

Ministry of Finance

Office of the
Deputy Minister

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Ministère des Finances

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March 29, 2021

Dear Treasurer:

Re: Ontario Cannabis Legalization Implementation Fund

In his March 2021, letter to Heads of Council, the Minister of Finance provided a final update on the Ontario Cannabis Legalization Implementation Fund ("Fund").

As you know, OCLIF was announced in 2018 as an initiative over two years to help municipalities with the implementation costs of recreational cannabis legalization. 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. The Ontario portion of the federal excise duty exceeding \$100 million was approximately \$7.99 million.

Consistent with the previous distribution of OCLIF funding, the government will distribute this final payment of OCLIF funding for surplus excise duties of \$3.99 million 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 attached allocation notice sets out the amount your municipality will receive as the third 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 for the purpose of paying for implementation costs directly related to the legalization of cannabis.

Municipalities have discretion to determine how funding should be allocated within these parameters and to consider which local priorities may benefit most from the funding.

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.

Questions regarding the Fund can be directed to the Ministry of Finance at:

OCLIF@ontario.ca

Sincerely,

Original signed by

Greg Orencsak
Deputy Minister

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
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