

CANNABIS LEGALIZATION – BUSINESS LICENSING

FACTS - Provincial Legislation

- Prospective cannabis retail stores will have to obtain a “Retail Cannabis Store Licence” from the Alberta Gaming & Liquor Commission (AGLC).
- Operational regulations for cannabis retail stores include:
 - Hours of operation (10:00AM – 2:00AM).
 - Security requirements (video surveillance, secure storage of cannabis, etc.)
 - Display requirements (e.g., all cannabis displayed for sale must be in locked “showcase” units).
 - Employer/employee background checks.
- Cannabis retail stores will be allowed to sell cannabis and “cannabis accessories” exclusively.
 - “Cannabis accessories” are defined in the federal *Cannabis Act* as:
 - Rolling papers or wraps, holders, pipes, water pipes, bongs and vaporizers, that is to be used in the consumption or production of cannabis, or;
 - A thing that is commonly used in the consumption or production of cannabis, if the thing is sold at the same point of sale as cannabis.

FACTS – Business Licensing in St. Albert

- Businesses operating in St. Albert are required to obtain a Business Licence (\$140.76)
- Businesses that sell “Tobacco Products” are required to obtain a Tobacco Retail Licence (\$714.00) *in addition* to a Business Licence.
 - Tobacco retailers are regulated through the *Tobacco Retail Licence Bylaw*.
 - The definition of “Tobacco Product” in the bylaw includes certain products that will be sold in cannabis retail stores (pipes, rolling papers, vaporizers, water bongs, etc.).
 - This means that left unchanged, cannabis retail stores selling “cannabis accessories” would be required to obtain a Tobacco Retail Licence.
- There are no additional licensing requirements/fees for retail liquor stores.
- Certain cannabis-related regulations already exist within the “restricted products” section of the *Business Licence Bylaw* (Section 14.1).
 - Pipes, bongs, vaporizers, grinders, and other “cannabis accessories” are listed as “restricted products.”
 - Businesses that sell “restricted products” are forbidden from selling them to minors, and can’t display them in such a way that they would be visible from outside the place of business (e.g., requirement to “frost” windows)

BUSINESS LICENCE & TOBACCO RETAIL LICENCE BYLAW OPTIONS			
	OPTION 1 No municipal regulations for cannabis retail stores.	OPTION 2 Minor regulatory framework is imposed on cannabis retail stores.	OPTION 3 Regulate cannabis retail stores through the <i>Tobacco Retail Licence Bylaw</i> or a similar cannabis-specific bylaw.
Description	<ul style="list-style-type: none"> All regulatory requirements will be handled by the Province. Definition of “Tobacco Product” in the <i>Tobacco Retail Licence Bylaw</i> to be amended. *NOTE*: The definition of “Tobacco Product” should be amended for each option, as otherwise cannabis retail stores would need a Tobacco Retail Licence to sell “cannabis accessories.” 	<ul style="list-style-type: none"> Cannabis retail stores would be regulated through the existing “restricted products” section of the <i>Business Licence Bylaw</i> (Section 14.1) by adding “cannabis” to the definition of “Restricted Product.” A fee for cannabis retail stores could be imposed in “Schedule A” of the bylaw if Council desires. 	<ul style="list-style-type: none"> Amend the <i>Tobacco Retail Licence Bylaw</i> as necessary (or draft a new bylaw) to apply regulations to cannabis retail stores that are similarly imposed on tobacco retailers. Impose a specific licensing fee for cannabis retail stores. Amend the <i>Business Licence Bylaw</i> to remove all sections related to “restricted products,” and add these regulations to the amended/new bylaw for consistency and to prevent duplication.
Effects	<p>This would mean treating cannabis retail stores the same as liquor stores, except for the existing “restricted products” regulations (applicable only to stores selling “cannabis accessories”).</p> <p>Cannabis retail stores would have to obtain a regular Business Licence, and would pay the same fee as all other in-town businesses (\$140.76 / year).</p>	<p>This would mean treating cannabis retail stores similarly to how “smoke shops” are currently regulated through the <i>Business Licence Bylaw</i>.</p> <p>Cannabis retail stores would have to obtain a regular Business Licence and comply with the “restricted products” regulations in Section 14.1. Further regulations could be added to this section as needed.</p>	<p>This would mean treating cannabis retail stores similarly to how stores selling tobacco are treated.</p> <p>This would provide additional policy flexibility to deal with new cannabis-related businesses (“smoking lounges,” businesses selling edibles, edible-consumption restaurants, etc.) as they emerge.</p> <p>Cannabis retail stores would have to obtain a Business Licence and a Retail Cannabis Licence.</p>
Implications	<ul style="list-style-type: none"> No municipal operational regulations would be imposed on cannabis retail stores. No impact on enforcement costs. 	<ul style="list-style-type: none"> All cannabis retail stores would be required to “frost” their windows. Potentially increased enforcement costs. 	<ul style="list-style-type: none"> The City would be taking an active role in the regulating the operation of cannabis retail stores (and potentially the cannabis industry in general). Potentially larger increases in enforcement costs.

QUESTIONS FOR COUNCIL:

1. What should be St. Albert's philosophy for licensing cannabis retail stores?
 - a. Treat cannabis retail stores the same as retail liquor stores (Option 1)?
 - b. Treat cannabis retail stores the same as cannabis-related businesses have been treated in the past (Option 2)?
 - c. Treat cannabis retail similarly to how stores selling tobacco are treated – or with even heavier regulations (Option 3)?
2. Does St. Albert want to ensure that no minors will be able to see inside cannabis retail stores (Option 2/3)?
3. Does St. Albert want to ensure that all cannabis product must be in sealed packages at all times, so as to limit "odour" complaints from neighboring businesses (Option 2/3)?
4. What kind of licensing fee(s) should the City impose on cannabis retail stores?
 - a. Same licensing fee as liquor stores (Option 1)?
 - b. Higher licensing fee than liquor stores (Option 2/3)?
 - c. Same licensing fee as tobacco retailers – or even higher (Option 3)?