

To: Chair and Members of the Committee of the Whole

From: Mary Lou Tanner, Deputy City Manager

Date: December 5, 2018

Re: Cannabis legislation and retail cannabis sales update

Staff would like to provide an update to city manager's office report CM-20-18, Cannabis Legislation and Retail Cannabis Sales – Item 5.4 on the Committee of the Whole agenda for Dec. 10, 2018.

On the evening of Nov. 26, 2018 finance department staff received a letter from the Ministry of Finance regarding the Ontario Cannabis Legalization Implementation Fund. Finance department staff also spoke with Ministry staff on Dec. 4, 2018. The Ministry letter is attached to this memo.

Highlights from the letter:

- City of Burlington's first payment is \$93,063 and will be received in Jan.
- Second payments of funds (March 2019) will be allocated based on whether a municipality opts out of retail cannabis. If Burlington opts-out, the city will receive a maximum of \$5,000. The amount of funds to be provided to municipalities if they opt-in is unknown at this time, but will be determined after the Jan. 22, 2019 deadline.
- If Ontario's portion of the federal excise duty is more than \$100 million in the first 2 years, then the province will provide 50% to municipalities that have not opted-out.
- Funds may be transferred between lower and upper tier municipalities.
- All funding provided to municipalities must be used to address the costs that directly relate to the legalization of recreational cannabis.