

**MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL  
BC CANNABIS LEGALIZATION AND REGULATION SECRETARIAT  
DECISION BRIEFING NOTE**

**PURPOSE:** For **DECISION** of Mike Farnworth,  
Minister of Public Safety and Solicitor General.

**ISSUE:** Approach to external engagement on cannabis consumption spaces.

**RECOMMENDATION:**  
Full engagement on a comprehensive consumption framework.

**SUMMARY:**

- There is growing industry interest in allowing licensed cannabis consumption spaces (e.g. consumption in cannabis stores, lounges, restaurants, or events) as a means to support economic recovery and increase the competitiveness of the legal market.
- Consumption spaces could increase public health and safety risks; but the extent is unclear due to limited examples in other jurisdictions and lack of empirical evidence.
- External engagement will be critical to understand the economic feasibility as well as the public health and safety implications of consumption spaces.

**BACKGROUND:**

- As part of the August 2020 Cabinet direction to develop a farm-gate program, the Secretariat was directed to explore whether cannabis consumption spaces could increase the viability of farm-gate or other cannabis-related hospitality and tourism opportunities, and be consistent with provincial health and safety goals.
- In Fall 2020, the Secretariat conducted research and analysis on consumption spaces, including a jurisdictional scan and literature review.
  - Both Ontario and Manitoba conducted public consultations in 2020. Both decided not to move forward with consumption spaces for the time being due to a mix of concerns raised in the consultation and the timing of the pandemic.
  - While consumption spaces are legal in several US states, there has been little evaluation of their results. There are also challenges with comparability to BC's regulatory regime, which does not allow indoor smoking and has more permissive public consumption rules than US states.
- The Secretariat conducted internal engagement (Nov 2020 to Feb 2021) with ministry partners to identify risks and opportunities of allowing consumption spaces. Key implications/opportunities identified were:
  - Improved ability to educate consumers and promote responsible use, including to shift consumers away from high-THC products or smoking behaviours,
  - Opportunity to shift illicit operators and consumers into the regulated market,
  - Further normalization of cannabis use may increase overall consumption,
  - Potential for increased risk of impaired driving incidents, and
  - Increased risk of harms from co-use with other substances (especially liquor).

- The consensus from the engagement was that cannabis consumption spaces could align with provincial goals if government's approach prioritizes public health and safety, proceeds carefully by initially limiting the scope of authorized spaces ("start low and go slow"), builds in opportunities for research and evaluation, and increases legal market competitiveness.
- In addition, key provisions of the current provincial regulatory framework were identified as critical to protect public health and safety, including:
  - No indoor smoking and vaping,
  - No co-location of alcohol and cannabis in retail stores,
  - No minors in consumption spaces, and
  - Requirement for local or Indigenous government recommendation prior to provincial authorization of a cannabis establishment.

## **DISCUSSION:**

- Given the lack of empirical research and limited jurisdictional examples, external engagement is important to assess the economic feasibility and public health and safety implications of various consumption space approaches.
- Cannabis, hospitality, and tourism stakeholders are expected to lobby for more complex and higher-risk consumption spaces, including spaces which would serve both cannabis and alcohol (e.g. restaurants).
- Framing government engagement and consideration of possible consumption space options around a "start low, go slow" approach would recognize public health and safety risks while addressing some of the interests of the cannabis industry.
  - Signaling that government does not intend to revisit its approach to smoking, minors, and local/Indigenous government roles will likely address the primary concerns from public health and safety stakeholders.
  - Government staff identified lower-risk activities including paid sampling in cannabis retail stores (including farm-gate) and farm-gate picnic areas.
  - A farm-gate lounge area or space for special events, and special events generally were also identified as higher risk than sampling and picnic areas but generally lower risk than other permanent consumption spaces.
  - Alcohol co-location (e.g. serving cannabis in restaurants) is considered to be complex and higher risk and would be a low priority for implementation consideration.
- Engagement will provide valuable insight to determine if consumption spaces should be included in the Farm-Gate launch in 2022.
- Pilots could be used to evaluate the risks and benefits of the various types of consumption spaces desired by industry without committing government or private businesses to permanent licensing approaches. In particular, special events are well suited to a pilot approach as they do not entail permanent infrastructure and risk could be reduced by requiring event organizers to partner with existing licensed retailers.

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## **INDIGENOUS PEOPLES CONSIDERATIONS:**

- Consumption spaces are likely to be seen as a potential tool for economic development by some Indigenous nations. Nations will expect that no consumption spaces are permitted on reserve or treaty settlement land without their approval, and there may be interest in early or unique access to consumption spaces.
- Indigenous peoples have been identified as key partners for engagement; the engagement approach assumes that any future consumption spaces on reserve or treaty settlement lands would only be licensed if relevant Indigenous or local governments were supportive.

## **OPTIONS:**

### **Option 1: Full Engagement on a Comprehensive Consumption Framework (Recommended)**

Engagement would explore a broad range of licensed consumption options with the objective of developing a strategic provincial framework that could be implemented in phases. Outreach will target industry, public health and safety stakeholders, local government, Indigenous governments and groups.

#### **Implications:**

- Would assist government to plan for the long-term development of the sector.
- Anticipate this will be very well received by the cannabis and hospitality industries but generate strong concerns from public health and safety stakeholders.
- May raise expectation among industry stakeholders that government will take a liberal and expansive approach, but feedback from public health stakeholders is expected to assist in managing expectations.
- Cost estimate: \$50-80k. Work will take 10-12 months to plan, execute and report out.

### **Option 2: Prioritized Engagement on Primarily Pilot-Based Approach**

Engagement would explore consumption spaces within farm-gate and cannabis retail stores and possible pilot approach to cannabis special events. The engagement process would be similar to Option 1 but with limited public engagement.

#### **Implications:**

- Provides government with opportunity to gauge support for using temporary events-based pilots to build a long-term strategic approach to consumption spaces.
- Anticipate a cautious reaction from public health and safety sector and a mixed but primarily positive reaction from the public. The cannabis industry, hospitality, and tourism stakeholders are expected to react positively, but some industry stakeholders will push for a more comprehensive consumption framework.
- Cost estimate: \$30-40k. Work will take 5-6 months to plan, execute and report out.

### Option 3: Limited Engagement on Targeted Lower-Risk Options

Engagement would explore only farm-gate and cannabis retail store spaces. The engagement process would be limited and not involve public engagement.

#### Implications:

- Limited ability to inform long-term strategic approach to consumption spaces.
- Addresses government interest of increasing the economic viability of farm-gate retail sales, supporting cannabis tourism, as well as promotion and marketing interests of retailers and producers.
- Anticipate positive reception from existing cannabis businesses but does not address interests of hospitality and tourism industry.
- Work will take 4-5 months to plan, execute and report out.

#### OTHER MINISTRIES IMPACTED/CONSULTED:

- Ministry of Health, Ministry of Attorney General, Ministry of Agriculture, Food and Fisheries, Ministry of Municipal Affairs, Ministry of Indigenous Relations and Reconciliation, Ministry of Jobs, Economic Recovery and Innovation, Ministry of Tourism, Arts, Culture and Sport, and Ministry of Finance (Liquor Distribution Branch).
- Ministry of Public Safety and Solicitor General branches engaged include Liquor and Cannabis Regulation Branch, Community Safety Unit, and RoadSafetyBC.

**DECISION:** Minister would still like to see small pilot projects explored within this option.

**OPTION NUMBER 1 APPROVED**



Mike Farnworth  
Minister of Public Safety and Solicitor General

May 20, 2021

Date

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**APPENDIX 1:**<sup>s.13</sup>



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## **Cannabis Consumption Spaces Public Engagement**

Ministry of Public Safety and Solicitor General

Month XX, 2021

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## Background

- BC took a permissive approach to consumption in public.
- Licensed consumption spaces not included in the 2018 cannabis policy framework.
- Cabinet direction to launch farm-gate sales in 2022 prompted a broader review of policies that currently restrict cannabis tourism and hospitality opportunities.
- Consumption spaces (e.g. tasting rooms, restaurants and special events) could:
  - Increase competitiveness of the legal cannabis market;
  - Support growth in cannabis, tourism, and hospitality sectors; and,
  - Generate new public health and safety issues.

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Questions?

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