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March 29, 2021

Dear Head of Council:

I am writing to provide you with an update on the Ontario Cannabis Legalization Implementation Fund (OCLIF).

As you know, OCLIF was announced in 2018 as a \$40 million initiative over two years to help municipalities with the implementation costs of recreational cannabis legalization. The funding under the program has now been fully disbursed.

The province also committed that, if Ontario's portion of the federal excise duty on recreational cannabis over the first two years of legalization exceeds \$100 million, the province will provide 50 per cent of the surplus to those municipalities that did not opt out as of January 22, 2019.

I am pleased to be able to share a final update on this commitment. Ontario's portion of the federal excise duty for the period of October 17, 2018 to October 16, 2020 has exceeded \$100 million, meaning we will share 50 per cent of the surplus excise duties (the amount greater than \$100 million), **\$3,991,090**, with eligible municipalities.

The government will distribute this final payment this month as follows:

- Funding will be provided on a per household basis to municipalities that did not opt-out of hosting retail stores as of January 22, 2019, adjusted so that each recipient municipality will receive at least \$5,000.
- Lower-tier and upper-tier municipalities will receive funding based on 50% of their households. Upper-tier municipalities will receive funding in relation to opt-out decisions made by the lower-tier municipality. If a lower tier municipality opted-out, the upper tier municipality will not receive funding on a per household basis in relation to that municipality.

The government is providing this funding now to municipalities in a manner similar to past payments. This means municipalities will have the funds on hand to use for the implementation costs the fund was designed to support.

The Deputy Minister of Finance will write shortly to the Treasurers of recipient municipalities with details about the administration of this funding and attach each municipality's specific allocation notice. Payments will also be processed at that time.

Municipalities have been important partners in the successful implementation of the federal government's legalization of recreational cannabis. We look forward to continuing to work together in this regard.

Sincerely,

Original signed by

Peter Bethlenfalvy
Minister of Finance and President of the Treasury Board

c: The Honourable Doug Downey, Attorney General
The Honourable Steve Clark, Minister of Municipal Affairs and Housing
Mark Lawson, Chief of Staff, Ministry of Finance
David Corbett, Deputy Attorney General
Greg Orencsak, Deputy Minister of Finance
Kate Manson-Smith, Deputy Minister of Municipal Affairs and Housing
Jane N Mallen, Assistant Deputy Minister, Policy Division, Ministry of Attorney General
Erin McGinn, Assistant Deputy Minister, Government Business Enterprise Division, Ministry of Finance
Jonathan Lebi, Assistant Deputy Minister, Local Government and Planning Policy Division, Ministry of Municipal Affairs and Housing