

I. **REPORTS OF COMMITTEES**

I.1 **Committee of the Whole**

I.1.b **Report from the May 9, 2019 COTW Meeting**

I.1.b.c **Storefront Cannabis Retailer Regulation Bylaw 19-053**

**Moved By** Councillor Collins

**Seconded By** Councillor Alto

That Council direct staff to:

1. Bring forward the Storefront Cannabis Retailer Regulation Bylaw 19-053 for first and second readings to a Council meeting.
2. Schedule an Opportunity for Public Comment at a regular Council meeting as an opportunity to make representations on the proposed bylaw in accordance with section 59 of the Community Charter.
3. Provide notice of the intention to adopt the new Storefront Cannabis Retailer Regulation Bylaw by mail to all known storefront cannabis retailers as well as through normal advertising of Council's agenda.
4. Undertake a review and analysis of business license fees once Provincial Licensing and Enforcement has stabilized.

**CARRIED UNANIMOUSLY**

**G. STAFF REPORTS**

**G.2 Storefront Cannabis Retailer Regulation Bylaw 19-053**

Committee received a report dated April 30, 2019 from the City Clerk presenting the Storefront Cannabis Retailer Regulation Bylaw for Council's consideration.

**Moved By** Councillor Collins

**Seconded By** Councillor Potts

That Council direct staff to:

1. Bring forward the Storefront Cannabis Retailer Regulation Bylaw 19-053 for first and second readings to the May 9, 2019 Council meeting.
2. Schedule an Opportunity for Public Comment at a regular Council meeting as an opportunity to make representations on the proposed bylaw in accordance with section 59 of the Community Charter.
3. Provide notice of the intention to adopt the new Storefront Cannabis Retailer Regulation Bylaw by mail to all known storefront cannabis retailers as well as through normal advertising of Council's agenda.
4. Undertake a review and analysis of business license fees once Provincial Licensing and Enforcement has stabilized.

**CARRIED UNANIMOUSLY**



## Committee of the Whole Report For the Meeting of May 9, 2019

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**To:** Committee of the Whole

**Date:** April 30, 2019

**From:** Chris Coates, City Clerk

**Subject:** Storefront Cannabis Retailer Regulation Bylaw 19-053

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### RECOMMENDATION

That Council direct staff to:

1. Bring forward the Storefront Cannabis Retailer Regulation Bylaw 19-053 for first and second readings to the May 9, 2019 Council meeting.
2. Schedule an Opportunity for Public Comment at a regular Council meeting as an opportunity to make representations on the proposed bylaw in accordance with section 59 of the Community Charter.
3. Provide notice of the intention to adopt the new Storefront Cannabis Retailer Regulation Bylaw by mail to all known storefront cannabis retailers as well as through normal advertising of Council's agenda.
4. Undertake a review and analysis of business license fees once Provincial Licensing and Enforcement has stabilized.

### EXECUTIVE SUMMARY

The Cannabis-Related Business Regulation Bylaw was adopted in 2016. It established licensing and operating regulations for cannabis-related businesses to regulate cannabis retailers in the city to address local impacts of unregulated proliferation of cannabis retailers and in anticipation of eventual legalization of non-medical cannabis.

The Government of Canada legalized cannabis on October 17, 2018. Subsequently the Province assumed responsibility for cannabis retail store licensing. The Province adopted the *Cannabis Control and Licencing Act* which set out the provincial licensing framework. As result, many provisions in the City's Cannabis-Related Business Regulation Bylaw are no longer necessary as they are addressed in the provincial licensing framework. At the November 8, 2018 meeting, Council passed a motion directing staff to amend the Cannabis-Related Business Regulation Bylaw to align it with the provincial licensing framework. The draft new bylaw, the Storefront Cannabis Retailer Regulation Bylaw, is attached as Appendix A.

The Storefront Cannabis Retailer Regulation Bylaw retains licensing and operating provisions from the Cannabis-Related Business Regulation Bylaw that are not set out in provincial or federal enactments. Under the proposed new Storefront Cannabis Retailer Business Regulation Bylaw, a provincially-licensed cannabis retail store owner must apply for a municipal business license, pay



a \$5000 business licence fee, and follow the municipal regulations that relate to air ventilation, windows, signage, hours of operation, and number of employees on-site. The Business Licence Bylaw and Ticket Bylaw would be amended to reflect the Storefront Cannabis Retailer Regulation Bylaw title, definitions, and provisions.

Before adopting the proposed Storefront Cannabis Retailer Regulation Bylaw the City is required under section 59(2) of the *Community Charter* to give notice of its intention to do so and provide an opportunity for persons who consider that they are affected to make representations to Council. The required notice could be provided by mailing notices to all known storefront cannabis retailers and through normal publication of Council agenda. A formal Opportunity for Public Comment, held prior to the third reading of the proposed bylaw, could serve to provide the required opportunity to make representations to Council.

## **PURPOSE**

The purpose of this report is to present the Storefront Cannabis Retailer Regulation Bylaw for Council's consideration.

## **BACKGROUND**

The Cannabis-Related Business Regulation Bylaw was adopted in 2016 after the proliferation of illegal cannabis retail stores in Victoria that went uncontrolled by the provincial and federal government. The City took action by zoning for cannabis retail use and enacting the Cannabis-Related Business Regulation Bylaw in order to minimize the community, health, and safety impacts of cannabis-related businesses.

When the Government of Canada legalized cannabis on October 17<sup>th</sup>, 2018, provinces assumed responsibility for cannabis retail store licensing. The Province of British Columbia adopted the *Cannabis Control and Licensing Act* which sets out administration, general rules about who may possess, sell, promote, and produce cannabis, licensing and operating conditions for cannabis retail stores, and consumption. The new provincial rules have resulted in some duplication and contradiction with the City's existing Cannabis-Related Business Regulation Bylaw.

On November 8, 2018, Council passed the following motion:

*That Council direct staff to:*

- 1. Bring forward the Cannabis Retail Store Public Consultation Policy and Fees Bylaw to establish public consultation policy and fees, to the November 8, 2018 Council meeting for introductory readings.*
- 2. Amend the Cannabis-Related Business Regulation Bylaw to align with the Province of British Columbia's Cannabis Control and Licensing Act.*

Council adopted the Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw (in point 1 of the above motion) on November 22, 2018.

During a review of the legislative framework required to amend the Cannabis-Related Business Regulation Bylaw, staff also subsequently identified duplication in the existing Bylaw with federal rules. The federal *Cannabis Act* sets out rules with regard to promotion, packaging and labelling, display, selling and distributing, in addition to other matters. The existing Bylaw contains some

provisions in regard to promotion. As a result, the revisions being suggested in the proposed new bylaw include additional provisions proposed for removal beyond just those presented in the staff report to the November 8, 2019 Committee of the Whole meeting attached as Appendix B, in order to develop a bylaw that would better align with the broader legislative framework in totality.

## ISSUES AND ANALYSIS

Noted below are issues that came forward during review and drafting of the proposed Storefront Cannabis Retailer Regulation Bylaw that is the subject of this report. Following the thorough review of the provincial and federal legislation and given the extent of the proposed changes, it is proposed to replace the Cannabis-Related Business Regulation Bylaw with the new Storefront Cannabis Retailer Regulation Bylaw.

### Business types

The existing Cannabis-Related Business Regulation Bylaw defines four activities permitted for a cannabis-related business. The table below lists those activities and illustrates any provincial and federal rules affecting the activities within the 'cannabis-related business' definition contained in the Cannabis-Related Business Regulation Bylaw. This table demonstrates that only a storefront cannabis retailer license is compatible within the broader legislative framework, and legislation now covers activities such as sale of cannabis and cannabis accessories, promotion of cannabis, and storage of cannabis. In addition, the original Bylaw established a classification for businesses that advocated or provided consultancy on cannabis. Since legalization, Council may consider that the broader regulations which previously were intended to capture any business operating with cannabis as a focus are no longer necessary.

REVIEW OF EXISTING BYLAW DEFINITIONS		
Cannabis-related business" activity	Summarized provincial and/or federal rule(s)	Reference(s)
<b>Recreational cannabis advocacy and promotion</b>	Federal and provincial Acts set rules about promotion of cannabis and cannabis accessories. Federal rules define appropriate and inappropriate means of promotion. Provincial rules define who may promote cannabis and cannabis accessories.	Cannabis Act, s.17(1) states that it is prohibited to promote cannabis or a cannabis accessory through prescribed means, and s.17(2) states that only a person authorized to produce, sell or distribute cannabis may promote by prescribed means.  Cannabis Control and Licensing Act, s.16 prohibits a person from promoting cannabis for the purpose of selling it without a licence. Cannabis Licensing Regulation, s.11 requires a person to hold a marketing licence for this purpose.



Cannabis-related business" activity	Summarized provincial and/or federal rule(s)	Reference(s)
<b>Sale of recreational cannabis and paraphernalia used in cannabis consumption</b>	Federal and provincial Acts set rules about sale of cannabis. Provincial rules define that a cannabis retail store licensee may sell cannabis. There are no federal or provincial rules about who may sell cannabis accessories.	Cannabis Act, section 69(1) states that only a person authorized under a provincial Act may sell cannabis. Cannabis Control and Licensing Act section 15(c) authorizes a licensee to sell cannabis.  There are federal and provincial rules against selling cannabis accessories to minors under section 32(1) of the Cannabis Act and section 69(1) of the Cannabis Control and Licensing Act.
<b>Recreational cannabis storage and distribution</b>	Provincial Act sets rules about storing and distributing recreational cannabis. Typically, only BC Liquor and Cannabis Distribution Branch may distribute. Cannabis retail store must keep cannabis on premises. The Province does not require a business license and no licensed business can exclusively store cannabis.	Cannabis Control and Licensing Act section 15(c) authorizes a licensee to sell cannabis and the cannabis was registered under the Cannabis Distribution Act and was purchased by the licensee from the government or under other prescribed circumstances.
<b>Recreational cannabis consumption</b>	While recreational cannabis is legal, it is illegal for a business to permit recreational cannabis consumption on the premises (including smoking and vaping, eating). Smoking and vaping are restricted under the Provincial Act and under the current City Business Licence Bylaw. Ingesting cannabis is not restricted but production and sale of edibles cannabis products is currently illegal under federal rules. If federal rules legalize production and sale of edible products, it would likely be provincial jurisdiction to establish cannabis consumption licenses for home-made edible products. Further, there are currently provincial rules that restrict a business from allowing a person to be a patron while intoxicated or to become intoxicated on the premises which would apply to ingesting edible cannabis products.	While not specifically addressed in the existing federal and provincial legislation, the CRD Anti-Smoking Bylaw was amended around the time of legalization to prohibit smoking and vaping of cannabis in and nearby businesses. As such the prohibition in Section 35 of the Business License Bylaw, which was a consequential amendment in the existing (original) Cannabis-Related Business Bylaw attached as Schedule D, is no longer necessary.

### **Licensing Conditions**

The Cannabis-Related Business Regulation Bylaw contains extensive licensing conditions, including submitting an application form, a security plan for the premises, proof of a security alarm contract, proof of ownership or legal possession of the premises, and current police information checks for the applicant and on-site managers. These existing municipal licensing conditions duplicate the provincial licensing conditions. Through the provincial licensing process, the applicant will have undergone an extensive security screening and financial integrity checks that would be required before the Province issues a license.

It is proposed that the applicant has a provincial license before applying for a municipal business licence, that the provincial licensee submit an application form, and that Bylaw Services staff conduct an inspection of the proposed storefront cannabis retailer location to ensure compliance with municipal operating conditions, such as installation of an air ventilation system.

### **Operating Conditions**

The Cannabis Related Business Regulation Bylaw sets out operating conditions for cannabis related businesses. The table lists those operating conditions and demonstrates provincial and federal rules that duplicate or overlap with those operating conditions. This table demonstrates that in order to continue mitigating the community, health, and safety impacts of storefront cannabis retailers in Victoria, it would only be necessary to have municipal operating conditions for air filtration, signage, number of employees on premises, windows, and hours of operation, as the other existing provision are covered off by the new legislation.



REVIEW OF EXISTING OPERATING CONDITIONS		
Municipal rule	Provincial and/or federal rules	In Proposed New Bylaw?
Business may not allow a person under the age of 19 on premises	Cannabis Control and Licensing Act, section 70	No
Business may not advertise or promote the use of a cannabis to a person under the age of 19	Cannabis Act, Division 2, Subdivision A, Promotion restricts: promotion in a way that could be appealing to a young person; promotion anywhere where a young person is permitted by law; promotion by means of telecommunication unless steps taken to prevent young person from accessing it.	No
Business may not 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: (1) alpha-numeric characters, and 2) the business name, and is in a size as permitted under the Sign Bylaw.	No federal or provincial rules	Yes
Business may not allow a person to smoke, vape, consume or otherwise ingest cannabis or products containing cannabis on the premises	Cannabis Control and Licensing Act, section 67 (called 'prescribed place'; Cannabis Licensing Regulation defines 'prescribed place' as in a retail store and a government cannabis store.	No
Installation of video surveillance cameras that monitor all entrances and exits	Provincial Terms and Conditions for Cannabis Retail Stores, page 12 24/7 monitoring and unobstructed view of retail sales area, product storage area, and entrances and exits	No



Municipal rule	Provincial and/or federal rules	In Proposed New Bylaw?
Retain video camera data for at least 21 days	Provincial Terms and Conditions for Cannabis Retail Stores, page 12 Retention is for 30 days	No
Install a security and fire alarm monitored by a licensed third party	Provincial Terms and Conditions for Cannabis Retail Stores, page 12 Monitoring by licensed third party not required	No
Remove cannabis, cannabis products, and other valuables from premises when business is closed	Conflicts with provincial rule Provincial Terms and Conditions for Cannabis Retail Stores, page 14	No
Install and maintain air filtration system	No federal or provincial rules	Yes
Display sign that premises is 19+ only	No federal or provincial rules Provincial recommendation to operators in Provincial Terms and Conditions for Cannabis Retail Stores	No
Two employees on premises, including a manager	No federal or provincial rules	Yes
Only allowed to conduct cannabis-related business and accessory uses	Cannabis Licensing Regulation, section 5 Only items permitted for sale at a retail store are: cannabis, cannabis accessories, bags of an approved class or type, prepaid purchase cards. Provincial Terms and Conditions for Cannabis Retail Stores, page 12 No "co-location"	No
Transparent windows and not blocked	Conflict with provincial rules Cannabis Licensing Regulation, section 5(p) Retail store must be...enclosed by floor-to-ceiling walls that are not transparent.	Yes – although this provision will be of no force and effect while in conflict with provincial rules, the City has been discussing a proposed amendment with the Province and, therefore, this provision is being retained in the new bylaw

Municipal rule	Provincial and/or federal rules	In Proposed New Bylaw?
Hours of operation 7am to 8pm	Cannabis Licensing Regulation, section 5(m) 9:00am to 11:00pm...	No .The existing Cannabis related Business Bylaw established operating hours between 7am and 8pm. The proposed Bylaw establishes operating hours between 9 am and 8 pm.
Inform Licence Inspector about new manager, officer, directors, or shareholder and provide a current police information check	Cannabis Control and Licensing Act, section 46 reporting requirements and amendments to license for any changes to the licensee individual, partnership, corporation, and other matters. More details in Provincial Terms and Conditions for Cannabis Retail Stores, page 9-10	No

### **Licence Fees**

Under the existing Cannabis-Related Business Regulation Bylaw, a business that kept cannabis on the premises would pay a \$5000 licence fee and a cannabis-related business that did not keep cannabis on the premises would pay a \$500 licence fee. As the City would now only licence storefront cannabis retailers, the \$5000 licensing fee for a business with cannabis on the premises would remain in place while the \$500 licensing fee for a business without cannabis on the premises would be removed along with the definition.

This licensing fee was determined on a cost-recovery basis using the estimated cost of the resources required to administer and enforce the new regulatory scheme. Despite the City's more limited role in regard to licensing, monitoring, and enforcement under the Storefront Cannabis Retailer Regulation Bylaw, a reduced licensing fee is not currently proposed as the resource impact of the present and future cannabis retail stores operating in Victoria are currently unknown. To date, the City has incurred significant costs in relation to administration and enforcement of the Cannabis Related Business Regulation Bylaw. The Enforcement approach is noted later in this report. It is suggested to undertake a thorough review of the business licence fee once the provincial licensing and enforcement processes have stabilized.

### **Other Considerations**

#### **Promotion to Young Persons/Minors**

The federal Cannabis Act has the purpose to protect the health of young persons and protect young persons from inducement to cannabis. There are several federal provisions that aim to achieve this purpose. The province also has rules to protect minors. Under provincial rules, a store that allows a minor into the store or sells to a minor would be fined. Further, the province recommends that stores posts signs that no one younger than 19 may enter into the store. The Storefront Cannabis Retailer Regulation Bylaw therefore excludes this provision. Nonetheless, it is entirely within the City's power to require a business to prominently display signs that say no one under the age of 19 may enter into the store.



### Provisions Not in Effect

The transparent window provision is not in effect due to a provincial provision. Under the Cannabis Licensing Regulation, the Province requires that a cannabis retail store must be located in a permanent building or structure and be enclosed by floor-to-ceiling walls that are not transparent. Despite the municipal rule, the province's rule invalidates the municipal rule when there is a conflict. If the Province removes the corresponding provision, the Bylaw provision would immediately come into effect.

### Enforcement

Reviewing the City's enforcement approach based on the new legislation was anticipated prior to legalization and the findings suggest a new approach is practical under the circumstances.

When the City's Cannabis-Related Business Regulation Bylaw was adopted in 2016, staffing in Bylaw Services was increased by one FTE to accommodate the workload associated with increased licencing, inspection and enforcement. At that time Cannabis was not legalized but given the proliferation of cannabis retail businesses in the City, Council, after careful consideration and consultation, enacted a Business Regulation Bylaw to establish operating conditions for these types of businesses. The City's regulations were established to create a range of operating conditions, but did not regulate the products sold as that is outside of local government authority.

Since the Federal and Provincial Governments established legislation they also assumed enforcement authority and responsibility. The Province has established the Community Safety Unit which will assume primary responsibility for inspection and enforcement under the new legislation. Provincial enforcement differs significantly from the authority granted to local government to enforce. For example, local governments are not provided direct enforcement methods. Rather enforcement is through the issuance of Municipal Tickets or the court system. The Province has the ability to seize product and take other steps against operators who are non-compliant with their regulations. This is a far more effective and efficient system. An information pamphlet from the Community Safety Unit, attached as Appendix C. In short enforcement options include:

- seizure of illegal cannabis
- imposition of monetary penalties
- injunctive relief
- criminal charges.

City staff met with the leadership team of the Community Safety Unit April 24<sup>th</sup> who further advised as follows:

- The Community Safety Unit has begun visiting unlicensed cannabis retailers for the purposes of education and to raise awareness about cannabis laws, the penalties and consequences for violating federal and provincial regulatory regimes, how to obtain a non-medical cannabis retail license and the enforcement activities of the CSU.
- Those operating illegally should be warned that they could receive a visit from CSU officers in the very near future.
- Illegal retailers that do not obtain a provincial licence will have to close—and as more legal retail stores open across the province, you can expect to see increasing enforcement action by the CSU.

Despite the appearance of reduced municipal role that results from changes to the City's bylaw covered in this report, Bylaw and Licensing Services will still have a very active role in licencing and in working with the Community Safety Unit:

- Monitoring and enforcing the remaining City Bylaw provisions.



- Enforcing on any business operating without a City business license in instances where a Provincial License has been approved and a city license application is not progressing. For clarity, if a Provincial License is not issued to any operator, the City will defer enforcement to the Province.
- Providing updated information to the Community Safety Unit of the Ministry of the Solicitor General in terms of who is operating in the City and whether or not they hold the required licenses to do so and any other known Provincial infractions.

## OPTIONS AND IMPACTS

**Option 1** – Give the attached Storefront Cannabis Retailer Regulation Bylaw two readings and direct staff to provide notice and schedule an Opportunity for Public Comment in accordance with section 59 of the Community Charter.

**Option 2**– Provide additional direction to staff before consideration of the proposed Storefront Cannabis Retailer Regulation Bylaw.

### *Accessibility Impact Statement*

There are no direct impacts on accessibility issues in connection with the proposed Bylaw.

### *Impacts to Financial Plan*

The proposed Bylaw does not have any direct financial implications at this time. As noted a review of the licensing fees is recommended once the Provincial Licensing of retailers in the City stabilizes.

## CONCLUSION

The Cannabis-Related Business Regulation Bylaw adopted in 2016 served to minimize the negative impacts of illegal cannabis-related business with regard to community, health, and safety. In the wake of legalization and more involved federal and provincial roles, the extensive municipal licensing and operating conditions are no longer required to manage these impacts. The proposed Storefront Cannabis Retailer Regulation Bylaw contains licensing and operating conditions that complement the overlying federal and provincial legislative framework.

Respectfully submitted,

  
Monika Fedyczkowska  
Legislative and Policy Analyst

  
Susanne Thompson  
Deputy City Manager/CFO

  
Chris Coates  
City Clerk

Report accepted and recommended by the City Manager:

Date:

  
May 3, 2019

## **List of Attachments**

Appendix A - Draft Bylaw

Appendix B - November 8, 2018 COTW Report

Appendix C - Community Safety Unit Information Pamphlet

Appendix D - Cannabis Related Business Regulation Bylaw No. 16-061

**STOREFRONT CANNABIS RETAILER REGULATION BYLAW**

A BYLAW OF THE CITY OF VICTORIA

The purpose of this Bylaw is to align the bylaw with the provincial *Cannabis Control and Licensing Act* and federal *Cannabis Act* and further minimize any adverse effects that storefront cannabis retailers may have on the safety, health and well-being of the community.

**Contents**

**PART 1 - INTRODUCTION**

- 1 Title
- 2 Definitions

**PART 2 - BUSINESS LICENCES**

- 3 Business licences required for storefront cannabis retailers
- 4 Licence Inspector's authority to refuse a storefront cannabis retail licence

**PART 3 - OPERATING REGULATIONS**

- 5 Regulation of storefront cannabis retailers

**PART 4 – GENERAL PROVISIONS**

- 6 Offences
- 7 Severability
- 8 Consequential Amendments
- 9 Repeal

Under its statutory powers, including section 8(6) of the *Community Charter*, the Council of the Corporation of the City of Victoria, in an open meeting assembled, enacts the following provisions:

**PART 1 – INTRODUCTION**

**Title**

- 1 This Bylaw may be cited as the "Storefront Cannabis Retailer Regulation Bylaw No. 19-053".

**Definitions**

- 2 In this Bylaw:

"cannabis"

has the same meaning as in the *Cannabis Act* (Canada);



“storefront cannabis retailer”

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

## **PART 2 - BUSINESS LICENCES**

### **Business licences required for storefront cannabis retailers**

- 3
- (1) A person must not operate a storefront cannabis retailer 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 operate a storefront cannabis retailer must:
    - (a) make an application to the Licence Inspector on the form provided for that purpose; and
    - (b) pay to the City a \$5,000 annual licence fee.

### **Licence Inspector's authority to suspend or refuse a storefront cannabis retail licence**

- 4
- (1) The License Inspector may suspend a licence or refuse to issue or renew a license where the applicant does not have a provincial cannabis retail store licence.
  - (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 REGULATIONS**

### **Regulation of storefront cannabis retailers**

- 5 A person carrying on a storefront cannabis retailer must:
- (a) install and maintain an air filtration system that effectively minimizes odour impacts on neighbouring properties;
  - (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) 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;
  - (d) not be open for business between the hours of 8 p.m. and 9 a.m. the next day;
  - (e) 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*.

#### PART 4 – GENERAL PROVISIONS

##### Offences

- 6 (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

- 7 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.

##### Consequential Amendments

- 8 (1) Ticket Bylaw No. 10-071 is amended by:
- (a) repealing Schedule A and replacing it with a new Schedule A attached to this Bylaw as Schedule 1; and
  - (b) repealing Schedule S.1 and replacing it with a new Schedule S.1 attached to this Bylaw as Schedule 2.
- (2) Business Licence Bylaw No. 89-071 is amended by repealing section 35.

##### Repeal

9. Cannabis-Related Business Regulation Bylaw No.16-061 is repealed.

READ A FIRST TIME the \_\_\_\_\_ day of \_\_\_\_\_ 2019.

READ A SECOND TIME the \_\_\_\_\_ day of \_\_\_\_\_ 2019.

READ A THIRD TIME the

day of

2019.

ADOPTED on the

day of

2019.

CITY CLERK

MAYOR



## Schedule 1

**Schedule A****Bylaws & Enforcement Officers**

<b>Item Number</b>	<b>Column 1 - Bylaws</b>	<b>Column 2 - Bylaw Enforcement Officers</b>
1	Abandoned Properties Bylaw	Bylaw Officer; Police Constable
2	Animal Control Bylaw -sections 17, 36, 37, 38, 39, 48 and 49	Animal Control Officer; Bylaw Officer; Police Constable
3	Animal Control Bylaw -all provisions except those listed in Item 2	Animal Control Officer; Manager of Bylaw and Licensing Services; Police Constable
4	Bicycle Courier Bylaw	Bylaw Officer; Police Constable
5	Blasting (Construction) Operations Bylaw	Building Inspector; Bylaw Officer
6	Boulevard Tree Lighting Bylaw	Bylaw Officer; Electrical Inspector
7	Building Bylaw	Building Inspector; Bylaw Officer
8	Business Licence Bylaw	Bylaw Officer
9	Commercial Vehicle Licensing Bylaw	Bylaw Officer; Police Constable
10	Dance (All-Night Event) Bylaw	Bylaw Officer; Police Constable
11	Dance (Club) Bylaw	Bylaw Officer; Police Constable
12	Electrical Safety Regulation Bylaw	Bylaw Officer; Electrical Inspector
13	Escort and Dating Service Bylaw	Bylaw Officer
14	Fence Bylaw	Bylaw Officer
15	Fire Prevention and Regulation Bylaw	Bylaw Officer; Fire Prevention Officer; Police Constable
16	Fireworks Bylaw	Bylaw Officer; Fire Prevention Officer; Police Constable
17	Idling Control Bylaw	Bylaw Officer; Police Constable
18	Litter Prohibition Bylaw, 1977	Bylaw Officer
19	Storefront Cannabis Retailer Regulation Bylaw	Bylaw Officer, Police Constable
20	Noise Bylaw	Bylaw Officer; Police Constable
21	Nuisance (Business Regulation) Bylaw	Bylaw Officer
22	Outdoor Market Bylaw	Bylaw Officer
23	Parking Lot Bylaw	Bylaw Officer
24	Parks Regulation Bylaw -sections 6(j), 6(k), 12(3), 12(4) and 17	Animal Control Officer; Bylaw Officer; Police Constable
25	Parks Regulation Bylaw - all provisions except those listed in Item 23	Bylaw Officer; Police Constable
26	Pesticide Use Reduction Bylaw	Bylaw Officer
27	Plumbing Bylaw	Bylaw Officer; Plumbing Inspector

28	Property Maintenance Bylaw	Bylaw Officer; Police Constable
29	Residential Properties Parking Bylaw	Bylaw Officer; Police Constable
30	Ross Bay Cemetery Bylaw	Bylaw Officer; Police Constable
31	Sanitary Sewer and Stormwater Utilities Bylaw	Bylaw Officer
32	Second Hand Dealers Bylaw	Bylaw Officer; Police Constable
33	Sidewalk Cafes Regulation Bylaw	Bylaw Officer
34	Sign Bylaw	Bylaw Officer
35	Solid Waste Bylaw	Bylaw Officer
36	Street Collections Bylaw	Bylaw Officer; Police Constable
37	Street Vendors Bylaw	Bylaw Officer; Police Constable
38	Streets and Traffic Bylaw - sections 20 to 44 inclusive	Manager of Bylaw and Licensing Services; Police Constable
39	Streets and Traffic Bylaw - all provisions except those listed in Item 36	Bylaw Officer; Police Constable
40	Towing and Immobilizing Companies Bylaw	Bylaw Officer; Police Constable
41	Tree Preservation Bylaw	Bylaw Officer
42	Vehicles For Hire Bylaw	Bylaw Officer; Police Constable
43	Zoning Regulation Bylaw	Bylaw Officer

## Schedule 2

**Schedule S.1****Storefront Cannabis Retailer Regulation Bylaw  
Offences and Fines**

Column 1 – Offence	Column 2 – Section	Column 3- Set Fine	Column 4 – Fine if paid within 30 days
Operate without a valid licence	3 (1)	\$1000	\$1000
Failure to install and maintain air filtration system	5 (a)	\$500	\$500
Failure to provide required staff	5 (b)	\$500	\$500
Cover windows contrary to regulations	5 (c)	\$250	\$250
Operate outside of permitted hours	5 (d)	\$250	\$250
Display or advertise prohibited sign	5 (e)	\$250	\$250





## Committee of the Whole Report For the Meeting of November 8, 2018

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**To:** Committee of the Whole  
**From:** Chris Coates, City Clerk  
**Subject:** Cannabis Retail Store License Referrals

**Date:** November 8, 2018

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### RECOMMENDATION

That Council direct staff to

1. Forward the Provincial Cannabis Consultation and Fees Bylaw to establish a process, method, and fee for local government recommendations with regard to cannabis retail store applications, to the November 8, 2018 Council meeting for introductory readings.
2. Amend the City of Victoria's *Cannabis-Related Business Regulation Bylaw* to align with and complement the Province of British Columbia's *Cannabis Control and Licensing Act*.

### EXECUTIVE SUMMARY

The Government of Canada legalized the distribution of cannabis as of October 17<sup>th</sup>, 2018. The Province of British Columbia has established a provincial licensing framework for cannabis retail stores. This process requires a local government recommendation before issuing a cannabis retail store licence. This framework provides local governments with the ability to accept or reject cannabis retail stores from operating within their jurisdiction. Affirmative local government recommendations are required by the Province in order for a Provincial License to be approved.

The City of Victoria created the *Cannabis-Related Business Regulation Bylaw* in 2016 to respond to illegal cannabis retail stores operating in Victoria in anticipation of federal rules on cannabis distribution. Since legalization of cannabis and the new provincial responsibility to authorize cannabis licensing and distribution, the City of Victoria requires a process for providing a local government recommendation on a provincial cannabis retail store application. It also requires revisions to the Bylaw in order to reflect a municipality's more limited role in licensing and enforcement since legalization. Given the parallel nature of the provincial cannabis and liquor retail store licensing process, some municipalities have developed a process, method, and fee, similar to their municipal liquor licensing processes.

As Council direction is needed to establish timing, method, and a fee for license referrals, staff recommend that Council approve the use of an opportunity for public commentary for owners and occupants of parcels within a 100 metre notification area on a cost recovery basis, and review the Bylaw to align with and complement the Province of British Columbia's *Cannabis Control and Licensing Act*. This would create a process for providing a local government recommendation for cannabis retail store applications and eliminating repetitive and contradictory municipal rules. Staff

suggest a written notification process, similar to that for liquor licenses, as the public consultation process to enable public comments on proposed Provincial Licenses.

Optimal timing and type public consultation and alignment of municipal with provincial rules will result in more efficient local government recommendation process to fulfil the requirements of the provincial cannabis retail store licensing framework.

## **PURPOSE**

The purpose of this report is to provide information to Council about the provincial cannabis retail store licensing process, and recommend a process for providing a local government recommendation in relation to an application to the Province, a public consultation method, and review the *Cannabis-Related Business Regulation Bylaw* to align with and compliment the Province of British Columbia's *Cannabis Control and Licensing Act*.

## **BACKGROUND**

### Legislative framework for cannabis retail stores

The Government of Canada legalized cannabis under the *Cannabis Act* on October 17, 2018. The *Cannabis Act* creates a framework for controlling the production, distribution, sale and possession of cannabis in Canada. Under this framework, each province is responsible for authorizing retailers of legal cannabis products in their jurisdiction.

Consequently, the Province of British Columbia (the Province) adopted the *Cannabis Control and Licensing Act* (the Act) and subordinate regulations establishing a provincial cannabis retail store licensing program. A cannabis retail store licence authorizes sale of dried cannabis, cannabis oil, cannabis seeds and cannabis accessories for non-medical purposes in a private retail store. The Act sets out the power to issue, renew, transfer, or amend licenses, to refuse to accept applications, license applications requirements, mandatory and discretionary requirements, the power to determine if an applicant is fit and proper, and other matters.

In 2016, the City of Victoria (the City) adopted the *Cannabis-Related Business Regulation Bylaw* (the Bylaw) to regulate illegal cannabis retail stores operating in the City in anticipation of federal laws. The purpose of this Bylaw was to minimize any adverse effects that operation of such businesses may have on the safety, health, and well-being of the community. Since the Province adopted the Act, the role of the City in regulation of cannabis retail stores is more limited.

### Provincial Licensing Process

A cannabis retail store owner applies for a licence with the provincial Liquor and Cannabis Regulation Branch (LCRB). LCRB refers applications to the local government where the applicant is located for confirmation that a local government is accepting applications and that the proposed location has retail zoning. If the local government is accepting applications and retail zoning is in place, the LCRB conducts a review of the application. An applicant must satisfy a security screening and financial integrity check at some point in the process. In addition to an LCRB review, the local government may choose to provide a recommendation.



## Summary of provincial licensing process:

1. LCLB Receives application
2. LCLB contacts local governments asking if they will consider it.
3. Local government provides zoning confirmation. (Zoning is required in order for the application to proceed any further).
4. Province undertakes security screening and financial integrity check.
5. Local Government provides a recommendation, including public consultation.
6. LCLB completes final consideration and issues license or rejects application.

A local government may choose not to make a recommendation, which would end the application, or choose to make a recommendation. A recommendation must include residents' views. If the local government makes a recommendation in favour of the application, LCRB has discretion whether or not to issue the licence, but must consider the recommendation. LCRB cannot issue a license without a positive recommendation.

Under the provincial licensing system, a local government has discretion to choose when to provide a recommendation, if at all, the method of public consultation, and whether to levy a fee in exchange for work done in relation to an application.

### Current State

To date, LCRB has referred 7 applications to the City. Each application has retail zoning in place. A process, public consultation method, and fee as well as bylaw revisions are needed before the City of Victoria makes recommendations on these applications.

## ISSUES AND ANALYSIS

### Consistency with Liquor Retail Store Licensing Framework

The provincial licensing frameworks for liquor retail stores and cannabis retail stores are similar, therefore consistency at the municipal level with regard to process for providing a local government recommendation, choosing a public consultation method, and establishing fees would be logical.

LCRB is also responsible for regulating licensing liquor retail stores in BC. After LCRB refers an application to the City after it conducts security screening and financial integrity check related to a liquor retail store license application. The City of Victoria *Liquor Licensing Policy* attached as Appendix A provides direction about the City's process and fees associated with a review of applications, directs the LCRB on the types of applications that the City will not provide comments on, and directs City staff on application review and public notification criteria for those application that require an opportunity for the public to comment.

This policy requires that:

1. An applicant places a notification for comment at the site for a period of no less than 30 days.
2. The City mails a notice to all residents and businesses within a 100 metre radius and receive written materials in relation to the application.
3. The City notifies the relevant community association.



The City of Victoria *Liquor Licensing Fee Bylaw* attached as Appendix B sets out that for the purpose of recovering the costs incurred by the City, the person making a liquor licence application must pay \$200.00 for a staff assessment of a licence application or \$750.00 for a licence application that requires staff assessment and Council assessment, and an additional fee for the City's costs for public notification of a public consultation process.

Developing a Process for Viable Cannabis Retail Store License Applications

The City has discretion to choose when to provide a recommendation. The Province conducts security screening and financial integrity checks. These checks provide valuable information about the applicant that would allow the Province, the City, and the applicant to determine the merit of public consultation. The Province will not issue a license to an applicant who fails a security screening and financial integrity check. Therefore it is reasonable to develop a recommendation and advance to public consultation after the check. This ensures that public will be invited to comment on viable license applications and prevents the City from having to charge and then reimburse the applicant for fees paid but work not undertaken.

Choosing an Effective Public Consultation Method

The public may comment on an application through an opportunity for public comment, public hearing, referendum or another method. Each method has implications for the quality of input, timeliness of input, and cost of seeking input. The City would collect a fee for costs incurred in relation to the application; therefore, a public consultation method would take into consideration how cost may prohibit an application.

An opportunity for public commentary would be consistent with public consultation on liquor licenses, which requires a business to send out letter to owners and occupants of parcels within 100 metres of the location subject to the application and place a poster on the proposed business location for 30 days. A wider notification area would increase public consultation costs. This approach invites the public to provide detailed comments, provides a two week period to receive input, and is the least expensive option.

Aligning Provincial and Municipal Cannabis Retail Store License Requirements

Since the Province adopted the Act and subordinate regulations, the Bylaw is no longer current. The Act renders some of the Bylaw clauses as redundant or contradictory. An update to this Bylaw would reflect the new provincial framework for cannabis retail store licensing.

**Table of Proposed Bylaw Changes**

<b>Comparing Provincial and Municipal Rules</b>			
<b>Municipal Bylaw</b>	<b>Provincial Regulation</b>	<b>Act and</b>	<b>Action Needed</b>
Purpose refers to anticipation of federal laws	Not relevant		Amend purpose of Bylaw
2 Definition of storefront retailer. Means a cannabis-related business where cannabis is sold or otherwise provided to a person who attends the premise	Licensee means a person who holds a cannabis retail store license		Refer to provincial definition of licensee

4(2)(c-f) Requires security measures, proof of ownership, and police information check	More robust	Repeal from Bylaw
5(1) Sets right of City to refuse a licence in detail based on prior convictions or inaccurate license applications	Sets right of Province and City to refuse a license	Repeal from Bylaw
6 Sets age of consent, advertisement, consumption, and display rules.	Sets these rules	Repeal from Bylaw
7(a-c) Requires video surveillance, retention of video camera data, and security and fire alarm systems that is always monitored by third-party	Sets these rules	Repeal from Bylaw
8(d) Requires transparent and unobstructed windows	Requires opaque windows	Repeal from Bylaw

## OPTIONS AND IMPACTS

### **Option 1: Written Notification within 100 metres of Property (Recommended)**

This option proposes using a written opportunity for public commentary after the provincial security screening and financial integrity check. The City would send notices to owners and occupants of parcels within 100 metres of the property and receive written comments for a 2 week period. The applicant would pay a \$750.00 fee for costs incurred in the course of work on an application. All comments received on the referral would be brought forward in a staff report for Council's consideration

This recommendation also proposes a review of the Cannabis-Related Business Regulation Bylaw.

### **Option 2: Opportunity for public comment within 100 metres of Property**

This option proposes using another opportunity for public comment (non-statutory public hearing) after the provincial security screening and financial integrity check. The City would send notices to owners and occupants of parcels within a 100 metre notification area, hold an opportunity for public comment at a specified location, date, and time, and receive written comments until the close of the opportunity for public comment. The applicant would pay a fee for costs incurred in the course of work on an application.

This option also proposes a review of the *Cannabis-Related Business Regulation Bylaw*

## **2015 – 2018 Strategic Plan**

The recommended option aligns well with the City's strategic goals in Economic Development for reducing red tape and barriers for businesses and making it easier to do business in the City of Victoria.



## Impacts to Financial Plan

The recommended option proposes a fee for costs incurred for notification. Application review would be covered by a flat fee and existing staff resources in Legislative Services would manage the referral process. The impacts of the referral process are significant and will have ongoing implications that greatly limits Legislative Services staff resources for any additional project work in 2019.

## Accessibility Impact Statement

The recommended option has no specific accessibility implications and the recommended public consultation has broad accessibility implications.

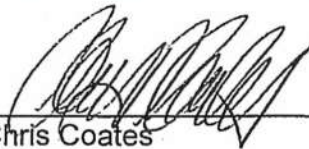
## CONCLUSION

Public commentary with 100 metre notification area after provincial security screening and financial integrity check would ensure an opportunity for public input in a timely and cost-effective way for viable applications. In addition, a review Cannabis-Related Business Regulation Bylaw would align municipal, provincial and federal rules in regard to cannabis retail stores.

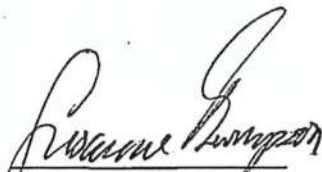
Respectfully submitted,



Monika Fedyczkowska  
Legislative and Policy Analyst




Chris Coates  
City Clerk



Susanne Thompson  
Deputy City Manager

Report accepted and recommended by the City Manager:

  
Date: Nov 2, 2018

## List of Attachments

Appendix A – Liquor Licensing Policy

Appendix B – Liquor Licence Fees Bylaw

Appendix C – Draft Cannabis Retail Consultation Fees Bylaw (to follow)



### **COMMUNITY SAFETY UNIT**

PO Box 9060  
Stn Main  
Surrey, B.C. V3T 0N4

Toll-Free: 1-855-502-5494  
Lower Mainland: 604-502-5493  
Fax: 604-591-5611

Email: [csu@gov.bc.ca](mailto:csu@gov.bc.ca)  
Website: [gov.bc.ca/Community-Safety-Unit](http://gov.bc.ca/Community-Safety-Unit)

### **FOR MORE INFORMATION**

For more details on cannabis legalization, including a link to B.C.'s cannabis Acts and Regulations, go to the Get Cannabis Clarity website at:  
[www.cannabis.gov.bc.ca](http://www.cannabis.gov.bc.ca)



BRITISH COLUMBIA  
**COMMUNITY  
SAFETY UNIT**

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Licensed Retail  
Sale of Cannabis  
**IN BRITISH COLUMBIA AND**  
Enforcement Against  
Illegal Sellers





## Licensing and Enforcement

As of October 17, 2018, non-medical cannabis is legal in Canada. The production, distribution, sale, possession and use of cannabis is strictly regulated in Canada by federal, provincial and territorial governments. British Columbia's *Cannabis Control and Licensing Act* (CCLA) and Regulations, establishes provincial rules for the sale, supply, possession, personal cultivation and consumption of non-medical cannabis.

Operating a non-medical cannabis retail store in British Columbia without a provincial licence is illegal under both federal and provincial law. The consequences for violating the federal and provincial regulatory regimes can be severe and may include:

- » A fine of up to \$5 million, imprisonment of up to three years, or both under the federal *Cannabis Act*; and/or
- » A fine of up to \$100,000, imprisonment of up to 12 months, or both under the CCLA.

*Note: Health Canada is responsible for the sale of authorized medical cannabis and allows only online sales through approved Licensed Producers. Further information is available at: <https://www.canada.ca/en/health-canada/topics/cannabis-for-medical-purposes.html>*

## How to obtain a non-medical cannabis retail licence in B.C.

In order to legally sell non-medical cannabis, a person must have a provincial licence issued under the CCLA by the Liquor and Cannabis Regulation Branch (LCRB). It is illegal to sell non-medical cannabis in British Columbia without a valid provincial licence.

Cannabis retail stores operating without a valid provincial licence must obtain a provincial licence from the LCRB. Holding a business licence from the local government is not sufficient to operate in B.C.

The LCRB is responsible for licensing private non-medical cannabis retail stores. For more information on obtaining a provincial non-medical cannabis retail licence, contact the LCRB at:  
**[www.gov.bc.ca/cannabisregulationandlicensing](http://www.gov.bc.ca/cannabisregulationandlicensing)**  
Toll Free: 1-866-209-2111  
Office: 250-952-5787  
Email: [cannabisregs@gov.bc.ca](mailto:cannabisregs@gov.bc.ca)



## The Community Safety Unit

The Community Safety Unit (CSU), within the Ministry of Public Safety and Solicitor General, is responsible for compliance and enforcement under the CCLA, with a focus on the illegal sale of cannabis. The CSU's team of investigators carry out compliance and enforcement activities against unlicensed cannabis retailers and other illegal sellers across the province.

## Enforcement Activities of the Community Safety Unit

The CSU has the authority to enter premises where cannabis is being sold without a provincial retail store licence and take enforcement action. Enforcement action may include:

- » Seizure of illegal cannabis;
- » Imposition of administrative monetary penalties equal to two times the value of the cannabis sold, or possessed for the purpose of sale;
- » Application to the courts for injunctive relief to prevent the continued illegal sale of cannabis; and
- » Recommendations to the B.C. Prosecution Service in relation to provincial or criminal charges.

A person may be charged for a provincial or criminal offence and be subject to an administrative monetary penalty under the CCLA for the same contravention. Conviction of a provincial offence under the CCLA can result in fines up to \$100,000, imprisonment for up to 12 months, or both. In addition to enforcement action by the CSU, a person illegally selling cannabis may be subject to enforcement action by the police.

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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- 1 Title
- 2 Definitions
- 3 Application of this Bylaw

**PART 2 - BUSINESS LICENCES**

- 4 Business licences required for cannabis-related businesses
- 5 Licence Inspector's authority to refuse a licence

**PART 3 - OPERATING REQUIREMENTS**

- 6 Requirements for all cannabis-related businesses
- 7 Requirements for businesses that keep cannabis on the premises
- 8 Requirements for storefront cannabis retailers

**PART 4 – GENERAL PROVISIONS**

- 9 Offences
- 10 Severability
- 11 Transition provisions

**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