



RETAIL SALE OF CANNABIS FREQUENTLY ASKED QUESTIONS

As of October 17th, 2018, the use of recreational marijuana is legal in Canada, as per Federal regulation. In preparation each Province has come up with their own legal framework to manage cannabis distribution and sales, and municipalities are now doing the same.

What Provincial legislation exists to regulate cannabis? In BC, there are two main pieces of Provincial legislation that have been put into place:

- **The Cannabis Control and Licensing Act:** This legislation sets minimum sale age, regulates smoking in public areas, sets possession limits, establishes the licensing regime, provides enforcement authority, and amends other relevant legislation like the Residential Tenancy Act, Motor Vehicle Act, and others.
- **The Cannabis Distribution Act:** This Act establishes a public wholesale distribution monopoly; and Public (government-run) retail sales, both in stores and online.

Although municipalities may ban retail sale of cannabis through establishing it as a non-permitted use in the local Zoning Bylaw, if cannabis retail sale is permitted, municipal policy *must be in line* with these existing Provincial regulations. For instance, Hours of Operation may not exceed those set out by Provincial statute.

Who oversees licensing of retail cannabis operations? Licensing is done at the Provincial level. Regulation of cannabis sales has been combined with the existing liquor control branch, now called the Liquor and Cannabis Regulation Branch (LCRB). The City, meanwhile, oversees the regulation of local business licences and other local regulations, which may impose additional conditions on retailers.

What is required before opening a cannabis retail store? Aside from applicant's individual requirements to ensure a business plan and financial resources are in place, the first step is an application to the LCRB. The application requires a criminal record check, proposed location identification, site security plan, Provincial application fee payment, and provision of information showing the applicant's financial integrity. If the application satisfies the LCRB, it will be forwarded to the municipality for local consideration. In Prince Rupert, municipal consideration of the application will look to the policy proposed for guidance in assessing applications— *The Council Policy for Consideration of Cannabis Retail Applications*.

What are the City's requirements for an application to be considered? Based on the proposed policy, Council will require an applicant to submit the following:

- Any Land Use amendment that may be necessary. If the Application location does not comply with existing land use regulations, a Zoning Amendment or Development Variance Permit must be successfully obtained before proceeding
- Collection of public feedback (which will be outlined in the policy) in coordination with City staff, to be provided to Council for consideration.
- Business Licence Application, and any requirements and fees therein (*proposed requirements detailed on next page*).

Once the above conditions are met, Council will make a resolution for or against an application, which will be forwarded to the LCRB for consideration. The LCRB has final say on the issuance of the licence.

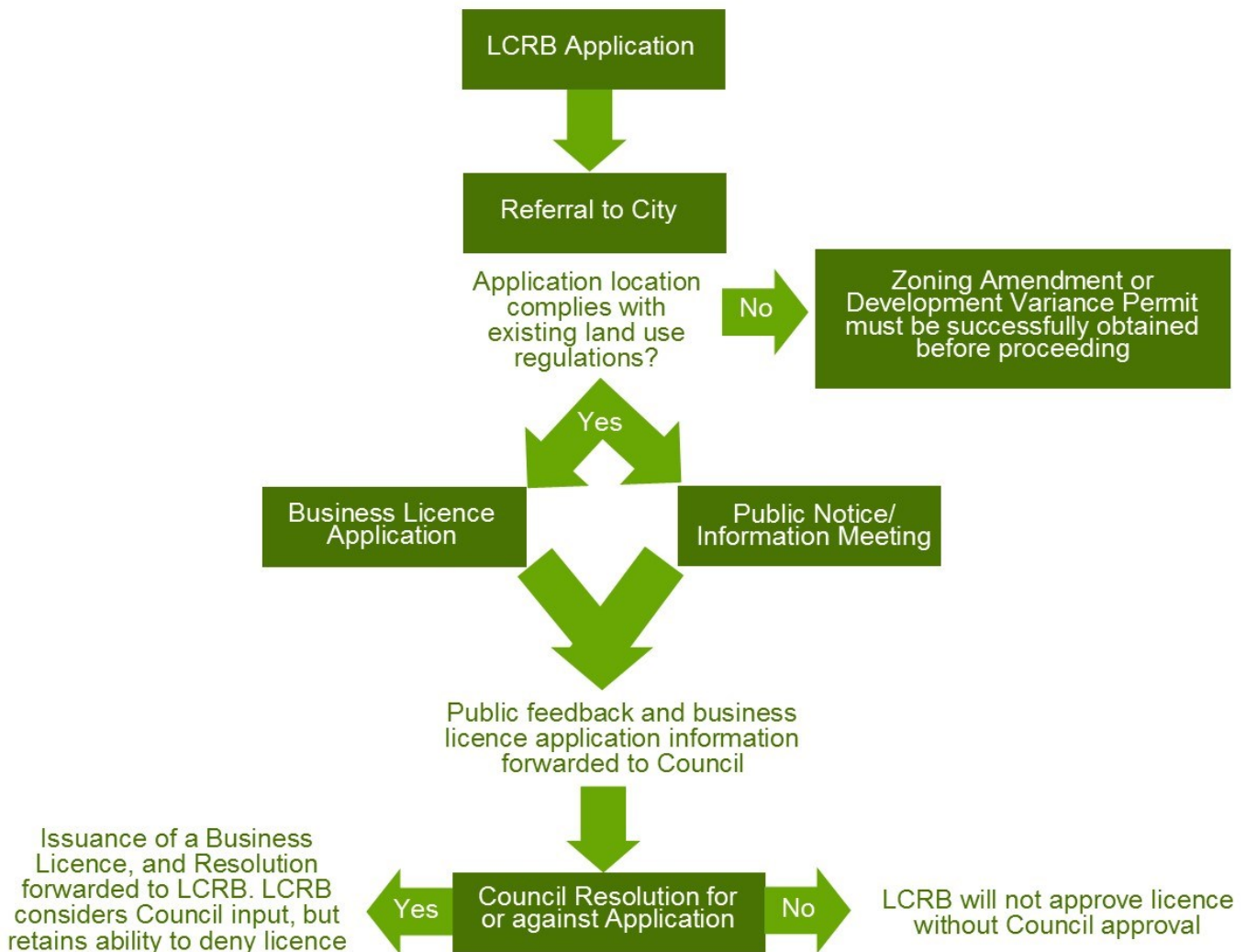




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What are the proposed requirements to obtain a municipal Business Licence? Conditions of a business licence must be met before the application is forwarded to Council for consideration. If the applicant receives a positive recommendation from Council, the City will issue a Business Licence and provide any/all restrictions to the LCRB to ensure local conditions are included in their site inspection (which is a final component in their issuance of a licence). The following requirements are proposed as conditions of the business licence, pending Council review:

- Applicants must provide the City with a copy of the final detailed security plan and obtain written approval for the site security plan from the local RCMP detachment.
- All owners and employees must obtain and provide a criminal record check, and be free of convictions under the Controlled Drugs and Substances Act for a period of 10 years.
- Applicants must obtain written confirmation from the Fire Chief that the premises meet all applicable fire safety regulations.
- All exterior entrances and area surrounding the proposed location must be well lit at all times.
- Operators must not allow persons to consume cannabis or congregate in the vicinity of the store entrances.
- Operators must pay application fee of \$5,000 and annual renewal fees of \$2,500 to the City.
- Operators may not grow cannabis, or offer drive-through or delivery sales at retail locations.

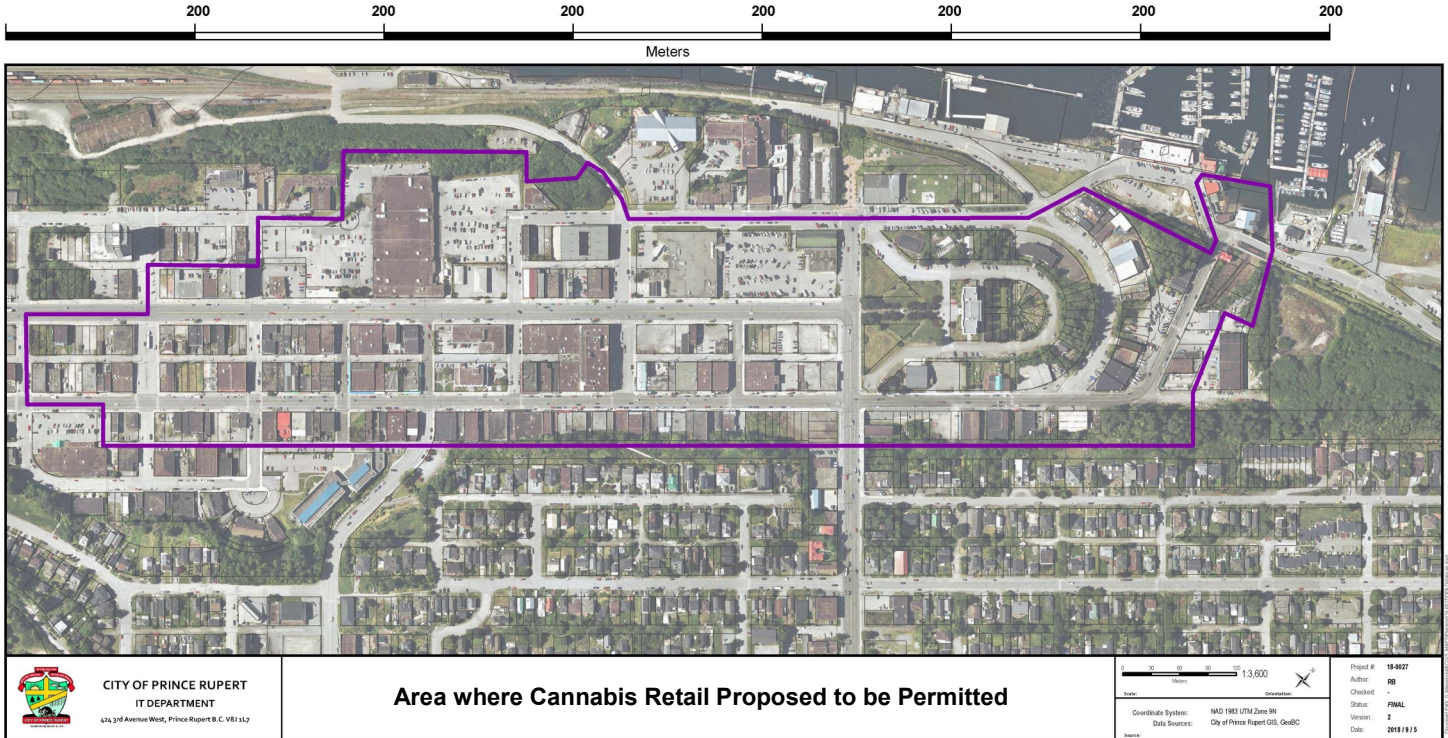




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Can a cannabis retail operation set up in Prince Rupert without municipal approval? No. The Liquor and Cannabis Regulation Branch will not provide a Provincial licence for retail sale without a resolution of support from the local government. In addition, during the municipal referral, a business must also obtain a valid business licence to operate within Prince Rupert and meet all related requirements, and obtain any Land Use amendments or variances, if needed.

Where will cannabis retail stores be permitted? The City is proposing to allow cannabis retail in the area outlined in the map below—in areas of Cow Bay and Downtown.



When and how will businesses in the area be able to voice their opinions and concerns? The City is currently looking for feedback from residents and businesses on the proposed permitted area for cannabis retail, as part of our procedure for amending our Zoning Bylaw to add cannabis retail as a permitted use in the area noted above.

In addition, each time an application is forwarded to Council from the LCRB, as per the proposed *Council Policy for Consideration of Cannabis Retail Applications*, Council will require the applicant to contact all those impacted residences and businesses within a 50 m radius, and to make a newspaper advertisement, with opportunities for public comment. Consideration of each application will occur at a public meeting, and Council will retain the discretion to deny an application based on public, RCMP and staff feedback.

How will cannabis retail businesses be monitored once they are in business? The Liquor and Cannabis Inspector and RCMP will have the discretion to perform random checks on cannabis retail businesses to ensure that all activity on site is legal. The City also has the ability, through our Business Licence Bylaw, to employ Bylaw enforcement or Building/Fire inspections to ensure that conditions of the Business Licence are met.





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How are the Hours of Operation regulated? The Province establishes maximum hours of 9:00 – 23:00. The City is proposing to adopt these hours locally as well.

What fees are associated with the application process?

- The Provincial Application Fee to the LCRB is \$7,500, and there is an annual licence renewal fee.
- Municipal Business Licensing fee—proposed at \$5,000 for initial application (\$500 non-refundable processing fee), and \$2,500 annual fee. If the LCRB Application is unsuccessful, the City is proposing to make \$4,500 of the \$5,000 Business Licence fee refundable.
- Additional costs of criminal records checks for employees, and other costs associated with meeting regulatory standards.

How are Delivery/On-Site Production/Drive-Throughs/Online Sales regulated? These activities are currently prohibited by the Province.

What regulations apply to employees of retail cannabis locations? The Province requires all employees to be registered provincially. As listed above, the City is planning to additionally require that employees pass criminal record checks for offenses under the Controlled Drugs and Substances Act for a period of 10 years.

How do interested parties begin an application? Those interested in submitting an application for a retail licence must do so through the Provincial online portal, available at: <https://justice.gov.bc.ca/cannabislicensing/>. In addition, a guideline for applicants is available on the [Provincial website](#).

Want to know more about proposed Land Use regulations?

Contact Prince Rupert's City Planner, Zeno Krekic for questions regarding proposed land use amendments (where retail sales are proposed to be permitted).

Email address: zeno.krekic@princerupert.ca

Phone: (250) 627 0996

Want to know more about proposed Business Licence regulations?

Contact Prince Rupert's Manager of Community Development and Civic Innovation, Hans Seidemann, for questions regarding proposed Business Licence regulations.

Email address: hans.seidemann@princerupert.ca

Phone: (250) 627 2825

Have more questions about the full application process?

Contact the LCRB for additional questions regarding the application process:

Email address: lclb.lclb@gov.bc.ca

Toll Free Line: 1-866-209-2111

