

Retail Cannabis

Public Information Centre

December 12, 2018

Paul Voorn, Associate Solicitor
Ted Horton, Planner



Overview

Introduction

Legal context

- Federal & Provincial law
- Places of consumption
- Responsibilities

Planning context

- Retail process
- Retail locations
- Retail considerations

Economic development & Finance

Next Steps

Introduction



What this presentation **will**
address

- ✓ General overview of new legislation
- ✓ How private retail works
- ✓ Anticipated effects of private retail

What this presentation will
not address

- Industrial or individual cultivation
- Health and social effects of legalization
- Matters outside of Town jurisdiction (e.g. medical cannabis, criminal law)



Legal: Federal law



- The federal *Cannabis Act* came into force on October 17, 2018.
- The Act creates the legislative framework for Cannabis in Canada, including:

Supply Chain Oversight and Regulation

- **Federal licensing** for the production, cultivation and processing of cannabis
- **Provinces and territories authorized to distribute and sell cannabis**, subject to federal conditions
- **Federal regulation of cannabis for medical purposes** would continue

Youth Access Restrictions

- **Minimum age of 18**
- Not an offence for youth to possess five grams or less of cannabis

Adult Access

- **30 gram adult public possession limit** of legal dried cannabis
- **Adults could grow up to 4 cannabis plants** per residence for personal use

- Provinces and territories then enact their own legislation to address the fine details of implementation in each province and territory.



Legal: Provincial law

- The provincial *Ontario Cannabis Retail Corporation Act*, *Cannabis Control Act* and the *Cannabis Licensing Act* are also in force.
- This sets the rules for recreational cannabis in Ontario and further restricts access. These rules include:



Prohibiting the sale of recreational cannabis to anyone under the **age of 19**



Prohibiting **youth (under 19) from possessing, cultivating, consuming and sharing cannabis**



Addressing **illegal selling**, including storefront dispensaries*

- Recent legislation following the provincial election caused changes in the retail model and limits on public consumption.

Legal: Responsibilities

Areas of Activity:	Who is responsible?
Medical cannabis use and distribution	→ Health Canada
Recreational cannabis production licence	→ Health Canada
Recreational cannabis cultivation & processing	→ Health Canada & Licenced Producers
Recreational cannabis wholesale	→ Ontario Cannabis Store
Recreational cannabis online retail sales	→ Ontario Cannabis Store
Recreational cannabis consumption	→ Municipal by-law powers under the Smoke Free Ontario Act
Investigations of criminal activity related to cannabis and illegal dispensaries	→ Police



Legal: Places of consumption

Where you can use controlled substances

*Recreational cannabis

**Current as of October 25, 2018

***Some parks are smoke free. Check your municipality's website for more information.

****Smoking is not permitted in vehicles that carry minors 16 years of age or under

Where	tobacco	cannabis*	alcohol
Your home	✓	✓	✓
Parks***	✓	✓	✗
Sidewalks	✓	✓	✗
Playgrounds and sports fields	✗	✗	✗
Licensed restaurant patios	✗	✗	✓
Vehicle****	✓	✗	✗
Boat	✓	✗	✗



Overview



Introduction



Legal context

- Federal & Provincial law
- Places of consumption
- Responsibilities



Planning context

- Retail process
- Retail locations
- Retail considerations



Economic development & Finance



Next Steps



Planning Context: Retail process



- Municipalities in Ontario cannot use zoning or licencing to limit, prohibit, or regulated retail cannabis locations.
- One opportunity to “opt out” by January 22, 2019

AGCO



Planning Context: Retail process



- The AGCO will licence private retailers after a required investigation/due diligence process, including:
 - Local public notice process (administered by AGCO)
 - Review of regulated requirements
 - Background checks on key individuals
 - Conducting compliance inspections
- The AGCO will license store owners, retail store locations and store managers

AGCO



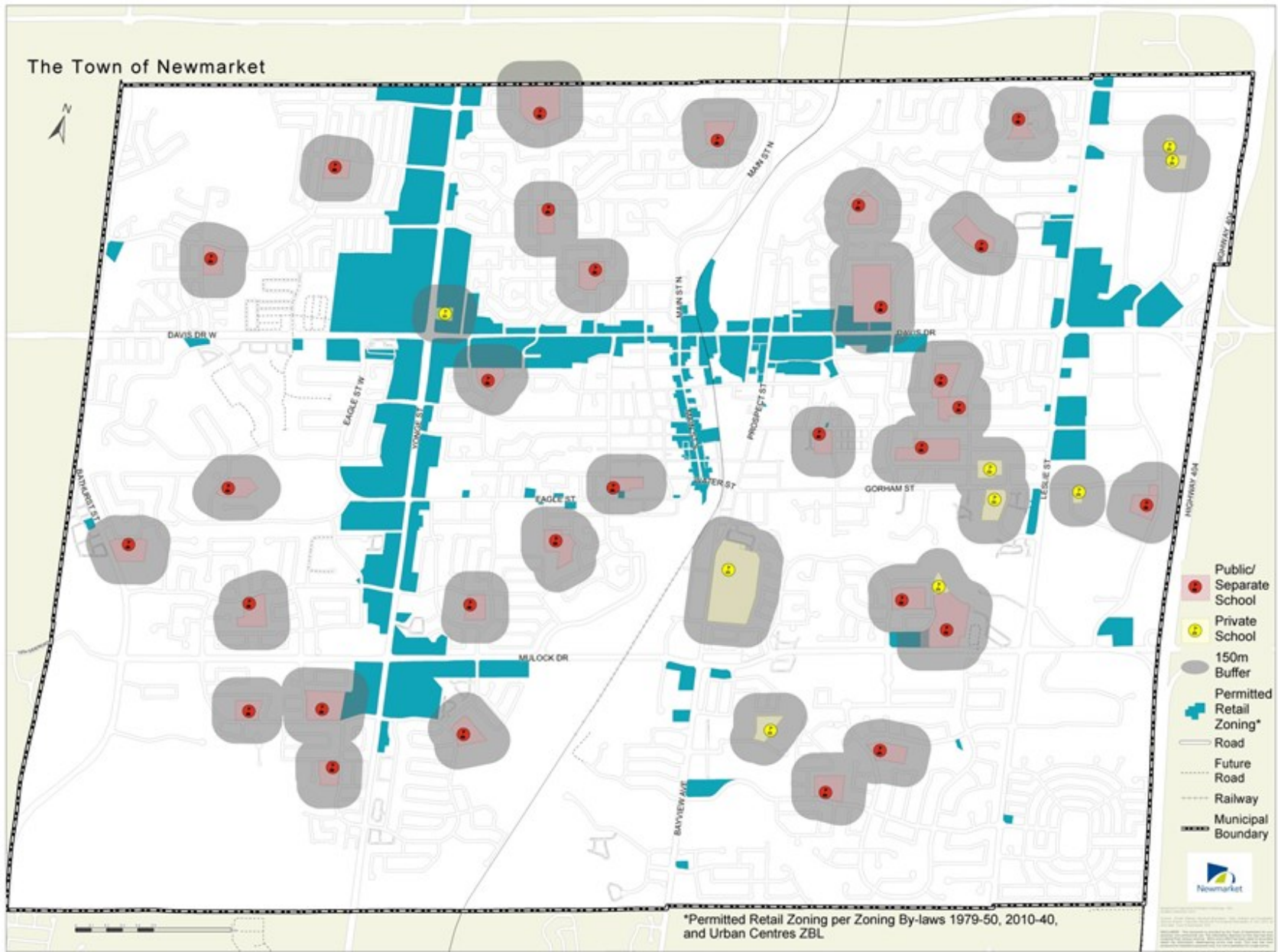
Planning Context: Retail locations

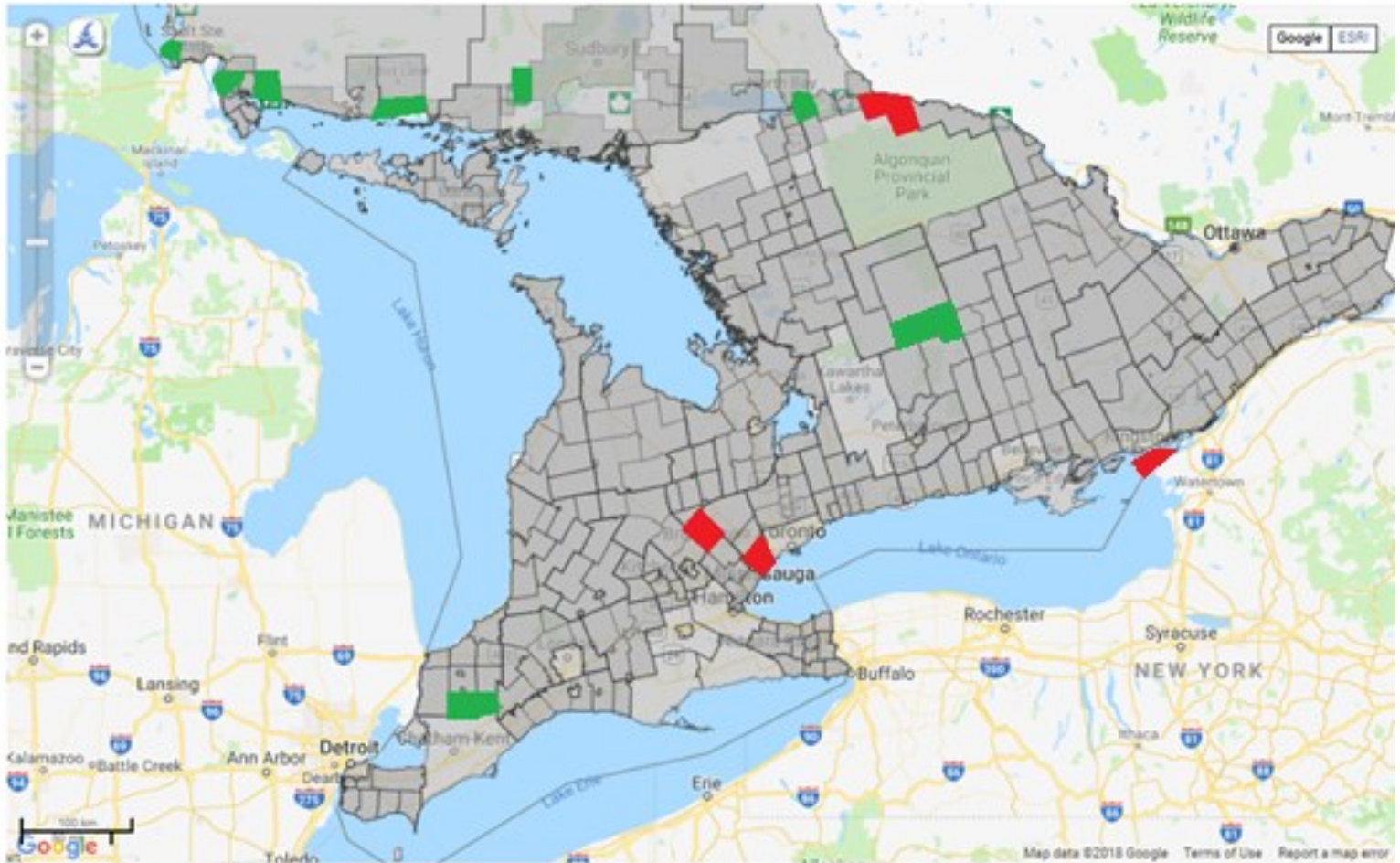


- Provincial limits on cannabis stores include:
 - Not located in an 'opt out' municipality
 - No closer than 150 metres from any school
 - Is a 'stand-alone' store (not within another store)
 - Can only sell cannabis and federally-defined cannabis accessories
 - Can only be open for business between 9:00 AM -11:00 PM



The Town of Newmarket





Planning Context: Retail considerations



- Cannabis retail outlets and public concern
- Planning review of impacts and effects
- Key question: Should Newmarket allow retail cannabis stores or opt out of hosting them?
 - Considerations related to legalization
 - Driving while impaired
 - Education of first-time users
 - Public health
 - Excessive use
 - Restricting access to cannabis by youth



Planning Context: Retail considerations



- Key question: Should Newmarket allow retail cannabis stores or opt out of hosting them?
- Perceived impact of stores
 - Property Values
 - Traffic
 - Crime & disruptive behaviour

High on Crime? Exploring the Effects of Marijuana Dispensary Laws on Crime in California Counties*

Regulated marijuana markets are more common today than outright prohibitions across the U.S. states. Advocates for policies that would legalize marijuana recreational markets frequently argue that such laws will eliminate crime associated with the black markets, which many argue is the only link between marijuana use and crime. Law enforcement, however, has consistently argued that marijuana medical dispensaries (regulated retail sale and a common method of medical marijuana distribution), create crime in neighborhoods with these store-fronts. This study offers new insight into the question by exploiting newly collected longitudinal data on local marijuana ordinances within California and thoroughly examining the extent to which counties that permit dispensaries experience changes in violent, property and marijuana use crimes using difference-in-difference methods. The results suggest no relationship between county laws that legally permit dispensaries and reported violent crime. We find a negative and significant relationship between dispensary allowances and property crime rates, although event studies indicate these effects may be a result of pre-existing trends. These results are consistent with some recent studies suggesting that dispensaries help reduce crime by reducing vacant buildings and putting more security in these areas. We also find a positive association between dispensary allowances and DUI arrests, suggesting marijuana use increases in conjunction with impaired driving in counties that adopt these ordinances, but these results are also not corroborated by an event study analysis.

*Institute of Labour Economics, research institute study
California State University & University of Georgia Study
funded by the RAND Corporation*



Planning Context: Retail considerations



- Town response to licence notifications from AGCO
- Determination of “the public interest”
 1. Protecting public health and safety.
 2. Protecting youth and restricting their access to cannabis.
 3. Preventing illicit activities in relation to cannabis.
- Town role in commenting on licence applications
 - Concerns for ‘sensitive land uses’
 - Approaches to determining comment responses



Overview



Introduction



Legal context

- Federal & Provincial law
- Places of consumption
- Responsibilities



Planning context

- Retail process
- Retail locations
- Retail considerations



Economic development & Finance



Next Steps



Economic Development & Finance: Financial considerations



- Town costs related to the legalization of cannabis include:
 - Enforcement of any by-laws related to consuming cannabis in public places subject to the Town's by-laws (e.g. parks)
- Costs borne by other levels of government include:
 - York Region Police
 - Unlicensed growing operations
 - Unlicensed retail operations
 - Unlicensed production
 - Intoxication while driving
 - AGCO
 - Licensed retail operations
 - Regional Tobacco Enforcement Officers
 - Smoking where prohibited by the Smoke-Free Ontario Act



Economic Development & Finance: Financial considerations



- The Town will be eligible for certain revenues related to cannabis
- The Province will convey to the Town funds **restricted to the reimbursement of costs related to cannabis**:
 - 2019: \$37,608
 - 2020: Varies based on opt-out
 - 50% of provincial revenues from federal excise tax in excess of \$100 million in the first two years
 - Opting out of retail sales will mean the Town is not entitled to any excise revenues
- Potential property tax revenues and economic development





Funding	If Newmarket Opt In	If Newmarket Opt Out
OCLIF* \$15M Payment No. 1	\$37,608	\$37,608
OCLIF* \$15M Payment No. 2	Anticipated to be \$37,608	No more than \$5,000
*OCLIF Remaining \$10M Unforeseen Circumstances Fund	Remaining \$10M available to address costs from unforeseen circumstances. No further details provided.	Municipalities that opt in will receive priority access to this funding.
Share of Federal Excise Duty	50% of provincial revenue above \$100 million to be shared among all opt-in municipalities in Ontario	Newmarket would not be eligible for this revenue if Council opts-out of retail cannabis
	\$75,216	
Totals	Plus an unknown amount of additional excise tax revenue from the Province, and possibly something from the Unforeseen Fund if applicable.	\$42,608
* OCLIF is the Ontario Cannabis Legalization Implementation Fund of \$40M		
Notes:	1. The CRA indicates that excise taxes will apply to both online and retail sales, but staff are confirming that this is the case.	
	2. At this time we are unable to locate anyone that has estimated what the excise tax revenue may be.	
	3. Use of any funds received are restricted solely to the implementation costs directly related to the legalization of cannabis and no other purpose.	

Economic Development & Finance: Financial considerations



Household consumption expenditure 2017

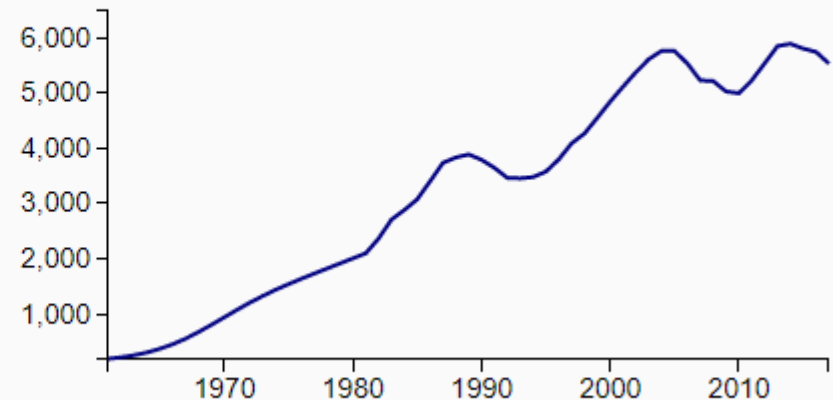
Total, 15 years and over

Expenditure	\$5,526.6 million
Quantity	773.4 t
Price per gram	\$7.15

(click on indicators to update the chart on this page)

Expenditure — Total, 15 years and over 2017

\$ millions



Cannabis Stats Hub, Statistics Canada



Next Steps: By-laws



Current Parks By-law:

- Prohibits smoking
 - Sunnyhill Park.
 - Within a 20 metre of municipal sports surfaces, play areas, or municipal facilities
- Town can add to these existing restrictions with a by-law amendment.
- Q1-Q2 2019 – Amend the Parks By-law to address cannabis smoking in the same manner as tobacco



Next Steps: Engagement



- Survey online until Dec. 28th: surveymonkey.com/r/cannabisinfo
- Random phone survey underway
- Communicated through the following channels:
 - Media Release
 - Town Page
 - Newmarket Now
 - Website – newmarket.ca/cannabis
 - Social Media (Twitter and Facebook)



Next Steps



- December 28th – Online survey closes
- January 7th, 2019 – Special Committee of the Whole (7:00 PM)
- January 22nd, 2019 – Deadline to provide notice to AGCO
- Q1-Q2 2019 – Amend Parks By-law to address cannabis smoking
- April 1st, 2019 – Retail cannabis is permitted in Ontario



Summary

-  Introduction
-  Legal context
 - Federal & Provincial law
 - Places of consumption
 - Responsibilities
-  Planning context
 - Retail process
 - Retail locations
 - Retail considerations
-  Economic development & Finance
-  Next Steps

Questions?

modern
green
forward-thinking
inclusive
community
progressive
creative
urban
smart
innovative

