

July 3, 2019

Cannabis Policy Update

The Ontario Government has [announced](#) a second [Alcohol and Gaming Commission of Ontario](#) (AGCO) lottery to operate additional cannabis stores in the province. Private retailers will add up to 50 stores, with 42 chosen by lottery and 8 reserved for First Nations. As in the first lottery, rules set a maximum number of stores per region. Prospective retailers must meet prequalification criteria including access to appropriate retail space and capital to apply. The lottery will take place on August 20, 2019 with results announced within 24 hours. All municipalities that DID NOT opt out of cannabis retail are eligible, regardless of population.

Related to retail sales authorization is the Ontario Cannabis Legalization Implementation Fund (OCLIF) for municipal governments. Additional stores across Ontario and edible cannabis products, anticipated by December 2019, may alter community impacts related to legal cannabis.

The province modified the original OCLIF funding formula to give greater financial recognition to jurisdictions that host cannabis retail locations. However, all communities have had to prepare for legal recreational cannabis as illegal market access has continued and some, such as regional governments, provide services, such as policing, whose cannabis-related costs have increased even though they could not make decisions regarding retail sales. On members' behalf, AMO is continuing to discuss the status of OCLIF, the funding formula and access to the \$10 million OCLIF holdback with the province.

AMO wants to partner with the province in laying the foundation for any future federal-provincial-municipal cannabis excise tax revenue agreement past the two-year term of the current agreement, from which OCLIF funding flows, which is due for review this December.

For more cannabis retail information, contact the [AGCO](#). For information on OCLIF, see the Ministry of Finance [OCLIF web page](#). For background on cannabis policy and the evolution of Ontario rules and the OCLIF program, see [AMO's Cannabis Resources](#) web page. .