

## REPORT

**REPORT TO:** Mayor Bonnette and Members of Council

**REPORT FROM:** Susan Silver, Senior Advisor Strategic Planning and Continuous Improvement

**DATE:** August 27, 2018

**REPORT NO.:** ADMIN-2018-0028

**RE:** Cannabis Legalization

### RECOMMENDATION:

THAT report No. ADMIN-2018-0028 dated August 27, 2018 regarding Cannabis Legalization be received for information;

AND FURTHER THAT Council endorse the staff position that until details are known with respect to the opt out provisions, any inquiries or expressions of interest regarding retail storefronts should be rejected.

### BACKGROUND:

On April 13, 2017, the federal government tabled two bills to legalize and regulate cannabis in Canada.

- **Bill C-45**, an Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts (the “Cannabis Act”).
- **Bill C-46**, an Act to amend the Criminal Code (offences relating to conveyances) and to make consequential amendments to other Acts.

Both Bills have received Royal Assent and Bill C-45 will become law on October 17, 2018.

On December 12, 2017, the Ontario legislature passed the Cannabis, Smoke-Free Ontario, and Road Safety Statute Law Amendment Act, 2017. As of the writing of this report, the proclamation date was still unknown.

On August 13, 2018, it was announced that the retail model being developed for the Province of Ontario would shift from fully government run to a mix of provincially run online stores and regulated private retail stores.

## **Opting Out**

The August news release from the Ministry of Finance stated, “The government will provide municipalities with a one-time window under which they can choose to opt-out of permitting physical cannabis retail stores within their boundaries.” Details around opt-out provisions have not yet been officially provided and timelines have not been announced. Until details are known with respect to this process, staff recommends that any inquiries or expressions of interest regarding retail storefronts should be rejected. The release goes on to state that online sales are expected to begin October 17, 2018 and retail stores are expected to begin opening April 1, 2019.

With the effective date approaching, the purpose of this report is to:

- share facts about Bill C-45, The Cannabis Act;
- inform council, staff and members of the public what the Town of Halton Hills is doing with respect to the legalization of recreational cannabis;
- provide information on an existing land-use issue related to growing of cannabis for medical purposes

## **COMMENTS:**

The Town of Halton Hills must prepare for the legalization of cannabis as there will be impacts in areas including but not limited to land-use and zoning, business regulation, by-law enforcement, public consumption, safety and enforcement and support for youth.

In early 2018 Town enforcement staff, through their participation in the Regional Enforcement Working group and in partnership with Halton Regional Police Services, began to discuss what municipalities would need to consider in responding to the legislation and to determine roles and responsibilities among the various enforcement groups.

In addition, during the first half of 2018, Planning staff began researching zoning impacts and initiated a study to consider options with respect to land use. Report PLS-2018-0068 included in the September 10 Council agenda provides additional information.

In response to Bill 175, The Safer Ontario Act, Halton Region and Halton Regional Police Service have developed a Community Safety and Well-Being Plan to enhance collaboration with community partners on issues that impact safety and well-being. The Commissioner of Recreation and Parks is participating in the leadership group and they have developed a series of “action tables” to address issues such as harmful alcohol consumption and coordinating efforts to reduce homelessness. Staff will be consulting with the key agencies and partners involved in the Youth Services Network (e.g. ADAPT (Alcohol and Drug Assessment and Prevention and Treatment), Halton Regional Police) to inform youth of the potential risks associated with the use of cannabis and details regarding legal and safe use.

## **Jurisdiction**

In June of 2018, the Federation of Canadian Municipalities (FCM) released its [Municipal Guide to Cannabis Legalization](#). The [Association of Municipalities of Ontario \(AMO\)](#) contributed to the creation of the guide and has also released a companion guide and FAQ documentation. The following guidance regarding jurisdiction is referenced from the FCM Guide.

All levels of government have responsibilities when it comes to the implementation of Bill C-45. Under the Cannabis Act, the federal government is responsible for establishing and maintaining a comprehensive and consistent national framework for regulating production of cannabis. This includes setting standards for health and safety and establishing criminal prohibitions.

Provinces and territories are authorized to license and oversee the distribution and sale of cannabis, subject to minimum federal conditions. Provincial governments have further delegated or recognized local government authority to address certain matters.

Municipal governments should examine their enabling legislation, as well as federal legislation and regulations, to understand the full extent of their potential scope of action.

At the recent AMO (Association of Municipalities of Ontario) Conference this August, there was a plenary session and panel discussions on the topic of Cannabis Legalization. Some observations published by AMO relate to decision making with respect to allowing retail establishments, amendments required to planning by-laws, timing challenges to conduct appropriate consultation, unknowns with respect to licensing mechanisms, and resources being stretched. AMO also commented on responsibility for licensing and considerations with respect to appropriateness of funding given latest decision on retail implementation. Staff will continue to monitor communications from AMO and the Government and respond accordingly to new information as it arises.

## **Town Approach**

Given the broad impact of cannabis legalization and the evolving regulatory landscape in conjunction with deadlines fast approaching, the Town has formed a staff team, the Cannabis Legalization Working Group, with a mandate to:

- understand, evaluate, make recommendations and inform stakeholders about regulatory issues, processes, and impacts including land-use, enforcement, business licensing, and community safety.
- participate in consultations with other orders of government, to actively engage with the community and to stay informed and advocate where needed.

The composition of the working group is represented in Figure 1 and the full terms of reference are attached as Appendix A to this report. This team will be led by Susan Silver, Senior Advisor, Strategic Planning & Continuous Improvement and will work to

address the myriad of policies, processes, decisions, consultations, and educational elements, to name a few, that are required to address the magnitude of this legislation.



Figure 1: Representation on Cannabis Legalization Working group

At present, the team has identified a number of areas for review, including:

- Land Use  
The Town does not currently have zoning by-laws specifically addressing cannabis production. Planning is working to develop draft amendments and will be presenting options to Council and engaging the public as required.
- Business Regulation  
Staff are awaiting more details with respect to how the province intends to license and regulate retail establishments. It is expected that there also be some level of public engagement as input to decisions around opting out provisions.
- Public Consumption  
The Smoke Free Ontario Act, previously scheduled to come into force July 1, 2018 has been paused. This act now includes provisions addressing cannabis use in public zones and includes definitions and specific prohibitions and restrictions. Enforcement will continue to be the responsibility of the Region of Halton
- Safety and Enforcement  
Staff under the working group and through representation on the Regional Enforcement Group is partnering with Halton Region Police Services to identify the necessity for new or amended by-laws. In addition, it is expected that information will be developed and shared to educate officials and the public

regarding age restrictions, possession limits, impaired driving rules and other important issues that impact the community.

- Support for Youth

In partnership with the Youth Services Network, the regional Community Safety and Well-Being Team, and Public Health, staff from the working group will focus on education and support to reduce or eliminate potential negative impacts associated with cannabis legalization. In addition, this subject area is a factor when developing recommendations for zoning with respect to siting factors for production and/or retail facilities.

- Cost/Revenue

The province has committed to share the cannabis excise tax with municipalities to make sure local governments across the province can manage the transition to legal recreational cannabis. Staff is creating a model to track costs associated with implementation and will also be working to better understand the flow of funding expected from the province.

- Economic Impact

As the industry grows, there will be economic impacts to consider in areas related to production facilities, retail establishments, supply chains, and ancillary businesses. There may also be unwanted economic consequences and as a focus area, economic impact should be monitored.

For each area noted above, work is being done to identify at a detailed level:

- What should the Town be considering?
- What is the Town doing or need to do?
- What are expected timeframes?

This information will be shared and updates provided to Council as needed along with any matters requiring direction/decisions.

### **Matters relating to 1 Rosetta Street**

The Town was made aware of a medical cannabis growing operation located at 1 Rosetta Street. Under the current regulation (Access to Cannabis for Medical Purposes Regulation, ACMPR) governing medical use, individuals or designated producers are allowed to grow cannabis for personal use. The regulation contains stipulations that protect the privacy and rights of these individuals and therefore, the town is not officially notified of the identity or location of such operations. However, local by-laws, building and fire codes, zoning policies that are normally the purview of the municipality and enforceable as such are still applicable to these operations. In this case, Halton Hills Fire Department, by-law enforcement and building staff have been working with the owner and tenants to ensure compliance to existing by-laws, fire and building codes.

In addition to respecting the privacy rights granted under the ACMPR and in light of the ongoing investigations pertaining to enforcement activities, specific details related to 1 Rosetta remain privileged and confidential.

The owner of 1 Rosetta has filed an application for a minor variance with the Committee of Adjustment bringing the specific matter of zoning before the public as per the statutory requirements of the Planning Act.

The Committee of Adjustment hearing is scheduled for September 5.

### **Next Steps**

- Working Group meetings are scheduled to review detailed task and responsibility matrix.
- Staff will continue to partner with other agencies and levels of government to ensure appropriate actions and responsibilities are clear.
- Public Engagement options are being developed with respect to zoning and by-law amendments and opportunities for education and information sharing will be included.

### **RELATIONSHIP TO STRATEGIC PLAN:**

The report relates to the Town's Strategic Plan Priority under Communications to continue to provide timely, transparent communications with residents and business owners.

### **FINANCIAL IMPACT:**

None

### **CONSULTATION:**

This report was prepared in consultation with members of the TOHH Cannabis Legalization Working Group.

### **PUBLIC ENGAGEMENT:**

The issue of cannabis legalization has numerous impacts and public consultation in adherence to the Public Engagement Charter is anticipated. This engagement will supplement any existing statutory requirements (as applicable).

### **SUSTAINABILITY IMPLICATIONS:**

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report is not applicable to the Strategy's implementation.

## **COMMUNICATIONS:**

A [Cannabis information page](#) has been created on the Town website where more information is provided, including links to additional resources. This page will be continuously updated as more information becomes available.

## **CONCLUSION:**

While it's a new issue for municipalities across Canada, Halton Hills is taking a proactive approach on dealing with the legalization of cannabis. Two reports were brought forward to Town Council; one, an overview on legislative areas of responsibility and municipal considerations, the other an analysis of land use planning and zoning options for siting growing and processing operations. The Town of Halton Hills Cannabis Legalization Working Group will continue to monitor the issues and manage tasks associated with implementation of regulations in support of Bill C-45, the Cannabis Act, as per the Terms of Reference outlined in Appendix A. Council shall be kept informed and engaged in decision making as required.

Reviewed and Approved by,



**Richard Cockfield, Manager Strategic Planning & Continuous Improvement**



**Brent Marshall, CAO - Sep 4, 2018 - 3:24 PM**