



Governance and Priorities Committee Report

For the Meeting of September 17, 2015

To: Governance and Priorities Committee **Date:** September 11, 2015
From: Robert Woodland, Director of Legislative and Regulatory Services
Subject: Update on Regulations for Medical Marijuana-Related Businesses

RECOMMENDATION

That Council receive this report for information

EXECUTIVE SUMMARY

In accordance with Council direction from May 14, 2015, staff have initiated preliminary consultation with businesses, residents and other stakeholders regarding the regulation of medical marijuana-related businesses. A report summarizing the results of this preliminary consultation and draft recommendations will be presented to this Committee on November 5, 2015. A Town Hall meeting, which will provide an opportunity for public input on the draft recommendations, is also planned for November.

PURPOSE

The purpose of this report is to update Council on the work underway to develop regulations for medical marijuana-related businesses.

BACKGROUND

Over the course of the last year, there has been a significant increase in the number of marijuana-related businesses operating in the City of Victoria. These include businesses that sell marijuana paraphernalia (bongs, pipes, etc.) and/or provide medical advice or consulting relating to the use of medical marijuana. Although some businesses are currently selling marijuana, none have a Health Canada licence that permits this.

Some of these marijuana-related businesses are having a number of community impacts that are resulting in complaints to both the Victoria Police Department and the City of Victoria. Concerns include:

- Increased foot traffic surrounding businesses
- Nuisance to other nearby businesses, potentially impacting their customers
- Odour, food safety and other health issues
- Exposure of young persons to the sale of marijuana
- Infiltration of organized crime
- Sale to persons without medical need

The Victoria Police Department is also concerned about the lack of effective or reasonable security measures at these businesses for both the protection of employees and robbery prevention.

On May 14, 2015 Council directed staff to consult with the existing member-based medical cannabis dispensaries in the City of Victoria and bring forward for Council's consideration:

1. Proposed bylaw amendments aimed at mitigating community impacts and concerns associated with the operation of medical marijuana-related businesses at a town hall meeting prior to the consideration of proposed bylaws.
2. A proposed compliance and enforcement strategy consistent with the proposed new regulations.

The relevant excerpt from the May 14, 2015 Council minutes is attached as Appendix A.

Council has previously considered the issue of medical marijuana. On April 25, 2002, Council expressed "its support for the decriminalization of marijuana (cannabis) use and possession in Canada, for medicinal purposes only." Council has also forwarded resolutions to both UBCM and FCM that advocate for a regulatory approach to medical cannabis control. Copies of these Council resolutions are attached as Appendix B.

The 2015 Second Quarter Operational Plan included the following timelines for the project:

| | Q1 | Q2 | Q3 | Q4 |
|--|-------|----|-----------|-----------------------------------|
| Engagement on medical marijuana regulations | | | September | GPC report October |
| Examine and address impacts of medical marijuana businesses - Report back to Council on options for regulation - Implement Council direction | Start | | | Town Hall Bylaw amendments |

On September 10, 2015, Health Canada sent letters to 13 marijuana dispensaries and called on them to immediately suspend all activities. The letter told dispensaries that, if they do not cease all activities with controlled substances, Health Canada will contact the RCMP within 30 days "for enforcement action as they deem necessary."

ISSUES & ANALYSIS

Progress to Date

Activities to date have focussed on background and best practices research and soliciting preliminary feedback from businesses, residents and other stakeholders. Invitations to provide input have been sent to medical marijuana-related businesses currently operating in the city and other interested stakeholders, such as:

- business associations, including the Downtown Victoria Business Association and the Greater Victoria Chamber of Commerce
- Greater Victoria School District No. 61
- health officials, including the Chief Medical Health Officer at Island Health and the Provincial Health Officer

- advocacy groups and industry associations, including Canadian Medical Cannabis Partners Society, Smart Approaches to Marijuana Canada, and Canadian Association of Medical Cannabis Dispensaries
- licensed producers located on Vancouver Island, and
- neighbourhood associations.

Response to the invitations has been positive to date. Staff have collected valuable feedback regarding current operational practices, industry best practices and health and safety concerns through face to face meetings, telephone conversations, written submissions and visits to local businesses. A public survey is also available through the Have Your Say Website until September 18, 2015. As of September 10, 2015, 310 responses had been received.

Next Steps

A report summarizing the preliminary feedback received and outlining draft recommendations will be presented to this Committee on November 5, 2015. A Town Hall meeting to solicit feedback on the draft recommendations is also planned in November. A summary of feedback received in response to the draft recommendations and proposed bylaw amendments will be presented to Council following the Town Hall meeting.

OPTIONS & IMPACTS

2015 – 2018 Strategic Plan

The initiative supports Objective 7 from the 2015 – 2018 Strategic Plan: Facilitate Social Inclusion and Community Wellness.

Impacts to 2015 – 2018 Financial Plan

The necessary staff resources to complete this work are included within the 2015 – 2018 Financial Plan. An increase in business licensing fee revenue can be expected once new regulations are in place.

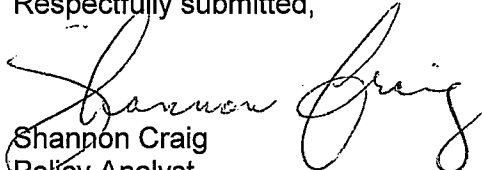
Official Community Plan Consistency Statement

The initiative is consistent with various policies outlined in Section 15 of the Official Community Plan: Community Well-Being. These include policy 15.20 (Collaborating with partners to encourage a safe and thriving Downtown and Neighbourhoods) and policy 15.24.2 (Reducing harm to individuals and communities from the sale and use of both legal and illegal substances).

CONCLUSIONS

In accordance with Council direction from May 14, 2015, staff have initiated preliminary consultation with businesses, residents and other stakeholders regarding the regulation of medical marijuana-related businesses. A report summarizing the results of this preliminary consultation and draft recommendations will be presented to this Committee on November 5, 2015. A Town Hall meeting, which will provide an opportunity for public input on the draft recommendations, is planned in November.


Respectfully submitted,


Shannon Craig
Policy Analyst
Legislative and Regulatory Services


Robert Woodland
Director
Legislative and Regulatory Services

Report accepted and recommended by the City Manager: _____

Date: _____


September 15, 2015

List of Attachments:

- Appendix A - Excerpt from May 14, 2015 Council Minutes
- Appendix B - Other Council Resolutions on the Topic of Medical Marijuana

Appendix A - Excerpt from May 14, 2015 Council Minutes

REPORTS OF THE COMMITTEE

1. Governance and Priorities Committee – May 7, 2015

1. Medical Marihuana

It was moved by Councillor Isitt, seconded by Councillor Alto, that Council direct staff to bring forward for Council's consideration:

1. Proposed bylaw amendments aimed at mitigating community impacts and concerns associated with the operation of medical marihuana-related businesses at a town hall meeting prior to Council's consideration of the proposed bylaw amendments.
2. A proposed compliance and enforcement strategy consistent with the proposed new regulations.

Amendment:

It was moved by Councillor Alto, seconded by Councillor Isitt, that the motion be amended as follows:

That Council direct staff to **consult with the existing member-based medical cannabis dispensaries in the City of Victoria** and bring forward for Council's consideration:

1. Proposed bylaw amendments aimed at mitigating community impacts and concerns associated with the operation of medical marihuana-related businesses at a town hall meeting prior to Council's consideration of the proposed bylaw amendments.
2. A proposed compliance and enforcement strategy consistent with the proposed new regulations

Carried Unanimously

Councillor Isitt thanked the operators for providing a source of pain medicine for people.

Councillor Alto said that she had some reservations with regulation and the potential negative effect it may have on long time providers as they have done so much over the years. This is a good step forward and she thinks we will find a solution that will work for everyone.

Mayor Helps thanked Mr. Smith for his leadership.

Carried Unanimously

Appendix B – Other Council Resolutions on the Topic of Medical Marijuana

Supporting a Regulatory Approach to Cannabis Control

That Council direct staff to forward the following resolution to the Federation of Canadian Municipalities for their consideration:

WHEREAS, Cannabis prohibition efforts have failed to effectively limit the availability of cannabis, especially to our youth; and

WHEREAS, Cannabis prohibition has created a large financial opportunity that has fuelled an increasingly violent illegal market with expanding organized crime involvement; and

WHEREAS, Academic, law enforcement, and health experts believe that a strictly controlled public health oriented regulatory framework for cannabis control has the potential to reduce rates of cannabis use, raise substantial tax revenue, undermine organized crime and save law enforcement time and expenditures; and

WHEREAS, Many municipalities are increasingly affected by the harms of cannabis prohibition (e.g. grow-ops, etc.) which negatively impacts community health and safety; and

WHEREAS, Municipalities are increasingly bearing the financial burden of failed policy approaches that emphasize enforcement of marijuana prohibition over evidence-based policies, consuming significant portions of municipal budgets and diverting law enforcement attention away from criminal activities where police involvement can better improve community safety; therefore be it

RESOLVED, That the Federation of Canadian Municipalities lobbies the Federal Government to investigate the regulation and taxation of cannabis.

Carried Unanimously

Council Meeting
January 17, 2013

REPORTS OF THE COMMITTEE

3. Governance and Priorities Committee – March 15, 2012

3. Motion – Supporting a Regulatory Approach to Cannabis Control

It was moved by Councillor Alto, seconded by Councillor Coleman, that Council endorse the following motion:

WHEREAS cannabis prohibition efforts have failed to effectively limit the availability of cannabis, especially to our youth;

WHEREAS cannabis prohibition has created a large financial opportunity that has fuelled an increasingly violent illegal market with expanding organized crime involvement;

WHEREAS academic, law enforcement and health experts, including the Health Officer's Council of BC, believe that a strictly controlled public health oriented regulatory framework for cannabis control has the potential to reduce rates of cannabis use, raise substantial tax revenue, undermine organized crime and save law enforcement time and expenditures;

WHEREAS many BC municipalities are increasingly affected by the harms of cannabis prohibition (e.g. grow-ops, etc.), which negatively impacts community health and safety;

WHEREAS BC municipalities are increasingly bearing the financial burden of failed policy approaches that emphasize enforcement of marijuana prohibition over evidence-based policies, consuming significant portions of municipal budgets and diverting law enforcement attention away from criminal activities where police involvement can better improve community safety;

THEREFORE BE IT RESOLVED that the City of Victoria supports the taxation and regulation of cannabis to address the ineffectiveness and harm of cannabis prohibition, and agrees to write to municipalities in the Capital Regional District, the Union of BC Municipalities, the Federation of Canadian Municipalities, and Provincial and Federal Ministers in the Justice and Health departments to inform them of our support. Carried Unanimously

Medical Cannabis

WHEREAS the federal medical cannabis program administered through Health Canada's Marihuana Medical Access Division does not satisfy the constitutional rights of critically and chronically ill patients to access marihuana for medicinal use;

WHEREAS the use of cannabis by legitimate cannabis patients is a health issue, and as such should be under the legislative purview of Provincial governments;

THEREFORE BE IT RESOLVED that UBCM lobby the Provincial Government to work with the federal government toward the goal of decentralizing the administration and oversight of legitimate medical cannabis use and production from federal authority to Provincial health ministries as part of their public and personal health mandate.

Carried

Council Meeting
March 11, 2010

OPEN MEETING

It was moved by Councillor Hughes, seconded by Councillor Coleman that the Mayor be requested to immediately discuss with the Minister of Health and the Minister of Justice of the Government of Canada, a suitable method to allow the distribution of cannabis for medicinal purposes. Carried

6. **DECriminalIZATION OF MARIJUANA.** It was moved by Councillor Madoff, seconded by Councillor McLean, that Victoria City Council express its support for the decriminalization of marijuana (cannabis) use and possession in Canada, for medicinal purposes only. Carried