



# Municipal Sharing of Cannabis Revenue

Our cities are on the front line of implementing the federal government's decision to legalize the production, distribution and use of cannabis.

## The issue

New Brunswick's cities have new responsibilities in areas like public safety and municipal administration. In fact, the Federation of Canadian municipalities has calculated that the annual costs relating to cannabis for our 8 cities will be in excess of \$2.5 million per year.

The increase in costs will stem from the following;  
POLICING COSTS

- Drug recognition training
- Purchase of roadside screening equipment
- Additional human and material resources to respond to increased calls

MUNICIPAL COSTS

- Fire prevention associated costs
- Handling of citizen complaints
- Municipal by-law enforcement
- Responding to public requests for information

## Why this is important

- Limited financial capacity of municipalities should not be a barrier to public safety. Each level of government must be able to count on the resources needed to fulfill its responsibilities properly.
- The new Local Governance Act recognized municipalities as a responsible and accountable level of government.

- A fair revenue-sharing model that recognizes municipal responsibilities will demonstrate the government's commitment to give real meaning to this new relationship.

## The progress

**The federal government recognizes municipalities will have increased responsibilities and that more resources will be required.** This is why the Provincial government will be provided with 75% of collected excise tax from cannabis, so municipalities can get the resources they need to keep cannabis away from kids and profits out of the hands of criminals.

**Other Provinces have already committed to distributing revenue to municipalities to help offset these costs added.**

## What's next

The 8 Cities are requesting that **44% of the excise tax revenues transferred to the Province from the Federal Government be redistributed unconditionally to all municipalities in New Brunswick.** As well, the 8 Cities are recommending that this agreement be reviewed after the first and second year in order to make any required adjustments in light of actual costs.

**A fair revenue-sharing model will recognize that all three levels of government are partners in the implementation of this new law**