities have imposed rules that apply to areas beyond schools (e.g., minimum distances from day cares, libraries, parks or community centres).
- Most jurisdictions define their minimum distance restriction as the direct distance between property lines (vs. some form of a travelling route).



GIS Mapping Demonstration



Discussion Questions

- What is an appropriate distance buffer between a private cannabis store and a school?
- What consideration should be given to urban and/r rural communities?



Next Steps

- Regulations to be developed to enable the AGCO to accept applications in December 2018
- Municipalities will have the opportunity to opt out of retail stores by January 22, 2019
- Continued consultation on further details to enable private retail stores by April 1, 2019

