



## **Council Report**

### **For the Meeting of September 8, 2016**

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**To:** Council **Date:** August 29, 2016  
**From:** Chris Coates, City Clerk  
**Subject:** Consultation Results - Marijuana-Related Business Regulation Bylaw

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### **RECOMMENDATION**

That Council:

1. Pass the motion included in Appendix A, to make two changes to the Marijuana-Related Business Regulation Bylaw, and
2. Give third reading to the amended Marijuana-Related Business Regulation Bylaw as amended.

### **EXECUTIVE SUMMARY**

On July 28, 2016, Council gave two readings to the proposed Marijuana-Related Business Regulation Bylaw, attached as Appendix B.

Council has directed the bylaw amendments contained in the proposed Marijuana-Related Business Regulation Bylaw. Extensive consultation on the proposed regulations has been done with businesses, however the addition of the advertising restrictions proposed by Council on May 12, 2016 had not been included. As required in s. 59 of the *Community Charter*, comments were invited from August 9-22, 2016. 14 email responses were received.

The consultation results are difficult to quantify, as the response topics varies; some comments were on the specific business regulations proposed, some on City regulating marijuana at all and others on the subject of marijuana generally. In general the responses indicate that people are opposed to the sign/advertising restrictions.

As a result of the comments heard through consultation and as a result of further discussion with stakeholders, two changes to the new bylaw are proposed. These changes will make the fees more equitable and will remove any ambiguity regarding on-site consumption of marijuana by prohibiting it at all businesses in the City.

### **PURPOSE**

The purpose of this report is to provide Council with the results of the required consultation with businesses on the proposed Marijuana-Related Business Regulation Bylaw.

### **BACKGROUND**

On July 28, 2016, Council passed a motion that directed the following actions:

1. Give first and second reading to the proposed Marijuana-Related Business Regulation Bylaw.
2. Invite comments on the additional proposed regulations for businesses via notice to affected businesses in accordance with section 59 of the *Community Charter*.

As required in s. 59 of the *Community Charter*, comments were solicited from existing medical marijuana related businesses through email, and generally through the City's website and social media, from August 9-22, 2016. The opportunity to comment was also included in the newsletter sent to community associations. Interested individuals were directed to the website where the proposed bylaw amendments were summarized and the bylaw amendments available for review. The advertising restrictions were the specific item highlighted for public comment. 14 Email responses were received. One social media discussion is also included.

As a result of the comments heard through consultation and as a result of further discussion with stakeholders, two changes to the new bylaw are proposed. These changes will make the fees more equitable and will remove any ambiguity regarding on-site consumption of marijuana by prohibiting it at all businesses in the City.

## ISSUES & ANALYSIS

### Consultation Results

Consultation was conducted from August 9-22, 2016. 14 responses were received, with responses divided up as follows:

- On the proposed business regulations
  - 9.5 opposed
  - 0.5 in favour
- On marijuana generally and the City's role in regulation
  - 1 in favour
  - 2 opposed
- 1 neutral response

Given the range of responses and the variety of topics that were addressed, the comments are summarized in the following table. The responses are included in their entirety in Appendix C.

Position	Summary of comments
In Favour of Proposed Business Regulations	<ul style="list-style-type: none"> <li>• Approves of sign restrictions</li> </ul>
Opposed to Proposed Business Regulations	<ul style="list-style-type: none"> <li>• Want to be able to have ATMs</li> <li>• Rezoning too time consuming</li> <li>• Call it cannabis</li> <li>• Signage restrictions too severe</li> <li>• Have same regs as all businesses, not more</li> <li>• Should encourage more businesses; should limit the number downtown</li> <li>• How do we control for criminal element</li> <li>• Should only be in pharmacies</li> <li>• Opposed to 8 pm closing time – should allow for later hours</li> <li>• Allow businesses to operate during rezoning</li> <li>• Do not allow accessory uses</li> </ul>
In Favour of Marijuana	<ul style="list-style-type: none"> <li>• Against marijuana being illegal but in support of age restrictions and quality control</li> </ul>

Opposed to Marijuana	<ul style="list-style-type: none"> <li>• Legal liability for the City of Victoria</li> <li>• Impacts of smoke and the new Cana Mall</li> </ul>
Neutral	<ul style="list-style-type: none"> <li>• Largely beneficial to dispensaries but may need to adapt to new federal regs</li> </ul>

The City promoted the opportunity to provide comments on social media, and some discussion was generated. That discussion is included in Appendix D, and consisted of a comment in favour of the rezoning policy buffer of 200 m from schools.

### Proposed Changes to the Bylaw

The following amendments to the *Marijuana-Related Business Regulation Bylaw* are proposed in Appendix A:

- Fee clarification
  - As enforcement and staff resources for marijuana-related businesses that have marijuana on the premises is similar to the storefront marijuana retailers, the proposed amendment will set both business licence fees at \$5,000. This will also ensure that businesses that offer delivery (e.g. through mail) have similar business licence fees to storefront retail operations.
- Prohibit consumption at all businesses
  - An amendment to the current Business Licence Bylaw is proposed to ensure that no marijuana consumption occurs at any business located in the City.

### New Federal Regulations

Some concern was expressed over the general legality of the City's role in regulating these businesses. The Federal Government introduced new regulations for medical marijuana on August 24, 2016, the Access to Cannabis for Medical Purposes Regulations. As part of announcing the new regulations, Health Canada restated their position that storefront sales, including dispensaries and compassion clubs – whether medical or non-medical sales – remain illegal. Despite this announcement, the City's position remains that the enforcement of these regulations is the responsibility of the Federal Government. Due to the proliferation of these stores, the City's regulatory approach is intended to address potentially adverse community impacts of storefront marijuana retailers, including inappropriate exposure of minors to marijuana and undesirable concentration of storefront marijuana retailers.

### Cannabis Versus Marijuana

During the previous discussion on this issue, some questions were raised about the use of the term 'marijuana' in the proposed regulations, as opposed to the word 'cannabis'. Generally, cannabis refers to the plant itself, while marijuana refers to the drug preparation from the plant. The main reason for the use of marijuana in the City's regulatory scheme include:

- It is the commonly used word, most widely used by the public
- It is a term in use by the industry
- It is the term used in other regulations, including Vancouver
- Consultation and all work done to date has been for marijuana.

Until recently, the federal regulations also referred to the product as marijuana. The most recent regulations refer to medical cannabis, and marihuana ("h" not "j"). The federal task force that is tasked with providing advice on the new system to legalize, strictly regulate and restrict access to marijuana does continue to refer to marijuana and not cannabis. Provided that the Bylaw definition captures the intent, the actual term used to describe the product is not technically significant.

## OPTIONS & IMPACTS

### 1. Give the bylaw third reading (*Recommended*)

Council has directed the bylaw amendments contained in the proposed Marijuana-Related Business Regulation Bylaw, attached. Consultation has indicated that the majority of respondents were opposed to certain elements of the proposed business regulations for medical marijuana, while others expressed more general views on the topic. This latest consultation was focused on one specific regulation – the advertising restriction – however extensive consultation to date has already been conducted on all other elements of the issue and the proposed regulations. Given the very fluid nature of this subject at the moment, and the expected changes to the federal legislation in the spring, the City is in the role of regulating a subject that is legally, socially, culturally and economically shifting. Regulating the aspects within our authorities (business and land use) helps to mitigate the impacts to the community.

By passing a motion to make two changes to the proposed bylaw prior to giving it third reading, the *Marijuana-Related Business Regulation Bylaw* will be more equitable related to fees and include a prohibition on consumption at all businesses in the City.

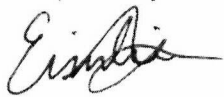
### 2. Direct staff to conduct further work

The delay in the adoption of this bylaw will result in a delay in the implementation of the proposed marijuana-related businesses regulatory scheme, including the operational requirements that come into effect immediately and 60 days after adoption. Impacts to the land use regulations will be limited as the process of rezoning will take many months.

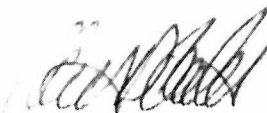
## CONCLUSIONS

The consultation conducted on the proposed marijuana-related business bylaw amendments indicate that the majority of respondents felt opposed to certain elements of the proposed regulations, although the advertising restrictions were not overwhelmingly opposed. Council has previously indicated a desire to regulate marijuana-related business including through their business licensing authority, and therefore it is recommended that the proposed bylaw amendment be given third reading, after passing a motion to make two proposed changes.

Respectfully submitted,



Emilie Gorman  
Policy Analyst



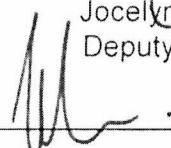
Chris Coates  
City Clerk



Jocelyn Jenkyns  
Deputy City Manager

Report accepted and recommended by the City Manager:

Date:

  
September 1, 2016

### List of Attachments

Appendix A: Motion to Amend Marijuana-Related Business Regulation Bylaw  
Appendix B: Proposed Marijuana-Related Business Regulation Bylaw  
Appendix C: Consultation Submissions  
Appendix D: Social Media Discussion