

Ministry of Finance

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February 12, 2019

Dear Treasurer:

Re: Ontario Cannabis Legalization Implementation Fund – Second Payment

On November 26, 2018, your municipality received an allocation notice for the first payment of the Ontario Cannabis Legalization Implementation Fund ("Fund"). The Fund provides \$40 million over two years to municipalities across Ontario to help with the implementation costs of recreational cannabis legalization.

In January 2019, the first payments totaling \$15 million were processed.

The municipal opt-out deadline under the *Cannabis Licence Act, 2018* passed on January 22, 2019. The Province will distribute the second payment to all municipalities in February 2019 as follows:

- Municipalities that have opted out of hosting private retail stores receive \$5,000 each.
- Municipalities that have not opted out of hosting private retail stores receive funding on a per household basis, adjusted so that at least \$5,000 is provided to each municipality. Household numbers are based on 2018 Municipal Property Assessment Corporation (MPAC) data.
- Upper tier municipalities receive funding in relation to opt-out decisions made by the lower tier municipalities. If a lower tier municipality opted out, the upper tier municipality does not receive funding on a per household basis in relation to that municipality.

The attached allocation notice sets out the amount your municipality will receive as a second payment from this Fund. These funding amounts will also be posted on the Ministry of Finance's website at www.fin.gov.on.ca/en/budget/oclif/ this month.

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As a reminder, municipalities must use the money they receive from the Fund solely for the purpose of paying for implementation costs directly related to the legalization of cannabis.

Examples of permitted costs include:

- Increased enforcement (e.g., police, public health and by-law enforcement, court administration, litigation)
- Increased response to public inquiries (e.g., 311 calls, correspondence)
- Increased paramedic services
- Increased fire services
- By-law / policy development (e.g., police, public health, workplace safety policy)

Municipalities must also adhere to the terms and conditions set out in the November 26, 2018 letter regarding ineligible use of funds, transfer of funds between upper-tier and lower-tier municipalities, and record keeping.

If you have any further questions, please contact:

Cannabis Retail Implementation Project
Ministry of Finance
Email: OCLIF@ontario.ca

Yours sincerely,



Greg Orenacsak
Deputy Minister

Attachment

- c. Paul Boniferno, Deputy Attorney General
Laurie LeBlanc, Deputy Minister of Municipal Affairs and Housing
Nicole Stewart, Executive Lead, Cannabis Retail Implementation Project,
Ministry of Finance
Allan Doheny, Assistant Deputy Minister, Provincial-Local Finance Division,
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Renu Kulendran, Ontario Legalization of Cannabis Secretariat, Ministry of
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Kate Manson-Smith, Assistant Deputy Minister, Local Government and Planning
Policy Division, Ministry of Municipal Affairs and Housing

Pat Vanini, Executive Director, Association of Municipalities of Ontario