

# Municipal Webinar Series

WEBINAR 3: CANNABIS REGULATION AND MUNICIPALITIES – NOVEMBER 27, 2018



# Speakers from the AGCO



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Director, Communications

**Brent McCurdy**  
Director, Strategic Policy & Planning

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Director, Licensing and Registration

**Liz Yeigh**  
Director, Strategic Engagement



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Alcohol and Gaming  
Commission of Ontario

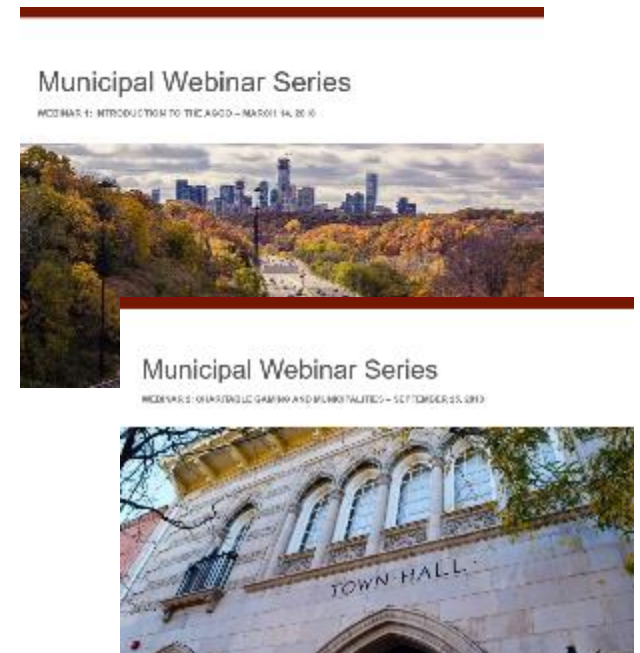
# Today's Agenda



- AGCO's Approach to Cannabis Regulation
- Types of Retail Applications
- Public Notice & Submissions
- Municipal Opt in/out Process
- Questions & Answers

# About the Municipal Webinar Series

- Engagement is one of the five pillars of the AGCO's strategic plan
- Municipal partners have voiced their interest in the AGCO strengthening our engagement activities
- In 2018, AGCO launched the municipal webinar series to strengthen municipal stakeholders' understanding of the regulatory work conducted by the AGCO
- Today's webinar is the 3rd installment in the series



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# AGCO's Approach to Cannabis Regulation



## AGCO Mandate

To regulate the **alcohol**, **cannabis**, **gaming** and **horse racing** sectors in accordance with the principles of honesty and integrity, and in the public interest.

## AGCO Vision

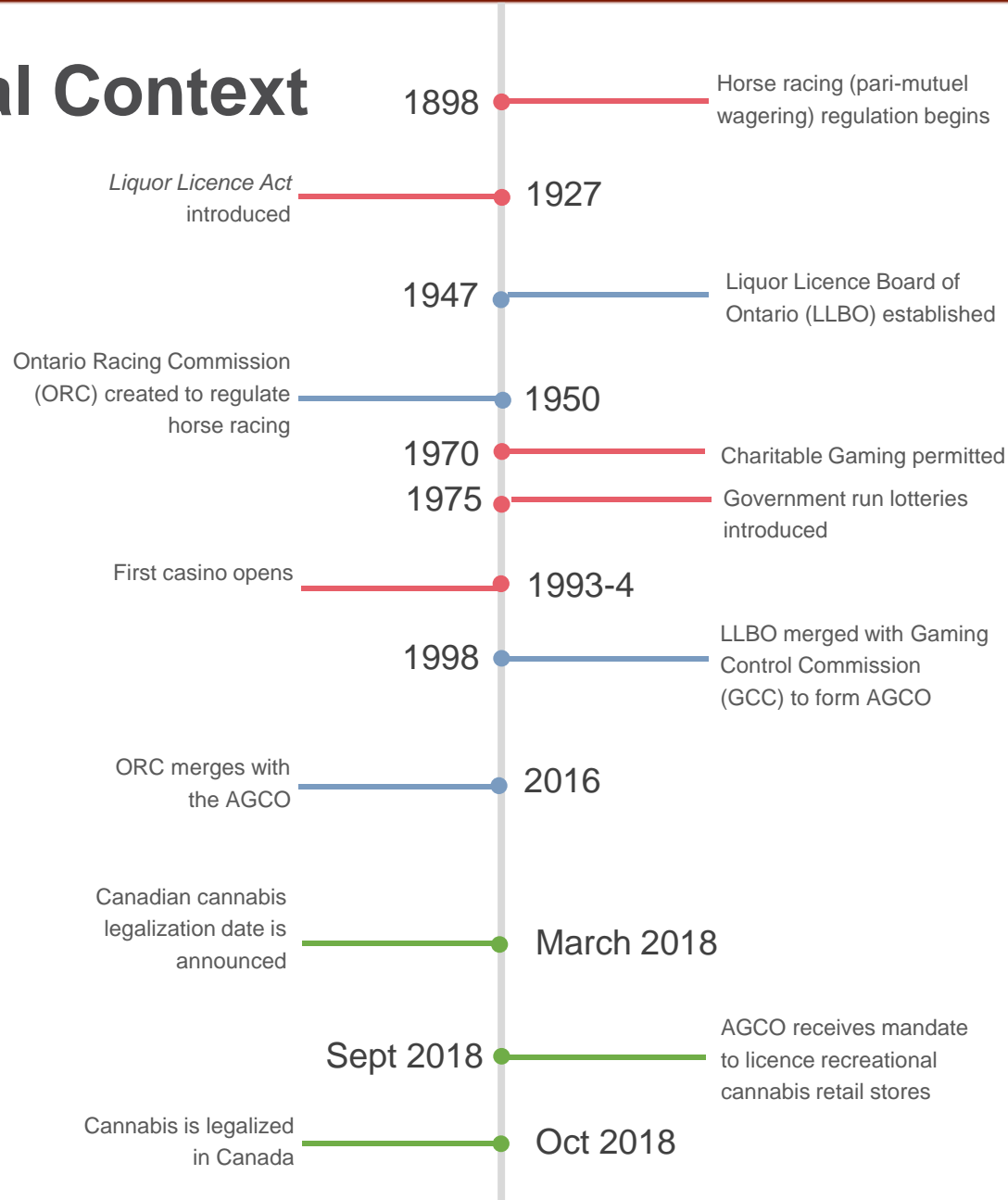
A leader in the alcohol, **cannabis**, gaming and horse racing sectors through effective regulation and services that are **fair, responsive** and in the broader **public interest**.



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# Historical Context



# Our Modern Regulatory Approach

## Risk-Based

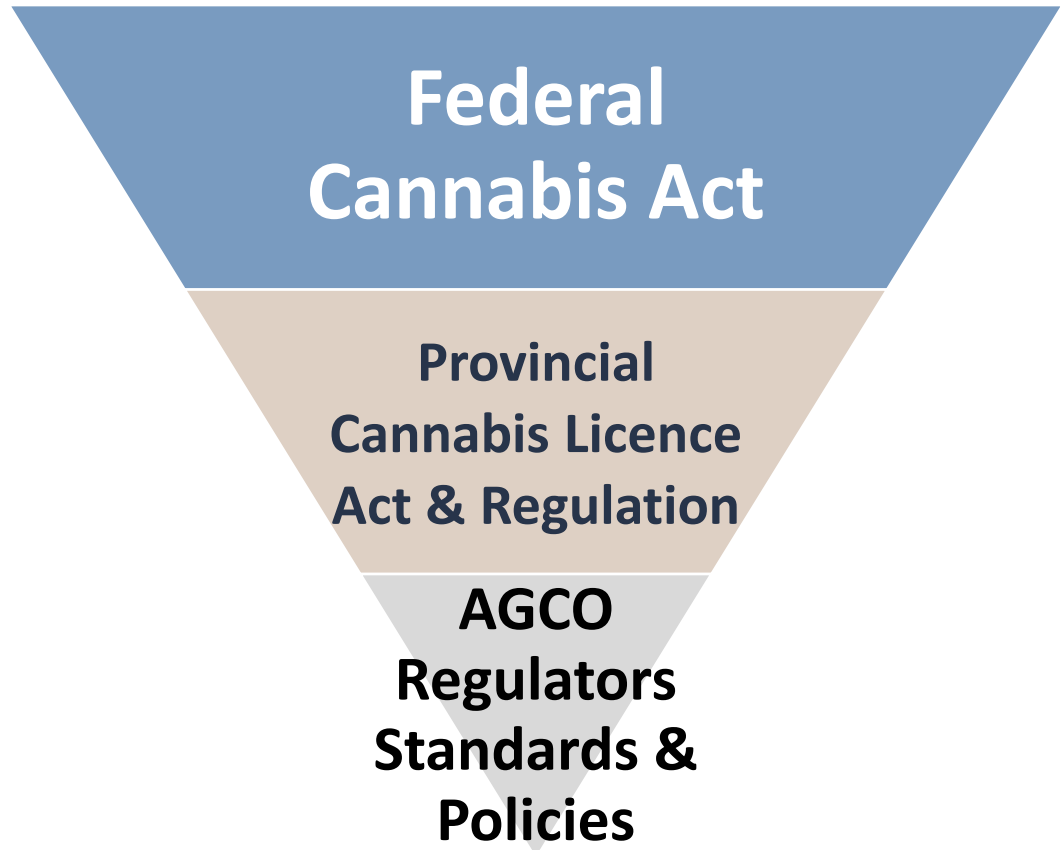
Focus on what matters **most**

## Outcomes-Based

Focus on the **what**  
rather than the **how** of  
compliance

## Compliance-Focused

Proactively **work with**  
licensees and  
registrants to ensure  
regulatory compliance




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# Cannabis: What is the AGCO Responsible for?

- **Licensing** eligible retail store operators and managers
- **Authorizing** stores
- **Regulating** the sale of cannabis at private retail stores



The AGCO's  
focus is on  
the **safe,**  
**responsible**  
and **lawful** sale  
of recreational  
cannabis

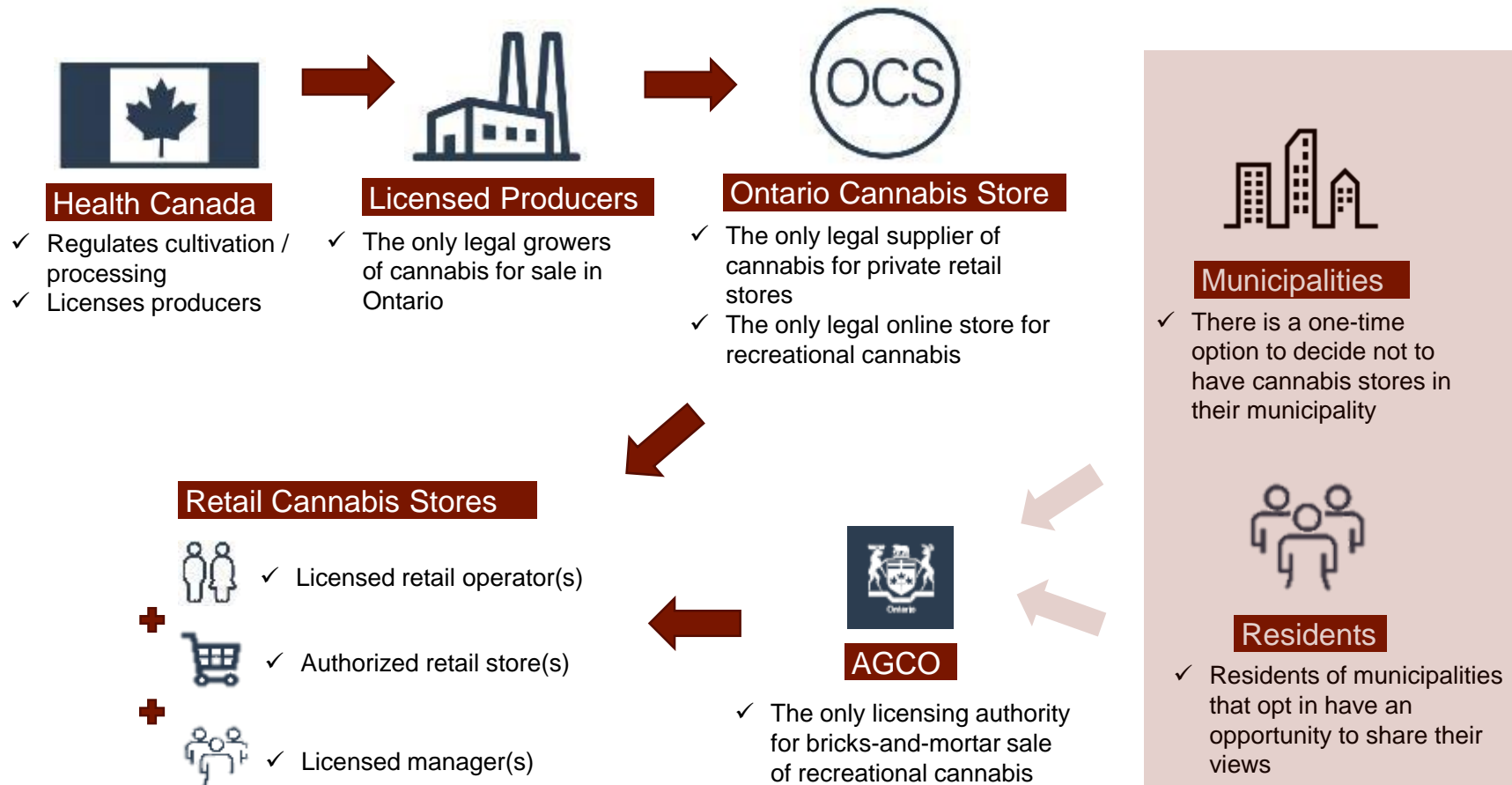
## HOW? The AGCO will...

- ✓ Ensure that only those that meet the eligibility requirements in the legislation and regulations are licensed to operate cannabis stores
- ✓ Minimize the public risk of cannabis store operations
- ✓ Allow for ongoing monitoring of the operation of these businesses

# Other Industry Players

Areas of Activity	Who is responsible?
Medical cannabis use and distribution	→ Health Canada
Recreational cannabis production licence	→ Health Canada
Recreational cannabis cultivation & processing	→ Health Canada & Licenced Producers
Recreational cannabis wholesale	→ Ontario Cannabis Store
Recreational cannabis online retail sales	→ Ontario Cannabis Store
Recreational cannabis consumption	→ Municipal by-law powers under the Smoke Free Ontario Act
Investigations of criminal activity related to cannabis and illegal dispensaries	→ Police

# Legal Recreational Cannabis Supply Chain



# Municipal Role

Municipalities may:

- Determine whether they want to have cannabis stores operating in their local community.
- Choose to implement additional restrictions on smoking and vaping through the use of municipal bylaws.
- Municipalities may not:
  1. Create a licensing system respecting the sale of cannabis.
  2. Pass a by-law that distinguishes land or building use for cannabis from any other kinds of use.

**Note:** The provincial government has committed to providing \$40 million over two years to help municipalities with the implementation costs of recreational cannabis legalization.

Note for First Nations: A cannabis store can only be located on a Reserve if it has received approval by the Band Council



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# AGCO Cannabis Retail Regulatory Objectives



# Retail Cannabis Licensing: April 1, 2019 & Beyond





# Types of Retail Applications



# Types of Licences & Authorizations

Prior to applying for a Retail Store Authorization, retail operators are encouraged to **check with the local municipality** to ensure the future premises meets municipal requirements.



## Retail Operator Licence

For people/organizations who will be operating cannabis retail stores.



## Retail Store Authorization

The authorization to operate a physical storefront. Each retail store must have its own authorization.



## Cannabis Retail Manager Licence

For the people who have management responsibilities to ensure the responsible sale of retail of cannabis.



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## Retail Operator Licence

To operate a retail store and sell recreational cannabis, you must have a Retail Operator Licence.

A Retail Operator Licence allows the licence holder to operate a cannabis retail store in Ontario.

- Each retail store requires its own authorization.
- Eligibility criteria is set out in the *Cannabis Licence Act, 2018* and its regulations.

The Cannabis Retail Operator Licence is NOT a licence to produce cannabis.



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# Retail Store Authorization

A Retail Store Authorization allows the Retail Operator to open a retail store.

Each physical store location must have a separate authorization.

Before applying for a Retail Store Authorization, **an applicant must hold or have submitted an application for a Retail Operator Licence** issued by the AGCO.



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# Retail Store Location Requirements

The *Cannabis Licence Act, 2018* and its regulations require that each **retail store** meet certain requirements.

- Must be located in a municipality or reserve that permits cannabis retail stores.
- A cannabis retail store cannot be located near a school or private school, as defined in the *Education Act*, if the proposed retail store is less than 150 metres away from the property line of the school. This will be determined as follows:
  - ✓ When the school or private school is the primary or only occupant of a building, 150 meters shall be measured from the property line of the property on which the school or private school is located.
  - ✓ When the school or private school is not the primary or only occupant of a building, 150 meters shall be measured from the boundary of any space occupied by the school or private school within the building
- May only operate between the hours of 9:00 am – 11:00 pm (Monday to Sunday) unless otherwise governed by provincial retail and / or local retail by-laws.
- Must be the only business that will operate at the proposed retail store and must only sell permitted **items**, that is, cannabis and federally-defined cannabis accessories and shopping bags.

# Cannabis Retail Manager Licence

**A Cannabis Retail Manager licence is required if an employee performs one or more of the following functions in a cannabis retail store:**

- Supervising or managing employees;
- Overseeing or coordinating the sale of cannabis;
- Managing compliance issues in relation to the sale of cannabis;
- Having signing authority to purchase cannabis, enter into contracts or make offers of employment.

In order to ensure the responsible sale of cannabis, there must be at least one licensed manager for each authorized store location.

*\*Note:* If you are a sole proprietor or in a partnership between two or more individuals, and will be both the licensed operator and performing the duties of the retail store manager for a particular store, you do not need to get a Cannabis Retail Manager Licence for your store.



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# Retail Employee Educational Requirements

Any person who works in a cannabis retail store must successfully complete an AGCO Board approved cannabis retail employee training program. This includes:

- Holders of a Retail Store Authorization;
- Holders of a Cannabis Retail Manager (CRML) licence;
- Any other individuals who work in a cannabis retail store.

The program must be completed **before the first day of work** at any cannabis retail store location. Training will include topics such as:

- Basic cannabis knowledge;
- Socially responsible sale of cannabis;
- Rules related to the sale of cannabis;
- Legal and compliance responsibilities for cannabis retailers.



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# Eligibility

Eligibility criteria is outlined in the *Cannabis Licence Act*, 2018 and regulations

**Retail Operator Licence**  
**Retail Store Authorization**  
**Cannabis Retail Manager Licence**

Generally, to be eligible:

- Be at least 19 years of age;
- Be financially responsible;
- Conduct their duties in accordance with the law, and with honesty, integrity and in the public interest;
- Have no convictions or charges under the *Cannabis Licence Act*, 2018;
- Not have or previously had roles or connections with a criminal organization;
- Not made a false statement in their application.



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## Example of Ineligibility

### **An applicant is not eligible for a Retail Operator Licence if:**

- The AGCO is not satisfied that you will have sufficient control over the cannabis retail business;
- You are in default of filing a tax return under a tax statute administered and enforced by the government of Ontario, or have any outstanding amounts owing and past due of tax, penalty or interest under those laws and have not made payment arrangements;
- You have a business number with the Canada Revenue Agency and have not filed a tax return under certain Federal or provincial legislation.

**Retail Operator  
Licence**



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## Example of Ineligibility

### Retail Store Authorization



#### **An applicant is not eligible for a Retail Store Authorization if:**

- The premises, equipment and facilities of the proposed store are not in compliance with the *Cannabis Licence Act, 2018*, its regulations and the Registrar's Standards;
- The issuance of the authorization is not in the public interest;
- You hold a licence under the *Cannabis Act* (Canada) to produce cannabis for commercial purposes and already hold a Retail Store Authorization for a retail store located on or within the production site;
- The location of your proposed store is located in a municipality or reserve that does not permit cannabis retail stores.

# Public Notice



# Public Notice Process

The municipality, along with its residents, have an opportunity to provide written submissions to the AGCO on matters of public interest (as set out in the regulations) before a proposed cannabis retail store location is authorized.

Notification of applications for Retail Store Authorizations will be made available to the public.

The applicant will be required to post a notice for **15 calendar days** at the proposed retail store location.

Applications for a Retail Store Authorization are searchable online via the iAGCO portal.

	Alcohol and Gaming Commission of Ontario 90 Sheppard Avenue East, Suite 200 Toronto ON M2N 0A4 Tel.: 416-326-8700 or 1-800-522-2876 toll free in Ontario Website: <a href="http://www.agco.ca">www.agco.ca</a>
<b>Application for a Cannabis Retail Store Authorization</b>	
<b>Store Name</b>	
<b>Address</b>	
<b>File Number: 123456</b>	
<b>Deadline for submissions:</b> <b>March 1, 2019</b>	

A Cannabis Retail Store Authorization may be issued to this applicant unless the Registrar finds it is not in the public interest.

For the purposes of the *Cannabis Licence Act, 2018*, the following are matters of public interest:

1. Protecting public health and safety
2. Protecting youth and restricting their access to cannabis
3. Preventing illicit activities in relation to cannabis

Written submissions regarding this application may be made online at [www.agco.ca/iAGCO](http://www.agco.ca/iAGCO) by the following:

- A resident of the municipality in which the proposed store is located
- The municipality representing the area in which the proposed store is located. If the municipality is a lower-tier municipality, then the upper-tier municipality of which it forms a part may also make a submission.

Written submissions will be considered by the Registrar and the Registrar's decision to issue or refuse this retail store authorization is final.

Submissions must be received by the AGCO on or before the date set out in this Public Notice. In your submission, please include the file number noted above. The AGCO may provide copies of any submissions to the applicant. Anonymous submissions will not be considered.

Questions about this application should be directed to the AGCO, quoting the file number noted above:

- Online: [www.agco.ca/iAGCO](http://www.agco.ca/iAGCO)
- Telephone: 416-326-8700 or toll free in Ontario 1-800-522-2876

Information about the application contained in this notice is released pursuant to the *Freedom of Information and Protection of Privacy Act*.

**This Public Notice placard must be posted in a place where members of the public can easily read the contents without having to enter the proposed premises.**

14010E (2018/11) © Queen's Printer for Ontario, 2018

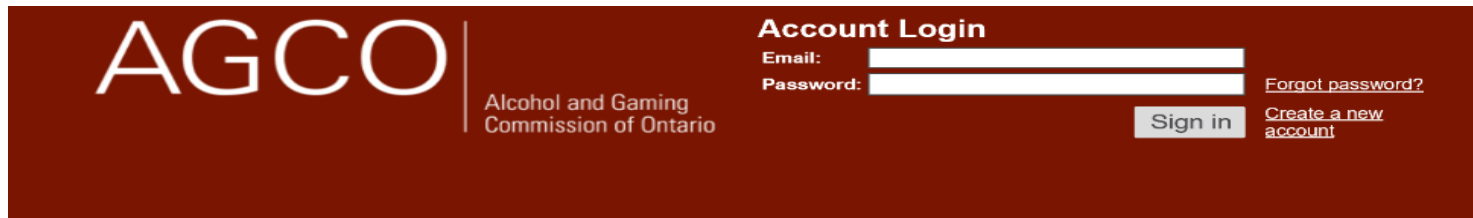


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# Search for Authorizations

The image shows the AGCO (Alcohol and Gaming Commission of Ontario) website header. On the left is the AGCO logo. To its right is the text "Alcohol and Gaming Commission of Ontario". Further right is the "Account Login" section, which includes fields for "Email:" and "Password:", a "Sign in" button, and links for "Forgot password?", "Create a new account", and "Create a new account".

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**Account Login**

Email:

Password:

[Forgot password?](#)

[Create a new account](#)

[Sign in](#)

Welcome to iAGCO, the Alcohol and Gaming Commission of Ontario's online service delivery portal.

## CREATE AN ACCOUNT

By [creating an iAGCO account](#), you will be able to apply for and manage your AGCO-issued licences, permits, authorizations and registrations, anytime from anywhere.

View [all services](#) available through iAGCO.

For more information, visit the AGCO [website](#) or the [iAGCO Information](#) page.

## ASK US A QUESTION

You can use iAGCO to [ask us a question](#). You do not need to create an account to do so.

## SUBMIT A COMPLAINT

You can use iAGCO to [submit a complaint](#) related to the AGCO or an entity we regulate. You do not need to create an account to submit a complaint.

More information about the AGCO's [complaint resolution process](#) is available on our website.

## SEARCH FOR AND/OR OBJECT TO CURRENT LIQUOR SALES LICENCE APPLICATION

[Search for applications](#) that have been made to the AGCO for a liquor sales licence, and for which a public notification is issued. You can also submit an objection to a current liquor sales licence application. You do not need an account to use these features.

[More information about submitting an objection is available on our website](#)

## SEARCH FOR LICENCES / PERMITS / AUTHORIZATIONS / REGISTRATIONS

[Search](#) for AGCO-issued licences, permits, authorizations or registrations. You do not need an account to use this search feature.

iAGCO

powered by **POSSE**

# Written Submissions

Written submissions will be accepted on **iAGCO**, the AGCO's online licensing portal:

- An account registration is not required;
- Anonymous submissions will not be accepted.



Protecting Public Health & Safety



Protecting Youth & Restricting Their Access to Cannabis



Preventing Illicit Activities in Relation to Cannabis

All submissions must be:

- In writing;
- From residents of the municipality in which the proposed store is located;
- From either a lower tier municipality or from the upper tier municipality it is a part of.

**Submissions are limited to the following matters of public interest**



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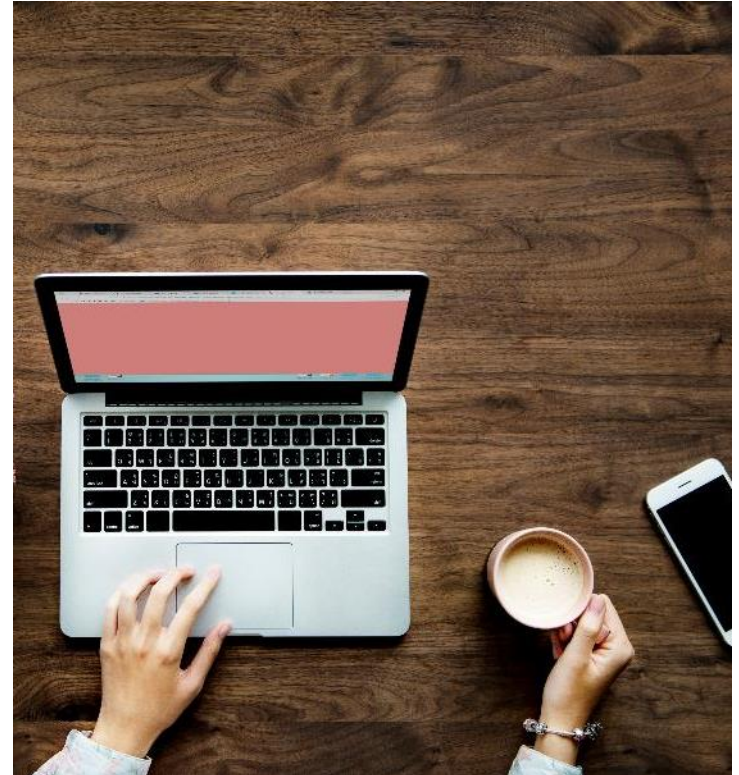
# Public Notice & the Applicant

After the Public Notice period has ended, the AGCO will provide the applicant with copies of submissions.

- Personal details of the submitter will not be provided to the applicant.

The applicant will have **5 days** to provide a response to the AGCO to any written submissions.

The Registrar's decision to issue or to refuse a Cannabis Retail Store Authorization is **final**.



# Opting Out of Retail Cannabis Stores





# Municipal Decision to Allow Retail Stores

## INITIAL INFORMATION FOR ONTARIO MUNICIPALITIES ABOUT CANNABIS RETAIL STORE LICENSING

The government of Ontario has announced the Alcohol and Gaming Commission of Ontario (AGCO) as the regulator for privately run recreational cannabis retail stores.

The AGCO's regulatory focus is on the safe, responsible and lawful sale of cannabis, consistent with the government legislation.

The AGCO is also committed to assisting our municipal partners in understanding their regulatory and operational responsibilities in this newly regulated sector. To that end, we are reaching out to provide you with some initial information and will provide more information on our website as it becomes available and as part of our 2018/19 Municipal Webinar Series.

The information below outlines the process for municipalities choosing to opt in or out of allowing cannabis retail stores in their municipality. It also provides additional information about what it means for municipalities who decide to permit retail stores in their community.

### OPTING OUT OF RETAIL CANNABIS STORES

Municipalities may opt out of having cannabis retail stores within their jurisdiction. If they wish to do so, the Cannabis Licence Act, 2018 requires them to pass a resolution to that effect by January 22, 2019.

The manner in which municipalities must notify the AGCO of their decision to opt out is for the municipal Clerk, Chief Administrative Officer or Mayor to send the AGCO Registrar written notification that the municipality has passed a resolution prohibiting cannabis retail stores. This written notification must be sent by email to [municipal@agco.ca](mailto:municipal@agco.ca) and received by the AGCO no later than January 22, 2019. The notification must include:

1. The official name of the municipality, and;
2. The date the resolution was passed.

Once received, the AGCO will acknowledge receipt by email.

A municipality that decides to prohibit cannabis retail stores may later reverse its decision; however, under the Cannabis Licence Act, 2018, a decision by a municipality to allow cannabis retail stores is final and may not be subsequently reversed.

If the AGCO has not received written notification from a municipality within the process described above, by January 22, 2019, then, by default, private cannabis retail stores will be allowed within this jurisdiction beginning April 1, 2019, providing all other eligibility criteria have been met.

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Municipalities may opt out of hosting cannabis retailers within their jurisdiction.

To opt out, municipalities must pass a resolution and notify the AGCO by **January 22, 2019.**

If the AGCO has not been notified of a municipality's decision to opt out, they will, by law, be considered an "opt in" municipality.

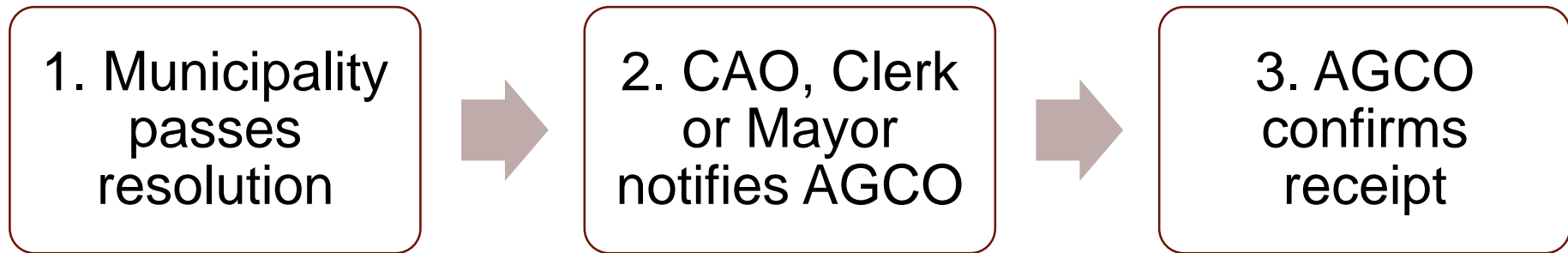
AGCO Information letter sent to all Municipal Clerks  
November 20, 2019



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# Process to Opt Out



- ☒ email [municipal@agco.ca](mailto:municipal@agco.ca)  
no later than  
**January 22, 2019**
- ☒ include the **official name**  
of the municipality
- ☒ include the **date the**  
**resolution was passed**

A municipality that decides to prohibit cannabis retail stores by January 22<sup>nd</sup> may later reverse its decision.



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## Early Notification to Opt In

Prior to January 22, 2019, should a municipality decide it will allow cannabis retail stores within its jurisdiction, they are strongly encouraged to notify the AGCO as soon as possible.




1. Municipality  
passes  
resolution



2. CAO, Clerk  
or Mayor  
notifies AGCO



3. AGCO  
confirms  
receipt

-  email [municipal@agco.ca](mailto:municipal@agco.ca)
-  include the **official name** of the municipality
-  include the **date the resolution was passed**

A decision by a municipality to *allow* cannabis retail stores is **final and may not be subsequently reversed**.



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# Questions



# AGCO Contact Information

## **Formal Notification to AGCO for Opting-Out (Municipalities to determine by January 22, 2019)**

Email signed letter (scanned) to: [municipal@agco.ca](mailto:municipal@agco.ca)

## **Ahead of January 22, 2019 – Early Municipal Opt In**

Email signed letter (scanned) to: [municipal@agco.ca](mailto:municipal@agco.ca)

## **General Inquiries**

Online iAGCO portal to make an inquiry: <https://www.agco.ca/iAGCO>



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