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Bill 36

(Chapter 12 of the Statutes of Ontario, 2018)

**An Act to enact a new Act and make amendments to various other Acts
respecting the use and sale of cannabis and vapour products in Ontario**

The Hon. C. Mulroney
Attorney General

1st Reading	September 27, 2018
2nd Reading	October 4, 2018
3rd Reading	October 17, 2018
Royal Assent	October 17, 2018



EXPLANATORY NOTE

*This Explanatory Note was written as a reader's aid to Bill 36 and does not form part of the law.
Bill 36 has been enacted as Chapter 12 of the Statutes of Ontario, 2018.*

The Bill amends various Acts and enacts one new Act in relation to the use and sale in Ontario of cannabis and of vapour products. Schedule 1 amends the *Cannabis Act, 2017* and makes related amendments to other Acts. Schedule 2 enacts the *Cannabis Licence Act, 2018* and makes related amendments to other Acts. Schedule 3 amends the *Ontario Cannabis Retail Corporation Act, 2017* and the *Liquor Control Act*. Schedule 4 amends the *Smoke-Free Ontario Act, 2017* and makes a consequential amendment to the *Highway Traffic Act*.

SCHEDULE 1 AMENDMENTS TO THE CANNABIS ACT, 2017 AND OTHER ACTS

The Schedule makes amendments to the *Cannabis Act, 2017*, as well as a number of complementary amendments to other Acts.

Amendments made to the *Cannabis Act, 2017* include the following:

1. Re-enacting the definition of “cannabis” to refer to the definition of cannabis in the *Cannabis Act* (Canada), and making other amendments to refer to federal law respecting cannabis (subsections 3 (2), (3) and (6), 6 (1) and (2) and 12 (2) of the Schedule).
2. Repealing section 11 of the Act, which provided for prohibitions on places where cannabis may be consumed, and making consequential amendments (sections 11 and 15 of the Schedule). Instead, prohibitions on places where cannabis may be consumed are added to the *Smoke-Free Ontario Act, 2017* (Schedule 4 to the Bill).
3. Re-enacting subsection 12 (2) of the Act to make changes to the circumstances in which the restriction in subsection 12 (1) on the transportation of cannabis in vehicles or boats does not apply (subsection 12 (1) of the Schedule).
4. Adding to the list of circumstances in which premises may be closed under section 18 of the Act, and making consequential amendments to that section (subsections 13 (1), (3) and (4) of the Schedule).
5. Providing for circumstances in which the court may make inferences in the absence of evidence to the contrary, and providing for additional circumstances to be added by regulations made under the Act (section 17 and subsection 20 (3) of the Schedule).

Other amendments are made to the *Cannabis Act, 2017* in order to reflect the *Cannabis Licence Act, 2018* (Schedule 2 to the Bill). These include the addition of a new defined term of “authorized cannabis retailer” which, in addition to the Ontario Cannabis Retail Corporation, includes the holder of a retail store authorization under the *Cannabis Licence Act, 2018*, when acting in accordance with the authorization (subsection 3 (1) of the Schedule). A new prohibition on falsely representing oneself as an authorized cannabis retailer is added as section 8.1 of the *Cannabis Act, 2017* (section 9 of the Schedule). Another new prohibition is added in subsection 9 (2) of the Act, prohibiting persons from purchasing cannabis online or by any means other than in person at a cannabis retail store, as defined in the *Cannabis Licence Act, 2018*, except from the Ontario Cannabis Retail Corporation (subsection 10 (2) of the Schedule). Finally, the short title of the *Cannabis Act, 2017* is changed to the *Cannabis Control Act, 2017* (section 1 of the Schedule).

SCHEDULE 2 CANNABIS LICENCE ACT, 2018 AND RELATED AMENDMENTS TO OTHER ACTS

The Schedule enacts the *Cannabis Licence Act, 2018*, which sets out a licensing scheme for private cannabis retail stores. The licensing scheme is administered by the Alcohol and Gaming Commission of Ontario (“Commission”) (subsection 50 (4)).

Definitions that apply to the Act are set out in section 1. The Act does not apply to the Ontario Cannabis Retail Corporation (section 2).

Sections 3 to 17 address licences and authorizations that may be issued under the Act. The Act provides for two types of licences — retail operator licence and cannabis retail manager licence — and a retail store authorization. A retail store authorization authorizes its holder to operate a particular cannabis retail store. A separate authorization is required with respect to each store (subsection 4 (5)). In order to apply for a retail store authorization, a person must be the holder of or an applicant for a retail operator licence, but a retail store authorization may only be issued to the holder of a retail operator licence (subsection 4 (1)). A cannabis retail manager licence is required in order to carry out specified functions in respect of a cannabis retail store (subsections 5 (1) and 25 (1)).

Section 3 addresses applications for a retail operator licence, section 4 addresses applications for a retail store authorization and section 5 addresses applications for a cannabis retail manager licence. Applications for licences and authorizations are made to the Registrar of the Commission, who determines whether licences and authorizations should be issued. In the case of an application for a retail store authorization in respect of a proposed cannabis retail store to be located in a municipality, the Registrar must consider, among other things, the public interest, having regard to the needs and wishes of the residents of the municipality, and, unless the authorization may not be issued otherwise, must provide public notice of the application and

an opportunity to make written submissions (paragraph 5 of subsection 4 (6) and subsections 4 (7), (8), (9) and (10)). In the case of an application for a retail store authorization in respect of a proposed cannabis retail store to be located on a reserve, the authorization may not be issued unless the council of the band has approved the location of the proposed store on the reserve (paragraph 6 of subsection 4 (6)). Licences and authorizations issued under the Act are subject to specified conditions with which their holders must comply (sections 6 and 7). Licences and authorizations may be renewed if specified criteria are met (section 8). In determining whether to issue or renew a licence or authorization, the Registrar may exercise specified inquiry and investigation powers (sections 9 and 45). The Registrar is empowered, in specified circumstances, to revoke or suspend, or to issue a proposal to revoke or suspend, a licence or authorization (sections 11 and 12). Proposals issued by the Registrar may be the subject of a hearing before the Licence Appeal Tribunal (sections 14 and 15).

Sections 18 to 25 set out requirements for the sale of cannabis in cannabis retail stores and the operation of cannabis retail stores. Requirements include that only cannabis and any other things that may be specified by regulations made under the Act may be sold in a cannabis retail store, as well as that cannabis may only be sold through a cannabis retail store in person at the store. In most cases, a contravention of or failure to comply with the requirements is an offence under the Act, although a proceeding cannot be commenced more than two years after the day on which any such offence was or is alleged to have been committed (section 39). Offence penalties are set out in section 40. Sections 27 to 35 provide for the designation of inspectors to conduct inspections to ensure compliance with the Act and its regulations and the appointment of investigators to investigate possible failures to comply; the sections also set out inspection and investigation powers and procedures.

Sections 36 to 38 set out general prohibitions respecting the licensing scheme, including prohibitions against hindering inspectors or investigators (section 37) and against retaliating against a person because of any disclosure to the Registrar or to an inspector or investigator (section 38). Contravention of the prohibitions is an offence (section 39).

Sections 41 and 42 address additional municipal matters. Under section 41, a municipality (defined in the Act as a “local municipality”), may pass a resolution by January 22, 2019 prohibiting cannabis retail stores from being located in the municipality. Such a prohibition may be lifted by a later resolution passed by the municipality, but a municipality’s decision to do so is final and may not be further reversed. Persons are not permitted to apply for a retail store authorization in respect of a proposed cannabis retail store that would be located in a municipality that is the subject of a resolution to prohibit stores (subsection 4 (2)). Section 42 constrains specified municipality by-law making authorities from addressing matters relating to the sale of cannabis.

Sections 43 and 44 address additional matters respecting reserves. Under section 43, a council of the band may in relation to a reserve request that the Registrar not issue retail store authorizations for cannabis retail stores to be located on the reserve. The Registrar must comply with such a request, as well as with any future request to amend or rescind the original request. Persons are not permitted to apply for a retail store authorization in respect of a proposed cannabis retail store that would be located on a reserve for which a request not to issue authorizations is in effect (subsection 4 (2)). Section 44 authorizes arrangements or agreements between the Crown and a council of the band with respect to the regulation of cannabis retail stores on a reserve, the licensing or authorization of persons to operate the stores or the enforcement of the licensing scheme on a reserve.

Sections 45 to 49 address various miscellaneous matters: section 45 provides for the requesting of information from the Ontario Cannabis Retail Corporation for specified purposes; section 46 permits the Commission to employ 18-year-olds for the purposes of monitoring compliance with the licensing scheme; sections 47 and 48 protect specified persons from requirements to give testimony and against actions or other proceedings for damages respectively; and section 49 sets out the regulation-making authority under the Act, which is given to the Lieutenant Governor in Council.

Sections 50 to 62 set out complementary amendments to other Acts, including the following amendments:

1. Amending the *Alcohol and Gaming Regulation and Public Protection Act, 1996* to bring the *Cannabis Licence Act, 2018* under the jurisdiction of the Commission.
2. Updating the short title of the *Alcohol and Gaming Regulation and Public Protection Act, 1996* to include reference to cannabis and making the necessary consequential amendments to other Acts.
3. Amending the *Licence Appeal Tribunal Act, 1999* in relation to the hearing of matters brought before the Tribunal under the *Cannabis Licence Act, 2018*.
4. Amending the *Ontario Cannabis Retail Corporation Act, 2017* to provide that the Corporation must comply with any minimum pricing rules established by regulation under the *Cannabis Licence Act, 2018* with respect to cannabis that it sells at retail, and requiring the Corporation to provide specified information if requested to do so under the *Cannabis Licence Act, 2018*.

Section 63 provides that the Act comes into force on a day to be named by proclamation of the Lieutenant Governor.

SCHEDULE 3
AMENDMENTS TO THE ONTARIO CANNABIS RETAIL CORPORATION ACT, 2017
AND THE LIQUOR CONTROL ACT

The Schedule amends the *Ontario Cannabis Retail Corporation Act, 2017*.

The Schedule amends the Act to provide that the Corporation has the exclusive right to sell cannabis in Ontario online and by any means other than by operating retail stores directly or indirectly. The Corporation also has the exclusive right to sell cannabis in Ontario to a holder of a retail store authorization under the *Cannabis Licence Act, 2018* for the purpose of resale in a cannabis retail store within the meaning of that Act.

The Schedule amends the Act to prohibit the Corporation from operating retail stores directly or indirectly.

Currently, under the Act, the members of the Corporation's board of directors are appointed by the LCBO. The Schedule amends the Act to provide that the members are appointed by the Lieutenant Governor in Council. The Schedule also provides for the Lieutenant Governor in Council to appoint the chair and vice-chair of the board of directors. Transitional rules are enacted with respect to members of the board of directors who are in office on the day before the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent.

Currently, the Act provides that arrangements and agreements may be entered into with respect to cannabis that is sold and delivered to a purchaser on a reserve. The Schedule amends these rules to provide that such arrangements and agreements may only be entered into jointly with the Ministers specified in the Act.

The Act is amended to provide that if the Corporation receives a copy of a resolution of the council of the band in respect of a reserve requesting that the Corporation not deliver cannabis and related products to the reserve, the Corporation shall make reasonable efforts to comply with the request in a timely manner. However, this does not apply with respect to wholesale deliveries to a holder of a retail store authorization for the purpose of resale in a cannabis retail store on a reserve. The Corporation is required to publish a list of affected reserves and the dates of the relevant resolutions.

The Act is amended to require that within two years, the Minister shall initiate a review of any matters relating to the Corporation that the Minister considers advisable.

Various amendments are made to the Act and to the *Liquor Control Act* to reflect changes to the relationship between the Corporation and the LBCO. Additional technical amendments are made to both Acts.

SCHEDULE 4 AMENDMENTS TO THE SMOKE-FREE ONTARIO ACT, 2017 AND THE HIGHWAY TRAFFIC ACT

The *Smoke-Free Ontario Act, 2017* is amended to replace rules respecting the use of "medical cannabis" with rules respecting "cannabis". For example, smoking or holding lighted cannabis in an enclosed public place or enclosed workplace is prohibited. Any form of consumption of cannabis in a vehicle or boat is prohibited.

Changes are also made to various provisions regarding vapour products and electronic cigarettes. For example, the definition of "vapour product" is extended to include packaging, and the rules concerning the display and promotion of vapour products in stores are made subject to the regulations.

**An Act to enact a new Act and make amendments to various other Acts
respecting the use and sale of cannabis and vapour products in Ontario**

1.	Contents of this Act
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Schedule 3	Amendments to the Ontario Cannabis Retail Corporation Act, 2017 and the Liquor Control Act
Schedule 4	Amendments to the Smoke-free Ontario Act, 2017 and the Highway Traffic Act

Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Contents of this Act

1 This Act consists of this section, sections 2 and 3 and the Schedules to this Act.

Commencement

2 (1) Subject to subsection (2), this Act comes into force on the day it receives Royal Assent.

(2) The Schedules to this Act come into force as provided in each Schedule.

Short title

3 The short title of this Act is the *Cannabis Statute Law Amendment Act, 2018*.

**SCHEDULE 1
AMENDMENTS TO THE CANNABIS ACT, 2017 AND OTHER ACTS**

1 The title of the *Cannabis Act, 2017* is repealed and the following substituted:

Cannabis Control Act, 2017

2 Subclause 1 (a) (iii) of the Act is amended by adding “and the *Cannabis Licence Act, 2018*” at the end.

3 (1) Subsection 2 (1) of the Act is amended by adding the following definition:

“authorized cannabis retailer” means the Ontario Cannabis Retail Corporation or the holder of a retail store authorization under the *Cannabis Licence Act, 2018* when acting in accordance with the authorization; (“détaillant de cannabis autorisé”)

(2) The definition of “cannabis” in subsection 2 (1) of the Act is repealed and the following substituted:

“cannabis” has the same meaning as in subsection 2 (1) of the *Cannabis Act* (Canada); (“cannabis”)

(3) The definition of “cannabis plant” in subsection 2 (1) of the Act is repealed.

(4) Subsection 2 (1) of the Act is amended by adding the following definition:

“Ontario Cannabis Retail Corporation” means the corporation established under section 3 of the *Ontario Cannabis Retail Corporation Act, 2017*; (“Société ontarienne de vente du cannabis”)

(5) The definition of “Ontario cannabis retailer” in subsection 2 (1) of the Act is repealed.

(6) Subsections 2 (2), (3) and (4) of the Act are repealed.

4 Section 3 of the Act is repealed and the following substituted:

Interpretation, authorized retailer employees

3 For the purposes of this Act and the regulations,

- (a) the sale or distribution of cannabis by an authorized cannabis retailer includes the sale or distribution of cannabis by an employee of the authorized cannabis retailer when the employee is acting in that capacity; and
- (b) the purchase of cannabis from an authorized cannabis retailer includes the purchase of cannabis from an employee of the authorized cannabis retailer when the employee is acting in that capacity.

5 Section 4 of the Act is repealed.

6 (1) Subsection 5 (1) of the Act is repealed and the following substituted:

Cannabis for medical purposes

(1) Subject to section 12, this Act and the regulations do not apply with respect to the sale, distribution, purchase or attempt to purchase, possession, consumption, offering to cultivate or cultivation, offering to propagate or propagation or offering to harvest or harvesting of cannabis for medical purposes in accordance with the *Cannabis Regulations* (Canada) or in accordance with a court order, or to cannabis produced or obtained for medical purposes in accordance with such authority.

(2) Subsection 5 (3) of the Act is amended by striking out “in accordance with applicable federal law” and substituting “under the *Cannabis Act* (Canada)”.

(3) Subsection 5 (3) of the Act is amended by adding “or the *Cannabis Licence Act, 2018*” at the end.

7 (1) Subsection 6 (1) of the Act is amended by striking out “the Ontario cannabis retailer” at the end and substituting “an authorized cannabis retailer”.

(2) Subsection 6 (2) of the Act is repealed and the following substituted:

Distribution

(2) No person shall distribute cannabis that is sold, or that is intended to be sold, other than by an authorized cannabis retailer.

8 The French version of section 8 of the Act is amended by striking out “une personne dont les facultés sont ou paraissent affaiblies” at the end and substituting “une personne qui est ou semble être en état d’intoxication”.

9 The Act is amended by adding the following section:

False representation as authorized cannabis retailer

8.1 No person other than an authorized cannabis retailer may use the cannabis retail seal prescribed for the purposes of subsection 7 (2) of the *Cannabis Licence Act, 2018*, or otherwise represent themselves to be an authorized cannabis retailer.

10 (1) Section 9 of the Act is amended by striking out “the Ontario cannabis retailer” at the end and substituting “an authorized cannabis retailer”.

(2) Section 9 of the Act is amended by adding the following subsection:

Same, purchasing other than in person

(2) No person shall purchase cannabis online or by any means other than in person at a cannabis retail store, as defined in the *Cannabis Licence Act, 2018*, except from the Ontario Cannabis Retail Corporation.

11 Section 11 of the Act is repealed.

12 (1) Subsection 12 (2) of the Act is repealed and the following substituted:

Exception

(2) Subsection (1) does not apply with respect to cannabis that,

- (a) is in its original packaging and has not been opened; or
- (b) is packed in baggage that is fastened closed or is not otherwise readily available to any person in the vehicle or boat.

(2) Subsection 12 (4) of the Act is repealed and the following substituted:

Application to cannabis for medical purposes

(4) This section applies to cannabis obtained for medical purposes in accordance with Part 14 of the *Cannabis Regulations* (Canada) or in accordance with a court order, except in such circumstances as may be prescribed.

13 (1) Subsection 18 (1) of the Act is repealed and the following substituted:

Interim closure of premises

(1) If a charge is laid against a person for a contravention of any of the following provisions, and a police officer has reasonable grounds to believe that a premises was used in the alleged contravention, the police officer may cause the premises to be closed immediately and any persons on the premises to be removed:

1. Section 6.
2. Paragraph 10 (1) (a) or (c) of the *Cannabis Act* (Canada).
3. Subsection 10 (2) of the *Cannabis Act* (Canada), in relation to the selling of cannabis contrary to paragraph 10 (1) (a) or (c) of that Act.

(2) Subsection 18 (3) of the Act is amended by striking out “the applicable police force” and substituting “a police officer”.

(3) Clause 18 (4) (a) of the Act is amended by striking out “section 6 or 13, as the case may be” and substituting “the provision referred to in subsection (1) or (2) to which the charge relates”.

(4) Subsection 18 (5) of the Act is amended by striking out “section 6 or 13, as the case may be” and substituting “the same provision”.

14 Section 21 of the Act is repealed and the following substituted:

Powers of a police officer exercised by others

21 (1) A power that may be exercised under this Act by a police officer, other than a power set out in section 19, may also be exercised by any other person or class of persons designated in writing by the Minister for the purposes of this section.

Same

(2) A designation under subsection (1) is subject to such restrictions as may be specified in the designation, including restrictions respecting the powers that may be exercised or the offences under this Act in respect of which powers may be exercised.

15 Subsection 23 (6) of the Act is repealed.

16 Subsection 25 (2) of the Act is amended by striking out “the applicable police force” and substituting “a police officer”.

17 The Act is amended by adding the following section:

Court may make inferences

25.1 A court may, in the absence of evidence to the contrary, infer that any substance in question is cannabis from the fact that a witness describes it as cannabis or by a name that is commonly applied to cannabis.

18 Subsection 26 (2) of the Act is repealed and the following substituted:

Same, requirement for agreement with other ministers

(2) If an arrangement or agreement referred to in subsection (1) relates, in whole or in part, to the sale of cannabis, the Minister may only enter into the arrangement or agreement jointly with,

- (a) the Minister responsible for the administration of the *Ontario Cannabis Retail Corporation Act, 2017*;
- (b) the Minister of Finance, if the Minister referred to in clause (a) is not the Minister of Finance; and
- (c) the Minister responsible for the administration of the *Cannabis Licence Act, 2018*.

19 The Act is amended by adding the following section:

Delegation by Minister

27.1 The Minister may delegate in writing any of his or her powers under this Act, other than a power under section 26, to a public servant employed under Part III of the *Public Service of Ontario Act, 2006*, subject to any conditions or restrictions that may be set out in the delegation.

20 (1) Clause 28 (b) of the Act is amended by striking out “by specified persons or in specified circumstances, or the sale or distribution of cannabis to specified persons” at the end.

(2) Clause 28 (c) of the Act is repealed.

(3) Section 28 of the Act is amended by adding the following clause:

- (c) providing for how elements of an offence under this Act may be proved in a prosecution, including providing for presumptions that apply or inferences that may be made in the absence of evidence to the contrary;

Drug and Pharmacies Regulation Act

21 (1) Subsection 1 (1) of the *Drug and Pharmacies Regulation Act* is amended by adding the following definition:

“cannabis” has the same meaning as in subsection 2 (1) of the *Cannabis Act (Canada)*; (“cannabis”)

(2) Clause (f.1) of the definition of “drug” in subsection 1 (1) of the Act is repealed and the following substituted:

- (f.1) cannabis, other than,
 - (i) a drug containing cannabis to which the *Cannabis Regulations (Canada)* apply,
 - (ii) cannabis obtained for medical purposes in accordance with Part 14 of those Regulations or in accordance with a court order, and
 - (iii) cannabis that is identified in the regulations as being a drug for the purposes of this Act despite this clause,

(3) Subsection 118 (5) of the Act is repealed and the following substituted:

Same

(5) Nothing in this Act prevents the sale or distribution of cannabis for medical purposes in accordance with Part 14 of the *Cannabis Regulations (Canada)* or in accordance with a court order.

Education Act

22 The definition of “medical cannabis user” in subsection 300 (1) of the *Education Act* is amended by striking out “applicable federal law” at the end and substituting “Part 14 of the *Cannabis Regulations (Canada)* or in accordance with a court order”.

Highway Traffic Act

23 Clause 46 (1) (b.1) of the *Highway Traffic Act* is amended by striking out “*Cannabis Act, 2017*” at the end and substituting “*Cannabis Control Act, 2017*”.

Ontario Cannabis Retail Corporation Act, 2017

24 The definition of “cannabis” in section 1 of the *Ontario Cannabis Retail Corporation Act, 2017* is amended by striking out “*Cannabis Act, 2017*” at the end and substituting “*Cannabis Control Act, 2017*”.

Commencement

25 (1) Subject to subsections (2) and (3), this Schedule comes into force on the later of October 17, 2018 and the day the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent.

(2) Sections 1 and 2, subsections 3 (1), (4) and (5), section 4, subsection 6 (3) and sections 7, 9, 10, 18, 23 and 24 come into force on a day to be named by proclamation of the Lieutenant Governor.

(3) Section 5 and subsection 20 (2) come into force on the day the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent.

**SCHEDULE 2
CANNABIS LICENCE ACT, 2018 AND RELATED AMENDMENTS TO OTHER ACTS**

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COMMENCEMENT AND SHORT TITLE

63.	Commencement
64.	Short title

INTERPRETATION AND APPLICATION

Definitions

1 (1) In this Act,

“Board” means the board of the Commission; (“conseil”)

“cannabis” means cannabis with respect to which the *Cannabis Control Act, 2017* applies; (“cannabis”)

“cannabis retail store” means a store operated under the authority of a retail store authorization; (“magasin de vente au détail de cannabis”)

“Commission” means the Alcohol and Gaming Commission of Ontario established under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“Commission”)

“council of the band” has the same meaning as in subsection 2 (1) of the *Indian Act* (Canada); (“conseil de bande”)

“distribute”, “Ontario Cannabis Retail Corporation” and “sell” have the same meaning as in the *Cannabis Control Act, 2017*; (“distribuer”, “Société ontarienne de vente du cannabis”, “vente”)

“Indian” has the same meaning as in subsection 2 (1) of the *Indian Act* (Canada); (“Indien”)

“Minister” means the Attorney General or such other member of the Executive Council as may be assigned the administration of this Act under the *Executive Council Act*; (“ministre”)

“municipality” means a local municipality; (“municipalité”)

“prescribed” means prescribed by the regulations; (“prescrit”)

“Registrar” means the Registrar under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“registrateur”)

“regulations” means the regulations made under this Act; (“règlements”)

“reserve” means a reserve as defined in subsection 2 (1) of the *Indian Act* (Canada) or an Indian settlement located on Crown land, the Indian inhabitants of which are treated by Indigenous and Northern Affairs Canada in the same manner as Indians residing on a reserve; (“réserve”)

“Tribunal” means the Licence Appeal Tribunal established under the *Licence Appeal Tribunal Act, 1999*. (“Tribunal”)

Interpretation, interested in another person

(2) For the purposes of this Act, a person is interested in another person if the first person,

(a) has, or may have in the opinion of the Registrar based on reasonable grounds, a beneficial interest of any kind, either directly or indirectly, in the other person’s business, including but not limited to a holder, directly or indirectly, of shares or other securities;

(b) exercises, or may exercise in the opinion of the Registrar based on reasonable grounds, direct or indirect control over the other person’s business; or

(c) has provided, or may have provided in the opinion of the Registrar based on reasonable grounds, direct or indirect financing to the other person’s business.

Non-application of Act to Ontario Cannabis Retail Corporation

2 This Act does not apply with respect to the Ontario Cannabis Retail Corporation.

LICENCES AND AUTHORIZATIONS

Retail operator licence

3 (1) Subject to the regulations, a person may apply to the Registrar for a retail operator licence.

Restriction, age

(2) In order to apply under subsection (1), an individual must be at least 19 years of age or, in the case of an applicant that is a corporation, every director, officer and shareholder of the corporation must be at least 19 years of age.

Restriction, prior refusal or revocation

(3) Despite subsection (1), a person who has been refused a retail operator licence or the renewal of a retail operator licence, or who was the holder of a retail operator licence that was revoked, may not apply for a retail operator licence until after the second anniversary of the refusal or revocation, unless the Registrar is satisfied that there has been a significant change in circumstances since the refusal or revocation.

Eligibility

(4) An applicant is not eligible to be issued a retail operator licence in any of the following circumstances:

1. There are reasonable grounds to believe that the applicant will not be financially responsible in the conduct of the applicant's cannabis retail business, having regard to the financial history of any of the persons referred to in subsection (5).
2. There are reasonable grounds to believe that the applicant will not carry on business in accordance with the law, or with integrity, honesty or in the public interest, having regard to the past or present conduct of any of the persons referred to in subsection (5).
3. A person referred to in subsection (5) has been convicted of or charged with an offence under this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act (Canada)* or the regulations made under any of them that is prescribed for the purposes of this paragraph.
4. There are reasonable grounds to believe that the applicant is carrying on activities that are, or would be if the applicant were the holder of a retail operator licence, in contravention of or not in compliance with a provision of this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act (Canada)* or the regulations made under any of them that is prescribed for the purposes of this paragraph.
5. The Registrar is not satisfied that the applicant will exercise sufficient control, either directly or indirectly, over the applicant's cannabis retail business.
6. The applicant or an employee or agent of the applicant makes a false statement or provides false information in the application.
7. Any other circumstance that may be prescribed.

Same

(5) Paragraphs 1 to 3 of subsection (4) apply with respect to,

- (a) the applicant;
- (b) persons interested in the applicant; and
- (c) if the applicant is a corporation, the directors, officers or shareholders of the applicant and persons interested in those directors, officers or shareholders.

Convictions, charges under *Controlled Drugs and Substances Act (Canada)*

(6) Paragraph 2 of subsection (4) does not prevent the issuance of a retail operator licence to an applicant if a person referred to in subsection (5) has been convicted of or charged with a prescribed offence under the *Controlled Drugs and Substances Act (Canada)* in relation to cannabis.

Issuance, refusal of retail operator licence

(7) The Registrar shall consider every application for a retail operator licence, and shall,

- (a) issue the retail operator licence, if the applicant has met the application requirements, is not ineligible to be issued a retail operator licence and has paid the required fee; or
- (b) issue a proposal to refuse the application.

Conditions on consent

(8) In issuing a retail operator licence, the Registrar may specify any conditions consented to by the applicant that are to be attached to the licence.

Retail store authorization

4 (1) Subject to the regulations, the following persons may apply to the Registrar for a retail store authorization to operate a specified proposed cannabis retail store:

1. A holder of a retail operator licence, subject to any conditions attached to the licence.
2. An applicant for a retail operator licence.

Restriction, applicable resolution in effect

(2) Despite subsection (1), an application may not be made for a retail store authorization in respect of a proposed cannabis retail store that would be located,

- (a) in a municipality in which cannabis retail stores may not be located in accordance with section 41; or
- (b) on a reserve on which cannabis retail stores may not be located in accordance with section 43.

Restriction, prior refusal or revocation

(3) Despite subsection (1), a person who has been refused a retail store authorization in respect of a proposed cannabis retail store or the renewal of a retail store authorization in respect of a cannabis retail store, or who was the holder of a retail store authorization that was revoked, may not apply for a retail store authorization in respect of the same cannabis retail store or proposed cannabis retail store until after the second anniversary of the refusal or revocation, unless the Registrar is satisfied that there has been a significant change in circumstances since the refusal or revocation.

Restriction, producers

(4) A person who is authorized by a licence issued under the *Cannabis Act* (Canada) to produce cannabis for commercial purposes is subject to the following restrictions in respect of an application that may be made by the person under subsection (1):

1. The proposed cannabis retail store must be located on or within the site set out in the licence.
2. The person and its affiliates, as defined by the regulations, may not between them hold more than one retail store authorization.
3. Any other restriction that may be prescribed.

One store per authorization

(5) A separate application is required in respect of each proposed cannabis retail store, and a retail store authorization that is issued only authorizes the operation of the store specified in the application for the authorization.

Eligibility

(6) An applicant is not eligible to be issued a retail store authorization in respect of a proposed cannabis retail store in any of the following circumstances:

1. The applicant is not, or would not at the time of the issuance of the authorization be, the holder of a retail operator licence, or is a holder of a retail operator licence that is subject to conditions that prevent the application for or issuance of a retail store authorization in respect of the proposed store.
2. A person referred to in clauses 3 (5) (a) to (c) has been convicted of or charged with an offence under this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act* (Canada) or the regulations made under any of them that is prescribed for the purposes of this paragraph.
3. There are reasonable grounds to believe that the applicant is carrying on activities that are, or would be if the applicant were the holder of a retail store authorization, in contravention of or not in compliance with a provision of this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act* (Canada) or the regulations made under any of them that is prescribed for the purposes of this paragraph.
4. The applicant employs or intends to employ an individual who is not the holder of a cannabis retail manager licence to perform any of the functions set out in subsection 5 (1).
5. The issuance of the retail store authorization in respect of a proposed store is not in the public interest, having regard to the needs and wishes of the residents of the municipality in which the proposed cannabis retail store would be located.
6. In the case of a proposed cannabis retail store that would be located on a reserve, the council of the band has not approved, by the passage of a resolution applicable to the proposed store, the location of the proposed store on the reserve.
7. The premises, equipment and facilities of the proposed store are not, or would not be if the authorization were issued, in compliance with this Act, the regulations or the standards and requirements established under section 26, or the Registrar is satisfied that the applicant will not exercise sufficient control, either directly or indirectly, over the premises, equipment and facilities.

8. The applicant or an employee or agent of the applicant makes a false statement or provides false information in the application.
9. Any other circumstance that may be prescribed.

Public notice

- (7) For the purposes of paragraph 5 of subsection (6), the Registrar shall give notice of an application for a retail store authorization,
- (a) by displaying a notice at the location of the proposed cannabis retail store specified in the application;
 - (b) by posting a notice on the Commission's website; and
 - (c) in any other manner the Registrar considers appropriate.

Exception

- (8) Subsection (7) does not apply if,
- (a) the applicant is ineligible on any other ground to be issued a retail store authorization; or
 - (b) subsection (12) prevents the issuance of the retail store authorization.

Same

- (9) Notice given under subsection (7) shall include a request for the municipality, its residents and, if the municipality is a lower-tier municipality, the upper-tier municipality of which it forms a part, to make written submissions to the Registrar, which must be made no later than 15 days after the notice is first given, as to whether the issuance of the retail store authorization is in the public interest, having regard to the needs and wishes of the residents.

Issuance, refusal of retail store authorization

- (10) The Registrar shall consider every application for a retail store authorization, and shall,
- (a) subject to subsection (12), issue the retail store authorization, if the applicant has met the application requirements, is not ineligible to be issued a retail store authorization and has paid the required fee; or
 - (b) refuse the application.

Submissions to be considered

- (11) The Registrar shall consider any written submissions made in accordance with subsection (9) in relation to the application.

Circumstances where no issuance

- (12) The Registrar shall refuse to issue a retail store authorization,
- (a) if the proposed cannabis retail store would be located less than the distance specified by or determined in accordance with the regulations from,
 - (i) a school as defined in the *Education Act*, or
 - (ii) any other prescribed land use; or
 - (b) in any other circumstance that may be prescribed.

Conditions on consent

- (13) In issuing a retail store authorization, the Registrar may specify any conditions consented to by the applicant that are to be attached to the authorization.

Decision final

- (14) A decision of the Registrar to issue or to refuse to issue a retail store authorization is final.

Cannabis retail manager licence

- 5** (1) Subject to the regulations, an individual who wishes to perform one or more of the following functions in respect of a cannabis retail store may apply to the Registrar for a cannabis retail manager licence:

1. Supervising or managing employees of a cannabis retail store.
2. Overseeing or co-ordinating the sale of cannabis.
3. Managing compliance issues in relation to the sale of cannabis.
4. Having signing authority to purchase cannabis, enter into contracts or make offers of employment.

Restriction, age

(2) An individual must be at least 19 years of age in order to apply under subsection (1).

Restriction, prior refusal or revocation

(3) Despite subsection (1), an individual who has been refused a cannabis retail manager licence or the renewal of a cannabis retail manager licence, or who was the holder of a cannabis retail manager licence that was revoked, may not apply for a cannabis retail manager licence until after the second anniversary of the refusal or revocation, unless the Registrar is satisfied that there has been a significant change in circumstances since the refusal or revocation.

Eligibility

(4) An applicant is not eligible to be issued a cannabis retail manager licence in any of the following circumstances:

1. There are reasonable grounds to believe that the applicant will not, in acting as a cannabis retail manager, act in accordance with the law, or with integrity, honesty or in the public interest, having regard to the past or present conduct of the applicant.
2. The applicant has been convicted of or charged with an offence under this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act* (Canada) or the regulations made under any of them that is prescribed for the purposes of this paragraph.
3. There are reasonable grounds to believe that the applicant is carrying on activities that are, or would be if the applicant were the holder of a cannabis retail manager licence, in contravention of or not in compliance with a provision of this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act* (Canada) or the regulations made under any of them that is prescribed for the purposes of this paragraph.
4. The applicant makes a false statement or provides false information in the application.
5. Any other circumstance that may be prescribed.

Convictions, charges under *Controlled Drugs and Substances Act* (Canada)

(5) Paragraph 1 of subsection (4) does not prevent the issuance of a cannabis retail manager licence to an applicant if the applicant has been convicted of or charged with a prescribed offence under the *Controlled Drugs and Substances Act* (Canada) in relation to cannabis.

Issuance, refusal of cannabis retail manager licence

(6) The Registrar shall consider every application for a cannabis retail manager licence, and shall,

- (a) issue the cannabis retail manager licence, if the applicant has met the application requirements, is not ineligible to be issued a cannabis retail manager licence and has paid the required fee; or
- (b) issue a proposal to refuse the application.

Conditions on consent

(7) In issuing a cannabis retail manager licence, the Registrar may specify any conditions consented to by the applicant that are to be attached to the licence.

Conditions of licences, authorizations**Retail operator licences**

6 (1) A retail operator licence is subject to the following conditions:

1. That the holder must comply with this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act* (Canada) and the regulations made under any of them.
2. That if the holder is issued a retail store authorization, the holder must comply with the conditions of that retail store authorization.
3. Any condition specified by the Registrar under this Act that attaches to the licence.
4. Any condition imposed by the Tribunal.
5. Any condition that may be prescribed.

Retail store authorizations

(2) A retail store authorization is subject to the following conditions:

1. That the holder must comply with this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act* (Canada) and the regulations made under any of them.
2. Any condition specified by the Registrar under this Act that attaches to the authorization.
3. Any condition imposed by the Tribunal.

4. The conditions set out in section 7.
5. Any condition that may be prescribed.

Cannabis retail manager licences

(3) A cannabis retail manager licence is subject to the following conditions:

1. That the holder must comply with this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act (Canada)* and the regulations made under any of them.
2. Any condition specified by the Registrar under this Act that attaches to the licence.
3. Any condition imposed by the Tribunal.
4. Any condition that may be prescribed.

Duty to comply

(4) A holder of a retail operator licence, cannabis retail manager licence or retail store authorization shall comply with any conditions to which the licence or authorization is subject.

Risk-based conditions

(5) The Board may specify conditions that may be imposed on a licence or authorization issued under this Act if the holder meets criteria established by the Board for the purpose on the basis of factors related to risks to the public interest or the risk of non-compliance with this Act, the *Cannabis Control Act, 2017*, the *Cannabis Act (Canada)* or regulations made under any of them.

Same, designations

(6) The Registrar may at any time, based on the Registrar's assessment of the risks referred to in subsection (5), designate a holder of a licence or authorization issued under this Act in accordance with the criteria established by the Board, and may impose on the licence or authorization one or more of the conditions specified by the Board in relation to those criteria.

Same, re-designations

(7) If the Registrar is satisfied that there is a change in circumstances affecting the designation of a holder of a licence or authorization issued under this Act, the Registrar may re-designate the holder in accordance with the criteria established by the Board and may add, remove or otherwise change the conditions imposed on the licence or authorization accordingly.

Conditions specified by Registrar

(8) The Registrar may at any time review a retail operator licence, cannabis retail manager licence or retail store authorization and may,

- (a) attach to the licence or authorization any further conditions consented to by the holder; or
- (b) issue a proposal to attach to the licence or authorization any further conditions that the Registrar considers appropriate to give effect to the purposes of this Act.

Removal of certain conditions by Registrar

(9) The Registrar may, on application by the holder, remove a condition attached by the Registrar on the consent of the applicant or holder if, as a result of a change in circumstances, the Registrar is satisfied that the condition is no longer appropriate.

Removal of certain conditions by Tribunal

(10) The Tribunal may, on application by the holder, remove a condition of a retail operator licence, cannabis retail manager licence or retail store authorization imposed by it if, as a result of a change in circumstances, the Tribunal is satisfied that the condition is no longer appropriate.

Additional conditions of retail store authorization

Ongoing sale

7 (1) The holder of a retail store authorization must ensure that cannabis begins to be sold at the cannabis retail store by the first anniversary of the day the authorization is issued, and that cannabis continues to be sold at the store after that date.

Use of seal

(2) Cannabis may not be sold by the holder of a retail store authorization unless the holder displays, in the prescribed manner, the prescribed cannabis retail seal.

Minimum pricing

(3) If the regulations so provide, the holder of a retail store authorization shall not sell cannabis or a prescribed class of cannabis at a price that is lower than the prescribed price for the cannabis or class of cannabis.

Restrictions on corporate operations, s. 69 of *Cannabis Act* (Canada)

- (4) The holder of a retail store authorization,
- (a) shall not sell cannabis unless the cannabis has been produced by a person or entity that is authorized under the *Cannabis Act* (Canada) to produce cannabis for commercial purposes;
 - (b) shall not sell cannabis to an individual under 19 years of age and, for the purpose, subsections 7 (2) and (3) of the *Cannabis Control Act, 2017* and the regulations made for the purposes of those subsections apply with necessary modifications;
 - (c) shall keep appropriate records, in accordance with the regulations and any applicable standards and requirements established under section 26 of this Act, respecting its activities in relation to cannabis that it possesses;
 - (d) shall take adequate measures, in accordance with the regulations and any applicable standards and requirements established under section 26, to reduce the risk of cannabis it possesses being diverted to an illicit market or activity.

Intoxicated persons

- (5) The holder of a retail store authorization shall not sell or distribute cannabis to a person who is or appears to be intoxicated.

Renewals

- 8 (1) The holder of a licence or authorization issued under this Act may apply to the Registrar for the renewal of the licence or authorization.

Timing

- (2) An application for the renewal of a licence or authorization must be made before the licence or authorization expires or such other time as may be specified by the Registrar.

Renewal, refusal

- (3) The Registrar shall,
- (a) subject to clause (b), grant the renewal, if the holder has met the application requirements and paid the required fee; or
 - (b) issue a proposal to refuse to renew the licence or authorization,
 - (i) if the holder has contravened or failed to comply with this Act or the regulations, or
 - (ii) on the basis of a ground under subsection 3 (4) in the case of a retail operator licence, subsection 4 (6), other than paragraphs 5 and 6, in the case of a retail store authorization or subsection 5 (4) in the case of a cannabis retail manager licence, that would disentitle the holder to be issued the licence or authorization if the holder were an applicant.

Continuance pending decision

- (4) If the holder of a licence or authorization issued under this Act has met the renewal application requirements and paid the required fee, the licence or authorization is deemed to continue,
- (a) until the renewal is granted; or
 - (b) if the Registrar issues a notice of a proposal to refuse to renew the licence or authorization, until the time for giving notice requesting a hearing has expired under subsection 14 (2) and, if a hearing is requested, until the order has become final.

Inquiries

- 9 (1) The Registrar may make such inquiries and conduct such investigations into the character, financial history and competence of any of the following persons as are necessary to determine, for the purposes of an application for a licence or authorization under this Act or for the renewal of a licence or authorization, whether the applicant or holder meets the requirements for a licence, authorization or renewal, as the case may be:

1. The applicant or holder.
2. Persons interested in the applicant or holder.
3. In the case of an application for the renewal or issuance of a retail store authorization, persons interested in the cannabis retail store or proposed cannabis retail store with respect to which the authorization is or would be issued.
4. If the applicant or holder is a corporation, a director, officer or shareholder of a person referred to in paragraph 1, 2 or 3.
5. Any individual employed in a cannabis retail store.

Interpretation, interested in store

(2) For the purposes of paragraph 3 of subsection (1), persons interested in a cannabis retail store or proposed cannabis retail store include a landlord or owner of the premises, a mortgagee or any person with an interest in the assets of the applicant or holder's cannabis retail business or in the store property, fixtures or inventories.

Costs

(3) The applicant or holder shall pay the reasonable costs of the inquiries or investigations or provide security to the Registrar in a form acceptable to the Registrar for the payment.

Collection of information

(4) The Registrar may require information, including personal information, or material from any person who is the subject of the inquiries or investigations and may request information, including personal information, or material from any person or entity who the Registrar has reason to believe can provide information or material relevant to the inquiries or investigations.

Verification of information

(5) The Registrar may require that any information provided under subsection (4) be verified by statutory declaration.

Disclosure

(6) An institution subject to the *Freedom of Information and Protection of Privacy Act* or the *Municipal Freedom of Information and Protection of Privacy Act* is authorized to disclose to the Registrar the information, including personal information, or material that the Registrar requests from the institution under subsection (4), and such disclosure is deemed to comply with those Acts.

Application forms

10 An application for a licence or authorization under this Act, or for the renewal of a licence or authorization, shall be in the form approved by the Registrar.

Revocation, suspension**Proposal to revoke or suspend**

11 (1) The Registrar may issue a proposal to revoke or to suspend a licence or authorization issued under this Act,

- (a) if the Registrar believes on reasonable grounds that the holder has contravened or failed to comply with this Act or the regulations; or
- (b) on the basis of a ground under subsection 3 (4) in the case of a retail operator licence, subsection 4 (6), other than paragraphs 5 and 6, in the case of a retail store authorization or subsection 5 (4) in the case of a cannabis retail manager licence, that would disentitle the holder to be issued the licence or authorization if the holder were an applicant.

Suspension without proposal

(2) The Registrar may suspend a licence or authorization issued under this Act without issuing a proposal if the Registrar considers it to be necessary in the public interest.

Revocation without proposal

(3) Despite subsections (1) and (2), the Registrar shall revoke a licence or authorization issued under this Act without issuing a proposal if the holder or any other prescribed person is convicted for contravening,

- (a) section 6, 7 or 13 of the *Cannabis Control Act, 2017*;
- (b) section 10 of the *Cannabis Act (Canada)*; or
- (c) any other prescribed provision of the *Cannabis Control Act, 2017*, the *Cannabis Act (Canada)* or the regulations made under either of them.

Notice and immediate effect

(4) The Registrar shall serve notice of a suspension under subsection (2) or of a revocation under subsection (3) on the holder together with written reasons, and the suspension or revocation takes effect immediately on the holder being served.

Notice requesting hearing

(5) The holder may request a hearing by the Tribunal of a suspension under subsection (2) or a revocation under subsection (3) if, no later than 15 days after being served with notice of the suspension or revocation, the holder mails or delivers to the Tribunal and to the Registrar a written notice requesting the hearing.

Same

(6) A notice served under subsection (4) shall inform the holder of the entitlement to a hearing under subsection (5), and of the requirements of that subsection.

Effect of revocation, suspension on related licence, authorization**Effect of revocation, non-renewal of retail operator licence**

12 (1) If a holder's retail operator licence is revoked or fails to be renewed, any retail store authorizations held by the holder are revoked from the time of the licence revocation or non-renewal.

Effect of suspension of retail operator licence

(2) If a holder's retail operator licence is suspended, any retail store authorizations held by the holder are suspended from the time of the licence suspension and for its duration.

Effect of revocation, non-renewal of retail store authorization

(3) If a retail store authorization is revoked or fails to be renewed and the Registrar considers it appropriate in the circumstances to do so, the Registrar may, without issuing a proposal, revoke or suspend,

- (a) any other retail store authorization held by the same holder;
- (b) the holder's retail operator licence; or
- (c) both.

Effect of suspension of retail store authorization

(4) If a retail store authorization is suspended and the Registrar considers it appropriate in the circumstances to do so, the Registrar may, without issuing a proposal, suspend,

- (a) any other retail store authorization held by the same holder;
- (b) the holder's retail operator licence; or
- (c) both.

Notice

(5) The Registrar shall give notice of a revocation or suspension under this section to the holder.

Application

(6) This section applies despite section 11, other than subsection 11 (3).

Cancellation on holder's request

13 (1) Subject to subsection (2), the Registrar may cancel a licence or authorization issued under this Act on the holder's request if the holder,

- (a) makes the request to the Registrar in writing; and
- (b) surrenders the licence or authorization to the Registrar.

Holder of retail operator licence and authorization

(2) If a holder of a retail operator licence who is also the holder of one or more retail store authorizations wishes to have the licence cancelled,

- (a) the holder shall surrender each authorization to the Registrar together with the licence; and
- (b) each authorization is cancelled together with the licence.

Notice of proposal

14 (1) If the Registrar issues a proposal under this Act, the Registrar shall serve notice of the proposal together with written reasons on the applicant or holder.

Notice requesting hearing

(2) The applicant or holder may request a hearing by the Tribunal of the matter being proposed if, no later than 15 days after being served with notice of the proposal, the applicant or holder mails or delivers to the Tribunal and to the Registrar a written notice requesting the hearing.

Same

(3) A notice of a proposal shall inform the applicant or holder of the entitlement to a hearing under subsection (2), and of the requirements of that subsection.

No hearing

(4) If the person on whom notice of a proposal is served does not request a hearing by the Tribunal, the Registrar may carry out the proposal stated in the notice.

Hearing

15 (1) If a person requests a hearing in accordance with section 11 or 14, the Tribunal shall schedule and hold the hearing.

Order

(2) After holding a hearing, the Tribunal may by order,

- (a) confirm or set aside the proposal or decision of the Registrar; and
- (b) direct the Registrar to take any action specified by the Tribunal that it considers appropriate to give effect to the purposes of this Act.

Discretion of Tribunal

(3) In setting aside a proposal or decision under clause (2) (a), the Tribunal may substitute its opinion for that of the Registrar.

Terms, conditions

(4) The Tribunal may attach such terms to its order, or such conditions to the licence or authorization that is the subject of the hearing, as it considers appropriate.

Registrar shall comply

(5) The Registrar shall comply with any direction of the Tribunal made under clause (2) (b).

Notice of change in address for service

16 Every applicant for or holder of a licence or authorization issued under this Act shall, no later than five days after any change in address for service, serve on the Registrar, in the manner specified by the Registrar, written notice of the change.

No transfers

17 Retail operator licences, cannabis retail manager licences and retail store authorizations are not transferable.

SALE OF CANNABIS AND CANNABIS RETAIL STORES

Things permitted to be sold in cannabis retail stores

18 The holder of a retail store authorization may only sell the following things at a cannabis retail store:

- 1. Subject to the regulations, cannabis that was purchased by the holder directly from the Ontario Cannabis Retail Corporation, in the packaging in which it was purchased from the Ontario Cannabis Retail Corporation.
- 2. Any other things that may be prescribed.

Purchase of cannabis

19 The holder of a retail store authorization may only purchase cannabis for sale in the cannabis retail store from the Ontario Cannabis Retail Corporation.

In-person sales only

20 The holder of a retail store authorization shall ensure that all aspects of the sale of cannabis through the cannabis retail store, including ordering and payment, are conducted in person at the store.

Limit on amount sold

21 The holder of a retail store authorization shall ensure that the amount of cannabis sold to an individual in the cannabis retail store in a single visit, whether in a single or multiple transactions, does not exceed 30 grams of dried cannabis or the equivalent amount of another class of cannabis determined in accordance with Schedule 3 to the *Cannabis Act* (Canada), or such other amount as may be prescribed.

Only recorded sales permitted

22 The holder of a retail store authorization shall ensure that cannabis sold at the cannabis retail store is sold only through recorded sales.

No employment of individual under 19 years of age

23 The holder of a retail store authorization shall not employ an individual under 19 years of age in a cannabis retail store.

Unsold cannabis

24 (1) In the event of the revocation, cancellation or non-renewal of a retail store authorization, the person who held the authorization shall comply with the requirements specified by the Registrar respecting any cannabis left unsold or undistributed as a result of the revocation, cancellation or non-renewal.

Same

(2) In the event of the revocation, cancellation or non-renewal of a retail operator licence, the person who held the licence shall comply with the requirements specified by the Registrar respecting any cannabis left unsold or undistributed as a result of the revocation, cancellation or non-renewal.

Cannabis retail managers

25 (1) No individual may perform any of the functions set out in subsection 5 (1) in respect of a cannabis retail store unless the individual is,

- (a) the holder of a cannabis retail manager licence; or
- (b) the holder of a retail operator licence.

Same

(2) The holder of a retail store authorization shall not employ an individual to perform any of the functions set out in subsection 5 (1) in respect of a cannabis retail store unless the individual is the holder of a cannabis retail manager licence.

Same

(3) The holder of a cannabis retail manager licence shall perform his or her functions and duties in relation to the cannabis retail store in which the holder is employed in a manner that is consistent with the requirements of sections 18 to 24.

Standards and requirements

26 (1) Subject to subsection (2), the Registrar may establish standards and requirements respecting the following matters relating to the conduct of holders of licences or authorizations issued under this Act or to the operation of cannabis retail stores:

1. Store premises, equipment and facilities, including surveillance and security.
2. The prevention of unlawful activities, including prohibiting or restricting certain individuals from entering cannabis retail stores.
3. Advertising and promotional activities.
4. Training relating to cannabis, including the responsible use of cannabis, and to the sale of cannabis.
5. The protection of assets, including money and money equivalents.
6. The keeping of records, including financial records.
7. Reasonable measures to maintain the confidentiality and security of records, including measures to securely dispose of records and to prevent unauthorized access to records.
8. Compliance with a cannabis tracking system established under section 81 of the *Cannabis Act* (Canada).
9. Any other matter relating to the conduct of holders of licences or authorizations issued under this Act or to the operation of cannabis retail stores that may be prescribed.

Restriction

(2) Subsection (1) does not apply with respect to any matter for which a standard or requirement has been established by the regulations.

Publication

(3) The Registrar shall publish the standards and requirements on the Commission's website or by any other method that may be prescribed.

Effective date

(4) Standards and requirements established under subsection (1) take effect on the date they are published under subsection (3) or on such later date as the Registrar may specify, and the effective date shall be published together with the standards and requirements.

Not regulations

(5) Part III (Regulations) of the *Legislation Act, 2006* does not apply to standards and requirements established under subsection (1).

Duty to comply

(6) Every holder of a licence or authorization issued under this Act shall comply with the standards and requirements established under subsection (1).

ENFORCEMENT

Inspectors

27 (1) The Registrar may designate persons employed by the Commission or other persons as inspectors for the purpose of carrying out inspections to ensure compliance with this Act and the regulations.

Certificate

(2) A person designated under subsection (1) who is acting as an inspector under this Act shall, on request, produce his or her certificate of designation.

Inspections

28 (1) For the purposes of carrying out an inspection to ensure compliance with this Act and the regulations, an inspector may at any reasonable time enter any place, other than any place or part of a place that is actually used as a dwelling, that is used by the holder of a retail store authorization in relation to the authorization.

Powers of inspector

- (2) An inspector conducting an inspection may,
- (a) examine records or anything else that is relevant to the inspection, including examining and opening any receptacle or package;
 - (b) demand the production of a record or any other thing that is relevant to the inspection;
 - (c) on issuing a written receipt for it, remove a record or any other thing that is relevant to the inspection for review, examination or testing;
 - (d) on issuing a written receipt for it, remove a record or any other thing that is relevant to the inspection for copying;
 - (e) in order to produce a record in readable form, use data storage, information processing or retrieval devices or systems that are normally used in carrying on business in the place;
 - (f) take photographs or make any other kind of recording; and
 - (g) inquire into all financial transactions, records and other matters that are relevant to the inspection.

Written demand

(3) A demand under this section that a record or any other thing be produced must be in writing and must include a statement of the nature of the record or thing required.

Obligation to produce and assist

(4) If an inspector demands that a record or any other thing be produced under this section, the person who has custody of the record or thing shall produce it and, in the case of a record, on request, shall provide any assistance that is reasonably necessary to interpret the record or to produce it in a readable form.

Records and things removed from place

- (5) A record or other thing that has been removed for review, examination, testing or copying,
- (a) shall be made available on request to the person from whom it was removed and at a time and place that are convenient for the person and for the inspector; and
 - (b) shall be returned to the person within a reasonable time, unless, in the case of a thing that has been subject to testing, the thing has been made unsuitable for return as a result of the testing.

Copy admissible in evidence

(6) A copy of a record or other thing that purports to be certified by an inspector as being a true copy of the original is admissible in evidence to the same extent as the original and has the same evidentiary value.

Seizure

(7) An inspector conducting an inspection may seize anything the inspector discovers that the inspector reasonably believes not to be in compliance with this Act or the regulations.

Same

(8) Subject to section 35, an inspector who seizes a thing under subsection (7) shall, in accordance with the direction of the Registrar, either return it within a reasonable time or dispose of it.

Assistance

(9) An inspector is entitled to call upon such experts as are necessary to assist in an inspection.

Duty to facilitate

(10) Every holder of a licence or authorization issued under this Act shall facilitate inspections under this Act.

Investigators

29 (1) The Registrar may appoint any person to be an investigator for the purpose of determining whether there has been a contravention of or failure to comply with this Act or the regulations.

Investigators by default

(2) Police officers and individuals who exercise the powers of a police officer are deemed to be investigators.

Certificate

(3) The Registrar shall issue a certificate of appointment to every investigator, other than to individuals referred to in subsection (2).

Proof of appointment

(4) Every investigator who exercises powers under this Act shall, upon request, produce the certificate of appointment as an investigator or identification as an individual referred to in subsection (2).

Warrants

30 (1) On application made without notice by an investigator, a justice of the peace may issue a warrant, if satisfied on information under oath that there are reasonable grounds to believe that,

- (a) there has been or is likely to be a contravention of or failure to comply with this Act or the regulations; and
- (b) there is in any place anything relating to the contravention of or failure to comply with this Act or the regulations.

Powers under warrant

- (2) Subject to any conditions contained in it, a warrant obtained under subsection (1) authorizes an investigator,
- (a) to enter or access the place specified in the warrant and examine and seize anything described in the warrant;
 - (b) to use any data storage, processing or retrieval device or system used in carrying on business in order to produce information or evidence described in the warrant, in any form;
 - (c) to require a person to produce the evidence or information described in the warrant and to provide whatever assistance is reasonably necessary, including using any data storage, processing or retrieval device or system to produce, in any form, the evidence or information described in the warrant; and
 - (d) to use any investigative technique or procedure or do anything described in the warrant.

Obligation to produce and assist

(3) If an investigator demands that a person produce evidence or information described in the warrant and provide assistance under clause (2) (c), the person shall produce the evidence or information or provide the assistance.

Entry of dwelling

(4) Despite subsection (2), an investigator shall not exercise the power under a warrant to enter a place or part of a place actually used as a dwelling, unless,

- (a) the justice of the peace is informed that the warrant is being sought to authorize entry into a dwelling; and
- (b) the justice of the peace authorizes the entry into the dwelling.

Conditions on warrant

(5) A warrant obtained under subsection (1) shall contain the conditions that the justice of the peace considers advisable to ensure that any search authorized by the warrant is reasonable in the circumstances.

Execution of warrant

(6) A warrant issued under this section shall specify the hours and days during which it may be executed.

Expiry

(7) Unless renewed, a warrant under this section expires not later than 30 days after the date on which it is issued.

Renewal of warrant

(8) A warrant under this section may be renewed for any reason for which it may be issued.

Admissibility

(9) A copy of a document or record that purports to be certified by an investigator as being a true copy of the original is admissible in evidence to the same extent as the original and has the same evidentiary value.

Assistance

(10) An investigator acting under the authority of a warrant issued under this section is authorized to call on police officers and experts to assist in the execution of the warrant and to use such force as is necessary in the execution of the warrant.

Seizure of things not specified

31 An investigator who is lawfully present in a place pursuant to a warrant or otherwise in the execution of the investigator's duties may, without a warrant, seize anything in plain view that the investigator believes on reasonable grounds will afford evidence relating to a contravention of or failure to comply with this Act or the regulations.

Searches in exigent circumstances

32 (1) An investigator may exercise any of the powers described in subsection 30 (2) without a warrant, if the conditions for obtaining the warrant exist but, by reason of exigent circumstances, the investigator determines that it would be impracticable to obtain the warrant.

Dwellings

(2) Subsection (1) does not apply to a place or part of a place or that is actually being used as a dwelling.

Use of force

(3) The investigator may, in executing any authority given by this section, call upon police officers for assistance and use whatever force is reasonably necessary.

Applicability of s. 30

(4) Subsections 30 (3), (9) and (10) apply, with necessary modifications, to a search under this section.

Application of *Public Inquiries Act, 2009*

33 Section 33 of the *Public Inquiries Act, 2009* applies to an investigation by an investigator under this Act.

Return of items seized by investigator

34 Subject to section 35, an investigator who seizes anything as a result of an investigation under this Act may make a copy of it, and shall, in accordance with the direction of the Registrar, either return it within a reasonable time or dispose of it.

Order of restoration

35 (1) The Ontario Court of Justice may, on the application of any person made within 30 days of a seizure authorized under this Act, order that the things seized be restored without delay to the applicant if the court is satisfied that,

- (a) the applicant is entitled to possession of the things seized;
- (b) the things seized are not required as evidence in any proceeding;
- (c) continued detention of the things seized is not necessary to prevent the commission of an offence; and
- (d) it is unlikely that the things will be forfeited on conviction in accordance with an order made under subsection (4).

Same

(2) If the court is satisfied that the applicant is entitled to possession of the things seized but is not satisfied as to all of the matters mentioned in clauses (1) (b), (c) and (d), it shall order that the things seized be restored to the applicant,

- (a) on the expiration of three months from the date of the seizure, if no proceeding in respect of an offence has been commenced; or
- (b) on the final conclusion of any such a proceeding.

Forfeiture

(3) If no application has been made for the return of a thing seized under this Act or an application has been made but upon the hearing of the application no order of restoration has been made, the thing seized is forfeited to the Crown.

Same

(4) If a person is convicted of an offence under this Act, the court shall order that anything seized under this Act in connection with the offence be forfeited to the Crown, unless the court considers that the forfeiture would be unjust in the circumstances.

Relief against forfeiture

(5) Any person with an interest in a thing forfeited under this Act may apply to the Superior Court of Justice for relief against the forfeiture, and the court may make an order providing for any relief that it considers just, including, but not limited to, one or more of the following orders:

1. An order directing that the thing or any part of the thing be returned to the applicant.

2. An order directing that any interest in the thing be vested in the applicant.
3. An order directing that an amount be paid by the Crown to the applicant by way of compensation for the forfeiture.

Same

(6) The court shall not order any relief under subsection (5) unless the court is satisfied that the applicant did not, directly or indirectly, participate in, or benefit from, any offence in connection with which the thing was seized.

GENERAL PROHIBITIONS

Inducement

Promotion to increase sales

36 (1) No person shall, for the purpose of increasing the sale of a particular type of cannabis,

- (a) directly or indirectly offer or give a material inducement to the holder of a licence or authorization issued under this Act or to an agent or employee of the holder; or
- (b) engage in any prescribed practices respecting the promotion of cannabis.

Officials

(2) No person shall directly or indirectly pay or offer to pay any amount, or make or offer to make any gift, to the Registrar, a member or employee of the Commission, or a member or employee of the Tribunal in relation to a retail operator licence, a cannabis retail manager licence or a retail store authorization.

Obstruction

Inspections

37 (1) No person shall hinder, obstruct or interfere with or attempt to hinder, obstruct or interfere with an inspector conducting an inspection under this Act, refuse to answer questions on matters relevant to the inspection or provide the inspector with false information on matters relevant to the inspection.

Investigations

(2) No person shall hinder, obstruct or interfere with or attempt to hinder, obstruct or interfere with an investigator executing a warrant under this Act or withhold from the investigator or conceal, alter or destroy anything relevant to the investigation being conducted pursuant to the warrant.

Whistle-blowing protection

38 (1) No person shall retaliate or threaten to retaliate against another person, whether by act or omission, because any person has disclosed anything to the Registrar, an inspector conducting an inspection under this Act or an investigator conducting an investigation under this Act, or has provided evidence that has been or may be given in a proceeding in respect of the enforcement of this Act or the regulations.

Malicious disclosure

(2) Subsection (1) applies in the case of a disclosure even if the disclosure was made maliciously or in bad faith.

Interpretation, retaliation

(3) For the purposes of subsection (1), retaliation includes,

- (a) dismissing, suspending or disciplining an employee of a holder of a retail operator licence or retail store authorization, or subjecting the employee to discriminatory treatment;
- (b) imposing a penalty on any person; or
- (c) intimidating, coercing or harassing any person.

Disclosure not to be discouraged

(4) No holder of a licence or authorization issued under this Act, or person interested in such a holder, shall do anything that discourages, is aimed at discouraging or has the effect of discouraging a person from making a disclosure to the Registrar, an inspector or an investigator.

Protection from legal action

(5) No action or other proceeding shall be instituted against any person for making a disclosure to the Registrar, an inspector or an investigator, unless the person acted maliciously or in bad faith.

OFFENCES AND PENALTIES

Offence

39 (1) A person is guilty of an offence if the person contravenes or fails to comply with,

- (a) section 18, 19, 20, 21, 22 or 23, subsection 24 (2), section 25, subsection 28 (10), section 36 or 37 or subsection 38 (1) or (4); or
- (b) any prescribed provision of the regulations.

Same, directors or officers

(2) A director or officer of a corporation who causes, authorizes, permits or participates in an offence under this Act by the corporation is guilty of an offence.

Limitation

(3) No proceeding under this section shall be commenced more than two years after the day the offence was, or is alleged to have been, committed.

Penalty

40 On conviction for an offence under this Act,

- (a) a corporation is liable to a fine of not more than \$250,000; and
- (b) an individual is liable to a fine of not more than \$100,000 or to imprisonment for a term of not more than one year, or both.

MATTERS RESPECTING MUNICIPALITIES

Prohibition on stores

41 (1) A municipality may, by resolution passed no later than January 22, 2019, prohibit cannabis retail stores from being located in the municipality.

Outstanding applications

(2) Despite subsection 4 (10), the Registrar shall refuse any applications that are outstanding at the time a resolution is passed by a municipality under subsection (1) for a retail store authorization in respect of a proposed cannabis retail store to be located in the municipality.

Lifting of prohibition

(3) A municipality that has prohibited cannabis retail stores under subsection (1) may, by resolution, lift the prohibition and permit cannabis retail stores to be located in the municipality.

Lifted prohibition may not be restored

(4) A resolution passed for the purposes of subsection (3) is final and may not be reversed.

Notice

(5) A municipality shall provide to the Registrar, in the prescribed time and manner, notice of every resolution passed under this section.

Publication

(6) The Registrar shall publish on the Commission's website a list of the municipalities in which cannabis retail stores may not be located in accordance with this section, along with the dates of the relevant resolutions.

Restrictions on by-law making authority

Business licensing by-laws

42 (1) The authority to pass a business licensing by-law within the meaning of the *Municipal Act, 2001* or a by-law under paragraph 11 of subsection 8 (2) of the *City of Toronto Act, 2006* does not include the authority to pass a by-law providing for a system of licences respecting the sale of cannabis, holders of a licence or authorization issued under this Act or cannabis retail stores.

Planning Act by-laws

(2) The authority to pass a by-law under section 34, 38 or 41 of the *Planning Act* does not include the authority to pass a by-law that has the effect of distinguishing between a use of land, a building or a structure that includes the sale of cannabis and a use of land, a building or a structure that does not include the sale of cannabis.

Same

(3) A by-law passed under section 34, 38 or 41 of the *Planning Act*, or an order made under section 47 of that Act, is of no effect to the extent that it conflicts with subsection (2).

MATTERS RESPECTING RESERVES

Prohibition on stores

43 (1) If the Registrar receives a copy of a resolution of the council of the band in respect of a reserve requesting that the Registrar not issue retail store authorizations for cannabis retail stores to be located on the reserve, the Registrar shall not issue the authorizations.

Outstanding applications

(2) Despite subsection 4 (10), the Registrar shall refuse any applications that are outstanding at the time the Registrar receives a copy of a resolution under subsection (1) for a retail store authorization in respect of a proposed cannabis retail store to be located on the reserve.

Amended, rescinded resolution

(3) If the Registrar receives a copy of a resolution of the council of the band in respect of a reserve amending or rescinding a request referred to in subsection (1), the Registrar shall comply with the request.

Existing cannabis retail stores

(4) The passage of a resolution for the purposes of this section in respect of a reserve does not affect the validity of a retail store authorization issued in respect of any cannabis retail store located on the reserve when the resolution is passed, but any such authorization shall not be renewed, subject to an amendment or rescindment under subsection (3).

Notice

(5) A council of the band shall provide to the Registrar, in the prescribed time and manner, notice of every resolution passed under this section.

Publication

(6) The Registrar shall publish on the Commission's website a list of the reserves on which cannabis retail stores may not be located in accordance with this section, along with the dates of the relevant resolutions.

Agreement with council of the band

44 (1) Subject to subsection (2) and to the approval of the Lieutenant Governor in Council, the Minister may, on behalf of the Crown, enter into arrangements and agreements with a council of the band with respect to the regulation of cannabis retail stores on a reserve, the licensing or authorization of persons to operate cannabis retail stores on a reserve or the enforcement of this Act and the regulations on a reserve.

Same, requirement for agreement with other ministers

- (2) The Minister may only enter into the arrangement or agreement jointly with,
- (a) the Minister responsible for the administration of the *Ontario Cannabis Retail Corporation Act, 2017*;
 - (b) the Minister of Finance, if the Minister referred to in clause (a) is not the Minister of Finance; and
 - (c) the Minister responsible for the administration of the *Cannabis Control Act, 2017*.

MISCELLANEOUS

Requests for information from Ontario Cannabis Retail Corporation

45 The following persons may request information from the Ontario Cannabis Retail Corporation respecting cannabis sold by the Corporation to a holder of a retail store authorization:

1. The Registrar, for the purposes of inquiries and investigations under section 9.
2. An inspector conducting an inspection under this Act.
3. An investigator conducting an investigation under this Act.

Employment of 18 year olds by Commission

46 (1) An individual who is 18 years of age may be appointed under section 7 of the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996* to employment in the Commission for the purposes of monitoring compliance with this Act and the regulations.

Same

(2) Subsection 10 (1) of the *Cannabis Control Act, 2017* does not apply to an individual referred to in subsection (1) of this section while the individual is performing his or her duties of employment, except with respect to consumption.

Testimony in civil proceeding

47 No person engaged in the administration of this Act shall be required to give testimony in any civil proceeding with regard to information obtained by the person in the course of the person's duties, except in a proceeding under this Act, the *Cannabis Control Act, 2017* or the *Cannabis Act (Canada)*.

Immunity

48 (1) No action or other proceeding for damages may be instituted against any person engaged in the administration of this Act for any act done in good faith in the execution or intended execution of the person's duty or for any alleged neglect or default in the execution in good faith of the person's duty.

Crown liability

(2) Despite subsections 5 (2) and (4) of the *Proceedings Against the Crown Act*, subsection (1) does not relieve the Crown of liability in respect of a tort committed by a person mentioned in subsection (1) to which it would otherwise be subject.

Regulations

49 (1) The Lieutenant Governor in Council may make regulations for implementing the purposes, provisions and intent of this Act, including regulations,

- (a) respecting anything that, in this Act, may or must be prescribed or done by regulation;
- (b) governing applications for retail operator licences, cannabis retail manager licences and retail store authorizations, and for the renewal of licences and authorizations, and authorizing the Registrar to exempt any person from a requirement to provide information in respect of an application;
- (c) specifying classes of persons who may not apply for a retail operator licence, retail store authorization or cannabis retail manager licence;
- (d) governing the issuance, renewal and expiry of retail operator licences, cannabis retail manager licences and retail store authorizations;
- (e) setting out matters that are or are not matters of public interest, for the purposes of paragraph 5 of subsection 4 (6);
- (f) for the purposes of clause 4 (12) (b), setting out circumstances in which a retail store authorization may not be issued, including setting out maximums or methods of determining maximums respecting retail store authorizations that may be issued, or that may be issued with respect to an applicant, a municipality, or any other person, place or thing;
- (g) prescribing conditions that apply to retail operator licences, to cannabis retail manager licences or to retail store authorizations;
- (h) governing the sale of cannabis under a retail store authorization, including the operation of cannabis retail stores and their hours of operation;
- (i) respecting varieties, forms and types of cannabis that may and may not be sold under a retail store authorization by holders of retail store authorizations;
- (j) regulating and controlling the possession and distribution of cannabis sold or to be sold under a retail store authorization;
- (k) for the purposes of subsection 7 (3), requiring that the holder of a retail store authorization not sell cannabis or a prescribed class of cannabis at a price that is lower than a price specified by or determined in accordance with the regulations, and governing such prices;
- (l) providing for how elements of an offence under this Act may be proved in a prosecution, including providing for presumptions that apply or inferences that may be made in the absence of evidence to the contrary;
- (m) governing records to be kept by holders of a licence or authorization issued under this Act;
- (n) requiring holders of a licence or authorization issued under this Act to take prescribed measures to reduce the risk that cannabis under the holder's control is diverted to an illicit market or activity;
- (o) governing and requiring the provision of information by holders of a licence or authorization issued under this Act to the Registrar, including information respecting the sale of cannabis and the premises, methods and practices connected to the sale of cannabis, and requiring any information provided to the Registrar to be verified in any manner specified by the regulations, including by oath;
- (p) governing the advertising of cannabis, or the advertising of its availability for sale, and governing related promotional activities;
- (q) authorizing the Board to approve training courses or programs and requiring specified persons to successfully complete them;

- (r) establishing standards or requirements respecting any other matter referred to in subsection 26 (1) that is not otherwise provided for by this subsection;
- (s) exempting any person, place or thing from this Act or the regulations, or from any provision of this Act or the regulations, and prescribing conditions for the exemption.

Same

(2) A regulation made under subsection (1) may be general or specific in its application to any person, place or thing or any class of them, may impose different requirements, conditions or restrictions on or in respect of any class, and may be limited as to time and place.

AMENDMENTS TO OTHER ACTS

Alcohol and Gaming Regulation and Public Protection Act, 1996

50 (1) The title of the *Alcohol and Gaming Regulation and Public Protection Act, 1996* is repealed and the following substituted:

Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996

(2) Section 1 of the Act is amended by adding the following definition:

“cannabis” means cannabis with respect to which the *Cannabis Control Act, 2017* applies; (“cannabis”)

(3) The definition of “Registrar” in section 1 of the Act is repealed and the following substituted:

“Registrar” means the Registrar established under section 6; (“registrateur”)

(4) Subsection 3 (1) of the Act is amended by adding “the *Cannabis Licence Act, 2018*” after “the *Horse Racing Licence Act, 2015*”.

(5) Section 3 of the Act is amended by adding the following subsection:

Agreements with other jurisdictions

(5) With the approval of the Minister, the board of the Commission may enter into agreements with the government of another Canadian jurisdiction, or an agency of that government, in relation to its duties respecting the administration of the Acts referred to in this section.

(6) Subsection 6 (1) of the Act is repealed and the following substituted:

Registrar

(1) There shall be a Registrar for the purposes of this Act, the *Liquor Licence Act*, the *Gaming Control Act, 1992*, the *Horse Racing Licence Act, 2015*, the *Cannabis Licence Act, 2018* and the regulations made under them.

(7) Clause 13 (1) (a) of the Act is repealed and the following substituted:

- (a) the issuance or non-issuance of,
 - (i) a licence or permit under the *Liquor Licence Act*,
 - (ii) a licence or registration under the *Horse Racing Licence Act, 2015*, or
 - (iii) a licence or authorization under the *Cannabis Licence Act, 2018*;

(8) Clause 13 (1) (e) of the Act is amended by adding “licences or authorizations under the *Cannabis Licence Act, 2018*” after “the *Horse Racing Licence Act, 2015*”.

(9) Paragraph 1 of subsection 14.1 (4) of the Act is amended by adding “cannabis” after “alcohol”.

Business Corporations Act

51 Paragraph 0.1 of subsection 241 (1) of the *Business Corporations Act* is amended by striking out “*Alcohol and Gaming*” at the beginning and substituting “*Alcohol, Cannabis and Gaming*”.

Gaming Control Act, 1992

52 The definitions of “Board” and “Registrar” in subsection 1 (1) of the *Gaming Control Act, 1992* are repealed and the following substituted:

“Board” means the board of the Alcohol and Gaming Commission of Ontario established under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“conseil”)

“Registrar” means the Registrar under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“registrateur”)

Horse Racing Licence Act, 2015

53 The definitions of “Board”, “Commission” and “Registrar” in section 1 of the *Horse Racing Licence Act, 2015* are repealed and the following substituted:

“Board” means the board of the Alcohol and Gaming Commission of Ontario established under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“conseil”)

“Commission” means the Alcohol and Gaming Commission of Ontario established under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“Commission”)

“Registrar” means the Registrar under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“registrateur”)

Licence Appeal Tribunal Act, 1999

54 (1) Subsection 5.1 (1) of the *Licence Appeal Tribunal Act, 1999* is repealed and the following substituted:

Hearings re liquor, cannabis or gaming

(1) This section applies to hearings held by the Tribunal under section 14.1 of the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996* or under the *Cannabis Licence Act, 2018*, the *Gaming Control Act, 1992*, the *Horse Racing Licence Act, 2015*, the *Liquor Control Act*, the *Liquor Licence Act* or the *Vintners Quality Alliance Act, 1999*.

(2) Subsection 5.1 (2) of the Act is amended by striking out “The Registrar of Alcohol, Gaming and Racing” at the beginning and substituting “The Registrar under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*”.

(3) Subsection 11 (1) of the Act is amended by adding “*Cannabis Licence Act, 2018*” after “*Building Code Act, 1992*”.

(4) Subsections 11 (2), (4) and (5) of the Act are repealed and the following substituted:

Certain appeals

(2) Subsections (3) to (5) apply to appeals of decisions made in respect of proceedings under the *Cannabis Licence Act, 2018*, the *Gaming Control Act, 1992*, the *Horse Racing Licence Act, 2015*, the *Liquor Control Act*, the *Liquor Licence Act* or the *Vintners Quality Alliance Act, 1999*.

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Registrar a party

(4) The Registrar under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996* is a party to the appeal.

Right to be heard

(5) The Minister responsible for administration of the Act under which the decision that is the subject of the appeal was made is entitled to be heard, by counsel or otherwise, on the appeal.

Liquor Control Act

55 Subsection 4.1 (1.1) of the *Liquor Control Act* is amended by striking out “The Registrar of Alcohol, Gaming and Racing under the *Alcohol and Gaming Regulation and Public Protection Act, 1996*” at the beginning and substituting “The Registrar under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*”.

Liquor Licence Act

56 (1) The definitions of “Board” and “Registrar” in subsection 1 (1) of the *Liquor Licence Act* are repealed and the following substituted:

“Board” means the board of the Alcohol and Gaming Commission of Ontario established under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“conseil”)

“Registrar” means the Registrar under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“registrateur”)

(2) Subsection 6 (6) of the Act is amended by striking out “*Alcohol and Gaming*” and substituting “*Alcohol, Cannabis and Gaming*”.

(3) Subsection 13 (2) of the Act is amended by striking out “*Alcohol and Gaming*” and substituting “*Alcohol, Cannabis and Gaming*”.

Ministry of Revenue Act

57 Paragraph 1 of subsection 11.6 (1) of the *Ministry of Revenue Act* is amended by striking out “*Alcohol and Gaming*” and substituting “*Alcohol, Cannabis and Gaming*”.

Ontario Cannabis Retail Corporation Act, 2017

58 (1) Clause 4 (b) of the *Ontario Cannabis Retail Corporation Act, 2017* is repealed and the following substituted:

- (b) to determine,
 - (i) the varieties, forms or types of cannabis and related products it sells, subject to the regulations, and
 - (ii) the prices at which it sells them, subject to subsection 5 (5) and the regulations;

(2) Section 5 of the Act is amended by adding the following subsection:

Limitation, minimum retail price

(5) If a regulation is made under the *Cannabis Licence Act, 2018* prohibiting the holder of a retail store authorization under that Act from selling cannabis at a price that is lower than the price prescribed under that Act, the Corporation shall not sell cannabis at retail at a price that is lower than the price prescribed under that Act.

(3) The Act is amended by adding the following section:

Compliance with *Cannabis Licence Act, 2018*

27.1 At the request of a person under section 45 of the *Cannabis Licence Act, 2018*, the Corporation shall provide the person with information respecting cannabis sold by the Corporation to a holder of a retail store authorization under that Act.

(4) Clause 29 (1) (e) of the Act is repealed and the following substituted:

- (e) subject to subsection 5 (5), respecting the Corporation’s determination of prices at which it sells cannabis and related products;

Ontario Lottery and Gaming Corporation Act, 1999

59 Paragraph 4 of subsection 14 (1) of the *Ontario Lottery and Gaming Corporation Act, 1999* is amended by striking out “*Alcohol and Gaming Regulation and Public Protection Act, 1996*” at the end and substituting “*Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*”.

Retail Sales Tax Act

60 Paragraph 1 of subsection 6 (3) of the *Retail Sales Tax Act* is amended by striking out “*Alcohol and Gaming*” at the beginning and substituting “*Alcohol, Cannabis and Gaming*”.

Taxation Act, 2007

61 (1) Section 104.13 of the *Taxation Act, 2007* is amended by striking out “*Alcohol and Gaming*” wherever it appears and substituting in each case “*Alcohol, Cannabis and Gaming*”.

(2) Subsections 104.14 (1) and (3) of the Act are amended by striking out “*Alcohol and Gaming*” wherever it appears and substituting in each case “*Alcohol, Cannabis and Gaming*”.

(3) Paragraph 2 of subsection 104.15 (1) of the Act is amended by striking out “*Alcohol and Gaming*” and substituting “*Alcohol, Cannabis and Gaming*”.

(4) Subsections 104.17 (13) and (14) of the Act are amended by striking out “*Alcohol and Gaming*” wherever it appears and substituting in each case “*Alcohol, Cannabis and Gaming*”.

Wine Content and Labelling Act, 2000

62 (1) Section 2 of the *Wine Content and Labelling Act, 2000* is amended by adding the following definition:

“Registrar” means the Registrar under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*; (“registrateur”)

(2) Clause 3 (b) of the Act is amended by striking out “of Alcohol, Gaming and Racing under the *Alcohol and Gaming Regulation and Public Protection Act, 1996*” at the end.

(3) Subsection 6 (6) of the Act is amended by striking out “of Alcohol, Gaming and Racing”.

COMMENCEMENT AND SHORT TITLE

Commencement

63 The Act set out in this Schedule comes into force on a day to be named by proclamation of the Lieutenant Governor.

Short title

64 The short title of the Act set out in this Schedule is the *Cannabis Licence Act, 2018*.

SCHEDULE 3
AMENDMENTS TO THE ONTARIO CANNABIS RETAIL CORPORATION ACT, 2017 AND THE LIQUOR CONTROL ACT

1 Section 2 of the *Ontario Cannabis Retail Corporation Act, 2017* is repealed and the following substituted:

Exclusive rights of Corporation

- 2 (1) The Corporation has the exclusive right to sell cannabis in Ontario,
- (a) online and by any means other than by operating retail stores directly or indirectly; and
 - (b) to a holder of a retail store authorization under the *Cannabis Licence Act, 2018* for the purpose of resale in a cannabis retail store within the meaning of that Act.

Exceptions

- (2) Subsection (1) does not apply with respect to sales of cannabis,
- (a) for medical purposes in accordance with Part 14 of the *Cannabis Regulations* (Canada) or in accordance with a court order;
 - (b) to the Corporation in accordance with the *Cannabis Act* (Canada); or
 - (c) by such persons or entities, or in such circumstances, as may be prescribed, subject to such conditions as may be prescribed.

2 Section 5 of the Act is amended by adding the following subsection:

Operation of retail stores prohibited

- (1.1) The Corporation shall not operate retail stores directly or indirectly.

3 Section 7 of the Act is repealed.

4 Clause 8 (2) (c) of the Act is amended by striking out “chief operating officer” and substituting “chief executive officer”.

5 (1) Section 9 of the Act is repealed and the following substituted:

Composition, etc.

- 9 (1) The board of directors shall consist of at least three and not more than seven members appointed by the Lieutenant Governor in Council.

Chair

- (2) The Lieutenant Governor in Council shall designate a chair from among the members of the board of directors.

Vice-chair

- (3) The Lieutenant Governor in Council may designate a vice-chair from among the members of the board of directors.

Acting chair

- (4) If the chair is absent or unable to act, or if the office of the chair is vacant, the vice-chair shall act as chair.

Same

- (5) If the chair and vice-chair are absent, the members present shall appoint an acting chair from among themselves.

Quorum

- (6) A majority of the members constitutes a quorum of the board of directors.

Remuneration

- (7) The members of the board of directors shall receive the remuneration and reimbursement for reasonable expenses as the Lieutenant Governor in Council determines.

Transition

- (8) The chair, vice-chair and members of the board of directors who are in office on the day before the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent shall each continue in office as the chair, vice-chair and members of the board of directors until the earliest of the following:

1. The date on which the member’s term of office expires.
2. The date on which the member dies.
3. The date on which the member resigns.

4. The date on which the member is removed by the Lieutenant Governor in Council.
5. The date on which the member becomes bankrupt or unable to act.

Same

(9) The following rules apply to each individual described in subsection (8):

1. The individual is deemed to be a public servant for the purposes of Parts IV, V and VI of the *Public Service of Ontario Act, 2006*.
2. Until such time as the Lieutenant Governor in Council determines remuneration and reimbursement under subsection (7), the individual shall continue to be paid at the rates of remuneration that are in effect for that individual on the day before the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent.
3. If the individual is also a member of the LCBO, the individual is deemed not to have a conflict of interest by virtue only of that fact.

(2) Section 9 of the Act, as re-enacted by subsection (1), is amended by adding the following subsection:

Restriction, LCBO member

(1.1) A member of the LCBO is not eligible to be appointed as a member of the Corporation's board of directors.

6 Section 10 of the Act is repealed.

7 Subsections 11 (2) to (4) of the Act are repealed and the following substituted:

Financial by-laws

(2) A by-law of the Corporation relating to borrowing, investing or managing financial risks does not take effect until it is approved by the Minister and, if the Minister is not the Minister of Finance, by the Minister of Finance.

8 (1) Subsections 12 (1) to (3) of the Act are repealed and the following substituted:

President and chief executive officer

(1) The Corporation shall appoint an individual to serve as the Corporation's president and chief executive officer.

Transition

(2) The individual who is the Corporation's president and chief operating officer on the day before the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent shall continue as the Corporation's president and chief executive officer until the earliest of the following:

1. The date on which the individual's term of office expires.
2. The date on which the individual dies.
3. The date on which the individual resigns.
4. The date on which the individual is removed by the Corporation.

References to president and chief operating officer

(3) A reference in any by-law or resolution of the Corporation or other prescribed documents to the Corporation's president and chief operating officer is deemed to be a reference to the president and chief executive officer.

(2) Subsections 12 (4) to (7) of the Act are amended by striking out "chief operating officer" wherever it appears and substituting in each case "chief executive officer".

9 Section 16 of the Act is repealed.

10 Section 19 of the Act is amended by adding the following subsection:

Financial reports

(2) The Corporation shall give the Minister and, if the Minister is not the Minister of Finance, the Minister of Finance, at the times required by the Minister of Finance, reports setting out the Corporation's net profit and net profit forecasts and containing such additional financial information as the Minister of Finance may request.

11 Section 25 of the Act is repealed and the following substituted:

Annual report

25 (1) The Corporation shall prepare an annual report, provide it to the Minister and make it available to the public.

Same

(2) The Corporation shall comply with such directives as may be issued by the Management Board of Cabinet with respect to,

- (a) the form and content of the annual report;
- (b) when to provide it to the Minister; and
- (c) when and how to make it available to the public.

Same

- (3) The Corporation shall include such additional content in the annual report as the Minister may require.

Tabling of annual report

- (4) The Minister shall table the Corporation's annual report in the Assembly and shall comply with such directives as may be issued by the Management Board of Cabinet with respect to when to table it.

12 Section 26 of the Act is amended by striking out "LCBO" wherever it appears and substituting in each case "Minister".

13 (1) Clause 27 (a) of the Act is repealed and the following substituted:

- (a) shall not sell cannabis unless the cannabis has been produced by a person or entity that is authorized under the *Cannabis Act* (Canada) to produce cannabis for commercial purposes;

(2) Clause 27 (b) of the Act is amended by striking out "a person" and substituting "an individual".

14 (1) Subsection 28 (1) of the Act is amended by striking out "section 29" in the portion before the definitions and substituting "section 28.1".

(2) Subsection 28 (2) of the Act is repealed and the following substituted:

Same

- (2) Subject to subsection (3) and to the approval of the Lieutenant Governor in Council, the Minister may, on behalf of the Crown, enter into arrangements and agreements with a council of the band with respect to cannabis that is sold and delivered to a purchaser on a reserve.

Same, requirement for agreement with other ministers

- (3) The Minister may only enter into an arrangement or agreement jointly with,

- (a) the Minister of Finance, if the Minister is not the Minister of Finance;
- (b) the Minister responsible for the administration of the *Cannabis Act, 2017*; and
- (c) the Minister responsible for the administration of the *Cannabis Licence Act, 2018*.

(3) Clause 28 (3) (b) of the Act, as enacted by subsection (2), is amended by striking out "*Cannabis Act, 2017*" and substituting "*Cannabis Control Act, 2017*".

15 The Act is amended by adding the following section:

No delivery to reserve on request

- 28.1** (1) If the Corporation receives a copy of a resolution of the council of the band in respect of a reserve requesting that the Corporation not deliver cannabis and related products to the reserve, the Corporation shall make reasonable efforts to comply with the request in a timely manner.

Additional information

- (2) The council of the band shall provide such information as the Corporation may reasonably require to enable it to comply with the request.

Amended, rescinded resolution

- (3) If the Corporation receives a copy of a resolution of the council of a band in respect of a reserve amending or rescinding a request described in subsection (1), the Corporation shall make reasonable efforts to comply with the amended or rescinded request in a timely manner.

Publication

- (4) The Corporation shall publish on its website a list of the reserves to which the Corporation does not deliver cannabis and related products in accordance with this section, along with the dates of the relevant resolutions.

Exception, wholesale deliveries

- (5) Subsection (1) does not apply with respect to the Corporation delivering cannabis and related products to the holder of a retail store authorization under the *Cannabis Licence Act, 2018* for the purpose of resale in a cannabis retail store within the meaning of that Act which is located on the reserve.

16 The Act is amended by adding the following section:

Review

28.2 Within two years after the day on which the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent, the Minister shall initiate a review of any matters relating to the Corporation that the Minister considers advisable.

17 (1) Clause 29 (1) (b) of the Act is repealed and the following substituted:

- (b) governing the sale of cannabis and related products;
- (2) Clause 29 (1) (d) of the Act is repealed.**
- (3) Clause 29 (1) (i) of the Act is amended by striking out “not”.**
- (4) Subsection 29 (2) of the Act is repealed.**

COMPLEMENTARY AMENDMENTS — LIQUOR CONTROL ACT

Liquor Control Act

18 (1) Section 1 of the *Liquor Control Act* is amended by adding the following definition:

“Ontario Cannabis Retail Corporation” means the corporation established under section 3 of the *Ontario Cannabis Retail Corporation Act, 2017*; (“Société ontarienne de vente du cannabis”)

- (2) The definition of “Ontario cannabis retailer” in section 1 of the Act is repealed.**
- (3) Clause 3 (1) (o) of the Act is repealed and the following substituted:**
 - (o) for the purpose of supporting the operations of the Ontario Cannabis Retail Corporation, to provide it with services, advice, assistance, goods and other property and to enter into agreements;
- (4) Clauses 3 (1) (p) and (q) of the Act are repealed.**
- (5) Section 3.1.1 of the Act is repealed.**
- (6) Section 4.0.2.1 of the Act is amended by striking out “Ontario cannabis retailer” wherever it appears and substituting in each case “Ontario Cannabis Retail Corporation”.**
- (7) Subsection 5 (4) of the Act is amended by striking out “and of the Ontario cannabis retailer”.**
- (8) Subsection 7 (3) of the Act is repealed and the following substituted:**

Same

- (3) The Board shall include such additional content in the annual report as the Minister may require.
- (9) Section 7.1 of the Act is amended by striking out “or the Ontario cannabis retailer” at the end.**

COMMENCEMENT

Commencement

- 19 (1) Subject to subsections (2) to (5), this Schedule comes into force on the day the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent.**
- (2) Section 1 comes into force on the later of October 17, 2018 and the day the *Cannabis Statute Law Amendment Act, 2018* receives Royal Assent.**
- (3) Subsection 5 (2) comes into force on a day to be named by proclamation of the Lieutenant Governor.**
- (4) Subsection 14 (2) comes into force on the day subsection 44 (1) of Schedule 2 to the *Cannabis Statute Law Amendment Act, 2018* comes into force.**
- (5) Subsection 14 (3) comes into force on the day section 1 of Schedule 1 to the *Cannabis Statute Law Amendment Act, 2018* comes into force.**

SCHEDULE 4

AMENDMENTS TO THE SMOKE-FREE ONTARIO ACT, 2017 AND THE HIGHWAY TRAFFIC ACT

1 (1) Subsection 1 (1) of the *Smoke-Free Ontario Act, 2017* is amended by adding the following definition:

“cannabis” has the same meaning as in subsection 2 (1) of the *Cannabis Act* (Canada); (“cannabis”)

(2) The definitions of “commercial”, “medical cannabis”, “medical cannabis user”, “Minister” and “promote” in subsection 1 (1) of the Act are repealed and the following substituted:

“commercial”, with respect to a product or substance regulated under this Act, means something done or prepared for the primary purpose of generating profits from its sale or use, directly or indirectly; (“commercial”)

“Minister” means the Minister of Health and Long-Term Care or such other member of the Executive Council as may be assigned the administration of this Act under the *Executive Council Act*; (“ministre”)

“promote”, with respect to a product or substance regulated under this Act, means to use any commercial act or practice or to use any commercial communication, through any media or other means, that is intended to or is likely to,

(a) encourage its purchase or use or the purchase or use of a particular brand, or

(b) create an awareness of or an association with it, or with a brand or a manufacturer or seller; (“promouvoir”)

(3) The definition of “vapour product” in subsection 1 (1) of the Act is amended by adding “and includes the package in which the electronic cigarette, e-substance or component is sold” at the end.

2 Clause 2 (b) of the Act is repealed and the following substituted:

(b) cannabis;

3 Section 4 of the Act is repealed and the following substituted:

Display, etc. of tobacco products

4 (1) No person shall, in any place where tobacco products or tobacco product accessories are sold or offered for sale, display or permit the display of any of the following products in any manner that would permit a consumer to view or handle the product before purchasing it:

1. A tobacco product.

2. A tobacco product accessory that is associated with a brand of tobacco product.

Promotion

(2) No person shall promote tobacco products or tobacco product accessories,

(a) in any place where tobacco products or tobacco product accessories are sold or offered for sale; or

(b) in any manner, if the promotion is visible from outside a place in which tobacco products or tobacco product accessories are sold or offered for sale.

Exceptions

(3) Despite subsection (2), if the regulations so provide, a person may post one or more signs providing information about tobacco products or tobacco product accessories and their price, but only if the sign or signs meet the prescribed conditions.

Same

(4) Despite subsection (2), if the regulations so provide, a person may make available one or more documents providing information about tobacco products or tobacco product accessories and their price, but only if the document or documents meet the prescribed conditions.

Display, etc., of vapour products

4.1 (1) No person shall, in any place where vapour products are sold or offered for sale, display or permit the display of vapour products in any manner that would permit a consumer to view or handle the product before purchasing it, except in accordance with the regulations, if any.

Promotion

(2) No person shall promote vapour products, except in accordance with the regulations, if any,

(a) in any place where vapour products are sold or offered for sale; or

(b) in any manner, if the promotion is visible from outside a place in which vapour products are sold or offered for sale.

Display, etc., of prescribed products and substances

4.2 (1) No person shall, in any place where a prescribed product or substance is sold or offered for sale, display or permit the display of a prescribed product or substance in any manner that would permit a consumer to view or handle the product before purchasing it, except in accordance with the regulations, if any.

Promotion

- (2) No person shall promote a prescribed product or substance, except in accordance with the regulations, if any,
- (a) in any place where a prescribed product or substance is sold or offered for sale; or
 - (b) in any manner, if the promotion is visible from outside a place in which a prescribed product or substance is sold or offered for sale.

4 Paragraph 2 of subsection 12 (1) of the Act is repealed and the following substituted:

2. Smoke or hold lighted cannabis.

5 Section 13 of the Act is repealed and the following substituted:

Exemptions

13 (1) Subsection 12 (1) does not apply to a person who smokes or holds lighted tobacco or cannabis or who uses an electronic cigarette in an indoor room in a residence that also serves as an enclosed workplace if the following conditions are met, and the obligations under sections 14 and 15 do not apply to a proprietor or employer with respect to such a room if the proprietor or employer complies with any prescribed requirements respecting the room:

1. The residence is,
 - i. a long-term care home within the meaning of the *Long-Term Care Homes Act, 2007*,
 - ii. a residential facility that is operated as a retirement home and that provides care, in addition to accommodation, to the residents of the home,
 - iii. a supportive housing residence funded or administered through the Ministry of Health and Long-Term Care or the Ministry of Children, Community and Social Services,
 - iv. a psychiatric facility that is designated in the regulations, or
 - v. a facility for veterans that is designated in the regulations.
2. The room has been designated as a controlled area for smoking tobacco or cannabis or for the use of electronic cigarettes, or for any or all of them, as the case may be.
3. A resident who desires to use the room must be able, in the opinion of the proprietor or employer, to do so safely without assistance from an employee. An employee who does not desire to enter the room shall not be required to do so.
4. Use of the room is limited to residents of the residence.
5. The room is an enclosed space that,
 - i. is fitted with proper ventilation in compliance with the regulations,
 - ii. is identified as a controlled area by means of prescribed signs, displayed in the prescribed manner, and
 - iii. meets any other prescribed requirements.

Hotels, motels, inns

(2) Subsection 12 (1) does not apply to a person who smokes or holds lighted tobacco or cannabis or who uses an electronic cigarette in a guest room in a hotel, motel or inn if the following conditions are met, and the obligations under sections 14 and 15 do not apply to a proprietor or employer with respect to a guest room described in paragraphs 2 to 5 if the proprietor or employer complies with any prescribed requirements respecting the guest room:

1. The person is a registered guest of the hotel, motel or inn, or the invited guest of a registered guest.
2. The guest room is designed primarily as sleeping accommodation.
3. The guest room has been designated as a guest room that accommodates smoking tobacco or cannabis or the use of electronic cigarettes, or any or all of them, as the case may be, by the management of the hotel, motel or inn.
4. The guest room is fully enclosed by floor-to-ceiling walls, a ceiling and doors that separate it physically from any adjacent area in which smoking or the use of electronic cigarettes is prohibited by this Act.
5. The guest room conforms to any other prescribed requirements.

Scientific research and testing facilities

(3) Subsection 12 (1) does not apply to a person who smokes or holds lighted tobacco or cannabis or who uses an electronic cigarette in a scientific research and testing facility for the purpose of conducting research or testing concerning tobacco products, cannabis or vapour products, as the case may be, and the obligations under sections 14 and 15 do not apply to a proprietor or employer with respect to the research and testing carried on in such a facility.

Hospices, other facilities

(4) Subsection 12 (1) does not apply to a person who smokes or holds lighted cannabis or who uses an electronic cigarette in a hospice that complies with the prescribed requirements or in another prescribed facility, as long as any requirements provided for in the regulations are complied with.

6 Paragraph 2 of subsection 16 (1) of the Act is repealed and the following substituted:

2. Smoke or hold lighted cannabis.

7 Paragraph 3 of subsection 17 (1) of the Act is repealed.

8 The Act is amended by adding the following section:

Cannabis, vehicles and boats

17.1 (1) No person shall consume cannabis in any manner in a vehicle or boat while,

- (a) the person is driving or has care or control of the vehicle or boat, regardless of whether the vehicle or boat is in motion; or
- (b) the person is a passenger in a vehicle or boat that is being driven by another person or that is under the care or control of another person, regardless of whether the vehicle or boat is in motion.

Enforcement

(2) Despite section 20, this section shall be enforced by police officers or by any other person or class of persons designated in writing by the Minister to enforce this section.

Definitions

(3) In this section,

“boat” includes any ship or boat or any other description of a vessel used or designed to be used in the navigation of water; (“bateau”)

“vehicle” means, subject to the regulations,

- (a) a motor vehicle within the meaning of the *Highway Traffic Act*,
- (b) a motorized snow vehicle within the meaning of the *Motorized Snow Vehicles Act*. (“véhicule”)

9 (1) Subsection 21 (11) of the Act is amended by striking out “4, 5” and substituting “4, 4.1, 4.2, 5”.

(2) Column 1 of Table 2 to section 21 of the Act is amended by striking out “4, 5” wherever it appears and substituting “4.1, 4.2, 5” in each case.

(3) Column 1 of Table 2 to section 21 of the Act is amended by adding “17.1” after “12 (1)” wherever it appears.

10 (1) Subsection 24 (1) of the Act is amended by adding the following clause:

- (d.1) governing the application of section 17.1, and without limiting the generality of the foregoing,
 - (i) providing for exceptions to that section, and making such exceptions subject to conditions, and
 - (ii) clarifying, modifying, expanding or restricting the definition of “vehicle” in that section;

(2) Clause 24 (1) (f) of the Act is amended by striking out “medical cannabis” and substituting “cannabis”.

Highway Traffic Act

11 Subsection 46 (1) of the Highway Traffic Act is amended by striking out “or” at the end of clause (d) and by adding the following clause:

- (d.1) under clause 17.1 (1) (a) of the *Smoke-Free Ontario Act, 2017*; or

Commencement

12 This Schedule comes into force on the later of October 17, 2018 and the day the Cannabis Statute Law Amendment Act, 2018 receives Royal Assent.