

Strong Communities Need: A Fair Share of Cannabis Revenue

Background:

Provincial regulations prevent municipalities from assessing and taxing cannabis production facilities, so tax payers are subsidizing the industry, instead of benefitting from new tax revenue streams.

The federal government agreed to provide the provincial government with 75 per cent of cannabis tax revenue with a portion allocated to municipalities.

Currently, there is no commitment from the provincial government to share this tax revenue with municipalities. Instead of a revenue sharing agreement, the Province established an interim funding program, the Municipal Cannabis Transition Program (MCTP). MCTP is a short-term, under-funded, conditional grant program, which excludes most municipalities.

The Proposed Solution:

AUMA is calling on the provincial government to make the regulatory changes needed to enable municipalities to tax cannabis production facilities at fair market value. We are also calling on the provincial government to provide all municipalities a fair share of this new tax revenue as earmarked for them by the federal government.

Good to know:

Most municipalities have no access to revenues generated from cannabis grown, sold, and used in their communities.

- 1) Currently, municipalities cannot generate property assessment taxes from cannabis production facilities at fair market value.
- 2) Municipalities do not receive a fair share of the tax revenues provided to the Province by the Government of Canada.