



Legalization and Regulation of Cannabis Update

Presentation to the Police Services Board

February 27, 2019

Deeds Speak





Presentation Outline

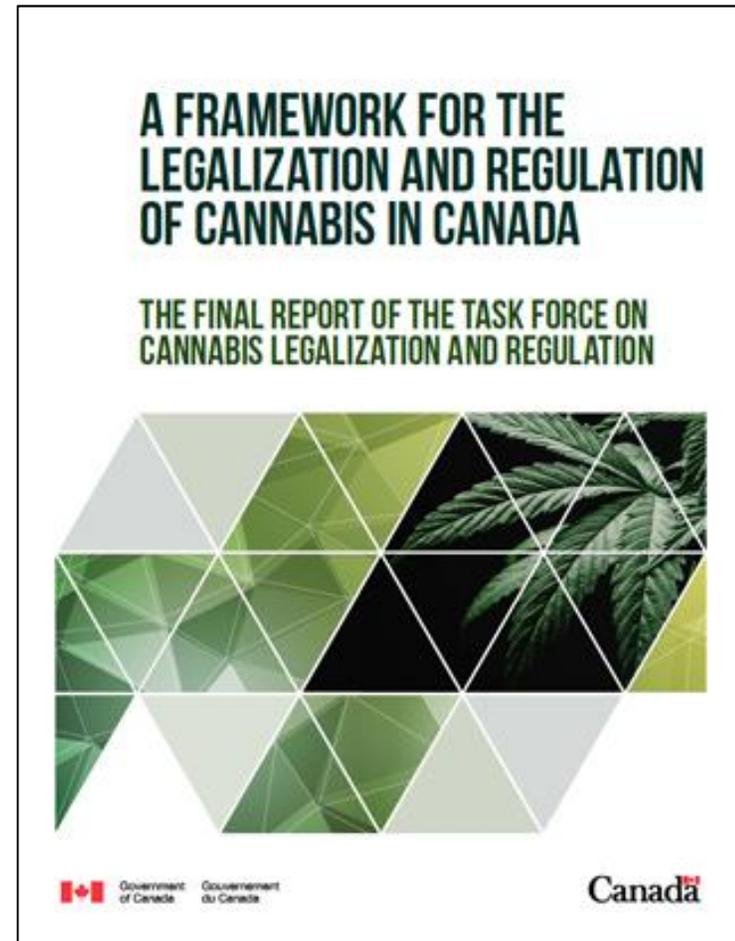
- The Framework for Legalization
- Cannabis Training
- Impaired Driving
- Cannabis Intelligence Coordination Centre
- Organized Crime and Enforcement
- Financial Implications
- Gaps and Recommendations





Legalization Task Force

- Keep cannabis out of the hands of children
- Keep profits out of the hands of criminals & organized crime
- Reduce the burden on the police and justice system





Overview of Cannabis Training

Training and Education Bureau:

- *Federal Cannabis Act, 2017*
- *Ontario Provincial Cannabis Control Act, 2017*
- Two hour online prerequisite course
- Four hour in-class training
- Critical thinking and authorities
- Cannabis flowchart to assist officers with applying the legislation



Canada



Ontario



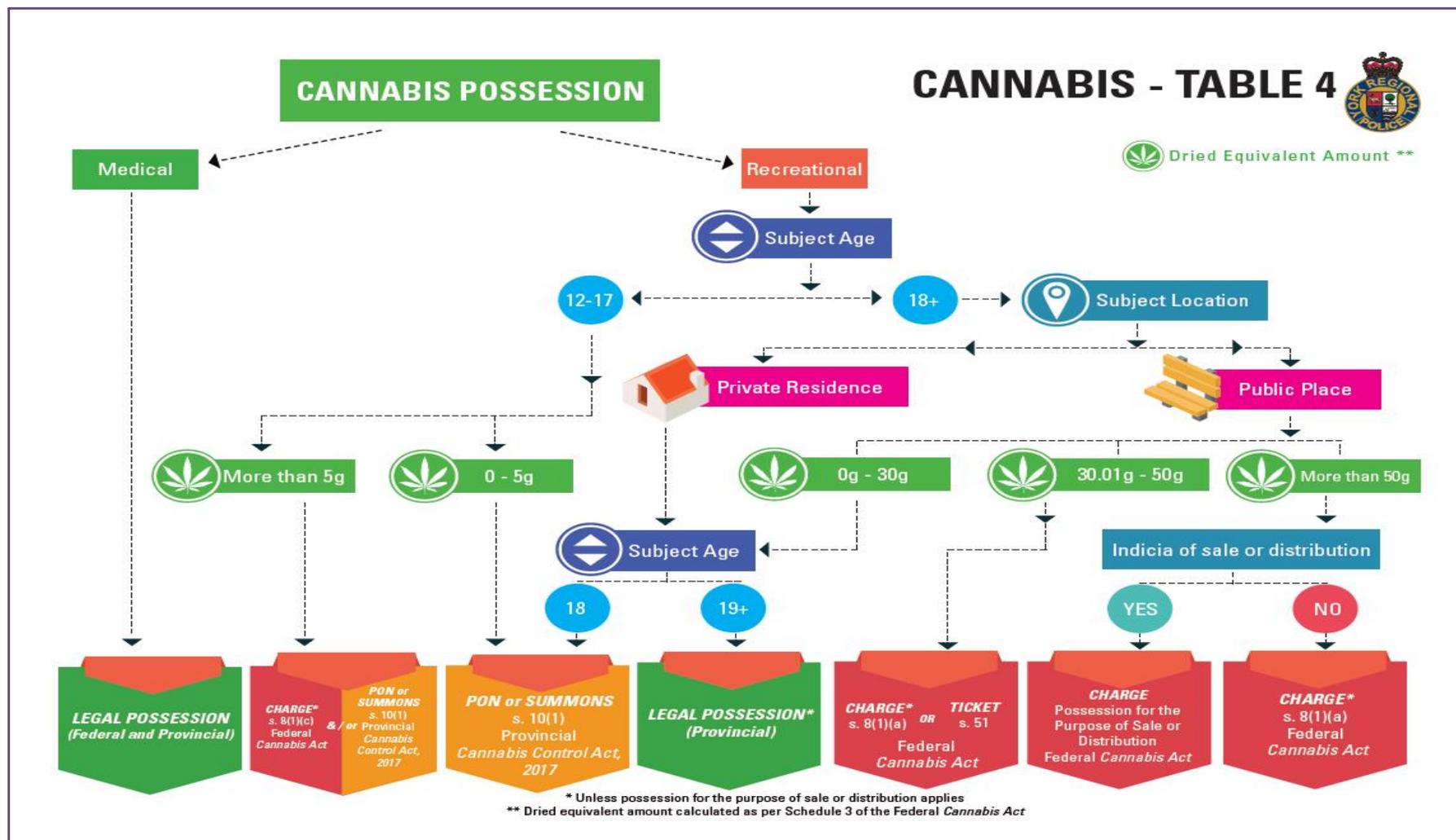
Training Hours

Courses	Type	Hours	Members	Total Hours
Cannabis Practical Scenarios	In-Class	4.0	1,167	4,668
Cannabis Legislation: York Regional Police	E-Learning	2.0	1,643	3,286
Communications Staff	Roll Call	0.5	100	50
Total				8,004

*Officers in the Level 3 recruit program as well as experience hires will also receive the online and in class cannabis training. Therefore, the training hours will continue to increase.

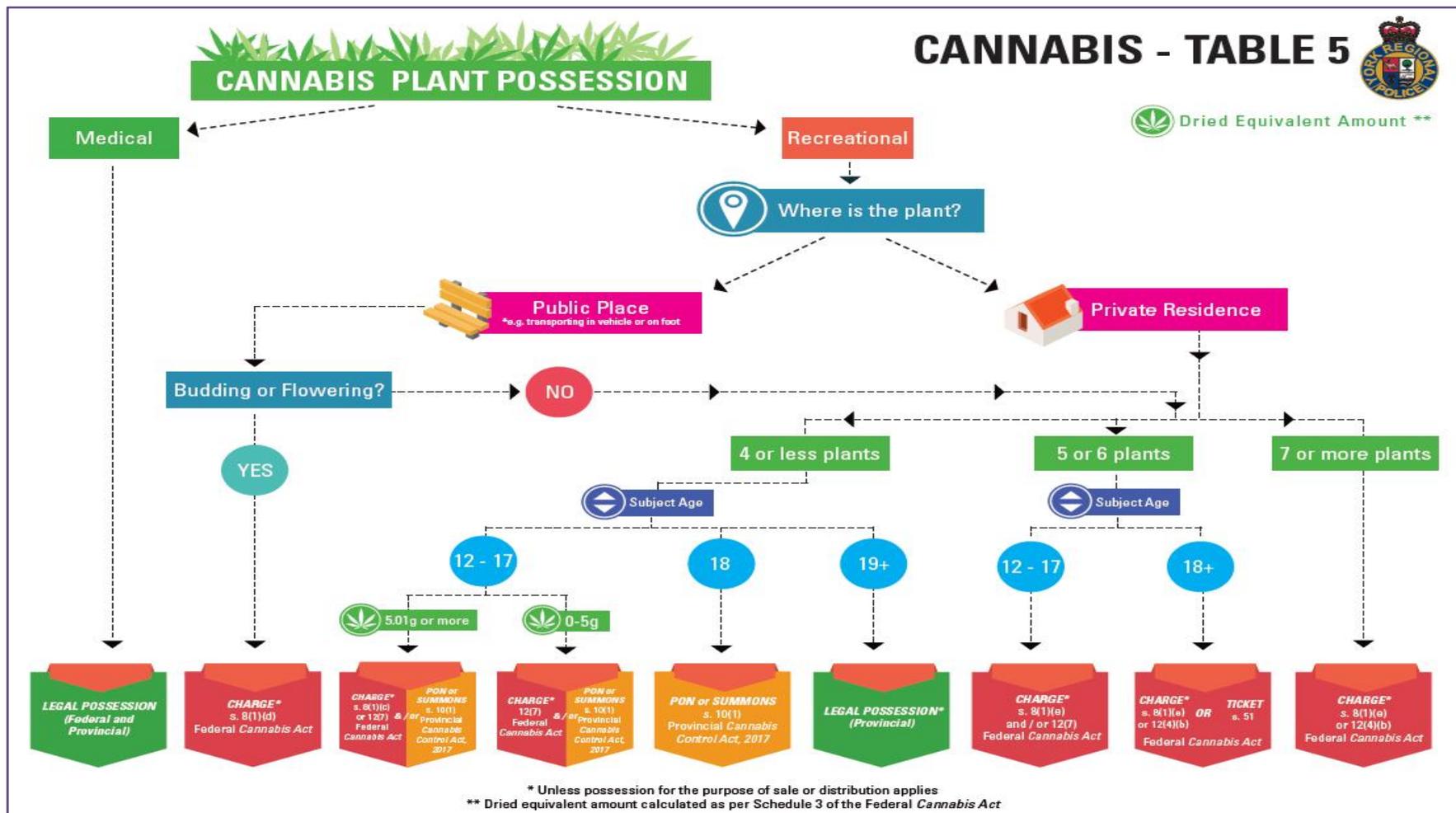


Training Flowchart





Training Flowchart





Impaired Driving Training

Standardized Field Sobriety Testing

- Delivered to 4th Class Constables within the Classification Training program
- Four-day course
- Teaches the phases of impaired driving detection
- How to administer and interpret the results of roadside sobriety tests
- Applied via two alcohol correlation workshops

Drug Recognition Expert

- Two week (80 instructional hours) course held at the Ontario Police College, teaching:
 - Evaluation of drivers arrested for drug-impaired driving offences
 - Recognize the signs and symptoms of drug use
 - Drug classification
- Field Certification Training in Jacksonville, Florida or Phoenix, Arizona



Qualifications and Designations

Type	Prior to 2018	2018	2019	2020+
Standardized Field Sobriety	~110*	142	119	120
Drug Recognition Expert	~43*	7	3-5	3-5

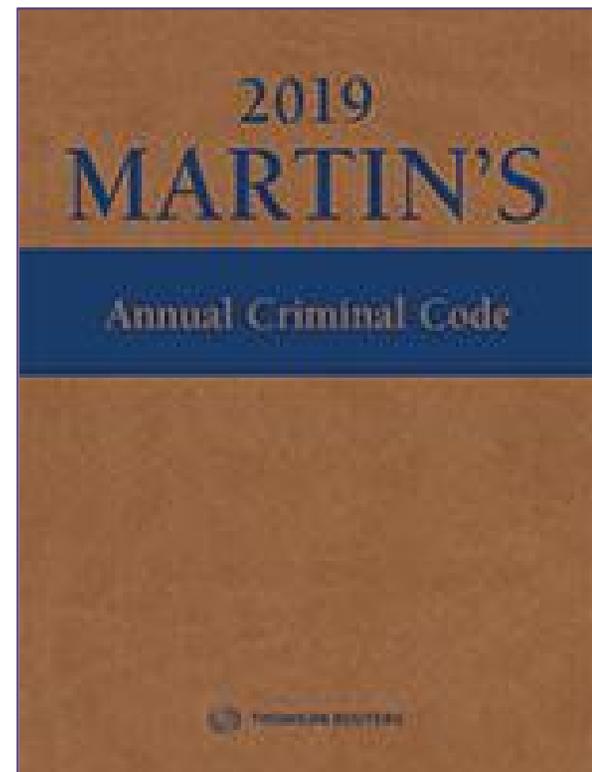
* Training information reported in consultation with Traffic Programs Coordinator. There is no requalification for SFSTs.



Impaired Driving

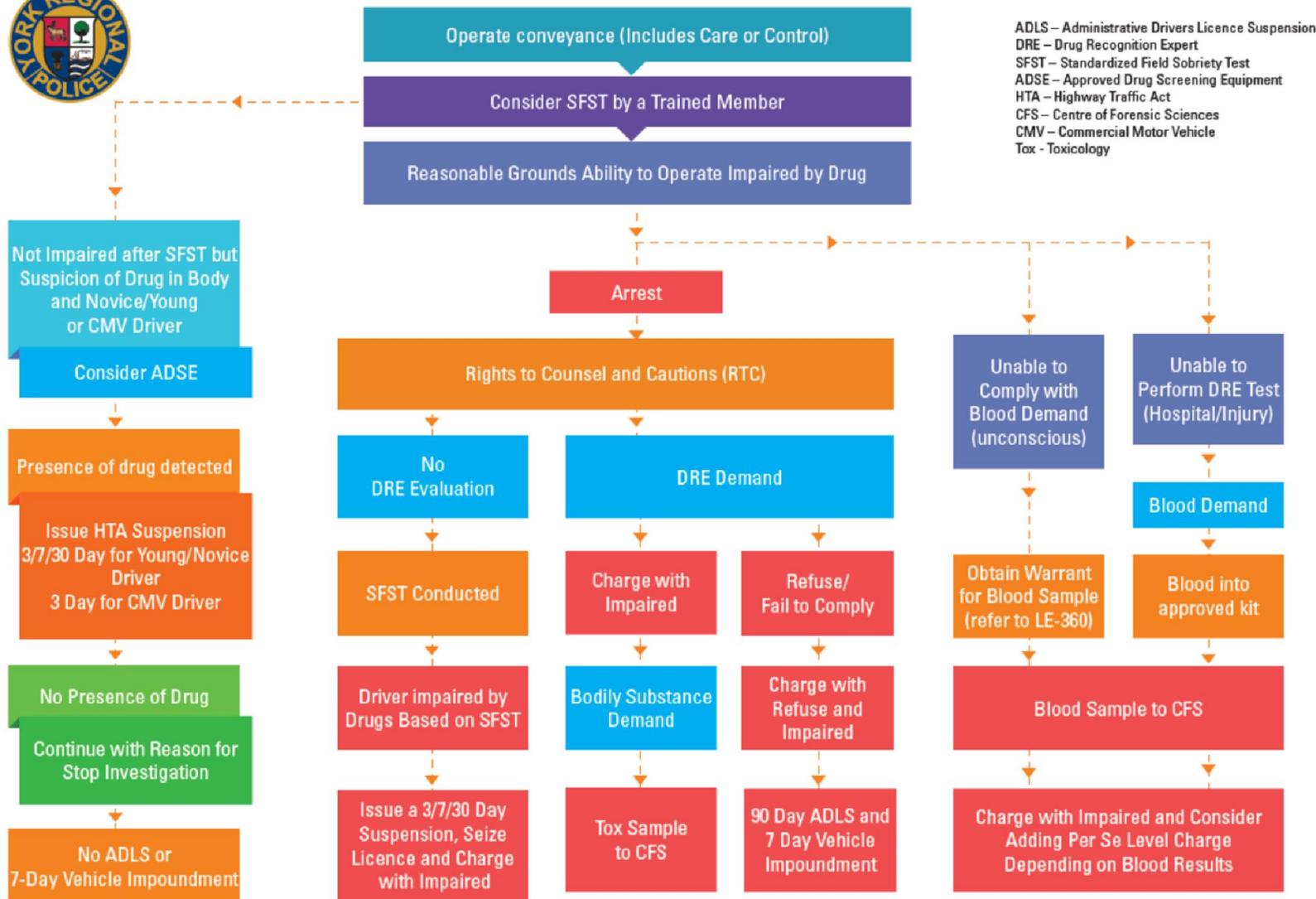
Legislative Changes:

- New sections added to the Criminal Code
- New demands for approved drug screening equipment
- New drug per se levels and hospital cooperation





APPENDIX B - IMPAIRED INVESTIGATION CHART - DRUG





Enforcement and Equipment Challenges

- Federally approved drug screening equipment
- Standardized Field Sobriety Testing
- Drug Recognition Expert testing
- Blood demand for per se limits and impairment charges
- Edibles





Drug Impaired Driving Charges

	Oct 17, 2016 - Feb 11, 2017	Oct 17, 2017 - Feb 11, 2018	Oct 17, 2018 - Feb 11, 2019
Cannabis Only	4	4	12
Cannabis with other substance	2	5	7
Total # of Impaired by Cannabis incidents	6	9	19
% of Impaired by Cannabis incidents	35.3% (6/17)	42.9% (9/21)	57.6% (19/33)

- There were 33 Impaired by Drug charges laid since legalization
- 19 incidents(57.6%) involved cannabis
- 111% increased over the same period in 2017/18



Cannabis Intelligence Coordination Centre

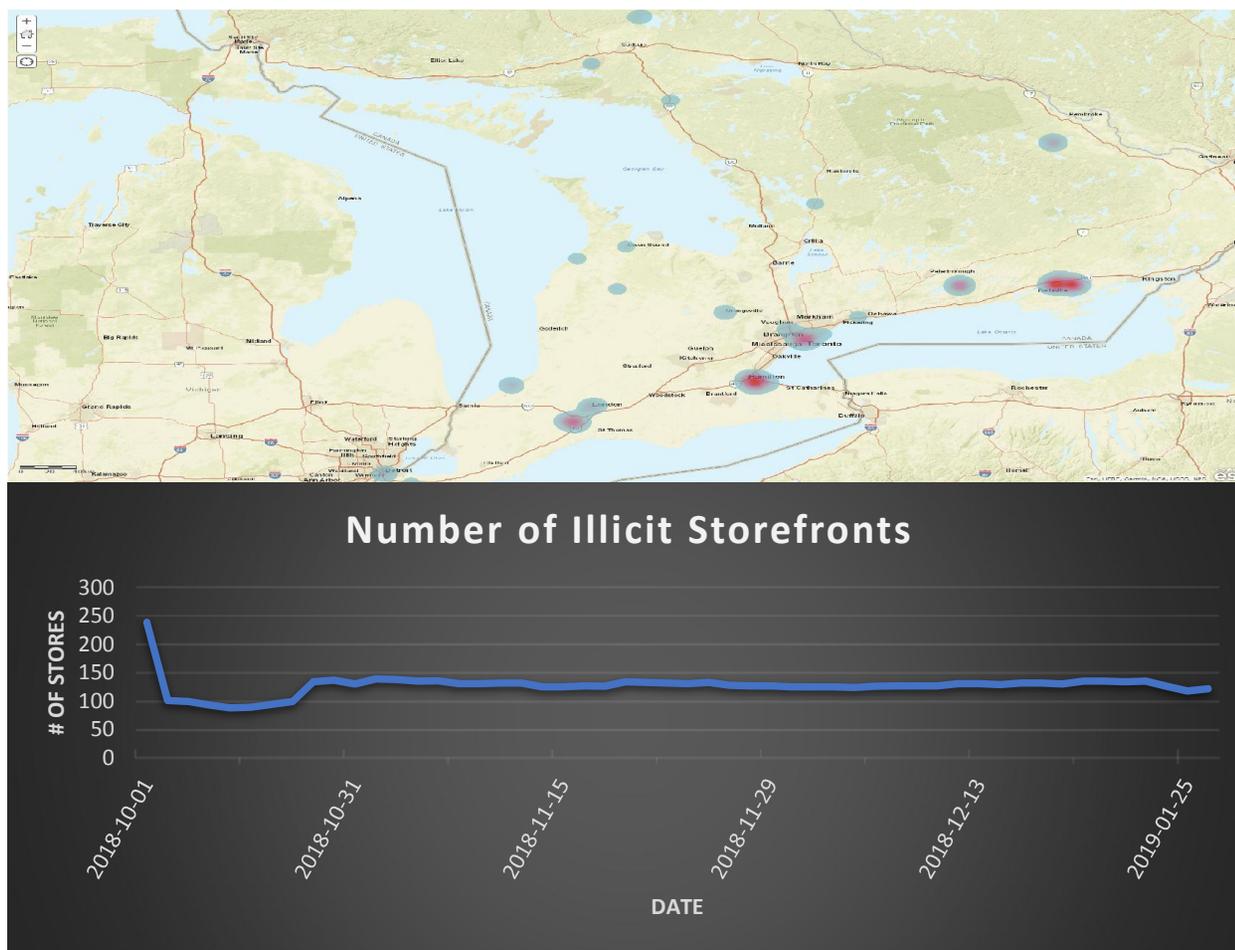
- Illicit cannabis remains widely available
- Both outdoor and indoor industrial production
- Criminal activity tied to medical licenses
- Retail distribution concentrated in major municipalities
- Drop in total storefronts post-legalization, but increases in urban areas





Bricks and Mortar – Illegal Storefronts

- Ontario has an assessed \$700M-\$1B illicit storefront trade, which remains a patchwork of products (flower, concentrates, edibles, & topicals) sold through a variety of sales channels (storefronts, street sales, & online retail)





Illegal Storefront Closure Challenges

Types of Enforcement

Resources, Techniques
and Staffing

Safety Issues and Liability
Concerns

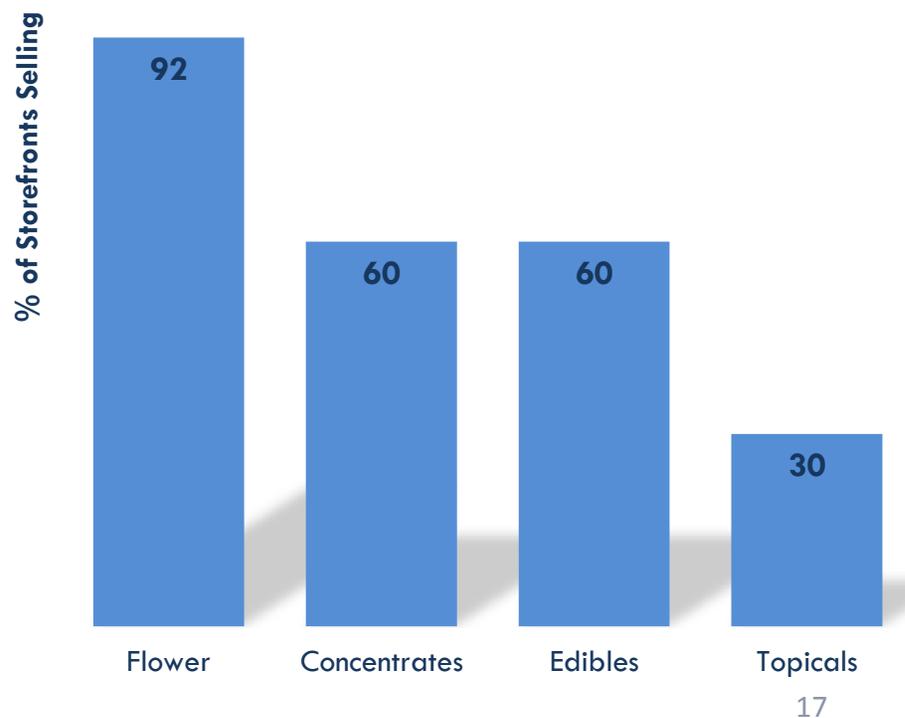


Logistics

Logistics

* Levels of THC in 'Edibles' and 'Topicals' vary from <math><5\text{mg/ml}</math> to

Types of Cannabis Products Sold in Illegal Storefronts

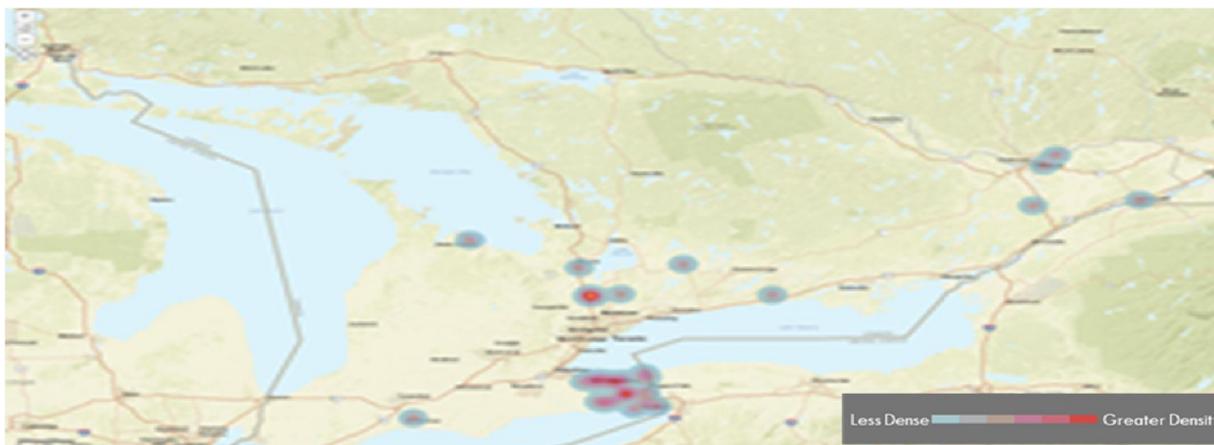




Production

Illicit demand met by:

- Domestically-sourced
- Procured from other provinces
- The United States



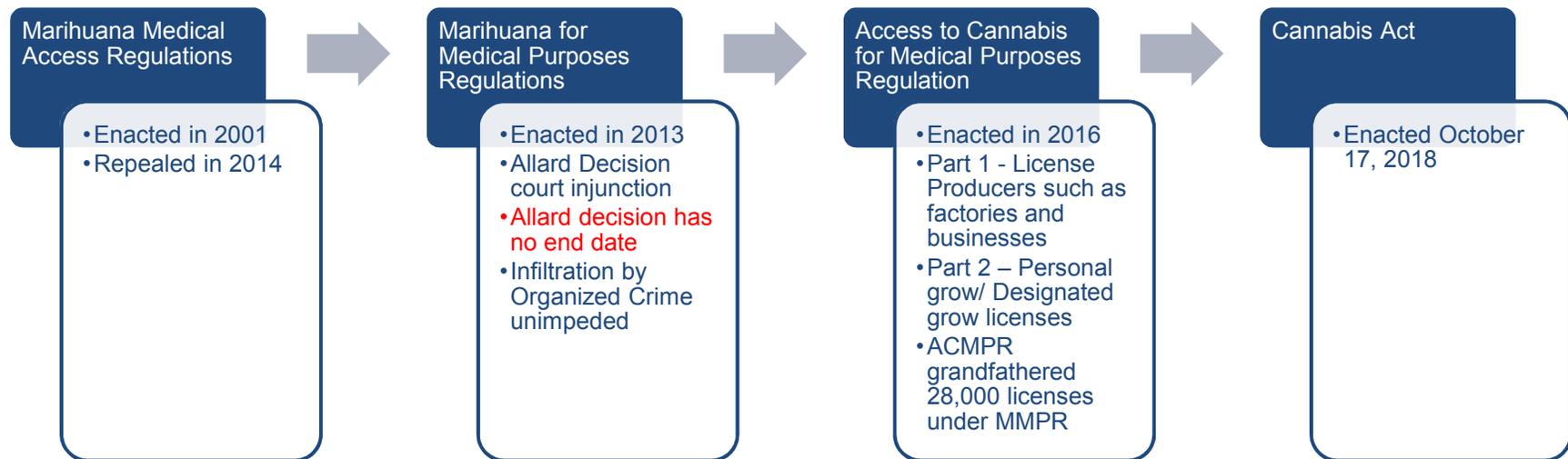
Indoor grow operations are industrial in size. Frequently using existing farming infrastructure (greenhouses, irrigation, electricity, etc.)



Reporting on outdoor grow operations has decreased in the past decade. Limited reporting suggests producers use outdoor operations as additions to indoor operations.



Medicinal Cannabis Framework



Repealed Acts grandfathered licenses without review or screening



Access to Cannabis for Medical Purposes Regulation Challenges

Key Challenges of Part 2 Personal Grow/Designated Grow Licenses:

Health Canada does not:

- Have the ability to properly verify applicant information
- Check personal grow license applicants background

No Inspection/monitoring of license holders or locations

Health Canada will not:

- Disclose applications to law enforcement without court order
- Disclose current license holders
- Confirm addresses of license holders, unless request exactly matches
- Share information with law enforcement when a victim of crime

Pooling of licenses

Doctors not monitored or regulated



Allard Decision

“Health Canada estimated that the inspection of all residential growing operations in existence in 2013 would cost \$55 million.....Health Canada produced no evidence of the amount of inspections necessary to ensure compliance with the regulations.” Paragraph [27]

“Health Canada, despite having data for the kilograms of marihuana produced by MMAR licensees, had no data with respect to public safety issues including fires, thefts, harms arising from fertilizers or other chemicals used in gardens and no effort had been made to collect such data” Paragraph [33]



Allard Decision Highlights

Health Canada

- Has known about the lack of inspections for over a decade
- Concerns remain unaddressed
- Downloaded costs to police and municipalities

Public Safety Concerns

- Known indoor grow operations for 20 years
- Health Canada fails to track or collect data on license violators
- Enforcement downloaded to municipalities and first responders

Grandfathered Marihuana Medical Access Regulations License Holders

- Can neither be inspected nor cancelled until the courts lift the injunction



Due Diligence Challenges

- Health Canada will not revoke a license unless a criminal conviction is registered during the current license period
- Excludes Marihuana Medical Access Regulations and Marihuana for Medical Purposes Regulations (Allard Decision)
- Excludes Access to Cannabis for Medical Purposes Regulation expired licenses
- Only considers criminal convictions specific to Cannabis crime

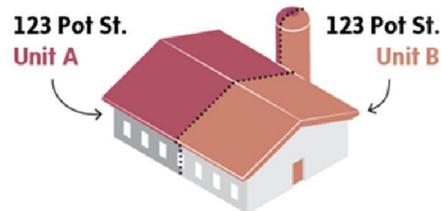


Health
Canada





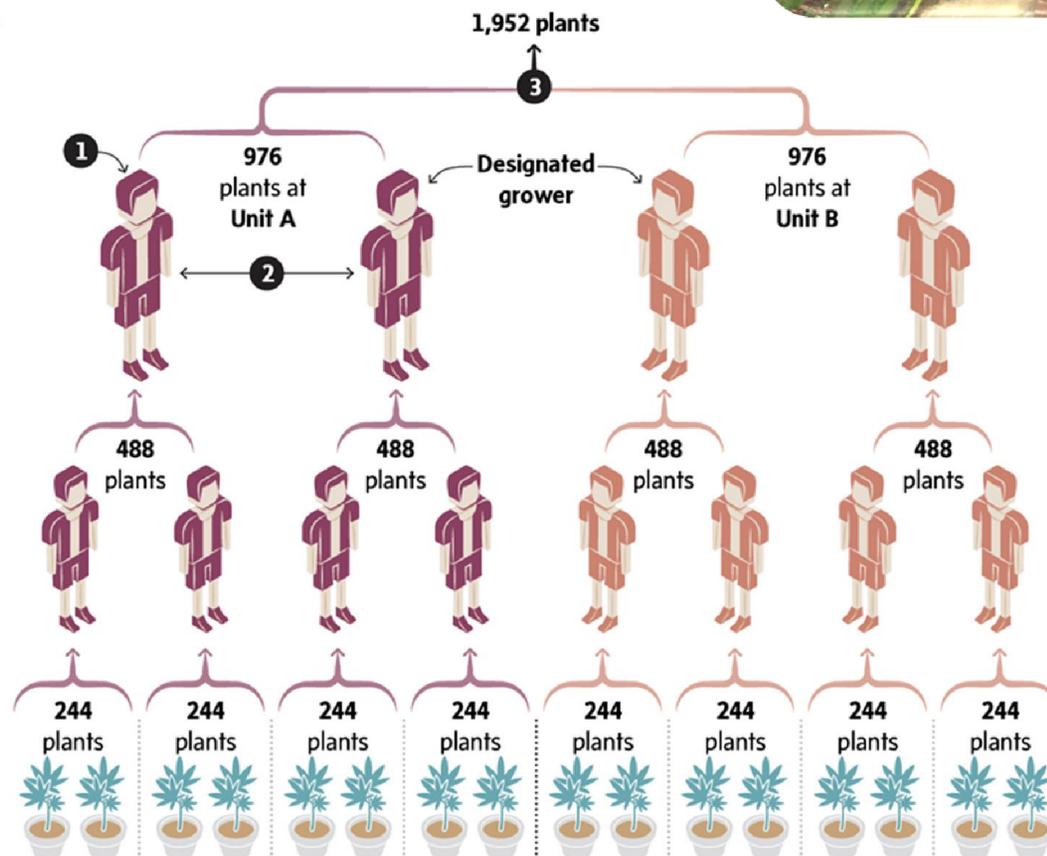
Pooling of Licenses



1 A designated medical marijuana grower can grow for two people at a time. If each person has a 244-plant license, the grower can grow 488 plants.

2 Each address can have two designated growers (or four licenses total). Two growers licensed to grow 488 plants each will now have 976 plants at one address.

3 An address can have multiple "units." So two growers can apply to Health Canada to grow their collective 976 plants at 123 Pot Street Unit B, totaling 1,952 legal plants at that address.





Health Canada Formula

1 Gram (g) of dried marihuana authorized will result in the production of five indoors plants (or two outdoor plants)



1 gram



No Shortages in Illicit Cannabis





Medicinal Licensed Cannabis Overgrow Operation





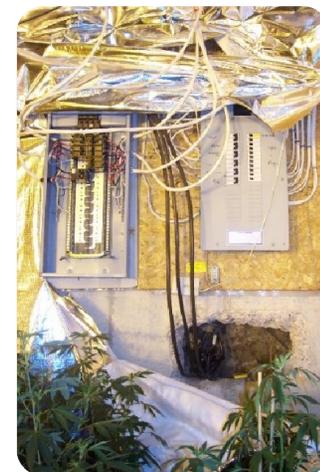
Safety Hazards



Mould



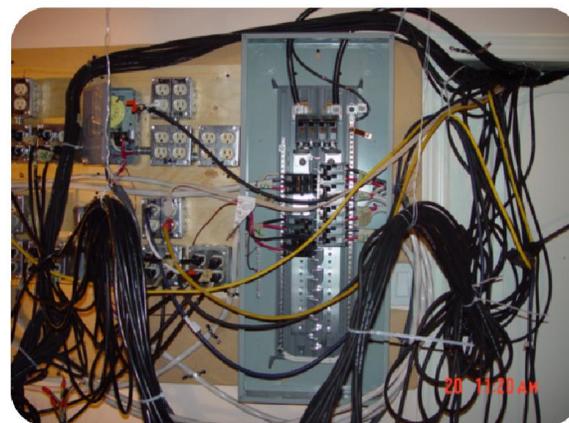
Fire



Hydro By-pass/Theft



Structure Alterations



Illegal wiring



Criminal Market

\$7 billion Illicit Market:

- Most popular drug in Canada
- Almost half of Canadians have tried it at least once
- Canada is second largest exporter in the world
- Estimated 183 million annual users worldwide*
- \$7.29 (Ontario) & \$7.43 (Canada) per gram**



According to Scotiabank, logistical issues are expected to allow the black market to control **71%** of all Canadian cannabis sales in 2019***

*United Nations World Drug Report 2017; and, **Statistics Canada, February 2018, and
***www.fool.com/investing/2019/02/09



Cannabis Act Financial Outlook

In \$'000s	2018	2019	2020	2021	2022
Incremental Costs	\$88	\$1,193	\$2,870	\$3,853	\$4,451
Use of Existing Resources	\$1,371	\$4,636	\$3,137	\$3,821	\$2,555
Net Tax-Levy Impact	\$1,459	\$5,829	\$6,007	\$7,674	\$7,006
Gross Cost Per Capita (in \$)	\$1.24	\$5.23	\$5.30	\$6.51	\$5.90

Advocacy calling for senior tier governments to fund municipalities by:

- York Police Services Board
- York Region
- Ontario Association of Chiefs of Police
- Association of Municipalities of Ontario
- Federation of Canadian Municipalities
- Canadian Association of Police Governance



Funding Status

- \$40M over two years
- Excess of >\$100M to be split to those municipalities who opted-in
- Default split 50-50 between upper and lower tier municipalities, exceptions allowed
- Funding impacted by opt-out decisions of lower-tier municipalities
- York Region has received \$535,703

**Initial
\$15M**

- Prior to January 20 Opt-Out deadline
- Allocated on a per household basis
- York Region received \$478,284

**Second
\$15M**

- Opt-In municipalities to receive funds on a per household basis
- Opt-Out municipalities to receive \$5,000 each
- York Region received \$57,419

**Final
\$10M**

- For unforeseen circumstances
- Priority given to Opt-In municipalities



Financial Implications of the *Cannabis Act*

Known and Mandatory



 Standardized Field Sobriety Testing

 Drug Recognition Expert Training

 Bill C-45 & C-46 Training

 Coordinator for Impaired Driving Training

 Roadside Screening Equipment & Supplies

 Completed

 Supported by 2019 Budget

- Training hours reduce police visibility in our communities
- SFST Training - 119 officers in 2019, goal of 120 officers per year
- DRE Training - 3-5 officers in 2019, goal of 20-25 active
- Coordinator for Impaired Driving Training hired
- In 2019, known and mandatory cost totals \$2.6M, comprised of use of existing resources of \$2.3M and incremental cost of \$0.3M



Financial Implications of the *Cannabis Act*

Anticipated and Expected



- Drug-impaired traffic stops, seizures and violations
- Motor Vehicle Collisions
- Injured Persons
- Enforcement of thefts, suicide, break and enter, complaint, robberies & mischief
- Criminal investigations
- RIDE spot-checks
- Information Technology
- Information Management
- DRE premium

- In 2019, anticipated and expected cost totals \$2.1M, comprised of use of existing resources of \$1.7M and incremental cost of \$0.4M

To be Started

Supported by 2019 Budget



Financial Implications of the *Cannabis Act*

Best Practices



Front-line sector model of policing

Illicit-market disruption team

Road safety enforcement

Patrol supervision

Fleet & equipment

Analytic support

Business intelligence dashboard

Youth education & prevention in schools

Blood draw processing

- 8 officers for Road Safety enforcement
- In 2019, best practices cost totals \$1.1M, comprised of use of existing resources of \$1.3M, expected revenue (\$0.7M), and incremental cost of \$0.5M

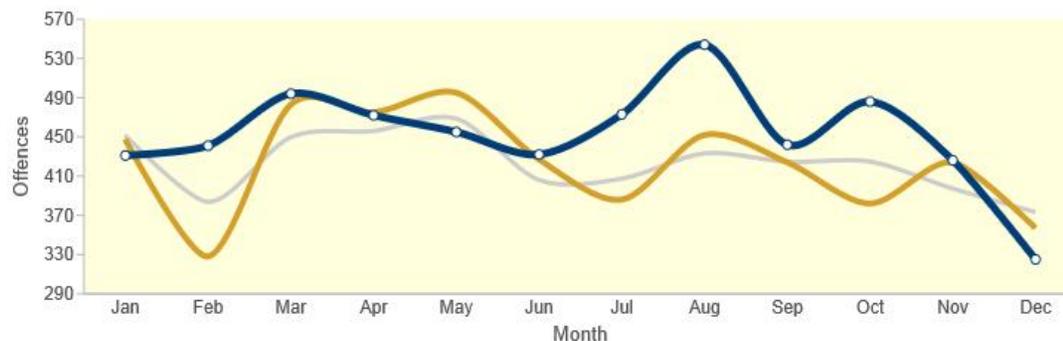
Completed Supported by 2019 Budget To be Started



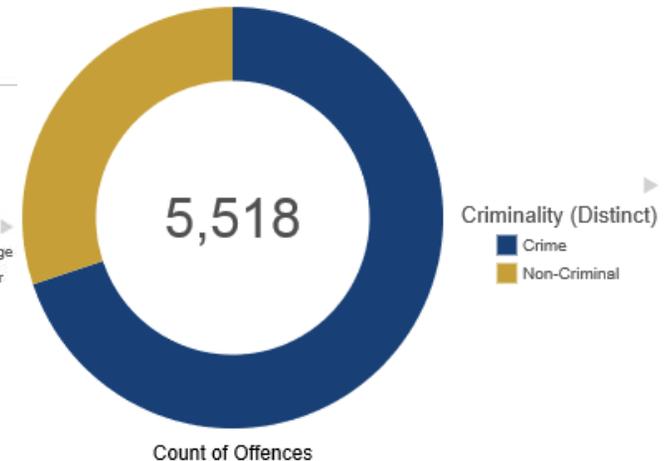
2018 Cannabis Workload

Previous Year Variance: **6.71%** ▲ 5 Year Variance: **6.81%** ▲

Variations respect the selected date range (2018/01/01 to 2018/12/31)



Trend line will always show the last 12 full months



30% of 914,000 York Region adults ages 18 years and over have used cannabis at least once in their lifetime

22% of 58,300 York Region students ages 14-17 years reported using cannabis in the past year

One-third of York Region students in grades 11 and 12 have smoked cannabis in the last year

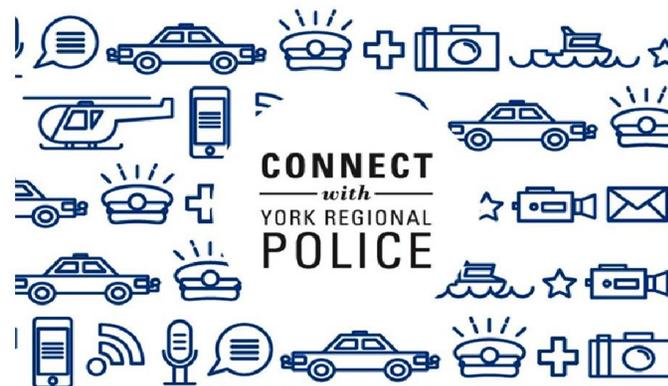


Gaps and Recommendations

1. Call again on senior-tier governments to fund public safety costs using a simple allocation method (e.g. per capita or per household)
2. Repeal the regulations that allow Organized Crime to pool licenses
3. Cancel medical cannabis licenses from prior legislation
4. Approve roadside screening equipment as technology advances
5. Prohibit household cannabis plants where children and youth reside
6. Mandate toxicology for drivers in motor vehicle collisions causing death or serious bodily harm



Questions?



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