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To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"
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Date: 11/19/2018 6:51:50 PM

Subject: Briefing Note Cannabis

Attachments: DBL - Memo to Mayor Council Cannabis Legalization Updates_Final - 26.6.2....pdf

Greetings Mayor and Council

Several Council members have asked for background on Cannabis legalization. The attached memo was distributed to the previous Council in June of this year and provides a comprehensive overview of the implementation of legalized cannabis in BC as well as the status of cannabis retail in Vancouver at present.

If you have any questions regarding this material, please feel free to reach out to Kaye or Paul.

Best

Sadhu

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MEMORANDUM

June 26, 2018

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Rena Kendall-Craden, Director, Communications
Kevin Quinlan, Chief of Staff, Mayor's Office
Naveen Girn, Director of Community Relations, Mayor's Office
Kathryn Holm, Chief Licence Inspector
Iain Dixon, Assistant Director, Legal Services
Darrell Reid, Fire Chief, Vancouver Fire and Rescue Services and Office of
Emergency Management
Adam Palmer, Chief Constable, Vancouver Police Department
Malcolm Bromley, General Manager, Vancouver Board of Parks and Recreation
Patrice Impey, General Manager, Finance, Risk and Supply Chain Management
Jerry Dobrovolny, General Manager, Engineering Services
Gil Kelley, General Manager, Planning, Urban Design, and Sustainability

FROM: Kaye Krishna, General Manager of Development, Buildings, and Licensing

SUBJECT: Legalization of Non-medical Cannabis

Summary

The purpose of this memo is to update City Council on the changes forthcoming with the country-wide legalization of cannabis on October 17, 2018. It also supplements the June 5 policy report proposing changes to the Zoning & Development and Licensing by-laws to enable 'cannabis retail' in Vancouver, the public hearing for which will be held on June 26, 2018.

The memo provides a summary of the scope, roles and responsibilities at federal, provincial and municipal levels and provides an assessment of the impact on the City of Vancouver. For reference, the memo also provides an update on the current status of MMRU's in the City.

While many key decisions have now been made at both the federal and provincial level, a number of details remain unclear, particularly with the province. Staff will continue to work with the Province and the *Joint Provincial-Local Government Committee on Cannabis Regulation (JCCR)* on understanding additional implications and potentially new municipal considerations and will report back to Council, if needed, as additional policy and program details are defined.

Key Legislation

Federal Overview

Bill C-45 - *An Act respecting cannabis and to amend the Controlled Drug and Substances Act, the Criminal Code and other Acts* (the *Cannabis Act*) is the federal legislation that will create a strict framework for controlling the production, distribution, sale, import, export and possession of cannabis in Canada. The *Cannabis Act* will also enable provinces and territories, together with municipalities, to tailor certain rules in their jurisdictions.

On June 19, 2018, the Senate approved Bill C-45, and the Bill subsequently received Royal Assent. On June 20, the Prime Minister announced that non-medical cannabis will be legalized as of October 17, 2018 to allow for a transition period after Royal Assent before the Act comes in to full force in order to give provinces and territories time to respond to legalization.

The concurrent legislation to Bill C-45 is Bill C-46, *an Act to amend the Criminal Code* that addressed driving while impaired by cannabis. Bill C-46 was approved by the Senate on June 20, 2018 and received Royal Assent on June 21, 2018.

Upon legalization of non-medical cannabis, the following will be solely controlled at the federal level:¹

- Production of non-medical cannabis. Producers and processors of medical marijuana are currently licensed by the federal government. As of June 22, there are 111 licensed producers in Canada, 24 of which are in British Columbia. These operators are expected to become approved producers and processors of non-medical cannabis once legalized;
- Establishing industry-wide rules on the types of non-medical cannabis allowed for sale;
- Standardizing serving sizes and potency;
- The advertisement and packaging of non-medical cannabis;
- The tracking of non-medical cannabis from seed-to-sale to prevent diversion to the illegal market;
- The exporting and importing of non-medical cannabis; and
- Federal minimum conditions on age of majority, personal possession limits, home cultivation and impaired driving to ensure a reasonably consistent national framework - provincial and territorial legislation can further restrict these conditions.

Additional details of the federal legislation can be found here:
<https://sencanada.ca/en/sencaplus/news/cannabis-act/>.

¹ Government of Canada (2017). "Legislative Background: An Act respecting cannabis and to amend the Controlled Drug and Substances Act, the Criminal Code and other Acts (Bill C-45)."

Provincial Overview

Provincial and territorial governments are responsible for the regulating the following:

- Age of majority;
- Personal possession limits for adults and youth;
- The retail sale of non-medical cannabis;
- Distribution and wholesaling;
- Public consumption;
- Personal cultivation; and
- Drug-impaired Driving penalties.

In B.C., Bill 30 - the *Cannabis Control and Licensing Act* and Bill 31 - the *Cannabis Distribution Act* establish the provincial framework for the age of majority, retail sale, wholesale distribution, possession, public consumption, and personal cultivation of cannabis in the province. Both pieces of legislation received Royal Assent on May 31, 2018 but will only come into force by regulation of the Lieutenant Governor in Council. This will most likely occur on October 17, 2018 to align with the enactment of the federal *Cannabis Act*.

Bill 17 - the 2018 *Motor Vehicle Amendment Act* that allows for the use of drug screening instruments and the imposition of the prohibition on having any cannabis in a person's body for prescribed classes of driver's licences, has also received Royal Assent and will likely also come into force in October.

Key provisions of the *Cannabis Control and Licensing Act* are:

- 19 is the age of majority to purchase, sell or consume cannabis;
- Adults will be allowed to possess up to 30 grams of cannabis in a public place;
- Minors are not allowed to possess any cannabis;
- Only retail outlets licensed by the Province may sell non-medical cannabis to consumers;
- Municipalities and Indigenous Nations can provide recommendations on applications for a provincial non-medical cannabis retail outlet licence within their jurisdiction;
- Adults are allowed to grow up to four cannabis plants in a dwelling house;
- Adults are not allowed to consume cannabis in places where the smoking or vaping of tobacco is already prohibited under the *Tobacco Control and Vapour Products Control Act* as well as places frequented by children, parks, vehicles or boats and transit stops or stations;
- No intoxication in a public place;
- Wide enforcement powers for the Province to enforce against illegal retail outlets and sellers of non-medical cannabis; and
- Search and seizure powers for law enforcement officers.

Key provisions of the *Cannabis Distribution Act* are:

- The Liquor Control and Licencing Branch (LCLB) is the sole wholesale distributor of non-medical cannabis products and accessories. All provincially licensed retail outlets must source their product from the LCLB; and
- The LCLB will only obtain non-medical cannabis products and accessories from federally licensed producers and processors.

Additional details of the provincial legislation can be found here:
<https://www2.gov.bc.ca/gov/content/safety/public-safety/cannabis>.

A summary of the jurisdictional responsibilities for the federal, provincial/territorial and municipal governments is included in Appendix A.

Impacts on Municipalities and the City of Vancouver

This section describes key areas of impact on municipalities related to legalization of cannabis, and outlines the specific implications to the City of Vancouver. The key areas of impact include:

1. Retail Outlets
2. Licenced Producers and Processors
3. Wholesale Distribution of Non-Medical Cannabis
4. Public Consumption
5. Personal Cultivation
6. Workplace Safety
7. Cannabis Revenue Sharing and Costs
8. Education and Communication

1. Retail Outlets

The *Cannabis Control and Licensing Act* will allow the retail sale of non-medical cannabis in both privately and publicly owned outlets. Private outlets will be required to obtain a non-medical retail cannabis licence from the LCLB. The primary objective of licensing is to ensure that retail outlets operate safely, restrict access to minors, remove organized crime as operators, and are in accordance with all federal, provincial and municipal laws. The provincial rules governing cannabis retail outlet licences will be similar to those in place for liquor establishments.

The LCLB will not issue licences to applicants who are not considered “fit and proper” as determined by security checks and consideration of the applicant’s known associates. There will be no cap on the number of provincial licences issued.

The *Cannabis Control and Licensing Act* includes an extensive compliance and enforcement regime that aims to ensure that children and youth are protected, public health and safety is assured, and cannabis is kept out of the control of criminals. A key component of this proposed enforcement regime is a new “community safety unit” that will target illegal retail outlets and sellers.

Known key restrictions that will apply to provincially licensed retail outlets include:

- No minors under the age of 19 allowed on the premise;
- Hours of operation are between 9 a.m. and 11 p.m. unless further restrictions are put in place by local governments;
- No retail sale of non-medical cannabis through self-service counters or dispensing devices;
- No delivery or online sale of non-medical cannabis;

- Retail outlets are only permitted to sell non-medical dried cannabis, cannabis oils and seeds, and cannabis accessories. There will be no co-selling of liquor, food and pharmaceuticals, although some exceptions may apply to rural liquor outlets;
- All non-medical cannabis products and accessories must be obtained from the Liquor Distribution Branch (LDB);
- Retail outlets may not sell medical marijuana and edibles;
- No in-outlet consumption of cannabis;
- The Province will not impose distance requirements for non-medical cannabis retail outlets. Municipalities may impose additional requirements through land-use powers;
- Name of retail outlet must be approved by the LCLB;
- Non-medical cannabis products in retail outlet must not be visible from outside;
- No sale of non-medical cannabis products at outdoor festivals and events;
- The province will mandate security requirements for retail outlets. In addition, all employees must undergo a mandatory training program and security checks; and
- All non-medical cannabis products must be stored on site at the retail outlet.

Under the *Cannabis Control and Licensing Act*, municipalities have two roles in the regulation of non-medical cannabis retail outlets:

- **Zoning:** Municipalities have the authority to regulate the location and number of public and private retail outlets within their jurisdictions through municipal land-use powers, including the option to ban retail sale altogether; and
- **Provincial licensing recommendation:** Section 33 of the *Cannabis Control and Licensing Act* provides the ability for a municipal council to provide a recommendation on each application for a provincial retail outlet licence in their jurisdiction. This provision is based on an identical process for liquor outlets under the *Liquor Control and Licensing Act*. The province is not bound by the municipal recommendation. The *Act* allows Council to delegate its powers and duties under Section 33.

In addition, all provincially approved retail outlets will still be required to apply for and obtain a municipal business licence, if a licensing regime is in place. Prior to the *Cannabis Control and Licensing Act*, the City of Vancouver instituted a licensing regime for Medical Marijuana Related Uses (MMRU) and Compassion Clubs in 2015. This was followed by Victoria in 2016 and Nelson in 2017. Kamloops approved amendments to their Zoning By-law in May 2018 that will enable the City to licence both public and private retail outlets after legalization, whereas Port Moody, the District of North Vancouver and New Westminster have proposed similar licensing regimes, subject to continued public engagement or public hearing. The District of Mission has indicated that it will only allow government cannabis retail outlets after legalization.

On June 5, 2018, Vancouver City Council referred to Public Hearing amendments to the *Zoning and Development By-law* and *Licence By-law* that replaces the current “Retail Dealer - Medical Marijuana-related use” licence category with “Retail Dealer - Cannabis.” Compassion club licence definitions will remain unchanged. This definitional change was required to prevent current MMRU outlets from becoming legal non-conforming uses after legalization, and to prevent non-medical cannabis retail activity from occurring in all retail zones within the City. Staff also recommended in the June 5 Policy Report to maintain existing distancing requirements and zoning restrictions for MMRUs and to

delegate Council’s power under Section 33 of the *Cannabis Control and Licensing Act* to the Chief Licence Inspector.

The current *Licence By-law* includes a number of additional requirements for MMRU outlets and Compassion Clubs that were created in the absence of any corresponding federal and provincial regulations. The Province is expected to create regulations under the *Cannabis Control and Licensing Act* that will replicate the licence conditions for MMRU outlets under the *Licence By-law*. Staff recommended in the June 5 Policy Report to not alter these requirements of the *Licence By-law* at this time until the provincial regulations are clear, and recommend reviewing these requirements one-year post-legalization (Fall 2019). However, minor amendments will still be required to the City’s cannabis retail business licence to align with the provincial licensing regime, such as allowing corporations and transfers. Staff will report back to council prior to legalization with the proposed minor *Licence By-law* amendments.

Should Council enact the proposed *Licence By-law* amendment to delegate the approval of applications for a provincial licence, the Chief Licence Inspector will consider a number of factors in considering whether to recommend approval for a provincial licence. Factors will include:

- Community input
- Operator’s historical compliance with City’s land use and business licence requirements;
- 311 complaint history;
- Outstanding unpaid fines (i.e. Municipal Ticket Informations); and
- For currently licensed operators: credit for existing business licence fees already paid that year.

Whether operators who have applied for a provincial licence but have not yet been approved for that licence will be able to remain in operation pending approval is a provincial decision and any enforcement action against those operators will be a provincial responsibility.

2. *Licensed Producers and Processors*

The Federal Government will be responsible for regulating the producers (i.e. cultivators) and processors of non-medical cannabis, with specific responsibilities including licensing, quality control, compliance and enforcement. New regulations supporting the *Cannabis Act* will be published once finalized. In the meantime, Health Canada’s proposed approach to licensing is summarized below:

Activity	Proposed Federal Licences	Who can they sell to?
Producers	Standard Cultivation Licence <ul style="list-style-type: none"> - Large scale growers of cannabis - Produce cannabis seeds, cannabis plants, fresh and dried cannabis 	Other licensed cultivators, licensed producers and authorized researchers
	Micro-cultivation Licence <ul style="list-style-type: none"> - Smaller scale than standard cultivation licence holders 	

	Nursery Licence - Produce seeds and seedlings	
	Industrial Hemp Licence - Produce industrial hemp (containing 0.3% THC or less)	
Processors	Standard Processing Licence - Large scale production of cannabis products (i.e. cannabis oils) - Packaging and labelling of cannabis products	Other licensed cultivators or processors, provincial and territorial authorized wholesalers, and authorized researchers
	Micro-processing Licence - Smaller scale than Standard Processing Licence holders	

Municipalities’ authority over licensed producers and processors will be restricted to land-use control and business licensing. Provincial involvement is likewise limited, except in determining how non-medical cannabis production and processing is permitted on Agricultural Land Reserves (ALR).

In considering how the City would permit licensed cannabis producers and processors, staff will need to study the industry’s environmental and socio-economic impacts in the context of City initiatives, such as the Greenest City Action Plan, the Employment Lands Study, and the Vancouver Food Strategy. Specific environmental impacts may include high water consumption, runoff and waste, odour, and energy usage in controlled growing environments like greenhouses that may generate high greenhouse gas emissions. Socio-economic impacts include low employment yields in the City’s economy and employment lands, and challenges to food security due to production on ALR land. Staff will assess impacts and opportunities for producers and processors in Vancouver once the provincial rules are clear and as various, relevant projects listed here more forward.

3. Wholesale Distribution of Non-Medical Cannabis

Under the Provincial *Cannabis Distribution Act* and *Cannabis Control and Licensing Act*, the LCLB is the sole wholesale distributor of non-medical cannabis in British Columbia from which all licensed retail outlets must source their product. The LCLB’s responsibilities include transportation, storage/warehousing, product security and inventory management of all legal non-medical cannabis obtained from federally licensed processors.

The City of Vancouver’s role in the distribution model is restricted to land-use approval and potentially a business licensing regime should the LCLB express an interest to establishing a warehouse or storage facility for non-medical cannabis within the City’s boundaries.

4. Public Consumption

Sections 60 to 68 of the *Cannabis Control and Licensing Act* prohibit the public consumption of both non-medical and medical cannabis in all places where the smoking and vaping of tobacco is already prohibited, as well as the following locations:

- Any boat or vehicle, in motion or stationary;
- Playgrounds, sports fields, skate parks and other places where children commonly gather;
- Transit and ferry stations or stops; and
- Any park or outdoor area, including those under the specific jurisdiction of the Vancouver Park Board.

A full list of locations where the *Cannabis Control and Licensing Act* prohibits the public consumption of cannabis is included in Appendix B.

The *Cannabis Control and Licensing Act* effectively restricts the public consumption of cannabis to a person’s private residence, with the exception of some public sidewalks. Landlords and strata councils may further restrict or limit the smoking of cannabis in a rental property or strata lot respectively, but not the vapourizing of cannabis. At this time, the Province is not considering the legalization of consumption lounges, nor the sale and consumption of cannabis at outdoor festivals or events.

Municipalities may further regulate the smoking of any substance beyond the framework of existing provincial and federal regulations. For instance, the City’s *Health By-law* and *Park Board Smoking Regulation By-law* restrict the smoking and vaping of any substance in public places already prohibited under the *Tobacco and Vapour Products Control Act* as well as in vehicles for hire, Park Board property, public transit, transit stops, and within six metres of windows, doors and air intakes of any building. The substances covered in the definition of “smoke” and “smoking” in the *Health By-law* and *Park Board Smoking Regulation By-law* is sufficiently broad to encompass cannabis. The combination of the *Cannabis Control and Licensing Act*, the *Health By-law*, and the *Park Board Smoking Regulation By-law* implies that outdoor smoking of cannabis in Vancouver will only be permitted on a sidewalk, provided that it is not within six metres of a building’s window, door or air intake.

The *Cannabis Control and Licensing Act* does not stipulate the roles and responsibilities for enforcing the restrictions on the public consumption of cannabis. However, it is widely expected that local police will enforce provincial laws, whereas the responsibility for enforcing municipal by-laws such as smoking is shared between the police, Park Rangers and City of Vancouver staff.

5. Personal Cultivation

The federal *Cannabis Act (Bill C-45)* permits an adult over 18 to grow up to four cannabis plants within a dwelling house.

British Columbia, through the *Cannabis Control and Licensing Act*, will allow an adult to grow up to four cannabis plant per dwelling house provided the plants are not visible from a public space off the property. Additionally, home cultivation will not be allowed in dwelling houses that are licensed provincially as day care centres. Landlords and strata councils will also be able to establish tenant-specific or building-specific guidelines to regulate or prohibit the personal cultivation of cannabis plant.

Home cultivation of cannabis plants may affect the indoor air quality of dwelling homes and pose a fire and electrical hazard to occupants through the undue usage of high-wattage grow lamps. At this time, staff does not anticipate any amendments to the *Building By-law* and *Fire By-law* though this will be confirmed through further study of the impact of four plant home cultivation on a dwelling unit. If deemed necessary, staff will bring forward amendments to the *Building By-law* and *Fire By-law* accordingly.

Where home cultivation is likely to pose a challenge for municipal governments is the uncertainty over the enforcement of federal and provincial maximum limits of four plants per dwelling house and managing citizen expectations on the City's ability to enforce against odour complaints. It is expected that enforcement of growth beyond the allowable four plants will be primarily the responsibility of local police and fire services, as it is currently. It is anticipated that odour complaints will be received by municipal staff. Municipalities across the country have had limited success in establishing odour-based by-laws, due to the subjectivity related to offence and enforcement. Staff will continue to monitor and evaluate options related to odour management, as it relates to personal cultivation.

6. *Workplace safety*

Provincial governments are responsible for ensuring workplace safety of all workers within their jurisdiction, with the exception of federal employees, as well as employees in federally chartered workplaces such as banks and, interprovincial and international transportation. In B.C., the *Workers Compensation Act* and *Occupational Health and Safety Regulation* (OHSR) contain legal requirements for employers and workers to ensure a safe and healthy work workplace in provincially regulated workplaces, including the City. WorkSafe BC is the provincial agency responsible for developing and implementing the OHSR.

While the *Workers Compensation Act* does not include any specific provisions on cannabis, Section 4.20 of the OHSR prohibits workers with alcohol, drug, or other substance impairments from doing any work that could pose harm to themselves or anyone else.² At this time, WorkSafe BC has not identified a need to amend the OHSR to respond to the legalization of cannabis.³

The City of Vancouver has an Occupational Health and Safety corporate policy and Safety Management System that applies to all City employees. Staff has updated the provisions related to substance impairment in the City's Occupational Health and Safety corporate policies and programs.

6. *Cannabis Revenue Sharing and Costs*

The Federal Government will be charging an excise tax of \$1 per gram or 10 percent of a product's price, whichever is higher, on cannabis products with the exception of low-THC cannabidiol oils and products. Seventy five (75) percent of the excise tax revenue will be

² *Occupational Health and Safety Regulation*, BC Reg 296/97.

³ WorkSafe BC (January 2018). "Media Backgrounder: Cannabis and the Workplace."

shared with the provinces and territories, while the Federal Government will retain the remaining 25 percent share to a maximum of \$100 million per year.

Each province and territory can decide on their municipalities' share of cannabis excise tax revenue. So far, Ontario is the only jurisdiction that has made public their framework for provincial-municipal revenue sharing:

- **Ontario** will give municipalities \$40 million over two years. Funding will be distributed on a per capita basis, with no municipality receiving less than \$10,000. If the Government of Ontario's share of the federal excise tax revenue exceeds \$100 million, the province will provide municipalities with 50 percent of the surplus.

The B.C. government has not revealed its cost-sharing formula but it expects to bring in \$50 million in the 2018 fiscal year and \$75 million in 2019 from its share of cannabis excise tax revenue.⁴ The City in its written submission to the Provincial *Cannabis Regulation Engagement* process on November 2017 stated its anticipation of full cost recovery from revenues generated by cannabis-related taxes.

Full cost-recovery is an objective shared by many municipalities, and staff, along with colleagues in other municipalities have conducted a full financial review of all associated costs to administer municipal services with regards to cannabis. Staff, including VPD, are currently compiling the estimated one-time and ongoing expenditure estimates pre- and post-legalization, including business licensing, property use inspections, building and fire safety, supplemental education, by-law amendments, by-law enforcement and prosecution, police services, park rangers and other municipal services. Staff will advocate for an equitable provincial-municipal revenue sharing model with the provincial government.

7. Education and Communication

Staff will develop and implement a communications plan to explain the municipal role in regulating non-medical cannabis, specific to retail outlets, public consumption, and private cultivation. Staff will partner with local health authorities and educators on their education campaigns, if requested.

Additional Municipal Considerations

Further to the items addressed above, staff will bring forward to Council additional by-law amendments, if required, prior to the legalization of non-medical cannabis on October 17, 2018. By-law amendments that will be brought forward to Council before legalization on October 17, 2018 are expected to be minor amendments, given the limited municipal role in the regulation of non-medical cannabis going forward.

⁴ Source: <https://www.theglobeandmail.com/news/british-columbia/bc-estimates-75-million-in-cannabis-taxes-in-first-full-year-after-legalization/article38061649/>

Staff has committed to revisit the *Licence By-law* one-year post-legalization (Fall 2019) and identify any necessary amendments in response to the implementation of the provincial *Cannabis Control and Licensing Act* and *Cannabis Distribution Act*.

Staff will study and identify any funding gaps for municipal services related to non-medical cannabis post-legalization, and discuss the resulting funding need with the Province to ensure full cost-recovery of municipal services.

Staff will also continue to participate in the *Joint Provincial-Local Government Committee on Cannabis Regulation* (JCCR) that was established by the Union of British Columbia Municipalities (UBCM) and the provincial government. Councillor Kerry Jang currently serves as the JCCR's Co-chair while Kathryn Holm, the City's Chief Licensing Inspector, is the senior staff representative.

Current status of Retail Outlets in Vancouver

Medical marijuana related businesses in operation

The City of Vancouver has issued 46 Development Permits for medical marijuana related businesses in the City under the existing MMRU regulatory framework. Of the 46 MMRUs with land-use approval, 19 have obtained a business licence, 15 of which are MMRU retail dealers and the remaining four are licensed as compassion clubs. Another 20 business licence applications are under review, and have been put on hold pending legalization and the addition of a provincial licensing requirement.

As of June 25 2018, there are 75 currently operating outlets that are subject to enforcement. MMRU outlets are subject to enforcement if they operate without a development permit. 70 of these illegal outlets do not have development permits, whereas four outlets have development permits but are still subject to enforcement because of other by-law infractions (i.e. work without permit), relocation without land-use approval, or inclusion in the 55 injunctions filled by the City prior to obtaining their land-use approval.

Appendix C includes the full list of MMRU outlets that have received business licences, development permits or both, and those that are currently in operation but subject to enforcement.

Enforcement

As of June 25 2018, the City has issued 3,244 tickets worth \$2.42 million to medical marijuana related businesses operating illegally without a development permit. 374 (11.5%) of those tickets have been paid in full, representing \$182,250 in payment. In addition to ticketing, the City has issued 35 Zoning Orders against the landlords of illegal cannabis stores. Overall, the City's enforcement actions have resulted in 55 previously illegal outlets either closing down or complying with City by-laws.

The City has filed 53 injunctions against illegal marijuana related businesses, the majority of which have agreed to a test case set for September 4, 2018 in the B.C. Supreme Court. A test case refers to proceedings that will set the precedent for future cases. These parties have agreed to accept the decision in the test case. The case is set for three weeks commencing on

September 4, 2018. The illegal outlets that are participating in the test case are not actively being ticketed for non-compliance with zoning or licensing requirements, as per the advice of Legal Services.

Resourcing

In 2015, Council approved dedicated staff resources to complete the land use approval, licensing and enforcement work related to the regulatory framework. This included one-time and ongoing funding. The table below represents the dedicated resourcing budget and spend figures only. Indirect resourcing by various other staff is not included and represents an unmeasured workload.

Year	Approved funding	Actual spend
2015	\$256,700	\$126,093
2016	\$690,033	\$629,650
2017	\$415,700	\$489,416
2018	\$474,861	\$197,573 (YTD as of June 22)
TOTAL	\$1,837,294	\$1,442,732

Conclusion

As regulations and implementation details are finalized across both federal and provincial governments, staff will evaluate the impact on municipal policies, by-laws, processes, and resources. Staff will report back to Council with proposed approaches to addressing those impacts and ensuring a safe, effective municipal framework to support Canada's legalization of recreational marijuana.

In the meantime, please don't hesitate to contact me or Kathryn Holm, Chief Licence Inspector, if you have questions or concerns



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APPENDIX A

Federal, provincial/territorial and municipal responsibilities in the regulation of non-medical cannabis:

Activity	LEVEL OF GOVERNMENT RESPONSIBLE		
	Federal	Provincial/territorial	Municipal
Age of majority	✓	✓	
Personal possession limits	✓	✓	
Home cultivation (i.e. maximum number of cannabis plants in a dwelling house)	✓	✓	
Public consumption		✓	✓
Production and processing	✓		
Distribution and wholesaling		✓	
Retail model		✓	
Retail licensing		✓	✓
Retail location and rules		✓	✓
Land use/zoning			✓
Quality control and standards	✓		
Advertisement and packaging	✓		
Tracking from seed-to-sale	✓		
Importing, exporting and trafficking	✓		
Impaired driving	✓	✓	
Workplace safety	✓ (only for federal employees and federally regulated industries)	✓	
Taxation	✓		
Education	✓	✓	✓
Public health	✓	✓	

APPENDIX B

List of places where the public consumption of cannabis is prohibited under the *Cannabis Control and Licensing Act*:

- School property
- Health Board property
- Skating rink, sports field, swimming pool, spray pool, wading pool, playground or skate park and associated places (i.e. deck, viewing area, etc.)
- All public park or outdoor recreation areas created for the purposes of community recreation
- Any public space as defined in the Act⁵
- Any workplace
- A common area within an apartment building, condominium or dormitory
- Prescribed distance from a doorway, window, or air intake of a public place, workplace or common area within an apartment building, condominium or dormitory
- Any vehicle or boat, regardless of whether the vehicle or boat is stationary or in motion
- Bus stop, train station or stop, taxi stand or ferry dock or stop, and similar places
- Prescribed distance from any bus stop, train station or stop, taxi stand or ferry dock or stop, and similar places.

⁵ Part 1 of the Cannabis Control and Licensing Act defines a public place as “(a) any place to which the public has access as of right or by invitation, express or implied, whether or not a fee is charged for entry,” and “(b) any vehicle or boat located in a place referred to in paragraph (a) or in any outdoor place open to public view.”

APPENDIX C

A. List of licensed medical-marijuana related businesses

<u>#</u>	<u>Outlet Name</u>	<u>Outlet address</u>	<u>Licence type</u>
1	Andrew Cappellano dba Eggs Canna	208 E 16th Ave	MMRU - retail
2	Michael Barcelona dba Grateful Med	211 E 16th Ave	MMRU - retail
3	MMJ Canada Society	225 SE Marine Dr	MMRU - retail
4	Farm Dispensary	369 Columbia St	MMRU - retail
5	Vancity Weed Dispensary Inc.	610 Robson St	MMRU - retail
6	Shaylen Smith dba Green Valley Medicinal	699 E 65th Ave	MMRU - retail
7	Roya Khosravi dba Westcanna	700 W Broadway	MMRU - retail
8	The Herb Co.	779 Kingsway	MMRU - retail
9	Lotusland Fairview Cannabis Society	1116 W Broadway	Compassion Club
10	THCC The Herb Co Canada Society Mount Pleasant	1193 Main St	MMRU - retail
11	MPN Health Society dba Aura Dispensary	1316 Kingsway	MMRU - retail
12	Urban Earth Med Society	1605 Renfrew St	Compassion Club
13	Evo Medi Society	1666 Graveley St	Compassion Club
14	Buddha Barn Medicinal Society	2179 W 4th Ave	MMRU - retail
15	Westcoast Medicann Society	3178 Cambie St	MMRU - retail
16	Scooter Health Society	3441 Kingsway	Compassion Club
17	Karuna Health Foundation	4510 Victoria Dr	MMRU - retail
18	The Wealthshop Social Society	4545 W 10th Ave	MMRU - retail
19	The Healing Center on Main (2015) Foundation	6416 Main St	MMRU - retail

B. List of medical-marijuana related businesses with development permits but without business licences

<u>#</u>	<u>Outlet Name</u>	<u>Outlet address</u>	<u>Status of business licence application</u>
1	Real Compassion Society	151 E Hastings St	Not submitted
2	Red-MED	231 Abbott St	Not submitted
3	Sunrise Wellness Foundation	258 W Broadway	Under review
4	Remedy Wellness Society	1078 Mainland St	Under review
5	Air Reserve Collection	1319 SE Marine Dr	Under review
6	The Stressed and Depressed Association of Vancouver	1353 E 41st Ave	Under review
7	S.W.E.D. Dispensary	1429 Robson St	Not submitted
8	The Village Dispensary	1540 W 2nd Ave	Not submitted
9	Apollo Medical	1712 W 4th Ave	Under review
10	The Herb Co	1747 Nanaimo St	Voided
11	The Herb Co	1775 Nanaimo St	Not submitted
12	Lotusland Cannabis Society	1952 W 4th Ave	Under review

13	Vancouver Pain Management Society	2137 Commercial Dr	Under review
14	The Green Rhino	2231 Granville St	Under review
15	Budzilla Dispensary Clinic	2267 Kingsway	Under review
16	The Green Rhino	2570 Granville St	Under review
17	Evergreen Cannabis Society (Mike Babins)	2868 W 4th Ave	Under review
18	Greater Vancouver BC Pain Society	2894 E Broadway	Voided
19	Sunrise Wellness Kingsway Foundation	2943 Kingsway	Under review
20	BC Compassion Club Society	2991 Commercial Dr	Under review
21	Chronic Hub Social Club Society	3133 W Broadway	Under review
22	Yvette Bikus dba Point Grey Cannabis	3357 W 4th Ave	Under review
23	Green Cross Society of BC	4296 Main St	Under review
24	The Herb Co. Kensington	5055 Victoria Dr	Under review
25	The Herb Co Canada Society South Hill	6417 Fraser St	Under review
26	Natural Releaf Society	7295 Main St	Under review
27	Darcy Delainey / Erbachay	8425 Granville St	Under review

C. List of currently operating medical marijuana related businesses subject to enforcement

#	Outlet name	Outlet address	Part of the 53 injunctions?
1	The Healing Tree	21 W Broadway	Yes
2	Mount Pleasant Medicinals Society (AKA Lime Life)	45 W Broadway	No
3	Sea to Sky Alternative Healing Society	68 E 2nd Ave	Yes
4	Leaves of Zazie	109 E Broadway	Yes
5	The DUB	138 E Pender St	Yes
6	Eden	148 E Hastings St	No
7	Real Compassion Society	151 E Hastings St	No
8	HerbsRus	223 W Broadway	No
9	Red-MED	231 Abbot St	Yes
10	Gastown Medicinals	306 Carrall St	No
11	Hempire Dispensary	310 Carrall St	No
12	Lime Life	326 E Hastings St	Yes
13	Heritage Dispensary Clinic Society DBA Healing Tree	529 E Hastings St	Yes
14	Green Room Society	555 Dunsmuir St	Yes
15	Medi-Leaf Dispensary	603 E Broadway	No
16	Pacific Educational Apparels Society	725 Nelson St	Yes
17	Canna Pharmacy Society Broadway	736 E Broadway	Yes
18	The Medicinal Cannabis Dispensary/ Hastings	880 E Hastings St	Yes
19	Canmed Wellness	892 Commercial Div. N	Yes
20	Cannabis Culture	920 Davie St	No

21	Kandu Canna Meds Society	925 Davie St	Yes
22	Mary Jane's Lounge	1012 SW Marine Dr	No
23	Canadian Weed Cannabis Society (aka Weeds)	1108 Richards St	Yes
24	Bloom Medicinals	1132 Granville St	No
25	West End Medicinals	1162 Bute St	No
26	604 Medicinals (formerly Lime Life)	1167 Granville St	Yes
27	Vancity Weed Dispensary Inc.	1181 Granville St	Yes
28	The Medicinal Cannabis Dispensary	1182 Thurlow St	No
29	Kandu Canna Meds Society	1202 Davie St	No
30	Greencity Cannabis Dispensary	1232 Burrard St	No
31	Canna Farmacy Society Kingway	1259 Kingsway	Yes
32	Medical Mary-Jane Canada Society Kensington-Cedar Cottage	1290 E 12th Ave	No
33	Vancity Medicinal Society	1299 Kingsway	Yes
34	Green Sky Canna Society	1443 Kingsway	No
35	Cannabis Culture	1674 Davie St	Yes
36	Green Panda	1707 Robson St	Yes
37	Royal Noble Holdings Inc. (Kush Klub Cannabis)	1735 Commercial Dr	No
38	Medicinal Express Supplies Inc dba Med Ex	1745 Nanaimo St	No
39	Canadian Weed Cannabis Society (Weeds)	1807 Burrard St	Yes
40	Cannaclinic on 4th dba Better Living Society	1812 W 4th Ave	Yes
41	Green Goddess Dispensary	1830 Renfrew St	No
42	Health Lifestyle Marijuana Supplies Centre Ltd.	2076 Kingsway	Yes
43	Green Cross Society of BC	2145 Kingsway	Yes
44	Canna Clinic Medicinal Society	2223 Commercial Dr	No
45	The Green Rhino	2231 Granville St	Yes
46	Eggs Canna Inc.	2235 Commercial Dr	Yes
47	Eggs Canna Inc.	2303 E Hastings St	Yes
48	West Coast Freepaw Society	2347 E Hastings St	Yes
49	Stepping Stone Holistic Living (formerly Canna+Mart)	2487 Kingsway	Yes
50	Canadian Weed Cannabis Society (AKa Weeds)	2580 Kingsway	Yes
51	The Flat	2651 Kingsway	No
52	BC Pain Society	2908 Commercial Dr	Yes
53	Kushtin	2916 W 4th Ave	No
54	Canna Farmacy Society Kitsilano	2935 W 4th Ave	Yes
55	Cannabis Culture	3175 W Broadway	Yes
56	Lotusland Mount Pleasant Cannabis Society	3187 Main St	Yes
57	Cannabis Culture	3421 E Hastings St	Yes
58	S.W.E.D. Dispensary	3450 E Hastings St	Yes
59	Lotusland Broadway Cannabis Society	3474 W Broadway	Yes

60	Karuna Health Foundation	3636 W 4th Ave	Yes
61	MediCanna	3673 E Hastings St	Yes
62	Kush Kingdom Medicinals	4914 Victoria Dr	No
63	Canna Place Dispensary	5890 Cambie St	No
64	Imedikate Dispensary Society	6128 Fraser St	Yes
65	Medical Mary-Jane Canada Society	6453 Victoria Dr	Yes
66	The Leaf Boutique	6528 Victoria Dr	No
67	Sea to Sky Alternative Healing Society	6636 Fraser St	No
68	Canadian Weed Cannabis Society (AKA Weeds)	6657 Main St	Yes
69	Spot Dreams Society 1129299 BC Ltd	7979 Granville St	No
70	The Healing Tree	8180 Champlain Cres	Yes
71	MMJ Canada Society	8265 Main St	Yes
72	Darcy Delainey / Erbachay	8425 Granville St	Yes
73	Kosher Leaf Society	8484 Granville St	No
74	Canna Farmacy Society Marpole	8546 Granville St	Yes
75	Divine Ventures (Divine Mountain Dispensary)	8640 Granville St	Yes