

September 12, 2019

Honourable Carole James  
Minister of Finance  
PO Box 9048 Stn. Prov Govt  
Victoria, BC V8W 9E2

**RE: Cannabis Revenue Sharing**

Dear Minister James,

On behalf of the Union of B.C. Municipalities (UBCM), I am writing to request a meeting in advance of our Convention to brief you on the findings of our survey with regard to local government costs due to cannabis legalization.

It has been one year since UBCM last met with you to discuss this issue, and in that time we have seen British Columbia successfully implement a system developed in part through provincial-local government collaboration. The Joint Provincial-Local Government Committee on Cannabis Legalization is recognized as a highly effective collaborative process that has yielded positive results.

The provincial system we have today is successful because local governments and the Province have agreed to share responsibilities. However, we still have not come to an agreement on how to share tax revenue achieved as part of this system, leaving local governments on their own to address new costs and responsibilities.

When the federal government announced that the majority of cannabis excise tax revenue would be shared with provinces and territories, it made specific reference to the need to share a portion of that revenue with local governments. While we understand that excise tax revenue received to this point has been lower than expected, that should not be a barrier to working out a revenue sharing agreement. We have seen several other provinces commit revenue towards local government costs and responsibilities incurred through the legalization of cannabis.

The tracking of incremental costs has been of interest to the Province of British Columbia, to support the assertion that local governments are incurring tangible one-time and ongoing costs related to cannabis legalization. With this in mind, UBCM developed and administered a survey for local governments to quantify

their expenditures.

I recognize that the time is short before UBCM's Convention gets underway. Please know that we would be pleased to accommodate your schedule in any way to facilitate such a meeting. I will ask my staff to follow up yours to see what is feasible. Briefing materials, including the data from our survey, would be provided to your staff in advance of the meeting.

Very Best,

A handwritten signature in black ink, appearing to read 'Arjun Singh', written in a cursive style.

Arjun Singh  
President, UBCM