



Article

Cannabis Law

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Manitoba Announces Expansion of Cannabis Retail Market

By Andrew J. Wilder and Vlad Mihaescu

Manitoba has announced that it will again be opening up and expanding its cannabis retail store licensing in the Province. This is the first opportunity for new potential retailers to enter the market since July 2018 when the Province issued a request for pre-qualification seeking potential retailers for new cannabis retail stores in Manitoba. At the end of that process, including the four licenses that were granted in 2017, there were 30 age-restricted licenses granted in the aggregate. Thereafter the process has been closed with no new licenses granted since.

On May 22, 2020, the Province of Manitoba announced that as of June 1, 2020, any prospective retailer may apply for a license to own and operate a cannabis retail store. This includes a new class of license called a controlled-access license whereby retailers will be able to sell cannabis within a larger retail establishment that sells other products, so long as the cannabis products are not visible. The existing age-restricted licenses, whereby people younger than 19 years of age are prohibited from entering the store, will continue to be available.

At this stage, retailers will not be allowed to own more than 15% of the age-restricted licensed stores in Manitoba. As there are currently only 30 age-restricted licensed stores in the Province, a single retailer cannot own more than 4 stores for the time being. However, as more age-restricted licenses are granted the total number of licenses will increase and the number of stores that each retailer may own will also increase proportionately.

Prior to applying for an age-restricted license or a controlled-access license, a prospective retailer must apply to enter into a cannabis store retailer agreement with Manitoba Liquor & Lotteries (“MBLL”). Each application is on a per store basis and MBLL will not process more than one application at a time, therefore retailers looking to open multiple locations should submit their applications in the order they wish to open their stores.

Some of the information MBLL will require as part of the application process includes the applicant’s business name, location, municipal approval, insurance and financial capacity. For example, applicants

looking to open a cannabis store within the City of Winnipeg should have a minimum of \$75,000-\$100,000 for initial inventory; only \$25,000-\$50,000 is required for stores outside of Winnipeg.

Once the retailer has obtained a cannabis store retailer agreement and passed the steps required by the Liquor, Gaming & Cannabis Authority of Manitoba (the authority that grants the licenses), such as background checks and store inspections, it will then receive an age-restricted license or a controlled-access license to own and operate a cannabis retail store.

Should you require assistance with the application process for a cannabis retail store, feel free to contact a member of the **Torkin Manes' Cannabis Law Group**.

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