PURPOSE

All local governments must determine what changes are needed to ensure an effective response to cannabis legalization. In managing this major legal and social change, municipalities are guided by the specific objectives of Bill C-45, which include:

- preventing youth from accessing cannabis;
- providing for controlled access to cannabis by adults;
- providing for strict regulation and oversight; and
- ensuring appropriate criminal penalties for those acting outside the legal framework.

This report seeks to deepen understanding of the legal, regulatory, and community landscape before cannabis legalization and to provide the steps that need to be taken by the City.

ANTICIPATED OUTCOMES

Direct staff to develop an implementation plan for non-medical cannabis which includes a public engagement to clarify Council’s direction for regulating cannabis. This will help the City and its residents prepare for the legalization.

SUMMARY/BACKGROUND

On April 13, 2017, the federal government tabled two bills to legalize and regulate cannabis in Canada:

- Bill C-45, An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts (the “Cannabis Act”).
- Bill C-46, An Act to amend the Criminal Code (offenses relating to conveyances) and to make consequential amendments to other Acts.

With a planned Summer 2018 adoption date, the Cannabis Act creates a regulatory framework for

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the production, distribution, sale, cultivation, and possession of cannabis across Canada. Bill C-46 addresses offenses relating to cannabis trafficking and focuses on strengthening impaired-driving measures.²

There are several key provisions within Bill C-45 that will help provinces, territories and local governments monitor and enforce the legislation. In BC, the province determined it will allow personal cultivation and some public consumption of vaped and smoked cannabis, and outlined a model for retail sales through a mix of public and private stores. Municipalities will oversee retail locations and rules, land use and zoning. They will also support the federal and provincial governments on public education initiatives and the enforcement of rules and regulations. This will include enforcing laws and regulations such as:

- New impaired driving laws
- New fire and building regulations
- Prohibitions on selling cannabis to minors
- Rules on the consumption of cannabis in public
- Rules on personal cultivation of cannabis³

Federal responsibilities (information taken from⁴):
Under the Cannabis Act, the federal government is responsible for establishing and maintaining a comprehensive and consistent national framework for regulating the production of cannabis. This also includes setting standards for health and safety and establishing criminal prohibitions. Under the Cannabis Act, the federal government is specifically responsible for:

- Individual adult possession of cannabis, including determining the maximum allowable cannabis possession and home cultivation quantities.
- Promotions and advertising, including regulating how cannabis or cannabis accessories can be promoted, packaged, labeled and displayed.
- Licensing commercial cannabis production.
- Industry-wide regulations on the quantities, potency, and ingredients in the types of products that will be allowed for sale.
- Registration and tracking of cannabis from seed to sale.
- Minimum conditions for provincial/territorial distribution and retail sale; and allowing for the federal government to license distribution and sale in any province/territory that does not enact such legislation.
- Law enforcement at the border.
- Criminal penalties for those operating outside the legal system.

Provincial and territorial responsibilities (information taken from⁵):
Under the proposed federal legislation, the provinces and territories are authorized to license and oversee the distribution and sale of cannabis, subject to minimum federal conditions. Some of these minimum conditions are that cannabis, including cannabis accessories and other products, may only be sold if it:

² Municipal Guide to Cannabis Legalization A roadmap for Canadian local governments – Federation of Canadian Municipalities
³ Cannabis Legalization - An Evolving Framework For B.C. Municipalities
⁴ Municipal Guide to Cannabis Legalization A roadmap for Canadian local governments – Federation of Canadian Municipalities
⁵ Municipal Guide to Cannabis Legalization A roadmap for Canadian local governments – Federation of Canadian Municipalities
• qualifies as fresh cannabis, cannabis oil, cannabis plants or seeds;
• does not have an appearance, shape or attribute that could be appealing to a young person;
• does not contain ingredients such as caffeine, alcohol, or nicotine; and
• has not been recalled.

Edibles, or foods such as candy and baked goods that have been infused with cannabis, are not currently authorized under the proposed federal regime. These additional forms of cannabis may be authorized and regulated in the future.

All retailers must be authorized to sell cannabis under the proposed Federal Act, or by provincial legislation that meets the minimum federal conditions on retail sale. These minimum conditions state that an authorized retailer can only sell cannabis produced by a federally authorized producer and be sold:
• to a person older than 18;
• with appropriate record-keeping measures in place;
• under conditions to prevent diversion to an illegal market or activity; and
• not through a self-service display or vending machine.

The table below provides more detail on the specific areas of federal, provincial and territorial, and municipal jurisdictional responsibilities. This has been taken from the Municipal Guide to Cannabis Legalization A roadmap for Canadian local governments – Federation of Canadian Municipalities Report:

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<td>Municipal cost considerations related to local policing</td>
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The regulation of non-medical cannabis (NMC) operations set by the Province of B.C.\(^6\):

Retail Regulations:
- British Columbians of legal age will be able to purchase non-medical cannabis through privately run retail stores or government-operated retail stores and government online sales. B.C.’s Liquor Distribution Branch (LDB) will operate a new standalone network of public retail stores and the Liquor Control and Licensing Branch (LCLB) will be responsible for licensing private stores and monitoring the retail sector.
- B.C. will not cap the number of retail licenses available, licenses will not be issued without the support of local governments, which will have the authority to make local decisions, based on the needs of their communities.
- NMC retail can only operate as a self-contained business unable to combine with existing liquor or tobacco.
- Minors are not allowed to enter an NMC retail store (rural stores may be exempt).
- The stores can be open from 9 am to 11 pm, unless the local government implements additional regulations.
- Local governments may implement their additional security requirement.
- Consumption is not allowed in stores.
- The LCLB will be responsible for licencing and enforcement.

Types of Products that can be sold in NMC stores\(^7\):
- Federally compliant and Liquor Distribution Branch sourced dried cannabis, cannabis oils, and seeds.
- Cannabis accessories (e.g., pipes, bongs, vaporizers).
- The sales of edibles are prohibited at this time - it is assumed that these products will become legal within 12 months of legalization.

Personal public possession:
- Anyone 19 years old or older will be allowed to possess up to 30 grams of non-medical cannabis in a public place, which aligns with the government’s proposed possession limit.
- While driving, cannabis will have to be in a sealed package or inaccessible to the vehicle’s occupants. People will not be allowed to use cannabis in any vehicle.

Public use:
- Smoking cannabis will be allowed in public spaces where tobacco smoking and vaping are permitted.
- Smoking and vaping of non-medical cannabis will be banned in areas frequented by children, including community beaches, parks and playgrounds.
- Local governments will be able to set additional restrictions, as they do for tobacco use. In addition, landlords and strata councils will be able to restrict or prohibit non-medical cannabis smoking and vaping at tenanted and strata properties.

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\(^6\) Ministry of Public Safety and Solicitor General – Cannabis retail, driving laws amongst new fir-on-safety policy decision – February 5, 2017
\(^7\) LIDSTONE & COMPANY Barristers and Solicitors - Retail Licencing for Non-Medical Cannabis Update
Personal cultivation:
- Adults can grow up to four cannabis plants per household but the plants must not be visible from public spaces off the property.
- Home cultivation of non-medical cannabis will be banned in dwellings used as daycares. Landlords and strata councils will be able to restrict or prohibit home cultivation.

Local government powers in B.C. expanded:\textsuperscript{8}:
- Local governments will have significant control over the NMC.
- Local government support is a mandatory prerequisite to issuance of a Provincial Licence including for public retail. Applicants will be applying for a Non-Medical Cannabis Retail Licence through an online portal. The portal will open in spring 2018, launched by the Liquor Control and Licensing Branch. Once it is open the City will be asked to comment on applications.
- Local government will indicate their support (or lack) by resolution sent to the Liquor Control and Licensing Branch after mandatory consultation with residents in the vicinity of the store.
- Local governments will regulate the location of retail stores, including distance from schools and other stores through zoning.
- Local governments can regulate the number of retail stores within City limits or prohibit it altogether.
- NMC retail stores (public and private) will follow the same rules as liquor stores.

Next Steps:
Staff is looking for Council feedback on regulations for retail cannabis outlets, public consumption, and personal cultivation in Dawson Creek. Concerning the legalization of cannabis, staff recommends the development of an implementation plan for NMC. The plan needs to be focused on regulations for retail outlets, public consumption, personal cultivation, and enforcement based on the direction given by Council.

This plan should include a public engagement component to gather public feedback as the legalization of cannabis will affect the residents of Dawson Creek. It is very important to have public input in order to shape the development of bylaws and policies. The public engagement will be focused on gathering feedback and gaining information on retail cannabis outlets and regulations on public consumption and personal cultivation of cannabis. To move forward staff recommends the following approaches:

Retail Sales – Staff recommends the development of a comprehensive zoning regime regarding NMC retail sales. It is recommended that a policy be developed that outlines the criteria Council will use to decide if they will support or deny provincial Non-Medical Cannabis Retail License applications. It is suggested that NMC retail sales follow current liquor store regulations which allow retail sales within commercial zones. Liquor sales must also follow the Liquor Control and Licensing Act (LCLA) and the Liquor Control and Licensing Regulation (LCLR) set by the province. At this time staff are unaware of which acts will regulate the NMC.

\textsuperscript{8} LIDSTONE & COMPANY Barristers and Solicitors - Retail Licencing for Non-Medical Cannabis Update
It is recommended that the zoning bylaw be updated with permitted zones, proximity to schools, parks, youth centers, each other, liquor outlets, etc. Using the business licensing process is another way to establish controls over where and how NMC retail stores can operate. Spot zoning is not recommended because it can create inconsistency.

**Business Licensing** - it is recommended the City amend existing regulations to specify business regulations for cannabis cultivation and processing businesses. The amendment will be based on research of best practices and public consultation information.

**Public consumption** – the Province will regulate and establish penalties which will likely be modeled on existing tobacco or liquor regulations. Local government can set further restrictions modeled after tobacco – similar to the City’s existing Smoking Regulation Bylaw.

**Personal cultivation** – adults can grow up to four cannabis plants per household, but the plants must not be visible from public spaces. The home cultivation of cannabis even with a four plant limit in place will require public consultation. It is a challenging issue to develop a regulatory response. Staff will need to research and address in detail the types of plant cultivation that are permitted.

A NMC cannabis implementation plan with a public engagement strategy will be presented at the May 14th meeting and will include the scope of work and a public engagement strategy. Staff recommends this approach due to the scale of work involved and it will allow staff to answer any questions Council may have.

**ALTERNATIVES**

1. That Council provide alternative direction to staff;
2. That Council defers any changes to its bylaws and the public engagement strategy until the Provincial regulations are passed into law. The Province will start accepting applications in spring of 2018 for NMC. It is suggested that staff be proactive towards NMC implementation to be prepared for the pending legalization in July of 2018.

**IMPLICATIONS**

(1) **Social**

Legalization of cannabis is a vast and complex issue. The regulation of the use and sale of cannabis, like tobacco and alcohol, has been a very controversial issue due to various moral, ethical, public health, legislative and logistic issues associated with the matter. These amendments may need to be revised when the legalisation is passed by the Federal government.

(2) **Environmental**

None anticipated.

(3) **Personnel**

Undertaking the development of a cannabis implementation framework and public engagement and communication strategy will require a considerable amount of staff time, which could impact

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timelines for other projects as well as processing timelines for building permits, development permits and subdivision applications. A communications consultant may be an option to consider.

(4) Financial
The regulation and/or enforcement of medical cannabis dispensaries may take considerable staff resources in planning, licensing and bylaw enforcement.

(5) Risk Assessment
Compliance: Staff will develop zoning, business license and other bylaw amendments that will be formed by information gathered through research and the public consultation process and that meet the requirements of federal and provincial legislation and objectives.

Risk Impact: High.

Internal Control Process: Bylaw Amendments must be considered and approved by Council.

GUIDING PRINCIPLES
Trust and Integrity: We will have a reputation for acting with integrity and will earn the trust of our stakeholders by working to develop positive relationships.

Governance: We will strive to make decisions that reflect the needs and desires of our community by encouraging a wide range of agencies and citizens to take a meaningful role in decision-making.

STRATEGIC PRIORITIES N/A

IMPLEMENTATION/COMMUNICATION
If approved by Council, staff will begin the development of non-medical cannabis implementation and public engagement strategy to be presented at the May 14th Council meeting. The recommendations contained in this report are intended to be a starting point for public engagement. They will be further defined by Council’s and the community’s feedback.

RECOMMENDATION
That Report No. 18-059 from the Development Services Manager - Cannabis Legalization Framework be received; further that staff be directed to create an implementation plan for non-medical cannabis beginning with a public engagement strategy that will consult on the following:

- the development of a comprehensive zoning regime regarding NMC retail sales. It is recommended that a policy be developed that outlines the criteria Council will use to decide if they will support or deny provincial Non-Medical Cannabis Retail License applications;
- Regulate cannabis as closely to alcohol where possible;
- The development of a business licencing regime for NMC;
- Ensure cannabis smoking or vaping is prohibited in public places;
- Define regulations for home cultivation of plants based on provincial
recommendations;

Further, that staff be directed to prepare a non-medical cannabis implementation and public engagement strategy for the May 14th Council meeting; and further, that the timelines allow the City to implement its regulations prior to the legalization date.

Respectfully submitted,

ORIGINAL SIGNED BY

APPROVED FOR AGENDA BY CAO

Alex Wallace,
Development Services Manager, BPl., PMP

AW/eg

Attachments:
Zoning Amendment (18-01) Bylaw No. 4370, 2018 – Cannabis Report

References:
LIDSTONE & COMPANY Barristers and Solicitors - Retail Licencing for Non-Medical Cannabis Update
Ministry of Public Safety and Solicitor General - Cannabis retail, driving laws amongst new firm-on-safety policy decisions:
Draft federal Cannabis Act (Bill C-45): http://www.parl.ca/LegisInfo/BillDetails.aspx?billId=8886269
Cannabis Legalization - An Evolving Framework For B.C. Municipalities: