

INTERESTED IN BEING A PART OF ALBERTA'S GROWING CANNABIS INDUSTRY?

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Calgary • Edmonton • Yellowknife



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The Government of Alberta has released details of the Alberta Cannabis Framework and the anticipated Regulations. Due to the nature of cannabis and the provincial government's interest in balancing important economic opportunities for Albertans with concerns for the safety and well-being of the public, the cannabis industry will be strictly regulated.

We know that you are interested in becoming a business owner of a cannabis retail store and would be pleased to assist you in realizing this goal.

There is a very comprehensive application process you must complete in order to obtain a retail cannabis license from the Alberta Liquor and Gaming Commission ("AGLC"), the body in charge of overseeing private retailers and the distribution of cannabis in Alberta. The AGLC has mandated several application requirements that an individual or corporation must complete in order for their application to be considered and a license to be potentially granted.

How McLennan Ross Can Help You

McLennan Ross LLP's Cannabis Industry Practice Group has been closely following the legislative developments of the legalization of cannabis at the federal and provincial levels of government, as well as the zoning and by-law amendments made at the municipal level. This knowledge, combined with our firm-wide expertise in the areas of corporate commercial, insurance, and labour and employment law makes us well-positioned to assist you with navigating the provincial AGLC license application process, as well as the other required applications and documentation that accompany it.

This brochure will provide an overview of the general steps that must be taken in order to become a licensed cannabis retail owner in Alberta, and will highlight how the capable lawyers at McLennan Ross can assist you with this process.

Key Regulations

Retail business owners need to be aware of key provisions of the regulations that will mandate how their business of selling retail cannabis must be structured. The Province advises that these will include, but are not limited to:

- A 100-metre buffer zone must exist between retail cannabis stores and neighbouring schools as well as provincial health-care facilities. Of note, municipalities can adjust these buffer zones or add additional ones as needed;
- Legal age for consumption and purchase of cannabis is 18 years old, and no minors are allowed to accompany an adult into a cannabis retail store;
- One person, group or organization cannot hold more than 15% of licences in Alberta;
- No co-location of cannabis sales with alcohol, pharmaceuticals or tobacco sales;
- Store hours set between 10 a.m. and 2 a.m., the same as liquor stores, with municipalities able to adjust these hours; and
- Mandatory security measures in stores.

How To Apply For A License

Starting March 6, 2018, the AGLC will begin accepting cannabis retail license applications from Albertans who comply with the application requirements. Application processing time will take approximately 2-4 months and will be subjected to AGLC's application review policies. The Government of Alberta has indicated that it expects to issue 250 licenses to cannabis retail stores in the first year of legalization. We anticipate that there will be a wealth of retail cannabis applicants to the AGLC and are here to assist our clients in ensuring a timely and complete application to increase the chance of success.

To apply for a license, some of the steps that must be completed are as follows. The AGLC has indicated that it retains the right to refuse incomplete or inaccurate applications. Below are some of the key steps that must be completed to ensure a successful application.

Required Steps For A Successful Application

- Undergo thorough personal and financial background checks for retail licence applicants and key employees of cannabis retail stores;
- Undergo criminal record checks, which must be obtained from the local police service, and are valid for 90 days;
- Pay approximately \$4,100 in fees to the AGLC at the time of application to cover the annual license fee, cost of backgrounds checks and a non-refundable application fee for each store location – the fees owed will vary depending on the number of background checks and number of stores;
- Enter into employment agreements with key personnel who will be operating your retail location;
- Enter into a leasing agreement or purchase property that is compliant with zoning requirements and other cannabis retail store requirements such as:
 - o a point-of-sale area,
 - o a shipping/receiving area that is separate from other businesses,
 - o a secure storage area,
 - o an alarm system,
 - o a video surveillance system, and
 - o a secure product display
- Obtain municipal approval regarding zoning requirements;
- Meet the AGLC's naming and signage requirements for your retail store;
- Provide a proposed floor plan of the premises in compliance with AGLC's Application Requirements;
- Provide particulars of the individual, incorporation of the company and the partnership (if applicable) as well as details of the corporate structure;
- Ensure employees complete the AGLC's mandatory SellSafe Cannabis Training program, available May 1, 2018;
- Provide details of the accounting system proposed for the retail cannabis store operations;
- Obtain and provide the AGLC with an Approved Development Permit, a City business licence or written approval of the municipality and Fire approval/Right to occupy; and
- Dealing with potential objections to your license application by interested parties.

McLennan Ross has extensive experience in assisting our clients with incorporating their businesses both provincially and extra-provincially, drafting employment agreements for cannabis retail staff, including critical documents such as non-competition, non-disclosure and non-solicitation agreements, and generally understanding the federal, provincial and municipal laws and by-laws that must be complied with to own and operate a retail cannabis business.

Please contact the lawyers of our Cannabis Industry Practice Group to help your business ensure that your cannabis retail license applications is completed in accordance with the AGLC's strict application standards. Our process is simple – we work with you directly to complete your application by assisting you in completing any outstanding steps and making any applications necessary to obtain municipal approval of the location or draft required agreements, while ensuring compliance with the applicable provincial and municipal legislative framework.

Please contact any member of our Cannabis Industry Group at 780-482-9200 or mclennan@mross.com to discuss the requirements of the AGLC cannabis retail licensing application in more detail.