



Date: 20/02/2019

AGENDA ITEM SUMMARY

To: Chair and Directors, Cariboo Regional District Board

And To: John MacLean, Chief Administrative Officer

From: Alice Johnston, Manager of Corporate Services/Deputy CAO

Date of Meeting: Cariboo Regional District Board_Mar01_2019

File: 400-50-02

Short Summary:

Chair Request for Reconsideration of Cannabis Resolution Amendment

Voting:

Corporate Vote - Unweighted

Memorandum:

At its last meeting, the Board was presented with a draft resolution to the North Central Local Government Association (NCLGA) regarding revenue sharing of cannabis tax as follows:

CANNABIS REVENUE SHARING WITH LOCAL GOVERNMENTS

WHEREAS only the federal and provincial governments are receiving tax revenue from the recently legalized sale of recreational cannabis, despite local governments encountering increased costs of the associated implementation;

AND WHEREAS the Union of BC Municipalities endorsed a resolution (SR1) calling for a principled approach to guide the negotiation of a cannabis excise tax revenue sharing agreement with the Government of British Columbia, and recommending that BC local governments receive 40% of the projected excise tax revenue in the short term, which has not received any response from the Province:

NOW THEREFORE BE IT RESOLVED THAT the NCLGA urge the provincial government to expedite a fair provincial-local government excise tax revenue sharing agreement regarding the sale of recreational cannabis.

The Board resolved to amend the above-noted resolution from 40% to 50% and submit it to the NCLGA. Upon further review, it has been confirmed that the UBCM resolution referred to does request a 40% split with the province in the short-term, with any amount over the projected \$125 million provincially to be split 50/50 with the Province.

In light of this discovery, the Chair has requested reconsideration of the resolution to amend the amount.

Further information on this issue can be found here:

UBCM webpage on cannabis regulation (section on cannabis excise tax revenue sharing a few paragraphs down the page): <https://www.ubcm.ca/EN/main/resolutions/policy-areas/community-safety/marijuana-regulation.html>

UBCM proposal for cannabis excise tax revenue sharing (short- and long-term strategies): <https://www.ubcm.ca/assets/Resolutions~and~Policy/Policy/Community~Safety/Marijuana~Regulation/00-Cannabis%20Revenue%20Proposal%20Summary%20Final%20Version%20Aug%207.pdf>

2018-Special Resolution 1

(endorsed): <https://www.ubcm.ca/assets/Resolutions~and~Policy/Policy/Community~Safety/Marijuana~Regulation/01-SR1%20FINAL%20Aug%207.pdf>

Article explaining 2018-SR1: <https://www.ubcm.ca/EN/meta/news/news-archive/2018-archive/special-resolution-seeks-cannabis-tax-sharing-agreement.html>

Attachments:

None

Financial Implications:

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Policy Implications:

None

Alignment with Strategic Plan:

- ☒ Ensuring Sufficient and Sustainable Funding
- ☐ Building on our Relationships
- ☐ Providing Cost Effective High Quality Services
- ☐ Focusing on Being Well Governed

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CAO Comments:

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Options:

- 1) Defeat the motion to amend the amount, and move to submit the resolution at 40%;
- 2) Receipt and other action.

Recommendation:

That the agenda item summary from Alice Johnston, Manager of Corporate Services/Deputy CAO, dated February 20, 2019, regarding a request from the Chair to reconsider the following

resolution from the last Board meeting, be received. Further, that this resolution is presented for reconsideration (to be treated as if no vote has taken place):

Res. #2019-2-35

That the agenda item summary from Alice Johnston, Manager of Corporate Services/Deputy CAO, dated January 30, 2019, regarding an NCLGA resolution requesting a cannabis excise tax revenue sharing agreement with the Province, be received. Further, that the following resolution, as amended, be submitted to the North Central Local Government Association:

CANNABIS REVENUE SHARING WITH LOCAL GOVERNMENTS

WHEREAS only the federal and provincial governments are receiving tax revenue from the recently legalized sale of recreational cannabis, despite local governments encountering increased costs of the associated implementation;

AND WHEREAS the Union of BC Municipalities endorsed a resolution (SR1) calling for a principled approach to guide the negotiation of a cannabis excise tax revenue sharing agreement with the Government of British Columbia, and recommending that BC local governments receive 50% of the projected excise tax revenue in the short term, which has not received any response from the Province:

NOW THEREFORE BE IT RESOLVED THAT the NCLGA urge the provincial government to expedite a fair provincial-local government excise tax revenue sharing agreement for the sale of recreational cannabis.