Request for Decision

To: Peter de Verteuil, CAO

Date: July 6, 2015

From: Talitha Soldera, Director of Finance

Re: Request to Open Non-Profit Medical Marijuana Dispensary

RECOMMENDATION:

That the following recommendation be forwarded to Council for approval:

That Council confirm that staff should not approve business licenses for storefront medical marijuana dispensaries unless the Government of Canada amends the legislation prohibiting their operation.

BACKGROUND:

In June of 2013 Health Canada introduced regulations with respect to Marijuana for Medical Purposes. These regulations established a process for people to become licensed producers of medical marijuana and to distribute the product to those with a prescription to use it. At this time, all distribution is supposed to be through secure courier. Storefronts and retail outlets are not permitted.

Despite these restrictions, storefronts are becoming increasingly prevalent throughout British Columbia. The City of Vancouver has chosen to use the business license mechanism as a means of regulating the business activity and ensuring that shops are not too close together and are not in inappropriate locations such as close to schools.

The City of Victoria is considering following the same approach as Vancouver and using bylaw enforcement officers to proactively investigate the sector and force operators to comply with business license regulations.

The federal government has made a statement that storefront sales of marijuana are illegal and will remain illegal.

ANALYSIS:

Over the past few months, staff have received at least three separate requests from people wishing to open a medical marijuana dispensary in the City. Staff seek to confirm that Council does not want to consider permitting storefront sales of medical marijuana at this time.

The City of Vancouver has attempted to establish strict rules and guidelines which must be followed by these businesses, including that applicants must be owners not corporations, are subject to criminal record checks and must meet all the City’s other bylaw requirements.

In the City of Victoria, staff have been asked to draft potential bylaw amendments over the next few months and then a town hall meeting will be held to obtain public feedback on those amendments.
In the case of both the City of Vancouver and the City of Victoria, there are many staff who are devoted to business licensing and bylaw enforcement issues. The City of Duncan has only one part time Bylaw Enforcement Officer and a contract with the Commissionaires for bylaw enforcement. There are no staff who are devoted to business licensing.

The federal government has created extensive security and quality control requirements for licensed producers of medical marijuana. These people are only allowed to dispense certain amounts to certain people, thus any marijuana sold in a storefront dispensary would be grown illegally as well as being sold illegally. The federal regulations aim to treat marijuana like any other narcotic used for medical purposes by creating conditions.

**IMPLICATIONS:**

Financial: n/a
Policy: n/a
Strategic Priorities: n/a
Sustainability: n/a

Respectfully submitted,

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Talitha Soldera, Director of Finance