

Cannabis and Economic Development

Sara Dubinsky, Lidstone & Company, Vancouver BC

Overview

- ▶ Legalization of Recreational Cannabis
 - ▶ Federal, Provincial, Local and Third party/Private Regulatory Authority
 - ▶ Distribution Scheme in BC: Operating Rules and Requirements
 - ▶ Overview of Local Government Regulatory Options

Legalization: What does the future hold?

- ▶ Federal Government (*Cannabis Act*):
 - ▶ Regulate production and product (producers, potency, packaging, ingredients, advertising, sponsorship, import/export)
 - ▶ determine minimum age (18), possession limits (30 grams in public), criminal offences
- ▶ Provincial Governments
 - ▶ Supplement Federal regulations: increase minimum age, lower possession maximums, regulate consumption location
 - ▶ Regulate and licence retail distribution

Provincial Regulation in BC- *Cannabis Control and Licensing Act*

- ▶ Adults (19 and over) may possess up to 30 grams in a public place
- ▶ Consumption prohibited at/near:
 - ▶ Schools, health care facilities
 - ▶ Outdoor public: skating rinks; sports fields; pools, playgrounds, skate parks; or associated decks, seating areas or viewing areas
 - ▶ Parks of various classifications
 - ▶ Enclosed: public places; workplaces; common areas within apartment buildings, condos or dorms
 - ▶ While operating vehicle or boat or in one being operated
 - ▶ Bus stops, train stations and stops, taxi stand, ferry dock or stop
- ▶ Adults may grow up to 4 cannabis plants per household (subject to stratas and landlords)
- ▶ Plants cannot be visible from public spaces off the property
- ▶ Home cultivation is banned in dwellings used as daycares
- ▶ New drug affected driving offences and penalties

Retail Distribution in BC

- ▶ Private and public retail stores will be permitted
- ▶ Liquor Distribution Branch will be the only wholesaler/distributor for recreational cannabis and will operate public stores (“BC Cannabis Stores”) and online sales
- ▶ Liquor Control and Licensing Branch will be responsible for licensing all retail stores (private and public stores)
- ▶ No licensing of consumption lounges, private online sales, delivery services, sales at festivals/events at this time

Operating Rules for Retail Stores

- ▶ Sale of federally regulated/ provincially sourced cannabis, oils, seeds and accessories (pipes, bongs, vaporizers)
- ▶ No edibles (Federal Government intends to regulate within 12 months of legalization) or consumption on site
- ▶ No “co-location” - cannot sell alcohol or tobacco (rural stores may be exempt)
- ▶ Minors not permitted to enter (rural stores may be exempt)
- ▶ May operate 9am-11pm subject to local government restriction
- ▶ Security requirements, may be supplemented by local governments

Additional Provincial Requirement's

- ▶ Compliance program (education, inspection, enforcement)
- ▶ Mandatory registration (including background checks) and training program for retail employees
- ▶ All stores inspected at least annually, and if the subject of complaint
- ▶ Non-compliance will result in contravention notices and can lead to penalties, licence suspension and/or cancellation

Role of Local Governments- Retail Stores

- ▶ **Local governments will have significant control**
 - ▶ Mandatory notice of licence application to local government
 - ▶ Local government may comment and make recommendations on the application and if so, must obtain public input via:
 - ▶ Written comments;
 - ▶ Public hearing;
 - ▶ Referendum; or
 - ▶ Another method considered appropriate
 - ▶ Retail Licence applicants must have local government recommendation in support as a prerequisite to licence issuance

Role of Local Governments- Retail Stores cont'd

- ▶ In addition to “veto” power, local governments may:
 - ▶ Regulate the number of retail stores, prohibit them altogether
 - ▶ Regulate the location of retail stores, including distance from other outlets or uses (schools, playgrounds, etc)
- ▶ The Province will not regulate permissible locations or numbers of stores
- ▶ Local governments may also:
 - ▶ Restrict hours of operation, impose security requirements
 - ▶ Regulate public consumption beyond Provincial regulations

Specific Regulatory Options

- ▶ Most local governments are planning to allow retail stores on an ad hoc basis, via rezoning
- ▶ Option 1: Spot rezoning
- ▶ Option 2: Add new permitted use to existing zones
- ▶ Option 3: TUP (temporary use permit)

Questions?

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