

THE MUNICIPAL SERVICES COMMITTEE
WILL MEET ON
MONDAY, FEBRUARY 19, 2018
5:30 P.M.
COUNCIL CHAMBERS, CITY HALL

Mandate - To advise Council on a broad spectrum of issues related to departmental matters

CALL TO ORDER

1. AGENDA APPROVAL

2. MINUTES

- 2.1. Minutes of the Municipal Services Committee Meeting held December 11, 2017..... 1 - 2

3. DISCUSSION

- 3.1. Cannabis Regulations 3 - 38

Mayor Stone has requested that the regulation of recreational cannabis in Ladysmith be placed on the agenda for discussion and to determine the desired direction with respect to the retail sale of cannabis in Ladysmith. Currently, the Town has an outright ban on the retail sale of marijuana through the Zoning Bylaw (Amendment Bylaw 1921). When Council adopted Bylaw 1921 it was indicated that the regulation could be changed once the provincial government had provided information as to its own policy direction, and to the extent desired by the community.

The next step as to land use would be for Council to consider if it wishes any kind of change to its current local regulation and how it wishes to seek community input. Possible parameters for community consultation could include regulating the distance of retail outlets from schools/day cares, whether to establish specific zones where the retail sale of cannabis is permitted, where those zones should be, and other parameters to be determined by Council.

The Town of Ladysmith Smoking Regulation Bylaw, which will come to



Council for first three readings on March 19, includes cannabis/marihuana in the definition of smoking materials.

For Council's information, the following background information is provided:

- Staff reports and Zoning Bylaw Amendment #1921 (prohibiting the retail sale of marihuana in Ladysmith)
- Province of British Columbia website extract on BC's approach to cannabis legalization
- Province of BC Private Cannabis Retail Licensing Guide
- Union of BC Municipalities update on cannabis regulations
- Bulletins (2) prepared by Lidstone and Company for local governments

3.2. Potential Resolutions for submission to the Association of Vancouver Island and Coastal Communities (AVICC) annual convention

At its January 15, 2018 meeting, Council referred to a future meeting of the Municipal Services Committee the discussion of potential resolutions for submission to the Association of Vancouver Island and Coastal Communities annual convention. The convention is in Victoria from April 13 to 15. Council should be advised that any resolution to go before AVICC would have to be as a late resolution, as the deadline for submissions has now passed.

3.3. Items for Discussion at the Federation of Canadian Municipalities Convention (FCM)

At its January 15, 2018 meeting, Council referred to a future meeting of the Municipal Services Committee the discussion of potential items for discussion with delegates and with representatives of the federal government at the Federation of Canadian Municipalities Convention. Mayor Stone will be attending the convention, which takes place in Halifax from May 29 to June 3.

4. CORRESPONDENCE - None

5. UNFINISHED BUSINESS

6. NEW BUSINESS

ADJOURNMENT

**MINUTES OF A MEETING OF THE
MUNICIPAL SERVICES COMMITTEE
MONDAY, DECEMBER 11, 2017
CALL TO ORDER 7:39 P.M.
COUNCIL CHAMBERS, CITY HALL**

COUNCIL MEMBERS PRESENT:

Councillor Rob Hutchins (Chair) Mayor Aaron Stone Councillor Steve Arnett
Councillor Cal Fradin Councillor Joe Friesenhan Councillor Duck Paterson

COUNCIL MEMBERS ABSENT:

Councillor Carol Henderson

STAFF PRESENT:

Guillermo Ferrero Felicity Adams Joanna Winter
Robin MacNair Sue Bouma

CALL TO ORDER

Councillor Hutchins called this Meeting of the Municipal Services Committee to order at 7:39 p.m.

AGENDA APPROVAL

MS 2017-090

Moved and seconded:

That the agenda for this December 11, 2017 meeting of the Municipal Services Committee be approved.

Motion carried.

MINUTES

MS 2017-091

Moved and seconded:

That the minutes of the Municipal Services Committee meeting held November 27, 2017 be approved.

Motion carried.

REPORTS

MS 2017-092

City of Victoria Tax Incentive Program

Moved and seconded:

That the Committee request staff to prepare a report on options to offset eligible seismic upgrading costs for historic buildings in the downtown core, and to include the number of buildings affected and the tax implications.

Motion carried.

**UNFINISHED
BUSINESS**

Streets and Traffic Bylaw Amendment

Staff gave a presentation summarizing permitted and prohibited uses of Town boulevards according to the current streets and traffic bylaw, as well as potential liability issues and recommended changes.

MS 2017-093

Moved and seconded:

That the Committee recommend that Council give first, second and third reading to Town of Ladysmith Streets and Traffic Bylaw 1998, No. 1309, Amendment Bylaw #5, 2017, No. 1941 as amended to include "boulevard" to the definition of highway, and to remove any reference to recreational vehicle size.

Motion carried.

Opposed: Councillor Arnett

MS 2017-094

Moved and seconded:

That the Committee recommend that Council support proactive bylaw compliance on unattached trailers in accordance with Town of Ladysmith Streets and Traffic Bylaw 1998, No. 1309, due to potential liability risks.

Motion carried.

Opposed: Councillor Arnett

ADJOURNMENT

MS 2017-095

Moved and seconded:

That this meeting of the Municipal Services Committee adjourn at 8:17 p.m.

Motion carried.

CERTIFIED CORRECT:

Chair (Councillor R. Hutchins)

Corporate Officer (J. Winter)



Town of Ladysmith

STAFF REPORT TO COUNCIL

From: Felicity Adams, Director of Development Services
Date: December 5, 2016
File No: 6400-00

RE: Review of Municipal Best Practices for Medical Marihuana Dispensaries

RECOMMENDATIONS:

1. That Council receive the report for information.
2. That Council direct staff to prepare an amendment to the Zoning Bylaw to explicitly prohibit the retail sale of marihuana in all zones; and that after Federal and other regulatory changes are announced, Council consider Town bylaw amendments in relation to the retail sale of medical marihuana.

PURPOSE:

The purpose of this staff report is to outline municipal best practices regarding medical marihuana dispensaries and to provide feedback from the local RCMP.

INTRODUCTION/BACKGROUND:

At its meeting held September 19, 2016 Council directed staff to investigate and review best practices from other municipalities including Vancouver, Victoria and Port Alberni regarding medical marijuana zoning bylaws and to request feedback from the local RCMP detachment.

Note that each municipality may use a different term to describe the use (i.e. cannabis or marihuana; retailer or dispensary). Also different spellings are used, marihuana and marijuana, but refer to the same product. A 'retailer' or 'dispensary' is a for-profit use and a 'compassion club' is generally non-profit.

SCOPE OF WORK:

Staff have reviewed best practices from Vancouver, Victoria, Port Alberni and Squamish.

Vancouver, Port Alberni, and Squamish have included medical marihuana businesses as a permitted use in some commercial zones in their zoning bylaws with conditions related to location of use. In Victoria an applicant must apply to amend the zoning bylaw for a specific location to permit a medical marihuana dispensary use. In all four municipalities many conditions relating to the business activities were included in the business licence bylaw; such as providing a security plan, security alarm contract, fire alarm, criminal record check for all staff, video surveillance, signed good neighbour agreement, no minors on premises, air filtration system, and signed declaration that selling of marihuana is illegal. See Table 1: Business License Bylaw Summary.

Vancouver

Medical marihuana related businesses in Vancouver include 'compassion clubs' and 'retail dealer – medical marihuana related'. Since June 2015 these uses are permitted in some commercial zones; however, the business must be at least 300 metres from schools, community centres, neighbourhood houses, youth facilities that serve vulnerable youth, and other marihuana related businesses. A development permit may also be required in relation to the physical changes to a building or site.

A business licence is also required. The business licence fee for a compassion club is \$1000, and the fee for a medical marihuana retail dealer is \$30,000. The business licence bylaw contains many conditions for a medical marihuana dispensary business related to security, signage, hours of business, and other conditions.

Victoria

A cannabis storefront retail business in Victoria must first apply to rezone the land to permit the use. The rezoning application fee is \$7,500. The City began accepting these rezoning applications on September 23, 2016. If the rezoning is approved the next step is to obtain a business licence, and the fee is \$5,000. The business license bylaw contains many conditions for a marihuana dispensary business related to security, signage, hours of business and other conditions.

Port Alberni

In Port Alberni a zoning amendment bylaw was passed in January 2016 permitting medical marihuana dispensaries in several commercial zones subject to conditions including: a medical marihuana dispensary is not permitted within 300 metres of nearest property line of a site containing a school, within 1000 metres of the nearest property line of a site containing another medical marihuana dispensary, and is not permitted in conjunction with any other use and may not contain an automated teller machine. Also, the business licence bylaw was amended to include conditions for all persons carrying on business as a medical marihuana dispensary, and these conditions are related to security, signage, hours of business, and other conditions.

Squamish

In Squamish a marihuana dispensary is permitted in all zones that permit retail store (except not on Cleveland Avenue, which is the main downtown street in Squamish). The business must be 300 metres from a school, skateboard park, youth centre, and another marihuana dispensary. The business licence bylaw includes conditions for a marihuana dispensary related to security, signage, hours of business and other conditions.

RCMP Referral

Staff spoke to Staff Sergeant Brissard of the Ladysmith RCMP who states that he cannot in good conscious support permitting medical marihuana dispensaries in the Town of Ladysmith and he does not recommend that the Town take this on until there is clear direction from the Federal Government. He provided several reasons:

- The retail selling of marihuana, even to clients with a prescription, is illegal in Canada. The Town may be liable if issues arise.

Figure 1: Status of Marijuana Laws

- At this time there are no controls over the product that is sold in a marijuana dispensary (i.e. there is no way of knowing if the product being sold contains fentanyl).
- There is no certainty that the marijuana will be sold to clients with a prescription. Marijuana dispensaries on Vancouver Island have sold marijuana to clients who do not have a prescription from a physician.
- There are health concerns related to marijuana use.
- The building/property owner or landlord may be liable if they lease to an illegal business.
- Neighbouring businesses to the marijuana dispensary may have concerns (i.e odour).

ALTERNATIVES: n/a

FINANCIAL IMPLICATIONS: n/a

LEGAL IMPLICATIONS:

The Federal government has announced that it intends to propose to parliament the legalization and regulation of marijuana in the spring of 2017 (see Figure 1). Until Parliament changes the law, retail sale of medical marijuana is officially illegal. At this time local governments are within their rights to enforce their bylaws. It is acceptable for local governments to do things differently from each other to reflect community attitudes and approaches to marijuana. If marijuana sales are legalized by the Federal government, local governments will have a role in land use and business regulation, as it does with other legal businesses.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

The *Local Government Act* states that zoning bylaws can regulate the use of land, buildings and structures; and the location of uses on the land and within buildings and structures. Public notification and a public hearing is a statutory requirement when considering a zoning amending bylaw.

The infographic is titled "STATUS OF MARIJUANA LAWS IN CANADA" and is presented by the Government of Canada. It is divided into several sections:

- Current Status of Marijuana Laws:** This section states that "Possessing and selling MARIJUANA FOR NON-MEDICAL PURPOSES IS STILL ILLEGAL" and that it is "Everywhere in Canada". It notes that "UNTIL NEW LEGISLATION AND NEW RULES ARE IN PLACE, CURRENT LAWS REMAIN IN FORCE AND SHOULD BE OBEYED."
- Government Commitment:** It states, "The Government of Canada's commitment to change marijuana laws".
- Key Objectives:**
 - LEGALIZE, STRICTLY REGULATE AND RESTRICT ACCESS TO MARIJUANA IN A CAREFUL AND ORDERLY WAY.
 - RESTRICT ACCESS OF MARIJUANA TO YOUTH.
 - STOP CRIMINALS FROM PROFITING FROM ILLEGAL MARIJUANA TRADE.
 - CREATE A PROCESS THAT WILL LOOK AT LEGALIZING AND STRICTLY REGULATING MARIJUANA FOR NON-MEDICAL PURPOSES.
- Timeline:** "When is legalization and strict regulation of marijuana going to happen?" It answers: "It's a serious, complex matter that will take time. A Task Force will engage with provinces, territories, key stakeholders and other Canadians to inform the design of a system of strict marijuana production, distribution and sales. In the spring of 2017, the Government of Canada will propose to Parliament and Canadians a new legislative framework for the legalization of marijuana."
- Rationale:** "Why is the federal government looking to legalize and regulate access to marijuana?" It lists:
 - There are **real** public health and safety risks associated with marijuana use, including how it affects the way **young people develop**.
 - A SYSTEM OF STRICT PRODUCTION, DISTRIBUTION AND SALES OF MARIJUANA, WOULD:
 - Better protect health and enhance public safety;
 - Make it **less profitable** for illicit drug dealers and growers;
 - Make it **less accessible** to young people.

The *Community Charter* provides Council the authority to adopt a business regulation system, including establishing terms, conditions and standards that the business must meet to obtain a business licence.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

The Development Services Department is responsible for zoning and the Finance Department is responsible for business licencing at the Town of Ladysmith.

RESOURCE IMPLICATIONS:

Items that Council should consider include:

- 1) Direct staff to amend the Zoning Bylaw such that the retail sale of marihuana is more clearly prohibited in all zones at this time.
- 2) Take time to learn the new Federal or Provincial regulatory schemes when they are announced;
- 3) Consider changes to Town bylaws to account for marihuana related businesses; and
- 4) Consider the timing of Town bylaw changes in relation to the Federal government's legalization scheme.

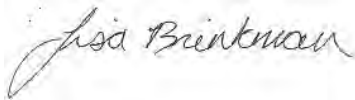
ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT: n/a

ALIGNMENT WITH STRATEGIC PRIORITIES:

Effective land use planning is a Council strategic objective.

SUMMARY:

This staff report is provided in response to Council's request that staff review best practices from other municipalities including Vancouver, Victoria and Port Alberni regarding medical marijuana zoning bylaws and to request feedback from the local RCMP detachment.



Report Author: Lisa Brinkman, Senior Planner

Reviewed By:



Felicity Adams, Director of Development Services

I concur with the recommendation.



Guillermo Ferrero, City Manager

ATTACHMENTS:

Table 1: Marihuana Dispensary – Business Licence Bylaw Summary

Table 2: Marihuana Dispensary – Zoning Bylaw Summary

Table 1: Marihuana Dispensary - Business License Bylaw Summary (December 2016)

	Vancouver	Victoria	Port Alberni	Squamish
Security Conditions	<ul style="list-style-type: none"> • Security plan • Security alarm contract • Fire alarms • Criminal record check for all staff • Two staff at business at all times while business is open • Video surveillance cameras must be installed 	<ul style="list-style-type: none"> • Security plan • Security alarm contract • Criminal record checks • Two staff at business at all times when open • Consumption of marihuana is not permitted on the premises (this condition may be reconsidered for compassion clubs) 	<ul style="list-style-type: none"> • Security system • Fire alarm • Consumption or smoking of marihuana is not permitted on the premises • Video surveillance cameras must be installed 	<ul style="list-style-type: none"> • Security plan • Security alarm contract • Criminal record checks • Lease or title of land • Video surveillance cameras must be installed • Consumption of marihuana is not permitted on the premises
Signage Conditions	<ul style="list-style-type: none"> • Windows may not be blocked in any way • Marihuana cannot be promoted 	<ul style="list-style-type: none"> • Windows may not be blocked in any way • Post health and safety warning signs 	<ul style="list-style-type: none"> • Windows may not be blocked in any way 	<ul style="list-style-type: none"> • Windows may not be blocked in any way
Hours	8am to 10pm	7am to 8pm	8am to 8pm	8am to 8pm
Business License Fee	\$30,000 retail dealer \$1000 compassion club	\$5000 (if cannabis onsite)	\$220	\$5000
Other Conditions	<ul style="list-style-type: none"> • Signed good neighbor agreement • Food cannot be sold • Security bars not permitted • A minor cannot be on premises • ATM is not permitted • Fines established for bylaw contraventions 	<ul style="list-style-type: none"> • Air filtration system must be installed to minimize odour impacts • A minor cannot be on premises • ATM is not permitted • Proof of valid lease with written consent of landlord or land ownership. 	<ul style="list-style-type: none"> • Signed acknowledgement that selling medical marihuana in a dispensary is illegal • A minor cannot be on premises • ATM is not permitted • Fines established for bylaw contraventions 	<ul style="list-style-type: none"> • Air filtration system must be installed to minimize odour impacts • Signed acknowledgement that selling medical marihuana in a dispensary is illegal • A minor cannot be on premises • May only have one marihuana dispensary business license • ATM is not permitted • Fines established for bylaw contraventions

Table 2: Marihuana Dispensary – Zoning Bylaw Summary (December 2016)

	Vancouver	Victoria	Port Alberni	Squamish
Use	<ul style="list-style-type: none"> • Compassion club (non-profit) • Retail dealer (profit) 	<ul style="list-style-type: none"> • Storefront cannabis retailer • Cannabis-related (cannabis onsite) • Cannabis-related (no cannabis onsite) 	Medical marihuana dispensary	Marihuana dispensary
Conditions regarding location of use	<ul style="list-style-type: none"> • Permitted in some commercial zones • 300 metres from school, community centre, youth facility, and other marihuana business 	No land is pre-zoned for a cannabis business, a rezoning application is required. The rezoning application fee for this use is \$7,500	<ul style="list-style-type: none"> • Permitted in some commercial zones • 300 metres from school • 1000 metres from another medical marijuana dispensary 	<ul style="list-style-type: none"> • Permitted in zones that permit retail store • 300 metres from a school, skateboard park, youth centre, and another marihuana dispensary • Not permitted on Cleveland Avenue



Town of Ladysmith

STAFF REPORT TO COUNCIL

From: Felicity Adams, Director of Development Services
Date: December 19, 2016
File No: 3360-16-03

RE: Bylaw 1921 - Amend Zoning Bylaw to Explicitly Prohibit Retail Sale of Marihuana

RECOMMENDATION:

That under the Bylaw section of tonight's agenda, that Council give first and second reading to Bylaw 1921 and refer the Bylaw to a future public hearing.

PURPOSE:

The purpose of this staff report is to present Bylaw 1921 for consideration of first and second reading.

PREVIOUS COUNCIL DIRECTION

On December 5th, 2016 Council passed the following motion:

"Direct staff to prepare an amendment to the Zoning Bylaw to explicitly prohibit the retail sale of marihuana in all zones; and that after Federal and other regulatory changes are announced, Council consider Town bylaw amendments in relation to the retail sale of medical marihuana."

INTRODUCTION/BACKGROUND:

After reviewing best practices from other B.C. municipalities Council has directed staff to amend the Zoning Bylaw to more explicitly prohibit marihuana retail sales in Ladysmith.

SCOPE OF WORK:

Bylaw 1921 proposes to amend the Zoning Bylaw by:

- i) Amending the definition of 'Sales, Retail' by explicitly stating that the retail sale use does not include marihuana retail sales, as follows:
"Sales, Retail: means the sale of goods, wares, or merchandise to the general public for final consumption. Such sales do not include Building Supply Sales, Marihuana Retail Sales, Wholesale Sales, Liquor Retail Sales, Warehouse Sales, Re-Store sales, or the sale of motor vehicle fuels, heavy agricultural and industrial equipment or products related to a Garden Centre Use or an adult entertainment Use."
- ii) Adding a definition for the use 'marihuana retail sales'; and
- iii) Adding 'marihuana retail sales' as a prohibited use in all Zones.

ALTERNATIVES:

That Council not proceed with Bylaw readings and provide additional direction to staff.

FINANCIAL IMPLICATIONS:

There are costs associated with the statutory notice requirements.

LEGAL IMPLICATIONS:

Possessing and selling marihuana for non-medical purposes is illegal in Canada. Medical Marihuana growing and production is permitted in certain zones in the Town.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

A public hearing is required to be held.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

n/a

RESOURCE IMPLICATIONS:

Processing Zoning Bylaw amendments is a core service of the Development Services Department and is within available resouces.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

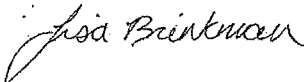
n/a

ALIGNMENT WITH STRATEGIC PRIORITIES:

Effective land use planning and community design is a strategic Council direction.

SUMMARY:

Bylaw 1921 is presented to Council for consideration of first and second reading.



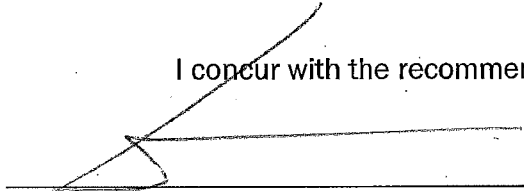
Report Author: Lisa Brinkman, Senior Planner

Reviewed By:



Felicity Adams, Director of Development Services

I concur with the recommendation.


Guillermo Ferrero, City Manager

ATTACHMENT:

Bylaw 1921

TOWN OF LADYSMITH

BYLAW NO. 1921

A bylaw to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860"

WHEREAS pursuant to the *Local Government Act*, the Municipal Council is empowered to amend the Zoning Bylaw;

AND WHEREAS after the close of the Public Hearing and with due regard to the reports received, the Municipal Council considers it advisable to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860";

NOW THEREFORE the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

(1) Schedule A - Zoning Bylaw Text of "Town of Ladysmith Zoning Bylaw 2014, No. 1860" is hereby amended as follows:

(a) Section 4.1(a) is hereby amended as follows:

(i) The definition of "Sales, Retail" is deleted and the following definition is substituted:

"SALES, RETAIL": means the sale of goods, wares, or merchandise to the general public for final consumption. Such sales do not include *Building Supply Sales, Marihuana Retail Sales, Wholesale Sales, Liquor Retail Sales, Warehouse Sales, Re-Store sales*, or the sale of motor vehicle fuels, heavy agricultural and industrial equipment or products related to a *Garden Centre Use* or an adult entertainment *Use*.

(ii) Add a definition for 'Sales, Marihuana Retail' following the definition of 'Sales, Liquor Retail' as follows:

"SALES, MARIHUANA RETAIL": means the sale of marihuana (cannabis) or products containing marihuana.

(b) Section 6.3 'Uses Prohibited in All Zones' is amended by adding the following regulation to Section 6.3(a) as follows:

(i) The following is added and renumbered accordingly:

"vii) A *Marihuana Retail Sales Use*

CITATION

(2) This bylaw may be cited for all purposes as "Town of Ladysmith Zoning Bylaw 2014, No. 1860 Amendment Bylaw (No. 8), 2016, No. 1921".

READ A FIRST TIME on the day of ,

READ A SECOND TIME on the day of ,

PUBLIC HEARING held pursuant to the provisions of the *Local Government Act*

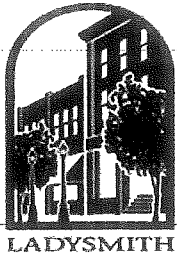
READ A THIRD TIME on the day of ,
on the day of ,

ADOPTED on the day of ,

Mayor (A. Stone)

Corporate Officer (J. Winter)

Reviewed Previously



Town of Ladysmith

STAFF REPORT TO COUNCIL

From: Felicity Adams, Director of Development Services
Date: March 6, 2017
File No: 3360-16-03

RE: Bylaw 1921 – Amend Zoning Bylaw to Explicitly Prohibit Retail Sale of Marihuana

RECOMMENDATION:

THAT subject to any additional matters raised at the public hearing, and under the Bylaws section of tonight's agenda, Council proceed with third reading and final adoption of Bylaw 1921 cited as "Town of Ladysmith Zoning Bylaw 2014, No. 1860 Amendment Bylaw (No.8), 2016, No. 1921".

PURPOSE:

The purpose of this staff report is to present Bylaw 1921 for consideration of third reading and final adoption following the public hearing held earlier this evening.

PREVIOUS COUNCIL DIRECTION

On December 19, 2016 Council passed the following motion:

"That Council give first and second reading to Bylaw 1921 and refer the bylaw to a future public hearing."

INTRODUCTION/BACKGROUND:

The current stage of this amendment to the Zoning Bylaw is to: 1) consider comments received or heard at the public hearing; and 2) consider giving third reading and final adoption to Bylaw 1921.

SCOPE OF WORK:

Bylaw 1921 proposes to amend the Zoning Bylaw by:

- i) Amending the definition of 'Sales, Retail' by explicitly stating that the retail sale use does not include marihuana retail sales, as follows:
"Sales, Retail: means the sale of goods, wares, or merchandise to the general public for final consumption. Such sales do not include Building Supply Sales, Marihuana Retail Sales, Wholesale Sales, Liquor Retail Sales, Warehouse Sales, Re-Store sales, or the sale of motor vehicle fuels, heavy agricultural and industrial equipment or products related to a Garden Centre Use or an adult entertainment Use."
- ii) Adding a definition for the use 'marihuana retail sales'; and
- iii) Adding 'marihuana retail sales' as a prohibited use in all Zones.

ALTERNATIVES:

That Council not adopt Bylaw 1921.

FINANCIAL IMPLICATIONS:

None.

LEGAL IMPLICATIONS:

Possessing and selling marihuana for non-medical purposes is illegal in Canada.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

Notice regarding the public hearing was published in the local newspaper on February 22 and March 1, 2017. As the public hearing held earlier tonight is now closed, no further input from members of the public or interested persons can be accepted by Council.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

None.

RESOURCE IMPLICATIONS:

None.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

n/a

ALIGNMENT WITH STRATEGIC PRIORITIES:

Effective land use planning is a strategic Council direction.

SUMMARY:

It is recommended that Council 1) consider comments received or heard at the public hearing; and 2) consider giving third reading and final adoption to Bylaw 1921.

Lisa Brinkman

Report Author: Lisa Brinkman, Senior Planner

Reviewed By:

Felicity Adams

Felicity Adams, Director of Development Services

I concur with the recommendation.

Guillermo Ferrero

Guillermo Ferrero, City Manager

ATTACHMENT:

None.



BC CLIMATE ACTION
COMMUNITY 2014



TOWN OF LADYSMITH

BYLAW NO. 1921

A bylaw to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860"

WHEREAS pursuant to the *Local Government Act*, the Municipal Council is empowered to amend the Zoning Bylaw;

AND WHEREAS after the close of the Public Hearing and with due regard to the reports received, the Municipal Council considers it advisable to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860";

NOW THEREFORE the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

- (1) Schedule A - Zoning Bylaw Text of "Town of Ladysmith Zoning Bylaw 2014, No. 1860" is hereby amended as follows:
 - (a) Section 4.1(a) is hereby amended as follows:
 - (i) The definition of "*Sales, Retail*" is deleted and the following definition is substituted:

“SALES, RETAIL: means the sale of goods, wares, or merchandise to the general public for final consumption. Such sales do not include *Building Supply Sales, Marihuana Retail Sales, Wholesale Sales, Liquor Retail Sales, Warehouse Sales, Re-Store sales*, or the sale of motor vehicle fuels, heavy agricultural and industrial equipment or products related to a *Garden Centre Use* or an adult entertainment *Use*.
 - (ii) Add a definition for '*Sales, Marihuana Retail*' following the definition of '*Sales, Liquor Retail*' as follows:

“SALES, MARIHUANA RETAIL: means the sale of marihuana (cannabis) or products containing marihuana.
 - (b) Section 6.3 'Uses Prohibited in All Zones' is amended by adding the following regulation to Section 6.3(a) as follows:
 - (i) The following is added and renumbered accordingly:

“vii) A *Marihuana Retail Sales Use*

CITATION

- (2) This bylaw may be cited for all purposes as "Town of Ladysmith Zoning Bylaw 2014, No. 1860 Amendment Bylaw (No. 8), 2016, No. 1921".

READ A FIRST TIME

on the 19th day of December, 2016

READ A SECOND TIME on the 19th day of December, 2016

PUBLIC HEARING held pursuant to the provisions of the *Local Government Act*

READ A THIRD TIME on the _____ day of _____,
on the _____ day of _____,

ADOPTED on the _____ day of _____,

Mayor (A. Stone)

Corporate Officer (J. Winter)

Reviewed Previously

TOWN OF LADYSMITH

BYLAW NO. 1921

A bylaw to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860"

WHEREAS pursuant to the Local Government Act, the Municipal Council is empowered to amend the Zoning Bylaw;

AND WHEREAS after the close of the Public Hearing and with due regard to the reports received, the Municipal Council considers it advisable to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860";

NOW THEREFORE the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

(1) Schedule A - Zoning Bylaw Text of "Town of Ladysmith Zoning Bylaw 2014, No. 1860" is hereby amended as follows:

(a) Section 4.1(a) is hereby amended as follows:

(i) The definition of "Sales, Retail" is deleted and the following definition is substituted:

"SALES, RETAIL: means the sale of goods, wares, or merchandise to the general public for final consumption. Such sales do not include Building Supply Sales, Marihuana Retail Sales, Wholesale Sales, Liquor Retail Sales, Warehouse Sales, Re-Store sales, or the sale of motor vehicle fuels, heavy agricultural and industrial equipment or products related to a Garden Centre Use or an adult entertainment Use.

(ii) Add a definition for 'Sales, Marihuana Retail' following the definition of 'Sales, Liquor Retail' as follows:

"SALES, MARIHUANA RETAIL: means the sale of marihuana (cannabis) or products containing marihuana.

(b) Section 6.3 'Uses Prohibited in All Zones' is amended by adding the following regulation to Section 6.3(a) as follows:

(i) The following is added and renumbered accordingly:

"vii) A Marihuana Retail Sales Use

CITATION

(2) This bylaw may be cited for all purposes as "Town of Ladysmith Zoning Bylaw 2014, No. 1860 Amendment Bylaw (No. 8), 2016, No. 1921".

READ A FIRST TIME on the 19th day of December, 2016

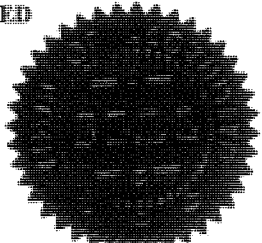
READ A SECOND TIME on the 19th day of December, 2016

PUBLIC HEARING held pursuant to the provisions of the Local Government Act

on the 6th day of March, 2017

READ A THIRD TIME on the 6th day of March, 2017

ADOPTED on the 6th day of March, 2017



Signature of Mayor (A. Stone)

Corporate Officer (K. Winters) Deputy Corporate Officer Town of Ladysmith



Cannabis

In preparation for the federal government's legalization of non-medical cannabis in July 2018, B.C. has made a number of decisions about what our provincial regulatory framework will look like.

Visit regularly for updates on B.C.'s approach to non-medical cannabis laws and regulations, and to find further information on the status of the legalization of cannabis in Canada.

B.C.'s Approach to Cannabis Legalization

Our provincial regulatory framework sets the stage for the legal and responsible use of cannabis by British Columbians. British Columbia's top priorities are protecting young people, promoting health and safety, keeping the criminal element out of cannabis, keeping our roads safe, and supporting economic development.

The Province has made the following regulatory decisions:

Minimum Age of Possession

British Columbia's minimum age to possess, purchase and consume cannabis will be 19 years old. A minimum age of 19 is consistent with B.C.'s minimum age for alcohol and tobacco and with the age of majority in B.C.

Retail Framework

British Columbians of legal age will be able to purchase non-medical cannabis through privately run retail stores or government-operated retail stores and online sales. The BC Liquor Distribution Branch (LDB) will operate the public retail stores, and Liquor Control and Licensing Branch (LCLB) will be responsible for licensing private stores and monitoring the retail sector. The operating rules governing public and private retail stores will be similar to those currently in place for liquor. In urban areas, licensed retailers will not be able to sell cannabis in the same stores as liquor or tobacco.

The Province recognizes retail access for people in rural areas will require a different approach than those used in urban communities and will establish exceptions for rural non-medical cannabis retail stores, similar to those of rural liquor stores.

This spring, the Province will launch an early registration process for individuals and businesses who are interested in applying for a cannabis retail licence. Information for potential applicants can be found in the [B.C. Cannabis Retail Licensing Guide \(PDF\)](#).

Wholesale Distribution Framework

Like many other provinces, B.C. will have a government-run wholesale distribution model. The LDB will be the wholesale distributor of non-medical cannabis in B.C.

Personal public possession limits

Adults aged 19 and above, will be allowed to possess up to 30 grams of non-medical cannabis in a public place, which aligns with the federal government's proposed possession limit for adults.

Places of use

B.C. will generally allow adults to use non-medical cannabis in public spaces where tobacco smoking and vaping are permitted. However, to minimize child and youth exposure, smoking and vaping of non-medical cannabis will be banned in areas frequented by children, including community beaches, parks and playgrounds. Use of cannabis, in any form will also be banned for all occupants in vehicles.

Local governments will be able to set additional restrictions, as they do now for tobacco use. In addition, landlords and strata councils will be able to restrict or prohibit non-medical cannabis smoking at tenanted and strata properties.

Personal cultivation

B.C. will align with the proposed federal legislation and allow adults to 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. In addition, landlords and strata councils will be able restrict or prohibit home cultivation.

Drug Impaired Driving

Drug impaired driving will continue to be illegal in B.C. The Province will increase training for law enforcement in this area and toughen provincial regulations to give police more tools to remove drug-impaired drivers from the road and deter drug-affected driving, including:

- B.C. will create a new 90-day Administrative Driving Prohibition (ADP) for drug affected driving
- The current zero tolerance restrictions for the presence of alcohol for drivers in the Graduated Licensing Program (GLP) will be expanded to include zero tolerance for the presence of THC

News

- [Cannabis retail, driving laws amongst new firm-on-safety policy decisions \(Feb. 5, 2018\)](#)
- [Province secures a fair deal for British Columbians on cannabis revenue sharing \(Dec. 11, 2017\)](#)
- [B.C. releases first decisions on cannabis regulation after public engagement \(Dec. 5, 2017\)](#)
- [Over 48,000 British Columbians have had their say on cannabis \(Nov. 2, 2017\)](#)
- [One week left to have your say on the future of cannabis regulation in B.C. \(Oct. 25, 2017\)](#)
- [Cannabis regulation committee underway \(Oct. 19, 2017\)](#)
- [Legal cannabis: help B.C. lead the way on safety, health \(Sept. 25, 2017\)](#)

What We Heard

Find out what British Columbians had to say on the legalization of non-medical cannabis in the [What We Heard report \(PDF\)](#).

Legalizing Cannabis in Canada-The Facts

With non-medical cannabis set to become legal across Canada this year, learn about the current status of cannabis laws in Canada, and the work being done to legalize and regulate it.

Visit the [Legalization and Regulation of Cannabis](#) page on the Government of Canada website for more information.

Don't Drive High

Research shows that drugs can impair your ability to drive safely and increase the risk of getting into a collision. Learn the facts about the safety and legal risks of drug-impaired driving in Canada on the [Don't Drive High](#) page of the Government of Canada's website.



B.C. Cannabis

PRIVATE RETAIL LICENSING GUIDE

Applications and Operations



**BRITISH
COLUMBIA**

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B.C. Cannabis

PRIVATE RETAIL LICENSING GUIDE

Applications and Operations

In B.C., the wholesale distribution of non-medical cannabis will be solely through the Liquor Distribution Branch (LDB). The LDB will be the operator of government-run retail stores and the Liquor Control and Licensing Branch (LCLB) will be responsible for licensing and monitoring the retail sector using a mixed public/private model.

The rules governing retail stores will be similar to those currently in place for liquor, and public and private retailers will have similar operating rules. Note that while this document sets out Government's intentions for B.C.'s retail framework, it is subject to legislation yet to be passed at both the federal and provincial levels.

Who is this guide for?

This guide provides information for those who are considering applying for a provincial licence to retail non-medical cannabis. It contains preliminary information to help applicants make business decisions and describes the application process. This information will also assist local governments in preparing for potential retail store applications within their communities.

The Province recognizes that retail access in rural areas will require a different approach than the one employed in urban communities. There is a separate section related to rural areas at the end of this document.

Engagement with Indigenous governments and organizations is an important element in the development of the provincial regulatory framework for non-medical cannabis. To ensure the retail model appropriately addresses the unique considerations that must be taken into account with respect to Indigenous peoples, the Province remains committed to working in partnership with Indigenous peoples, governments and organizations. These discussions are ongoing and will continue beyond the initial date of federal legalization of cannabis.

Who is eligible?

All applicants will be assessed using the same evaluation criteria, which includes obtaining local government support and background checks of police/criminal records which will be examined on a case by case basis.

Application Process

In spring 2018, the Province will launch an online application portal for individuals and businesses who are interested in applying for a non-medical cannabis retail licence. Additional information on applicant registration will be posted on the website <https://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/cannabis-regulation> as it becomes available.

■ What is the process for applying for a non-medical cannabis retail licence?

When the application portal opens, you may start the application process by entering the required information and documents. This will allow you to provide the required information early so that the assessment of your application can begin as soon as possible once the applicable legislation is passed.

■ How long will the application process take?

The Province is committed to conducting thorough reviews of applicants and applications in order to ensure that licensed retailers will operate in a safe and lawful manner. A significant number of applications are anticipated, and plans are being put in place to enable the applications to be processed as efficiently as possible.

■ Will there be an application fee?

Yes, each applicant will be required to pay an application fee and a licensing fee. The amount of the fees has not yet been determined. Once the fees have been determined, they will be posted here <https://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/cannabis-regulation>.

Eligibility

■ If I operated an illegal dispensary prior to legalization, am I prohibited from receiving a licence to operate legally?

Having operated an illegal dispensary will not, on its own, exclude you from being considered for a licence. All applicants will be assessed using the same evaluation criteria, including background checks and local government support. Persons who have operated dispensaries prior to legalization will not receive preferential treatment in the provincial application process.

■ Does having a record of criminal activity exclude me, or a shareholder in my company, from obtaining a non-medical cannabis retail licence?

Having a record of criminal activity will not necessarily exclude you from obtaining a licence. As part of the required background check, police/criminal records will be examined on a case by case basis and evaluated in relation to their relevance to the application and the recentness of the activity or offence(s) committed. For example, low risk criminal activity may not exclude a person from becoming a licensee whereas associations with organized crime will exclude a person from becoming a licensee.

■ **I already have a liquor and/or tobacco licence. Am I automatically allowed to sell non-medical cannabis at my liquor store?**

No, you must apply for a non-medical cannabis retail licence. In addition, if you are granted a licence, you will be required to operate the non-medical retail cannabis store in a completely separate business location from any liquor and/or tobacco sales.

■ **If I, a family member, or a business partner, have an interest in a federally licensed producer or processor, can I be considered for a retail licence?**

Yes, a person or company may have an interest in both a producer and a retailer. However, the LCLB will place restrictions on the business relationship between the producer and the retailer. Where there is a close association (financial or otherwise) between a licensed producer and a non-medical cannabis retail business, the retail business will be prohibited from selling any products from the licensed producer. This restriction ensures that the market remains diverse and larger participants do not consolidate and control the market. The Province may create exceptions in the future to support micro-producers.

Application: Required Information

■ **Will I have to undergo a background check?**

Yes, you will be required to consent to a background check in order to be considered for a licence. Policy work is currently underway to determine which members of a corporation, partnership, or other legal business will be required to undergo a background check.

■ **What kind of information do I need to supply to the Province about my company?**

Depending on the type of entity your company is (corporation, partnership, society, etc.) the application system will prompt you to supply the related documents and names of partners, shareholders, directors, officers, and/or senior management.

■ **What information do I have to provide about my proposed location?**

You will need to provide the parcel identifier number (PID), proof of ownership or a copy of a fully executed lease that does not expire for at least 12 months from the date of licence approval, and a floor plan. If additional information is necessary it will be requested during the application process.

■ **Does my store have to be a certain distance from schools or other retailers?**

The Province will not impose distance requirements for non-medical cannabis retailers. However, local governments will have the authority to impose additional requirements. Therefore, you should inquire with your local government about local requirements before committing to a location.

■ **Are there any rules about what I can name my store?**

Your store name must be approved by the LCLB. The name of your store cannot be misleading as to what type of business you operate. As a non-medical cannabis retailer, you cannot choose a name that would lead people to believe you are a provider of medical cannabis. For example, the words “pharmacy”, “apothecary”, and “dispensary” all have meanings linked to the selling of medicines, so these words cannot be used in association with a non-medical cannabis store.

You must also comply with federal legislation and regulations respecting advertising and promotion.

Application: Local Government Requirements

The Province will permit local governments to decide whether they wish to have a non-medical cannabis retail store in their community. For the Province to issue a licence, applicants must have the support of the local government in the community where the proposed store would be located.

■ **What is the process for obtaining local government support?**

The local government must ask residents in the vicinity of the proposed retail location to comment on how the store would impact the community. The local government must consider this public input when deciding whether or not to support the application and must notify the LCLB of their decision by way of a council resolution.

■ **Can I get local government support in advance of the provincial application?**

The Province is working with local governments and the Union of B.C. Municipalities to develop the application process, including what information local governments will need to have in order to provide informed comments on the application. Further details will be announced once they are available. In the interim, it is recommended you check with your local government to ensure that you meet any criteria that are specific to your jurisdiction and to ensure that proper zoning is in place.

■ **Do public stores have to go through the local government process?**

Yes, public stores must also have local government support.

Licences

To sell non-medical cannabis in British Columbia, retailers will be required to obtain a licence from the Province. There will be two types of retail licences for:

- ▶ self-contained cannabis stores, and
- ▶ stores in rural communities.

■ **Will there be a cap on the number of non-medical cannabis retail licences issued in B.C.?**

The Province is not capping the number of licences issued. However, local governments will have the authority to make local decisions based on the needs of their communities. This means that some local governments may choose not to allow retail cannabis stores, while others may choose to cap the number of stores that are permitted to operate within their jurisdiction.

■ **I only want to sell medical cannabis; can I apply for a medical cannabis retail licence?**

No, medical cannabis will continue to be sold online by federally licensed producers only. However, like other Canadians, medical users will be able to buy cannabis from retailers of non-medical cannabis.

The federal government has committed to conducting a review of the medical cannabis system in five years.

- **Will there be any restrictions on where a non-medical cannabis retail outlet can be located?**

The Province is not regulating the location of stores. However, local governments may choose to do so. For example, local governments may set requirements about the proximity of a store to another cannabis store, schools, daycares or other places.

- **Will the Province be licensing consumption lounges?**

No, not at this time. The Province is focussed on introducing a safe and responsible retail non-medical cannabis sector; consideration will be given to other types of licences at a later date.

- **Will sales of non-medical cannabis be permitted at outdoor festivals and other events?**

Initially, non-medical cannabis sales will only be permitted at the licenced retail site. Offsite sales may be considered in the future.

Operations

Provincial and federal governments are committed to ensuring that non-medical cannabis is sold in a lawful, responsible manner. To this end, a range of requirements will be put in place; from who a retailer can buy product from, to who may enter a store, to what type of products may be sold.

Operations: Physical store

- **Are there any rules about the physical layout or construction of my store?**

To protect youth, the federal government requires that cannabis products must not be visible from outside your store. There will be many different ways for you to achieve this requirement (e.g. window designs). In addition, please remember that you must comply with federal requirements respecting advertising and promotion.

- **Are there any security requirements for my location?**

You have a strong incentive to secure your premises both during and after operating hours to protect your inventory from theft. The Province is considering what security requirements will be necessary. In addition, local governments may also choose to impose security requirements.

- **Can I sell non-medical cannabis as part of another business such as a liquor store or pharmacy?**

Not at this time. The Province may consider exceptions in the future, but for now, your non-medical cannabis retail store must be a self-contained business.

There will be exceptions for rural stores, similar to rural liquor stores. The criteria for determining rural areas are currently under development.

Operations: General

■ Can minors enter my store?

No. Unlike liquor stores, where minors are permitted if they are accompanied by a parent or guardian, minors must not enter your cannabis retail store.

There will be exceptions for rural stores to allow entrance by minors. The criteria for determining rural areas are under development.

■ What hours can I be open?

Cannabis retail stores can operate between 9 am to 11 pm unless further restrictions are put in place by your local government.

■ Are there any rules around pricing?

Policy work is ongoing and information on pricing will be made available as soon as possible.

■ Is there a limit on how much non-medical cannabis I can sell to a person?

The proposed federal *Cannabis Act* prohibits an individual from possessing in a public place a total amount of non-medical cannabis, in any authorized form, that is equivalent to more than 30 grams of dried cannabis. Non-medical cannabis must not be sold in amounts greater than this.

This means that if you sell different forms of non-medical cannabis to a single customer, the combined total amount sold must not exceed the equivalent amount of 30 grams of dried cannabis.

Equivalent amounts to 30 grams of dried non-medical cannabis for other cannabis products are listed in Schedule 3 of the proposed federal *Cannabis Act*.

■ Can I sell products online?

No, only the public retailer will be permitted to sell non-medical cannabis products online at this time. Consideration may be given to allowing private online sales in the future.

■ Can people consume non-medical cannabis in my store?

No. Consumption of any kind will not be permitted in the store, and providing samples will not be permitted.

■ Can I deliver my products?

No, retailers will not be permitted to offer a delivery service.

■ Do my employees and/or I need any special training or background checks?

In collaboration with industry, the Province will develop a mandatory training program for non-medical cannabis retail employees, which will be implemented over time. The Province will also be developing a registration requirement for employees which will include background checks. Details of this program are still being developed. Information will be provided as soon as that work is complete.

■ **Where do I have to store my inventory?**

All cannabis products will be required to be stored at your retail site. No offsite storage will be permitted.

■ **Will I be required to have a certain product tracking/inventory control system?**

The federal government has committed to creating a national seed-to-sale tracking system. This is currently under development and more information on retailers' responsibilities in relation to this system will be announced as it becomes available.

■ **Can I advertise my product?**

The federal government is regulating the advertisement of cannabis under the proposed *Cannabis Act* (Bill C-45). See the "Further Resources" section at the end of this document for a link to the Bill.

■ **Can my store sponsor events or teams?**

The federal government is regulating sponsorship under the proposed *Cannabis Act* (Bill C-45). See the "Further Resources" section at the end of this document for a link to the Bill.

Supply

■ **How do I obtain non-medical cannabis to sell in my store?**

The LDB will be the only source of legal wholesale non-medical cannabis. Retailers will not be permitted to purchase any cannabis products directly from licensed producers or any other source.

■ **Can I make financial arrangements with federally licensed producers?**

You cannot accept or request any inducement from a producer. This means you must not:

- ▶ pay money to secure access to a supplier's product;
- ▶ request money from a supplier in return for providing benefits such as preferential shelf space;
- ▶ accept money in exchange for agreeing not to stock a competitor's product.
- ▶ make agreements that give a retailer exclusive access to a producer's product, or product line.

■ **What types of non-medical cannabis can I sell?**

You can sell dried cannabis, cannabis oils and seeds that comply with federal requirements.

■ **Can I sell edibles?**

No, the proposed federal *Cannabis Act* does not permit the commercial production of edibles at this time. Therefore, you cannot legally sell them. The federal government has stated that edibles will be regulated within 12 months of legalization.

■ **What else can I sell besides dried cannabis and cannabis oil?**

You may sell “cannabis accessories,” as defined in the proposed federal *Cannabis Act*:

“Cannabis accessory” means a thing, including rolling papers or wraps, holders, pipes, water pipes, bongs and vaporizers that is represented to be used in the consumption of cannabis or a thing that is represented to be used in the production of cannabis.

You cannot sell snacks, tobacco or other non-cannabis related items.

■ **What format will cannabis products be distributed in?**

LDB will distribute pre-packaged product only, with labelling compliant with federal standards, in ready-to-sell formats (no bulk products). The product brands belong to the licensed federal producers.

Retailers will not be authorized to re-package the product with their own branding. Information about specific size formats will be confirmed at a later date.

Inspections and Compliance

To ensure that non-medical cannabis is being sold in a lawful and responsible manner, the Province will establish a compliance program that will include education, inspection and enforcement activities. The focus will be on encouraging voluntary compliance.

■ **How often will I be inspected?**

Your store will be inspected at least once annually and any time the LCLB investigates a complaint about your store.

■ **What happens if I am found to be out of compliance?**

If an inspector observes a contravention of the provincial legislation at your establishment, you will be issued a Contravention Notice and the inspector may recommend enforcement action. Penalties for contraventions are under development, but could include a monetary penalty or a licence suspension or cancellation. There will be a reconsideration process for licensees that wish to challenge the result of an enforcement hearing.

■ **Can the police enter and inspect my store?**

Yes, police can enter and inspect your store to ensure you are operating in compliance with the legal requirements.

■ **What should I do with any product I have obtained from unlicensed sources?**

Once you have been issued your licence you must not sell cannabis obtained from a source other than the LDB.

Rural Areas

The Province is aware that it may be necessary to introduce special provisions for rural areas in order to provide access to non-medical cannabis to rural populations.

- **Can an existing business in a rural area be authorized to sell non-medical cannabis, like they are for liquor?**

The Province is considering this possibility because a self-contained non-medical cannabis retail store may not be a viable business in some rural areas.

- **Will the rural agency store model (RAS) used for liquor be used for cannabis?**

Many of the operational requirements of the RAS model used for liquor may be applied to non-medical cannabis. However, the Province is still evaluating how to best meet the need for rural access.

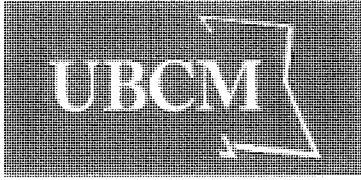
- **If I operate a RAS, will I automatically be able to sell non-medical cannabis?**

No, if a current RAS operator is interested in retailing non-medical cannabis, they will be required to apply for a licence specifically for non-medical cannabis.

Further Resources

Bill C-45 the draft federal Act can be found here <http://www.parl.ca/LegisInfo/BillDetails.aspx?billId=8886269>

Contact information: cannabisregs@gov.bc.ca



Cannabis Regulations Safeguard Local Choice, Jurisdiction

Feb. 7, 2018

The Province has released additional regulations as part of its framework for legalized cannabis. The new regulations focus on the retail sale of non-medical cannabis, and outline policies to address public consumption, personal cultivation and drug-impaired driving. The new rules align with UBCM's advocacy and recommendations provided by the Joint Provincial-Local Government Committee on Cannabis Regulation (JCCR).

UBCM President Wendy Booth, part of the joint committee, praised the province for its ongoing consultation with local government. "Our members have been seeking confirmation that we will be able to regulate cannabis retail as we do for the sale of alcohol. We also have supported separating the sale of cannabis from alcohol for reasons of public health. The regulations the province has brought address these concerns and are good news for local government."

Retail Framework

Non-medical cannabis will be available for purchase through government-operated outlets, private stores and online. The Liquor Distribution Branch will assume responsibility for operating standalone government retail stores, while the Liquor Control and Licensing Branch will be in charge of licensing private retail operations.

Retail co-location of non-medical cannabis with alcohol or tobacco will not be permitted in urban areas, along with other products such as food, gas, and lottery tickets. This approach is consistent with the prevalent viewpoint in the medical community, including that of former Provincial Health Officer, Dr. Perry Kendall, and was supported by the JCCR in its first submission to the Province.

At the same time, the JCCR has also advocated for smaller communities to be eligible to receive an exemption to this rule, given that some smaller jurisdictions lack the capacity or demand to warrant a separate location for both liquor and non-medical cannabis. The Province, as members of the JCCR, concluded that exceptions be established for rural non-medical cannabis retail stores, similar to exceptions that currently exist for rural liquor stores.

The Province will launch its registration process for those seeking a non-medical cannabis retail licence this spring. As part of this process, there will not be a cap on the number of retail licences issued, although licences will not be issued without local government support through a council resolution, based in part on a required public consultation process. Local governments will have the ability to impose security and distance requirements for retail outlets. Retail outlets may operate from 9 a.m. to 11 p.m. unless additional restrictions are put in place by a local government.

Through this process, local governments will have the ability to restrict, and if they so choose, completely ban cannabis sales (including public stores).

"It makes good sense to model the retail sale of cannabis on the current framework for alcohol," said Councillor Kerry Jang, JCCR Co-Chair. "The proposed model prevents the download of licensing while providing local governments with the tools to locate and manage the number of stores in their communities. Clarifying these issues lays the groundwork for sorting out the appropriate sharing of tax revenues."

The Province has also released a Private Retail Licensing Guide, providing additional information regarding its retail system for non-medical cannabis.

Public Consumption

Adults 19 years and older will be permitted to consume non-medical cannabis in public spaces where tobacco smoking and vaping are allowed. Exceptions to this rule include a ban on consumption in areas frequented by children, such as beaches and parks, as well as inside vehicles. Similar to tobacco use, additional restrictions will be at the discretion of local governments. The JCCR has previously advocated for all these changes, as well as a strong enforcement regime for restricting cannabis smoking/vaping.

The Committee also supports the development of licenced establishments where individuals can consume cannabis. The Province has decided not to immediately licence consumption venues/lounges; discussions will continue with the JCCR.

As part of its restrictions on public consumption, the Province has permitted landlords and strata councils to restrict or prohibit consumption at tenanted and strata properties.

Personal Cultivation

Consistent with proposed federal restrictions, British Columbia will permit adults to grow a maximum of four plants per household. The plants must not be visible from public spaces located outside the property. Personal cultivation will not be permitted in dwellings used for daycares. The JCCR directly advocated in favour of all these policy decisions, and going forward supports the use of provincial resources and strong administrative penalties to act as a deterrent for those who violate restrictions on personal cultivation.

As part of its restrictions on personal cultivation, the Province has permitted landlords and strata councils to restrict or prohibit cultivation of non-medical cannabis at tenanted and strata properties.

Drug-impaired Driving

The Province will increase training for law enforcement in order to manage drug-impaired driving. Consistent with JCCR recommendations, the Province will also introduce new measures to deter drug-impaired driving, including a new 90-day administrative driving prohibition for drug-affected driving and zero-tolerance restrictions for the presence of THC in drivers who are part of the Graduated Licensing Program.

The Union of BC Municipalities recently endorsed resolution 2017-B88 which requests funding for police agencies to increase the number of certified drug recognition experts. It is unclear how much of the recently announced federal funding to support law enforcement will be allocated to British Columbia for police officer training.

Next Steps

The JCCR will continue to work with the Province of British Columbia to analyze and discuss policy decisions, including the distribution of taxation revenue, in advance of legalization.

To stay up to date with the work of the JCCR, please see the Committee's webpage.

Follow Us On

- Twitter: @ubcm

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BARRISTERS AND SOLICITORS

MEMORANDUM

TO: Clients
FROM: Ian Moore and Sara Dubinsky
DATE: February 5, 2018
RE: Retail Licencing for Non-Medical Cannabis Update

This memo summarizes the Province of British Columbia's newly-released *BC Cannabis Private Retail Licencing Guide: Applications and Operations* (the "Guide").¹ The Guide provides details regarding the Province's intentions for the licencing and operation of non-medical cannabis ("NMC") retail stores.

I. OVERVIEW

- The Government intends to establish a public/private model of NMC retail stores.
- Wholesale distribution of NMC will be managed solely through the Liquor Distribution Branch ("LDB"), which will also run public retail stores.
- The Liquor Control and Licencing Branch ("LCLB") will be responsible for licencing and enforcement.
- NMC retail stores—both public and private—will be subject to a similar set of rules as liquor stores are now.
- Local governments will have significant control over the NMC retail environment.
- The rules governing rural retail stores are still under consideration and may ultimately be different than those for urban areas.

II. LICENCING OF RETAIL STORES

A. Application Requirements

Individuals and businesses wishing to operate an NMC retail store in British Columbia will need to obtain a licence from the Province. Licence applicants will need to:

¹ See https://news.gov.bc.ca/files/Cannabis_Private_Retail_Licensing_Guide.pdf.

- provide information about the proposed location (i.e. PID, proof of ownership or a lease that does not expire for at least 12 months from the date of licence approval, floor plan);
- provide a background check of police/criminal records; and
- obtain the support of their local government.

Applicants with criminal records will not necessarily be prevented from obtaining a licence—the currency and relevance of the record will be assessed. Similarly, those currently operating illegal dispensaries will not be prohibited from receiving a licence nor will they be given preferential treatment in the application process. In short, all applicants will be subject the same requirements and evaluation criteria.

B. Local Government Influence on Licencing

Local governments will have significant control over the NMC retail environment:

- **local government support is a mandatory prerequisite to issuance of a Provincial licence** to any applicant, including for public retail stores. Local governments will indicate their support (or lack thereof) by means of council/board resolution sent to LCLB after mandatory consultation with residents in the vicinity of a proposed store about community impacts.
- **local governments will be able to regulate the location of retail stores, including their distance from schools and other stores, through zoning; and**
- **local governments will be able to regulate the number of retail stores in their boundaries, including prohibiting them altogether.**

Notably, the Province will not be implementing its own regulations regarding the location of NMC stores or the number of stores allowed in each community.

C. Application Process Timeline

While applications will be accepted when the Government launches its application portal in spring 2018, applications will only be assessed once legislation is passed.² Further information regarding how applicants can obtain local government support will be provided in the near future.

² Additional information about the application process and portal will be found here: <https://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/cannabis-regulation>.

Finally, the Province will not be considering licencing consumption lounges or any other types of licencing (such as online sales, delivery services, or offsite sales at festivals and events) at this time.

III. REGULATING OPERATIONS

A. General Operations Rules

Licensed NMC retail stores will only be able to operate as self-contained businesses and will not be able to combine with existing liquor and/or tobacco stores. Minors will not be allowed to enter NMC retail stores (rural stores may be exempt from these requirements). Unless additional regulations are implemented by a local government, stores will be allowed to be open from 9am to 11pm. Similarly, while the Province is considering security requirements for retail stores, local governments are free to implement their own additional security requirements. Consumption will not be allowed in stores.

B. What Can be Sold?

Licensed NMC stores will be able to sell federally-compliant and LDB-sourced dried cannabis, cannabis oils, and seeds. Cannabis accessories (e.g. pipes, bongs, vaporizers) will also be allowed, while edibles will not; however, the federal government has stated they will be regulating edibles within 12 months of legalization.

C. Compliance

The Province will be establishing a compliance program with education, inspection, and enforcement components. As part of this program, NMC retail employees will be required to attend a mandatory training and every store will be inspected at least once annually, in addition to inspections that occur as a result of complaints received by LCLB. Non-compliant stores will be issued Contravention Notices and non-compliance may lead to monetary penalties, licence suspension, and/or licence cancellation.

IV. RURAL AREAS

The Province is considering implementing distinct rules for NMC stores in rural areas. In particular, they are considering allowing NMC to be sold within existing businesses (e.g. as in the case of liquor) and applying many of the operational requirements of the rural agency store model to the sale of NMC. The Province may also allow accompanied minors to enter retail stores selling NMC in rural areas.

LIDSTONE & COMPANY
BARRISTERS AND SOLICITORS

MEMORANDUM

TO: Clients
FROM: Sara Dubinsky
DATE: February 6, 2018
RE: Local Government To Do List to Prepare for Cannabis Sales

The Province has just released its proposed scheme for retail cannabis sales in British Columbia. This memo sets out the most pertinent provisions and our recommendations for local governments to prepare for legalization.

- 1. Local government support is a mandatory prerequisite to issuance of a Provincial retail licence**
- 2. The Province will not be regulating the location of cannabis retail stores or the number of stores allowed in each community**
- 3. Local governments may regulate the number of retail stores within their boundaries, and may prohibit them altogether**
- 4. Local governments may regulate the location of retail stores, including their distance from schools and other stores**
- 5. Local governments may impose security requirements and additional restrictions on hours of operations - retail stores can otherwise operate between 9 am to 11 pm**

The Province is providing for significant local government control over retail cannabis outlets. **Local governments should begin to consider and consult with respect to the following:**

- Banning retail sales altogether
- Capping the number of retail outlets
- Regulating permissible locations (by zones and/or proximity to certain uses)
- Refusing to support licence applications submitted by existing unlawful retail stores
- Imposition of security requirements and restrictions on hours of operation
- Requiring proof of Provincial licence issuance and successful completion of the Provincial employee training program as prerequisites to business licence issuance
- Adopting procedures for public consultation on licence applications
- Creating a new category of business licence fees
- Regulating public consumption