To build a common understanding of the role of local government in the transition and legalization of cannabis in the Regional District of Central Kootenay (RDCK). The RDCK includes eleven rural electoral areas and nine municipalities representing over 60,000 residents.
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Legal Framework for Cannabis in Canada

- Cannabis was added to the Confidential Restricted List in 1923 under the Narcotics Drug Act Amendment Bill – use for recreational purposes peaked in the 1960s and again in the 1990s
- 1999 Section 56 Exemptions under the Controlled Drugs and Substances Act
- 2001 Marihuana Medical Access Regulations (MMAR)
- 2013 Marihuana for Medical Purposes Regulation (MMPR)
- 2016 Access to Cannabis for Medical Purposes Regulations (ACMPR)
- 2018 Pending Cannabis Act
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Cannabis Industry in Central Kootenay

- Cannabis cultivation in the Kootenay region was largely initiated in the 1960s as a result of the boom and bust associated with resource based economies and a ready market south of the border.
- Economic value of cannabis to the Kootenay region (including all 3 Regional Districts) from 2000-2005 was estimated to be up to 20% (some say closer to 30%) or approximately 2,000 producers based on regional economic analysis in 2010.
- The Fraser Institute estimated closer to 700 producers in a study conducted in 2004 (difficulty in estimating economic value in grey/black market).
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Cannabis Industry in Central Kootenay

- Economic dependence on the Cannabis industry varies sub-regionally with high dependency rates in areas such as the Slocan Valley, Rural Nakusp, North Kootenay Lake and Salmo
- Outdoor cultivation historically widespread in the Kootenay region but has been reduced significantly since 2010 by an estimated 80% due to changing market preferences and a reduced market south of the border following legalization.
- Indoor cultivation under Personal and Designated Person Production Licenses estimated at 15,000 nationally with 4,500 licensed growers in BC (highest per capita of all Provinces and Territories)
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Cannabis Industry in Central Kootenay

- Indoor production facilities – the majority under ‘Designated Person Production Licenses’ under the now defunct MMAR accounts for up to 40% of BC’s total production (the majority of cultivators in the RDCK) - over production and supply is directed to retailers or out of Province (exported)
- One Licensed Producer in West Creston
- Storefront Retailers – Six in Nelson, one in Rural Creston and two proposed for Salmo and Kaslo
- Cannabis industry in RDCK largely decentralized small producers or ‘craft industry’ and licensing requirements have led to uncertainty as to competitive advantage in emerging market
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### Access to Cannabis for Medical Purposes Regulation

- Local government notified by Licensed Producers and facilities are subject to local government land use regulations
- Enabled on Agricultural and Industrial zoned properties throughout the RDCK
- Local government is not required to be notified for individuals with a ‘registration certificate’ intended for personal and designated cultivation but law enforcement is provided the location and maximum limits of production
- Local government may be involved with Building Code requirements to ensure safe building standards are followed
ROLE OF LOCAL GOVERNMENT IN CANNABIS INDUSTRY

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Cannabis Act for Retail for Medical and Non-Medical Purposes

- Licensed producers will not be enabled to have farm gate sales – distribution will be through LCRB
- Sale for Medical Purposes will continue to be direct to registered clients through secure delivery by mail or courier
- Sale of cannabis products for Recreational Purposes will be through private and public retailers through licensing with LCRB
- Current retailers will not be ‘grandfathered’ and are subject to the same requirements as new applicants
- Retailers will be subject to local land use regulations and business licensing
To build a common understanding of the role of local government in the transition and legalization of cannabis in the Regional District of Central Kootenay (RDCK). The RDCK includes eleven rural electoral areas and nine municipalities representing over 60,000 residents.

Cannabis Act for Retail for Medical and Non-Medical Purposes

- Province will be prioritizing licensing for stand alone cannabis retail stores and will consider rural and remote licensing or ‘rural agency stores’ at a later date
- LCRB will notify local governments of an application. A local government can:
  - Choose not to make any recommendations with respect to an application (this would result in the application not being issued)
  - Choose to provide comment and recommendation (this requires community consultation)
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Cannabis Act for Retail for Medical and Non-Medical Purposes

- Local governments are enabled to impose restrictions on non-medical retail sales through land use regulation (zoning) or business licensing (not applicable in the RDCK) and are able to impose a fee to cover the associated costs of assessing an application (public notification, public hearing, referendum or other method).
- There are five (5) zoning bylaws in the RDCK applicable to Areas A, B, C, D, F, G, I, J and K
  - Proposed as a permitted use under ‘Retail Sales’ in Neighborhood Commercial (C1), Town-site Commercial (C1) and General Commercial (C1 or C2) similar to liquor sales.
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Cannabis Act for Retail for Medical and Non-Medical Purposes

- Considerations
  - How to enable ‘Rural Agency Stores’ for joint liquor and cannabis sales in remote communities
  - Locational considerations for siting in proximity to schools or community halls
  - Anticipated costs to local government to provide community notification and compile community feedback
To build a common understanding of the role of local government in the transition and legalization of cannabis in the Regional District of Central Kootenay (RDCK). The RDCK includes eleven rural electoral areas and nine municipalities representing over 60,000 residents.
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Cannabis Act for Cultivation for Medical and Non-Medical Purposes

- Licensed production through Standard Cultivation, Micro Cultivation, Industrial Hemp and Nursery licensing through Cannabis Legalization and Regulation Branch (CLRB)
- Will allow both the import and export of medical cannabis with other countries that also permit the activity
- Will permit both indoor (greenhouse, warehouse) and outdoor (farming) cultivation
- Required to adhere to Good Production Practices to pass analytical testing
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**Cannabis Act for Cultivation for Medical and Non-Medical Purposes**

- **Micro Cultivation**
  - Permits 200 square metres (2152 square feet) of canopy space either indoors (greenhouse or warehouse) or outdoors (farmed) – new applicants permitted ‘unique genetics’
  - One license permitted per parcel
  - Can sell wholesale (third party), direct sales to provincial distributor (LCRB), other processors or direct to medical patients
  - Application to Health Canada requires notification to local government
  - Building must be constructed prior to issuance of a license
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Cannabis Act for Cultivation for Medical and Non-Medical Purposes

- **Standard Cultivation**
  - Permits more than 200 square metres (2152 square feet) of canopy space either indoors (greenhouse or warehouse) or outdoors (farmed) - new applicants permitted ‘unique genetics’
  - Can apply for multitude of licensing (processing, analytical testing, research and development, nursery)
  - Can sell wholesale (third party), direct sales to provincial distributor (LCRB), other processors or direct to medical patients (if licensed)
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Cannabis Act for Cultivation for Medical and Non-Medical Purposes

- **Nursery**
  - Authorizes the cultivation of genetics (cannabis and hemp) for the production of seeds, seedlings and clones - new applicants permitted ‘unique genetics’
  - Can be sold to any other type of license holder
  - Cultivation can be either indoors (greenhouse or warehouse) or outdoors (farmed)
  - Canopy space limited to 50 square metres (538 square feet) – does not permit cultivation of finished product (dried flower)
  - Nursery producers will only be permitted up to 5 kg of dried flower at any given time.
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Cannabis Act for Cultivation for Medical and Non-Medical Purposes

- Outdoor Hemp
  - Legalized in 1998 but had limitations placed on production
  - Maximum THC content of 0.3% grown for seed or fibre
  - Waste product will be enabled for distribution to licensed processors for cannabidoil (CBD) for use in cosmetics (and potentially concentrates) currently industry imports this product from out of country
  - Note that this type of application does not require notification to local government
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### Cannabis Act for Cultivation for Medical and Non-Medical Purposes

- Local governments provided Notice of Application
- Applications must adhere to local government land use regulations
- Currently LPs can not be authorized on lands in which there is residential occupancy – this may change for those pursuing micro-cultivation or nursery licensing
- Cultivation currently permitted on lands designated as ‘Agriculture’ and considered a ‘farm use’ on lands within the Agricultural Land Reserve (ALR) – if soil based (as of July 13, 2018)
To build a common understanding of the role of local government in the transition and legalization of cannabis in the Regional District of Central Kootenay (RDCK). The RDCK includes eleven rural electoral areas and nine municipalities representing over 60,000 residents.

Cannabis Act for Cultivation for Medical and Non-Medical Purposes

- Considerations
  - Nurseries, greenhouses and horticulture are a permitted use in Agricultural, Commercial and Residential zones throughout the RDCK.
  - Could nursery and micro-cultivation licensing be accommodated as an ‘accessory use’ due to the limited scale associated with this license type?
  - Changes to the ALR Regulation on July 13th stipulates cultivation considered a ‘farm use’ only if soil based (outdoors or soil based indoors).
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Cannabis Act for Processing for Medical and Non-Medical Purposes

- Authorizes the extraction of cannabis oil
- Micro Processing
  - Permitted to process up to 600 kg of dried flower annually
- Standard Processing
  - No limitation on the amount of dried flower processed annually
- Licensing can be stand alone or in conjunction with cultivation licensing
- Notification to local government and application requirements similar to cultivation licensing
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Cannabis Act for Processing for Medical and Non-Medical Purposes

• Considerations

  • Anticipated that the majority of processing will be conducted as an ‘accessory use’ to standard and micro cultivation
  • Stand alone licensing currently permitted on lands designated as ‘industrial’
  • Can include use of chemicals and flammable materials such as ‘butane’
  • Appropriate setbacks from adjacent properties and spatial separation between proposed facilities and other structures
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Cannabis Act for Edibles for Medical and Non-Medical Purposes

- Includes cannabis-infused food and drink products
- Regulations currently under development
- Anticipated to fall within Micro and Standard Processing Licenses
- Some companies pursuing Research and Development Licenses to allow for product development
- Considerations
  - Enable under small scale food processing as an accessory use to ‘agriculture’ or ‘horticulture’
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WORK SHOP FORMAT

1. Participants will be asked to break into working groups of 8 to 10 persons (there may be multiple groups based on number of participants).
2. Each TABLE will be provided a TOPIC and a series of QUESTIONS for guidance.
3. Each TABLE will choose a RECORDER and a SPEAKER.
4. The RECORDER will take notes on the discussion.
5. The SPEAKER will remain at the table and provide a short summary to the next group of participants at the table.
6. As participants move from TABLE to TABLE they will add to the previous discussion and pick a new RECORDER.
7. You will spend approximately 20 minutes at each TOPIC.
8. A summary for all TOPICS will be provided at the end.