

То:	General Purposes Committee	Date:	September 23, 2019
From:	Cecilia Achiam General Manager, Community Safety	File:	09-5350-01/2019-Vol 01
Re:	Final Regulations For New Cannabis Products: I	Edibles,	Extracts and Topicals

#### Staff Recommendation

That the report titled "Final Regulations for New Cannabis Products: Edibles, Extracts and Topicals," dated September 23, 2019, from the General Manager, Community Safety, be received for information.

Cecilia Achiam General Manager, Community Safety (604-276-4122)

REPORT CONCURRI	ENCE
ROUTED TO:	CONCURRENCE
Human Resources Community Social Development Recreation Services Business Licences Fire Rescue RCMP Policy Planning	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:
APPROVED BY CAO	

#### Staff Report

#### Origin

On October 17, 2019, the final amendments<sup>1</sup> to Schedule 4 of the *Cannabis Act* (the *Act*) authorizing the legal sale of "edibles containing cannabis", "cannabis extracts" and "cannabis topicals" will be authorized. The following report will provide analysis of these amendments as well as the Health Canada consultation campaign that preceded it.

This report supports Council's Strategic Plan 2018-2022 Strategy #1 A Safe and Resilient City:

Enhance and protect the safety and well-being of Richmond.

1.1 Enhance safety services and strategies to meet community needs.

#### Analysis

The amendments and new regulations to the *Act* were first published on December 20, 2018, and coincided with Health Canada's launch of a 60 day public consultation campaign. The outreach effort consisted of: bilateral meetings with the provinces and territories, cannabis and industry consultations, public health organizations and featured a questionnaire. There were a total of 6,800 responses to its survey questionnaire. Moreover 1,500 people participated in engagement sessions, roundtables and webinar sessions.

Council provided a response to the survey in the staff report titled "Health Canada Questionnaire on Cannabis Edibles, Extracts and Topicals", dated January 22, 2019, from the General Manager, Community Safety (see attachment 1).

Although Health Canada claims that a majority of participants in its cannabis consultation campaign were supportive of the new amendments, it received significant feedback on three areas of concern:

- 1. limit of 10 milligram (mg) of Tetrahydrocannabinol (THC)<sup>2</sup>;
- 2. prohibition of manufacturing of edible cannabis in the same building as food;
- 3. packaging and labelling requirements.

#### 10mg THC Limit

While cannabis advocates and industry respondents opposed the 10 mg THC limit, public health stakeholders supported the limit and some requested an even lower limit of 5 mg. In response, to public health stakeholders' concerns Health Canada stated that it would increase public education efforts to stress that the 10 mg amount was not a universally recommended dosage and advised that new users take a dosage of 2.5 mg. In addition, smaller packages of lower dosage of THC will be permitted. The smaller packs, however, cannot be bundled into multi-package containers which total in excess of 10 mg of THC.

<sup>&</sup>lt;sup>1</sup> http://www.gazette.gc.ca/rp-pr/p2/2019/2019-06-26/html/sor-dors206-eng.html

<sup>&</sup>lt;sup>2</sup> THC is the main psychoactive chemical in cannabis.

#### Manufacturing of Cannabis Edibles

Industry respondents were against the prohibition of cannabis edibles being manufactured in the same building that produces food products. In contrast, public health stakeholders supported the prohibition to ensure public and international confidence that the food supply will be protected from cross-contamination by cannabis products. This prohibition on the co-location of cannabis edibles in food facilities has remained in place.

#### Packaging and Labelling Requirements

Some respondents were concerned with the environmental waste associated with the packaging and labelling requirements. However, public health stakeholders were in favour of the existing plain packaging and the prohibition of cross-branding with alcohol products. It was further suggested that there be no cross-branding with tobacco or vaping products. In response, Health Canada extended its prohibition on cross-branding with tobacco and vaping productions. Health Canada further acknowledged feedback that it should clarify its guidelines around the prohibition in the *Act* of cannabis products that are "appealing to young persons." Moreover, Health Canada expanded its list of cannabis health warning labels (attachment 2).

#### **Risks Remaining**

Health Canada appears to have responded selectively to the feedback it received and it did not address the main concerns of the City of Richmond. While there were numerous concerns cited in the City's submission, two major risks to the public remain: the ability to consistently control THC levels and the risk of accidental child and illegal youth consumption. Given that Health Canada modelled much of its *Cannabis Act* and regulations regime on research derived from the American state-led legalization movement, it is surprising that the latter two risks were not addressed.

#### Cannabis Poison Control Studies in the United States

Since 2012 there have been a series of studies published in the United States concerning accidental cannabis exposure and acute toxicity. Following the legalization of cannabis in Washington State and Colorado, a 2016 study found (2013-2015) that poisonings from cannabis brownies, cookies and candies have increased. Particularly, alarming was the increase in the following two age groups: 5 year-olds and younger; and youth aged 13-19.<sup>3</sup> Similar results were published in a 2019 study of the states of Oregon and Alaska where children were most likely to have accidentally ingested edibles belonging to an older family member.<sup>4</sup>

These studies have found that the most common effects associated with cannabis toxicity are drowsiness, tachycardia (heart rate greater than 100 beats per minute), ataxia (involuntary muscle

<sup>&</sup>lt;sup>3</sup> Dazhe Cao, Sahaphume Srisuma, Alvin C. Bronstein, and Christopher O. Hoyte. "Characterization of edible marijuana product exposures reported to United States poison centers," *Clinical Toxicology* 54, no. 9 (2016): 840-846.

<sup>&</sup>lt;sup>4</sup> Mathhew J. Noble, Katrina Hedberg, and Robert G. Hendrickson. "Accute cannabis toxicity," *Clinical Toxicology* 57, no. 8 (2019): 735-742.

movements) and one subject was reported to have died. Children had the highest likelihood amongst the age groups of being admitted to an intensive care unit and receiving intubation treatment.

#### Cannabis Poison Control Studies British Columbia

On June 12, 2019, a researcher from BC Centre for Disease Control, Tissa Rahim, presented and published a similar study<sup>5</sup> of BC Drug and Poison Information (DPIC) centre emergency calls related to cannabis exposure. She found that, in 2018, the DPIC received 644 cannabis exposure calls versus 241 in 2013—an increase of 267%.

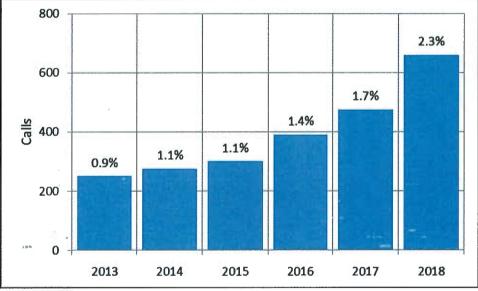
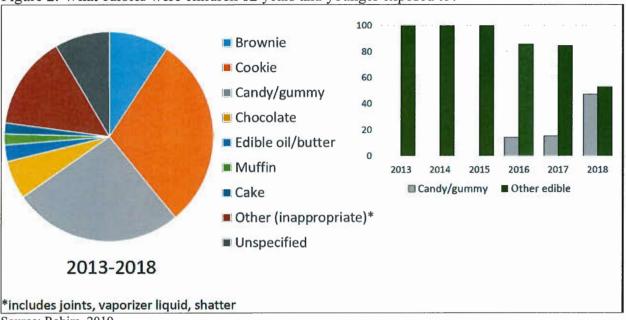


Figure 1: DPIC Cannabis Exposure Calls as % of all calls (2013-2018)

Rahim also found a similar increase in calls amongst children in relation to exposure to cannabis infused: candy/gummies, cookies and brownies—as shown in Figure 2 below.

Source: Rahim, 2019.

<sup>&</sup>lt;sup>5</sup> http://www.ncceh.ca/content/calls-bc-drug-and-poison-information-centre-cusp-cannabis-legalization



- 5 -

#### Figure 2: What edibles were children 12 years and younger exposed to?

Source: Rahim, 2019.

Rahim's research confirms a similar trend to the United States of child and youth cannabis related exposure incidents at poison control centres.

According to DPIC staff, typically most 911 cannabis related poison calls are not serious in nature and involve novice adult users ,which are handled over the phone and do not result in the immediate dispatch of first responders. However, in the case of severe incidents first responders will be dispatched. Moreover the risk of accidental cannabis exposure, in particular to children, and the lure of cannabis edibles to youth, places more emphasis on the City's first responders and staff to increase awareness and outreach efforts to youth and parents. Although Health Canada has acknowledged it received feedback from public health stakeholders who emphasized the importance of public education, no additional resources have been provided.

Given the delayed effects of cannabis edibles, it is possible that users may experience symptoms up to 30 minutes after ingestion. Delayed toxicity/symptomology could have severe consequences should users choose to operate their vehicles under the false assumption that they are fine.

#### THC Level Testing and the Matrix Effect

Since 2012, American researchers have been increasingly confounded with problems of how to accurately test THC levels in cannabis infused edibles including gummy bears, cookies and chocolates. According to Dr. David Dawson, a THC researcher with CW Analytical Laboratories, based in California, there were alarming variations in his testing between 1 gram and 2 gram samples of the same chocolate source. These findings ran counter to statistical research methodology which suggests that the larger the sample size the better the predictive accuracy. He found that "simply changing how much sample is in the vial could determine

whether a sample passes or fails, which could have a huge impact on the producer of the chocolate bars, as well as the customer who might be under- or overdosing because of this weird quirk of matrix effects."<sup>6</sup>

While the matrix effect has presented toxicology researchers with a host of problems there are a series of measures and sophisticated methodologies to overcome these problems in relation to alcohol blood testing. However, the complex techniques involved in overcoming the matrix effect in relation to alcohol testing have taken years to develop. Proven techniques to overcome the matrix effect currently do not exist in relation to THC testing in edibles and there is little research infrastructure in place to develop solutions. It remains unclear what studies, if any, Health Canada will fund into the problem of the matrix effect and more generally on the accuracy of THC testing in edibles.

#### Impact on City Operations and Staff

While the City currently has bylaws that prohibit disorderly or offensive behaviour under s. 2.1.1, Public Parks and School Grounds Regulation Bylaw No. 8771 and s. 1.1, Nuisance Prohibition Bylaw No. 6983, bylaw officers do not have the authority to investigate or enforce the *Cannabis Control and Licensing Act* s. 78 (CCLA). Only police officers and provincial community safety unit investigators have enforcement powers under either federal or provincial law.

Under the Province's CCLA consumption of cannabis edibles are permitted in most public places under provincial legislation, if an individual becomes intoxicated from cannabis, he or she must not be in or remain in a public place (s. 78(1), Act). Additionally, a person is not permitted to provide cannabis to an individual who is or shows signs of intoxication from alcohol or a drug (s. 79, Act). If an individual appears to be intoxicated as a result of cannabis consumption in a public place, a police officer can arrest them. The evidentiary grounds for the arrest would be based on a behavioural assessment of the alleged offender by the investigator police officer. In addition to the powers to arrest, police officers also have the authority to issue provincial violation tickets under s.78 \$115 and \$230 under s.79. For a complete list of the cannabis related Provincial violations see attachment 3.

In the context of road safety, drug impaired drivers are identified by police officers who are trained as drug recognition experts (DRE) who can administer the Standardized Field Sobriety Tests (SFST). Unlike alcohol, the mere presence of THC in blood, urine or saliva testing does not constitute sufficient evidence to charge a person as being over the limit.<sup>7</sup>

Reducing drug offences is a key priority under the Richmond RCMP Detachment's Annual Performance Plan. In addition to enforcement measures, the Detachment is engaged in drug prevention efforts and actively supports and promotes the Drug Abuse Resistance Education

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<sup>&</sup>lt;sup>6</sup> https://www.sciencedaily.com/releases/2019/08/190825075930.htm

<sup>&</sup>lt;sup>7</sup> "There are two prohibited levels for THC, the primary psychoactive component of cannabis: it is a less serious offence to have between 2 nanograms (ng) and 5 ng of THC per ml of blood. It is a more serious offence to have 5 ng of THC or more per ml of blood. The prohibited levels of alcohol and cannabis, when found in combination, is 50mg or more of alcohol per 100ml blood and 2.5 ng or more of THC per ml of blood." https://www.justice.gc.ca/eng/cj-jp/sidl-rlcfa/

program (DARE) in Richmond schools. From January 1 to March 31, 2019, a total of 452 students in 18 classes across 12 schools participated in the DARE program.

Given the continued risk of incidents of accidental intoxication of children, based on actual cases in the United States and BC, City staff will require increased vigilance to identify cannabis related packaging of gummy bears and chocolates. It would be prudent for staff at City facilities to be also aware of the delayed onset effect of cannabis edibles that could result in unexpected intoxication of patrons who are engaged in physical and other activities.

#### UBCM Survey on Local Cannabis Related Costs

According to UBCM's recent findings in their report on "Cannabis Taxation Revenue in British Columbia", published on September 20, 2019, municipalities are estimated to have collectively borne cannabis related costs of \$12.1 million per year (see attachment 4). It should be noted that cities that allow retail cannabis sales have higher associated costs than those who prohibit retail sales. The majority of costs were attributed to increase police response but as the table demonstrates there were other significant costs.

Source of Local Government Cost	Percentage of Total (\$12.1M)
Administration and support	19%
Local government enforcement	19%
Planning/zoning	19%
Policing	33%
Other	10%
	Source: LIBCM

Table 1: Source of Local Government Cannabis Costs

Source: UBCM

Despite the above costs associated with cannabis there is no revenue sharing agreement in place between the Province and municipalities. It is uncertain how much more local government costs will increase with the pending legalization of cannabis edibles, topicals and extracts. With the two-year Federal-Provincial-Territorial Agreement on Cannabis Taxation expiring in the winter of 2019, the UBCM is anticipating that the Federal government will seek to ensure the provinces share revenue with local governments. Currently, only Ontario, Quebec and Alberta have provincial-municipal revenue sharing agreements.

#### **Financial Impact**

None.

#### Conclusion

Staff will continue to research the socio-economic impact of the final amendments and regulations to the *Cannabis Act* (the *Act*) authorizing the legal sale of "edibles containing cannabis", "cannabis extracts", and "cannabis topicals." In particular, staff will monitor incidents of impairment at City facilities, impaired driving and accidental cannabis toxicity incidents measured by the DPIC and Vancouver Coastal Health.

Mark Corrado Senior Manager, Community Safety Policy and Programs (604-204-8673)

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- Att. 1: "Health Canada Questionnaire on Cannabis Edibles, Extracts and Topicals", dated January 22, 2019, from the General Manager, Community Safety
  - 2: Cannabis health warning messages
  - 3: Cannabis Control and Licensing Act Provincial Violation Ticket Information
  - 4: UBCM Survey on Local Government Cannabis Related Costs



## **Report to Committee**

То:	General Purposes Committee	Date:	January 22, 2019
From:	Cecilia Achiam General Manager, Community Safety	File:	09-5000-01/2019-Vol 01
Re:	Health Canada Questionnaire on Cannabis Edib	les, Extr	acts and Topicals

#### Staff Recommendation

That the responses summarized in the staff report titled "Health Canada Questionnaire on Cannabis Edibles, Extracts and Topicals", dated January 22, 2019, from the General Manager, Community Safety be approved for submission to Health Canada.

Cecilia Achiam General Manager, Community Safety (604-276-4122)

Att. 2

REPORT CONCURRE	INCE
ROUTED TO:	CONCURRENCE
Community Bylaws RCMP Policy Planning	য য য
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:
APPROVED BY CAO	

#### **Staff Report**

#### Origin

On December 20, 2018, Health Canada launched a 60 day public consultation campaign on edible cannabis, cannabis extracts and cannabis topicals including draft regulations (attachment 1) and a background document (attachment 2). These cannabis products are scheduled to be permitted for sale under the *Cannabis Act* by October 17, 2019. This outreach effort consists of an online questionnaire of 13 questions which must be completed by February 20, 2019.

This report supports Council's 2014-2018 Term Goal #1 A Safe Community:

Maintain emphasis on community safety to ensure Richmond continues to be a safe community.

*1.4. Effective interagency relationships and partnerships.* 

#### Analysis

As a result of previous Council direction and research by staff, the following are proposed answers to the questionnaire from Health Canada. Following Council approval, or amendments, these answers will be submitted on behalf of the City of Richmond.

Health Canada Consultation Questionnaire

1. What do you think about the proposed THC limits for the new classes of cannabis products?

The proposed "hard cap" of 10 mg of THC in a single package/container of an edible or beverage based cannabis product is of concern to the City given that there is no rationale or explanation for this limit. While Colorado State uses the 10 mg limit, Health Canada has not provided any of its own evidence or even scientific research to substantiate the health efficacy of this limit. Given that users will likely consume more than 10mg or a single edible unit dose, there should be a warning on the overall amount of THC that will likely lead to either impairment and or a life threatening overdose.

2. Do you think the proposed new rules addressing the types of ingredients and additives that could be used in edible cannabis, cannabis extracts, and cannabis topicals appropriately address public health and safety risks while enabling sufficient product diversity?

The proposed new rules addressing additives are of concern to the City given that there is no restriction for sugars, artificial colours, or sweeteners for cannabis edibles and beverages. At the same time, there is an allowance for limited caffeine additives. The natural taste of THC is reported to be bitter, therefore, this taste is masked by the additives. However, the presence of these sweeteners and caffeine raise the risk that children and youth may consume these products despite proper age restrictive labeling. It is reasonable to assume that these products may accidentally or intentionally be consumed by minors or children given their predilection for sweetened and caffeine-based beverages and foods. Moreover a child of five years and older could easily open child-resistant protected packing.

3. Do you think that the proposed rules for other classes of cannabis will accommodate a variety of oil-based products for various intended uses, even though cannabis oil would no longer be a distinct class of cannabis?

The City is opposed to any additional products containing cannabis due to public health concerns.

4. What do you think about the proposed six-month transition period for cannabis oil? Is a sixmonth transition period sufficient?

The City views this period as too short and will not provide municipalities with adequate time to prepare for the societal, criminological and policy implications of this new regulatory regime. Neither the Provincial or Federal government have been allocated additional police resources to enforce these new regulations nor have municipal bylaw officers been delegated the authority of enforcement under the Cannabis Act.

5. What do you think about the proposed new rules for the packaging and labeling of the new classes of cannabis products?

While the City views the child-resistant packaging and plain packaging as necessary it will not prevent children above the age of five from accessing these products. As stated above, a major concern is that children or youth will be lured by the additives present in the products.

6. With respect to edible cannabis, what do you think about the requirement for all products to be labeled with a cannabis-specific nutrition facts table?

There should be warning labels, as found on cigarette packages, discussing the harmful effects of consumption. Moreover, independent studies have found discrepancies between what manufacturers identified on their labels and actual nutritional content found in their products. It is probable that there will be instances of mislabeled nutritional and THC content that will have a health impact on consumers.

7. What do you think about the proposal for the labeling of small containers and the option to display certain information on a peel-back or accordion panel?

The City considers that any labeling of small containers should be large enough to accommodate clearly legible warning labels (see question 6).

8. What do you think about the proposal that the standardized cannabis symbol would be required on vaping devices, vaping cartridges, and wrappers?

The City is concerned that the packaging on cannabis products, including edibles, would appeal to youth. The packaging of cannabis should be tamper-evident, child-resistant, prevent contamination and include a basic cannabis symbol and health warnings. The presentation of the cannabis packaging should be plain with standard font and size as well as include public safety and health warnings similar to that of tobacco products which also include photos.

January 22, 2019

9. Do you think that the proposed new good production practices, such as the requirement to have a Preventive Control Plan, appropriately address the risks associated with the production of cannabis, including the risk of product contamination and cross-contamination?

The City will continue to work with the local health authority, Vancouver Coastal Heath, to review food handling procedures to ensure that businesses, specifically producing cannabis edibles, do not become a public health issue. The City recommends that the handling of food safety and prevention controls be reviewed after receiving input from health agencies across the country.

10. What do you think about the requirement that the production of edible cannabis could not occur in a building where conventional food is produced?

The City agrees that cannabis edible production should not be allowed where conventional food is produced. Maintaining a healthy food production sector within the City is of vital importance.

11. What do you think about the overall regulatory proposal?

The City has serious concerns surrounding edible products containing cannabis. The dosage level would be difficult to control and edibles may appeal to youth. In addition, edibles by appearance are indistinguishable from normal food products.

Youth must be discouraged and prevented from accessing cannabis. The proposed regulations should strictly regulate edible products to ensure the dosage is set at a minimum. The packaging of these cannabis products must plainly labeled and marketed towards adults. Public education and outreach on cannabis edibles must focus on restricting youth access to cannabis.

The proposed Cannabis Act regulation updates should also enable local governments to continue to maintain authority over regulation of land use and zoning as it pertains to all cannabisrelated activities. There should be firmer controls on public consumption of cannabis, including edibles that match public tobacco and alcohol consumption regulations. Cannabis edibles should clearly be labeled with health warnings similar to cigarettes.

12. Are there any additional comments you would like to share on the proposed regulations for the new classes of cannabis?

Cannabis edibles present a serious risk in terms of encouraging youth consumption of cannabis. Extent edible products, albeit not yet legal in Canada, range from baked goods to processed treats such as chocolates, cotton candy, jelly beans or soft candy. These cannabis edibles are highly desirable and attractive to youth. There are already many cases reported in the media of children and pets admitted to the hospital due to unexpected consumption of cannabis edibles. The federal government needs to consider the public health and public safety perspectives and prescribe tight regulation, control and enforcement of cannabis edibles. In addition, public education should be a top priority and should focus both on communicating the harmful effects of cannabis and the need for proper handling and storage of cannabis edibles to reduce the risks of cross contamination and accidental ingestion. It is anticipated that the legalization of commercial cannabis edibles will lead to an increase in the general consumption of cannabis that will inevitably impact the public health care system in Canada.

13. Are there any additional comments you would like to share regarding the legalization and strict regulation of cannabis in Canada? For example, are there measures the Government could take to support individuals to be in compliance with the public possession limits for cannabis (i.e. 30 grams of dried cannabis "or equivalent")? Do you have views on how to minimize environmental concerns associated with packaging, while maintaining key aspects, such as child resistant packaging, that help to prevent accidental consumption?

The City has concerns as to the role of municipalities in enforcing the Cannabis Act. Given that police officers are prioritized towards emergency calls and major crime investigations there is likely inadequate resourcing to enforce these new cannabis regulations. However, no new police resources have been allocated to enforce this new cannabis legislation. Moreover, neither federal nor provincial cannabis legislation grant local governments any power to set further restrictions on personal cultivation of non-medical cannabis.

In short, municipalities will bear the societal, health, and criminological costs of this new legislation without any compensation in terms of resourcing or any non-police officer authority to enforce the Cannabis Act.

#### **Financial Impact**

None.

#### Conclusion

Following direction from the General Purposes Committee, staff will submit the above responses to the questionnaire and continue to research the issues surrounding the Federal government's proposed regulatory regime for the *Cannabis Act* as well as the Province's *Cannabis Control and Licensing Act*.

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Mark Corrado Senior Manager, Community Safety Policy and Programs (604-204-8673)

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Att. 1: Proposed Regulations for Additional Cannabis Products

Att. 2: Health Canada Additional Cannabis Products Backgrounder



PROPOSED REGULATIONS FOR ADDITIONAL CANNABIS PRODUCTS We want to hear from you! Have your say at Canada.ca/Cannabis

EDIBLE CANNABIS (SOLD)	+ 10 mg of THC per package THC LIMIT	• No added vitamins, minerals           • RUDECT         • Limits on caffeine           • No added alcohol	<ul> <li>Child-resistant</li> <li>Plain</li> <li>PACXCAGING</li> </ul>	<ul> <li>Standardized cannable symbol for products containing THC</li> <li>Health Warning Message</li> <li>THC/CBD content</li> <li>Ingredient List</li> <li>Altergens</li> <li>Nutrition Facts Table</li> </ul>	Must not be appealing to kids     No health or diterary claims     No elements that would associate     product with alcoholic beverages or     house of alcoholic
UNNABIS D)	vackage	. minerals		abis symbol ining THC ssage ble	ling to kids ry claims vould associate iolic beverages or
EDIBLE CANNABIS (REVERAGE)	<ul> <li>10 mg of THC per container</li> </ul>	<ul> <li>No added vitamins, minerals</li> <li>Limits on caffeine</li> <li>No added alcohol</li> </ul>	<ul> <li>Plain</li> </ul>	<ul> <li>Standardized canabis symbol for products containing THC + Health Warning Message</li> <li>HUZ/CBD content</li> <li>Hogredient list</li> <li>Mutrition Facts Table</li> <li>Nutrition Facts Table</li> </ul>	<ul> <li>Must not be appealing to kids</li> <li>No health or dietary claims</li> <li>No elements that would associate product with alcoholic beverages or branks of alcoholic beverages or</li> </ul>
CANNABIS EXTRACT (INGESTED)	<ul> <li>10 mg of THC per unit [such as a capsule] or dispensed amount</li> <li>1000 mg of THC per package</li> </ul>	<ul> <li>No added vitamins or minerals</li> <li>No sugers, colours or sweeteners</li> <li>No nicotine or caffeine</li> </ul>	<ul> <li>Maximum package size of 90 m. for liquid extracts</li> <li>Child-resistant</li> <li>Child-resistant</li> <li>Must have dispensing device if not in unit form</li> </ul>	<ul> <li>Standardized cannabis symbol for products containing THC</li> <li>Health Warning Message</li> <li>THC/CBD content</li> <li>Ingredient list</li> <li>Ingredient list</li> <li>Intended Use</li> </ul>	<ul> <li>Must not be appealing to kids</li> <li>No health claims</li> <li>No elements that would associate product why alcoholic beverages or hrands of alcoholic beverages or</li> </ul>
CANNABIS EXTRACT (INHALED)	<ul> <li>1000 mg of THC per package</li> </ul>	<ul> <li>No sugars, colours or sweeteners</li> <li>No nicotine or caffeine</li> </ul>	<ul> <li>Maximum package size of 90 mL for liquid extracts</li> <li>Child-resistant</li> <li>Plain</li> </ul>	<ul> <li>Standardized cannabis symbol for products containing THC (on label and directly on the vape carridge)</li> <li>Health Warning Message</li> <li>THC/CBD content</li> <li>Ingredient List</li> <li>Allergens</li> <li>Intended Use</li> </ul>	<ul> <li>Must not be appealing to kids</li> <li>No health claims</li> <li>No elements that would associate product with alcoholic beverages or brands of alroholic</li> </ul>
CANNABIS EXTRACT (CONCENTRATED THC)	<ul> <li>1000 mg of THC per package</li> </ul>	<ul> <li>No sugars, colours or sweeteners</li> <li>No nicotine or caffeine</li> </ul>	<ul> <li>Maximum package size of 7.5 g</li> <li>Child-resistant</li> <li>Plain</li> </ul>	<ul> <li>Standardized cannabis symbol for products containing THC</li> <li>Health Warning Message</li> <li>THC/ESD content</li> <li>Ingredient List</li> <li>Altergens</li> <li>Intended Use</li> </ul>	<ul> <li>Must not be appealing to kids</li> <li>No health claims</li> <li>No elements that would associate product with alcoholic beverages or hrands of alcoholic</li> </ul>
CANNABIS TOPICAL	<ul> <li>1000 mg of THC per package</li> </ul>	<ul> <li>For use on skin, hair and nails</li> <li>Only cosmetic grade ingredients</li> <li>Not for use in eyes or on damaged skin</li> </ul>	<ul> <li>Child-resistant</li> <li>Plain</li> </ul>	<ul> <li>Standardized cannabis symbol for products containing THC</li> <li>Health Wanning Message</li> <li>THC/BD content</li> <li>Ingredient list</li> <li>Altergens</li> <li>Altergens</li> <li>Interdied use</li> <li>Ortections Gruse</li> <li>Warming statement about not swaltowing or using on broken skin</li> </ul>	<ul> <li>Must not be appealing to kids</li> <li>No health or cosmetic claims</li> <li>No elements that would associate product with alcoholic beverages or headed of alcohol</li> </ul>

**ATTACHMENT 1** @ Har Majesly the Queen in Right of Canada, 2019 Cat., H14-294/2018E-PDF | 158H: 978-9-660-28864-2 | Pub.; 188640



Gouvemement du Canada Government of Canada Backgrounder: Consultation on the strict regulation of additional cannabis products - Canada.ca

Government Gouvernement of Canada du Canada

Home → Departments and agencies → Health Canada

# Backgrounder: Consultation on the strict regulation of additional cannabis products

From: Health Canada

### Backgrounder

#### December 2018

Health Canada is launching a 60-day public consultation on draft regulations addressing additional cannabis products, namely edible cannabis, cannabis extracts and cannabis topicals.

The draft regulations are designed to better protect the health and safety of Canadians through strict regulatory controls and to enable the legal industry to displace the illegal market. These cannabis products will be permitted for legal sale under the Cannabis Act no later than October 17, 2019.

Stakeholders and Canadians who are interested in participating in the consultation are encouraged to review the draft regulations. This new consultation builds on the extensive consultations conducted by the Task Force on Cannabis Legalization and Regulation. Comments received from this consultation will be carefully reviewed, and the feedback will inform the development of the regulations. The online consultation will be open until February 20, 2019.

#### Edible cannabis

Draft regulations propose the following:

- Restricting the use of ingredients that could increase the appeal of edible cannabis to young persons, increase the risk of food-borne illness and accidental consumption, and encourage over-consumption.
- Placing a hard cap of 10 mg of THC on the amount of THC that could be in a package of edible cannabis.
- Requiring child-resistant and plain packaging for edible cannabis to lower the risk of accidental ingestion and making packages less appealing to young persons.
  - The label would need to display the standardized cannabis symbol and a health warning message.
  - It would be prohibited to make any claims respecting health benefits or nutrition on the label.
- Putting in place strict new manufacturing controls for the production of edible cannabis products to reduce the risk of food-borne illness; and

#### 1/22/2019

#### Backgrounder: Consultation on the strict regulation of additional cannabis products - Canada.ca

• Prohibiting the production of food and edible cannabis in the same facility to ensure the safety and integrity of Canada's food system.

#### **Cannabis extracts**

Draft regulations propose the following:

- Restricting the use of certain ingredients that could appeal to young persons, such as sweeteners and colourants, or ingredients that could encourage consumption, such as nicotine.
- Prohibiting certain flavours that are appealing to youth from being displayed on a product label, consistent with rules for other vaping products.
- Placing a hard cap on the amount of THC that could be in a unit of a cannabis extract—such as a capsule—of 10 mg of THC per unit. The total amount of THC in a package would be capped at 1,000 mg (e.g., 100 10-mg capsules).
- Requiring child-resistant and plain packaging for cannabis extracts. All packaging, as well as certain pre-filled accessories, such as a vape pen, would be required to display the standardized cannabis symbol.
- Prohibiting any claims respecting health benefits on the label.
- Putting in place strict new manufacturing controls for the production of cannabis extracts to control the quality of the products.

#### Cannabis topicals

Draft regulations propose the following:

- Like edible cannabis and cannabis extracts, restrictions would be placed on the types of ingredients that could be added to cannabis topicals.
- A hard cap of 1,000 mg of THC would be placed on each package of a cannabis topical.
- The packaging would need to be child-resistant and display the standardized cannabis symbol and a health warning message.
- Any claims respecting health benefits on the label would be prohibited.

Search for related information by keyword: <u>HE Health and Safety | Health Canada | Canada | Drug</u> and health products | general public | backgrounders

Date modified: 2019-01-10

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<u>Home</u> > <u>Health</u> > <u>Drug and health products</u> > <u>Drugs and medication</u> > <u>Cannabis</u> > <u>Cannabis laws and regulations</u> > <u>Regulations under the Cannabis Act</u>

# **Cannabis health warning messages**

## Part 1: Health warning messages for cannabis products that are dried cannabis or cannabis accessories that contain dried cannabis

**WARNING: Cannabis smoke is harmful.** Harmful chemicals found in tobacco smoke are also found in cannabis smoke.

**WARNING: Do not use if pregnant or breastfeeding.** Using cannabis during pregnancy may harm your baby and result in low birth weight.

**WARNING: Do not use if pregnant or breastfeeding.** Substances found in cannabis are also found in the breast milk of mothers who use cannabis.

**WARNING: Do not drive or operate machinery after using cannabis.** More than 4,000 Canadians were injured and 75 died from driving after using cannabis (in 2012).

**WARNING: Do not drive or operate machinery after using cannabis.** After cannabis use, coordination, reaction time and ability to judge distances are impaired.

**WARNING: Cannabis can be addictive.** Up to half of people who use cannabis on a daily basis have work, social or health problems from using cannabis.

**WARNING: Cannabis can be addictive.** 1 in 11 people who use cannabis will become addicted.

**WARNING: Cannabis can be addictive.** Up to 1 in 2 people who use cannabis daily will become addicted.

WARNING: Regular use of cannabis can increase the risk of psychosis and schizophrenia. Higher THC content can increase the risk of psychosis and schizophrenia.

WARNING: Regular use of cannabis can increase the risk of psychosis and schizophrenia. Higher THC content can lower the age of onset of schizophrenia.

WARNING: Regular use of cannabis can increase the risk of psychosis and schizophrenia. Young people are especially at risk.

**WARNING: Adolescents are at greater risk of harms from cannabis.** Early and regular use increases the risk of psychosis and schizophrenia.

**WARNING:** Adolescents are at greater risk of harms from cannabis. Using cannabis as a teenager can increase your risk of becoming addicted.

**WARNING: Adolescents are at greater risk of harms from cannabis.** 1 in 6 people who start using cannabis in adolescence will become addicted.

# Part 2: Health warning messages for all other cannabis products

**WARNING: Do not use if pregnant or breastfeeding.** Using cannabis during pregnancy may harm your baby and result in low birth weight.

**WARNING: Do not use if pregnant or breastfeeding.** Substances found in cannabis are also found in the breast milk of mothers who use cannabis.

**WARNING: Do not drive or operate machinery after using cannabis.** More than 4,000 Canadians were injured and 75 died from driving after using cannabis (in 2012).

**WARNING: Do not drive or operate machinery after using cannabis.** After cannabis use, coordination, reaction time and ability to judge distances are impaired.

**WARNING: Cannabis can be addictive.** Up to half of people who use cannabis on a daily basis have work, social or health problems from using cannabis.

**WARNING: Cannabis can be addictive.** 1 in 11 people who use cannabis will become addicted.

**WARNING: Cannabis can be addictive.** Up to 1 in 2 people who use cannabis daily will become addicted.

WARNING: Regular use of cannabis can increase the risk of psychosis and schizophrenia. Higher THC content can increase the risk of psychosis and schizophrenia.

WARNING: Regular use of cannabis can increase the risk of psychosis and schizophrenia. Higher THC content can lower the age of onset of schizophrenia.

WARNING: Regular use of cannabis can increase the risk of psychosis and schizophrenia. Young people are especially at risk.

**WARNING:** Adolescents are at greater risk of harms from cannabis. Early and regular use increases the risk of psychosis and schizophrenia.

WARNING: Adolescents are at greater risk of harms from cannabis. Using cannabis as a teenager can increase your risk of becoming addicted. **WARNING: Adolescents are at greater risk of harms from cannabis.** 1 in 6 people who start using cannabis in adolescence will become addicted.

# **Updates for October 2019**

This document is for informational purposes only and will not be in force until October 17, 2019.

#### Part 1: All of the cannabis health warning messages in this Part apply to cannabis products of all classes of cannabis listed in Schedule 4 to the *Cannabis Act*, with the exception of cannabis topicals.

**WARNING: The smoke from cannabis is harmful**. Toxic and carcinogenic chemicals found in tobacco smoke such as polyaromatic hydrocarbons, aromatic amines, and N-heterocyclics are also found in cannabis smoke.

**WARNING: Do not use if pregnant or breastfeeding**. Substances in cannabis are transferred from the mother to child and can harm your baby.

**WARNING: Do not drive or operate heavy equipment after using cannabis**. Cannabis can cause drowsiness and impair your ability to concentrate and make quick decisions.

WARNING: Frequent and prolonged use of cannabis containing THC can contribute to mental health problems over time. Daily or near-daily use increases the risk of dependence and may bring on or worsen disorders related to anxiety and depression.

WARNING: Adolescents and young adults are at greater risk of harms from cannabis. Daily or near-daily use over a prolonged period of time can harm brain development and function.

#### WARNING: The higher the THC content of a product, the more likely you are to experience adverse effects and greater levels of impairment. THC can cause anxiety and impair memory and concentration

concentration.

WARNING: It can take up to 4 hours to feel the full effects from eating or drinking cannabis. Consuming more within this time period can result in adverse effects that may require medical attention.

**WARNING: The effects from eating or drinking cannabis can be longlasting**. The effects can last between 6 and 12 hours following use.

Part 2: The cannabis health warning message in this Part applies only to cannabis products that are cannabis topicals.

WARNING: Do not swallow or apply internally or to broken, irritated or itching skin. There may be health effects and risks associated with cannabis topicals that are not fully known or understood.

**Date modified:** 2019-06-14





Limitations: Legislation of non-medical cannabis is new in Canada and future case law decisions may impact the way police officers investigate cannabis offences. Future legislative amendments to the Cannabis Control and Licensing Act (CCLA) and Cannabis Control Regulation may change the accuracy of this document. This document does not constitute legal advice for police officers.

The Violation Ticket Administration and Fines Regulation, B.C. Reg 89/97 has been amended to include cannabisrelated offences in the *Cannabis Control and Licensing Act* (CCLA). The official version of these new CCLA offences are located on the BC Government website: http://www.bclaws.ca/civix/document/id/oic/oic cur/0529 2018

Provincial cannabis-related violations tickets can be issued on Form A (the same violation ticket form used for provincial Motor Vehicle Act offences under the Offence Act). The dispute mechanism for provincial cannabis-related violation tickets will be Judicial Justice Court (i.e., traffic court). The total fine amount listed on the right hand side is the total amount (including victim surcharge) that would be included on the provincial violation ticket.

		ראטכ
SALES		
15	Unlawful sale of cannabis	\$575
SUPPLY		
17	Unlawful supply of cannabis	\$57
STORES		
48(a)	Licensee selling cannabis product by self service display	\$575
48(b)	Licensee selling cannabis product by dispensing device	\$57
49(2)(a)	Licensee or licensee's employee selling cannabis to intoxicated person	\$230
49(2)(b)	Licensee or licensee's employee allowing intoxicated person in establishment	\$230
49(2)(c)	Licensee or licensee's employee's allowing violent or disorderly conduct in establishment	\$23
67	Consume cannabis in retail cannabis store	\$23
67	Consume cannabis in government cannabis store	\$23
POSSESS	ION IN PUBLIC	
52(1)(a)	Possess more than 30 g of dried cannabis in public place	\$23
52(1)(b)	Possess more than the equivalent to 30 g of dried cannabis in public place	\$23
53(1)	Possess more than 4 cannabis plants in a public place	\$230
53(3)	Possess budding or flowering cannabis plants in a public place	\$230
INTOXIC	ATED PERSONS	
78(1)	Intoxication from cannabis in a public place Note: Intoxicated from cannabis in a public public is also an arrestable offence: CCLA, Section 78	\$11
79	Supply cannabis to intoxicated person	\$23
CONSUN	APTION IN PUBLIC	
63(1)	Smoke or hold lighted cannabis in or on an outdoor public place	\$230
63(1)	Vape cannabis or hold activated cannabis vapour device in or on an outdoor public place	\$58
64(1)	Smoke or hold lighted cannabis in indoor public place, workplace or residential common area	\$230
64(1)	Vape cannabis or hold activated cannabis vapour device in indoor public place, workplace or residential common area	\$58
66(a)	Smoke or hold lighted cannabis at bus stop or similar place	\$230
66(a)	Vape cannabis or hold activated cannabis vapour device at bus stop or similar place	\$58
66(b)	Smoke or hold lighted cannabis within prescribed distance from bus stop Note: For the purposes of this VT, the prescribed distance is 6m.	\$230
66(b)	Vape cannabis or hold activated cannabis vapour device within prescribed distance from bus stop <b>Note:</b> For the purposes of this VT, the prescribed distance is 6m.	\$5

67	Smoke or hold lighted cannabis on public patio	\$230
67	Vape cannabis or hold activated cannabis vapour device on public patio	\$58
	MPTION IN RECREATIONAL AREA	+00
63(3)	Smoke or hold lighted cannabis in prescribed area of park or outdoor recreational area	\$230
63(3)	Vape cannabis or hold activated cannabis vapour device in prescribed area of park or outdoor	\$58
00(0)	recreational area	<b>\$50</b>
CANNA	BIS IN A NON PUBLIC PLACE	
54(3)	Possess at one location more than the maximum allowable amount of cannabis	\$230
• .(•)	Note: The maximum allowable amount of 1,000 grams or the equivalent.	
GROWI	NG NON MEDICAL CANNABIS	
56(a)	Grow non-medical cannabis at dwelling house where grower does not ordinarily reside	\$230
56(b)(i)	Grow non-medical cannabis at dwelling house licensed to provide specified child care program	\$575
56(c)	Grow more than 4 non-medical cannabis plants at dwelling house	\$230
56(d)	Grow non-medical cannabis plants at different dwelling houses at the same time	\$230
56(e)	Grow more than 4 non-medical cannabis plants at dwelling house where 2 or more adults	\$230
	ordinarily reside	
	<b>Deemed Contravention Note:</b> If 2 or more adults ordinarily reside at the same dwelling house at	
	which more than 4 non-medical cannabis plants are growing and none of the adults is authorized	
	under the Cannabis Act to grow medical cannabis at the dwelling house, each adult is deemed to	
	have committed this offence unless the adult took reasonable steps to prevent the contravention	
56(g)	(CCLA, sec. 57). Grow non-medical cannabis that is visible from public place	\$230
statistic particular dama and and a	NG MEDICAL CANNABIS	ψ200
environmentation of the second s		<b> <b> <b> <b> </b></b></b></b>
58(a)	Grow medical cannabis without authorization	\$230
58(a)	Grow medical cannabis at unauthorized site	\$230 \$575
58(b)(i)	Grow medical cannabis at dwelling house licensed to provide specified child care programs	\$230
58(c) 58(d)	Grow more than the authorized number of medical cannabis plants at a site Grow more than the authorized number of medical cannabis plants at dwelling house	\$230
58(f)	Grow medical cannabis that is visible from public place	\$230
control of the second state of the second	PROPERTY	Ψ200
61(a)		\$230
67	Consume cannabis in or on school property Consume cannabis in area abutting school property	\$230
Sector and the sector in the sector in the sector is the s		ψ2.50
Period Science and California Color	BOARD PROPERTY	<b>*</b> 000
62	Smoke or hold lighted cannabis on health board property	\$230
62	Vape cannabis or hold activated cannabis vapour device on health board property	\$58
	OORWAYS WINDOWS AND AIR INTAKES	
64(3)	Smoke or hold lighted cannabis within prescribed distance from doorway, window or air intake.	\$230
0.4.(0)	Note: The prescribed distance is 6m	<b></b>
64(3)	Vape cannabis or hold activated cannabis vapour device within prescribed distance doorway, window or air intake	\$58
VELUCIE		
	S AND BOATS	<b>6575</b>
65(1)(a)	Consume cannabis while operating vehicle or boat	\$575
65(1)(b)	Consume cannabis in vehicle or boat operated by another person	\$230
65(2)	Operate vehicle or boat knowing that another person is smoking or vaping cannabis in it Adult operating vehicle while in personal possession of cannabis contrary to Act	\$230
81(1)(a)	<b>Exception Note:</b> An adult can operate a vehicle, whether or not the vehicle is in motion, if the	\$230
	following conditions are met: If the cannabis was produced by a federal producer, is still in the	
	packaging from its purchase by a consumer and the packaging has never been opened; Cannabis	
	is not readily accessible to the driver and any passengers in the vehicle, or There are no more	
	than 4 cannabis plants that are not budding or flowering.(CCLA, sec. 81(2).	
81(1)(b)	Adult operating vehicle with cannabis in it contrary to Act	\$230
	Exception Note: An adult can operate a vehicle, whether or not the vehicle is in motion, if the	
	following conditions are met: If the cannabis was produced by a federal producer, is still in the	
	packaging from its purchase by a consumer and the packaging has never been opened; Cannabis	
	is not readily accessible to the driver and any passengers in the vehicle, or There are no more	

	than 4 cannabis plants that are not budding or flowering.(CCLA, sec. 81(2).	-
MINORS		
69(1)	Sell cannabis or cannabis accessory to minor <b>Note:</b> Cannabis accessory is defined as a thing, including rolling papers or wraps, holders, pipes, water pipes, bongs and vaporizers, that is represented to be used in the consumption of cannabis; or a thing that is deemed to be represented to be used in the consumption of cannabis if the thing is sold at the same point of sale as cannabis (Cannabis Act, sec. 2(1) and 2(3)).	\$575
69(2)	Supply cannabis or cannabis accessory to minor	\$575
69(3)	Allow minor to consume or possess cannabis at place under one's control	\$575
70(2)(a)	Authorized person or employee of authorized person allowing minor to enter or be in place where authorized cannabis activities occur	\$575
70(5)	Person, other than authorized person or employee of authorized person, allowing minor to take part in cannabis production activities	\$575
70(7)(a)	Minor entering or being in place where authorized cannabis activities occur	\$230
70(7)(c)	Minor entering or being in government cannabis store	\$230
73(1)	Minor possessing cannabis	\$230
73(1)	Minor consuming cannabis	\$230
73(1)	Minor producing cannabis	\$230
73(1)	Minor supplying cannabis	\$230
73(1)	Minor selling cannabis	\$230
73(1)	Minor purchasing cannabis	\$230
73(1)	Minor attempting to purchase cannabis	\$230
73(2)	Minor possessing cannabis accessory	\$230
73(2)	Minor supplying cannabis accessory	\$230
73(2)	Minor making cannabis accessory	\$230
73(2)	Minor selling cannabis accessory	\$230
73(2)	Minor purchasing cannabis accessory	\$230
73(2)	Minor attempting to purchase cannabis accessory	\$230
74(1)	Minor operating vehicle with cannabis in it contrary to Act Exception Note: A minor can operate a vehicle, whether or not the vehicle is in motion, with cannabis in the vehicle if there is an adult present who owns the cannabis, the cannabis was produced by a federal producer, is still in the packaging from its purchase by a consumer and the packaging has never been opened; Cannabis is not readily accessible to the driver and any passengers in the vehicle, or there are no more than 4 cannabis plants that are not budding or flowering	\$230
75	Minor presenting false identification	\$230





# Cannabis Taxation Revenue in British Columbia

Findings with Regard to Local Government Costs

September 20, 2019

Prepared by the Union of B.C. Municipalities



#### 1. Purpose

The purpose of this document is to provide evidence and recommendations that demonstrate the costs to local government as a result of cannabis legalization; and to outline the case for provincial cannabis revenue sharing with local governments to address incremental short- and long-term costs associated with legalization.

#### 2. UBCM Policy

Last year, UBCM's members unanimously endorsed resolution 2018-SR1, *Cannabis Excise Tax Revenue Sharing with Local Governments* (see attachment). This resolution proposes short- and long-term strategies for cannabis excise tax revenue sharing in British Columbia.

The short-term strategy seeks to adopt a revenue sharing framework that would see the provincial government provide local governments with 40% of projected provincial cannabis excise tax revenue over the first two years of legalization. Any excess revenue would be shared 50-50 between the Province and B.C. local governments. Excise tax revenue would be distributed to BC local governments on a per capita basis, with all municipalities and regional districts receiving a minimum of \$10,000 regardless of population.

The long-term strategy proposes developing a permanent agreement that either extends the short-term framework; or increases the provincial sales tax on cannabis from 7% to not more than 10% with a commitment of this portion to local governments in place of excise tax revenue sharing.

The overall objective is to provide predictable revenue for local governments to use in addressing their incremental cannabis-related costs. These strategies are guided by a principled approach designed to ensure local governments receive sufficient tax revenue to recover all costs associated with legalization, and that all remaining net revenue (after provincial costs are addressed) be shared between local governments and the Province.

#### 3. Survey of Local Government Costs

The tracking of incremental costs has been of interest to provincial governments, including British Columbia. The Province has sought evidence to support the assertion that local governments will incur tangible one-time and ongoing costs related to cannabis legalization. UBCM developed a survey (see attachment) for local governments to quantify their incremental expenditures. The intent is to use



the data obtained through this survey to inform ongoing discussions regarding the appropriate sharing of cannabis excise tax revenue.

Between May and August 2019, UBCM received responses from 34 communities, representing 44% of British Columbia's population. The respondents were evenly distributed among regions, community sizes, and types of permitted retail. Survey results also show a number of clear findings, including but not limited to:

- Source of Local Costs: Results show that over the first three years, almost 90% of all reported incremental local government costs can be attributed to:
  - Municipal Administration and Support (19%)
  - Local Government Enforcement (19%)
  - Planning / Zoning (19%)
  - Policing (33%)
- 2) <u>Cost Distribution:</u> Local governments that permit non-medical cannabis retail operations within their boundaries are reporting significantly higher incremental costs (especially related to policing) than those that do not.
- 3) <u>Overall Costs</u>: An extrapolation of the three-year total reported incremental cost of \$15.9 million (using 44% of the population) would equate to \$36.2 million for an average of approximately \$12.1 million per year in incremental costs to BC local governments. This represents 31.2% of the Province's most recent cannabis excise tax revenue projection for the first three years of legalization.

#### 4. Cannabis Excise Tax Agreements

The two-year Federal-Provincial-Territorial Agreement on Cannabis Taxation will expire in the coming months. This Agreement was concluded after the federal government increased the provincial share of excise tax revenue by 25% in recognition of the costs and responsibilities that would be assumed by local governments.

It is UBCM's understanding that the federal government will seek to ensure that its expectation that excise tax revenue be shared with local governments is met under a new agreement. Along with the Federation of Canadian Municipalities (FCM), UBCM is supportive of a new agreement that provides predictable funding for local governments.

Thus far, three provinces (Ontario, Québec and Alberta) have committed to transferring cannabis taxation revenue to local governments. The Ontario excise tax transfer framework sees 40% of the Province's projected cannabis excise tax



revenue (\$40 million) allocated to Ontario local governments. The majority of this revenue has been distributed to local governments that agreed to host non-medical cannabis retail operations.

While UBCM understands the excise tax revenue realized by B.C. thus far is significantly less than was originally expected, that should not be a barrier to an agreement that acknowledges that, a) both orders of government are incurring costs that should be offset by excise tax revenues; and, b) the intent of the federal government when it increased the provincial share of the excise tax by 25%. The retail market is still in its infancy, and the introduction of more retail outlets combined with the emerging legalized market for edibles, extracts and topicals will increase excise tax revenue.

#### 5. Recommendations

At the 2017 UBCM Convention, the Province announced the formation of a joint working group with UBCM on cannabis legalization. This process has been an unequivocal success, and has contributed to the successful implementation of BC's cannabis system. Together, we have collaboratively addressed numerous key issues as part of the process to implement a province-wide system. An outstanding issue that requires our immediate attention is that of revenue sharing.

Based on findings from UBCM's cannabis cost survey, policy (through endorsed resolutions), and developments throughout Canada, UBCM recommends that the Ministry of Finance transfer a portion of cannabis taxation revenue to local governments, with consideration towards the following:

- Short- and long-term options contained within UBCM's endorsed policy (resolution 2018-SR1);
- Findings from UBCM's cannabis cost survey, including the primary sources of incremental local government costs related to the legalization of non-medical cannabis; and,
- Expectations from federal and local orders of government that local governments be compensated for incremental costs and responsibilities related to the legalization of cannabis.

#### 6. Concluding Remarks

UBCM would like to thank Minister of Finance, Carole James, for the opportunity to meet. We also appreciate previous opportunities to discuss this issue, and hope we can once again collaborate to reach a positive solution.



#### SR1 Cannabis Excise Tax Revenue Sharing with Local Governments

Whereas the Government of Canada intends to legalize non-medical cannabis on October 17, 2018; and has taken the following actions regarding cannabis excise tax revenue sharing:

- agreed to the Federal-Provincial-Territorial Agreement on Cannabis Taxation, which provides for the federal transfer of cannabis excise tax revenue to provinces and territories; and,
- increased the percentage of cannabis taxation revenue to be transferred to provinces and territories in order to help local governments manage impacts associated with the legalization of non-medical cannabis.

And whereas in the absence of fulsome data the Union of BC Municipalities (UBCM) Executive has endorsed:

- a principled approach to guide the negotiation of a cannabis excise tax revenue sharing agreement with the Government of British Columbia:
  - 1) Cannabis legalization should not result in additional local government funding by property taxpayers.
  - 2) Local governments should be reimbursed for costs associated with the implementation of legalized cannabis.
  - 3) Local governments should be reimbursed for any additional policing costs resulting from cannabis legalization.
  - Remaining excise tax revenue (after taking out expenses incurred as part of principles 1-3, and the federal share) should be shared between the Province of BC and local governments.
- a short- and long-term cannabis excise tax revenue sharing strategy, which among other things seeks to adopt the Ontario cannabis excise tax sharing model as the framework for determining an agreement in British Columbia.

Therefore be it resolved that UBCM advance its short- and long-term strategy for cannabis excise tax revenue sharing to the Province of British Columbia for the purpose of negotiating a provincial-local government revenue sharing agreement.

#### **Resolutions Committee Comments:**

The Resolutions Committee advises that the UBCM membership has not previously endorsed a resolution requesting that provincial and local governments negotiate a cannabis excise tax distribution framework.

However, the UBCM membership has endorsed several resolutions related to the equitable distribution of cannabis taxation revenue, including resolutions 2017-LR1 and 2016-A3.

In response to resolution 2017-SR1, the Province cited the current work of the Joint Provincial-Local Government Committee on Cannabis Regulation (JCCR), and committed to working with



local governments to address issues such as revenue sharing, and costs experienced by local governments as a result of cannabis legalization.

In response to resolution 2016-A3, the Provincial Government noted that the issue of cannabis taxation would be addressed after the regulatory framework was completed; and that any transfer of taxation revenue to local governments must first consider the Province's need to fund the regulatory framework and essential services impacted by cannabis.

#### UBCM STRATEGY PART 1: Short-Term Recommendations

- That UBCM adopt the Ontario model as the framework for determining a revenue sharing agreement with the BC Ministry of Finance.
- And that UBCM adopt the following negotiating position that parallels the Ontario agreement:
  - 2-year agreement;
  - 40% (\$50 million) of the projected provincial excise tax revenue is provided to BC local governments;
  - 50% of the local share (\$25 million) is provided up-front upon formalization of the agreement, with the other 50% provided one year later;
  - Any revenue in excess of the projected \$125 million provincial projection is to be shared 50-50 between the Province and BC local governments.
  - This revenue shall not be reduced (i.e. clawed back) for any reason.
  - Excise tax revenue will be distributed to BC local governments on a per capita basis.
  - Municipalities and regional districts will receive a minimum of \$10,000 regardless of population.
  - A process will be developed, with oversight by the JCCR, for tracking of costs on an ongoing basis.

#### UBCM STRATEGY PART 2: Long-Term Recommendations

- That UBCM and the Province work cooperatively to develop an agreement (beyond year two of legalization) that will explore the following options:
  - A) Continue with the framework used for the first 2 years, particularly if projected costs and revenues are within a reasonable variance from the original projection; OR
  - B) Determine the potential to increase the provincial sales tax on cannabis from 7% to not more than 10% with a commitment of this portion to local governments in place of excise sales tax revenue sharing.
- And that consideration be given to development of a reporting template for cannabis related incremental costs as part of the Local Government Division's annual financial reporting process.
- And that the final cannabis excise tax revenue sharing agreement provide certainty for BC local governments, and therefore, not be deemed a provincial grant, whether conditional or unconditional.
- And that revenues received by local governments in excess of reported incremental costs be approved for projects/expenditures that are dedicated to improving community health, which may include programs as well as infrastructure (the objective being to provide tangible benefit for the community as a positive outcome of legalized non-medical cannabis).



The Province of Ontario has agreed in principle to provide its local governments with \$40 million in cannabis excise tax revenue over 2 years, representing 40% of the projected provincial cannabis excise tax revenue (\$100 million over 2 years).

The JCCR provides a forum for local governments to share their experiences and knowledge, and discuss issues of interest or concern with the Cannabis Legalization and Regulation Secretariat. Since October 2017, local governments and the Province have worked collaboratively to develop a BC framework for non-medical cannabis legalization.

See also resolutions 5.07, 6.03, 6.05, 6.13

							2018			2019			2020		
	Local Government	Type of LG	Region	Retail	Population	Capital	Oper-1Time	Operat-Ong	Capital	Oper-1Time	Operat-Ong	Capital	Oper-1Time	Operat-Ong	TOTAL
ч	Fraser-Fort George Regional District	Regional District	NCLGA	None	15,000 - 49,999	\$0.00	\$6,200.00	\$10,475.00	\$0.00	\$6,200.00	\$9,240.00	\$0.00	\$6,200.00	\$9,240.00	\$47,555.00
7	North Vancouver	City	LMLGA	Both	50,000 - 99,999	\$0.00	\$74,900.00	\$100.00	\$0.00	\$19,000.00	\$5,400.00	\$0.00	\$8,100.D0	\$4,700.00	\$112,200.00
m	Kent	District	LMLGA	None	5,000 - 14,999	\$0.00	\$0.00	\$0.00	\$0.0D	\$0.DO	\$371,800.00	\$0.00	\$0.00	\$379,200.00	\$751,000.00
4	Prince George	City	NCLGA	Both	50,000 - 99,999	\$0.00	\$112,147.00	\$53,676.00	\$0.00	\$10,000.00	\$97,753.00	\$54,000.00	\$10,000.00	\$125,797.00	\$463,373.00
'n	Pitt Meadows	City	LMLGA	None	15,000 - 49,999	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$0.00	\$50,000.00	\$0.00	\$0.00	\$70,000.00
ø	Kamloops	City	SILGA	Both	50,000 ~ 99,999	\$12,000.00	\$55,700.00	\$112,900.00	\$0.0D	\$2,000.00	\$47,800.00	\$0.00	\$2,000.00	\$47,800.00	\$280,200.00
~	Fort St. John	City	NCLGA	Both	15,000 - 49,999	\$21,474.00	\$3,880.00	\$20,320.00	\$30,616.00	\$0.00	\$61,627.00	\$107,048.00	\$60,000.00	\$71,017.00	\$375,982.00
8	Alberni-Clayoquot	Regional District	AVICC	Both	5,000 - 14,999	\$0.00	\$0.00	\$26,000.00	\$0.00	\$0.00	\$44,500.00	\$0.00	\$0.00	\$44,500.00	\$115,000.00
ŋ	East Kootenay	Regional District	AKBLG	Private	15,000 - 49,999	\$0.00	\$500.00	\$0.00	\$0.0D	\$500.00	\$0.0D	\$0.0D	\$0.00	\$0.00	\$1,000.00
10		City	LMLGA	Public	Over 100,000	\$0.00	\$63,131.90	\$0.00	\$0.00	\$124,192.38	\$0.00	\$0.0D	\$90,398.00	\$0.00	\$277,722.28
11	Cranbrook	City	AKBLG	Private	15,000 - 49,999	\$0.00	\$0.00	\$5,840.00	\$0.00	\$0.00	\$4,680.00	\$0.00	\$0.00	\$0.00	\$10,520.00
12		City	SILGA	None	5,000 - 14,999	\$0.00	\$0.0D	\$2,000.00	\$0.00	\$5,000.00	\$3,500.00	\$0.00	\$0.00	\$3,500.00	\$14,000.00
13		City	SILGA	Private	Under 5,000	\$0.00	\$18,506.30	\$0.00	\$0.00	\$1,642.00	\$5,357.00	\$0.00	\$0.00	\$5,364.14	\$30,869.44
14	3	Regional District	AVICC	None	15,000 - 49,999	\$0.00	\$49,527.00	\$0.00	\$0.00	\$0.00	\$11,799.00	\$0.00	\$0.00	\$11,762.00	\$73,088.00
15		City	LMLGA	None	Over 100,000	\$317,500.00	\$228,423.00	\$440,231.00	\$79,400.00	\$53,369.00	\$492,237.00	\$32,900.00	\$45,563.00	\$503,955.00	\$2,193,578.00
16	Creston	Town	AKBLG	Private	5,000 - 14,999	\$0.00	\$25,900.00	\$10,000.00	\$0.00	\$20,000.00	\$15,000.00	\$0.0D	\$0.00	\$15,000.00	\$85,900.00
17	Nor	Regional District	SILGA	None	15,000 - 49,999	\$0.00	\$55,443.96	\$0.00	\$0.0D	\$32,285.17	\$0.00	\$0.00	\$0.00	\$0.00	\$87,729.13
18	Chilliwack	City	LMLGA	Both	50,000 - 99,999	\$0.00	\$13,000.00	\$0.00	\$0.00	\$61,000.00	\$26,000.00	\$0.0D	\$60,000.00	\$105,000.00	\$265,000.00
19	Coquitlam	City	LMLGA	None	Over 100,000	\$0.00	\$252,000.00	\$0.00	\$0.00	\$118,300.00	\$0.00	\$0.00	\$1,171,300.00	\$0.00	\$1,541,600.00
20		City	LMLGA	Public	Over 100,000	\$0.00	\$0.00	\$41,750.00	\$0.00	\$0.00	\$72,480.00	\$0.00	\$0.00	\$76,210.00	\$190,440.00
21	Queen Charlotte	Village	AVICC	Public	Under 5,000	\$0.00	\$2,350.00	\$0.00	\$0.00	\$1,750.00	\$0.00	\$0.00	\$500.00	\$0.00	\$4,600.00
22	Vancouver	City	LMLGA	Both	Over 100,000	\$43,000.00	\$265,500.00	\$1,301,000.00	\$24,500.00	\$377,000.00	\$1,428,200.00	\$45,500.00	\$930,000.00	\$3,167,300.00	\$7,582,000.00
23	Vanderhoof	District	NCLGA	Public	Under 5,000	\$0.00	\$2,400.00	\$0.00	\$0.00	\$2,750.38	\$600.00	\$0.00	\$0.00	\$400.00	\$6,150.38
24	North Cowichan	District	AVICC	Both	15,000 - 49,999	\$4,000.00	\$15,000.00	\$49,294.00	\$0.00	\$15,000.00	\$49,294.00	\$0.00	\$5,000.00	\$48,294.00	\$185,882.00
25	qathet	<b>Regional District</b>	AVICC	Both	5,000 - 14,999	\$0.00	\$15,230.00	\$0.00	\$0.00	\$18,577.00	\$0.DO	\$0.0D	\$0.00	\$7,670.00	\$41,477.00
26	Victoria	City	AVICC	Private	50,000 - 99,999	\$0.00	\$341,000.00	\$113,000.00	\$0.00	\$0.00	\$39,000.00	\$0.00	\$0.00	\$30,000.00	\$523,000.00
27	Invermere	District	AKBLG	Private	Under 5,000	\$0.00	\$9,745.00	\$1,350.00	\$0.00	\$7,000.00	\$1,350.00	\$0.00	\$3,000.00	\$1,400.00	\$23,845.00
28	Tofino	District	AVICC	Private	Under 5,000	\$6,365.00	\$12,470.67	\$0.00	\$1,260.32	\$8,565.59	\$0.00	\$545.80	\$6,419.97	\$0.00	\$35,627.35
29	Montrose	Village	AKBLG	None	Under 5,000	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.DO	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00
30	Langley	City	LMLGA	None	15,000 - 49,999	\$0.00	\$11,000.00	\$7,200.00	\$0.00	\$0.00	\$5,200.00	\$0.00	\$0.00	\$5,200.00	\$28,600.00
31	Valemount	Village	NCLGA	Both	Under 5,000	\$0.00	\$0.00	\$0.00	\$85.00	\$5,650.00	\$1,000.00	\$0.00	\$0.00	\$800.00	\$7,535.00
32	New Westminster	City	LMLGA	Both	50,000 - 99,999	\$25,550.00	\$59,275.00	\$25,250.00	\$28,500.00	\$32,090.00	\$23,900.00	\$0.00	\$31,950.00	\$23,900.00	\$250,415.00
33	Nelson	City	AKBLG	Private	5,000 - 14,999	\$30,000.00	\$109,034.00	\$0.00	\$0.00	\$0.00	\$38,880.00	\$0.00	\$0.DD	\$38,880.00	\$216,794.00
34	View Royal	Town	AVICC	None	5,000 - 14,999	\$0.00	\$8,225.00	\$2,500.00	\$0.00	\$14,000.00	\$3,500.00	\$0.00	\$7,500.00	\$3,000.00	\$38,725.00
					TOTAL	\$459,889.00	\$1,822,488.83	\$2,222,886.00	\$164,361.32	\$945,871.52	\$2,860,097.00	\$289,993.80	\$2,437,930.97	\$4,729,889.14 \$15,933,407.58	\$15,933,407.58
					AVG	\$13,526.15	\$53,602.61	\$65,379.00	\$4,834.16	\$27,819.75	\$84,120.50	\$8,529.23	\$71,703.85	\$139,114.39	\$468,629.63
					TOTAL AVG		\$132,507.76			\$116,774.41			\$219,347.47		
					% of Total Costs	2.89%	11.44%	13.95%	1.03%	5.94%	17.95%	1.82%	15.30%	29.69%	
					% of Yearly Costs	10.21%	40.45%	49.34%	4.14%	23.82%	72.04%	3.89%	32.69%	63.42%	

GP - 49

						General Government	vernment	Develop. Serv.	Develop. Serv. Hith, Soc., Hous.		Protective Services		Solid Waste	Trans. & Transit	Trans. & Transit Airport Services	Other
	Local Government	Type of LG	Region	Retail	Population	Mun Admin & S	HR / Lab. Rel.	Plan. / Zon.	Housing	Enforcement	Fire & Emerg.	Policing	Solid Waste	Transit	Airport Serv.	Specify
ч	Fraser-Fort George	Regional District	NCLGA	None	15,000 - 49,999	\$0.00	\$0.00	\$23,555.00	\$0.00	\$24,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ы	North Vancouver	City	LMLGA	Both	50,000 - 99,999	\$4,100.00	\$0.00	\$10,000.00	\$0.00	\$71,300.00	\$26,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
m	Kent	District	LMLGA	None	5,000 - 14,999	\$289,000.00	\$0.00	\$218,000.00	\$0.00	\$241,000.00	\$0.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$0.00
4	Prince George	City	NCLGA	Both	50,000 - 99,999	\$10,000.00	\$27,304.00	\$33,000.00	\$0.00	\$64,363.00	\$0.00	\$328,706.00	\$0.00	\$0.00	\$0.00	\$0.00
ŝ	Pitt Meadows	City	LMLGA	None	15,000 - 49,999	\$70,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9	Kamloops	City	SILGA	Both	50,000 - 99,999	\$0.00	\$0.00	\$236,200.00	\$0.00	\$0.00	\$0.00	\$44,000.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Fort 5t. John	City	NCLGA	Both	15,000 - 49,999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$375,982.00	\$0.00	\$0.00	\$0.00	\$0.00
80	Alberni-Clayoquot	Regional District	AVICC	Both	5,000 - 14,999	\$24,000.00	\$0.00	\$91,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ŋ	East Kootenay	Regional District	AKBLG	Private	15,000 - 49,999	\$0.00	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10	Abbotsford	City	LMLGA	Public	Over 100,000	\$13,328.00	\$1,000.00	\$76,490.00	\$0.00	\$6,500.00	\$5,500.00	\$40,108.00	\$0.00	\$0.00	\$0.00	\$134,796.28
11	Cranbrook	City	AKBLG	Private	15,000 - 49,999	\$2,400.00	\$0.00	\$7,700.00	\$0.00	\$0.00	\$210.00	\$210.00	\$0.00	\$0.00	\$0.00	\$0.00
12	Armstrong	City	SILGA	None	5,000 - 14,999	\$3,000.00	\$0.00	\$11,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13	Enderby	City	SILGA	Private	Under 5,000	\$4,253.44	\$1,642.00	\$14,974.00	\$0.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14	Comox Valley	Regional District	AVICC	None	15,000 - 49,999	\$6,330.00	\$19,192.00	\$34,192.00	\$0.00	\$7,130.00	\$954.00	\$0.00	00.066\$	\$0.00	\$0.00	\$4,300.00
1S	Richmond	City	LMLGA	None	Over 100,000	\$67,000.00	\$0.00	\$131,597.00	\$0.00	\$299,916.00	\$932,176.00	\$597,087.00	\$148,002.00	\$0.00	\$0.00	\$17,800.00
16	Creston	Town	AKBLG	Private	5,000 - 14,999	\$15,000.00	\$25,000.00	\$35,900.00	\$0.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	<ul> <li>North Okanagan</li> </ul>	Regional District	SILGA	None	15,000 - 49,999	\$0.00	\$0.00	\$87,729.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	Chilliwack	City	LMLGA	Both	50,000 - 99,999	\$0.00	\$1,000.00	\$133,000.00	\$0.00	\$131,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0D
19	Coguitlam	City	LMLGA	None	Over 100,000	\$29,000.00	\$0.00	\$904,000.00	\$0.00	\$459,000.00	\$300.00	\$149,300.00	\$0.00	\$0.00	\$0.00	\$0.00
20	Burnaby	City	LMLGA	Public	Over 100,000	\$17,500.00	\$17,500.00	\$66,040.00	\$0.00	\$22,350.00	\$22,350.00	\$22,350.00	\$22,350.00	\$0.00	\$0.00	\$0.00
21	. Queen Charlotte	Village	AVICC	Public	Under 5,000	\$750.00	\$0.00	\$1,100.00	\$0.00	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00
22	Vancouver	City	LMLGA	Both	Over 100,000	\$2,193,500.00	\$274,700.00	\$361,800.00	\$0.00	\$1,488,000.00	\$41,000.00	\$3,223,000.00	\$0.00	\$0.00	\$0.0D	\$0.00
23	Vanderhoof	District	NCLGA	Public	Under 5,000	\$3,500.00	\$0.00	\$900.00	\$0.00	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,350.38
24	North Cowichan	District	AVICC	Both	15,000 - 49,999	\$18,000.00	\$0.00	\$22,000.00	\$0.00	\$4,500.00	\$0.00	\$141,382.00	\$0.00	\$0.00	\$0.00	\$0.00
25	gathet	Regional District	AVICC	Both	5,000 - 14,999	\$19,423.00	\$0.00	\$22,054.00	\$0.00	\$0.00	\$0,00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
26	Victoria	City	AVICC	Private	50,000 - 99,999	\$94,000.00	\$0.00	\$135,000.00	\$0.00	\$138,000.00	\$0.00	\$156,000.00	\$0.00	\$0.00	\$0.00	\$0.00
27	Invermere	District	· AKBLG	Private	Under 5,000	\$3,270.00	\$9,000.00	\$9,375.00	\$0.00	\$600.00	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00
28	Tofino	District	AVICC	Private	Under 5,000	\$24,064.88	\$0.00	\$11,562.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
29	Montrose	Village	AKBLG	None	Under 5,000	\$1,800.00	\$0.00	\$200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0D
30	Langley	City	LMLGA	None	15,000 - 49,999	\$4,000.00	\$0.00	\$24,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31	Valemount	Village	NCLGA	Both	Under 5,000	\$3,400.00	\$0.00	\$4,135.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0D
32	New Westminster	City	LMLGA	Both	50,000 - 99,999	\$0.00	\$5,615.00	\$218,450.00	\$0.00	\$25,800.00	\$0.00	\$0.00	\$550.00	\$0.00	\$0.00	\$0.00
33	Nelson	City	AKBLG	Private	5,000 - 14,999	\$4,000.00	\$0.00	\$72,594.00	\$0.00	\$15,000.00	\$0.00	\$125,200.00	\$0.00	\$0.00	\$0.00	\$0.00
34	<ul> <li>View Royal</li> </ul>	Town	AVICC	None	5,000 - 14,999	\$0.00	\$0.00	\$38,725.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0D	\$0.00	\$0.00
					TOTAL	\$2,924,619.32	\$381,953.00	\$3,037,872.60	\$0.00	\$3,019,609.00	\$1,029,890.00	\$5,203,325.00	\$174,892.00	\$0.00	\$0.00	\$161,246.66
					AVG	\$86,018.22	\$11,233.91	\$89,349.19	\$0.00	\$88,812.03	\$30,290.88	\$153,038.97	\$5,143.88	\$0.00	\$0.00	\$4,742.55
					% of Total Costs	18.36%	2.40%	19.07%	0.00%	18.95%	6.46%	32.66%	1.10%	0,00%	0.00%	1.01%

-						General Government	vernment	Develop. Serv.	Develop. Serv. HIth, Soc., Hous.	4	Protective Services	2	Solid Waste	Trans. & Transit Airport Services	Airport Services	Other
	Local Government	Type of LG	Region	Retail	Population	Mun Admin & S	HR / Lab. Rel.	Plan. / Zon.	Housing	Enforcement	Fire & Emerg.	Policing	Solid Waste	Transit	Airport Serv.	Specify
7	North Vancouver	City	LMLGA	Both	50,000 - 99,999	\$4,100.00	\$0.00	\$10,000.00	\$0.00	\$71,300.00	\$26,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	Prince George	City	NCLGA	Both	50,000 - 99,999	\$10,000.00	\$27,304.00	\$33,000.00	\$0.00	\$64,363.00	\$0.00	\$328,706.00	\$0.00	\$0.00	\$0.00	\$0.0D
9	Kamloops	City	SILGA	Both	50,000 - 99,999	\$0.00	\$0.00	\$236,200.00	\$0.00	\$0.00	\$0.00	\$44,000.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Fort St. John	City	NCLGA	Both	15,000 - 49,999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$375,982.00	\$0.00	\$0.00	\$0.00	\$0.0D
80	Alberni-Clayoquot	Regional District	AVICC	Both	5,000 - 14,999	\$24,000.00	\$0.00	\$91,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
٩	East Kootenay	Regional District	AKBLG	Private	15,000 - 49,999	\$0.00	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10	Abbotsford	City	LMLGA	Public	Over 100,000	\$13,328.00	\$1,000.00	\$76,490.00	\$0.00	\$6,500.00	\$5,500.00	\$40,108.00	\$0.00	\$0.00	\$0.00	\$134,796.28
11	Cranbrook	City	AKBLG	Private	15,000 - 49,999	\$2,400.00	\$0.00	\$7,700.00	\$0.00	\$0.00	\$210.00	\$210.00	\$0.00	\$0.00	\$0.00	\$0.00
13	Enderby	City	SILGA	Private	Under 5,000	\$4,253.44	\$1,642.00	\$14,974.00	\$0.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16	Creston	Town	AKBLG	Private	5,000 - 14,999	\$15,000.00	\$25,000.00	\$35,900.00	\$0.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	Chilliwack	City	LMLGA	Both	50,000 - 99,999	\$0.00	\$1,000.00	\$133,000.00	\$0.00	\$131,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
20	Burnaby	City	LMLGA	Public	Over 100,000	\$17,500.00	\$17,500.00	\$66,040.00	\$0.00	\$22,350.00	\$22,350.00	\$22,350.00	\$22,350.00	\$0.00	\$0.00	\$0.00
21	Queen Charlotte	Village	AVICC	Public	Under 5,000	\$750.00	\$0.00	\$1,100.00	\$0.00	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00
22	Vancouver	City	LMLGA	Both	Over 100,000	\$2,193,500.00	\$274,700.00	\$361,800.00	\$0.00	\$1,488,000.00	\$41,000.00	\$3,223,000.00	\$0.00	\$0.00	\$0.00	\$0.0D
53	Vanderhoof	District	NCLGA	Public	Under 5,000	\$3,500.00	\$0.00	\$900.00	\$0.00	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,350.38
24	North Cowichan	District	AVICC	Both	15,000 - 49,999	\$18,000.00	\$0.00	\$22,000.00	\$0,00	\$4,500.00	\$0.00	\$141,382.00	\$0.00	\$0.00	\$0.00	\$0.00
25	qathet	Regional District	AVICC	Both	5,000 - 14,999	\$19,423.00	\$0.00	\$22,054.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
26	Victoria	City	AVICC	Private	50,000 - 99,999	\$94,000.00	\$0.00	\$135,000.00	\$0.00	\$138,000.00	\$0.00	\$156,000.00	\$0.00	\$0.00	\$0.00	\$0.00
27	Invermere	District	AKBLG	Private	Under 5,000	\$3,270.00	\$9,000.00	\$9,375.00	\$0.00	\$600.00	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00
28	Tofino	District	AVICC	Private	Under 5,000	\$24,064.88	\$0.00	\$11,562.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31	Valemount	Village	NCLGA	Both	Under 5,000	\$3,400.00	\$0.00	\$4,135.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
32	New Westminster	City	LMLGA	Both	50,000 - 99,999	\$0.00	\$5,615.00	\$218,450.00	\$0.00	\$25,800.00	\$0.00	\$0.00	\$550.00	\$0.00	\$0.00	\$0.00
33	Nelson	City	AKBLG	Private	5,000 - 14,999	\$4,000.00	\$0.00	\$72,594.00	\$0.00	\$15,000.00	\$0.00	\$125,200.00	\$0.00	\$0.0D	\$0.00	\$0.00
					TOTAL	\$2,454,489.32	\$362,761.00	\$1,564,274.47	\$0.00	\$1,988,563.00	\$96,460.00	\$4,456,938.00	\$22,900.00	\$0.0D	\$0.00	\$139,146.66
					AVG	\$106,716.93	\$15,772.22	\$68,011.93	\$0.00	\$86,459.26	\$4,193.91	\$193,779.91	\$995.65	\$0.00	\$0.00	\$6,049.85
					% of Total Costs	22.14%	3.27%	14.11%	0.00%	17.94%	0.87%	40.20%	0.21%	0.00%	0.00%	1.26%

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ł						General Government	vernment	Develop. Serv.	Develop. Serv. [Hith, Soc., Hous.]	d	Protective Services		Solid Waste	Trans. & Transit	Trans. & Transit Airport Services	Other
-	Local Government Tvpe of LG	Type of LG	Region	Retail	Population	Mun Admin & S	HR / Lab. Rel.	Plan. / Zon.	Housing	Enforcement	Inforcement Five & Emerg.	Policing	Solid Waste	Transit	Airport Serv.	Specify
1.	Fraser-Fort George Regional District	Regional District	NCLGA	None	15,000 - 49,999	\$0.00		\$23,555.00	00'0\$	\$24,000.00	\$0.00	\$0.00	\$0.00	\$0.00	00'0\$	\$0.00
	Kent	District	LMLGA	None	5,000 - 14,999	\$289,000.00	\$0.00	\$218,000.00	\$0.00	\$241,000.00	\$0.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$0.00
	Pitt Meadows	City	LMLGA	None	15,000 - 49,999	\$70,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12	Armstrong	City	SILGA	None	5,000 - 14,999		\$0.00	\$11,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14	Comox Vallev	Regional District	AVICC	None	15,000 - 49,999	\$6,330.00	\$19,192.00	\$34,192.00	\$0.00	\$7,130.00	\$954.00	\$0.00	00.066\$	\$0.00	\$0.00	\$4,300.00
15	Richmond	City	LMLGA	None	Over 100,000		\$0.00	\$131,597.00	\$0.00	\$299,916.00	\$932,176.00	\$597,087.00	\$148,002.00	\$0.00	\$0.00	\$17,800.00
1	North Okanagan	Regional District	SILGA	None	15,000 - 49,999		\$0.00	\$87,729.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
19	Coduitlam	City	LMLGA	None	Over 100,000		\$0.00	\$904,000.00	\$0.00	\$459,000.00	\$300.00	\$149,300.00	\$0.00	\$0.00	\$0.00	\$0.00
29	Montrose	Village	AKBLG	None	Under 5,000	\$1,800.00	\$0.00	\$200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
õ	Langlev	City	LMLGA	None	15,000 - 49,999	\$4,000.00	\$0.00	\$24,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
34	View Roval	Town	AVICC	None	5,000 - 14,999	\$0.D0	\$0.00	\$38,725.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0D
					TOTAL	\$470,130.00	\$19,192.00	\$1,473,598.13	\$0.00	\$1,031,046.00	\$933,430.00	\$746,387.00	\$151,992.00	\$0.00	\$0.00	\$22,100.00
					AVG	\$42,739.09	\$564.47	\$43,341.12	\$0.00	\$30,324.88	\$27,453.82	\$21,952.56	\$4,470.35	\$0.00	\$0.00	\$650.00
					% of Total Casts	9 70%	0 40%	30.40%	0.00%	21.27%	19.25%	15.40%	3.14%	0.00%	0.00%	0.46%

UNION OF BRITISH COLUMBIA MUNICIPALITIES INCREMENTAL COSTS ASSOCIATED WITH CANNABIS LEGALIZATION FOR THE YEARS 2018 - 2020

# PLEASE SEND COMPLETED SURVEYS TO BSIHOTA@UBCM.CA

NAME OF LOCAL GOVERNMENT: POPULATION: RETAIL STORES APPROVAL:

		2018			2019			2020		TO	TOTALS 2018 - 2020	020
	CAPITAL	OPERATING COSTS	VG COSTS	CAPITAL		IG COSTS	CAPITAL	OPERATIN	OPERATING COSTS	CAPITAL	OPERATI	OPERATING COSTS
SERVICE AREA	COSTS	ONE-TIME ONGOING	ONGOING	COSTS	ONE-TIME	ONGOING	COSTS	ONE-TIME	ONE-TIME ONGOING	COSTS	ONE-TIME	ONGOING
GENERAL GOVERNMENT										_		
Municipal Admin and Support											•	5
Human Resources/Labour Relations												•
DEVELOPMENT SERVICES												
Planning / Zoning										5		•
HEALTH, SOCIAL AND HOUSING												
Housing										•	•	
PROTECTIVE SERVICES												
Enforcement Services										5	•	•
Fire and Emergency Services										•	,	
Policing										1	1	,
SOLID WASTE	10-10-0										1	3
TRANSPORTATION AND TRANSIT						-						
Transit					3					E		
										·		•
AIRPORT SERVICES											•	
OTHER SERVICES					j							
Add Service Area Here										1	1	-
Add Service Area Here											-	
Add Service Area Here										1	1	1
Add Service Area Here										1	•	•
SIDED						[						
			-									
		TOTAL 2018	•		TOTAL 2019	'		TOTAL 2020	•	TOT	TOTAL 2018-2020	•

GP - 52