

Analysis of Options to Address the Retail Sale of Knives

Option 1 - New 'Convenience Store' Business Licence Category

Opportunities	Risks	Additional Considerations	Public Engagement
<ul style="list-style-type: none"> Addresses the specific concerns raised by community members about knives being sold in convenience and corner stores, without extending regulations to stores that were not identified as community concerns (e.g. sporting/recreational stores, box stores, kitchen supply retailers). Although not specifically addressed in the research and engagement, this option could also be used to prohibit the sale of other items likely to be weaponized such as bear spray and polymer knuckles. 	<ul style="list-style-type: none"> Requires net new unbudgeted resources The category cannot be added to existing business licences until the licences are up for renewal. This may result in a one to two year gap of unenforceability on any retailers of concern. Convenience stores that do not sell knives would still be required to obtain the new category on renewal of their licence and hence be impacted by any associated operating requirements. Sets a precedent of using the Business Licence Bylaw to address gaps in provincial or federal legislation. Further legal implications as discussed in the private legal presentation. 	<ul style="list-style-type: none"> Full implementation among existing businesses could take up to two years, as existing licensees are not required to obtain the new category until their licences renew. Requires enforcement and educational resources to proactively ensure businesses are licensed appropriately, and to ensure ongoing compliance among a small number of retailers. In June 2024, EPS Beats Team determined that 17 out of 30 convenience stores in the areas of 107 Avenue and 118 Avenue were openly selling knives. This number does not reflect the whole of the community, as EPS indicated the problem is City wide. 	<ul style="list-style-type: none"> This option is most closely aligned with public engagement results. This option most directly addresses what community stakeholders asked for at the April 9, 2024 Urban Planning Committee.

Available Operating Requirements

Within Option 1, it is possible to prohibit all knife sales altogether, with a potential exception for cutlery, or to impose operating requirements on the sale of all knives. Potential operating requirements could include:

- Prohibiting retailers from selling knives to a person who is under 18 years of age
- Requiring retailers to obtain photo identification to verify the age of a purchaser who appears to be under 25 years of age
- Requiring retailers to keep knives locked in a display case or secure room
- Requiring retailers to post signage with City-approved messaging to communicate any applicable restrictions on the sale of knives to customers and employees.

Resource and Enforcement Implications

Additional resources will be required to facilitate the implementation of Option 1 at an estimated total cost of \$939,926. This includes resources for administration, education, and municipal enforcement. Implementation would occur over a three-year period, as changes would take effect gradually as licences are issued or renewed. Proactive measures will be needed to ensure convenience stores comply with the new regulations, which will require additional resources for education and enforcement. Administrative resources would be deployed first to identify existing potential businesses for which the category should be applied, to educate them on the new requirements, and to facilitate changes to their business licences at renewal. Enforcement resources would be deployed to further investigate compliance after a licence is issued or renewed.

The enforcement of operating requirements would be the responsibility of the Edmonton Police Service (EPS), while City Administration would be responsible for informing businesses of new requirements, facilitating the transition of existing retailers to the new category, and Business Licence Bylaw enforcement specific to ensuring businesses selling knives obtain the 'Convenience Store' category itself.

Businesses Implications

Convenience stores that currently sell knives may be impacted by a decrease in revenue, particularly if regulations prohibit the sale of knives. Convenience stores may also face increased operating and labour costs - particularly if imposing a requirement to secure knives, as this would require an employee to assist customers with purchasing a knife and may require the purchase of display cases or changes to the physical space. However, since it would only apply to a small segment of retailers (i.e. convenience stores), this option minimizes red tape by not imposing the same regulations on other types of retailers that were not identified as a community concern.

Option 2 - Amend the Existing 'Retail Sales' Business Licence Categories

Opportunities	Risks	Additional Considerations	Public Engagement
<ul style="list-style-type: none"> Establishes consistent standards for all retail businesses that are selling knives. Retailers that sell knives would not be required to apply for a new business licence category. 	<ul style="list-style-type: none"> Requires net new unbudgeted resources Broad approach targets all retailers that sell knives, including those that were not identified as a community concern Sets a precedent of using the Business Licence Bylaw to address gaps in provincial or federal legislation. Further legal implications as discussed in the private legal presentation. 	<ul style="list-style-type: none"> There will be less barriers to implementation as businesses already have licences with these categories. The anticipated resources required for this option are greater, due to the increased volume of businesses impacted. 	<ul style="list-style-type: none"> Engagement results from the public and businesses suggest that imposing requirements on businesses will drive purchasers to online retailers, with operating requirements simultaneously impacting small businesses.

Available Operating Requirements

Within Option 2, it is possible to impose operating requirements on the sale of knives. Potential operating requirements could include:

- Prohibiting retailers from selling knives to a person who is under 18 years of age
- Requiring retailers to obtain photo identification to verify the age of a purchaser who appears to be under 25 years of age
- Requiring retailers to keep knives locked in a display case or secure room
- Requiring retailers to post signage with City-approved messaging to communicate any applicable restrictions on the sale of knives to customers and employees.

Resource and Enforcement Implications

Additional resources will be required to facilitate the implementation of Option 2 at an estimated total cost of \$1,334,988. This includes resources for education and municipal enforcement. Implementation would occur over a three-year period, as proactive measures will be needed to ensure retail stores that sell knives comply with the new regulations, which will require additional resources for education and enforcement. Some voluntary compliance can likely be achieved at a faster rate as compared to Option 1 as existing businesses would not be required to obtain a new business licence category before the requirements can take effect. Existing administrative resources would be deployed first to contact all retailers to inform them of the new requirements. Additional enforcement resources would be deployed to identify which retail stores sell knives, and to investigate compliance after a licence is issued or renewed.

The enforcement of operating requirements would be the responsibility of EPS, while City Administration would be responsible for informing businesses of new requirements.

Businesses Implications

A larger segment of retailers would be impacted by operating requirements when compared with Option 1, as the regulations would apply to any retailer that sells knives. Requirements to check photo identification, prevent the sale of knives to minors, or post signage can be implemented relatively easily and would not pose significant barriers for businesses. However, a requirement to secure knives could increase labour and operating costs for retailers, as it would require an employee to assist customers with purchasing a knife, and businesses may need to purchase displays or make changes to the physical space. More than half of the surveyed retailers that sell knives believe such a requirement would negatively impact their business.

Depending on which operating requirements are imposed, this option could be perceived as adding red tape - particularly among those retailers that sell knives, but were not specifically identified as a community concern (e.g. box stores, outdoor supply stores, etc.). It is also possible that stricter requirements may cause businesses to lose customers to online retailers or jurisdictions without requirements. However, based on the engagement findings, some businesses have already voluntarily adopted some of these measures.

Option 3 - Utilize Existing Business Licence Review Provisions

Opportunities	Risks	Additional Considerations	Public Engagement
<ul style="list-style-type: none"> Existing provisions can be utilized to regulate or prohibit the sale of knives at specific businesses where the sale of knives goes against the public interest EPS can request a review and should it be identified as appropriate, restrictions can be tailored for each individual business based on the specific circumstances. Can be used as a compliance tool to complement efforts to promote voluntary compliance by EPS Beats and the Community and Neighbourhood Empowerment Team. Avoids perception of bias or discrimination toward a particular type of business (i.e. convenience stores). 	<ul style="list-style-type: none"> The licence review process is time-consuming and resource intensive, including evidence gathering and submission of reviews by enforcement agencies to Administration, reviews by Administration, and appeals to Community Standards and Licence Appeal Committee (CSLAC) Further legal implications as discussed in the private legal presentation. 	<ul style="list-style-type: none"> The outcome will depend on establishing sufficient public interest grounds based on the evidence and information supplied by EPS and by the licensee. Decisions can be appealed to the Community Standards and Licence Appeal Committee (CSLAC), and may not be upheld. 	<ul style="list-style-type: none"> Engagement results suggest that the public does not think that broad restrictions will solve the problem, and that any type of bylaw will only negatively impact law-abiding residents.

Available Operating Requirements

Within Option 3, it may be possible to use the business licence review process to impose conditions on a particular business licence that would prohibit the business from selling knives, or impose operating requirements the business must follow when selling knives. Specific conditions would be determined on a case-by-basis and while potential conditions could include similar operating requirements as discussed in Options 1 and 2, any other condition may also be considered as long as there is a clear and direct connection between the public interest concern and the business activities associated with selling knives. Other possible outcomes of a licence review could include cancellation or suspension of the business licence.

Resource and Enforcement Implications

Additional resources will be required to facilitate the implementation of Option 3 at an estimated total cost of \$224,438. This includes only resources for education and administration. Implementation would occur over a two year period, as this option is likely to significantly increase the volume of new licence review requests from EPS. Administrative resources would be required to process the influx of licence reviews.

Preparing and submitting licence review proposals for businesses where the sale of knives is a public interest concern, and the enforcement of operating requirements that result from a licence review would be the responsibility of EPS. City Administration would be responsible for facilitating the licence review process once a proposal is received. This includes reviewing the proposal to establish grounds, preparing and issuing the required notices, considering information supplied by both EPS and the licensee, rendering and issuing a written decision, and preparing for, and attending appeal hearings where required.

Businesses Implications

This option would likely affect the smallest segment of retailers, as there would be no need to restrict the activities of retailers that sell knives responsibly or where the sale of knives has not been identified as a community concern. Suspending, cancelling, or imposing conditions on a business licence could result in substantial financial and operational barriers for the business; however, would be determined on a case-by-case basis through a fair and impartial process and applied in proportion to the magnitude of the associated risks to public safety. The licensee can also appeal the decision to the Community Standards and Licence Appeal Committee.