



# **18<sup>th</sup> Legislative Assembly of the Northwest Territories**

## **Standing Committee on Government Operations**

## **Standing Committee on Social Development**

Report on the Review of Bill 6:  
*Cannabis Legalization and Regulation  
Implementation Act*

Chairs: Mr. Kieron Testart  
Mr. Shane Thompson

**MEMBERS OF  
THE STANDING COMMITTEE ON GOVERNMENT OPERATIONS  
AND  
THE STANDING COMMITTEE ON SOCIAL DEVELOPMENT**

---

Kieron Testart  
MLA Kam Lake  
Chair, Government Operations

Shane Thompson  
MLA Nahendeh  
Chair, Social Development

R.J. Simpson  
MLA Hay River North  
Deputy Chair, Government Operations

Julie Green  
MLA Yellowknife Centre  
Deputy Chair, Social Development

Tom Beaulieu  
MLA Tu Nedhé-Willideh

Frederick Blake, Jr.  
MLA Mackenzie Delta

Daniel McNeely  
MLA Sahtu

Michael M. Nadli  
MLA Deh Cho

Herbert Nakimayak  
MLA Nunakput

Kevin O'Reilly  
MLA Frame Lake

**COMMITTEE STAFF**

Jennifer Franki-Smith, Michael Ball, Sarah Kay  
Committee Clerks

April Taylor, Megan Welsh, Gustavo Oliveira, Lee Selleck  
Committee Advisors

May 29, 2018

**SPEAKER OF THE LEGISLATIVE ASSEMBLY**

Mr. Speaker:

Your Standing Committees on Government Operations and Social Development are pleased to provide their Report on the Review of Bill 6, *Cannabis Legalization and Regulation Implementation Act* and commend it to the House.



Shane Thompson  
Chair,  
Standing Committee on  
Social Development



Kieron Testart  
Chair,  
Standing Committee on  
Government Operations

**STANDING COMMITTEE ON GOVERNMENT OPERATIONS  
STANDING COMMITTEE ON SOCIAL DEVELOPMENT**

**REPORT ON THE REVIEW OF BILL 6:  
*Cannabis Legalization and Regulation Implementation Act***

**TABLE OF CONTENTS**

Introduction .....	1
Our Review of Bill 6.....	1
What We Heard.....	2
Economic Growth and Job Creation.....	2
Support for private-sector cannabis stores.....	2
Impacts of the liquor commission model on small communities.....	3
Record suspension.....	4
Revenues and taxation.....	4
Public education.....	5
Public health and safety.....	5
Addictions treatment.....	5
Alcohol and drugs in our communities.....	6
Co-location of cannabis and alcohol. ....	7
Enforcement capacity and community resources.....	8
Impaired driving and road safety.....	8
Medical cannabis. ....	9
Possession limits.....	9
Regulating cannabis use in public places. ....	10
Regulating cannabis use in licensed establishments.....	10
Workplace use and impairment.....	11
Youth.....	11
Legal age .....	11
Purchase and possession by minors.....	12
Other Issues.....	12

Community control .....	12
Jurisdiction .....	13
Mandatory review of legislation .....	13
What We Did .....	13
Clause-by-clause review of Bill 6 .....	14
Recommendations .....	18
Conclusion .....	22
Appendix – Public Engagement on Bill 6 .....	23
Public Hearings .....	23
Other Meetings .....	24

**STANDING COMMITTEE ON GOVERNMENT OPERATIONS  
STANDING COMMITTEE ON SOCIAL DEVELOPMENT**

**REPORT ON THE REVIEW OF BILL 6:  
*Cannabis Legalization and Regulation Implementation Act***

**INTRODUCTION**

In April 2017, the federal government introduced two bills to legalize cannabis in Canada. Bill C-45 deals with federal licensing and oversight of the cannabis supply chain, including all production and distribution, and sets regulatory standards to protect public health and safety. Bill C-46 sets out offences and procedures relating to impaired driving.

To avoid having this default federal framework imposed on the Northwest Territories, when the Government of Canada legalizes cannabis across the country, it is necessary for the Government of the Northwest Territories (GNWT) to adopt its own framework. To create these rules, which pick up where federal legislation leaves off, the GNWT introduced Bill 6, the *Cannabis Legalization and Regulation Implementation Act*. Bill 6 proposed two new laws for cannabis control: the *Cannabis Products Act* and the *Cannabis Smoking Control Act*. To address drug-impaired driving, it also proposed amendments to current provisions of the territorial *Motor Vehicles Act*. This omnibus bill is the proposed legislation under review here.

**OUR REVIEW OF BILL 6**

On March 1, 2018, Bill 6 received second reading in the Legislative Assembly of the Northwest Territories and was referred to standing committee for review. The Standing Committee on Government Operations reviews activities of the Department of Finance, which will administer the *Cannabis Products Act* once it becomes law. Similarly, the Standing Committee on Social Development reviews activities of the Department of Health and Social Services, which will administer the *Cannabis Smoking Control Act* once it becomes law. These committees also share membership with the Standing Committee on Economic Development and Environment, which reviews activities of the Department of Infrastructure, which in turn administers the *Motor Vehicles Act*. For this reason, the standing committees, operating as the “joint committee” – with no pun intended – have worked together to review the bill.

Between April 23 and May 4, 2018, we travelled to 16 communities, holding 16 public hearings. We also met with students at six schools to gather input from Northerners. These communities and schools are listed in an appendix. We received 15 written submissions, and have undertaken our own research, including a review of proposed cannabis legislation and best practices across the country.

In our review, we have assumed that the federal enabling legislation will be passed. Neither the standing committees nor the Government of the Northwest Territories may change or overrule this federal legislation. As Regular Members, our approach to Bill 6 has focused on the need to ensure that as much as possible, territorial cannabis legislation best reflects the wishes of the people of the Northwest Territories.

Our report is divided into two portions. First, we discuss what we heard from the public during our tour. Then we discuss what we did – a combination of motions to amend the bill and policy recommendations to the GNWT. The bill debated in the House after we have formally submitted our report to the Speaker of the Legislative Assembly will reflect the changes we have made.

## **WHAT WE HEARD**

### **Economic Growth and Job Creation**

#### Support for Private-sector Cannabis Stores

The GNWT proposed that cannabis be sold only in existing liquor stores for at least two years, with all business conducted through the Northwest Territories Liquor Commission ("the Liquor Commission") and all expenses and revenues flowing through the Liquor Revolving Fund. The GNWT's initial consultation revealed that "preferences for the retail sales system were mixed, with little over half of survey respondents supporting the liquor commission model, and others wanting opportunities for private stores or dispensaries."<sup>1</sup>

However, this is not consistent with public views expressed during our tour. While a few witnesses expressed satisfaction with the Liquor Commission model, the majority of witnesses in small communities, regional centres, and Yellowknife objected to private businesses being excluded from cannabis retailing at the outset. Many residents are interested in the potential economic development and job growth that legalization may bring and are concerned that the GNWT has chosen to monopolize this opportunity. In Łutselk'e, Ms. Florence Catholique told us that

"Łutselk'e women have gotten together to deal with issues in the communities... to enhance the community, work with the youth, and protect rights. Because we knew this [hearing] was coming up, we looked at the business angle. We're looking for money to go to a cannabis workshop in Edmonton to get the details on how to run a [cannabis] business."

---

<sup>1</sup> GNWT, "Tabled Document 5-18(3), Cannabis Legalization in the Northwest Territories: Report on What We Heard," p. ii. October 17, 2017. < [http://www.assembly.gov.nt.ca/sites/default/files/td\\_5-183.pdf](http://www.assembly.gov.nt.ca/sites/default/files/td_5-183.pdf) >

The Yellowknife Chamber of Commerce advised that its members “strongly disagree with the proposed retail model.” Their “formal position is that if licenses are going to be issued for cannabis retail, Yellowknife entrepreneurs should have the opportunity to apply for those licenses and demonstrate that they can operate within the chosen regulatory framework.” This sentiment was echoed by a representative of the NWT Chamber of Commerce, who said that its members want the opportunity to get in on the recreational cannabis business from the start and are prepared to meet regulatory requirements to do so.

It is apparent that although there are many unknowns in the emerging recreational cannabis market, many Northerners are eager to join their fellow Canadians in learning on the job. Medical cannabis consultant and advocate Ms. Kim MacNearney wrote, “the opportunity for cannabis business development in the NWT is huge and should be embraced by the GNWT, allowing it to grow in an entrepreneurial fashion.”

Motion 3 and Recommendation 6 addressed this matter.

#### Impacts of the Liquor Commission Model on Small Communities

Many witnesses raised concerns that neither the potential side-effects of the GNWT's proposed liquor commission model nor the unique needs of small communities were appropriately reflected in the bill. Under the proposed model, cannabis would be available in up to seven liquor stores in just six of 33 communities, provided that the owners of these private businesses, who currently sell GNWT-owned alcohol on consignment from the Liquor Commission, agree to sell cannabis. This would leave the majority of NWT communities, including all the small communities, reliant on a mail-order system. As proposed, this system would also operate through the Liquor Commission.

In smaller communities, residents traveling to larger centres to shop will often shop on behalf of neighbors and friends as well. In Fort Liard, we heard that if residents' only alternative was mail-order, the proximity of Fort Nelson, B.C. would ensure that most residents would travel there by car to purchase cannabis and that possession limits would not likely inhibit them from buying for as many legal purchasers as possible. Many residents expressed the view that the mail-order system is too restrictive, which could also encourage cannabis bootlegging. We heard repeatedly that in order to minimize bootlegging and encourage people to buy legal cannabis, cannabis should be cheap and plentiful. Mr. Jason Perrino wrote, “I want to see the illegal market cease to exist. New legislation and regulations can't be so restrictive that [people] continue to buy from dealers.”

Residents also identified the challenges posed by limited job opportunities in smaller communities, coupled with expensive necessities (food, fuel, etc.). Other witnesses noted that many residents have a strong desire to work and would welcome the jobs that could be created by cannabis sales in smaller communities. This absence of

legitimate jobs is also seen as a factor contributing to bootlegging alcohol and dealing in illicit drugs. During a hearing at the Hay River Reserve, Mr. Jeffery Fabian said, "Bootleggers are feeding their own families with bootlegging. Food is expensive."

Again, Motion 3 and Recommendation 6 addressed this matter.

### Record Suspension

We heard that criminal records related to cannabis are a barrier to employment, education, and travel opportunities. Mr. Amos Cardinal of the Hay River Reserve observed that living with a criminal record would be like "dragging a big pile of garbage behind you." This burden is compounded by the expense associated with obtaining a record suspension: the Parole Board of Canada charges \$631 to process an application, and we heard that this cost is often an insurmountable obstacle for those who would otherwise be eligible. Several witnesses asked if record suspension for cannabis-related offences, administered through the Government of Canada, would be more readily available after legalization.

Recommendation 5 addresses this matter.

### Revenues and Taxation

According to the Government of Canada, the "provinces and territories will work with municipalities towards legalization." However, during the consultation, we heard from the Northwest Territories Association of Communities. The association wrote that they

"have requested a municipal share of the revenue and have received an unrevocable no. While we respect that the revenues will be low for our territory and that communities are not responsible for policing in our jurisdiction, communities are currently underfunded to the tune of 37 per cent. They should not be expected to absorb these additional costs. The federal government increased the provincial/territorial share from 50 to 75 per cent so that it could be passed on communities. Some jurisdictions in Canada have already announced that they will be passing on 40 per cent of revenues to communities as well as providing training to all appropriate staff."

We heard concerns that if government raises the price of cannabis too high, people will continue to buy it from the illicit dealers they already do business with. We also heard support for tax rates for cannabis products based on the concentration of tetrahydrocannabinol (THC), with high-concentration products subject to a higher tax rate. Several submissions suggested that cannabis revenues be targeted to public awareness and education campaigns. It was also suggested that pricing should be used to control youth access by making cannabis an expensive luxury. Further, in nearly

every community we visited, we heard recommendations to dedicate cannabis revenue to related public education and public health initiatives.

Recommendation 7 addresses this matter.

## **Public Education**

Public education was discussed in every community we visited. Witnesses were interested in learning more about the bill itself, relevant health information, and federal rules for commercial cannabis production. We heard questions on cannabis "pros and cons," second-hand smoke, different types of cannabis products, the supplier(s) the GNWT intends to engage, options for plebiscites, school curricula, impacts on youth brain development and general human health, and more. We also heard recommendations for cannabis-specific training for community health nurses and youth workers, door-to-door information campaigns, and information delivery in Indigenous languages. Ms. Pauline Roche said, "Marijuana is here already. The GNWT has to put resources in schools and teach our kids." Mr. Jeff Norn recommended "tailored education [initiatives]" designed for a broad demographic: not only youth, but also elders, parents, law enforcement, etc.

These questions and comments tell us that Northerners are keen to understand cannabis legalization and its likely impacts on their communities. They also tell us that the GNWT has not clearly communicated its intentions for cannabis regulation. In Fort McPherson, Mr. Taig Connell asked, "How will legalization benefit the NWT? Will it create jobs, promote healthy programs? Who wins?" Effective public education is necessary to mitigate the risks posed by incorrect information, fears, or misconceptions about cannabis.

Recommendations 1 and 2 address this matter.

## **Public Health and Safety**

### Addictions Treatment

Witnesses spoke of their desire for local clinical and on-the-land options for addictions treatment and aftercare, including programs for those living in small communities. Mr. Tim Harris also spoke to the value of the Substance Abuse Management program, designed for use in our criminal justice system. Many witnesses were concerned that the GNWT will implement cannabis legalization without parallel plans to strengthen treatment options. Witnesses also spoke of the impact of isolation and shame on addictions and on the decision to pursue treatment, suggesting that public perception of cannabis and cannabis use will continue to evolve after legalization.

The Standing Committee on Social Development recently completed an in-depth examination of addictions treatment options, described in Committee Report 4-18(3), *Report on Adult Residential Addictions Treatment Facilities Tour 2017*. In this report, the committee recommended that the Department of Health and Social Services enhance public communications on addictions treatment, enhance community-based aftercare services, and develop a pilot program to ensure that Northerners completing residential treatment placements are not discharged into homelessness. We await the GNWT's formal response to these recommendations.

### Alcohol and Drugs in our Communities

Many witnesses spoke of alcohol's devastating impacts on our communities and on Indigenous peoples, often comparing cannabis to alcohol. Some were concerned that cannabis would have severe and negative effects, as alcohol has. At the Hay River Reserve, Elder Pat Martel spoke through a translator:

"Sometimes we talk about things or experiences of how it used to be, years ago, things that we know. Anybody talk about when you're drinking alcohol, I've been there. Today sometimes people say, 'what do you know about what drugs can do to people?' I've seen what drugs can do to people.... [I want to] have somebody come to us here and tell us how it's going to work, how you can buy, sell, grow. I need to know those things before I can sit here and say, 'it's okay' [or] tell my granddaughters they can smoke all they want. I'm not here for that; I'm here to protect them, not only from marijuana, but from drinking. I need you to think about those things and tell the government we asked for help."

Other witnesses asserted an opposing perspective. Also at the Hay River Reserve, Mr. Jeff Norn told us, "I have never seen anyone overdose on pot, [but] I have seen people in hospital, lives, families, communities destroyed with alcohol."

We have considered the views submitted to us and our own research. Although we recognize that cannabis and alcohol are distinct substances with different physiological and social impacts, we also recognize Northerners' concerns. We know that cannabis use is not without risk, particularly for youth and in use of high-potency products such as distilled cannabis resin (also called "shatter"), currently available illegally. In a written submission, the Registered Nurses of the Northwest Territories and Nunavut ("the nurses' association") recommended that "it would be proactive to get ahead of the curve" in preparing for the regulation of high-potency products, including edibles. Similarly, the Northwest Territories and Nunavut Public Health Association ("the public health association") recommended that high-potency products be subject to higher taxation.

Although cannabis and alcohol are not the same, Northerners spoke strongly in our public hearings of alcohol's toll on their communities and their strong desire

to protect their families. Widespread cannabis use by minors and children as young as 12 years old was a grave concern expressed in many communities. Witnesses' proposals for improved public education and engagement, as well as community-led harm-reduction initiatives, further speak to their focus on public health and safety.

Recommendations 1 and 2 address these matters.

#### Co-location of Cannabis and Alcohol

We must also address the co-location of cannabis and alcohol sales, as proposed in the GNWT's retail model. Witnesses repeatedly echoed the federal Task Force on Cannabis Legalization and Regulation ("the task force"), which recommended

"no co-location of alcohol or tobacco and cannabis sales, wherever possible, [and that] when co-location cannot be avoided, appropriate safeguards must be put in place."<sup>2</sup>

Our research shows that in developing its retail model, the GNWT has broken with national trends: British Columbia, Alberta, Saskatchewan, Manitoba Ontario, Quebec, New Brunswick, Prince Edward Island, and Newfoundland and Labrador will not allow cannabis to be sold alongside alcohol. Further, in its written submission, the Canadian Cancer Society recommended against co-location to discourage "poly-substance use," or the co-occurring use of cannabis, alcohol, and/or tobacco. This is consistent with what we heard in our public hearings, where witnesses were concerned about the creation of "one-stop shops" for bootleggers and the temptation to purchase alcohol in addition to cannabis. In Łutselk'e, Ms. Florence Catholique said,

"I do totally disagree with having the cannabis sold to us at the liquor store. I don't see the prohibition act as a remedy, but allowing them to go to the liquor store to buy the cannabis... It's also very tempting to buy a bottle."

As discussed, many witnesses also opposed the GNWT's proposed liquor store retail model for economic reasons.

---

<sup>2</sup> Government of Canada, "A Final Report for the Legalization and Regulation of Cannabis in Canada," p.10. December 2016. <<http://healthycanadians.gc.ca/task-force-marijuana-groupe-etude/framework-cadre/alt/framework-cadre-eng.pdf>>

Motion 4 addressed this matter.

#### Enforcement Capacity and Community Resources

Bill 6 proposed two streams for territorial enforcement of cannabis laws: enforcement of laws on possession, production, and sale under the *Cannabis Products Act*, and enforcement of laws on public smoking under the *Cannabis Smoking Control Act*. This is in addition to RCMP enforcement of federal laws. However, many witnesses told us that enforcement responsibilities had not been clearly defined.

Limited enforcement resources were also a prominent concern in public hearings, both with respect to new cannabis-specific laws and more generally. Residents were skeptical of the GNWT's ability to enforce new laws in addition to already challenging workloads. Community leaders from north to south stressed that they lack resources to enforce provisions of the cannabis legislation or bylaws that might flow from it in the future. We also heard recommendations for additional highway patrols, new RCMP positions, and new RCMP detachments. In Tsiigehtchic, Ms. Grace Blake summarized the issue: "We can have all laws you want, but the problem is enforcing them."

Again, witnesses identified bootlegging as a major, debilitating problem. Both bootlegging and the so-called online "grey market" are enforcement challenges impacting, and impacted by, the territory's cannabis retail model. We heard concerns that current drug dealers and/or alcohol bootleggers will incorporate cannabis bootlegging into their repertoire; that current cannabis dealers will transition to dealing harder drugs; and that the proposed retail model, coupled with limited enforcement resources, risks creating new bootleggers altogether.

In Fort Providence, Mr. Jim Thom warned that the GNWT risked substantial lost revenue if online grey market sales were not addressed, and in Tuktoyaktuk, Ms. Marie Pokiak said, "I'm really tired of bootleggers making a living off it... We need an outlet for the sale of cannabis. Otherwise, we are creating more opportunity for illegal trade." These concerns were echoed in many other communities, often coupled with concerns about illegal sales to underage young people. Former Premier Nellie Cournoyea described illicit drug-dealing as a hidden, "ghostly" crime that causes great harm, even death, but most of the time, "no one will go to jail, no one will go to court."

Recommendation 4 addresses these concerns.

#### Impaired Driving and Road Safety

Bill 6 proposed a framework to govern driver's licence suspensions for drug-impaired driving, including "zero-tolerance" rules for young, novice, and commercial drivers. These "zero-tolerance" rules mean that drivers aged 21 or younger, and new and commercial drivers of any age, will lose their driver's licences for 30 days if caught

driving after using cannabis or any other drug. Mr. Sam Gargan of Fort Providence questioned the impact of these new rules on drivers' civil liberties.

Many witnesses also asked how police will determine whether a driver has used a drug and if that driver is subsequently impaired. In the Northwest Territories, the RCMP enforces impaired-driving laws. We understand that the RCMP intends to use a combination of practical technologies (e.g., mouth swabs) and subjective analysis (e.g., driver inspection by an officer trained as a Drug Recognition Expert). However, drawing on our own research and the concerns brought to us during our tour, we have serious reservations about these methodologies.

Additionally, we heard concerns regarding cannabis smoking in cars where children are present. This is prohibited under the proposed legislation, a decision we support, particularly given that cannabis is an intoxicant affecting driving ability.

We also note that, because on-road use of all-terrain vehicles such as quads is regulated under the *All-terrain Vehicles Act*, not the *Motor Vehicles Act*, neither current territorial impaired-driving legislation nor the amendments proposed in Bill 6 will apply to those vehicles.

#### Medical Cannabis

Many witnesses were concerned that Bill 6 would impact the prescription and use of medical cannabis. However, medical cannabis is regulated under separate federal legislation. The legal requirements governing its prescription and use have not changed, and will not be affected by this bill.

#### Possession Limits

Bill 6 proposed possession limits consistent with pending federal legislation: 30 grams per person and four plants per household. Many witnesses were interested in the rationale for these limits and identified concerns respecting cannabis consumption and growth in homes where minors reside.

As we have mentioned, many also questioned the impact of possession limits on small community residents shopping for friends and neighbours in regional centres. Witnesses also noted their concerns that a 30-gram limit would encourage bootlegging, particularly if cannabis sales were restricted to existing liquor stores. Others suggested a "two-tier" possession limit, with a lower possession limit (or cannabis potency limit) for those aged 19 to 25, reflecting the increased risks to younger consumers suggested by recent research. We also heard questions about whether possession limits will apply in private residences.

Motions 7 and 8 addressed this matter.

### Regulating cannabis use in public places

Witnesses were often uncertain about where Northerners will be permitted to smoke cannabis under the proposed legislation. We understand that the GNWT intends to clarify this matter through regulations, but we also feel strongly that rules must be clearly communicated to residents. For example, witnesses asked us about cannabis smoking at home, around minors, on sidewalks, in parks (municipal and territorial), in yards or on balconies, and in licensed establishments. It is evident that the GNWT has not clearly communicated one of the cornerstones of its cannabis framework.

Overall, we heard recommendations to restrict cannabis consumption in community spaces and around minors, but were also reminded that we must ensure access to reasonable options for legal consumption. As legislators, we recognize each individual's right to safely access public spaces in accordance with the law, and must balance this with our obligation not to frustrate cannabis legalization by making it practically impossible to use cannabis. We encourage the GNWT to monitor these issues as they evolve across the country, with a view to future improvements of territorial cannabis laws.

Motion 19 addressed this matter.

### Regulating Cannabis Use in Licensed Establishments

A regulatory framework for licensed establishments (e.g., "cannabis cafés" or "vape lounges") is outside the scope of the bill. This means that we could not amend the bill to explicitly allow such establishments immediately upon legalization. Still, we recognize that this subject is important to many residents.

Many witnesses, including the Yellowknife Chamber of Commerce, spoke of the economic benefits potentially associated with such establishments. Others, such as the Canadian Cancer Society, raised health concerns, believing "cannabis cafés would be untenable if any worker were to be employed, [because] no worker should have to be exposed to any second-hand smoke, [and] especially to continuous high concentrations." A third point of view, from the public health association, suggested that "allowance for the use of specified dwellings in communities where it could be a safe place for those 19 years and older to consume cannabis" could reduce harm by encouraging cannabis consumption outside the home. Similarly, Ms. Kim MacNearney wrote of her concern that highly restrictive rules for public consumption would "perpetuat[e] the stigma of 'cannabis use and users are bad and should not be within public view.'"

Recommendation 3 addressed this matter.

### Workplace Use and Impairment

We heard many questions about cannabis use and impairment in the workplace, particularly where impairment could pose a risk to public safety (e.g., pilots, truck and bus drivers, etc.). Witnesses also asked about rules for employers and tools for determining impairment.

In a public meeting on April 20, 2018, the Workers' Safety and Compensation Commission (WSCC) advised the committees that regulations and policy will be developed to address any changes arising from cannabis legalization. We trust that the WSCC will continue to provide all reasonable support to territorial employers, including legalization-specific training, materials, and other supports. We also note that employers are able to have their own policies related to drug use and/or impairment in the workplace, while the *Mine Health and Safety Regulations* already prohibit "impair[ment] by alcohol or drugs while at work."

### **Youth**

#### Legal age

Bill 6 proposed that the minimum legal age for cannabis purchase, possession, and use will be 19 years, as it is for alcohol.

During our tour, we heard support for maintaining the proposed legal age, as well as raising it (for example, to 21 years or to 25 years) and lowering it (e.g., to 18 years). Students in Ulukhaktok and Tuktoyaktuk discussed a range of options, up to age 21. Other witnesses spoke to the impact of cannabis on brain development in children and youth, given that contemporary medical science suggests that parts of the brain continue to develop through age 25. We heard advocacy for a "harm-reduction" approach, although some citing this methodology felt that a higher legal age would not prevent consumption, but instead encourage illegal consumption, while others put forward an opposing view.

We also heard comparisons to the Northwest Territories' legal age for purchase and consumption of tobacco (18 years). The Canadian Cancer Society recommended "that the GNWT set the same legal for cannabis and tobacco [in its proposal, age 21], and ensure active enforcement of regulations prohibiting the sale of cannabis and tobacco products to minors is fully implemented." Students at Hay River's Diamond Jenness Secondary School made similar comparisons, noting that the GNWT's proposed legislation would incongruously allow northern teens to legally access cigarettes with "tonnes of chemicals" before they are able to legally access cannabis.

Our research shows that the decision to synchronize legal age for both alcohol and cannabis is consistent with those of all other Canadian jurisdictions except Manitoba's. Ongoing studies continue to assess the impacts of cannabis, which has generally

increased in potency over the last 50 years, on the human brain. We encourage the GNWT, as both a cannabis regulator and healthcare provider, to monitor this research.

#### Purchase and Possession by Minors

Bill 6 proposed to prohibit minors from possessing any cannabis and to ticket for possession, with penalties consistent with those for youth possession of both alcohol and cigarettes. As set out in proposed federal legislation, minors will face criminal charges only if they are found to possess or distribute more than five grams.

Throughout our engagement, Northerners emphasized their belief that education at home, at school, and in the community is essential, and that youth should not be criminalized. Students at Deninu School in Fort Resolution suggested that an appropriate enforcement response to youth possession under five grams would be the seizure of any cannabis and discussion with parents or guardians, not a monetary penalty.

#### **Other Issues**

##### Community control

The territorial plebiscite regime enables community control of alcohol (e.g., restrictions or prohibitions). Bill 6 proposed a similar model for cannabis. Many witnesses asked questions about plebiscites – when they would occur, how they would be organized – and were generally supportive of community control. For some, however, "community control" meant coordinating plebiscites and any subsequent restrictions, while for others this meant local options for retail and production, as we have discussed.

Some witnesses also questioned the overall reasonableness of the plebiscite system, suggesting that if cannabis is legalized throughout Canada, then each Canadian has a right to consume it.

Although witnesses did not always agree, personal and community autonomy were consistent themes. In Deline, Mr. Morris Neyelle said,

"We have to work together to deal with this issue. Marijuana will be with us until the end of the world. It is up to the community to decide... how to deal with it."

Ms. Nora Wedzin of Behchokò added this advice: "Don't create what happened with alcohol. Don't impose on [the] community. Listen first."

Notably, the bill would prohibit plebiscites in any community where a cannabis store already operates. This means that communities face a potentially narrow window to exercise plebiscite options, as highlighted in a written submission from the Northwest Territories Association of Communities. It is critical that these timelines be

communicated clearly to the public and that all communities be given reasonable opportunity to pursue a plebiscite if they so desire.

Motions 5, 6, 9, and 21 addressed this matter.

### Jurisdiction

We heard questions about the regulation of cannabis on reserves and in communities with provisions for self-government:

"First Nations communities and Indigenous governments must have more input into how cannabis laws will be governed within their communities. They must have greater autonomy with how they want to go about legalization, especially in terms of taxation (they should get a cut of the profit, along with the territorial and federal governments), ownership of cannabis retail outlets, and the pricing of all cannabis products in stores that would exist within their communities."

Although these questions are outside of the scope of Bill 6 and are to be debated between negotiating parties, we recognize that they are very important to Indigenous governments. We understand that the territorial government is developing a negotiating mandate on cannabis and we expect that as legalization proceeds, the GNWT will work more openly and directly with its inter-governmental partners. Members look forward to regular updates as the GNWT's work proceeds on these matters.

### Mandatory Review of Legislation

Not since the prohibition of alcohol was lifted in the majority of Canadian provinces in the 1920's has the country seen an initiative like the national legalization of cannabis. During our public engagement, many people voiced concerns about the "unknowns" associated with legalization. We expect that the GNWT and its federal/provincial/territorial counterparts will encounter issues and circumstances not fully anticipated when cannabis legislation was drafted.

At public hearings in Behchokò, Inuvik, and Tuktoyaktuk, some witnesses emphasized the need to revisit cannabis legislation after communities have firsthand experience of the results. The point was made that the government must respond promptly to public needs after enacting laws of this magnitude.

Motion 22 addressed this matter.

## WHAT WE DID

To complete our review of Bill 6, we considered all public submissions and reviewed national best practices and other jurisdictions' proposed cannabis frameworks. In response, we developed 11 motions to amend the bill and eight broader recommendations to the Government of the Northwest Territories.

### **Clause-by-Clause Review of Bill 6**

The clause-by-clause review of Bill 6 was held on May 28, 2018, at the Legislative Assembly building in Yellowknife. The Committees moved 22 motions, including nine developed by the Department of Justice and two developed by the Member for Frame Lake.

#### **Motion 1: To amend subsection 1(1) of Schedule A to define "consume"**

The terms "consume," "smoke," and "use" are used throughout the bill, but the distinction between them may be unclear to the average reader. This motion provided clarity by establishing that "consume" includes, but is not exclusive to, both smoking and the consumption of cannabis products ("edibles").

#### **Motion 2: To amend subsection 1(1) of Schedule A to delete the definition of "public place"**

This motion was developed by the Department of Justice to correct a drafting error by deleting the definition for "public place" under the proposed *Cannabis Products Act*. Because this term is not used in the act, a definition was unnecessary.

#### **Motion 3: To amend section 5 of Schedule A to revise the retail model for cannabis sales in the Northwest Territories**

This motion ensured that private retailers other than those operating liquor stores through consignment with the Liquor Commission may be designated as cannabis vendors. The motion proposed to require the Minister of Finance to designate a cannabis vendor if the vendor met prescribed criteria. It also proposed that although cannabis vendors may also be liquor retailers, liquor retailer status will not be required.

This motion was carried. However, the Minister did not concur, so the bill was not amended.

**Motion 4: To amend section 5 of Schedule A to prohibit co-location of cannabis and alcohol**

This motion provided that, where a cannabis store will be located in the same building as a liquor store, the two establishments must be entirely separate, including separate exterior doors. This reflects what we heard from Northerners, as well as national best practices.

This motion was carried. However, the Minister did not concur, so the bill was not amended.

**Motions 5 and 6: To amend subsection 6(1) of Schedule A to clarify rules for community consultation prior to designating a cannabis vendor**

Bill 6 initially proposed that, where no cannabis store operated in a community, the Minister of Finance would be required to ascertain a community's views before a designating a cannabis vendor. This motion expanded that requirement to ensure such notice will be given any time a new cannabis vendor is considered. It also established that where the potential vendor would be the community's first, the Minister would be required to give notice of plebiscite rules, ensuring that sufficient time is available to hold a plebiscite as needed.

**Motion 7: To amend section 11 of Schedule A to clarify limits on household possession of cannabis**

This motion was developed by the Department of Justice to explicitly provide that the 30-gram possession limit does not apply to cannabis held in a person's private residence.

**Motion 8: To amend clause 11 of Schedule A to develop a two-tier, age-based possession framework**

This motion was developed by the Member for Frame Lake. It proposed to maintain the proposed 30-gram personal possession limit for those aged 25 and over, but to establish a 10-gram possession limit for those aged 19 to 24. This enables the choice of consumption for all those of legal age, while also establishing a model of limited consumption for younger adults.

This motion was carried. However, the Minister did not concur, so the bill was not amended.

**Motion 9: To amend Schedule A to expand plebiscite options**

This motion was proposed by the Member for Frame Lake. Under the bill, plebiscites will not be permitted in any community with an operating cannabis store. This motion proposed to allow plebiscites in a community with an operating cannabis store, *if* the store has been in operation for two or more years, *if* at least 20 per cent of the voters in the community petition the Minister to hold a plebiscite, and *if* the plebiscite proposes only sales restrictions, not a prohibition-based system.

This motion was not carried. As such, the bill was not amended.

**Motion 10: To delete section 23 of Schedule A**

This motion deleted the provision enabling the Minister of Finance to form a committee to advise him or her on territorial cannabis industry operations. We believe that public involvement in cannabis regulation is essential, but feel that the proposed advisory committee could unfairly prejudice such involvement. First, the GNWT has stated that it does not intend to strike such a committee in the foreseeable future. Second, we consider that, as elected representatives of the people of the Northwest Territories, Members of the Legislative Assembly already have a mandate to consult residents on the operation of the *Cannabis Products Act* and the cannabis industry. We were also concerned that this provision has the potential to provide a non-elected body, without required qualifications, with an unfettered ability to influence the administration of the act.

**Motions 11 and 14: To amend sections 29 and 71 of Schedule A to create regulation-making authority respecting cannabis cultivation**

This motion was developed by the Department of Justice to create regulation-making authority respecting the growing, cultivation, propagation and harvesting of cannabis.

**Motion 12: To amend subsection 42(3) of Schedule A to clarify rules for individuals accompanying inspectors under the act**

In its original form, Bill 6 would have allowed an inspector to be accompanied in their duties by "any other individual that the inspector believes is necessary," providing an overly broad scope. The amending motion defined clear parameters for such accompaniment. This will ensure that inspectors may be appropriately supported in their work while also assuring the general public that inspectors' powers are limited to the fulfillment of their duties under the act.

**Motion 13: To amend section 52 of Schedule A to clarify rules for court-ordered forfeiture of property**

This motion defined clear parameters for the forfeiture of seized property where a person has not been convicted of an offence under the act. Bill 6 had proposed to allow the Minister to apply for a judicial order requesting the forfeiture of seized cannabis as well as “any other property” seized, where a person charged with an offence is not convicted. While we understand that there may be situations where forfeiture is appropriate, as when the property's owner is not known, we found this power overly broad. We were concerned about the potential for infringement on residents' civil liberties, and noted that a similar provision in the *Liquor Act* is not as broad.

**Motions 15 and 17: To amend Schedules A and B to create new sections addressing transitional rules for cannabis cultivation and smoking in rental properties and condominium corporations**

This motion addresses transitional rules for existing leases on rental properties and existing condominium bylaws following cannabis legalization. Where a rental agreement or condominium bylaw addresses tobacco smoking, the same rules will apply to cannabis smoking. Additionally, cannabis cultivation will be permitted in rental properties where permitted under the rental agreement. If the rental agreement is silent on this matter, cultivation will be permitted unless the landlord notifies the tenant in writing that it is prohibited.

**Motion 16: To amend subsection 8(3) of Schedule B to correct a drafting error**

This motion was developed by the Department of Justice to address a drafting error. It ensures that the *Cannabis Products Act* is referenced correctly, using its full title.

**Motion 18: To amend subsection 8(3) of Schedule B to correct a drafting error**

This motion was developed by the Department of Justice to address a drafting error. It ensures that inspectors fulfilling their duties under the act may submit any lawfully collected sample of a substance for analysis.

**Motion 19: To amend section 20 of Schedule B to establish regulation-making authority respecting restriction or prohibition of cannabis smoking areas adjacent to public places**

This motion established authority for the Minister to consider the future development of rules for cannabis smoking in areas adjacent to public places, such as school grounds and business establishments.

**Motion 20: To amend paragraph 13(3)(a) of Schedule C to correct a drafting error**

This motion was developed by the Department of Justice to ensure that all references to "drinking and driving" offences in the *Motor Vehicles Act* would be identified as "alcohol and drug related" driving offences. Previously, one reference had been missed.

**Motion 21: To amend subsection 1(4) of Bill 6 to address a drafting error in the bill's coming-into-force schedule**

This motion was developed by the Department of Justice to address a technical transitional error. It ensures that the community engagement required before the Minister may designate a cannabis vendor will occur after the bill receives assent, but before cannabis is formally legalized.

**Motion 22: To amend Bill 6 to establish a mandatory one-time review of territorial cannabis legislation**

In rare instances, such as in the *Official Languages Act*, legislation requires the Legislative Assembly to review a statute on a regular basis. Past experience reveals that recurring reviews can be costly and time consuming, and may not result in legislative change. However, we feel that there is value in this motion, which amended the bill to ensure that there will be a review of the territory's cannabis legislation after it has been in effect for a few years.

We stress that this does not preclude future reviews of the legislation created by Bill 6. As legislators, Members of the Legislative Assembly retain the right to review and reconsider existing legislation at their prerogative, provided it is done in accordance with the Rules of the Legislative Assembly.

## **Recommendations**

### **Recommendation 1**

**The Standing Committees on Government Operations and Social Development recommend that the Government of the Northwest Territories develop a fully-costed implementation plan for Bill 6, including multi-demographic public education, enforcement planning, and expected cannabis revenues; that this plan be returned to the committees for review prior to legalization day; and that the final plan be made available to the public.**

Overall, we found that the GNWT did not adequately provide citizens of the Northwest Territories with information about the proposed framework for cannabis regulation, resulting in uncertainty for communities and citizens. This placed the committees in the

unenviable position of serving as a source of public information on a government bill while it was under our review. Throughout our tour, residents asked about the impacts of cannabis legalization on our communities and our economy, on existing services, and on the social challenges we already face. We heard questions about enforcement responsibilities and training, public education, healthcare (including mental health and addiction counselling), guidelines for entrepreneurs and producers, and rules for plebiscites. We also heard clearly that residents want public education that targets not only youth, but also adults and elders. Legalization will affect all Northerners and they deserve to be informed.

The implementation of cannabis legalization is a monumental task. An implementation plan, outlining such things as targeted communication initiatives (e.g., campaigns for children, youth, parents, elders, etc.), timelines for vendor designation, enforcement training initiatives, follow-up community engagement, and inter-departmental and inter-agency collaboration, would provide a clear and accessible public roadmap. This is a natural next step in the GNWT's "way forward" for cannabis legalization.

## **Recommendation 2**

**The Standing Committees on Government Operations and Social Development recommend that the Government of the Northwest Territories develop curricula to deliver evidence-based health and safety education respecting both cannabis and alcohol through the territorial education system.**

Residents of all ages emphasized the importance of education, and both the public health association and the nurses' association spoke to the importance of legislation

and policy founded in principles of harm-reduction. We are under no illusions: we know that Northerners of all ages currently use cannabis and we feel strongly that multi-demographic public education is essential. However, we also know that, as elsewhere in Canada, young people comprise a significant portion of active users and that targeted education programming works. Consider the *Don't Be A Butthead* anti-tobacco campaign, which saw interactive educational modules delivered through territorial schools and which was praised during our tour. It is necessary that territorial health curricula reflect the realities of cannabis legalization and provide young people growing up under legalization with evidence-based information on cannabis and poly-substance use.

### **Recommendation 3**

**The Standing Committees on Government Operations and Social Development recommend that the Government of the Northwest Territories form an inter-departmental working group to prepare for the future regulation of cannabis-based products, including high-potency cannabis products, and licensed establishments for cannabis consumption.**

With legalization, an illegal substance will become legal and available for recreational use. Accordingly, Northerners will be looking for safe, recreational places to consume cannabis, comparable to bars and lounges for alcohol. We also know that high-potency products are already available illicitly, while the legalization of edibles is expected within the next two years. The development of regulatory frameworks to address these matters will be a large task. Beginning this work now will help to mitigate operational challenges in the future.

### **Recommendation 4**

**The Standing Committees on Government Operations and Social Development recommend that the Government of the Northwest Territories form an inter-agency working group to address cannabis-related enforcement planning.**

Enforcement responsibilities were a recurring topic of discussion during our tour. Members of the public, representatives of community governments, and enforcement officials themselves raised questions and concerns. An inter-agency working group, potentially including GNWT inspectors and environmental health officers, municipal enforcement, the RCMP, the Northwest Territories Association of Communities, and other parties as needed, could ensure that new laws are clearly communicated. Such a working group could also encourage discussion and information-sharing, and provide additional support to communities with limited resources.

### **Recommendation 5**

**The Standing Committees on Government Operations and Social Development recommend that the Government of the Northwest Territories work with the Government of Canada and other government partners to resolve outstanding questions on record suspensions for offences related to cannabis possession.**

We recognize that the federal government is responsible for administering record

suspension, but we feel strongly that the territorial government must engage its federal counterparts on this matter.

#### **Recommendation 6**

**The Standing Committees on Government Operations and Social Development recommend that the Government of the Northwest Territories develop economic development programming to support northern entrepreneurship related to cannabis sale and production.**

The GNWT administers several strong and successful programs to support entrepreneurs and community economic development, including the Support for Entrepreneurs and Economic Development (SEED) policy. We heard repeatedly that Northerners are eager to pursue the economic benefits of legalization. Targeted programs addressing cannabis-specific planning and programming would help local businesses – and the territorial economy – to grow and thrive.

#### **Recommendation 7**

**The Standing Committees on Government Operations and Social Development recommend that the Government of the Northwest Territories consider specific spending targets for the disbursement of cannabis-related revenues aimed at public education, public awareness, and public health research related to cannabis use; and that the Liquor Commission report on cannabis sales in its annual report.**

To address the revenue-related concerns we heard during our tour, we investigated options to amend Bill 6 to specify that cannabis revenue be targeted to specific expenditures in a manner similar to the disposition of territorial lottery revenue. However, the committees' legal counsel advised that an amendment of this nature would be out of bounds because it is the government's exclusive privilege to propose how to spend its revenues.

Nevertheless, we hear and support residents' calls for targeted investment by the GNWT in matters of public concern related to cannabis use. With this recommendation, we urge the GNWT to take action.

**Recommendation 8**

**The Standing Committees on Government Operations and Social Development recommend that the Government of the Northwest Territories provide a comprehensive response to this report within 120 days.**

**CONCLUSION**

The Standing Committees on Government Operations and Social Development thank everyone involved in the review of this bill, with particular thanks to those who provided their input and recommendations. All committee reports and public submissions are available online at the Legislative Assembly website: [www.assembly.gov.nt.ca](http://www.assembly.gov.nt.ca).

This concludes our review of Bill 6.

## APPENDIX – PUBLIC ENGAGEMENT ON BILL 6

### Public Hearings

#### Monday, April 23, 2018

- Fort McPherson
- Fort Resolution

#### Tuesday, April 24, 2018

- Hay River Reserve
- Fort Providence
- Tsiigehtchic

#### Wednesday, April 25, 2018

- Deline

#### Thursday, April 26, 2018

- Łutsek'e

#### Friday, April 27, 2018

- Behchokò
- Gamètì

#### Monday, April 30, 2018

- Fort Liard
- Inuvik

#### Tuesday, May 1, 2018

- Sambaa K'e
- Ulukhaktok

#### Wednesday, May 2, 2018

- Hay River
- Tuktoyaktuk

#### Thursday, May 3, 2018

- Yellowknife

### Other Meetings

#### Friday, April 20, 2018

- Public meeting with the Minister of Justice to discuss Bill 6

#### Monday, April 23, 2018

- Meeting with students at Deninu School in Fort Resolution

#### Monday, April 30, 2018

- Meeting with community leaders in Inuvik

#### Tuesday, May 1, 2018

- Meeting with students at Helen Kalvak Elihakvik School in Ulukhaktok

#### Wednesday, May 2, 2018

- Meeting with students at Diamond Jenness Secondary School in Hay River
- Meeting with community leaders in Tuktoyaktuk
- Meeting with students at Mangilaluk School in Tuktoyaktuk

#### Wednesday, May 3, 2018

- Meeting with students at East Three Secondary School in Inuvik
- Meeting with students at École St. Patrick High School in Yellowknife

#### Monday, May 28, 2018

- Clause-by-clause review of Bill 6 at the Legislative Assembly building in Yellowknife

**APPENDIX – WRITTEN SUBMISSIONS ON BILL 6**

Brown, Sara (Chief Executive Officer, NWT Association of Communities)

Bowen, Denise (Executive Director, Registered Nurses Association of the NWT and Nunavut)

Case, Cheryl (Northwest Territories and Nunavut Public Health Association)

Students, Diamond Jenness Secondary School

Erasmus, Pascal

Harris, Alan

Harris, Tim

Jonasson, Adeline (Łutselk'e Dene First Nation Councillor)

Lalond, Mike and Deneen Everett (President and Executive Director, Yellowknife Chamber of Commerce)

MacNearney, Kim

Martins, Fernanda (Public Policy Analyst, Canadian Cancer Society)

Murie, Andrew, Robert Solomon, and Eric Dumschat (Chief Executive Officer, National Director of Legal Policy, Legal Counsel, MADD Canada)

Perrino, Jason

Tutcho, Raymond (Ekw'atide, Deline Got'ine Government)

Yakeleya, Norman