

MAY 29 2019

Minister of Finance



Ministre des Finances

Ottawa, Canada K1A 0G5

MAY 21 2019

2019FIN483792

Dr. Gordon Barnhart  
President  
Saskatchewan Urban Municipalities Association  
200-2222 13th Avenue  
Regina, SK S4P 3M7

Dear Dr. Barnhart:

Thank you for your correspondence of February 15, 2019 on the resolution related to cannabis taxation that was adopted by the members of the Saskatchewan Urban Municipalities Association at their annual convention. Please excuse the delay in replying.

The Government of Canada is committed to legalize and strictly regulate and restrict access to cannabis in order to keep it out of the hands of young Canadians, and to keep profits away from criminals and organized crime. In this regard, our Government acknowledges the important involvement of municipalities such as your members in meeting the many challenges that stem from the legalization of recreational cannabis.

The important role for municipalities was a key reason why, as part of the agreement reached with most provincial and territorial governments in December 2017 to implement a coordinated cannabis excise duty framework, the Government of Canada agreed – as noted in your correspondence – to receive only 25 percent of duty revenues, with the remaining 75 percent going to provincial and territorial governments. At the December 2017 meeting, Finance Ministers agreed that provinces and territories would work with municipalities according to shared responsibilities toward legalization. The Government of Canada was willing to accept a smaller share of cannabis duty revenues to ensure that provinces and territories would have additional funds to provide to municipalities and local communities, including Indigenous communities, to address cannabis related responsibilities.

Our Government also committed funds that can address potential costs faced by municipalities such as your members. In September 2017, we announced a total of up to \$274 million to support law enforcement and border efforts to detect and deter drug-impaired driving and enforce cannabis legalization and regulation. Out of that investment, up to \$161 million is intended for training frontline officers. Of the \$161 million, provinces and territories will be able to access up to \$81 million over the next five years for new law enforcement training and to build capacity to enforce new and stronger laws related to drug-impaired driving.

Canada

Going forward, I will continue to raise the issue of municipal involvement in meeting cannabis related challenges with my provincial and territorial counterparts. In that regard, I welcome hearing about your views on this matter.

Thank you for writing.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Bill Morneau". The signature is fluid and cursive, with a prominent initial "B" and a long, sweeping underline.

The Honourable Bill Morneau, P.C., M.P.