



Marijuana Bill C-45 Gets the Green Light From the Senate!

Description

Cannabis legislation overcame its last big hurdle on Thursday, as the Senate voted in favour of passing the Cannabis Act. Shortly after 9 p.m. EST, the bill was put to a vote, where it won by nearly a two-to-one margin with 56 votes in favour and only 30 being opposed to the legislation. Senators had spent months analyzing and studying the bill and passed it after making dozens of changes.

What's next?

Although getting through the Senate is a big hurdle out of the way, the law isn't passed just yet. Since the Senate made over 40 changes to the bill, it will return to the House of Commons for another review to ensure that both sides are in sync and have approved the latest versions.

If the House disagrees with any of the modifications, then we could see a battle over semantics that will need to be sorted out and agreed upon before the bill can become law. While investors shouldn't underestimate the government's ability to complicate relatively minor issues, the hardest part is over, and legalization at this point is a near certainty, and it'll only be a matter of time before the bill becomes law.

Once both the Senate and House agree on the details, then it will receive Royal Assent, which can be given by the governor general and is only a formality.

When will we see pot sold?

The government estimates that it could take anywhere from two to three months after the legislation to be passed before provinces are ready to start selling marijuana. However, this will vary from one province to the next, and it's really a logistical issue as far as getting everything in place to be ready to sell and distribute pot.

What does this mean for the industry?

Pot stocks have been soaring, because the expectation was that we'd see marijuana legalized this year, so it won't come as a big surprise to the industry when it inevitably happens. It's more of a

checkbox for cannabis companies and a sign that their sales can now be expanded into recreational markets. This isn't as if a company reported a great earnings and beat expectations, but instead that expectations for the industry were simply met.

Does this mean pot stocks are a good buy today?

While there is still a lot of upside left for the industry, as growth could be significant, the problem is, pot stocks have already [risen so much](#) in the past year. **Canopy Growth Corp.** ([TSX:WEED](#))(NYSE:CGC) is up more than 400% in the past year, and after [listing](#) on the NYSE the stock could have even more upside. However, at a price-to-sales ratio of around 100, investors will be paying a big premium for the stock.

Aphria Inc. (TSX:APH) might have more upside if only because the stock has seen heavy declines this year with its share price dropping more than 30% year to date.

Both of these stocks could be good buys for very different reasons, but investors should be aware of the risks involved, as both are still very expensive.

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