

From: AMO Communications <communicate@amo.on.ca>
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To: Rebekah Msuya-Collison
Subject: AMO Policy Update - Cannabis Implementation – Municipal Funding Announcements
Attachments: Cannabis Implementation – Municipal Funding Announcements - FAQs 2018-03-09.pdf

March 9, 2018

Cannabis Implementation – Municipal Funding Announcements

Today, the Ontario Minister of Finance released the outcome of discussions on how the federal cannabis excise tax will support provincial and municipal activities for the next two years. Ontario estimates that it will receive a maximum share of \$100 million over the next two years.

The parties agree that the impacts and costs are not truly known for either the Province or municipal governments – that this is new terrain for all of us. Other jurisdictions with legalized recreational cannabis have different laws and regulated approaches. It is important that we monitor the implementation in Ontario of the new laws when in effect and any future changes to the regulated framework (e.g., introduction of edibles) as all of this will be central to our future discussions.

In the short term, this funding will help pay municipal costs and this is critically important. Keeping municipal governments whole is our goal. As well, AMO's Board believes there is a future case to be made for this new federal and provincial revenue source to support broader community benefits.

The immediate arrangement to help deal with municipal costs is a combination of \$40 million plus some cost avoidance for municipal governments. This \$40 million exceeds the 25%, which the federal government vacated and gave to provinces and territories in recognition that municipal governments will have cost impacts.

Attached is an AMO FAQ. Please read the FAQ – it contains more information on cost containment and funding along with other information. Here's the link to the Ontario News Release:

<https://news.ontario.ca/mof/en/2018/03/ontario-supporting-municipalities-to-ensure-safe-transition-to-federal-cannabis-legalization.html>.

AMO Contacts:

Pat Vanini, Executive Director, E-Mail: pvanini@amo.on.ca , 416-971-9856 ext. 316
Monika Turner, Director of Policy, E-Mail: mturner@amo.on.ca , 416-971-9856 ext. 318
Craig Reid, Senior Advisor, E-Mail: creid@amo.on.ca, 416-971-9856, ext. 334.

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