

Ontario Introduces the Ontario *Cannabis Act, 2017*

November 2, 2017

On November 1, 2017, the Government of Ontario released its proposed cannabis legislation, Bill 174, *Cannabis, Smoke-Free Ontario and Road Safety Statute Law Amendment Act* (the Act). The substance of this bill is Ontario's *Cannabis Act, 2017*, but the bill also details amendments to related legislation in the form of a new *Smoke Free Ontario Act, 2017* and amended *Highway Traffic Act*. If passed, the Act would regulate the use and distribution of recreational cannabis in Ontario upon the enacting of the federal *Cannabis Act* in July 2018.

The Act would implement the Ontario Government's [previously announced](#) plan to create a new provincial retailer, to be overseen by a subsidiary of the Liquor Control Board of Ontario (LCBO), the Ontario Cannabis Retail Corporation (OCRC). The OCRC would manage the safe and socially responsible distribution of recreational cannabis. Approximately 150 standalone stores will be opened by 2020, 40 of which are set to open as of July 2018, with another 40 scheduled to open by July 2019. As well, cannabis will be available through an OCRC-controlled online distributor as of July 2018.

In order to address the existing illicit market and illegal storefront dispensaries, individuals and corporations convicted of illegally distributing cannabis will be subject to new strict and escalating penalties for first offences including increasing fines for corporations to up to \$1 million, with potential jail sentences of up to two years less a day plus fines of up to \$250,000 for individuals. As well, landlords who knowingly permit illegal cannabis activities to occur on their premises can face the same punishments.

In keeping with prior comments from the Ontario Government, a significant emphasis has also been placed on youth protection and harm reduction within the Act, in part through the implementation of a minimum age of 19 to use, buy, possess and cultivate cannabis in Ontario. As well, a diversion program will be implemented for people under the age of 19 that focuses on education and prevention rather than exposing individuals to the justice system at an early age. The Ontario Government also plans to endorse Canada's Lower Risk Cannabis Use Guidelines and will work with health care partners to share information and increase support for education, health care, youth justice and social service providers.

Cannabis use will be prohibited in public places, workplaces, motor vehicles and other prescribed places under the Act, and the Ontario Government remains steadfast in its commitment to establishing tough drug-impaired driving laws, including a zero-tolerance policy for young, novice and commercial drivers. The Act's proposed new *Smoke-Free Ontario Act, 2017* will regulate where and when individuals can smoke or vape cannabis.

The Ontario Government also intends to address additional areas of importance in Ontario's planned

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approach to cannabis. It noted that it intends to consult with First Nations, Métis and Inuit organizations and peoples in developing approaches to cannabis and has provided for the potential for agreements or other arrangements between the Ontario Government and these communities. These may include arrangements with respect to cannabis on reserve properties. The Ontario Government additionally noted that it plans to consult with municipal partners, the Alcohol and Gaming Commission of Ontario and with indigenous communities and organizations to explore the feasibility of specifically introducing designated establishments for consumption of adult use cannabis in the future.

We Can Help

For more information on how Cassels can assist your business, please contact Michael Weizel or another member of our firm's cross-disciplinary Cannabis Group.

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