



March 12, 2018

365021

Kelly Kenney, Corporate Officer
City of Langley
20399 Douglas Crescent
Langley BC V3A 4B3

Dear Ms. Kenney:

Thank you for your correspondence, sent on January 18, 2018, requesting that local governments share in provincial cannabis taxation revenue. The Province appreciates the feedback that local governments and the Union of BC Municipalities (UBCM) have provided to date — this perspective is crucial to crafting effective policy and legislation that will serve British Columbians.

The Province is committed to working collaboratively with local governments in the development of a provincial cannabis regulatory framework, which is why the Joint Provincial-Local Government Committee on Cannabis Regulation was established by the B.C. government and UBCM. This committee provides an opportunity for dialogue and consultation with local governments on the development of the provincial regulatory framework. Once the regulatory framework is fully developed, the Province and local governments will be better positioned to determine incremental spending expected as a result of cannabis legalization.

The Province has reached an agreement in principle with the federal government regarding the cannabis excise tax structure and subsequent revenue sharing with the provinces. The Province is currently working collaboratively with the federal government to finalize the cannabis excise tax coordination agreement. Once the tax coordination agreement is finalized the Province will be better positioned to determine total provincial cannabis taxation revenue.

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The federal and provincial governments intend to keep cannabis taxes low to support the objective of reducing illicit market activity. As such, it is expected that cannabis taxation revenues will not generate significant provincial revenues.

The Province recognizes that the legalization of cannabis will lead to additional costs for local governments. We will be able to have more informed discussions once full details of the regulatory and taxation regimes are known and governments have more certainty in terms of expected future costs and revenues.

For information updates about the provincial government's non-medical cannabis regulatory approach, please visit: <https://www2.gov.bc.ca/gov/content/safety/public-safety/cannabis>.

Thank you again for taking the time to write.

Sincerely,



Carole James
Minister and Deputy Premier

cc: Honourable Mike Farnworth, Minister of Public Safety and Solicitor General
Honourable Selina Robinson, Minister of Municipal Affairs and Housing

January 18, 2018

Honourable Selena Robinson
Minister of Municipal Affairs and Housing
Parliament Buildings
Victoria, BC V8V 1X4

VIA email: selina.robinson.MLA@leg.bc.ca

Dear Minister Robinson:

Re: Cannabis Sales Revenue Sharing with Local Governments

At its January 15, 2018 Regular Council meeting, the Council for the City of Langley considered correspondence from the District of West Kelowna, which is enclosed for your reference, regarding cannabis sales revenue sharing with local governments. Council subsequently passed the following resolution:

WHEREAS it is anticipated that legalization of cannabis sales will entail additional costs for local governments with respect to policing and fire services, building codes, planning, licensing and standards, communications, legal services, public health and social services;

AND WHEREAS current discussions regarding revenue sharing of the tax revenue on cannabis sales involve the Federal and Provincial governments with no inclusion of local governments;

THEREFORE BE IT RESOLVED THAT the City of Langley lobby the Province to agree to providing 50% of the provincial share of the cannabis tax sharing formula to local governments.

Yours truly,
CITY OF LANGLEY



Kelly Kenney
Corporate Officer

Enclosure

cc: Mayor Findlater, District of West Kelowna



Office of the Mayor

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Council Mail Distribution

Part 1 **through** DEC 15 / 2017

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cc: SMT, Admin Staff

December 13, 2017

Dear Local Governments of British Columbia,

With cannabis sales becoming legal in 2018, there must be a formal agreement that will divide the tax revenue on cannabis sales in a fair and equitable manner. Current discussions regarding revenue sharing involve the Federal and Provincial governments with no inclusion of local governments. Ultimately, the legalization will entail additional costs for local governments both in social and policing costs. A Federation of Canadian Municipalities (FCM) paper is stating that the impact may affect policing, fire services, building codes, city planning, municipal licensing and standards, public health, social services, communications, law, etc.

City of West Kelowna Mayor and Council is requesting your support, by writing to the Province to lobby them to agree to 50% of the provincial share of the cannabis tax sharing formula be provided to local governments. This is an adequate and equitable share to help support costs and services incurred by local governments.

Thank you for your consideration.

Sincerely, on behalf of Council,

Doug Findlater
Mayor