



# CANNABIS: LEGISLATIVE UPDATES AND BOARD OF HEALTH RESPONSIBILITIES

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**Medical Officer of Health**

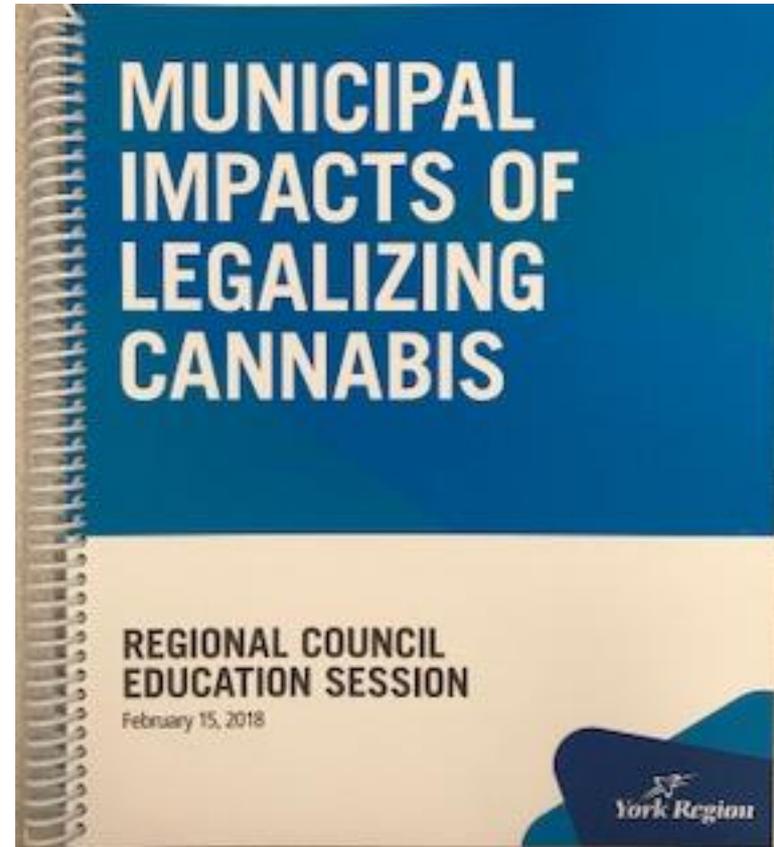
**Joy Hulton**  
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**York Region**

# PRESENTATION OVERVIEW

- Health impacts of cannabis
- Public Health Standards
- Legislative updates
- Opting in/out
- Smoking and Consumption Bylaws
- Financial Implications



# **INFORMATION ABOUT CANNABIS**

**Dr. Karim Kurji, Medical Officer of Health**

# WHAT ARE THE INGREDIENTS OF CANNABIS?

- 600 compounds, 104 cannabinoids\*
- Two most significant cannabinoids: THC and CBD

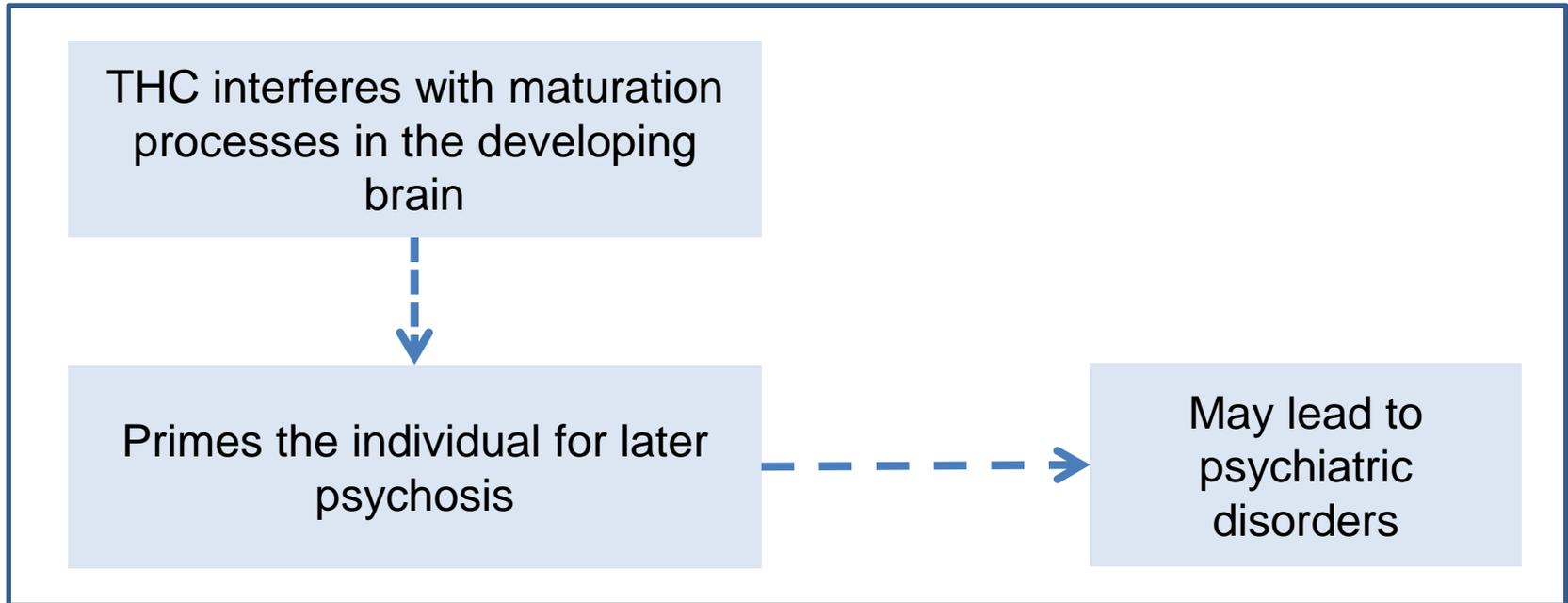
	THC	CBD
Chemical compound	Delta-9-Tetra hydrocannabinol	Cannabinol
Side effects	May be harmful	Possibly helpful
Potency (1975)	3%	3%
Potency of illegal products (2018)	25-35%	<0.1%
Potency of legal products(2018)**	0-27%	0-17%
Types	Fresh and dried cannabis, cannabis oils, plants and seeds, hash, hash oil	

\*US National Academy of Sciences, Engineering and Medicine (2017) <https://www.nap.edu/read/24625/chapter/1>

\*\*Potency of dried flower, oil and pre-rolled products sold at the Ontario Cannabis Store

# WHAT ARE THE SIDE EFFECTS OF CANNABIS?

Impairs impulse control, working memory, decision-making, executive function, and academic performance



## Higher Risk

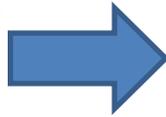
- Adolescence
- Higher THC content
- Frequency
- Synthetics
- History of psychosis
- Pregnancy

# **SMOKE-FREE ONTARIO ACT, 2017 AND ONTARIO PUBLIC HEALTH STANDARDS**

# WHAT HAS CHANGED?

2006

- Protection from second-hand tobacco smoke in enclosed workplaces, enclosed public places, school properties, hospitals and some outdoor recreational areas



2017

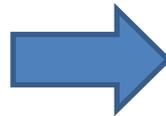
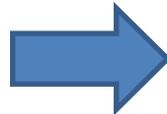
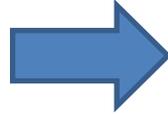
- Protection from second-hand tobacco and cannabis smoke with added protection from second-hand vapour from e-cigarettes
- Enhanced protection from smoke and vapour in several additional outdoor areas
- Disclosure of all convictions of tobacco and e-cigarette sales to minors on Public Health's website



# WHAT HAS CHANGED, cont'd

2006

- Access to tobacco products restricted to 19 years of age and older
- Display, handling and promotion restrictions for retailers who sell tobacco
- Tobacconist retailer registration administered by the Ministry of Health and Long-Term Care



2017

- Access to tobacco products and vapour products restricted to persons 19 years of age and older (now under one Act)
- Similar display and handling restrictions added for retailers that sell vapour products (promotion is permitted)
- Tobacconist retailer registration administered by the local health unit
- New specialty vape store registration created and administered by the local health unit

# WHAT DOES ENFORCEMENT LOOK LIKE IN YORK REGION?

- Mandatory annual inspections of York Region's 500+ tobacco vendors and 400+ vapour product retailers by Public Health
- Inspections are carried out by 6 Tobacco and Electronic Cigarettes Control Officers, funded by the Ministry
- Inspections resulted in 727 warnings being issued and 308 charges being laid

# WHAT DID INSPECTION LOOK LIKE IN 2018?

Types of Inspections	Number*
Total number of required annual inspections	2591
<ul style="list-style-type: none"><li>Youth access inspections of tobacco vendors (2 x 550)</li></ul>	1100
<ul style="list-style-type: none"><li>Youth access inspections of vapour product retailers</li></ul>	431
<ul style="list-style-type: none"><li>Display, handling and promotion inspections of tobacco vendors</li></ul>	550
<ul style="list-style-type: none"><li>Display, handling and promotion inspections of vapour product retailers</li></ul>	431
<ul style="list-style-type: none"><li>Inspections of secondary schools</li></ul>	79
<b>Total number of inspections completed**</b>	<b>3705</b>

\*Totals as of November 20, 2018

\*\*Includes re-inspections and complaint inspections

# WHAT ARE WE DOING TO RAISE AWARENESS?

- Initiatives to provide education and raise awareness on the health effects of cannabis use, risks and promote lower-risk cannabis use guidelines
- Provide school boards with curriculum support, resources and assist in delivery of peer-led modules on alcohol, cannabis and other drugs
- Education workshops provided to community partners and stakeholders (e.g., Emergency and Transitional Housing staff and Children's Aid Society)

# LEGISLATIVE UPDATES

Joy Hulton, Regional Solicitor

# ONTARIO'S CANNABIS LEGISLATION

- The Ontario Legislature passed the *Cannabis Statute Law Amendment Act, 2018* on October 17, 2018, which:
  - amends the renamed *Cannabis Control Act, 2017*
  - enacts the *Cannabis Licence Act, 2018*
  - amends the *Ontario Cannabis Retail Corporation Act, 2017* and the *Liquor Control Act*
  - amends the *Smoke-Free Ontario Act, 2017* and makes a consequential amendment to the *Highway Traffic Act*

# ONTARIO'S CANNABIS REGULATIONS

The following regulations have an impact on municipalities:

- Retail store authorization and siting:
  - O. Reg. 468/18 (General) under the *Cannabis Licence Act, 2018*
- Smoking prohibitions:
  - O. Reg. 268/18 (General) under the *Smoke-Free Ontario Act, 2017*

# CANNABIS LEGALIZATION - MUNICIPAL CONCERNS

- Location of cannabis retail stores
- Enforcement of restrictions on use in prohibited locations
- Lack of provincial regulation of home cultivation
- Complaints about home cultivation, public use and intoxication, and odour
- Implications in two-tier municipalities
- Funding, training and lack of resources

# YORK REGION – MUNICIPAL CANNABIS WORKING GROUP

- Reports to Municipal CAO's group
- Goal: work collaboratively to establish a common approach to cannabis legalization
- Comprised of staff from municipalities within York Region and York Regional Police representing:
  - Building Standards
  - Bylaw Enforcement
  - Fire
  - Legal
  - Policing
  - Prosecutions
  - Public Health

# OPTING IN / OPTING OUT

# OPTING IN / OPTING OUT

- To opt-out of hosting cannabis retailers a municipality must:
  - Pass a resolution; and
  - Notify the Alcohol and Gaming Commission of Ontario within 3 business days of passing resolution and **no later than** January 22, 2019
- If a municipality fails to notify the AGCO of a resolution to opt-out, by law, it will be considered to have opted in
- A decision to opt-in is not reversible
- Upper-tier municipalities cannot pass a resolution to opt-in or opt-out

# RETAIL STORES — APPLICATION PRCESS

The Alcohol and Gaming Commission of Ontario's (AGCO) must:

- Review and approve siting and authorization of retail stores and operators
- Ensure retail stores are not located <150m from a school, including private schools
- Ensure applicant has confirmed location complies with local zoning bylaws
- Receive and review public input
- Conduct inspections of retail stores

# RETAIL STORES - APPLICATION PROCESS

- Municipalities have no planning or business licensing authority over these retail stores but will have **15 calendar days** to provide feedback on proposed retail store authorization
- The AGCO will provide notice:
  - by displaying a notice at the location of the proposed cannabis retail store specified in the application; and
  - by posting a notice on the Commission's website

The AGCO will not provide municipalities with direct notice of applications

# RETAIL STORES - AGCO PROCESS

Submissions to the AGCO must be:

- from the municipality, and, if the municipality is a lower-tier, the upper-tier it is part of
- from residents of the municipality of the proposed store location
- limited to matters of Public Interest as defined in the regulation
- submitted no later than **15 calendar days** from first notice

# RETAIL STORES - AGCO PROCESS

Public Interest is defined in the regulation as:

1. Protecting public health and safety
2. Protecting youth and restricting their access to cannabis
3. Preventing illicit activities in relation to cannabis

# RETAIL STORES — MUNICIPAL RESPONSE

- Given the restrictions on public/municipal input into store applications, AMO recommends that municipal councils that opt-in also adopt a “Municipal Cannabis Retail Policy Statement” to address local concerns
- Municipalities may also consider designating senior staff to respond to AGCO notices of application
- The Region and local municipalities should consider how Regional comments may be provided in response to applications

# RETAIL STORES — NEXT STEPS FOR MUNICIPALITIES

- Adopt a council resolution to opt in or out and submit to the AGCO by January 22, 2019
- If opting in, develop a Municipal Policy Statement outlining municipal concerns/comments and submit to the AGCO with request that it be considered as Public Interest
- Delegate staff to respond to applications
- Develop a framework for Regional input into local applications

# SMOKING AND CONSUMPTION BYLAWS

- Under Bill 36, the SFOA, 2017 was amended to align public use of tobacco and cannabis
- In York Region, Tobacco and Electronic Cigarettes Control Officers enforce the SFOA
- Offences relating to possession of cannabis remain matters for police enforcement

# ENFORCEMENT OF SMOKING RESTRICTIONS

	Public Places <sup>1</sup> (includes parks, public facilities)	Workplace	Private Residence	Vehicle (Car or Boat)	Illicit Sales
<b>Municipal Bylaw Enforcement</b>	<b>Yes</b> Where there are bylaws controlling the smoking of cannabis	<b>Yes</b> Where bylaws include retail, commercial and business premises	<b>No</b>	<b>No</b>	<b>No</b>
<b>Police</b>	<b>Yes<sup>2</sup></b>	<b>Yes<sup>2</sup></b>	<b>No</b>	<b>Yes<sup>3</sup></b>	<b>Yes<sup>4</sup></b>
<b>Public Health SFOA Tobacco and Electronic Cigarettes Control Officers</b>	<b>Yes</b> Playgrounds, sports areas, hospital, school and community centre properties	<b>Yes</b> Enclosed workplaces, public places & restaurant patios	<b>No</b> Except for common areas of multi-unit residences	<b>Yes</b> Only workplace vehicles (e.g fleet)	<b>No –</b> cannabis & contraband sales <b>Yes –</b> tobacco and e-cigarette sales to minors

<sup>1</sup>May be subject to stricter local municipal bylaws

<sup>2</sup>Where police intervention is required

<sup>3</sup>SFOA delegates this to the Police

<sup>4</sup>*Cannabis Control Act* delegates this to the police

# SMOKING AND CONSUMPTION BYLAWS

- Bill 57, introduced in the Ontario legislature on November 15, 2018, and received Royal Assent on December 6, 2018
- Amends Section 115 of the *Municipal Act, 2001* to:
  - include cannabis; and
  - clarify that “smoking” includes the holding of lighted tobacco or cannabis the consumption of tobacco or cannabis through the use of an electronic cigarette
- Bylaws enacted under section 115 do not apply to public highways

# MUNICIPAL ENFORCEMENT — MUNICIPAL SMOKING BYLAWS

- With the inclusion of cannabis in section 115 of the *Municipal Act, 2001* municipalities have the express authority to enact stricter bylaws to regulate smoking of tobacco and cannabis in public places
- Stricter provisions in municipal bylaws prevail over the restrictions in the SFOA, 2017

# SMOKING AND CONSUMPTION BYLAWS

- Regional and local Councils may want to consider a consistent Region-wide approach to public recreational cannabis consumption
- This could be achieved in a variety of ways:
  - Regional bylaw that can be enforced locally
  - Local municipalities adopt a model bylaw
  - Regulate use of facilities (i.e. transit facilities)
- Consider local enforcement using administrative penalties

# FINANCIAL IMPLICATIONS

# MUNICIPAL CONCERNS - COSTS

- Many Local and Regional municipal programs are directly impacted by the sale and use of cannabis regardless of the existence of retail stores
  - Business licensing\*
  - Building inspection
  - Bylaw enforcement
  - Fire services
  - Long-term care
  - Parks
  - Paramedic services
  - POA Courts
  - Police
  - Property Standards
  - Public Health (enforcement, education)
  - Social Housing
  - Transit
  - Zoning

\* Does not apply to retail stores

# ONTARIO CANNABIS LEGALIZATION IMPLEMENTATION FUND

- The Province is committed to providing municipal governments with \$40 million from its share of the federal excise tax on cannabis over two years
- Should Ontario's revenue over the first two years exceed \$100 million, the Province will provide 50% of the surplus only to those municipalities that have not opted-out

# CANNABIS REVENUE SHARING — FUNDING SPLIT

- Default funding split between upper-tier and lower-tier municipalities is 50/50; **municipalities are allowed to adjust the split**
- Peel Region reached an agreement with Brampton and Mississauga whereby Peel will keep 75% of the revenue allocated, in recognition that the costs associated with legalization will be disproportionately borne by the regional government
- Upper-tier municipality funding allocation will be dependent on opt-out decisions made by the lower-tier municipalities

# CANNABIS REVENUE SHARING — DISBURSEMENT SCHEDULE

- First payment allocation notice was received – the Region will receive \$478,284 based on 2018 MPAC household numbers
- Opted-out municipalities will also receive their funding allocation from the 1<sup>st</sup> payment, but only \$5,000 as the 2<sup>nd</sup> payment

**Early January 2019**  
**Prior to January 22 Opt-Out Deadline**

- 1<sup>st</sup> \$15 million
- **ALL** municipalities will receive funds on a per household basis
- York Region will receive \$478,284

**2019**  
**Following Municipal Opt-Out Decisions by January 22**

- 2<sup>nd</sup> \$15 million
- Opt-In municipalities will receive funds on a per household basis
- Opt-Out municipalities will only receive \$5,000 each

**3<sup>rd</sup> Payment**  
**Disbursement date TBD**

- Remaining \$10 million for unforeseen circumstances
- Priority will be given to municipalities not opted-out

# ESTIMATED CANNABIS LEGALIZATION EXPENDITURES IN YORK REGION

Estimated annual cost for the Region and its local municipalities:

	\$M	Share
Police cost at full implementation	\$4.5	
Other Regional Costs*	<u>\$2.4</u>	
<b>Regional Costs</b>	<b>\$6.8</b>	<b>62%</b>
<b>Local Municipal*</b>	<b><u>\$4.2</u></b>	<b>38%</b>
<b>Total</b>	<b>\$11.0</b>	<b>100%</b>

\* Estimates prepared in early 2018 by Regional staff. Regional costs include public health, paramedic services, social services, legal, and courts. Local municipal includes fire, inspections, building permits, parks and recreation.

# ESTIMATED CANNABIS LEGALIZATION EXPENDITURES IN YORK REGION

York Region is expected to receive between \$0.5 million and \$1.3 million\* over two years, subject to municipal opt-out decisions

- To date, Markham and Richmond Hill have passed by-laws to forbid recreational smoking or vaping cannabis on public property. However, decisions to opt-out of allowing cannabis retail stores are yet to be made
- Assuming no local municipality opts out: estimated \$1.3 million
- Assuming all local municipalities opt-out: estimated \$0.5 million

**Funding offered for cannabis legalization is <10% of costs**

\* Based on 2018 MPAC household numbers. York Region's first payment of \$478,284 is based on the actual 2018-2019 First Payment- Allocation Notice from MoF. Lower-tier allocations are estimated by staff.

# NEXT STEPS FOR MUNICIPALITIES

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3. Delegate staff to respond to applications
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# THANK YOU

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