



**AMM Vice-President Ralph Groening
Speaking Notes – May 8, 2018**

Bill 11 - The Safe and Responsible Retailing of Cannabis Act

On behalf of the Association of Manitoba Municipalities (AMM), I would like to thank you for the opportunity to present municipal concerns related to the legalization and regulation of recreational cannabis as well as Bill 11: *The Safe and Responsible Retailing of Cannabis Act*.

I will begin my presentation today by providing a brief overview of the AMM, then discuss our specific concerns related to holding mandatory municipal plebiscites on cannabis sales and provide recommendations on how local governments can help manage the safe and responsible retailing of cannabis.

The AMM was formed in 1999 as a result of a merger between the Union of Manitoba Municipalities (UMM) and the Manitoba Association of Urban Municipalities (MAUM).

Our organization is independent and non-partisan, and our mission is to identify and address the needs and concerns of our members in order to achieve strong and effective municipal government.

Our membership consists of all of Manitoba's 137 incorporated municipalities, including the City of Winnipeg.



To begin, Minister Wharton has stated that “municipalities are mature, responsible governments, accountable first and foremost to their citizens and electorate.” We fully support and agree with this statement.

Moreover, the provincial government has committed to providing municipalities with more ‘fair say’ in regards to the operation of their affairs.

The AMM appreciates working with various provincial government departments on the implementation of the cannabis retail distribution strategy.

However, the AMM believes that holding mandatory plebiscites following a Council decision to not allow cannabis retail locations within its municipality goes against the spirit of the provincial government’s commitment to give more say to local Councils.

Plebiscites can be potentially divisive and polarizing for local communities, particularly given the lack of clear and consistent information regarding the legalization and regulation of recreational cannabis.

Meanwhile, we currently understand that the *Municipal Act* and *Liquor and Gaming Control Act* outline guidelines for holding municipal plebiscites. Thus, the stipulations in Bill 11 are not clear when compared to these other pieces of legislation.



In addition, local Councils do not conduct plebiscites on other municipal issues while residents can hold their municipal representatives accountable at the ballot box.

The costs of holding a municipal plebiscite can be very costly for municipalities as well. For example, the City of Brandon has estimated that holding a plebiscite not in conjunction with an election would cost more than \$100,000.

The decisions of local Councils should be fully respected since Council members make them with the best interests of their municipality in mind.

Therefore, the AMM calls on the provincial government to remove the sections regarding plebiscites on cannabis sales from the Bill altogether and instead closely consult with our organization and Manitoba municipalities on how best to regulate access to cannabis with local communities.

This alternative approach would not only respect the autonomy and decisions of local Councils but also help ensure consistent processes and guidelines across Manitoba.

The AMM also continues to urge the provincial government to co-develop a revenue-sharing model that respects municipal authority and increased costs that will be incurred due to the legalization and regulation of recreational cannabis.



The Federation of Canadian Municipalities (FCM) estimates municipal administration and local policing costs will total \$3-4.75 million per 500,000 residents as a result of legalization, which represents a range of approximately \$210-335 million per year in costs incurred by municipalities across Canada.

Thus, Manitoba municipalities may incur costs that exceed \$10 million on an annual basis.

A Probe Research poll recently commissioned by the AMM regarding the sharing of revenue from the sale of cannabis with municipalities indicated that **59%** of Manitobans believe municipalities should receive at least half of the revenue from the sale of marijuana.

These survey results complement the need for 'fair say' for local Councils as well as provide another example of how municipalities deserve a 'fair share' of revenues, and Manitobans support this.

While we appreciate that the legalization and regulation of recreational cannabis is not a revenue-generating exercise, Manitoba municipalities are committed to ensuring their residents are safe and well-served.

As costs must not be downloaded onto municipalities, the AMM supports the FCM's call for one-third (33%) of total annual excise tax revenue collected on



cannabis sales be allocated to municipal governments to address municipal administration and policing costs.

The AMM also encourages the provincial and federal governments to explore additional funding mechanisms to support costs incurred by municipalities should excise tax revenues be insufficient.

In closing, our goal is to foster and build a federal-provincial-municipal partnership that effectively addresses the needs of Manitoba municipalities as well as ensures the safety of their residents through properly-resourced administration and enforcement mechanisms.

We also remain ready to work closely with the Province of Manitoba and Manitoba's 137 municipalities to effectively manage a new cannabis regime.

Thank you again for the opportunity to provide these comments and if you have any questions for me, I would be happy to answer them.