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August 18, 2017

House of Commons Standing Committee on Health  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa, Ontario  
K1A 0A6

**Subject: Consideration of Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts***

Dear Members of the House Standing Committee on Health,

The Federation of Canadian Municipalities (FCM) welcomes this opportunity to bring the municipal voice to your review of *The Cannabis Act*. As the national voice of municipal governments in Canada, our members include nearly 2,000 municipalities – cities, towns, rural and northern communities – representing more than 90 per cent of the Canadian population.

The municipal sector has a unique perspective to offer on the proposed legal framework for cannabis use in Canada. FCM has long engaged in the matter of medical marijuana, and municipal governments are the eyes and ears on the ground in our communities for how cannabis, both medical and illicit, is being enforced and regulated in a rapidly evolving market. Passing Bill C-45 will trigger an extensive implementation process involving all orders of government. While federal and provincial governments will be developing and coordinating regulatory frameworks across Canada, municipalities will be responsible for implementing bylaws, zoning and business practices at the local level to ensure safe and timely implementation.

The federal government has signalled its intent to make marijuana legal in Canada by July 2018. Given this ambitious timeline, there is significant cross-jurisdictional work that will need to be completed to make this happen. There are still many unknowns for all orders of government. The full impact on municipalities will, in many ways, stem from the regulatory regimes put in place at the provincial and federal level. For this reason, municipal participation in the ongoing federal/provincial/territorial discussion is essential. This local government input and participation will help ensure that the cannabis legalization regime can be rolled out effectively and efficiently across the country.

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With this in mind, FCM has been working on both a primer and an in-depth implementation guide for municipalities. These tools will help local governments begin work on issues they can address immediately, as well as helping municipalities develop a work plan for local implementation. For these work plans to be successfully delivered, municipalities will need to be at the table early and often to ensure our concerns are addressed.

As you examine *The Cannabis Act*, FCM asks that you consider the following recommendations to ensure a smooth roll out of the legal and regulatory framework proposed in Bill C-45.

**Recommendation 1: The federal government should coordinate and consult with all orders of government throughout the creation of a corresponding regulatory framework for Bill C-45**

It is unclear at this point what the municipal role will be in particular aspects of legalization that have complex multi-jurisdictional implications and known impacts on local governments. These issues include personal cultivation, workplace health and safety, public education, nuisance, zoning bylaws at the municipal level, and the impact of a potential mail order system for legalized cannabis distribution. Given the broad set of issues stemming from Bill C-45, it is necessary for the federal government to coordinate and consult with all orders of government to manage how these responsibilities will be shared. The federal government has formalized their consultation with the provinces and territories through a FPT working group. FCM would welcome municipal engagement with this working group to ensure alignment between the federal, provincial, and local implications of this bill.

**Recommendation 2: The federal government should provide financial support for the initial implementation costs of a regulatory framework at the municipal level**

In the Task Force on Cannabis Legalization and Regulation report, *A Framework for Legalization and Regulation of Cannabis*, there are a range of additional cost considerations outlined including public education, administration, prevention and treatment, and ongoing research. These costs will likely be significant at the initial implementation stages, and on an ongoing basis.

FCM understands that there is an expectation that municipalities will be on the front line of enforcing local zoning and density bylaws, and matters related to the minimum age of purchase, personal cultivation, personal possession limits, smoking restrictions, and public nuisance complaints. We believe this is an appropriate role for municipalities, but there are costs associated with taking on all of these roles. Additional financial resources are required for municipalities to make the necessary adjustments so that Bill C-45 can be implemented in a safe and effective manner.

**Recommendation 3: The federal government should provide support to municipalities for the ongoing costs of legalizing cannabis**

In addition to the costs already outlined for the implementation of Bill C-45, and to corresponding parts of Bill C-46 as will be highlighted in a separate submission pertaining to that bill, cannabis legalization and regulation will have significant ongoing administration and enforcement implications. Additional staff time and resources will likely be a permanent fixture of the new regime for issues such as ongoing training, public health, licensing administration and the enforcement of a suite of new municipal bylaws. These ongoing costs must be considered when determining what the most equitable and sustainable cost sharing model will be to support the cannabis framework over the long-term.

**Recommendation 4: That the federal government conduct additional consultation with municipalities about the distribution of revenue from the production and sale of legalized cannabis**

As noted above, there will be considerable new costs to implement and maintain the new framework at all levels of government. Municipalities are prepared to carry out our obligations under the framework laid out in Bill C-45, but there must be serious consideration given to how local governments can benefit from revenues from the taxation of cannabis, that reflects the anticipated implementation and ongoing costs borne at the local level.

Bill C-45 does not provide details on price-setting or taxation and these will likely be determined through federal regulation in the coming months. FCM is calling for municipal participation in the development of a price and taxation regime, at minimum to ensure that legalization does not download financial burdens to the local level.

**Recommendation 5: The federal government engage with all orders of government in areas where implementation cannot proceed locally without further direction from federal/provincial/territorial partners**

There is a lack of clarity within Bill C-45 in areas such as personal cultivation, municipal authority to zone federal production facilities, First Nation and municipal boundary overlap, the authority to prohibit cannabis consumption and sales and the approach for municipalities to take if cannabis becomes legal federally in the absence of P/T laws and regulations. The federal government should take a leadership role by engaging with other orders of government in an ongoing dialogue in the coming months to ensure these roles and responsibilities under the bill are clearly defined.

We believe that intergovernmental collaboration and concurrent legislative, regulatory and bylaw development is the key to legalizing cannabis consumption in a safe and effective manner across the country. The municipal sector is ready to help achieve this and we look forward to continuing discussions with the federal government throughout the progression of this bill.

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If your committee has any questions or requires further information, please contact Hardave Birk, FCM Government Relations Advisor, at [hbirk@fcm.ca](mailto:hbirk@fcm.ca) or 613-907-6331.

Sincerely,

A handwritten signature in black ink that reads "J Gerbasi". The signature is written in a cursive style with a large initial "J" and a dot over the "i".

Jenny Gerbasi  
Deputy Mayor, City of Winnipeg  
FCM President