PRINCE EDWARD ISLAND
ÎLE-DU-PRINCE-ÉDOUARD

CANNABIS MANAGEMENT CORPORATION ACT

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This document is ***not*** the official version of the Act. The Act and the amendments as printed under the authority of the King's Printer for the province should be consulted to determine the authoritative statement of the law.

For more information concerning the history of this Act, please see the ***Table of Public Acts*** on the Prince Edward Island Government web site (www.princeedwardisland.ca).

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CANNABIS MANAGEMENT CORPORATION ACT

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CANNABIS MANAGEMENT CORPORATION ACT

Chapter C-1.3

PART I - INTERPRETATION AND PURPOSES

1. Definitions

In this Act,

(a) "**Board**" means the board of directors of the Corporation;

(b) "**cannabis**" has the same meaning as in the *Cannabis Act* (Canada);

(c) "**Corporation**" means the Prince Edward Island Cannabis Management Corporation established under section 3;

(d) "**Crown**" means the Government;

(e) "**distribute**" includes administering, giving, transferring, transporting, sending, delivering, providing or otherwise making available in any manner, whether directly or indirectly, and offering to distribute;

(f) "**federal law**" means an Act of the Parliament of Canada and a regulation made pursuant to an Act of the Parliament of Canada;

(g) "**licensed producer**" means a person licensed under the *Cannabis Act* (Canada) to produce cannabis for commercial purposes;

(h) "**Minister**" means the Minister of Finance and Affordability;

(i) "**prescribed**" means prescribed by the regulations;

(j) "**sell**" includes offer for sale, expose for sale and have in possession for sale. *2018,c.20,Sch.2 - s.1; 2022,c.62,s.6, 2026,c.11,s.3.*

2. Purposes

The purposes of this Act are

(a) to establish the necessary framework for socially responsible management of the distribution and sale of cannabis and related products; and

(b) to facilitate and promote the responsible consumption of cannabis and related products in Prince Edward Island. *2018,c.20,Sch.2 - s.2.*

PART II - CANNABIS MANAGEMENT CORPORATION

3. Corporation established

(1) On the day at least three directors are appointed under section 9, a corporation without share capital is established under the name Prince Edward Island Cannabis Management Corporation.

Composition

(2) The Corporation is composed of the members of its board of directors.

Ceases to be a member of the Corporation

(3) A person ceases to be a member of the Corporation when he or she ceases to be a director.

Power to contract

(4) The corporation may contract in its corporate name without specific reference to the Crown.

Property

(5) Property acquired by the Corporation is the property of the Crown and title to the property may be vested in the name of the Crown or in the name of the Corporation. *2018,c.20,Sch.2 - s.3.*

4. Head office

(1) The head office of the Corporation is at the City of Charlottetown or another place in the Province as the Corporation may determine.

Agent of Crown

(2) The Corporation is a Crown corporation and for all purposes of this Act is an agent of the Crown and its powers may be exercised only as an agent of the Crown. *2018,c.20,Sch.2 - s.4.*

5. Exclusive rights

(1) The Corporation has the exclusive right, in Prince Edward Island,

(a) to purchase cannabis, other than medical use cannabis, from a licensed producer; and

(b) to conduct retail sales of cannabis.

Exceptions

(2) For greater certainty, subsection (1) does not apply with respect to sales of cannabis

(a) for medical purposes in accordance with applicable federal law; or

(b) to the Corporation in accordance with applicable federal law.

Sale of accessories

(3) The Corporation may sell other items, including but not limited to, lighters, storage containers and rolling papers, that are related to or used in the consumption of cannabis. *2018,c.20,Sch.2 - s.5.*

6. Objects of Corporation

(1) The Corporation's objects are

(a) to undertake, implement, organize, conduct and manage the purchase, distribution and sale of cannabis and related products;

(b) to determine the varieties, forms or types of cannabis it sells and at what prices;

(c) to engage in other activities specified in the regulations or assigned to the Corporation under this or any other Act.

Function of Corporation

(2) The Corporation has the associated function of facilitating and promoting responsible consumption of cannabis in the province. *2018,c.20,Sch.2 - s.6.*

7. Powers

(1) The Corporation,

(a) except as limited by this Act and the regulations, has the capacity, rights, powers and privileges of a natural person for carrying out its objects; and

(b) may exercise any powers conferred on a company incorporated under the *Companies Act* R.S.P.E.I. 1988, Cap. C-14, except where those powers are inconsistent with this Act.

Subsidiaries

(2) The Corporation shall not create or acquire a subsidiary.

Staff

(3) The Corporation may,

(a) subject to the *Civil Service Act* R.S.P.E.I. 1988, Cap. C-8, employ officers, clerks and other employees required for its operations; and

(b) suspend any officer, clerk or employee appointed or employed under this Act.

Limitation, acquisition of real property

(4) The Corporation shall only purchase real property

(a) that meets the criteria specified in the regulations; and

(b) with the written approval of the Minister.

Terms, conditions

(5) An approval under clause (4)(b) may be subject to any terms or conditions considered advisable by the Minister. *2018,c.20,Sch.2 - s.7.*

8. Duties of Board

(1) The Board shall manage or supervise the management of the Corporation's affairs.

Delegation

(2) The Board may delegate to a committee of the Board or to an officer or employee of the Corporation any of the Board's powers other than the power to

(a) approve the Corporation's budget, including the budget for capital expenditures and staffing;

(b) approve the Corporation's business plan, annual report and financial statements;

(c) establish committees of the Board and fill vacancies on those committees;

(d) make, amend or repeal bylaws; or

(e) do any other thing specified in the regulations.

Further delegation

(3) The Board may authorize that powers delegated to an officer or employee of the Corporation may be further delegated to an employee of the Corporation on any terms that the Board specifies. *2018,c.20,Sch.2 - s.8.*

9. Composition

(1) The Board shall consist of five members appointed by the Lieutenant Governor in Council.

Term of office

(2) A member of the Board shall be appointed for a term not to exceed three years and may be reappointed for a further term not to exceed three years.

Maximum consecutive service

(3) Subject to subsection (4), a member of the Board shall not serve for more than six consecutive years.

Holdover

(4) A member of the Board whose term has expired continues to hold office until the member is reappointed under subsection (2) or the member's successor is appointed.

Chair

(5) The Lieutenant Governor in Council shall designate one of the members of the Board as the chair of the Board.

Vice-chair

(6) The Board shall designate a vice-chair from among its members.

Vice-chair acts

(7) If the chair is absent or unable to act, or if the office of the chair is vacant, the vice-chair

(a) shall act as chair; and

(b) may exercise all the powers and authority of the chair.

Acting chair

(8) If the chair and vice-chair are absent, the members present shall appoint an acting chair from among their number.

Quorum

(9) A majority of the members of the Board constitutes a quorum.

Remuneration

(10) The members of the Board shall be paid the remuneration and reimbursed for their expenses as determined by the Lieutenant Governor in Council.

Publication

(11) The Corporation shall publish on its website the name of each member of the Board and the member's expenses. *2018,c.20,Sch.2 - s.9.*

10. Bylaws

(1) The Board may by resolution make, amend or repeal any bylaw governing its proceedings and generally for the conduct and management of the Corporation's affairs.

Financial bylaws

(2) The Board shall not make, amend or repeal a bylaw relating to borrowing, investing or managing financial risks unless the bylaw, amendment or repeal has been approved by the Minister.

Effective date of bylaws

(3) A bylaw, an amendment to a bylaw or the repeal of a bylaw is effective from

(a) in the case of a bylaw referred to in subsection (1), the date specified in the bylaw;

(b) in the case of a bylaw referred to in subsection (2), the later of the date the bylaw has received the required approval or the date specified in the bylaw; and

(c) in the case of any other bylaw, the date specified in the bylaw. *2018,c.20,Sch.2 - s.10.*

11. Chief executive officer

(1) The Lieutenant Governor in Council shall appoint a chief executive officer of the Corporation, who shall

(a) have the status of a deputy minister for the purpose of the *Civil Service Act*;

(b) supervise the administration and operations of the Corporation; and

(c) be paid the remuneration determined by the Lieutenant Governor in Council.

Service at pleasure

(2) The chief executive officer shall hold office for the term specified in the appointment.

Status as officer

(3) The chief executive officer is an officer of the Corporation and not a member of the Board.

Responsibilities

(4) The chief executive officer is responsible for the operation of the Corporation, subject to the supervision and direction of the Board, and for other functions assigned by the Board.

Non-voting attendance

(5) The chief executive officer may attend and participate at any meeting of the Board but shall not have a vote with respect to any matter to be decided at the meeting.

Exception

(6) Despite subsection (5), the Board may exclude the chief executive officer from attending any meeting if a matter to be discussed at the meeting involves the position, performance or functions and duties of the chief executive officer. *2018,c.20,Sch.2 - s.11.*

12. Agreements

(1) The Corporation may enter into written agreements with any person for the provision of services, advice, assistance, goods or other property to the Corporation.

Personal information

(2) The Corporation shall take reasonable measures to ensure that any personal information in its custody or control which may be accessed by any person in connection with an agreement

referred to in subsection (1) is not collected, used or disclosed by that person except for the purposes of the agreement or as otherwise authorized by law.

Personal information maintained separately

(3) If an agreement referred to in subsection (1) relates to information technology services or the storing of data belonging to the Corporation, the Corporation shall take reasonable measures to ensure that any of the Corporation's data that includes personal information is maintained separately from any data belonging to the person providing the services.

Interpretation, "personal information"

(4) In this section, "**personal information**" has the same meaning as in the *Freedom of Information and Protection of Privacy Act* R.S.P.E.I. 1988, Cap. F-15.01. *2018,c.20,Sch.2 - s.12.*

13. Immunity of employees and others

(1) No cause of action arises against

(a) a director, officer or employee of the Corporation as a result of any act done in good faith in the performance or intended performance of his or her duties or any alleged neglect or default in the performance in good faith of his or her duties;

(b) the Government, a Minister or an employee of the Government as a result of any act or omission of a person who is not a Minister or an employee, if the act or omission is related, directly or indirectly, to the Corporation's affairs or to the administration of this Act; or

(c) a person providing services, assistance or goods to the Corporation as a result of any act or omission of the person, if the act or omission is related, directly or indirectly, to the Corporation's affairs or to the administration of this Act.

No proceeding

(2) No proceeding, including but not limited to a proceeding for a remedy in contract, restitution, tort or trust, shall be instituted against

(a) an officer, director or employee of the Corporation by a person who has suffered any damages, injury or other loss based on or related to any cause of action described in clause (1)(a);

(b) the Government, a Minister or an employee of the Government by a person who has suffered any damages, injury or other loss based on or related to any cause of action described in clause (1)(b); or

(c) a person referred to in clause (1)(c) by a person who has suffered any damages, injury or other loss based on or related to any cause of action described in clause (1)(c).

Liability of Corporation preserved

(3) Subsections (1) and (2) do not relieve the Corporation of any liability to which it would otherwise be subject. *2018,c.20,Sch.2 - s.13.*

PART III - FINANCIAL MATTERS AND REPORTING

14. Government property

All property, real or personal, all moneys acquired, administered, possessed or received by the Corporation and all profits earned in the administration of this Act are the property of the

Crown, and all expenses, debts and liabilities incurred by the Corporation in connection with the administration of this Act shall be paid by the Corporation from the moneys received by the Corporation in the administration of this Act. *2018,c.20,Sch.2 - s.14.*

15. Audit

(1) The accounts of the Corporation shall be audited by the Auditor General or a qualified auditor appointed by the Board, and the audited statements of those accounts shall be included in the Corporation's annual report.

Appointment of auditor

(2) The Board may appoint a qualified auditor for the purposes of subsection (1).

Annual report to Minister

(3) The Corporation shall annually make to the Minister a report for the twelve months ending on March 31 in the year in which the report is made, containing

(a) a report on the Corporation's affairs during the preceding year;

(b) the Corporation's audited financial statements, including a statement of its assets and liabilities that includes a profit and loss account, and any other accounts and matters necessary to show the result of the operations of the Corporation for the year;

(c) any other information requested by the Minister.

Laying before Legislative Assembly

(4) The Minister shall lay the annual report before the Legislative Assembly if the Legislative Assembly is then sitting and, if it is not sitting, within 15 days after the opening of the next sitting. *2018,c.20,Sch.2 - s.15.*

16. Payment of expenses in administration of Act

The Corporation shall make all payments necessary for the administration of this Act, including the payment of

(a) the remuneration and expenses of the members of the Board;

(b) the salaries of the officers, directors and employees of the Corporation;

(c) all expenditures incurred by the Corporation to conduct or support initiatives and programs that promote responsible consumption of cannabis and warn of the harm caused by irresponsible consumption; and

(d) all expenditures incurred in establishing and maintaining stores and generally in the administration of this Act. *2018,c.20,Sch.2 - s.16.*

17. Net profits

The net profits of the Corporation remaining from time to time shall be paid into the Operating Fund and be appropriated to the public service of the province. *2018,c.20,Sch.2 - s.17.*

18. Purchase order

(1) Every order for the purchase of cannabis shall be authorized by the chief executive officer, and no order shall be valid or binding unless so authorized.

Delegation

(2) The chief executive officer may in writing delegate his or her authority under subsection (1) to an employee of the Corporation.

Duplicates kept

(3) A duplicate of every purchase order issued pursuant to this section shall be kept at the principal office of the Corporation.

Cancellation of order

(4) A cancellation of a purchase order shall be executed in the same manner as its authorization and a duplicate of the cancellation shall be kept as specified in subsection (3). *2018,c.20,Sch.2 - s.18.*

19. Other reports

The Corporation shall promptly give the Minister any other reports and information that the Minister may request. *2018,c.20,Sch.2 - s.19.*

Restriction on Operations

20. Restrictions on corporate operations

The Corporation

(a) shall not sell cannabis unless the cannabis has been produced by a licensed producer;

(b) shall not sell cannabis to a person under 19 years of age;

(c) shall keep appropriate records, in accordance with the regulations, respecting its activities in relation to cannabis that it possesses and sells; and

(d) shall take adequate measures, in accordance with the regulations, to reduce the risk of cannabis under its control being diverted to an illicit market or activity. *2018,c.20,Sch.2 - s.20.*

Regulations

21. Regulations

The Lieutenant Governor in Council may make regulations

(a) respecting anything that, under this Act, may or is required to be prescribed, specified, done or provided for by regulation;

(b) governing the sale of cannabis, including the operation of stores and online sales;

(c) governing information to be provided or disseminated by the Corporation and the manner of providing or disseminating it;

(d) governing records to be kept by the Corporation;

(e) specifying the measures to be taken by the Corporation to reduce the risk that cannabis under its control may be diverted to an illicit market or activity, and prescribing those measures;

(f) respecting acceptable forms of identification to be provided by purchasers;

(g) defining words or terms used but not defined in this Act;

(h) generally as the Lieutenant Governor in Council considers necessary for the administration of this Act. *2018,c.20,Sch.2 - s.21.*

Transitional Provisions

22. Dissolution of 102173 P.E.I. Inc.

(1) Despite any provision of the *Companies Act* R.S.P.E.I. 1988, Cap. C-14, the body corporate incorporated under the *Companies Act* on December 28, 2017, under the name 102173 P.E.I. Inc. is dissolved.

Revocation of appointment

(2) The appointment of a person as chief executive officer of 102173 P.E.I. Inc. is revoked.

Revocation - board of directors

(3) The appointments of persons as president, secretary and members of the board of directors of 102173 P.E.I. Inc. are revoked.

No action lies

(4) No action, application or other proceeding lies or shall be instituted against the Corporation, the Minister or the Crown as a result of

(a) the dissolution of 102173 P.E.I. Inc.;

(b) the revocation of the appointment of the chief executive officer; or

(c) the revocation of the appointments of the president, secretary and other members of the board of directors.

References to numbered company

(5) A reference to 102173 P.E.I. Inc. in an Act, other than this Act, or in a regulation, rule, order, bylaw, contract, agreement, arrangement or other instrument shall be read as, unless the context requires otherwise, a reference to the Corporation. *2018,c.20,Sch.2 - s.22.*

23. Contract, agreement or arrangement

(1) Subject to subsection (2), a contract, agreement or arrangement entered into by 102173 P.E.I. Inc. continues to be valid and effective.

Further contracts

(2) In accordance with section 6 of this Act, the Corporation may enter into further contracts, agreements or arrangements with respect to contracts, agreements or arrangements entered into by 102173 P.E.I. Inc. before the commencement of this section. *2018,c.20,Sch.2 - s.23.*

24. Bylaws revoked

Any bylaws made by the board of directors of 102173 P.E.I. Inc. are revoked. *2018,c.20,Sch.2 - s.24.*

25. Books, records, etc.

The books, records, documents and files of 102173 P.E.I. Inc. become the books, records, documents and files of the Corporation. *2018,c.20,Sch.2 - s.25.*

26. Transfer and vesting of property

(1) On the commencement of this section,

(a) the property of 102173 P.E.I. Inc. becomes the property of the Corporation; and

(b) the claims, rights, liabilities, obligations and privileges of 102173 P.E.I. Inc. are transferred to and become vested in the Corporation.

Citation of authority

(2) On the commencement of this section, in any document dealing with property transferred to and vested in the Corporation under clause (1)(a) or a claim, right, liability, obligation or privilege transferred to and vested in the Corporation under clause (1)(b), it is sufficient to cite this Act as effecting the transfer to and vesting in the Corporation of the property, claim, right, liability, obligation or privilege. *2018,c.20,Sch.2 - s.26.*

27. Legal proceedings

(1) On the commencement of this section,

(a) subject to clause (b), an existing cause of action or claim by or against 102173 P.E.I. Inc. is unaffected;

(b) an action, application or other proceeding pending by or against 102173 P.E.I. Inc. may be continued by or against the Corporation; and

(c) a ruling, order or judgment in favour of or against 102173 P.E.I. Inc. may be enforced by or against the Corporation.

Action by Corporation

(2) On the commencement of this section, the Corporation may bring or maintain in its name any action, application or other proceeding or exercise any power, right or remedy that 102173 P.E.I. Inc. was, could have been or could have become entitled to bring, maintain or exercise on or before the commencement of this section. *2018,c.20,Sch.2 - s.27.*

28. Protection from liability

No cause of action arises against, and no proceeding, including but not limited to a proceeding for a remedy in contract, restitution, tort or trust, shall be instituted against the former chief executive officer, president, secretary or members of the board of directors of 102173 P.E.I. Inc. or a person acting under the authority of any of them as a result of an act done in good faith in the performance or intended performance of his or her duties or an alleged neglect or default in the performance in good faith of those duties. *2018,c.20,Sch.2 - s.28.*

29. Indemnity

The former chief executive officer, president, secretary or members of the board of directors of 102173 P.E.I. Inc., or a person acting under the authority of any of them, is not personally liable for any loss or damage suffered by any person by reason of any act done in good faith in the performance or intended performance of his or her duties or an alleged neglect or default in the performance in good faith of those duties. *2018,c.20,Sch.2 - s.29.*

30. Transmission of title to personal property

Despite any other Act, for the purpose of a document required to be registered under the *Personal Property Security Act* R.S.P.E.I. 1988, Cap. P-3.1, it shall be sufficient in order to show the transmission of title in respect of any personal property or interest in personal

property vested in or intended to be vested in the Corporation under subsection 26(1) if the instrument affecting the property or interest cites this Act. *2018,c.20,Sch.2 - s.30.*

Consequential Amendments

31. Financial Administration Act

(1) The *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9, is amended by this section.

(2) Schedule B to the Act is amended by the addition of the words "Prince Edward Island Cannabis Management Corporation**" after the words "**Prince Edward Island Agricultural Insurance Corporation**".**

32. Liquor Control Act

(1) The *Liquor Control Act* R.S.P.E.I. 1988, Cap. L-14, is amended by this section.

(2) Section 1 of the Act is amended by the addition of the following after clause (c):

(c.1) "**Corporation**" means the Prince Edward Island Cannabis Management Corporation established under section 3 of the *Cannabis Management Corporation Act* R.S.P.E.I. 1988, Cap. C-1.3;

(3) Section 7 of the Act is amended

(a) in clause (m), by the deletion of the period and the substitution of a semicolon; and

(b) by adding the following after clause (m):

(n) to provide advice and assistance, and to enter into agreements, to support the operations of the Corporation, at the request of the Corporation;

(o) to provide services, advice, assistance, goods and other property to the Corporation at the request of the Corporation.

(4) The Act is amended by adding the following after section 7:

7.1 Additional functions, etc. of Commission

(1) The Commission has the following functions, duties and powers in relation to the Corporation:

(a) to enter into written agreements with the Corporation, at the request of the Corporation, providing that the Commission, or any of its officers or employees, shall provide services, advice, assistance, goods or other property to the Corporation;

(b) to take reasonable measures to ensure that any personal information in the custody or control of the Corporation which may be accessed by an officer or employee of the Commission in connection with an agreement referred to in clause (a) is not collected, used or disclosed by the Commission except in accordance with the agreement or as otherwise authorized by law;

(c) to ensure that any costs incurred for the benefit of both the Commission and the Corporation pursuant to an agreement referred to in clause (a) are apportioned appropriately.

Interpretation, "personal information"

(2) In this section, "**personal information**" has the same meaning as in the *Freedom of Information and Protection of Privacy Act*.

Commencement

33. Commencement

(1) Subject to subsection (2), this Act or any provision of this Act comes into force on a date to be fixed by proclamation of the Lieutenant Governor in Council.

Priority

(2) No provision of this Act shall be proclaimed before the day that Bill C-45, introduced in the first session of the forty-second Parliament and entitled *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, receives Royal Assent.