

Municipality Of Chatham-Kent

Community Development, Community Human Services, Corporate Services, and Chatham-Kent Police Services

Information Report

To: Mayor and Members of Council

From: Carina Caryn,
Program Manager, Chatham-Kent Public Health Unit
Cathy Hoffman,
Chief Human Resource Officer, General Manager Corporate Services
Bruce McAllister,
Director, Planning Services
April Rietdyk,
General Manager, Community Human Services
Matthew Stezycki,
Sergeant, Chatham-Kent Police Services

Date: May 28, 2018

Subject: Legalization of Cannabis

This report is for the information of Council.

Background

On December 12, 2017, provincial legislation was passed in response to federal cannabis legislation, including the **Cannabis Act, 2017**, and the **Ontario Cannabis Retail Corporation Act, 2017**. These two pieces of legislation have three key priorities:

- Protecting youth and young people;
- Community and Road Safety; and
- Eliminating the illegal Cannabis market.

Provincial Cannabis legislation aligns with the proposed federal **Bill C-45**.

The **Cannabis Act, 2017** prohibits the sale of recreational cannabis to anyone under the age of 19. It prohibits the use of recreational cannabis in all public places, workplaces, and motor vehicles. This Act also prohibits youth (under 19) from possessing, cultivating, consuming and sharing any amount of recreational cannabis. This Act further addresses illegal selling, including storefront dispensaries. It is expected that the **Cannabis Act, 2017** will come into effect the same time that federal legislation occurs.

The **Ontario Cannabis Retail Corporation Act, 2017 (OCRCA, 2017)** established a new Crown corporation, the Ontario Cannabis Retail Corporation (OCRC), operating as the Ontario Cannabis Store (OCS). This corporation has a subsidiary relationship with the Liquor Control Board of Ontario (LCBO). This retail corporation will sell cannabis and related products through a network of dedicated storefronts and an online channel. The corporation will also determine the types of cannabis products it sells and promote social responsibility with respect to cannabis.

There are two other provincial legislations that speak to cannabis. The **Smoke Free Ontario Act, 2017 (SFOA, 2017)** regulates the smoking and vaping of medical cannabis. Unlike the **Cannabis Act, 2017** and the **OCRC, 2017** that await federal legislation, changes to the **SFOA, 2017** come into effect on July 1, 2018. There are planned amendments to the **Highway Traffic Act** that establish tougher impaired driving laws, including a zero tolerance approach coming into effect on July 1, 2018 and higher financial penalties for impaired driving, coming into force on January 1, 2019.

In addition to federal and provincial legislation, in 2014, Chatham-Kent Municipal Council enacted the **Smoke-Free Chatham-Kent By-law**. The municipal by-law prohibits the use or carrying of any lighted or heated cigar, cigarette, pipe, waterpipe, or any other equipment used to inhale, exhale, burn, or heat any smoking product including all plant materials and oils intended for inhalation in municipal buildings and vehicles or on any municipal property. The by-law's general prohibition includes all enclosed public spaces; enclosed workplaces; outdoors on municipal property including but not limited to parklands, playgrounds, beaches, boardwalks, and walkways; outdoors within a sports field, outdoors on any land containing a playground except privately owned land containing a single detached dwelling; or outdoors within four meters of a municipal bus stop. The by-law contains provisions for other Chatham-Kent businesses and organizations to opt in and be a prescribed place listed and therefore covered under the by-law.

Throughout the remainder of the report, these **Acts** and the by-law will be mentioned, referred to, and explored in more detail.

Federal Cannabis Legislative Framework

Canada has had a medical access to Cannabis since 2001 and on August 24, 2016, the **Access to Cannabis for Medical Purposes Regulations (ACMPR)** replaced the **Marihuana for Medical Purposes Regulations (MMPR)**. Under the **ACMPR**, individuals with a medical need, and who have the authorization of their health care practitioner, are able to access cannabis in three ways:

- they can continue to access quality-controlled cannabis by registering with commercial licensed producers;
- they can register with Health Canada to produce a limited amount for their own medical purposes; or
- they can designate someone else to produce it for them.

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

- **Bill C-45** - the proposed **Cannabis Act**. An Act respecting cannabis and to amend the **Controlled Drugs and Substances Act**, the **Criminal Code** and other Acts. It creates a regulatory framework for the production, distribution, sale, cultivation, and possession of cannabis across Canada.
- **Bill C-46** - An Act to amend the **Criminal Code** (offences relating to conveyances) and to make consequential amendments to other Acts. It would address offences related to cannabis trafficking, and focuses on strengthening impaired-driving measures.

Cannabis is commonly referred to as a broad term to describe the products derived from the leaves, flowers and resins of the Cannabis sativa and Cannabis indica plants or hybrids of the two. These products exist in various forms, such as dried leaves or oils. They are used for different purposes, including medical, non-medical, and industrial purposes. Under the **Cannabis Act**, cannabis is broadly defined. Marihuana is commonly used to refer to parts of a cannabis plant, such as the leaves or flowers. It is not a defined term under the **Cannabis Act** and “cannabis” is preferable to “marihuana” for the regulatory context.

Storefronts selling cannabis, commonly known as "dispensaries" and "compassion clubs," are not authorized to sell cannabis for medical or any other purposes. These operations are illegally supplied, and provide products that are unregulated and may be unsafe. Illegal storefront distribution and sale of cannabis in Canada are subject to law enforcement action.

In order to support the proposed federal **Cannabis Act**, new regulations are needed to address the following areas:

- Licensing (for cultivation, production, processing, etc.)
- Personnel security
- Types of cannabis products and standards
- Packaging and labelling
- Cannabis for medical purposes

The current **ACMPR** regime will continue under the **Cannabis Act**. Medical practitioners will continue to be able to prescribe cannabis for medical purposes. Individuals with a prescription, including those under 18, will continue to be able to access medical cannabis. Those Licensed Producers under the ACMPR for commercial medical cannabis production will continue to be authorized to produce medical cannabis under the **Cannabis Act**, and be deemed to hold licenses for non-medical and recreational cannabis.

It is anticipated that the federal **Acts** will be adopted in the summer of 2018 with detailed regulations to follow in late summer/early fall 2018. A fact sheet from the

Government of Canada entitled “Legalizing and Strictly Regulating Cannabis: The Facts” is attached as Appendix A.

Jurisdictional Issues

The federal, provincial and territorial governments would share responsibility for overseeing the new system. Under the **Cannabis Act** the federal government is specifically responsible for:

- Individual adult possession of cannabis, including determining the maximum allowable cannabis possession and home cultivation quantities;
- Promotions and advertising, including regulating how cannabis or cannabis accessories can be promoted, packaged, labelled and displayed;
- Licensing commercial cannabis production;
- Industry-wide regulations on the quantities, potency, and ingredients in the types of products that will be allowed for sale;
- Registration and tracking of cannabis from seed to sale;
- Minimum conditions for provincial/territorial distribution and retail sale and allowing for the federal government to license distribution and sale in any province/territory that does not enact such legislation;
- Law enforcement at border crossings; and
- Criminal penalties for those operating outside the legal system.

When the federal **Cannabis Act** comes into force, adults who are 18 years or older would be able to legally:

- Possess up to 30 grams of legal dried cannabis or equivalent in non-dried form;
- Share up to 30 grams of legal cannabis with other adults;
- Purchase dried or fresh cannabis and cannabis oil from a provincially-licensed retailer. For those provinces that have not yet or choose not to put in place a regulated retail framework, individuals would be able to purchase cannabis online from a federally-licensed producer;
- Grow up to four cannabis plants per residence for personal use from licensed seed or seedlings; and
- Make cannabis products, such as food and drinks, at home provided that organic solvents are not used.

It is important to note here that the Provincial Cannabis Act, 2017 stipulates 19 years of age for the purpose of legislation in the Province of Ontario. The sale of cannabis edible products and concentrates continues to be under review, with plans for legalization 12 months following the coming into force of the proposed federal **Cannabis Act** legislation.

Under the proposed federal **Cannabis Act**, the province and territories have the authority to license and set strict requirements for the distribution and sale of cannabis, subject to federal conditions. They also have the authority to:

- Increase the minimum age in their province (but not lower it);
- Lower the personal possession limit;
- Create additional rules for growing cannabis at home, such as lowering the number of plants per residence; and
- Restrict where adults can consume cannabis, such as in public spaces or in vehicles.

Comments

At the May 14, 2018 meeting Council approved the following Motion:

“That in light of the impending legalization of marijuana. I move that staff prepare a report on its plan to handle the coming legalization of marijuana of such topics as:

1. Enforcement: on public consumption and impaired driving and;
2. Public Health and Education and;
3. Business Licensing (if there are consumption lounges) and;
4. Odour mediation and control (between neighbours and in our social housing) and;
5. Land Use Planning (sales, production and consumption) and;
6. Employer/employee relations (Code of Conduct, medical use, while at work, etc.) and;
7. Recreation Areas (smoke free)”

Enforcement

In Ontario, the legal age to purchase, possess, consume and grow recreational cannabis will be 19. This will allow police to confiscate small amounts of cannabis from young people.

Under the proposed federal **Cannabis Act**, adults could possess up to 30 grams of legal cannabis. Ontario has also set the adult possession limit to 30 grams. In addition, the **Cannabis Act** would also decriminalize youth possession of up to 5 grams, while youth possession of more than 5 grams would be dealt with under the **Youth Criminal Justice Act**. In order to help prevent youth from unnecessarily being brought into the justice system, the **Cannabis Act, 2017** provides police, prosecutors, and courts with the opportunity to refer young people to Auditor General approved prevention and education programs.

Ontario is also pursuing a coordinated law enforcement approach with federal and municipal partners, to eliminate the illegal market. The Province is also developing a coordinated approach to support training of law enforcement on both the provincial Cannabis Act, 2017 rules and penalties and the federal legislative framework.

The provincial **Cannabis Act, 2017** prohibits any person from selling or distributing cannabis, other than the **OCRC** or persons authorized under applicable federal law. The **Act** would also prohibit landlords from knowingly permitting such activities on their premises.

Individuals and corporations convicted of these offences would be subject to high maximum fines upon first conviction, with additional fines for each day on which the offence occurs or continues on subsequent convictions. Individuals may also face a potential jail sentence of up to two years less a day. Minimum fines would apply to corporations of these offences.

In order to address illegal storefronts, the provincial **Cannabis Act, 2017** provides an interim closure authority which would allow for the immediate closure by police, upon charges being laid, of premises that are suspected of being used for the illegal sale or distribution of cannabis.

In terms of driving, if an officer finds that an individual is impaired by any drug, including cannabis, there are serious penalties, ranging from licence suspension to jail time. Police officers will be authorized to use oral fluid screening devices at roadside. Once a federally approved device is available, the Province will implement the use of those devices.

Ontario is also implementing a number of other initiatives to ensure a safe and sensible transition for communities and people:

- Increasing the capacity of local law enforcement, including the Ontario Provincial Police, by funding sobriety field test training for police officers to help detect impaired drivers;
- Creating a specialized legal team to support drug-impaired driving prosecutions;
- Increasing capacity at the Province's Centre of Forensic Sciences to support toxicological testing and expert testimony;
- Providing public health units with support and resources to help address local needs related to cannabis legislation;
- Creating a Cannabis Intelligence Coordination Centre to shut down illegal storefronts and help fight the unsafe and illegal supply of cannabis products; and
- Raising awareness of the new provincial rules that will take effect when cannabis is legalized federally.

Chatham-Kent Police Service will be utilizing social media, area contacts and Public/Officer networks to raise awareness on the benefits of the proposed legislation and the associated penalties applicable to those in breach.

Chatham-Kent Police Service sees the anticipated benefits of legislation to include an increased education of the public on the risks associated with cannabis; greater protection of youth and young people; a reduction in organized crime related to cannabis; greater certainty that the product has not been tampered with (manipulated

production); and a reduction in illicit production laboratories and the dangers associated with these locations.

There are several known proposed penalties associated with the federal **Cannabis Act**. Adults found in possession of over 30g but under 50g of cannabis could be issued a \$200 ticket. There would be no criminal record for this offence provided the individual pays the fine within the prescribed period. For adults found in possession of over 50g of cannabis, the individual could be subject to criminal charges. Those found distributing or selling cannabis to youth would be subject to more severe penalties, including jail terms. Finally, youth found in contravention could also be subject to diversionary measures.

The Provincial **Cannabis Act, 2017** outlines several other proposed penalties. Penalties for the unlawful sale and distribution of Cannabis range from \$25,000 to \$1,000,000 depending on conviction and whether an individual or a corporation are in contravention of the **Act**. Selling or distributing cannabis to individuals under 19 years of age has a maximum fine of \$200,000 for individuals and \$500,000 for corporations as well as potential imprisonment. Consumption of cannabis in a public place, workplace, vehicle, boat or other prescribed place has fines ranging from \$1,000 to \$5,000.

Public Health and Education

Under the proposed federal **Cannabis Act**, prohibitions regarding cannabis promotion are intended to protect public health and public safety. Specifically, protecting the health of young persons by restricting their access to cannabis and protecting young persons and others from inducements to use cannabis.

The restrictions regarding cannabis promotion will apply to all forms of communication including:

- Printed publications
- Internet publications (website, social media, email, etc.)
- Direct mail
- Signage (billboards, etc.)
- Broadcasts (radio, television, etc.)
- Mobile devices

The proposed restrictions include, but are not limited to:

- Advertising and marketing that is appealing to young persons
- Showcasing a lifestyle with cannabis use
- Sponsorship, testimonials or endorsements
- Depictions of a celebrity, character or animals
- False, misleading or deceptive messaging or advertising
- Any game, draw, lottery or contest that could induce anyone to increase cannabis consumption

A range of tools to promote and secure compliance with federal requirements would be included as part of the proposed federal **Cannabis Act** regulations.

Health Canada has also provided some initial direction on packaging and labeling, which will come forward in the future regulations. An evidence-informed, public health approach is being taken to the packaging and labelling requirements including advertising and marketing bans to:

- Help minimize the appeal of cannabis products to children and youth
- Help prevent accidental consumption
- Provide adult consumers with information they need to make informed decisions if they choose to use cannabis, including the potential risks and harms associated with cannabis use

In terms of where recreational cannabis can be used, in Ontario individuals 19 years of age and over will only be able to use recreational cannabis in:

- A private residence, including the outdoor space of a home (for example, a porch or back yard)
- In a multi-unit building like an apartment or condo, use is permitted in the unit or on the balcony, but this depends on lease agreements and/or building rules.

Individuals will not be permitted to use recreational cannabis in any indoor or outdoor public place, any indoor or outdoor workplace, or a motorized vehicle.

The Province is still considering additional regulations that would potentially prescribe restrictions on where medical cannabis can be used in a form that is not smoked or vaped, and is working to provide exemptions permitting the consumption of cannabis in hotel, motel and inn rooms; vehicles and boats that are used as residences; and in private residences that are also workplaces. Throughout the consultation process, the Province sought feedback on the permitting of licensed and regulated cannabis consumption lounges/venues and the permitting owners or operators of multi-unit dwellings to designate outdoor areas for the smoking or vaping of recreational cannabis. No decisions or directions have been presented at this time.

Under the **Smoke-Free Ontario Act, 2017**, effective July 1, 2018, smoking and vaping of medical cannabis will not be allowed in enclosed workplaces, enclosed public spaces, public and private schools and their surrounding grounds, and other areas where tobacco smoking is currently banned. Certain places such as Long-Term Care homes and hospices can be exempt from the cannabis place of use regulations provided criteria are met. Home health care workers will be able to request residents to cease use of tobacco and cannabis while they are present and providing health care services.

In terms of programs and education, Chatham-Kent Public Health will work to:

- Communicate the risks and harms associated with cannabis use, particularly for youth;
- Communicate harm-reduction messaging for those who choose to use cannabis;
- Communicate details of regulations prior to implementation so that the public and other stakeholders understand what is permitted, and so that individuals can make informed choices;
- Develop an evidence-based health promotion, prevention, awareness and education program targeted at both youth and parents, with a sub-focus on other vulnerable groups (pregnant and breastfeeding women, people with personal or family history of mental illness, and individuals experiencing issues with substance abuse); and
- Advocate for the restriction of sales of drug paraphernalia in places where children and youth frequent, and prevent the sale of these products to children and youth.

Employer/Employee Relations

The primary impacts in the workplace with respect to cannabis include keeping a safe work environment, ensuring policies are implemented that protect the safety of all employees, addressing workplace impairment arising from substance abuse and prescription drugs, including medical cannabis, while balancing the obligations at law around accommodation.

The Municipality is approaching the potential impacts of cannabis in the workplace within the context of a “fitness for work” framework. A new policy entitled, “Drugs and Alcohol in the Workplace—Fitness for Work” has been developed and will be rolled out to employees and supervisors over the next few months. This policy will complement related provisions contained within the current Code of Conduct, Health and Safety Policy #003 “General Safety Rules”, Policy 1—25 “Workplace Accommodation Process for Non-Work Related Medical Conditions” and by-law 137-2014 “Smoke-Free Chatham-Kent By-law”.

The purpose of the new fitness for work policy is to:

- Confirm employees’ responsibilities to be fit for duty which includes being free from any adverse effects of drugs or alcohol;
- Communicate expectations regarding substance use, misuse and abuse;
- Inform employees that recreational cannabis is not allowed in the workplace at any time or while in the course of duty;
- Promote and encourage early diagnosis and treatment for employees who may suffer from a drug and/or alcohol disability;
- Confirm the Municipality’s commitment to supporting and providing reasonable efforts for accommodating employees suffering from drug or alcohol dependencies; and
- Respect the dignity and privacy of employees.

Drug testing for cannabis use is not currently included in the new policy given that current drug testing cannot sufficiently determine the extent of cannabis impairment. Until a clear method for establishing impairment is available, we will follow the latest updates in testing technology and case law.

The Municipality's benefit plans do not include medical cannabis as an eligible drug in plan coverage. To date medical cannabis is not an approved drug under the **Canadian Food and Drugs Act** and does not yet have a Drug Identification Number (DIN). As the number of Canadians with cannabis prescriptions continues to grow, pressure is mounting for benefits programs to cover medical cannabis. We will be exploring the costs and effectiveness associated with the inclusion of medical cannabis during our annual plan renewals.

Other Land Use Considerations

In June 2013 the federal government introduced the Marihuana for Medical Purposes Regulations (MMPR). The MMPR aimed to treat marihuana as much as possible like any other narcotic used for medical purposes by creating conditions for a new, commercial industry that is responsible for its production and distribution. The regulations provided for access to quality-controlled marihuana for medical purposes, produced under secure and sanitary conditions, to those Canadians who need it, while strengthening the safety of Canadian communities.

Based on the MMPR, in 2014, the Municipality did undertake a detailed review on this subject and established an Official Plan policy framework with criteria and zoning regulations for proposed Medical Marihuana Production Facilities. This framework was subsequently used by a number of other municipalities to draft their own land use policies.

The policies are generally supportive of MMPR facilities, subject to certain criteria. The main policy is to "Permit Marihuana for Medical Purposes Production Facilities within the Employment Area, Agricultural Area and Rural Industrial designations on Schedules "A" and Schedule "E" Series – Land Use to the Official Plan.

All facilities will require a site-specific zoning amendment and consideration of the following:

- i) With an Agricultural Area designation facilities are to be located on an arterial or collector road or have the main access to the facility located not less than 100 m from an arterial or collector road.
- ii) Owner(s) must undertake consultation with Chatham-Kent Police and Fire Services to ensure that proposed locations are located with regard for Police or Fire criteria applicable for such facilities.

- iii) Facilities shall not be located within close proximity to sensitive land uses such as residential, institutional, open space or as more specifically outlined in the zoning by-law.
- iv) Access to municipal water supply is preferred, however, in the case of a private water supply the owner(s) will be required to provide justification that there is sufficient water for daily usage (Ministry of Environment Water taking permit may be required) and adequate fire suppression.
- v) Access to municipal sanitary sewer is preferred, however, in the case of a private septic system or other on-site disposal systems the owner(s) will be required to confirm that discharge from facilities can be safely treated in a private septic system or alternative. If discharge or treatment of product requires off site handling the owner(s) will provide documentation of agreement(s) with approved waste handlers.
- vi) Facilities must have acceptable access for emergency services.
- vii) Facilities must have adequate on-site parking for the proposed use.
- viii) Location of facilities on a lot with a residential use is prohibited.
- ix) New construction will be subject to site plan approval as per the Chatham-Kent Site Plan Control By-law.
- x) Proponents may be required to provide a fire plan for emergency services.
- xi) Only facilities licensed by Health Canada under the Marihuana for Medical Purposes Regulations (MMPR), or as amended, will be permitted.
- xii) The use of the Holding provision may be required for proposals within existing buildings.

Along with the local land use regulations, Health Canada requires Part 1 Licensed Producers to conform to the stringent ACMPR compliance and enforcement measures, including regular audits and inspections by Health Canada. Specifically, through the ACMPR licensed producers must address physical security, quality assurance, odour control, security clearance, pesticide use, water controls and the prohibition of store front sales.

The Municipality of Chatham-Kent has reviewed and approved five different zoning applications for Medical Marihuana Production Facilities (now Part 1 Licensed Producers) over the past few years. One is now operating as a Licensed Production facility, while the others are still in the licensing process with Health Canada.

Going forward, once the new federal regulations are introduced, the Municipality should undertake a review of its land use policies to ensure alignment as the federal government is proposing various licenses for Commercial Production, including:

- Standard Cultivation Licence – large scale growers of cannabis
- Micro-Cultivation Licence – small-scale growers of cannabis
- Nursery Licence – growers of starting materials
- Industrial Hemp Licence – growers of industrial hemp
- Standard Processing Licence – large-scale processing of cannabis products
- Micro-Processing Licence – same as standard on a smaller scale

The federal **Cannabis Act** prohibits the use of residential premises for the production of cannabis for non-medical use at a larger scale. Private production is limited to four plants per residence. However, Health Canada will continue to authorize the production of medical cannabis under Part 2 of the ACMPR, including production of up to four registrations per production site. Any individual registered to produce a limited amount of cannabis for him/herself may not sell, provide or give cannabis to another person. A designated person may not sell, provide or give cannabis to any person, except for the individual for whom he/she is authorized to produce in a registration; and produce cannabis for more than two people registered with Health Canada, including him/herself, for whom he/she is authorized to produce in a registration. Registered and designated persons may not produce in excess of the maximum limits outlined in a registration certificate. With the introduction of cannabis legalization, it is anticipated that this will provide more options to access to quality-controlled cannabis, thus potentially reducing the need for as many Part 2 producers.

Retail Sale of Recreational Cannabis

In Ontario, recreational cannabis will be sold exclusively by the Ontario Cannabis Store (OCS) through a network of dedicated storefronts and an online channel.



Approximately, 150 standalone OCSs will be opened by the end of 2020, starting with about 40 stores in 2018, and rising to 80 within the first year. Twenty-nine municipalities, including Chatham, were identified for initial stores by considering geographical distribution across the Province and the presence of illegal stores currently in operation. Stores will sell cannabis and related products only.

The OCSs will be complemented by the online Canadian commerce platform “Shopify” that will provide Ontarians across the Province with a safe and secure way to legally

purchase cannabis. At a minimum, the same safeguards that exist now for online LCBO beverage alcohol sales will apply to cannabis, including ID checks, signatures required upon delivery and no packages left unattended at the door. Trained and knowledgeable staff will sell products in stores in a safe and socially responsible manner, including strict requirements for age verification, so youth access to the product is restricted and consumers have the information they need.

In late 2017 and early 2018, officials from the Ministry of Finance and the LCBO/OCRC met with municipalities, including the Municipality of Chatham-Kent, to discuss the siting process for initial cannabis stores, guidelines, and local interests.

Given that the OCRC is Crown Corporation, they are not subject to local land use restrictions, however, they are using the following guidelines to identify specific store locations:

- Adhering to municipal zoning by-laws (i.e. only establish stores in zones that permit retail uses)
- Equitable access for consumers within municipalities
- Minimizing proximity to schools
- Addressing, where present, illegal storefront activity

Given the proposed provincial approach to retail distribution, there does not appear to be any value in developing any additional land use regulations for the siting of stores at this time. OCS will provide notice when a final decision and pending announcement of the Chatham OCS is finalized. Further updates can be found at the OCS website: ocscannabisupdates.com.

Consultation

This report has been prepared and written with contribution from Community Development, Community Human Services, Corporate Services, and Chatham-Kent Police Services. It should be noted that the information contained within the report is current as the date of writing. Changes at both the federal and provincial level are still possible. Administration will monitor legislation roll-out and will provide updates to Council as required.

Financial Implications

Ontario has announced it will be providing \$40 million in funding over two years to help municipalities with incremental implementation costs related to the legalization of cannabis. Funding will be distributed to municipalities on a per household basis, adjusted to ensure that each municipal government receives no less than \$10,000.

If the Province's portion of revenue from the federal excise duty on recreational cannabis for the first two years of legalization exceeds \$100 million, the Province will provide municipal governments with 50 per cent of the surplus. Ontario will distribute

half of the funding as soon as possible following federal Royal Assent and before legalization begins in 2018 and the other half one year later in 2019.

If the legalization of cannabis results in significant costs that cannot be absorbed with current approved base budgets, administration will prepare a report with recommendations on how to address additional financial issues and concerns.

Prepared by:

Carina Caryn, MPH
Program Manager,
Chatham-Kent Public Health Unit

Cathy Hoffman, MPA, CHRL,
Chief Human Resource Officer,
General Manager, Corporate Services

Bruce McAllister, MCIP, RPP
Director,
Planning Services

Matthew Stezycki
Sergeant,
Chatham-Kent Police Services

April Rietdyk, RN, BScN, MHS, PhD PUBH
General Manager,
Community Human Services

Reviewed by:

Don Shropshire
Chief Administrative Officer

Sources: www.canada.ca
www.ontario.ca
Municipal Guide to Cannabis Legalization, A Roadmap for Canadian Local Governments, Federation of Canadian Municipalities, Spring 2018

Attachments: Appendix A – Government of Canada Fact Sheet entitled Legalizing and Strictly Regulating Cannabis: The Facts, 2018

P:\RTC\Community Human Services\Administration\June 11-2018 Cannabis Legislation
RTC FINAL.Docx

LEGALIZING AND STRICTLY REGULATING CANNABIS: THE FACTS

The proposed Cannabis Act would create a strict legal framework for controlling the production, distribution, sale and possession of cannabis across Canada.

The Act seeks to:

- ▶ restrict youth access to cannabis
- ▶ protect young people from promotion or enticements to use cannabis
- ▶ deter and reduce criminal activity by imposing serious criminal penalties for those breaking the law, especially those who import, export or provide cannabis to youth
- ▶ protect public health through strict product safety and quality requirements
- ▶ reduce the burden on the criminal justice system
- ▶ provide for the legal production of cannabis to reduce illegal activities
- ▶ allow adults to possess and access regulated, quality controlled legal cannabis
- ▶ enhance public awareness of the health risks associated with cannabis

The current program for accessing cannabis for medical purposes would continue under the new Act.

Cannabis would remain illegal until the proposed Cannabis Act is brought into force.

RESTRICTED ACCESS

The Cannabis Act proposes many rules that would protect youth from accessing cannabis.

PROTECTING YOUTH

No person could sell or provide cannabis to any young person **under the age of 18**.

In addition, the Act would create 2 new criminal offences, with maximum penalties of 14 years in jail, for:

- ▶ giving or selling cannabis to youth, and
- ▶ using a youth to commit a cannabis-related offence

In order to prevent youth from using cannabis, the Act would also prohibit:

- ▶ products that are appealing to youth
- ▶ packaging or labelling cannabis in a way that makes it appealing to youth
- ▶ selling cannabis through self-service displays or vending machines
- ▶ promoting cannabis, except in narrow circumstances where the promotion could not be seen by a young person

Penalties for violating these prohibitions include a fine up to \$5 million or 3 years in jail.

The Government has also committed close to \$46 million over the next five years for cannabis public education and awareness activities to inform Canadians, especially youth, of the health and safety risks of cannabis consumption.

CONTROLLED ACCESS

Should the Cannabis Act come into force, adults who are **18 years or older** would be able to legally:

- ▶ **possess** up to 30 grams of legal dried cannabis or equivalent in non-dried form
- ▶ **share** up to 30 grams of legal cannabis with other adults
- ▶ **purchase** dried or fresh cannabis and cannabis oil from a provincially-licensed retailer
 - ▶ In those provinces that have not yet or choose not to put in place a regulated retail framework, individuals would be able to purchase cannabis online from a federally-licensed producer.
- ▶ **grow** up to 4 cannabis plants per residence for personal use from licensed seed or seedlings
- ▶ **make** cannabis products, such as food and drinks, at home provided that organic solvents are not used

The sale of cannabis edible products and concentrates would be authorized no later than 12 months following the coming into force of the proposed legislation.



STRICT REGULATION

The federal, provincial and territorial governments would share responsibility for overseeing the new system.

The federal government's responsibilities would be to:

- ▶ set strict requirements for producers who grow and manufacture cannabis
- ▶ set industry-wide rules and standards, including:
 - ▶ the types of cannabis products that will be allowed for sale
 - ▶ packaging and labelling requirements for products
 - ▶ standardized serving sizes and potency
 - ▶ prohibiting the use of certain ingredients
 - ▶ good production practices
 - ▶ tracking of cannabis from seed to sale to prevent diversion to the illicit market
 - ▶ restrictions on promotional activities

The provinces and territories would license and oversee the distribution and sale of cannabis, subject to federal conditions.

They could also:

- ▶ increase the minimum age in their province or territory (but not lower it)
- ▶ lower the possession limit in their jurisdiction
- ▶ create additional rules for growing cannabis at home, such as lowering the number of plants per residence
- ▶ restrict where adults can consume cannabis, such as in public or in vehicles

CRIMINAL PENALTIES

The Cannabis Act proposes offences targeting those acting outside the legal framework, such as those involved in organized crime.

Penalties would be set in proportion to the seriousness of the offence. Sanctions would range from warnings and tickets for minor offences to criminal prosecution and imprisonment for more serious offences.

OFFENCE	PENALTIES
Illegal distribution or sale	<ul style="list-style-type: none"> ▶ Tickets for small amounts ▶ Up to 14 years in jail
Possession over the limit	<ul style="list-style-type: none"> ▶ Tickets for small amounts ▶ Up to 5 years in jail
Production of cannabis beyond personal cultivation limits or with combustible solvents	<ul style="list-style-type: none"> ▶ Tickets for small amounts ▶ Up to 14 years in jail
Taking cannabis across Canada's borders	<ul style="list-style-type: none"> ▶ Up to 14 years in jail

Further penalties related to cannabis-impaired driving have been put forward in the proposed [drug-impaired driving legislation](#).

The proposed Cannabis Act is informed by the recommendations of the [Task Force on Cannabis Legalization and Regulation](#).