

RZ1140 Zoning Amendment Bylaw (Cannabis Retail, Production And Distribution) No. 2159, 2018

Council Presentation
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RESORT MUNICIPALITY OF WHISTLER

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Background: History of Cannabis Legalization in Canada and Whistler

- 2001—Federal Government implements Marihuana Medical Access Regulations (MMAR), Allows patients to grow cannabis in homes ,“transfer” their permitted production to another party or buy cannabis from the Federal Government.
- 2013—Federal Government implements Marihuana for Medical Purposes Regulation (MMPR) medicinal cannabis production and distribution can only occur through licensed commercial producers.
- 2013—Whistler Medical Marihuana Corp. applies for MMPR license for facility in Function Junction. Zoning Bylaw amended to restrict production and distribution in Whistler to this location.
- 2016—Federal Government implements Access to Cannabis for Medical Purposes Regulation (ACMPR), a combination of the MMPR and MMAR.
- April 13, 2017, the Government of Canada gives first reading to the *Cannabis Act* which will legalize marihuana possession, production and sale.

The Cannabis Act: Overview

As of July 2018 it will be legal for any adult in Canada to possess, grow or use cannabis for both medicinal and recreational purposes.

Proposed Rules Under the Cannabis Act

- **Purchase and Possession**
 - ✓ Minimum age of 18 years
 - ✓ Purchase cannabis products from a provincially or federally regulated retailer.
 - ✓ Possess up to 30 grams (1 ounce) of dried cannabis or equivalent in public.
 - ✓ Share up to 30 grams (1 ounce) or equivalent of cannabis with other adults.
 - ✓ Produce edibles for personal use or sharing
- **Production and Sale**
 - ✓ Home cultivation
 - Maximum of 4 plants indoors or outdoors
 - Personal use only.
 - ✓ Commercial production, distribution and retail.
 - Provincially/federally licensed production and retail facilities
 - No edibles for first year
- **Provinces, Municipalities, Landlords and Strata Corporations have additional regulatory powers**

Breakdown of Federal, Provincial and Municipal Powers.

- **The Federal Government**

- ✓ Sets criminal laws and “baseline” home cultivation, production, possession and purchase laws.
- ✓ Must be followed throughout Canada and cannot be supplanted with more lenient municipal or provincial rules.
- ✓ Stricter provincial or municipal rules may be possible.

- **Provinces**

- ✓ Can control the supply and distribution of cannabis.
- ✓ Can prohibit or restrict home cultivation.
- ✓ Can monopolize production, distribution or retail.
- ✓ Can create stricter rules related to use and possession of recreational cannabis (e.g stricter personal possession, public smoking and drug-impaired driving rules)
- ✓ Govern how municipalities can regulate recreational cannabis.

Breakdown of Federal, Provincial and Municipal Powers Continued...

- Municipalities

- ✓ Expected to be able to regulate cannabis within their scope of authority e.g. zoning and anti-smoking bylaws.
- ✓ Province has power to expand, restrict or render municipal powers unnecessary e.g.:
 - Requiring municipalities to license and inspect home cultivation.
 - Exempting provincially operated distribution and retail facilities from municipal zoning bylaws.
 - Prohibiting home cultivation potentially obviating municipal regulations

- Provincial and Federal cannabis rules will define the scope of rules that the RMOW can or should enact.

- ✓ Recent federal and provincial announcements provide limited but useful insight into production, distribution and retail environment for recreational cannabis in BC.
- ✓ Province has not announced rules for home cultivation and cannabis lounges or if these uses will even be allowed.

Production, Distribution and Retail. What We Know So Far

- Private sector producers in BC

- ✓ Proposed federal regulations allow producers to transition or expand from medicinal to recreational cannabis. Producers may or may not be allowed to retail cannabis similar to how craft breweries retail alcohol.
- ✓ Provincial regulations yet to be announced
- ✓ Likely to be subject to municipal zoning, unless exempted by the Province.

- Provincial distribution monopoly

- ✓ Controlled by the Liquor Distribution Branch.
- ✓ Provincial distribution facilities may or may not be subject to municipal zoning.

- Province “Anticipates” Public/Private Retail Model

- ✓ Private-sector
 - Will be permitted in BC and will likely be subject to municipal zoning.
- ✓ Province will be a retailer
 - May or may not be subject to municipal zoning.
- ✓ Province has not announced a regulatory framework (Collocating, “Buffer distances” Eligibility, Security etc.)

Proposed Bylaw

1. New definition of “cannabis” which mirrors the definition in the *Cannabis Act*.
2. Clarifies wording for production, distribution and retail aligns with provincial/federal terminology
3. Updates site-specific regulation for Whistler Medical Marihuana Corporation to reflect 1 &2.
 - ✓ Explicitly prohibits retail.
 - ✓ Distribution limited to shipping cannabis produced on site.
 - ✓ Bylaw regulations do not distinguish between recreational cannabis and medicinal cannabis.

Effect of New Bylaw: Today

- **Continuity of existing cannabis regulations in Whistler.**
 - ✓ Retail remains prohibited and production and distribution will remain limited to a single site in Function Junction.
 - ✓ Whistler Medical Marijuana Corporation's current operating model will remain a permitted use.
 - If eligible, for federal and provincial licenses WMMC can produce recreational cannabis.
 - Can continue to ship cannabis produced on site to customers or retailers but cannot sell from the facility.
 - Cannot expand operation (floor area limits unchanged).
- **Aligns with new legislation**
 - ✓ Definitions of cannabis and consistent terminology
 - ✓ Clearer regulations for new aspects of the industry (i.e. retail and recreational cannabis)

Effect of the Bylaw: Future Considerations

- Provincial exemptions
 - ✓ If Province exempts its own retail and distribution facilities from municipal bylaws, RMOW zoning regulations will not apply to them.
 - ✓ RMOW has advocated for Provincial compliance with municipal zoning requirements. Staff intend to maintain this position in any future discussions with the Province.
- Other uses (e.g. cannabis lounges, personal cultivation, outdoor smoking)
 - ✓ Province has not announced if these uses will be permitted or what the rules will be.
 - ✓ Other provinces have partially or fully prohibited.
 - ✓ Further bylaw amendments may or may not be necessary. Dependent on Federal/Provincial policy decisions.

Effect of the Bylaw: Future Considerations Continued...

- Applications and Interest
 - ✓ Interest from multiple prospective cannabis-related businesses (e.g. retailers).
 - ✓ No existing provincial legal framework to govern these uses and therefore cannot determine:
 - If these uses will be legal
 - Impact or appropriateness of proposed locations and facilities
 - Eligibility (sites/operators will likely need to meet yet to be determined Provincial requirements)
 - ✓ Processing/considering these applications is premature.
 - ✓ Staff will not support considering applications at this time.

Discussion

- Proposed Amendments Maintain the Status Quo
 - ✓ Provides time for RMOW to:
 - Monitor the development of provincial and federal regulations.
 - Determine if and how this industry will be introduced in Whistler.
 - If necessary, enact new regulations once the full scope of the provincial/federal regulatory framework has been revealed.
 - ✓ Not expected to impact existing medicinal cannabis industry in Whistler.
- Incremental approach warranted, given piecemeal roll out of Provincial/Federal regulations.

Recommendation

- **That** Council consider giving first and second readings to Zoning Amendment Bylaw (Cannabis Retail, Production and Distribution) No. 2159, 2018;
- **That** Council authorize staff to schedule a public hearing regarding Zoning Amendment Bylaw (Cannabis Retail, Production and Distribution) No. 2159, 2018.