

AGLC Involvement in Regulation of Cannabis



**Lethbridge – Cannabis
Information Session
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Cannabis Regulatory Framework

In alignment with the Cannabis Framework's policy priorities, the AGLC is committed to:

- Keeping cannabis out of the hands of children and youth
- Protecting public health
- Promoting safety on roads, in workplaces and in public spaces
- Limiting the illegal cannabis market

Warehousing and Distribution of Recreational Cannabis

- Leverage existing liquor model with enhanced security
- Secure transportation to private retailers

Cannabis Retail Licensees

Licensing Process

- Who can open a private retail store?
- Who can work in a private retail store?
- Where can private retail stores be located?
- How will retail stores operate?

Cannabis Retail Licensees

Who Can Open a Private Retail Store?

- **All licence applicants will undergo stringent, mandatory background checks, including:**
 - Criminal record check
 - Business history
 - Tax and financial information
 - Section 10, Section 13, Section 127 GLCR
- **No licences will be issued to anyone with links to organized crime, or with a history of drug trafficking**
 - Minor cannabis possession conviction will not automatically disqualify an applicant
 - Licences will need to be renewed annually
 - Mandatory background checks will be required every 1 to 3 years

Cannabis Retail Licensees

Background Check Process

- 3 year tax return / Notice of Assessment
- Loan information
- Financial information
- Full indices check
- Required for all companies, Directors, Officers, Key Employees
- Shareholders with 10% or more

Cannabis Retail Licensees

Who Can Open a Private Retail Store?

- **No single person, business or organization can have more than 15% of retail licences across the province**
 - Allows for a level playing field for large and small business
 - Government review of system in five years

Cannabis Retail Licensees

Who Can Work in a Private Retail Store?

- **AGLC will maintain a database of Qualified Cannabis Workers (QCW)**
- **QCWs (S. 126 GLCR) will be:**
 - At least 18 years of age,
 - Have taken mandatory training, and
 - Passed criminal background check
- **Cannabis retailers will only be able to hire QCW**

Cannabis Retail Licensees

Where Can Retail Stores be Located?

- **Stores cannot be built within 100 meters from schools or hospitals**
 - 100 meter buffer is about one city block
 - Municipalities can provide for greater setback distances, and/or additional uses (such as liquor stores or other cannabis stores)
- **Regulatory provisions allow local flexibility and discretion**
 - Land use bylaw amendments to operate in lieu of provincial setbacks
 - Exemption from AGLC in specific circumstances or where new development approval not required

Cannabis Retail Licensees

How Will Retail Stores Operate?

- **Stores will only be able to open between 10 a.m. and 2 a.m.**
 - Same as hours for liquor stores
 - Explicit provision stating that municipalities can further limit hours
- **Limit of 30 grams per transaction**
 - Applies to both retail stores and online

Cannabis Retail Licensees

- **Mandatory retail store security measures:**
 - 24/7 interior/exterior monitored alarm system
 - 24/7 CC video surveillance at all entry/exit/POS/secured storage/receiving area – 60 day retention capacity
 - secured product storage area
 - Cannabis/cannabis accessories can only be displayed in secured display cases and accessible only by retail workers when store is open
 - No use or consumption onsite
 - Approved sensory display containers will be permitted
 - All cannabis products must be secured in storage room during off hours

Cannabis Retail Licensees

Inspections Process for AGLC and Licensed Premises check form for Policing

- Aiming for every 30 days (Confidential)
- Looking for compliance with *Act*, Regulation, Policy, contraband cannabis
- Police Officers are Inspectors / Licensed Premises Check Form applies

Cannabis Retail Licensees

Administrative Sanction Process

- AGLC has the ability to levy financial penalties and suspensions/cancellations against licensees.
- Maximum fine available is \$200,000 (Board Policy) and \$1,000,000 (Act/Regs)
- Approximately \$500,000 per year issued in penalties.

Cannabis Retail Licensees

Criminal Investigations: Jurisdictional responsibilities/authority

- Currently working with Solicitor General to obtain Cannabis Act, CDSA and *Criminal Code* authority with respect to retail operations.
- IIT involvement
- Currently working with Health Canada on cannabis complaint protocols addressing jurisdictional issues.

AGLC Online Cannabis System

Government Operated Online Sales

- The AGLC will operate an online **eCommerce** business for consumers to purchase cannabis
- Vision – consumer centric, premium web store
- Age verification at purchase and delivery
- Regulatory Services Division oversight

Cannabis Packaging



Packaging



Cannabis Retail Licensees

July 1st and beyond

- Edibles: potential launch of July 2019
- Cannabis Cafes/Lounges

