

Cannabis Summary for January 14, 2019 Council meeting

By Deputy Mayor - Suzanne Séguin

The provincial government will introduce legislation to allow the private sector to retail recreational cannabis in Ontario by April 1, 2019. As of October 17, consumers 19 or older are able to purchase recreational cannabis through an online retail platform operated by the Ontario Cannabis Store.

In order to provide information for the residents on this issue of recreational cannabis sales in Cobourg, the Town conducted an online survey where 3458 people voted. The results showed 2714 people voting to opt-in or 78.48% and 744 people voting to opt-out or 21.52%.

The province has given municipalities until Jan. 22, 2019 to opt out of having private cannabis storefronts operate within their boundaries. If the Alcohol and Gaming Commission of Ontario (AGCO) has not received written notification from a municipality by the Jan. 22 deadline, private cannabis retail stores will be allowed within their jurisdiction by default. That is why the motion on January 7 at the Committee of the Whole was to opt-out. This motion was defeated.

Municipalities that opt-out of cannabis retail stores could allow them in the future, but municipalities that do not opt-out of stores by January 22nd, cannot opt-out of them at a later date.

The Province of Ontario will provide \$40 million over two years to help municipalities with the implementation costs of recreational cannabis legalization. The amount of the first payment for Cobourg is \$11,759. The County of Northumberland will receive \$51,199. Funding is on a per household basis. A second payment will also be received.

If Ontario's portion of the federal excise duty on recreational cannabis over the first two years of legalization exceeds \$100 million, the province will provide 50% of the surplus only to municipalities that have not opted-out as of January 22, 2019. The earliest this would occur will be October 2020. MPP David Piccini's office confirmed that if Cobourg opted out by January 22nd, we would NOT be eligible to receive a share of the excise duty if we decided to opt back in some time in the future.

The Cannabis License Act, 2018, Ontario Regulation 468/18 under Section 8.1 (4) Authorization maximums and allocations, states that "Until such time as more than 25 retail store authorizations may be issued, none of the retail store authorizations that may be issued in accordance with subsection (3) may be allocated, (c) in respect of a cannabis retail store that would be located in a municipality with a population of less than 50,000."

The lottery selection for retail cannabis stores was completed on January 11, 2019. Selected in the East Region where Cobourg is located, the five applicants chosen were: Daniel Telio, Brandon Long, Patterson and Lavoie, Pure Alpha Holdings and Karan Someshwar. There are 20 applicants on the wait list.

FSD Pharma Inc. located here in Cobourg in the former Kraft plant, will be producing medical cannabis once they receive a Federal license for medical cannabis and will be using the Certo building on its property as a dispensary. The company has completed a strategic investment of \$1.3 million or just under 9.9% in Huge Shops, a Toronto-based cannabis retailer. I have a call into MP Kim Rudd's office to clarify if this is how FSD Pharma Inc. will enter the retail cannabis market.