



CANNABIS: LEGISLATIVE UPDATES AND BOARD OF HEALTH RESPONSIBILITIES

Dr. Karim Kurji
Medical Officer of Health

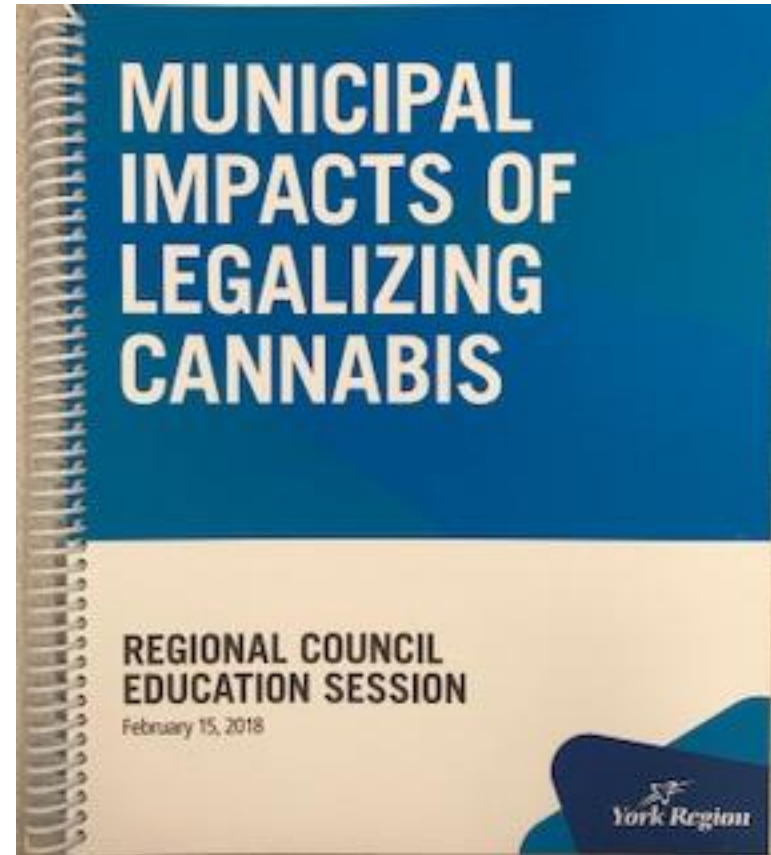
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York Region

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

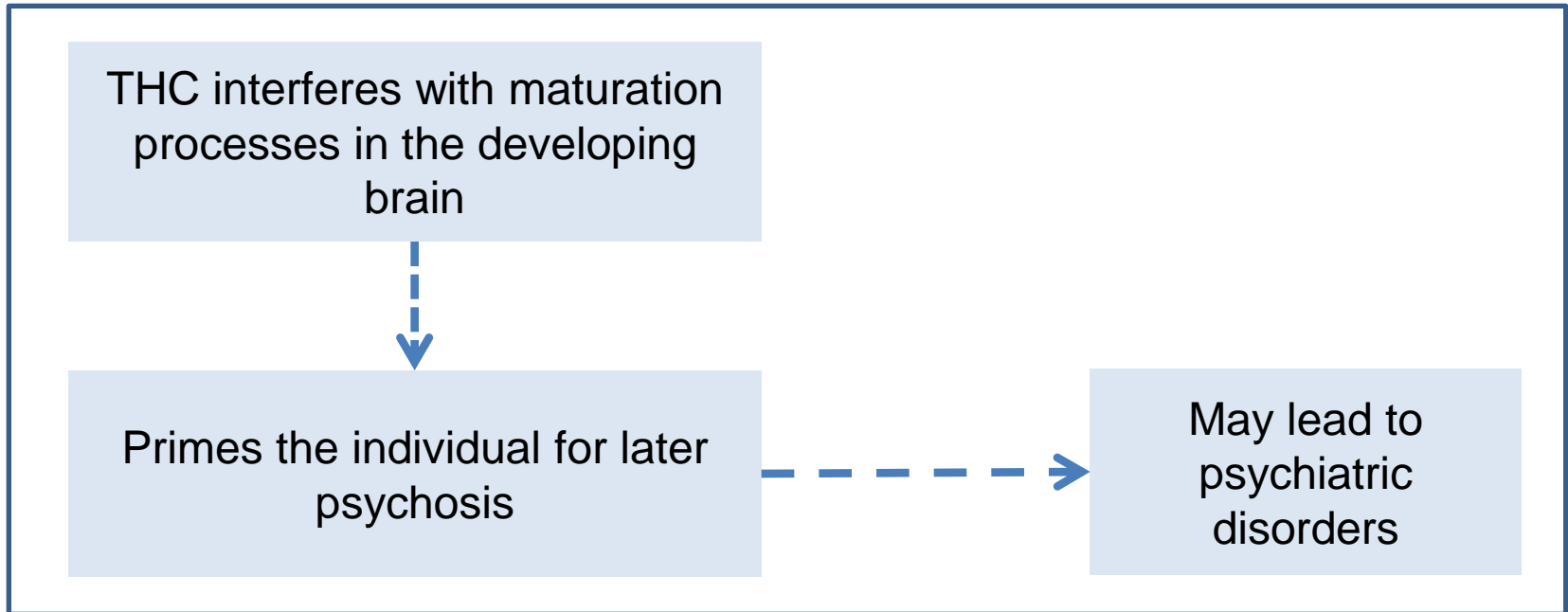
	THC	CBD
Chemical compound	Delta-9-Tetra hydrocannabinol	Cannabinol
Side effects	May be harmful	Possibly helpful
Potency (1975)	3%	3%
Potency of illegal products (2018)	25-35%	<0.1%
Potency of legal products(2018)**	0-27%	0-17%
Types	Fresh and dried cannabis, cannabis oils, plants and seeds, hash, hash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

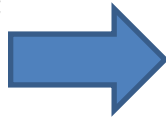
- Adolescence
- Higher THC content
- Frequency
- Synthetics
- History of psychosis
- Pregnancy

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

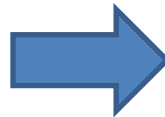
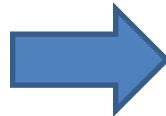
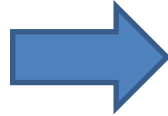
- Protection from second-hand tobacco and cannabis smoke with added protection from second-hand vapour from e-cigarettes
- Enhanced protection from smoke and vapour in several additional outdoor areas
- Disclosure of all convictions of tobacco and e-cigarette sales to minors on Public Health's website



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

*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 ¹ (includes parks, public facilities)	Workplace	Private Residence	Vehicle (Car or Boat)	Illicit Sales
Municipal Bylaw Enforcement	Yes Where there are bylaws controlling the smoking of cannabis	Yes Where bylaws include retail, commercial and business premises	No	No	No
Police	Yes²	Yes²	No	Yes³	Yes⁴
Public Health SFOA Tobacco and Electronic Cigarettes Control Officers	Yes Playgrounds, sports areas, hospital, school and community centre properties	Yes Enclosed workplaces, public places & restaurant patios	No Except for common areas of multi-unit residences	Yes Only workplace vehicles (e.g fleet)	No – cannabis & contraband sales Yes – tobacco and e-cigarette sales to minors

¹May be subject to stricter local municipal bylaws

²Where police intervention is required

³SFOA delegates this to the Police

⁴*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 1st payment, but only \$5,000 as the 2nd payment

Early January 2019
Prior to January 22 Opt-Out Deadline

- 1st \$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

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

3rd 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>	
Regional Costs	\$6.8	62%
Local Municipal*	<u>\$4.2</u>	38%
Total	\$11.0	100%

* 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

1. Adopt a council resolution to opt in or out and submit to the AGCO by January 22, 2019
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3. Delegate staff to respond to applications
4. Develop a framework for Regional input into local applications

THANK YOU

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