

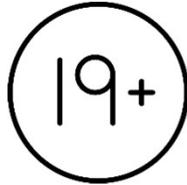
Cannabis Legalization and Implementation

2019 AMO Annual Conference
August 20, 2019

Ministry of the Attorney General

Ontario 

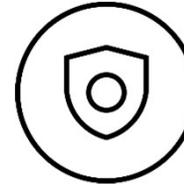
Provincial Cannabis Legislation



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



Must be 19+ to possess, cultivate, consume and share cannabis



Additional tools to address **illegal selling**, including storefront dispensaries



The **Ontario Cannabis Store** is the **exclusive online retailer** for legal cannabis in Ontario and the **provincial wholesaler** to authorized private retail stores.



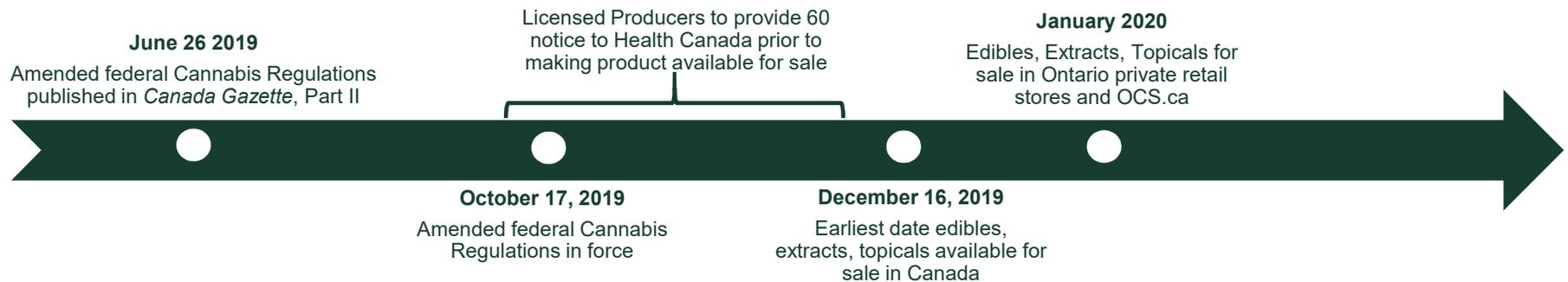
Retail Stores – Second Allocation

- On August 20, 2019 the AGCO conducted the second lottery for 42 private cannabis retail store authorizations. On July 31, 2019 a first-come, first-serve process for eight stores to be located on First Nations reserves commenced.
- Regional store allocation for second tranche:
 - East (7 stores) Stormont, Dundas and Glengarry, Prescott and Russell, Ottawa, Leeds and Grenville, Lanark, Frontenac, Lennox and Addington, Hastings, Prince Edward, Northumberland, Peterborough, Kawartha Lakes, Simcoe, Muskoka, Haliburton, Renfrew);
 - GTA (6 stores) Durham, York, Peel and Halton;
 - City of Toronto (13 stores);
 - West (11 stores) Dufferin-Wellington, Hamilton, Niagara, Haldimand-Norfolk, Brant, Waterloo, Perth, Oxford, Elgin, Chatham-Kent, Essex, Lambton, Middlesex, Huron, Bruce, Grey, Manitoulin;
 - North (1 store each in Kenora, North Bay, Sault Ste. Marie, Thunder Bay and Timmins).
- In this second phase, cannabis retail stores will be authorized to operate in municipalities with less than 50,000 people and anywhere other retail is permitted, subject to the 150 metres minimum distance buffer between cannabis retail stores and schools.
- New pre-qualification requirements have also been established (i.e., proof of secured retail space and sufficient capital) to help ensure readiness of cannabis retail operator licence applicants.
- Ontario remains committed to moving towards an open allocation of licences where the number of stores is limited only by market demand.



Edibles, Extracts and Topicals

- Health Canada’s regulations for cannabis edibles, extracts and topicals will come into force on October 17, 2019.
- Health Canada expects a limited selection of products to be available for sale to provincial/territorial distributors no earlier than December 16, 2019, with more products being introduced over time.
 - Licenced producers must provide a minimum 60 days notice to Health Canada prior to making a product available for sale.
- Anticipated timing for new product classes to be available for sale to private retailers in Ontario and through OCS.ca by mid-January 2020.



Cannabis Lounges/ Consumption Establishments

- The rules for the smoking and vaping of cannabis align with the rules for the smoking of tobacco and vaping under the *Smoke Free Ontario Act, 2017*.
- In general, municipalities can pass by-laws further restricting the use of cannabis.
- In the event of a conflict between the provincial and municipal provisions respecting smoking and vaping, the more restrictive provisions will apply.
- Ontario's regulatory framework does not currently permit the consumption of cannabis by smoking or vaping in establishments as it is prohibited to smoke and vape in any enclosed workplace or any enclosed public places.
- Consultations on places of use including cannabis consumption lounges were held prior to legalization.
- Regulatory amendments under the *Smoke Free Ontario Act, 2017* and further consultation would be required to permit consumption establishments and venues in Ontario.



Enforcement – Cannabis Control Act, 2017 amendments

- On June 6 2019, legislative amendments to the *Cannabis Control Act, 2017* came into force which provide police officers and designated persons to shut down illegal storefronts. These amendments include:
 - Removing the exemption that prohibits enforcement from temporarily closing illegal storefronts if the premises is being used as a residence.
 - Setting minimum fines for individuals related to the illegal sale and distribution of cannabis.
 - Prohibiting individuals from entering or attempting to enter a premise that has been barred by police or to obstruct police officers or other persons enforcing the Act.
 - Confirming that a person named as a respondent in an application to lift an interim closure order is not required to pay an applicant's legal costs.



Enforcement – Illegal Selling

- The *Cannabis Control Act, 2017* contains additional tools and high fines to address illicit storefronts that are suspected of being used for the illegal sale or distribution of cannabis.
- Since October 2018 there has been a **significant reduction in the number of illegal cannabis storefronts** in Ontario including an 86% reduction across municipalities and a 55% reduction province-wide.
- Criminal Intelligence Service Ontario provides intelligence support to regional enforcement teams, led by the OPP working with other policing agencies, who investigate and disrupt illicit cannabis operations, including illegal storefronts.
- As of August 6, 2019, charges laid under Ontario's *Cannabis Control Act, 2017* include:
 - **Sale or distribution** of cannabis other than by an authorized retailer (i.e., the OCS): **~468** charges
 - **Purchasing** cannabis other than from an authorized retailer (i.e., the OCS): **~235** charges
 - **Landlord** knowingly permitting a premises to be used in relation to the illegal sale or distribution of cannabis: **~72** charges



Enforcement - Designation Process

- The *Cannabis Control Act, 2017* allows police officers and other persons designated by the Attorney General to enforce the Act, including:
 - Seizure authority
 - Interim closure authority of premises where a police officer has reasonable grounds to believe that the premises are being used for the illegal sale or distribution of cannabis
 - Removal of people from premises where a police officer has reasonable grounds to believe that the Act is being contravened on any premises
- Designated by-law officers work closely with the local police service on enforcement activities.

Designation Application process:

- Contact the Legalization of Cannabis Secretariat at the Ministry of the Attorney General.
 - The authority to designate to enforce the Act has been delegated to the Executive Director of the Legalization of Cannabis Secretariat
- Applicants are required to meet certain criteria in order to be designated (e.g., list provisions where designation is sought and rationale, provide a risk assessment, training plan, operational plan, insurance coverage, conduct criminal background checks, geographical jurisdiction, commitment to report charges and powers used to MAG, information on proposed designated officers).



Cannabis Youth Diversion Program

- The *Cannabis Control Act, 2017* provides **law enforcement personnel, prosecutors and courts** with the opportunity to refer young people to prevention and education programs approved by the Attorney General.
- The Ministry of Children, Community and Social Services has worked in close partnership with Springboard Services to develop a **customized online youth education and prevention program for youth under the age of 19.**
- The program is designed to provide youth (age 12-18 years) with an online E-learning digital experience that educates them about the risks associated with cannabis use at their stage of development.
- It also provides youth with information to enhance their understanding of Ontario laws related to cannabis. It promotes confidence and self-awareness for youth to assess the impacts of cannabis use to make positive choices.
- This program can be utilized both pre and post-charge and can serve as an alternative to fines and other judicial sanctions.
- The program is being translated to 6 Indigenous languages.
- The program launched in February 2019.



Ontario Cannabis Legalization Fund (OCLIF)

- **In January 2019**, a first payment of \$15 million was distributed to municipalities on a per-household basis, adjusted so that at least \$5,000 was provided to each municipality.
- **In February 2019**, a second payment of \$15 million was distributed. Municipalities that did not opt-out of hosting cannabis retail stores received funding on a per-household basis, adjusted so that at least \$5,000 was provided to each municipality. Municipalities that opted out received only \$5,000 each.
- Ontario's objectives are to protect our youth and communities and to combat the illegal cannabis market. To support these objectives, the government has made an investment of \$3.26 million to support enhanced enforcement against illegal cannabis operations. This investment directly benefits municipalities.
 - The enforcement teams work on a regional basis and are available to all municipalities and First Nations.
 - This collaborative approach enables law enforcement to efficiently target crime in an organized way that is coordinated and consistent across the province.
- **In August 2019**, the province distributed the remaining \$6.74 million from OCLIF to municipalities. Funding was provided on a per household basis to those municipalities that did not opt-out of hosting retail stores as of January 22, 2019, adjusted so that each recipient municipality received at least \$5,000.
 - The government is providing this funding now to municipalities in a manner similar to past payments. This means municipalities will have the funds on hand to use for the same implementation costs the fund was designed to support.
 - Letters were sent to recipient municipalities and payments have been processed.



Next Steps

- Continue to work closely with the Alcohol and Gaming Commission of Ontario to support the roll out of the next phase of stores and monitor retail implementation across Ontario.
- Continue to work with our municipal partners, police services, First Nation communities and other key stakeholders as implementation of recreational cannabis legalization continues.
- Continue to measure and evaluate Ontario's approach using pre- and post-legalization data.



Thank you

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