

Date: July 14, 2021

To: All LCRB staff
All Licensees
All Industry Associations
All Local Government, Indigenous Nations, and police agencies

Re: **Prescribed circumstances for extension to dormancy for Cannabis Retail Store (CRS) licences; and additional changes to the CRS Terms and Conditions Handbook, amendments to the CLR and Cannabis Control Regulation (CCR), and the repeal of Cannabis Control and Licensing Transitional Regulation (CCLTR)**

1. Prescribed circumstances for extension to dormancy for Cannabis Retail Store licences

Introduction

Under the *Cannabis Control and Licensing Act* (CCLA) and the *Cannabis Licensing Regulation* (CLR), the general manager (GM) must cancel a licence if, in the GM's opinion, a licence is dormant because a licensee has not operated the establishment for two years.

The requirement to cancel a licence that has been dormant for two years is subject to certain prescribed circumstances.

Current Regulatory Provisions

Currently, the GM is not required to cancel a licence that has been dormant for two or more years if the GM is satisfied that:

- The establishment ceased operations because the establishment was substantially damaged by fire, flood or another event beyond the licensee's control,
- As a result, the establishment required extensive renovations which commenced in the two year period and were continuous to the end of the two year period, and

- After the two year period, work on renovations is continuous to the restart of establishment operations.

New Regulatory Provisions

The CLR has been amended to recognize additional prescribed circumstances in which the GM is not required to cancel a dormant licence.

Under s. 27.1 of the CLR, the GM is not required to cancel a licence that has been dormant for a period of two years or more if the GM is satisfied that one of the prescribed circumstances apply. Please [review the CLR for the prescribed circumstances](#).

2. Additional Changes to the CRS Terms and Conditions Handbook

The CRS Terms and Conditions Handbook has been updated with the following changes:

- Changes to reflect new prescribed circumstances for extension to dormancy;
- Authority for licensees to store cannabis in secure storage areas;
- Requirement to have 24/7 video surveillance of the establishment and retain security camera footage for at least 30 days after recording;
- Creation of three new sections – “Display of Cannabis and Cannabis Accessories” “Smell and Touch Jars” and “Storage and Disposal of Cannabis Used in Smell and Touch Jars”; and
- Stipulation that licensees cannot participate in third party internet group discounts that include cannabis.

3. Amendments to the CLR and Cannabis Control Regulation (CCR) and the repeal of Cannabis Control and Licensing Transitional Regulation (CCLTR)

Introduction

As a “housekeeping” measure, regulations made under section 139 of the CCLA have been consolidated and made permanent under the *Public Safety and Solicitor General Statutes Amendment Act, 2021*. These amendments also address other matters identified during implementation of the Provincial cannabis regime. The *Public Safety and Solicitor General Statutes Amendment Act, 2021* received Royal Assent on June 17, 2021.

Explanation

As a result of the CCLA consolidations, there have been regulation amendments.

These regulatory changes include:

- Repealing sections of the CLR and CCR made under section 139 of the CCLA and consolidates them in the CCLA;
- Repealing the CCLTR; and
- Aligning sections of the CLR with new provisions of the amended CCLA.

These amendments are technical in nature and do not change the regulatory requirements or government policy with respect to cannabis regulation.

Disclaimer

This communication is intended to be used only for general informational purposes and may not apply to all situations. This communication does not constitute legal advice nor is it a comprehensive statement of the legal obligations that arise under the *Cannabis Control and Licensing Act*, regulations, or any other applicable laws. When interpreting and applying the information contained in this communication, you are encouraged to seek specific advice from your professional advisors as appropriate in the circumstances.

Further Information

Further information regarding liquor and cannabis control and licensing in British Columbia is available on the Liquor and Cannabis Regulation Branch website at <http://www.gov.bc.ca/liquorregulationandlicensing>

If you have any questions regarding these changes, please contact the Liquor and Cannabis Regulation Branch toll free in Canada at 1-866-209-2111 or 250 952-5787 if calling from the Victoria area.

Original signed by

Jillian Rousselle,
A/Assistant Deputy Minister and General Manager
Liquor and Cannabis Regulation Branch