

NO. 16-061

**CANNABIS-RELATED BUSINESS REGULATION BYLAW**

A BYLAW OF THE CITY OF VICTORIA

The purpose of this Bylaw is to provide for the regulation of cannabis-related businesses to minimize any adverse effects that operation of such businesses may have on the safety, health and well-being of the community in anticipation of changes to the federal laws regarding distribution of cannabis.

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**PART 1 - INTRODUCTION**

**Title**

- 1 This Bylaw may be cited as the "Cannabis-Related Business Regulation Bylaw".

**Definitions**

- 2 In this Bylaw:

"cannabis"

means cannabis as defined in the *Controlled Drugs and Substances Act* and includes any products containing cannabis;

"cannabis-related business"

means carrying on of activity where

- (a) the use of cannabis for medical or any other purposes is advocated or promoted;
- (b) cannabis or paraphernalia used in the consumption of cannabis are sold or otherwise provided to persons for any purpose;
- (c) cannabis is stored for a purpose of sale or distribution; or
- (d) cannabis is consumed in any form;

"shareholder"

means a shareholder with a 10% or greater interest;

"storefront cannabis retailer"

means a cannabis-related business where cannabis is sold or otherwise provided to a person who attends at the premises.

### **Application of this Bylaw**

- 3 The provisions of this Bylaw do not apply to production and distribution of cannabis licensed by Health Canada under the Access to Cannabis for Medical Purposes Regulations of the *Controlled Drugs and Substances Act* (Canada).

## **PART 2 - BUSINESS LICENCES**

### **Business licences required for cannabis-related businesses**

- 4 (1) A person must not carry on cannabis-related business unless the person holds a valid licence issued under the provisions of this Bylaw and the Business Licence Bylaw.
- (2) A person applying for the issuance or renewal of a licence to carry on a cannabis-related business where cannabis is kept or present on the premises must:
- (a) make application to the Licence Inspector on the form provided for that purpose
  - (b) pay to the City the applicable licence fee prescribed under subsection (3)
  - (c) provide a security plan for the premises that, in the opinion of the Licence Inspector, describes adequate security measures to mitigate risk of theft or robbery at the premises;
  - (d) provide proof of a security alarm contract that includes monitoring at all times during the period for which the licence is being sought, and
  - (e) provide proof of ownership or legal possession of the premises, and
  - (f) provide a current police information check for:

- (i) the applicant
  - (ii) if the applicant is a corporation, each shareholder, officer and director, and
  - (iii) each on-site manager.
- (3) The licence fee for purposes of subsection (2)(b) is:
- (a) \$5,000 for a storefront cannabis retailer and a cannabis-related business where cannabis is kept on the premises, and
  - (b) \$500 for all other cannabis-related businesses where cannabis is not kept on the premises.

#### **Licence Inspector's authority to refuse a licence**

- 5 (1) The Licence Inspector may suspend or refuse to issue or renew a licence for a business where cannabis is kept on the premises if:
- (a) the applicant or licensee, or a shareholder, officer, director or on-site manager of the applicant or licensee:
    - (i) was convicted anywhere in Canada of an offence involving dishonesty
    - (ii) was convicted, found guilty of, or liable for any contravention or offence relating to the conduct of a business similar to that to which the licence relates
    - (iii) was convicted, found guilty of, or liable for any contravention or offence, in Victoria, against this bylaw or against any bylaw authorizing the issuance of a business licence or regulating the conduct of a business, or
    - (iv) was guilty of misrepresentation, nondisclosure or concealment of any material fact, relating to the subject matter of the licence or required to be stated in, the application.
- (2) A decision of the Licence Inspector under subsection (1) may be appealed to Council by submitting a request in writing to the City Clerk within 30 days of the decision.

### **PART 3 - OPERATING REQUIREMENTS**

#### **Requirements for all cannabis-related businesses**

- 6 A person carrying on a cannabis-related business must not:
- (a) allow a person under the age of 19 on the premises

- (b) advertise or promote the use of a cannabis to a person under the age of 19
- (c) allow a person to smoke, vape, consume or otherwise ingest cannabis or products containing cannabis on the premises, or
- (d) display any advertising or sign that is visible from outside of the premises except for a maximum of two signs which display no images and contain only:
  - (i) alpha-numeric characters,
  - (ii) the business name, and
 is in a size as permitted under the *Sign Bylaw*.

### **Requirements for businesses that keep cannabis on the premises**

- 7 In addition to the requirements of section 6, a person carrying on a business where cannabis is kept or present on the premises must:
- (a) install video surveillance cameras that monitor all entrances and exits and the interior of the business premises at all times
  - (b) retain video camera data for at least 21 days after it is gathered
  - (c) install a security and fire alarm system that is, at all times, monitored by a licenced third party
  - (d) not allow cannabis, products containing cannabis or other valuables to remain on the premises when the business is not open to the public, unless the cannabis, products and other valuables are securely locked in a safe on the premises, and
  - (e) install and maintain an air filtration system that effectively minimizes odour impacts on neighbouring properties.

### **Requirements for storefront cannabis retailers**

- 8 In addition to the requirements of sections 6 and 7, a person carrying on the business of a storefront cannabis retailer must:
- (a) prominently display a sign on the premises indicating that no persons under 19 years of age are permitted on the premises;
  - (b) ensure that two employees are present on the premises at all times when the business is open to the public, including one manager;
  - (c) not use the premises to carry on business other than the cannabis-related business and accessory uses;

- (d) ensure that windows on any street frontage of the premises are not blocked by translucent or opaque material, artwork, posters, shelving, display cases or similar elements;
- (e) not be open for business between the hours of 8 p.m. and 7 a.m. the next day;
- (f) promptly bring to the attention of the Licence Inspector:
  - (i) the name of any new on-site manager, officer, director or shareholder of the licensee, and
  - (ii) any criminal charge brought against the licensee or an on-site manager, officer, director or shareholder of the licensee, and
- (g) promptly provide to the Licence Inspector a current police information check for any new on-site manager, officer, director or shareholder of the licensee.

#### **PART 4 – GENERAL PROVISIONS**

##### **Offences**

- 9 (1) A person commits an offence and is subject to the penalties imposed by this Bylaw, the Ticket Bylaw, and the *Offence Act* if that person
- (a) contravenes a provision of this Bylaw,
  - (b) consents to, allows, or permits an act or thing to be done contrary to this Bylaw, or
  - (c) neglects or refrains from doing anything required by a provision of this Bylaw.
- (2) Each day that a contravention of a provision of this Bylaw continues is a separate offence.

##### **Severability**

- 10 Each section of this Bylaw shall be severable. If any provision of this Bylaw is held to be illegal or invalid by a Court of competent jurisdiction, the provision may be severed and the illegality or invalidity shall not affect the validity of the remainder of the bylaw.

##### **Transition Provisions**

- 11 (1) Notwithstanding section 4(1), a storefront cannabis retailer that was in existence in the same location on the date this bylaw received first reading may continue to operate without a business licence while an application for a rezoning to permit a storefront cannabis retailer use at its location is actively pursued and has not be denied by Council.
- (2) A cannabis-related business that was in existence on the date this bylaw received first reading is not subject to the requirements of section 7 until 60 days after

adoption of this bylaw.

**Consequential Amendment**

12 That the Business Licence Bylaw (No. 89-071) be amended to prohibit cannabis consumption on site at any licenced business in the City by adding the following new section 35:

35 No consumption of cannabis, as defined in the Cannabis-Related Business Regulation Bylaw, shall be permitted at any business licensed under the Business Licence Bylaw.

READ A FIRST TIME the	<b>28<sup>th</sup></b>	day of	<b>July</b>	2016.
READ A SECOND TIME the	<b>28<sup>th</sup></b>	day of	<b>July</b>	2016.
AMENDED on the	<b>8<sup>th</sup></b>	day of	<b>September</b>	2016.
READ A THIRD TIME the	<b>8<sup>th</sup></b>	day of	<b>September</b>	2016.
ADOPTED on the	<b>22<sup>nd</sup></b>	day of	<b>September</b>	2016.

**“CHRIS COATES”**  
CITY CLERK

**“LISA HELPS”**  
MAYOR