

INFORMATION REPORT

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	September 18, 2018
SUBJECT/REPORT NO:	Cannabis Legislation Update (PED18174) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

Council Direction:

At the August 16, 2018 Planning Committee staff was directed to prepare an Information Report updating Council on the Province's announcement to privatize marijuana sales.

Information:

The Provincial Government announced that it will be abandoning the proposed Provincially run cannabis stores in favour of allowing for privately run cannabis dispensaries.

Federal non-medical cannabis legislation will come into force on October 17, 2018. The Province is responding with a plan to sell non-medical cannabis on-line via the Ontario Cannabis Store (OCS) web platform in order to meet the Federal legislative timeline and concurrently consumer demand. The Province has identified April 1, 2019 as the date for allowing for retail non-medical cannabis sales by privately-run dispensaries. The framework and regulations surrounding the approval of local dispensaries is still under review with the Province currently seeking public consultation with Municipalities and community stakeholders.

On August 23, 2018, Parliamentary Assistant, from the Ministry of Finance, Mr. Doug Downey hosted an information session at Hamilton City Hall. Mr. Downey stressed that the legalization of recreational cannabis will be a very complex issue and the Province currently has 14 different Ministries involved in review of this legislation.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Opt-in or Out

Mr. Downey indicated that the first order of business for “new” Municipal Councils this Fall will be to determine if the Municipality will opt-in or out of allowing non-medical cannabis retail sales in their community. A Municipality that opts-in will not be allowed to opt-out at a later date; however, if the Municipality opts-out initially, they will be allowed to reconsider opting back in at a later date. This approach will lessen the impact on investors in community-level non-medical cannabis dispensaries from losing their investment and business.

The framework and formula for the distribution of the \$40M in Provincial funding over two years to Municipalities still has not been determined. The purpose of this funding is to assist Municipalities with transition costs associated with the legalization of non-medical cannabis over the next two years.

The Province is still determining the preferred approach of allowing for local non-medical cannabis retail dispensaries; however, it does appear that there will be some form of Provincial Licensing regime established to approve the transfer of product to local retailers. The Province will focus on product distribution and there will be strict guidelines to prevent any sales of un-regulated cannabis by any retailer commencing October 17, 2018.

The Province has created significant fines of up to \$250,000 per day and the ability to force a closure of any dispensary operating without a Licence as of October 17, 2018. The Province is also considering prohibiting any operator from holding a Provincial Licence if they are operating anywhere in the Province illegally once the legislation comes into force.

The current plan for enforcement rests with the Province and local Police Services. The role of other local entities such as Public Health, Planning, Building or By-law is as yet undetermined. Municipal By-law Officers will be involved, at a minimum, in enforcing any local by-laws and restrictions that a Municipality puts in place within the framework granted by the Province.

Potential land use restriction, zoning requirements for radial separation for schools, hospitals and other vulnerable locations will be left with the Municipalities. It was requested that consideration be given for a dual licensing provision to ensure Municipalities have the authority to restrict and control the non-medical cannabis retail environment based on the authority of the *Municipal Act*. It was advised that Business Licensing would allow the Municipality control over zoning and nuisance issues that have the most impact on our community.

At its meeting of September 4, 2018, the Planning Committee approved a Motion respecting Private Retail Cannabis Stores directing staff as follows:

- (a) That staff be directed to prepare a report with recommendations with respect to the regulation of private retail cannabis stores in the City of Hamilton for the first Planning Committee meeting of the new term of Council;
- (b) That the report outline options for Council's consideration for the potential application of the Province's proposed "opt-out" clause;
- (c) That staff be directed to meet with the local interested proprietors to discuss the potential impacts on the private retail cannabis industry and the input be used as a market sounding and included in the report;
- (d) That the Mayor write to the Premier, appropriate Ministers and Ministries, and to the Association of Municipalities of Ontario, to communicate to them that it is the City's position that the Province's approach to the regulation of private cannabis retail stores in Ontario must ensure that municipalities have the ability to regulate the following in a manner that is appropriate to the municipality:
 - separation distances from sensitive land uses such as parks, schools, daycares and healthcare facilities;
 - over-concentration of dispensaries in one area of the City;
 - the total number of dispensaries City-wide and within particular areas of the City;
 - general issues of urban design such as location of entrances and transparency of facades;
 - on-site advertising and signage;
 - hours of operation;
 - property standards compliance;
 - ability to restrict or prohibit operations by operators that routinely violate municipal standards such as noise, nuisance or property standards.

At the time of writing this Report, the September 4, 2018 Planning Committee Report 18-013 was scheduled for consideration at the September 12, 2018 Council meeting.

Enforcement of By-laws

Licensing and By-law Services continues to enforce the current Municipal By-laws. Although there has been significant work in the enforcement of illegal dispensaries by the City, 53 dispensaries continue to remain open. The following is reflective of the work being completed by Licensing and By-law Services.

94 Dispensaries have been identified as operating within the City of Hamilton:

- 53 currently remain operating;
- 41 locations have been closed;
- 84 Zoning Compliance Notices have been issued;
- 53 Zoning Charges have been laid;
- 40 Licensing By-law Offences for Food Premises have been laid;
- 11 Sign Violations; and,
- 55 Fee for Service for fail to comply after re-inspections.

Public Health Services' "A Public Health Strategy for Non-Medical Cannabis Report" (BOH18031) (City Wide) was submitted to the Board of Health on September 17, 2018. This Information Report detailed and underscored the Public Health issues related to non-medical cannabis legalization and a proposed Hamilton Cannabis Strategy which includes the following goals:

- To educate safe, legal and responsible use of cannabis;
- To prevent or delay the onset of cannabis use and to reduce the likelihood of harm from use, problematic use and/or overdose;
- To promote a culture of moderation;
- To increase knowledge of the impacts of consuming cannabis while parenting or pregnant; and,
- To equip trusted adults with the knowledge and resources to 'start the conversation' about cannabis use with youth.

Appendices and Schedules Attached

N/A

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