



## British Columbia's Framework for Private Cannabis Retail

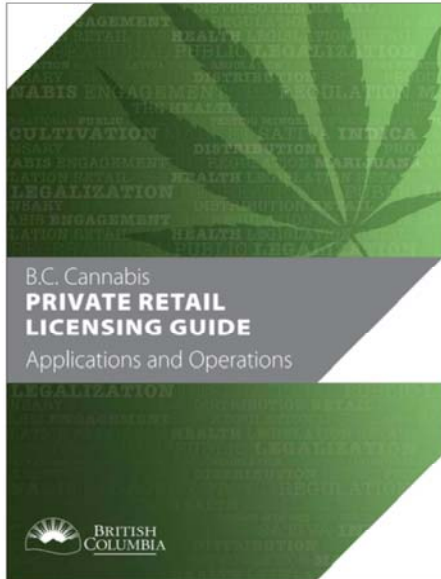
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On February 5, 2018, British Columbia's provincial government announced its framework for the distribution and sale of recreational cannabis.

The Province is the first in the country that will implement both public and privately-run retail. In either case, the distribution of recreational cannabis will be government-run and will be done exclusively by the Liquor Distribution Branch (the "LDB"). The Province's Liquor Control and Licensing Branch (the "LCLB") will be responsible for licensing and monitoring the private retail stores.

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With respect to private retail, the Province announced that it will launch an online application portal for those who are interested in applying for “non-medical cannabis retail licenses” in the spring. There will be two types of retail licenses: one type for self-contained cannabis stores and another for stores in rural communities.



The Province released its **Private Retail Licensing Guide**, which provides a comprehensive scheme for budding private cannabis retailers in the Province. Of note, having operated an illegal dispensary prior to legalization will not, on its own, exclude applicants from being considered for licenses, nor will having a record of criminal activity.

There will be no cap on the number of licenses issued at the Provincial level, although local governments will have an opportunity to either prohibit retail cannabis stores or to cap the number of stores within their jurisdiction. Local governments will have similar control over the locations of cannabis retail outlets.

The LCLB will implement certain restrictions to ensure diversity in the market and to avoid monopolization by certain licensed producers. Among these restrictions, private cannabis retailers with a close association to licensed producers will be prohibited from selling any of that LP’s product. Private retail owners will not be permitted to accept or request any inducements from federally licensed producers. Retailers will not be permitted to obtain cannabis for sale from anyone but the LDB.



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## **If you are planning to apply for a non-medical cannabis retail license, there are a number of things you should be aware of:**

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### **Where can my store be located?**

While the Province will not impose distance requirements for retailers, local municipal governments may.

### **What can I name my store?**

All store names will require LCLB approval. Names must not be misleading and words like “pharmacy”, “apothecary” and “dispensary” will be prohibited from use as a result of their medical connotation. Considerations for names must also pay mind to the federal Cannabis Act and its proposed regulations.

### **Will I need the local government’s support?**

Yes - the Province will only issue licenses if applicants have the support of local governments from the community where the proposed store will be located. The support of local governments requires public consultation and council resolutions. Although the application is still in the process of being developed by the Province, local governments and the Union of B.C. Municipalities, it is important to be proactive in ramping up support.

### **What considerations are there for design and construction of the storefront?**

The storefronts will be required to be self-contained businesses. There must not be any co-location with pharmaceuticals or liquor. Pursuant to the federal Cannabis Act, cannabis products must not be visible from outside the store. The Province is encouraging security but has not yet released specific requirements in that regard.

### **Who can purchase cannabis from my store?**

Only those at or above the minimum age of 19 may purchase cannabis. The combined total amount of cannabis per transaction per customer will be set at 30 grams, which is in line with the federal Cannabis Act’s limit on public possession. Certain practical measures must be taken to comply with these limits, in addition to the Province’s rule that minors, even those accompanied with their parents or guardians, must not enter the retail store.

### **What and how will I be able to sell recreational cannabis?**

Retailers will obtain cannabis from the LDB, who will source products from federally licensed producers. Retailers will only be permitted to sell dried cannabis, cannabis oils and seeds and cannabis accessories. Until they are permitted at a federal level, edibles will not be legal to sell. Tobacco, liquor and non-cannabis related items, including snacks, will also be prohibited at private retail locations. Applicants should also be mindful of the requirement of seed-to-sale tracking under the federal regulations.



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**Can I offer a space for consumption on-site?**

No – consumption on-site will be strictly prohibited. The Province has indicated that it will allow adults to use recreational cannabis in public spaces where tobacco is permitted. Use will be banned in areas frequented by children, including: community beaches, parks and playgrounds. The use of recreational cannabis will similarly be banned in vehicles. The Province will allow local governments, landlords and strata councils to restrict or prohibit recreational cannabis consumption under certain circumstances.

**Are there any special considerations for rural retail license applicants?**

Most of the considerations discussed apply to both types of licenses. However, the Province has indicated that it will introduce special provisions for retail licenses in rural areas, where standalone stores may not be feasible. The Province is considering different options for how to respond to problems associated with rural retail, including considering the use of the rural agency store model which is currently used for liquor in those regions.

