



REFERRAL OF ADMINISTRATIVE INQUIRY BY CITY COUNCIL

Cannabis Stores and Revenue Sharing

Date:	October 13, 2023
To:	Board of Health
From:	City Council
Wards:	Ward: All

City Council Decision

City Council on October 11 and 12, 2023, referred Administrative Inquiry IA11.3 from Councillor James Pasternak, Ward 6, York Centre, regarding Cannabis Stores and Revenue Sharing and Answer IA11.3a from the City Manager to the Board of Health for consideration.

Summary

Councillor James Pasternak, Ward 6, York Centre, has submitted the following Administrative Inquiry:

I am submitting this Administrative Inquiry (under Municipal Code S27-7.11) to obtain information and details of funds promised and received by the City of Toronto from the Province of Ontario as a result of decisions affecting the retail sale of cannabis made by Toronto City Council on December 13, 2018. Under the Cannabis Licence Act, 2018, municipalities are permitted to pass a resolution to opt-out of having cannabis retail stores operate within their boundaries; this resolution must be made before January 22, 2019. If a municipality does not pass a resolution to opt-out, licensed retail stores will be able to operate within its boundaries and the decision cannot be reversed after the January 22, 2019 deadline. If a municipality passes a resolution to opt-out, it may lift the prohibition at a later date.

On or about December 6, 2018, in a 20 to 4 vote, City Council opted in to permit the retail sale of cannabis in Toronto. At that time, Council was advised that with this vote, funds would flow to the city for various implementation issues and addiction interventions. They include: \$40 million over two years to municipalities across Ontario for the implementation costs of cannabis legalization. The Province will provide a first payment of \$15 million to all municipalities in January 2019, on a per household basis. The Province stated that the City of Toronto will receive \$3,008,705.

A second payment of \$15 million was to be distributed after January 22, 2019. Municipalities that choose to opt-out of cannabis retail stores can expect to receive \$5,000. The remaining funds were to be distributed on a per household basis to municipalities that have not opted-out of cannabis retail stores. The Province said it was setting aside \$10 million of the municipal funding to address costs arising from unforeseen circumstances. At the time of Council's decision the details of how these funds will be allocated have not yet been announced. In a separate communication, the province said if Ontario's portion of the federal excise tax on recreational marijuana exceeds \$100, the province would give half of the surplus to municipalities that have not opted out of hosting stores.

Under the Cannabis Licence Act, 2018 and its various regulations, what is the total amount of funds received to date and are any funds outstanding? Has Ontario's portion of the federal excise tax on recreational marijuana exceeded \$100 million and if yes, has Toronto received any funds from this tax sharing?

What have the funds been allocated to (spent on) and whether any such allocations included funds for addiction treatment or addressing mental health issues?