



Province of Alberta  
Order in Council

O.C. 027/2018

FEB 15 2018

# ORDER IN COUNCIL

Approved and ordered:

Lieutenant Governor  
or  
Administrator

The Lieutenant Governor in Council makes the Gaming and Liquor Amendment Regulation set out in the attached Appendix.

CHAIR

FILED UNDER  
THE REGULATIONS ACT  
AS ALBERTA REGULATION 13/2018  
ON February 16 20 18  
  
REGISTRAR OF REGULATIONS

For Information only

Recommended by: Minister of Justice and Solicitor General

Authority: Gaming, Liquor and Cannabis Act  
(section 129)

## APPENDIX

### Gaming, Liquor and Cannabis Act

#### GAMING AND LIQUOR AMENDMENT REGULATION

**1** The *Gaming and Liquor Regulation* (AR 143/96) is amended by this Regulation.

**2** The title is repealed and the following is substituted:

#### GAMING, LIQUOR AND CANNABIS REGULATION

**3** Section 1(1)(i) is amended by adding “or cannabis” after “liquor”.

**4** Section 10(2) is repealed and the following is substituted:

- (2) A person fails to pass a records check if the person
- (a) has at any time been charged with or convicted of
    - (i) an offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Food and Drugs Act* (Canada) or the *Income Tax Act* (Canada),
    - (ii) an offence under the *Controlled Drugs and Substances Act* (Canada), other than under section 4(1) of that Act for possession of any substance included in Schedule II to that Act, or
    - (iii) an offence under a foreign Act or regulation that, in the opinion of the board, is substantially similar to an offence referred to in subclause (i) or (ii)

and, in the opinion of the board, the offence is sufficiently serious that it may detract from the integrity with which gaming activities or provincial lotteries are to be conducted in Alberta or may be detrimental to the orderly or lawful conduct of activities authorized by a liquor licence, a cannabis licence or a registration relating to liquor or cannabis, or

- (b) has, within the 5 years prior to the submission of the application, been serving a term of imprisonment of 3 years or more.

**5 Section 13 is amended by striking out “or” at the end of clause (c), adding “or” at the end of clause (d) and adding the following after clause (d):**

- (e) would be a detriment to the lawful import, purchase, sale, provision, transport, possession, storage or use of cannabis.

**6 Section 14 is amended**

- (a) **in subsection (1) by striking out** “facility licence or liquor licence” **and substituting** “facility licence, liquor licence or cannabis licence”;
- (b) **in subsection (3) by striking out** “facility licensee or liquor licensee” **and substituting** “facility licensee, liquor licensee or cannabis licensee”.

**7 Section 15 is amended**

- (a) **in subsection (1) by striking out** “facility licence or liquor licence” **and substituting** “facility licence, liquor licence or cannabis licence”;
- (b) **by repealing subsection (2) and substituting the following:**
  - (2) No retail liquor store licence or cannabis store licence may be issued unless the board is satisfied that, in addition to meeting the requirements in the board’s policies, the premises to be licensed meets
    - (a) in the case of a retail liquor store licence, the requirements set out in Part 1 of Schedule 2, and
    - (b) in the case of a cannabis store licence, the requirements set out in Part 2 of Schedule 2.

**(c) by repealing subsection (3) and substituting the following:**

**(3)** Every facility licensee, liquor licensee and cannabis licensee must ensure that, during the term of the licence, the licensed facility or licensed premises meets

- (a) the requirements for that type of facility or premises as established in the board's policies,
- (b) in the case of a retail liquor store licence, the requirements referred to in clause (a) and the requirements set out in Part 1 of Schedule 2, and
- (c) in the case of a cannabis licence, the requirements referred to in clause (a) and the requirements set out in Part 2 of Schedule 2.

**8 Section 16 is amended by striking out “91.1 or 94” and substituting “91.1, 94 or 123(1) or (2)”.**

**9 Section 29 is amended**

- (a) in subsection (1) by adding “or registration” after “specified in the licence”;**
- (b) in subsection (2) by striking out “period other than that described in subsection (1)” and substituting “term other than one or 2 years”;**

**10 Section 75(2) is amended by striking out “period other than that described in subsection (1)” and substituting “term other than one or 2 years”.**

**11 Section 92(1)(a) is amended by adding “Part 1 of” before “Schedule 3”.**

**12 The heading before section 100.1 is repealed.**

**13 The following is added before Schedule 1:**

**Part 4  
Cannabis**

**Division 1  
Cannabis Licences**

**Cannabis store licence**

**104(1)** A cannabis store licence is established as a class of cannabis licence.

**(2)** A cannabis store licence authorizes the licensee

- (a) to purchase cannabis from the Commission, and
- (b) to possess, store and sell the cannabis in the licensed premises.

**Restrictions on location of licensed premises**

**105(1)** In this section,

- (a) “band council” means the council of the band as defined in the *Indian Act* (Canada);
- (b) “Indian reserve” means a reserve as defined in the *Indian Act* (Canada);
- (c) “land use bylaw” has the meaning given to it in Part 17 of the *Municipal Government Act*;
- (d) “Metis settlement” and “settlement council” have the meanings given to them in the *Metis Settlements Act*;
- (e) “provincial health care facility” means an approved hospital as defined in the *Hospitals Act*;
- (f) “school” means a school as defined in the *School Act*.

**(2)** The board may not issue a cannabis store licence in respect of any premises located

- (a) in a municipality, unless a development permit has been issued under the *Municipal Government Act* for the proposed use of the premises as described in the application for the cannabis licence,
- (b) on an Indian reserve, except in accordance with an applicable band council bylaw or the band council’s approval, or

- (c) on land within a Metis settlement area, except in accordance with an applicable settlement council bylaw or the settlement council's approval.

**(3)** For the purposes of sections 640(7), 642(5) and 687(3) of the *Municipal Government Act*, a premises described in a cannabis licence may not have any part of an exterior wall that is located within 100 metres of

- (a) a provincial health care facility or a boundary of the parcel of land on which the facility is located,
- (b) a building containing a school or a boundary of a parcel of land on which the building is located, or
- (c) a boundary of a parcel of land that is designated as school reserve or municipal and school reserve under the *Municipal Government Act*.

**(4)** Despite subsection (2)(a), on application by a municipality the board may, if the board considers it appropriate to do so, issue a cannabis store licence in respect of a premises that meets the requirements of subsection (3) but for which a new municipal development permit is not required under the *Municipal Government Act*.

**(5)** A municipality may, in a land use bylaw, expressly vary the distance set by subsection (3) and set a different distance that is applicable to one or more of the types of properties referred to in subsection (3)(a) to (c), and where a municipality has done so, subsection (3) does not apply to a premises to the extent the variation in the land use bylaw is applicable to it.

**(6)** On application by a municipality that has not by bylaw varied a distance set by subsection (3), the board may, in writing, if the board considers it appropriate to do so, vary the distance set by that subsection and set a different distance that is applicable to one or more of the types of properties referred to in subsection (3)(a) to (c) in relation to a specified premises that is the subject of a cannabis licence application.

**(7)** Where the board has issued a variance under subsection (6), subsection (3)

- (a) does not apply to the specified premises to the extent the variance is applicable to it, and
- (b) for greater certainty, does not operate to bar the issuance of a development permit under the *Municipal Government Act* in respect of the premises.

**Restriction on issuance of licences**

**106** Before issuing a licence the board must be satisfied that its issuance will not result in more than 15% of the total number of issued cannabis licences being held by

- (a) one person, or
- (b) a group of persons in circumstances where, in the opinion of the board, more than 15% of the total number of issued cannabis licences are or would likely be subject to common control in any material respect.

**Division 2  
Registration**

**Authority of registered representatives**

**107** A person who is registered as a representative of a cannabis supplier is authorized to act as a representative of that supplier in the sale of the supplier's cannabis.

**Representation**

**108(1)** No person may be registered as a representative of a cannabis supplier unless the board is satisfied that the cannabis supplier has agreed to the person representing them.

**Division 3  
General**

**Licence conditions**

**109(1)** For the purposes of section 90.07(5)(a) of the Act, a cannabis licensee must, in accordance with the terms of the licence,

- (a) maintain a system that tracks cannabis inventory perpetually and that
  - (i) includes a point-of-sale tracking system,
  - (ii) enables the tracking of cannabis inventory both by product and by lot number, and
  - (iii) is backed up weekly, with backup data being stored in a secure manner,

- (b) perform full inventory counts of cannabis and report any variations identified during the inventory count to the Commission within 10 business days of the inventory,
- (c) identify any outdated, recalled, damaged, deteriorated, mislabelled or adulterated cannabis and keep it separate from other cannabis inventory until it has been disposed of in accordance with the terms of the licence, and
- (d) keep records of all inventory counts and sales and supporting documentation for at least 6 years and keep the records and supporting documentation for the 2 most recent years on the licensed premises.

**(2)** For the purposes of section 90.07(5)(b) of the Act, a cannabis licensee must, in accordance with the terms of the licence,

- (a) secure the perimeter of the licensed premises in a manner that prevents unauthorized access,
- (b) use a camera system to record activity inside the premises and at all points of entry,
- (c) use a monitored alarm system that detects unauthorized attempts to enter the licensed premises, unauthorized movements within the premises and any attempts to tamper with the alarm system,
- (d) ensure that any cannabis and cannabis accessories displayed during hours of operation of the licensed premises are displayed in a locked showcase accessible only by authorized employees of the cannabis licensee,
- (e) ensure that any cannabis removed from display for viewing or sale is in sealed packaging or an approved display container in accordance with the policies of the board,
- (f) ensure that any cannabis and cannabis accessories not displayed in accordance with clause (d) are stored in a locked storeroom accessible only by authorized employees of the cannabis licensee, and
- (g) ensure that after the hours of operation of the licensed premises all cannabis is stored in a locked storeroom

accessible only by authorized employees of the cannabis licensee.

**Term of licence or registration**

**110(1)** The term of a cannabis licence or a registration referred to in this Part is one year or 2 years, as specified in the licence or registration, unless subsection (2) applies.

**(2)** The board may issue a licence to an applicant or register an applicant for a term other than one or 2 years, where the board considers it appropriate.

**(3)** A person who holds a cannabis licence having a term of more than one year or who is registered under this Part for a term of more than one year must pay by the date specified by the board an additional fee for the portion of the term that exceeds one year.

**Automatic cancellation on sale, assignment or transfer**

**111(1)** Neither the holder of a cannabis licence nor a person registered under this Part may sell, assign or transfer the licence or registration.

**(2)** If the holder of a cannabis licence or a person registered under this Part sells, assigns or transfers the licence or registration, the licence or registration is cancelled.

**Automatic cancellation on change in control**

**112** Where

- (a) there is a sale, assignment or transfer of a portion of the business under which the activities authorized by a cannabis licence or a registration under this Part are carried out, and
- (b) the sale, assignment or transfer results in a change in control of the business,

the licence or registration is cancelled.

**Change in ownership but not control**

**113(1)** A proposed sale, assignment or transfer of a portion of a business

- (a) that is a sole proprietorship, a partnership or a corporation that is not a distributing corporation as defined in the *Business Corporations Act*, and

- (b) under which the activities authorized by a cannabis licence or a registration under this Part are carried out

must be reported to the Commission by the licensee or registrant and must be approved by the board prior to the effective date of the sale, assignment or transfer.

- (2) A sale, assignment or transfer of 5% or more of a business

- (a) that is a distributing corporation as defined in the *Business Corporations Act*, and

- (b) under which the activities authorized by a cannabis licence or a registration under this Part are carried out

must be reported to the Commission by the licensee or registrant within 10 business days after the effective date of the sale, assignment or transfer and must be approved by the board.

- (3) The board may, in respect of a sale, assignment or transfer requiring its approval under this section,

- (a) approve it without conditions,
- (b) approve it subject to conditions,
- (c) approve it subject to the variation or rescission of existing conditions, or
- (d) refuse to approve it.

- (4) Where the board refuses to approve a sale, assignment or transfer under subsection (3)(d) after the effective date of the sale, assignment or transfer, the board may treat the licensee or registrant as ineligible to hold a licence or to be registered and make a decision under section 92 of the Act.

#### **Change in financial interest**

**114** Where, after a cannabis licence is issued, the licensee intends that a person acquire a financial interest in the licensee, in the licensee's business or in the premises to which the licence relates, in a manner other than by way of a sale, assignment or transfer, the licensee must report the financial interest to the Commission within 10 business days of the interest being acquired.

### **Licence cancellation on dispossession of business**

**115(1)** If a cannabis licensee, through bankruptcy or operation of law, becomes dispossessed of the business under which the activities authorized by the licence are carried out, the licence is cancelled.

**(2)** If subsection (1) applies, the board may issue a temporary licence to a person to carry on the activities authorized by the cancelled licence, subject to any conditions set out in the temporary licence.

**(3)** A temporary licence is valid for 3 months or until the cancelled licence would have expired if subsection (1) did not apply, whichever is later.

**(4)** A person who holds a temporary licence may, while the temporary licence is in force, apply for a new licence.

**(5)** A person who holds a temporary licence may apply to the Commission for permission to sell the person's cannabis inventory back to the Commission.

### **Death of licensee**

**116(1)** When a cannabis licensee who is an individual dies, the licence continues in force until the expiry date of the licence unless it is suspended or cancelled earlier.

**(2)** While the licence is in force, the licensee is

- (a) a person specified by the board, or
- (b) the trustee, executor or administrator who is entitled to administer the estate of the deceased if the board does not specify a person.

## **Division 4 Prohibited Relationships**

### **Definition of cannabis representative**

**117** In this Division, “cannabis representative” means a person who is required to be registered under section 90.13 of the Act.

### **Cannabis suppliers**

**118(1)** No cannabis supplier or officer, director or employee of a cannabis supplier and no cannabis representative may directly or indirectly make or offer to make a loan or advance or give or offer to give money, a rebate, a concession or any thing of value to a

cannabis licensee, to an employee or agent of that licensee or to a cannabis representative.

(2) Subsection (1) does not apply where

- (a) the cannabis supplier has a financial interest in the cannabis licensee as its subsidiary and the loan, money or other thing is given or offered in the normal course of financing the subsidiary, and
- (b) each corporation is operated as a separate business in accordance with section 90.09 of the Act and section 128.

### **Cannabis licensees**

**119(1)** No cannabis licensee may buy, receive as a gift, rent or borrow any furniture, furnishings, storage equipment, fixtures, decorations, signs, supplies or other equipment from a cannabis supplier or a cannabis representative.

(2) No cannabis licensee or employee or agent of a cannabis licensee and no cannabis representative may

- (a) directly or indirectly borrow or receive as a gift from any cannabis supplier or cannabis representative money, an advance of money or any thing of value, or
- (b) request or accept a rebate or concession from a cannabis supplier or a cannabis representative.

(3) Subsection (2)(a) does not apply where

- (a) the cannabis supplier is a corporation that has a financial interest in the cannabis licensee as its subsidiary and the loan, money or other thing is given or offered in the normal course of financing the subsidiary, and
- (b) each corporation is operated as a separate business in accordance with section 90.09 of the Act and section 128.

### **Other business operations**

**120** A licensee who holds a cannabis store licence and who operates or is involved in another business may not

- (a) offer discounts on purchases in one business based on purchases in the other business, or

- (b) operate a customer loyalty program in one business which recognizes purchases made in the other business.

## **Division 5 Miscellaneous**

### **Hours of cannabis sale**

**121(1)** Subject to any bylaws referred to in subsection (2) and any conditions affecting the licence, a cannabis licensee may sell cannabis in the licensed premises only during the hours specified in Part 2 of Schedule 3.

(2) A municipality may pass bylaws reducing the hours of sale specified in Part 2 of Schedule 3 and where a municipality has done so, the reduced hours apply to all licensed premises in the municipality.

### **Posting of licences**

**122** A cannabis licensee must post in a prominent place in the licensed premises

- (a) the cannabis licence, and
- (b) any document or information that the board or Commission requires to be posted.

### **No use of cannabis in licensed premises**

**123(1)** No person may smoke, vape or otherwise use cannabis in licensed premises.

(2) No cannabis licensee may permit any person to smoke, vape or otherwise use cannabis in the licensed premises.

### **Minimum price of cannabis**

**124(1)** The board may set the minimum price at which cannabis, or a class of cannabis, may be sold by a cannabis licensee.

(2) Where the board sets a minimum price for cannabis or a class of cannabis, no person may sell cannabis at a price lower than the minimum set by the board.

### **Maximum amount of cannabis**

**125(1)** In this section, “dried cannabis” has the same meaning as in the *Cannabis Act* (Canada).

(2) No cannabis licensee or department or agency designated under section 90.08(2)(a) of the Act may sell or provide, in a single transaction, cannabis of any class listed in column 1 of Schedule 3

to the *Cannabis Act* (Canada) in an amount that, when determined in accordance with that Schedule, exceeds the equivalent of 30 grams of dried cannabis.

**Qualifications, conditions and training requirements  
for employees of cannabis licensees**

**126(1)** A cannabis licensee may not employ any person to sell cannabis or to assist the licensee in the conduct or management of a licensed activity unless the person

- (a) is an adult,
- (b) has successfully completed the training requirements set by the Commission, and
- (c) has passed a records check to the satisfaction of the board.

**(2)** For the purposes of subsection (1)(c), a person does not pass a records check if the person

- (a) has at any time been charged with or convicted of
  - (i) an offence under the *Criminal Code* (Canada), the *Excise Act* (Canada) or the *Food and Drug Act* (Canada),
  - (ii) an offence under the *Controlled Drugs and Substances Act* (Canada), other than under section 4(1) of that Act for possession of any substance included in Schedule II to that Act, or
  - (iii) an offence under a foreign Act or regulation that, in the opinion of the board, is substantially similar to an offence referred to in subclause (i) or (ii)

and, in the opinion of the board, the offence is sufficiently serious that it may detract from the orderly or lawful conduct of activities authorized by a cannabis licence,

- (b) has, within the 5 years prior to being employed by the cannabis licensee, been serving a term of imprisonment of 3 years or more, or
- (c) in the opinion of the board, has committed any act that is contrary to the public interest or that detracts from the integrity with which cannabis-related activities are to be conducted in Alberta.

(3) The board may set training requirements for current or prospective employees of cannabis licensees or for any class of such employees.

**Fees and deposits re background checks**

**127(1)** This section applies in respect of the following:

- (a) cannabis licences;
- (b) registrations that authorize a person to act as the representative of a cannabis supplier in the sale of the supplier's cannabis.

(2) An applicant for a licence or registration referred to in subsection (1) must pay a fee for background checks conducted by the Commission in respect of the applicant, the applicant's employees and associates and persons with connections to the applicant.

(3) An applicant for a licence or registration referred to in subsection (1) must submit to the Commission with the application a deposit in the amount determined by the board to be used to pay the fee for background checks.

(4) The holder of a licence or registration referred to in subsection (1) must pay a fee for background checks conducted by the Commission, if any, during the term of the licence or registration in respect of the licensee or registrant, the employees and associates of the licensee or registrant and persons with connections to the licensee or registrant.

(5) If required by the Commission, the holder of a licence or registration referred to in subsection (1) must submit to the Commission a deposit in the amount determined by the board to be used to pay the fee for background checks.

(6) If a deposit has been submitted that exceeds the fee for background checks, the Commission must refund the surplus.

(7) The fee payable for a background check is the actual cost of conducting the background check.

**Separate business**

**128** For the purposes of section 90.09(1)(a) and (2) of the Act, a business under which activities authorized by a cannabis licence

are carried out is to be considered separate from another business of the applicant if

- (a) the business under which the licensed activities are carried out is operated by a corporation that does not operate the other business,
- (b) no person who operates the business has any employee who is also employed by the other business, unless each business treats the employee as its own employee for the purposes of payroll and the reporting, remittance of source deductions and other requirements under the *Income Tax Act* (Canada),
- (c) each of the businesses maintains separate financial records from the other and from any other business of the applicant,
- (d) the licensed premises from which the business is operated complies with Part 2 of Schedule 2 in respect of any licensed premises from which the other business is operated, and
- (e) each of the businesses meets the other criteria, if any, established by the board for the purposes of this section.

**Prescribed distance for no smoking areas**

**129** No person may smoke or vape cannabis within 5 metres of an area or place listed in section 90.28(c)(i) to (vi) of the Act.

**Warehouse**

**130(1)** The board may authorize the storage of cannabis in a warehouse subject to any conditions established by the board.

**(2)** Cannabis stored in a warehouse under subsection (1) may be distributed from that warehouse in accordance with conditions established by the board.

**14 Schedule 1 is amended by adding the following after section 11:**

<b>12</b>	Application for cannabis store licence	\$400
<b>13</b>	Cannabis store licence	\$700

- 14** Cannabis representative registration \$200

**15 Schedule 2 is amended**

- (a) by striking out the following:

**Conditions Governing Retail Liquor Store Premises**

and substituting the following:

**Part 1**

**Conditions Governing Retail Liquor Store Premises**

- (b) in sections 1 and 2 by striking out “this Schedule” and substituting “this Part”;

- (c) by adding the following after section 6:

**Part 2**

**Conditions Governing Cannabis Store Premises**

**7** In this Part,

- (a) “building envelope” means the outer perimeter of the building in which an existing business is located and includes space rented, leased, subleased, sold or otherwise provided to others in the same building;
- (b) “existing business” means a retail, wholesale or similar business owned or operated by an applicant for a cannabis store licence at the time of the application and includes any other business located in the same building envelope that is associated with or owned or controlled in whole or in part by the applicant.

**8** A cannabis store

- (a) must be in premises that meet the conditions of this Part,
- (b) must be located in a permanent facility
- (i) that is a freestanding building that does not contain another business, or
- (ii) that is in a building in which there are other businesses,

and

- (c) if it is in a building envelope where there are other businesses, the cannabis store must
- (i) have its own entrance and exit separate from the exit and entrance for any other business,
- (ii) have a common wall between the area to be occupied by the cannabis store and the area occupied by or to

be occupied by any other business that is a solid floor to ceiling wall constructed of materials other than glass or transparent materials,

- (iii) have its own receiving and storage area separate from any other business,
- (iv) not have any point-of-sale checkouts that are also used for another business, and
- (v) have signage at each point of entry prohibiting minors from entering.

**9** There may not be any access

- (a) between the public areas of a cannabis store premises and the receiving, storage or public areas of another business premises, or
- (b) between the receiving or storage areas of a cannabis store premises and the receiving, storage or public areas of another business premises.

**16 Schedule 3 is amended**

- (a) **by striking out the following:**

**Maximum Hours that Liquor may be Sold or Provided**

**and substituting the following:**

**Part 1**

**Maximum Hours that Liquor may be Sold or Provided**

- (b) **by adding the following after section 4:**

**Part 2**

**Maximum Hours that Cannabis may be Sold**

Cannabis Licence	Hours
<b>5</b> Cannabis store licence	10:00 a.m. - 2:00 a.m.

**17(1) The following provisions of the following Regulations are amended by striking out “Gaming and Liquor Act” wherever it occurs and substituting “Gaming, Liquor and Cannabis Act”:**

<b>Regulation</b>	<b>Provision</b>
Beverage Container Recycling Regulation (AR 101/97)	section 1(1)(j)
Exemption Regulation (AR 125/99)	section 2(c.1)
Food Regulation (AR 31/2006)	section 2(2)(i)

Justice of the Peace Regulation (AR 6/99)	section 3(1)(h) and (ee)
Procedures Regulation (AR 63/2017)	section 2(g) and Parts 12 and 13 of the Schedule

**18 The following provisions of the following Regulations are amended by striking out “*Gaming and Liquor Regulation*” wherever it occurs and substituting “*Gaming, Liquor and Cannabis Regulation*”:**

<b>Regulation</b>	<b>Provision</b>
Exemption Regulation (AR 125/99)	section 5(a)
Justice of the Peace Regulation (AR 6/99)	section 3(1)(ee)
Procedures Regulation (AR 63/2017)	Part 13 of the Schedule

**19 This Regulation comes into force on the coming into force of section 27 of *An Act to Control and Regulate Cannabis*.**