

CANNABIS LEGALIZATION: AMO UPDATE AND LONG-TERM CONSIDERATIONS

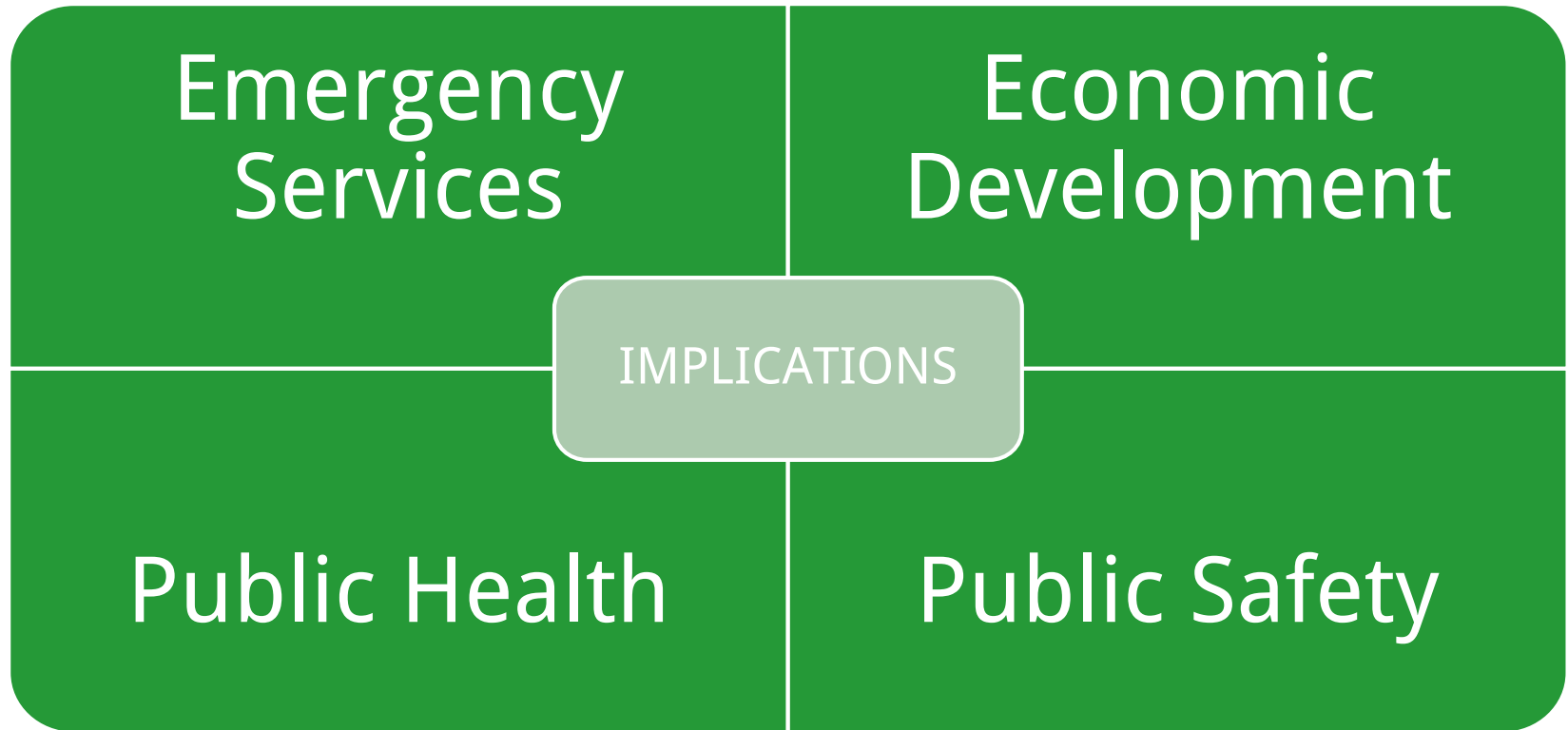
CONTEXT

- Canada is legalizing and regulating cannabis subject to licensed production, personal possession and growing limits, and age restrictions
- Provinces and territories will determine their own distribution systems and the Federal Excise Tax Duty will be shared 25/75 F-P/T
- Government of Ontario's approach to cannabis legalization includes:
 - The Ontario Cannabis Retail Corporation (Ontario Cannabis Store) monopoly over cannabis retail and distribution
 - 40 – 150 storefront locations determined in collaboration with Ontario's municipal governments.
 - Online retail available throughout Ontario.
- Legal age increased to 19.

CONTEXT

- Consumption permitted in private residences - prohibition on cannabis consumption in public spaces, workplaces, and in motorized vehicles (unless stationary and used as a residence).
- Youth diversion – alternatives to traditional justice system.
- The closure of illegal dispensaries in collaboration with municipal governments.
- Penalties and fines for drugged driving, illegal distribution, public use, etc.
- Consultation on allowing consumption venues.
- Providing a share of excise duty revenues to municipalities (slide 7)

MUNICIPAL INTERESTS AND IMPLICATIONS



ROLE BY JURISDICTION

Federal Government	Provincial Government	Municipal Governments
<ul style="list-style-type: none"> • Amendments to criminal law (cannabis legalization) • Cannabis production (licensing of suppliers) • Online mail-delivery system in P/Ts that do not set up a retail and distribution regime in time for legalization • Taxation/revenue • Public Education and Awareness • Continued oversight over the medical marijuana regime • International agreements 	<ul style="list-style-type: none"> • Amendments to provincial offences • Retail and Distribution • Rules and parameters for use and safe driving • Coordinating enforcement/enforcement training • Public Education and Awareness • Taxation/revenue • Public health policy and health care • Schools and curriculum and youth justice • Workplace safety 	<ul style="list-style-type: none"> • Siting of storefronts (in collaboration with the province) • Enforcement (police, by-law, possibly public health) • Driving, storefronts, illegal use and nuisance complaints, personal growing, etc. • Paramedic services • Places of Use (possible role for municipal licensing?) • Workplace safety as an employer • Role in promoting economic development as the market broadens • Planning and service for growing facilities

AMO POLICY ADVOCACY POSITION

Since August 2016, AMO has engaged with the Province to advance municipal interests in cannabis legalization, including at the staff and political level, through the AMO Marijuana Legalization Taskforce, Board and other groups.

Throughout, AMO has recommended that to be a success, legalization must benefit communities as well as individuals:

- Strong municipal voice in cannabis legalization as impacts will be felt locally;
- Municipal costs must be fully funded
- Training/resource supports/authorities must be provided to enable municipal front line worker role (e.g. police, bylaw; public health);
- A portion of cannabis related taxes revenues should be dedicated to municipal needs (costs and community development benefits from legalization)

AMO POLICY ADVOCACY POSITION CONTINUED

Since August 2016, AMO has engaged with the Province to advance municipal interests in cannabis legalization, including at the staff and political level, through the AMO Marijuana Legalization Taskforce, Board and other groups.

Throughout, AMO has recommended that to be a success, legalization must benefit communities as well as individuals:

- Municipal voice in the siting of retail venues to address community needs;
- Evolutionary approach to enable the broadening of the legal market (once stabilized)
- Municipal role in promoting economic development opportunities arising from cannabis legalization (e.g. agricultural/processing sectors, consumption venues, private retailers)
- Need for more research moving forward to ensure evidence-based decision-making and public education

MUNICIPAL IMPACT AREAS (NEW/INCREMENTAL PRESSURES)

- Policing Services
 - Driving enforcement – road safety
 - Roadside drug use detection
 - Officer screening and expert recognition
 - Roadside testing when available
 - Illegal market enforcement
 - Illegal growing and use complaints
- By-law officers may, when designated, have a role in public consumption complaints
 - Consumption venue licensing and enforcement (if allowed)
- Paramedic services – distressed user response – esp. edibles (homemade or when commercially available)

MUNICIPAL IMPACT AREAS (NEW/INCREMENTAL PRESSURES) CONTINUED

- Public health – usage enforcement and safety programming
- POA Courts – operations for driving and illegal market charges
– revenues are municipal
- Community Development – High youth usage (25%) could require better skills building and engagement in communities
– Long-term

MUNICIPAL PORTION OF ONTARIO SHARE OF FEDERAL CANNABIS EXCISE DUTY

- On March 9th, the Minister of Finance announced \$40 million in funding for the first two years of legal cannabis implementation. If Ontario's excise duty revenues exceed \$100 million in that time, the revenue will be shared 50/50.
- Unclear/lack of solid information on service impacts to municipalities
- Municipal cost avoidance: police training & certification supports; Ontario Police Cannabis Coordination Centre; Public Health information campaign; RCMP Cannabis law information and training for police

MUNICIPAL PORTION OF ONTARIO SHARE OF FEDERAL CANNABIS EXCISE DUTY CONTINUED

- The \$40 million funds will support all municipalities to help manage the transition to legal cannabis and help with incremental costs for service demands such as enforcement, local public health, paramedic, etc.
- 50/50 Upper and Lower Tier split, unless agreed otherwise
- Half of funds will flow following Royal Assent of the federal Bill and before legalization date
- Provided on a per household basis, with a \$10,000 minimum provided
- Ontario and municipal governments will collect data on eligible areas and service demands to establish baseline needs – without significant administrative burden
- Agreed that Ontario & AMO should discuss longer term needs in preparation for renewal of the F/P/T Excise Duty Agreement

LONG-TERM CONSIDERATIONS

- The municipal portion of the Ontario Excise Duty establishes a starting point to realize fully funded impacts and in the longer term AMO believes there is a case to be made for revenues to support community development needs, especially for youth
- Canadian youth use cannabis at the highest rates in the world (25%). Regulation will make access for youth more difficult – removing the product, but not underlying causes
- Some international jurisdictions have successfully reduced youth drinking and drug use (from nearly 50% to under 10% in some cases) with approaches that include community recreation and other programs to build capacity

LONG-TERM CONSIDERATIONS CONTINUED

- AMO's longer-term support for more private market involvement when appropriate, could also help to increase local business development and economic opportunities – this could contribute to more municipal enforcement and regulatory work
- Current production facilities are growing and this is adding jobs and repurposing former industrial sites and greenhouses