
To:	Tammy Lepage, Planning Assistant Craig Davidson, CAO MUNICIPALITY OF TEMAGAMI
From:	Jamie Robinson
Date:	November 28, 2018
Subject:	Cannabis Retail Stores under the Cannabis Licence Act

Recreational cannabis was legalized by the Federal Government on October 17, 2018. The Cannabis Act creates the legal framework for controlling the production, distribution, sale and possession of cannabis across Canada.

On October 17, 2018, the Ontario Government passed Bill 36, the Cannabis Statute Law Amendment Act, 2018 and this legislation also enacted the Cannabis Licence Act, 2018.

The purpose of this memorandum is to provide information to the Municipality of Temagami, highlighting a specific deadline under the Cannabis Licence Act relating to a local municipality's ability to opt out of permitting cannabis retail stores in their communities; the deadline being January 22, 2019.

For your consideration, we provide the following information regarding the licensing of Cannabis Retail Stores under the Cannabis Licence Act, 2018:

- Cannabis Retail Facilities are regulated and licensed by the Alcohol and Gaming Commission of Ontario (AGCO).
- Currently only online sales of cannabis are permitted through the Ontario Cannabis Retail Corporation. As of April 1, 2019 brick and mortar retail stores will be permitted in Ontario to purchase products.
- Municipalities do not have the authority to pass by-laws that:
 - Regulate business licensing of Cannabis Retail Stores (Cannabis Licence Act, 2018 s.42 (1)). This is handled by the Province.
 - Regulate the location of retail stores (Cannabis Licence Act, 2018 s.42 (2)). Furthermore, any by-law that has been passed to regulate the location of a retail store, has no effect to the extent that it conflicts with s. 42(2).

- There is currently no cap on the number of physical retail stores to be permitted in a municipality.
- **Municipalities have a 'one-time' opportunity to prohibit cannabis retail stores from being located within the municipality. This is known as 'opting-out' and must be passed by Council resolution no later than January 22, 2019.**
- If a Council resolution is not passed by January 22, 2019, it will be assumed by the Province that the Municipality does not prohibit cannabis retail stores from being located within the municipality.
- Furthermore, municipalities that have chosen to prohibit cannabis retail stores from being located within the municipality, are permitted to later lift the prohibition and permit cannabis retail stores to be located within the municipality. This is known as 'opting-in' and must be passed by Council resolution. At this time, there is no deadline to opt back in, however, once passed, this decision cannot be reversed.
- ACGO automatically refuses any licence applications for proposed cannabis retail stores in municipalities that have opted-out.
- Municipalities that have not 'opted-out' will receive notice from the AGCO of an application for a licence for a cannabis retail store. Municipalities and residents then have 15 days to make written submissions to the AGCO about whether issuance of the retail store authorization is in the public interest.

We would suggest that staff bring a report for Council's consideration providing information about whether there is a desire to opt-out. Given the January 22, 2019 cut-off date, we would recommend that this be brought to Council as soon as possible.

Should you have any questions or if we can provide any further assistance, please do not hesitate to call.

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