

Cannabis Legalization and Regulation in British Columbia

Discussion Paper



Ministry of
Public Safety and
Solicitor General

Introduction

In 2015, the federal government committed to legalizing non-medical cannabis in Canada. On June 30, 2016, it established the Task Force on Cannabis Legalization and Regulation (the Task Force) to consult and advise on the design of a new legislative and regulatory framework. The [Task Force report](#) was released on December 13, 2016, and provides a comprehensive set of recommendations for governments to consider.

On April 13, 2017, the federal government introduced Bill C-45, the *Cannabis Act* and Bill C-46 (the Act to amend the *Criminal Code*), in the House of Commons. The Bills are currently making their way through the parliamentary process. Bill C-46 amends the *Criminal Code* to simplify and strengthen its approach to alcohol and drug impaired driving, and the federal government plans to move quickly to bring the amendments into force once the Bill receives Royal Assent.

The federal government plans to bring Bill C-45 into force in July 2018; this will make non-medical cannabis legal in Canada as of that date. Bill C-45 is largely based on the recommendations of the Task Force. It seeks to balance the objectives of providing access to a regulated supply of cannabis, implementing restrictions to minimize the harms associated with cannabis use, and reducing the scope and scale of the illegal market and its associated social harms.

The federal government's decision to legalize cannabis creates a corresponding need for provincial and territorial governments to regulate it. While the federal government intends to assume responsibility for licensing cannabis producers and regulating production and product standards, provinces and territories will be responsible for many of the decisions about how non-medical cannabis is regulated in their jurisdictions. These include, but are not limited to: distribution and retail systems; compliance and enforcement regimes; age limits; restrictions on possession, public consumption and personal cultivation; and amendments to road safety laws.

As it considers these important decisions, the BC Government wants to hear from local governments, Indigenous governments and organizations, individual British Columbians, and the broad range of other stakeholders that will be affected by cannabis legalization.

This discussion paper has been prepared to help inform this public and stakeholder engagement. It addresses a number of key policy issues for BC, including minimum age, public possession and consumption, drug-impaired driving, personal cultivation, and distribution and retail. It draws heavily from the analysis of the Task Force, and identifies policy options to consider in developing a BC regulatory regime for non-medical cannabis.

Note that this paper does not address regulation of medical cannabis. For now, the federal government has decided to maintain a separate system for medical cannabis. The Province has a more limited role in the medical cannabis system, and the policy issues and policy choices available are very different, in part because of a history of court cases related to the *Canadian Charter of Rights and Freedoms*.

Minimum Age

While Bill C-45 establishes a minimum age of 18 years to buy, grow, and publicly possess up to 30 grams of non-medical cannabis, provinces and territories can choose to establish a higher minimum age in their jurisdictions. This is consistent with the Task Force recommendations.

- BC could accept the federal minimum age of 18. However, the minimum age to buy tobacco and alcohol in BC is 19. 19 is also the BC age of majority, when minors become legal adults. In addition, since significant numbers of high school students turn 18 before they graduate, a minimum age of 18 could increase the availability of cannabis to younger teens.
- BC could set the minimum age at 19. This would be consistent with the minimum ages for tobacco and alcohol, and with the BC age of majority.
- BC could set the minimum age at 21 or higher. Emerging evidence suggests that cannabis use could affect brain development up to age 25. As a result, many health professionals favour a minimum age of 21.

However, as the Task Force recognized, setting the minimum age too high could have unintended consequences. Currently, persons under 25 are the segment of the population most likely to use cannabis. The greater the number of young users who cannot buy legal cannabis, the more likely that there will continue to be a robust illegal market where they can continue to buy untested and unregulated cannabis.

Finally, it's important to note that a legal minimum age is not the only tool to discourage cannabis use by young persons. As an example, public education campaigns that provide information about how cannabis use can limit academic performance and future opportunities have been found to be effective.

Personal Possession - Adults

Bill C-45 establishes a 30 gram limit on public possession of dried cannabis. Practically, this means that this is the maximum amount that an adult could buy and take home at any one time (for context, one joint typically contains between .33g to 1g of cannabis). The legislation also sets possession limits for other forms of cannabis (e.g. oils, solids containing cannabis, seeds) and the federal government intends to add other types of cannabis products (e.g. edibles) by regulation at a later date.

The 30 gram limit is consistent with the Task Force recommendation and with public possession limits in other jurisdictions that have legalized non-medical cannabis. The reason for public possession limits is that possession of large amounts of cannabis can be an indicator of intent to traffic, so a public possession limit can help law enforcement to distinguish between legal possession for personal use, and illegal possession for the purpose of trafficking.

Provinces and territories cannot increase the public possession limit, but they can set a lower limit. However, a consistent possession limit across the provinces and territories would be easier for the public to understand and comply with.

Personal Possession – Youths

While persons under 18 will not be able to buy or grow cannabis under Bill C-45, they are not prohibited from possessing up to 5 grams of dried cannabis or equivalent amounts for other cannabis products. This is consistent with the Task Force report, which took the position that youth should not be criminalized for possession of relatively small amounts of cannabis. However, provinces and territories can establish laws that prohibit possession by persons under an established provincial minimum age. Such a provincial law would not result in a criminal conviction and would be similar to how BC deals with alcohol – persons under 19 are prohibited from possessing alcohol, and a law enforcement officer can confiscate it and has the option of issuing a ticket.

Public consumption

Bill C-45 will amend the federal *Non-smokers' Health Act* to prohibit cannabis smoking and vaping in certain federally-regulated places (e.g. planes, trains), but regulation of public consumption of cannabis will otherwise fall within provincial and territorial jurisdiction.

BC can restrict where non-medical cannabis can be consumed, and can place different restrictions on different types of consumption (e.g. smoked, eaten). If BC does not legislate restrictions on public consumption by the time Bill C-45 comes into force, it will be legal to smoke, vape, and otherwise consume cannabis in public, including in places where tobacco smoking and vaping are forbidden.

For the purpose of considering potential restrictions on public consumption, it may be helpful to consider cannabis smoking and vaping separately from other forms of consumption.

Cannabis Smoking and Vaping

The Task Force recommended that current restrictions on public tobacco smoking be extended to cannabis. In BC, both tobacco smoking and vaping are currently prohibited in areas such as workplaces, enclosed public spaces, on health authority and school board property, and in other prescribed places such as transit shelters, and common areas of apartment buildings and community care facilities.

BC has a number of options to consider:

- BC could extend existing restrictions on tobacco smoking and vaping to cannabis smoking and vaping – under provincial law, adults would then be allowed to smoke or vape cannabis anywhere they can smoke or vape tobacco. Depending on the regulatory scheme established by the Province, local governments may also be able to establish additional restrictions, such as prohibiting cannabis smoking and vaping in public parks.
- BC could prohibit public cannabis smoking altogether, but allow cannabis vaping wherever tobacco smoking and vaping are allowed. Compared to smoking, vaped cannabis has a reduced odour and is less likely to be a nuisance to passersby. In addition, banning public cannabis smoking could help avoid normalizing cannabis use.

- BC could also prohibit public cannabis smoking and vaping altogether and establish a licensing scheme to allow designated consumption areas, e.g. cannabis lounges. However, it is unlikely that such a licensing scheme could be implemented in time for legalization.

Other forms of consumption:

While edible, drinkable, and topical forms of cannabis will not be commercially available immediately upon legalization, the federal government intends to regulate the production and manufacturing of these products for sale at some point. In addition, adults will be allowed to make their own edible and other products at home.

Public consumption of non-inhaled forms of cannabis would be very difficult to detect and enforce. While BC could legislate restrictions on public consumption of these forms of cannabis, it may be more practical to rely on public intoxication and disorderly conduct laws to manage intoxication issues related to public consumption.

Drug-impaired Driving

With 17% of British Columbians reporting cannabis use within the previous year¹, we know that it's very likely that a number of British Columbians are already driving with cannabis in their system, whether they are impaired or not. In 2016, drugs (cannabis or otherwise) were a contributing factor in fewer than 8% of BC road fatalities; however, legalization raises legitimate concerns about the potential for cannabis-impaired driving to increase, and make our roads less safe.

Drug-impaired driving is already prohibited under the *Criminal Code*, but Bill C-46 would overhaul existing impaired driving provisions and specifically address cannabis impairment. The amendments will provide authority for the federal government to set a blood tetrahydrocannabinol (THC) limit beyond which a person can be criminally charged with cannabis-impaired driving. This is similar to the blood alcohol limits in place for alcohol-impaired driving.

The proposed federal criminal penalties for drug-impaired driving range from a minimum of a \$1,000 fine to up to a maximum of 10 years in jail.

In BC, police who stop an alcohol-impaired driver can charge the driver criminally, but they also have the option of issuing an [Immediate Roadside Prohibition](#) (IRP) or an Administrative Driving Prohibition (ADP) under the BC *Motor Vehicle Act*. Sanctions can include licence prohibitions, monetary penalties, vehicle impoundment, and license reinstatement fees. These programs have been very effective in reducing the number of road fatalities on BC roads.

While the IRP and ADP schemes do not currently apply to drug-impaired driving, police officers in BC do have the option to issue a 24-hour roadside prohibition to a suspected drug-affected driver, with or without a criminal charge.

¹ Canadian Tobacco, Alcohol and Drugs Survey, 2015

One key challenge is that unlike with blood alcohol, there is not enough scientific evidence to link a particular blood THC level with impairment. In fact, it is known that THC can remain in the blood after any impairment has resolved, particularly for frequent users. An IRP or ADP-type scheme would therefore have to rely on other ways to assess impairment, such as a Standard Field Sobriety Test (SFST) conducted by a trained police officer, or evaluation by a Drug Recognition Expert (DRE). The approval of oral fluid screening devices and/or the setting of per se limits by the federal government could also influence the introduction of an administrative regime for drug-impaired driving.

BC could consider one or more of the following to address the risk that cannabis legalization could lead to increased impaired driving:

- BC could launch a public education and awareness campaign to inform British Columbians about the risks and potential consequences of cannabis-impaired driving.
- BC could set a zero-tolerance standard in respect of blood THC content for drivers in the Graduated Licensing Program (drivers with an “L” or “N” designation) and/or for drivers under a specific age threshold.
- BC could invest in SFST and DRE training for more police officers.
- BC could expand the IRP and/or ADP programs to include drug-impaired driving.

Personal Cultivation

Bill C-45 allows adults to grow up to 4 cannabis plants per household, up to a maximum plant height of 100 centimetres. Bill C-45 does not place restrictions on where plants can be located (indoor vs. outdoor) and does not require home growers to put any security measures in place, but it is open to provinces and territories to establish such restrictions.

In considering personal cultivation, the Task Force acknowledged concerns about risks such as mould, fire hazards associated with improper electrical installation, use of pesticides, and risk of break-in and theft. However, it noted that these concerns were largely shaped by experience with large scale illegal grow operations, and found that on balance, allowing small-scale home cultivation of up to four plants was reasonable.

The Task Force recognized the need for security measures to prevent theft and youth access, and for guidelines to ensure that cannabis plants are not accessible to children. The Task Force also suggested that local authorities should establish oversight and approval frameworks, such as a requirement that individuals be required to notify local authorities if they are undertaking personal cultivation.

In thinking about possible restrictions on personal cannabis cultivation, it may be helpful to keep in mind that it is legal in Canada to grow tobacco and to produce wine or beer at home for personal use with

very few restrictions. In particular, the law does not require specific security measures to prevent theft, or access by children and youth.²

BC has several options to consider regarding restrictions on home cultivation of non-medical cannabis:

- BC could adopt a lower limit than 4 plants per household for non-medical cannabis cultivation.
- BC could set restrictions regarding where and how non-medical cannabis can be grown at home. For example, it could: prohibit outdoor cultivation; allow outdoor cultivation but require that plants not be visible from outside the property; and/or require that any outdoor plants be secured against theft.
- BC could establish a registration requirement for persons who want to grow non-medical cannabis at home. However, there would be significant costs associated with administering a registration requirement, and the benefits may be questionable, since those who do not plan to comply with laws on home cultivation may be unlikely to register in the first place.
- If BC decides not to implement one or more of the above measures, local governments could be authorized to do so.

Distribution Model

Under Bill C-45, each province or territory will decide how cannabis will be distributed in its jurisdiction. Distribution is the process by which goods are supplied to retailers that sell to consumers. Distributors are often called wholesalers.

There are three basic models for the warehousing and distribution of cannabis to retailers in BC: government, private, or direct.

- Government distribution – In this model, government would be responsible for warehousing and distribution of cannabis. Licensed producers would send cannabis products to a government distributor, which would then fill orders from cannabis retailers. Government distribution allows for direct control over the movement of cannabis products, but requires significant up-front investment and set-up. The Task Force heard strong support for government distribution, noting that it has proven effective with alcohol.
- Private distribution – In this model, one or more private businesses could be responsible for the physical warehousing and distribution of cannabis. However, significant government oversight would be required in the form of licensing, tracking and reporting requirements, as well as regular audits and inspections.
- Direct distribution – In this model, the province would authorize federally licensed producers to distribute their own products directly to retailers. This model would also require significant

² Parents have a general legal duty to supervise and keep their children safe, but the law does not create specific requirements to protect children from all of the potential dangers that may be present in a home (e.g., alcohol, prescription drugs, and poisons).

government oversight and could make it challenging for smaller producers to get their products to market.

Retail

Under Bill C-45, each province or territory will decide the retail model for cannabis in its jurisdiction. Recognizing that the July 2018 timeline may not give provinces or territories enough time to establish their retail regimes before legalization, the federal government will implement an online retail system as an interim solution.

BC has a number of options for retail:

- BC could establish a public or private retail system, or potentially a mix of both, as currently exists for alcohol. A public system would require significant up-front investment in retail infrastructure, but there could also be additional revenue generated from retail sales. A private system would require a more robust licensing, compliance and enforcement system, but the associated costs could be recovered through licensing fees.

In a private retail system, it could be possible to allow some existing illegal dispensaries to transition into the legal system; in a public system such as that planned in Ontario, this would not be possible.

- BC could require that cannabis be sold in dedicated storefronts, or it could allow cannabis to be sold out of existing businesses such as liquor stores or pharmacies.

One public health concern about co-locating cannabis with other products is that it could expose significant numbers of people to cannabis products who might not otherwise seek them out; this could contribute to normalization or more widespread use. In addition, the Task Force strongly recommended against allowing co-location of alcohol or tobacco sales with cannabis, but recognized that separating them could be a challenge in remote communities where a dedicated cannabis storefront might not be viable.

- BC could establish a direct-to-consumer mail-order system. This could help provide access to legal cannabis for those in rural and remote locations and persons with mobility challenges.

Conclusion

Cannabis legalization presents complex policy challenges for the Province. We expect that, as in other jurisdictions that have legalized, it will take several years to develop, establish, and refine an effective non-medical cannabis regime that over time eliminates the illegal market. The information gathered through this engagement will inform the Province's policy decisions. We appreciate your interest and feedback.