
REPORT TO COUNCIL

DATE: August 29, 2018 **REPORT NO.:** 18-145

SUBMITTED BY: Cindy Fisher **FILE NO.:** Bylaw & 1-1-9
Deputy Corporate Officer

SUBJECT: Cannabis Application Fees and Policy

PURPOSE

To request Council's approval of proposed fees and procedures for cannabis applications.

ANTICIPATED OUTCOMES

Fees will be established for Cannabis Retail Store applications and a policy will be adopted for Liquor and Cannabis Applications.

SUMMARY/BACKGROUND

The Government of Canada has announced that non-medical cannabis will become legal on October 17, 2018. The BC Liquor and Cannabis Regulation Branch (LCRB) is now accepting applications for private, non-medical cannabis retail store licences through the cannabis licensing application portal at <https://justice.gov.bc.ca/cannabislicensing/>.

When a cannabis application is received by the LCRB, the LCRB will notify the local government where the proposed store will be located. A licence for a cannabis retail store will not be issued without a positive recommendation from a local government. If a response is not received, LCRB will not consider the application any further. Local governments can:

1. choose not to make any recommendation in respect of the application (Note: this would end a cannabis licence application in progress because the LCRB cannot issue a licence unless the local government gives the LCRB a positive recommendation that the licence be issued.)
2. choose to make comments and recommendations in respect of an application for a cannabis retail store licence. Note: If the local government:
 - o chooses to provide comments and make a recommendation on the application, it must first gather the views of residents
 - o makes a recommendation to deny the application, the LCRB may not issue the licence
 - o makes a recommendation in favour of the application, then the LCRB has discretion whether or not to issue the licence, but must consider the local government's recommendation.

Liquor primary licence applications are currently presented to Council for consideration after the

views of residents are gathered by way of a notice in the paper and delivery of notices to property owners within 30 metres of the subject property (this distance was chosen by staff to be consistent with development applications). Unless directed otherwise, staff is preparing to treat cannabis retail store licences in the same manner.

In a recent Legal Edge Article by National Education Consulting Inc. (NECI), “even if a local government does engage with assessing applications, it is exposed to increased legal risk if that assessment is ad hoc rather than pursuant to a considered policy”. Creation of a policy will ensure that all applicants are treated equally and staff is aware of Council’s preference when processing these applications.

ALTERNATIVES

1. Council may wish to propose alternate fees.
2. Council may direct staff to process cannabis licence applications in a different manner than liquor licence applications.

IMPLICATIONS

- (1) Social** If the local government decides to consider the notice of application and to provide comments and recommendations as to the location of the proposed retail store, it must gather the views of residents of the area if the location of the proposed store may affect nearby residents.
- (2) Environmental** N/A
- (3) Personnel** The Development Services Manager and the Deputy Corporate Officer oversee the process involved in liquor licence applications and will also be responsible for overseeing the process for cannabis retail store licences.
- (4) Financial** Staff time involved in processing liquor licences is estimated at approximately \$265.00. The costs incurred for cannabis retail store licences will be the same if the same procedure is followed.
- The current application fee for liquor licences is \$100 plus advertising costs. The recommendation reflects the same fee for cannabis applications as revenue from the Cannabis Excise Tax Revenue Sharing is unknown at this time. It is also recommended that staff review the costs related to these licenses to determine if the fee is appropriate after a year, similar to the business licence fees.
- (5) Risk Assessment** Compliance: *Community Charter* and Fees and Charges Bylaw.
- Risk Impact: Low.
- Internal Control Process: The Administration Department has checklists in place to ensure bylaws and policies meet current legislation and are tracked accurately.

GUIDING PRINCIPLES

Trust and Integrity – We will have a reputation for acting with integrity and will earn the trust of our stakeholders by communicating with care and respect and sharing information in timely and comprehensive ways.

STRATEGIC PRIORITIES N/A

IMPLEMENTATION/COMMUNICATION

If approved, staff will prepare a Liquor and Cannabis Licence Application Policy and a Fees and Charges Amendment Bylaw for Council’s consideration.

RECOMMENDATION

That Report No. 18-145 from the Deputy Corporate Officer re: Cannabis Application Fees and Policy be received; further, that the fee for cannabis retail store licence applications be set at \$100 plus advertising costs; and further, that staff be directed to prepare a Liquor and Cannabis Licence Application Policy and a Fees and Charges Amendment Bylaw for Council’s consideration.

Respectfully submitted,

ORIGINAL SIGNED BY

Cindy Fisher
Deputy Corporate Officer

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APPROVED FOR AGENDA BY CAO