

## UPDATE ON THE CITY OF CALGARY ADVOCACY POSITION ON THE LEGALIZATION AND REGULATION OF CANNABIS

---

### EXECUTIVE SUMMARY

On 2017 April 13, the Government of Canada introduced 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), which, subject to parliamentary approval, will legalize and regulate recreational cannabis in Canada no later than 2018 July. "Cannabis", not "marijuana", will be used on this report to reflect the Government of Canada's preferred terminology. This report provides an update on what The City of Calgary identified as key issues for advocacy compared with the proposed federal legislation, and identifies the need to shift advocacy efforts to working with the Government of Alberta to create provincial regulations that will work for The City of Calgary.

### ADMINISTRATION RECOMMENDATION(S)

That the Intergovernmental Affairs Committee:

1. Approves the continued use of the advocacy positions on cannabis legalization and regulation as outlined in the Attachment for continued discussions with the federal and provincial governments;
2. Directs Administration to report back to Council through this Committee on the progress of discussions with the Government of Alberta; and
3. Directs Administration to report back to Council through the appropriate committee with Administration's recommendations on the necessary amendments to municipal bylaws and other policy changes required to implement the legalization of cannabis.

### PREVIOUS COUNCIL DIRECTION / POLICY

At its meeting on 2016 November 03, the Intergovernmental Affairs Committee approved, with amendments, Administration's recommendations contained in Report IGA2016-0737, which summarized key issues identified for potential advocacy to the federal government.

Administration provided a verbal update on the federal legalization of cannabis to the Intergovernmental Affairs Committee on 2016 July 21.

On 2015 June 16, Council adopted NM2015-011 that directed Administration to report to Council by 2015 October regarding consideration of amendments to the Land Use Bylaw that defined a use to accommodate and regulate medical marijuana counseling businesses. The direction was fulfilled through CPC2016-146, which included bylaw amendments to define and regulate Medical Marijuana Counseling in Calgary.

### BACKGROUND

On 2017 April 13, the Government of Canada introduced Bill C-45, The Cannabis Act, which, subject to parliamentary approval, will legalize and regulate recreational cannabis in Canada by no later than 2018 July. This long-anticipated legislation fulfills a key promise made by the Liberal Government in its 2015 Speech from the Throne. In 2016, the Minister of Justice and Attorney General of Canada, supported by the Minister of Public Safety and Emergency Preparedness and the Minister of Health, created a Task Force on Cannabis Legalization and Regulation (the Task Force) to provide the federal government with advice on the design of a new framework. The Task Force was mandated to engage provincial, territorial, municipal and

## **UPDATE ON THE CITY OF CALGARY ADVOCACY POSITION ON THE LEGALIZATION AND REGULATION OF CANNABIS**

---

Indigenous governments as well as experts in relevant fields such as: youth, public health, substance abuse, criminal justice, law enforcement, economics, and industry.

In 2016, anticipating the impact of this major federal legislative change on The City of Calgary, Administration established a working team of subject matter experts (SMEs) from across the Corporation, including representatives from the City Manager's Office, Intergovernmental & Corporate Strategy, Law, Planning & Development, Calgary Neighbourhoods, Calgary Community Standards, Calgary Transit, Human Resources and the Calgary Police Service. This group identified issues of concern and potential impacts of legalizing cannabis to The City of Calgary, which formed the basis of The City's participation in the Task Force engagement and advocacy positions that were approved by the Intergovernmental Affairs Committee in 2016 November. These advocacy positions focused on the following five key themes:

- engaging municipalities;
- clarifying the authority of orders of government;
- restricting residential growing;
- sharing federal tax revenues; and
- providing municipalities time to develop and implement necessary local regulations.

The City of Calgary sent a letter to the Government of Canada communicating our position on regulating legal cannabis on 2016 November 24.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Bill C-45, The Cannabis Act, creates a federal framework for regulating cannabis production, setting standards for health and safety, and establishing criminal prohibitions. Some aspects of The Cannabis Act include: allowing adults to legally possess up to 30 grams of cannabis in public; allowing for growing of up to four cannabis plants per residence (not per person) for personal use; creating new criminal offences to deter sales to minors; and, allowing for the use of a roadside oral fluid screening to determine impairment.

The Government of Canada has also clarified the aspects of cannabis regulation that will be the responsibility of the provinces. As expected, provinces will have authority to license and oversee the distribution and sale of cannabis, subject to minimum federal conditions. If provinces do not have frameworks in place for regulating cannabis by 2018 July, individuals would be able to purchase cannabis online from a federally licensed producer with secure home delivery through the mail.

The role of municipalities has not been clearly articulated in the bill. Instead, the Government of Canada expects provinces to work with municipalities within their jurisdictions to tailor certain rules that address issues of local concern, such as establishing zoning rules for cannabis-based businesses and restricting where cannabis may be consumed.

Generally, the proposed federal legislation appears to be aligned with The City of Calgary's advocacy positions. A full analysis can be found in the Attachment. However, some of The

## **UPDATE ON THE CITY OF CALGARY ADVOCACY POSITION ON THE LEGALIZATION AND REGULATION OF CANNABIS**

---

City's concerns and issues have not been addressed as they will be the subject of provincial oversight, in particular:

- the approach and details of a potential provincial licensing system and/or The City's role in licensing cannabis-related businesses;
- the authority municipalities like Calgary will have in Alberta over planning policy around the growing and sale of recreational cannabis;
- the ability of Calgary and other Alberta municipalities to regulate public and private nuisance factors related to cannabis use, and;
- the sharing of tax revenues created by the legalization and regulation of cannabis across all three orders of government.

Given the federal government's approach to defer the above decisions to the provinces, Administration will turn its efforts to working with the Government of Alberta to clarify the municipal role in implementing the legalization of recreational cannabis as well as create a provincial regulatory framework that will work for The City of Calgary and our citizens. Administration is seeking Intergovernmental Committee's approval to continue to use the advocacy positions as identified in the Attachment to guide conversations with the provincial government, which will need to begin as soon as possible given the federal timeline.

Administration will update Intergovernmental Committee on the progress of discussions with the provincial government as The City moves forward with creating its own framework for managing legal cannabis in Calgary.

### **Stakeholder Engagement, Research and Communication**

Subject Matter Experts from across the Corporation have been engaged about their key concerns and considerations in relation to the legalization and regulation of cannabis. In addition, Administration has been in contact with the FCM on this issue. At this time, no public engagement has been conducted by The City. An engagement program will be developed once The City's role in regulating cannabis is further defined.

### **Strategic Alignment**

Generally, the proposed federal legislation is aligned with The City of Calgary's advocacy positions. A full analysis can be found in the Attachment. Additionally, the advocacy positions approved by the Intergovernmental Affairs Committee in 2016 November align with recent Land Use Bylaw 1P2007 amendments that accommodate and regulate Medical Marijuana Counselling and Medical Marijuana Production Facilities

### **Financial Capacity**

#### **Social, Environmental, Economic (External)**

Legalizing, regulating and restricting access to cannabis has social, environmental and economic implications. Administration has identified five key themes for advocacy. These themes include: engaging municipalities; the authority of orders of government; prohibiting or restricting residential growing; sharing federal tax revenues; and giving municipalities time to develop and implement necessary local regulations.

**UPDATE ON THE CITY OF CALGARY ADVOCACY POSITION ON THE LEGALIZATION  
AND REGULATION OF CANNABIS**

---

**Financial Capacity**

**Current and Future Operating Budget**

At this time, it is unknown whether any tax revenue will be provided to municipalities. Responsibilities delegated to municipalities from this federal legislative change will likely require additional resources.

**Current and Future Capital Budget**

There are no capital budget implications associated with this report.

**Risk Assessment**

By failing to engage and collaborate with the provincial government on cannabis legalization, The City risks missing an opportunity to help develop its preferred legislative and regulatory framework.

**REASON(S) FOR RECOMMENDATION(S):**

The Government of Canada has introduced legislation to legalize, regulate, and restrict access to cannabis. This legislative change has many potential impacts for The City and Calgarians, with municipalities playing a role in the regulatory regime for legal cannabis. The City of Calgary has the opportunity to continue playing a key role on cannabis legalization as the federal legislation is finalized and provincial rules are created. This report seeks the continued support of The City's advocacy positions and identifies key items for upcoming discussions with the provincial government.

**ATTACHMENT(S)**

The City of Calgary's Advocacy Position – Cannabis Legislation