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January 16, 2018

The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Parliament Buildings
Victoria, B.C. V8V 1X4

Dear Minister Robinson:

RE: Cannabis Sales Revenue Sharing

A letter dated March 16, 2017 (copy attached) was sent from the Union of B.C. Municipalities (UBCM) to The Honourable Suzanne Anton, Minister of Justice and Attorney General, in regards to concerns related to the legalization of marijuana in Canada. Of particular interest, the letter expressed the concerns of B.C. municipalities that marijuana taxation revenue be fairly distributed among all orders of government, including local governments. As it is very troubling that there has been no apparent progress in this regard, I am writing on behalf of the District of Kent Council today to personally reiterate that increased costs and responsibilities related to marijuana legalization without any confirmed source of additional funding will place a huge burden on local governments.

With the legalization of cannabis sales now imminent, the need for a formal agreement that will divide the tax revenue on cannabis sales in a fair and equitable manner is critical for municipalities. From our perspective, smaller municipalities with limited funding opportunities available for new responsibilities will be particularly impacted by these changes. The legalization will result in additional costs for local governments in social and policing costs. A Federation of Canadian Municipalities (FCM) paper is stating that that the impact may affect policing, fire services, building codes, city planning, municipal licencing and standards, public health, social services, and communications.

Current discussions regarding revenue sharing involve the Federal and Provincial governments with no inclusion of local governments. Therefore, we implore you to address this matter soon and present a formal funding agreement for B.C. municipalities. Fifty percent (50%) of the provincial share of the cannabis tax sharing formula being provided to local governments is suggested as an adequate and equitable share to support costs and services incurred by local governments.

Thank you for your time and consideration to this matter of urgent concern to all B.C. municipalities.

A handwritten signature in black ink, appearing to read "J. Van Laerhoven".

John Van Laerhoven
Mayor

cc: The Honourable David Eby, Attorney General
UBCM Municipalities

March 16, 2017



The Honourable Suzanne Anton
Minister of Justice and Attorney General
Room 232, Parliament Buildings
Victoria, B.C. V8V 1X4

RE: Legalization of Marijuana

Dear Minister,

I write to you today regarding local government concerns related to the legalization of marijuana in Canada. BC local governments have adopted resolutions requesting direct involvement in the process to establish a regulatory approach to marijuana, and that marijuana taxation revenue be fairly distributed among all orders of government, including local governments. I would like to request a meeting at your convenience to discuss these issues, and other local government concerns that we may address through collaborative solutions.

To this point, UBCM has not been presented with an opportunity to directly engage in meaningful discussion with the provincial government regarding a framework for legal access to marijuana, and in particular a marijuana distribution framework. With federal legislation expected in the near future, it is important that local governments and the Province begin discussion on how to best prepare for the ensuing changes.

Potential costs and responsibilities related to marijuana legalization without any confirmed source of additional funding could place a large burden on local governments, who may bear substantial enforcement and oversight costs, and at this point only receive 8-10% of overall taxation revenue. Previous experience with medical marijuana has shown that, without funding, local governments face difficulties in enforcing laws, leading to the unregulated environment that exists today. As such, UBCM would greatly appreciate an opportunity to discuss the concerns of BC local governments as they pertain to marijuana legalization. Bhar Sihota, UBCM Policy Analyst, may be reached at (604) 270-8226 Ext. 114 or bsihota@ubcm.ca to arrange a meeting.

We look forward to partnering with you in the development of an effective regulatory framework for legal access to marijuana.

Sincerely,

A handwritten signature in dark ink, appearing to read "M. Krause".

Murry Krause
President, Union of BC Municipalities

cc: *The Honourable Peter Fassbender, Minister of Community, Sport, Cultural Development, and Minister Responsible for TransLink*