



Committee of the Whole Report

For the Meeting of November 3, 2016

To: Committee of the Whole **Date:** October 21, 2016
From: Chris Coates, City Clerk
Subject: Proposed Amendment to Cannabis-Related Business Regulation Bylaw to Enable Third-Party ATMs

RECOMMENDATION

That Council give three readings to the proposed Cannabis-Related Business Regulation Bylaw, Amendment Bylaw No. 1 (16-078), attached as Appendix A.

EXECUTIVE SUMMARY

On October 13, 2016, Council directed staff to create an amendment to the Business Licence Regulation Bylaw to enable one third-party ATM to operate in storefront cannabis retailers. The amendment in Appendix A proposes allowing one third-party ATM on premises, as the prohibition was an unintended consequence of licencing only one business per location. In addition, ATMs are important to cash-only businesses and third-party ATMs provide accountability and transparency.

PURPOSE

The purpose of this report is to provide Council with an amendment to the Cannabis-Related Business Regulation Bylaw that would allow third-party ATMs to operate on the premises of storefront cannabis retailers.

BACKGROUND

When the Cannabis-Related Business Regulation Bylaw was adopted on September 22, 2016, it included section 8 that stated "a storefront cannabis retailer must (c) not use the premises to carry on business other than the cannabis-related business and accessory uses". The intent of this was to prevent unrelated businesses such as coffee shops from operating alongside storefront retailers. An unintended consequence of that regulation was that no ATMs would be permitted on the premises, as all ATMs in the City are required under the Business Licence Bylaw to have a standalone business licence, which makes them an additional business.

ISSUES & ANALYSIS

ATMs on Premises

Given the recent introduction of storefront cannabis retailers, and the reluctance of financial institutions to offer point-of-sale terminals in the retailers, the majority are cash-only. This either

requires an ATM on premises, as many retailers have chosen to provide, or for customers to go to a nearby ATM to obtain cash. For those with mobility or health concerns, this can be an additional barrier.

Third-Party ATMs

As stated in the original Council Member Motion of October 6, 2016, enabling only third-party operators of ATMs provides transparency as to where money is coming from and going to. All third-party ATMs are inspected by Interac and third-party ATM operators are required to submit and comply with Anti Money Laundering policies and forms along with Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) compliance. The District of Squamish allows ATMs in a Marijuana Dispensary and requires them to be third-party.

The operators of third-party ATMs is a separate business, and many third-party ATM operators are local small business owners.

Consultation

Prior to making amendments to a bylaw that governs businesses, Council is required under section 59 (2) and (3) of the *Community Charter* to give notice regarding business regulations and provide an opportunity for persons who consider they are affected by the bylaw to make representations to Council. Notice can be in the form, matter, at the times and as often as the Council considers reasonable.

Extensive consultation on the topic of cannabis business regulations has been done over the past two years. The last round of consultation included the issue of the prohibition of ATMs, and this amendment was directed as a result of continued outreach by the business community. This amendment can be viewed as having been consulted on already.

If Council wishes additional consultation on permitting third-party ATMs, it can give direction to staff to do so between third reading and adoption of the attached bylaw. Partial consultation could include information distribution through our website and social media and emails out to stakeholders. This would delay adoption of the amendment.

OPTIONS & IMPACTS

2015 – 2018 Strategic Plan

This amendment, and the parent bylaw, are aligned with the following elements of the 2015-2018 Strategic Plan:

- #5: Create Prosperity Through Economic Development
- #7: Facilitate Social Inclusion and Community Wellness

Impacts to Financial Plan

There will be no impacts to the Financial Plan, as the parent bylaw is already adopted and there is little additional revenue from additional ATM business licences anticipated as the majority of operating storefront cannabis retailers already have ATMs. The ATM would still be required to pay \$100/year for the separate business licence.


Official Community Plan Consistency Statement

The proposed bylaw amendment is consistent with various policies outlined in Section 15 of the Official Community Plan: Community Well-Being. This includes policy 15.24.2 – Reducing harm to individuals and communities from the sale and use of both legal and illegal substances.

CONCLUSIONS

An amendment to the Cannabis-Related Business Regulation Bylaw to allow third-party ATMs is a minor change that will have great impact to the retailers, their customers and the provider of the ATM services. It will have no impact on the health and safety mitigation efforts that were the intent of the original regulations.

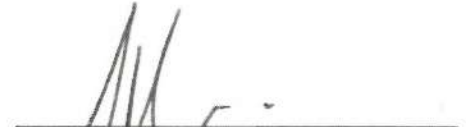
Respectfully submitted,



Emilie Gorman
Policy Analyst

Chris Coates
City Clerk

Report accepted and recommended by the City Manager:



Date:

October 25, 2016

List of Attachments

Appendix A: Cannabis-Related Business Regulation Bylaw, Amendment Bylaw NO. 1 (16-078)