

August 14, 2018

Honourable Carole James  
Minister of Finance and Deputy Premier  
PO Box 9048 Stn Prov Govt  
Victoria, BC V8W 9E2

Dear Minister James:

**RE: Cannabis Revenue Sharing**

As a follow-up to our June 29th meeting request to discuss a cannabis revenue sharing proposal, I wish to provide some additional information in advance of a potential meeting.

Enclosed is a summary of a proposal for sharing the Province's portion of cannabis excise sales tax revenue with local governments, along with a special resolution on the matter that will be considered by the UBCM membership.

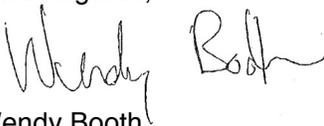
A key outstanding issue for our members is the sharing of revenue from the cannabis excise tax to help offset local government costs associated with legalization, particularly policing and enforcement costs. UBCM is aware that the Province is projecting a receipt of \$125 million from the federal government under the two-year Federal-Provincial-Territorial Agreement on Cannabis Taxation. In light of anticipated revenues and costs, UBCM has developed a proposal that outlines recommendations for sharing revenue in both the immediate and long term.

The legalization of cannabis will be a focal point of discussion amongst local governments during our upcoming Convention. UBCM's Convention plenary will be on the legalization of cannabis and we anticipate that the issue of revenue sharing and local government costs will be raised by many of our members in their provincial government meetings.

We understand that a meeting with you will be scheduled some time during our Convention. UBCM believes that it may be beneficial to meet with you before the UBCM Convention to discuss our proposal. Should you wish to discuss the strategy in advance of Convention, I would be most happy to meet with you in the coming weeks.

Thank you for considering this information and our original meeting request.

Kind Regards,



Wendy Booth  
UBCM President

cc. Honourable Selina Robinson, Minister of Municipal Affairs and Housing