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Hometowns Deserve Share of Cannabis Excise Tax

In December 2017, the federal and provincial governments agreed that provinces would receive 75 per cent of the cannabis excise tax revenues instead of a fifty-fifty split. These additional dollars were to support municipalities. But nearly one and a half years later, and more than six months since the legalization of cannabis, the provincial government has failed to pass on a portion of the cannabis excise tax to Saskatchewan's hometowns.

Local governments are the order of government closest to daily lives, and as a result, Saskatchewan's hometowns are on the front lines of cannabis legalization, controlling cannabis production, sales, and consumption.

Municipal bylaws regulate zoning for producers and retail facilities, and where and when cannabis can be consumed publicly.

Our bylaw enforcement officers and building inspectors are the ones ensuring those growing cannabis in their homes are adhering to electrical codes and requirements.

And our police and contracted RCMP services are undertaking increased enforcement activities around public consumption and impaired driving.

The Federation of Canadian Municipalities estimates that municipalities are facing new annual costs related to cannabis of up to \$9.50 per resident. This is on top of everyday policing, fire, and bylaw enforcement costs that our hometowns already pay to ensure the safety of residents.

Giving hometowns 33 per cent of total cannabis excise tax revenues collected in the province would help handle local costs related to cannabis.

Municipalities recognize that the province is also facing costs. But the provincial government has the ability to recuperate costs through retail application fees, six per cent PST on every gram of cannabis, and the downloading of enforcement costs to municipalities. Municipalities, who are mandated to have balanced operating budgets, have the options of either downloading the costs to residents or reducing services.

The Federal-Provincial-Territorial Agreement on Cannabis Taxation, the agreement giving provinces their increased share of cannabis tax revenue, recognized the need for sustained cooperation between federal, provincial, and municipal governments and obligated provinces to work with municipalities according to shared responsibilities toward legalization. Alberta, Ontario, and Quebec have acknowledged their obligations and introduced tax sharing plans.

It is time for the Saskatchewan government to honour its commitment to work with municipalities and share the cannabis excise tax with Saskatchewan's hometowns.

Gordon Barnhart is President of the Saskatchewan Urban Municipalities Association, the voice of Saskatchewan's hometowns.