

Village of Hines Creek Council Request for Decision (RFD)

Meeting:	Regular Council Meeting
Meeting Date:	October 25, 2018
Originated By:	Leanne Walmsley, Acting Chief Administrative Officer
Title:	Municipal Cannabis Transition Program
File:	0110

BACKGROUND/PROPOSAL:

On October 15, 2018 the provincial government announced the cannabis revenue deal under the Municipal Cannabis Transition Program (MCTP). This deal will hurt all municipalities and places the costs of the legalization on the backs of Albertans, while the provincial government pockets the funds collected.

The federal government has been clear that 75% of the Cannabis Excise Tax will go to the provinces to share with municipalities according to shared responsibilities. But as the MCTP outlines, over 215 Alberta municipalities will not receive any funds collected from that excise tax. Only 52 municipalities will be eligible for funding – funding that is inadequate and conditional on a grant application process that includes a reporting process full of red tape.

As a collective, we need to urge the province to come back to the table to create a revenue sharing program that provides municipalities with the necessary and reasonable funding required to manage cannabis legalization.

AUMA can only do that with our help.

1. Reach out to provincial and federal counterparts today. They have attached a template for us to use to let local MLA's know that because the provincial government did not engage municipalities in meaningful consultation, they failed to fully comprehend the impact legalization will have in our communities. We can also let local MP's know that the federal government entered into this agreement with the expectation that provinces would fairly distribute cannabis funds, but Alberta did not hold up their end of the bargain.

2. AUMA is providing key messages that can be used in conversation with stakeholders and other community leaders. A unified and shared message across the AUMA membership will amplify our voice. This issue hurts every municipality in Alberta, so the province should hear from every municipality. We can include examples of local costs that will affect our community as well.

3. Hold conversations with our council about a media engagement plan. A column has been provided for our use and they encourage us to share it with our local publications. Consider reaching out to our local media to provide input into the new MCTP arrangement and let them know it's a bad deal for residents in our community. This will ensure Albertans know that the province has left them on the hook to cover the costs of legalization.

4. Social media will be a useful tool in engaging with the province and informing our community members on the negative impacts of this deal. Follow @TheAUMA on Twitter and retweet important information that will be shared over the coming days. Actively share the unified key message on our own social media channels as well.

In addition to the unified advocacy efforts in the province, AUMA has also reached out to the federal government. AUMA will be sending a letter to Federal Minister Bill Morneau outlining our concerns with the province's failure to appropriately share excise taxes with municipalities and asking for consideration of options which could include the potential of withholding Alberta's share of the excise tax until an agreement that provides municipalities with the resources needed has been reached.

As members I know we understand the gravity of the situation and how this deal the province is attempting to force upon us will hurt our communities. Municipalities are being put in an unfair position of choosing between safe communities or increased taxes for our residents as the province downloads the costs of legalization onto us. AUMA is here to collaborate in equal partnership with the province, so let's work together to make sure they hear our voices on this, loud and clearly.

MUNICIPAL CANNABIS TRANSITION PROGRAM (MCTP) Key messages

- This new deal is very disappointing. The province is downloading the costs of legalization onto local communities while they pocket the cash that was intended to offset the costs.
- Municipalities are tasked with education and enforcement, including responding to complaints of consumption in prohibited areas. We need the resources to protect public safety but the province refuses to do their part.
- We have attempted to work collaboratively with the province throughout this process, but the lack of meaningful engagement on their part is concerning. If the province did a better job of engaging with us, they would fully understand the impact legalization will have in our communities.
- When the federal government established the Cannabis Excise Tax deal, it was with the understanding that the province would share a significant portion of the revenue with municipalities. The province has not held up their end of the bargain.
- We are calling on the province to come back to the table to put forward an agreement that doesn't pit public safety against a hike in property taxes. We must have an agreement that respects the role of municipalities during this legalization process.

- Property taxes payers should not have to subsidize cannabis legalization and use.

DRAFT tweets. Monitor tweets on Monday to capture popular hashtags on this issue and ensure those hashtags are used in tweets below.

- The new Municipal Cannabis Transition Program will hurt every Alberta municipality. Federal funds are intended to support during legalization process, not for provincial coffers.
- Join us in calling on the province in doing the right thing and develop a plan that gives municipalities the resources we need during legalization [LINK TO NEWS RELEASE](#)
- Did you know that municipalities are responsible for education and enforcement during legalization? Yet the province refuses to share any revenue collected from cannabis taxes to municipalities under 5,000 people. This is unacceptable!
- (Share supportive columns and articles coming from local media)

AUMA Media Release October 15, 2018

Letter to MLA for the Village of Hines Creek

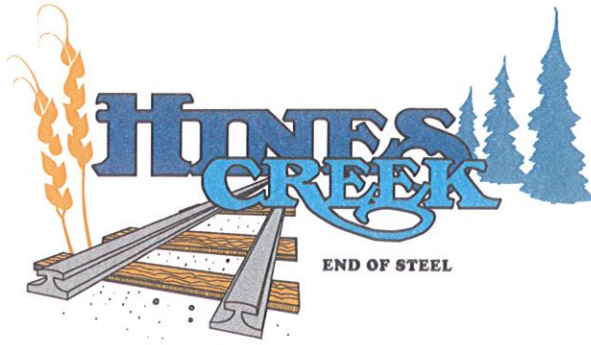
DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES

COSTS/SOURCE OF FUNDING (if applicable)

RECOMMENDED ACTION:

That this Council support AUMA Response to Municipal Cannabis Transition Program by drafting a letter to our MLA Marg McCuaig Boyd.

Initials show support- Reviewed by:	Manager:	C.A.O. <i>SW</i>
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VILLAGE OF HINES CREEK

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Minister Marg McCuaig-Boyd, MLA
6th Floor Edmonton Federal Building
9820-107 St NW
Edmonton, Alberta
T5K 1E4

October 25, 2018

Dear Minister McCuaig-Boyd

Re: Village of Hines Creek Response to Municipal Cannabis Transition Program (MCTP)

Last week, the provincial government announced the Municipal Cannabis Transition Program (MCTP). This agreement outlines how taxes collected under the federal Cannabis Excise Tax will be distributed to municipalities – and this deal is bad news for our community.

As a municipality with a population under 5,000, our community will receive absolutely no support through the collected taxes from the provincial government. The funds that were intended to offset municipal costs for education and enforcement, including responding to complaints of consumption in prohibited areas, will instead go to line the pockets of the province. These costs will now have to be covered out of municipal budgets, instead of from the taxes collected from cannabis sales.

The federal government agreed to give provinces 75% of the taxation dollars from cannabis on the condition a significant portion of the funding is shared with municipalities. Instead, our province has decided to keep the majority of funding.

This is unacceptable, Property tax payers should not subsidize cannabis use.

We will continue to advocate for our community and fight against the province's attempt to leave our residents with the bill when it comes to legalization costs. The federal government intended for this excise tax to be shared between the province and municipalities. Because of this agreement, the Alberta Urban Municipalities Association is exploring options including potentially asking the Federal Finance Minister withhold the province's cheque until the province comes up with a program that doesn't leave municipalities with a choice of unsafe communities or a hike in property tax.

We respectfully ask you to immediately call upon the Minister of Municipal Affairs, Treasury Board and Finance, and Justice and Solicitor General to rescind this program and invite AUMA back to the table to discuss distribution of excise funding to all municipalities in a manner that respects the roles municipalities will play during legalization.

Yours truly,

Hazel Reintjes,
Mayor, Village of Hines Creek

Cc: Barry Morishita, President, Alberta Urban Municipalities Association