

Government of Canada Recreational Cannabis Consultations – Provide your input!

On November 10, 2017, the Government of Canada announced a consultation on the Proposed Excise Duty Framework for Cannabis Products. Subsequently, on November 21, 2017, the Health Canada released their Proposed Approach to the Regulation of Cannabis for public consultation. These two consultations are a part of the coming recreational cannabis legalization in July 2018. The Government of Canada aims to keep cannabis out of the hands of youth and the profits away from criminals and organized crime.

Proposed Approach to the Regulation of Cannabis

The following outlines a selection of the issues included in the Proposed Approach to the Regulation of Cannabis that may be most relevant to AAMDC members:

- Prior to the issuance of a federal production licence, applicants will be required to notify local government, fire and policing authorities for all licence classes except industrial hemp, analytical testing, or for sale licences where cannabis is not stored on-site;
- Micro-cultivation will be allowed;
- Restrictions will be placed on packaging such as colours and images to deter the appeal from youth and mandatory health warnings; and
- Sale of edibles and concentrates will be enabled within one year following the coming into force of the proposed Act.

Full details of the regulatory proposal are available [here](#), and a condensed backgrounder is available [here](#).

All Canadians and interested stakeholders are invited to provide their views on the proposed regulatory approach either through a written submission to cannabis@canada.ca or through an online questionnaire [here](#) until **January 20, 2018**.

AAMDC has not yet had the time to conduct a thorough analysis of the Proposed Approach to the Regulation of Cannabis, but will be reviewing and submitting written input to Health Canada soon.

Proposed Excise Duty Framework for Cannabis Products

The Government of Canada is proposing an Excise Duty Framework for cannabis products in Canada and [has launched a consultation process](#) for individuals and organizations to provide feedback. The framework proposes that the combined tax rate for flowering cannabis material contained in a final packaged product should not exceed \$1.00 per gram, or 10 percent of the producer's sale price of that product, whichever is higher.

The tax revenue would be split evenly between federal and provincial governments. The revenues raised from this excise tax would be used to support investments in public education, enforcement, research

and other activities integral to an effective system of cannabis legalization and regulation. There is no mandated requirement within the framework for municipalities to receive a share of the tax, as this would occur at the discretion of each provincial and territorial government.

Interested individuals or organizations are invited to review the following documents:

- [At a glance: Cannabis taxation](#);
- [Proposed excise duty framework for cannabis products](#);
- [The draft legislative and regulatory proposals](#); and
- [The related explanatory notes](#).

After reviewing the documents, written comments should be forwarded by **December 7, 2017** to fin.cannabis-taxation-cannabis.fun@canada.ca. This is a significant issue for all municipalities cross Canada, and the AAMDC encourages members to make their own submissions.

The Federation of Canadian Municipalities (FCM) has advocated on behalf of municipalities in Canada for a portion of the excise revenues to ensure that municipalities have support for the start-up costs associated with legalizing cannabis and to ensure the new cannabis regime is sustainable for the long term. To view their full submission, [click here](#).

The AAMDC has also drafted input emphasizing the importance of dedicating more than 50% of the excise tax to provinces/territories, as they are likely to face higher implementation costs than the federal government. Additionally, the AAMDC supports reserving a portion of excise tax revenues to supporting post-implementation costs expected to be faced by municipalities, including those related to law enforcement and public education. To view the AAMDC submission, [click here](#).

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