



February 23, 2018

His Worship Mayor Matt Brown and Members of City Council
The City of London
300 Dufferin Avenue
London, Ontario, N6A 4L9

Dear Mayor Brown and Members of Council:

Re: A Strategic approach to the allocation of revenues resulting from legalization of Cannabis

As each level of government begins to rationalize how they will deal with the legalization of Cannabis, the London Chamber of Commerce is concerned about what approaches will be undertaken both in terms of how the revenue from the sale of cannabis will be allocated in the most equitable way possible and how the associated business and social costs of legalized cannabis might be addressed at the earliest possible stage.

The Issues:

There is no question that the legalization of cannabis will create challenges for employers and will impact the entire workplace. As legalization comes into force, there will be a growing urgency for guidelines to support employers and a need for an integrated health strategy to support individuals and those most susceptible to addiction.

Implications for Business:

According to Health Canada data, "the number of registered users is up 32% to 167,000 Canadians in the last quarter alone in 2016/17 and has grown to fifteen hundred times its size since the first documents quarter in June 2014." The estimated surge is expected to be similar for recreational users, compounding the challenge for employers.

For employers, the questions arises as to the impact cannabis may have on increased costs attributed to possible absenteeism, productivity, benefits coverage and safety concerns for work impairment. Moreover, there is a concern that the long term implications of use may cause or exacerbate other mental health issues in the well-being of employees and the community overall.

Source: Health Canada. June 2017. Market Data. Accessed at: [https:// www.canada.ca/en/health-canada/services/drugs-health-products/ medical- use-marijuana/licensed-producers/market- data.html](https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/market-data.html)

Recommendations:

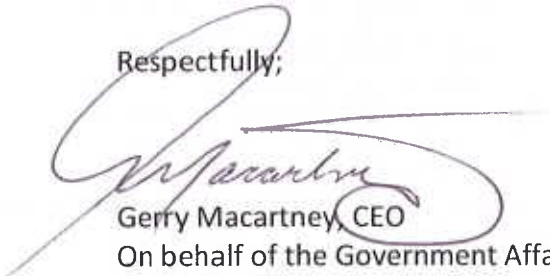
In consultation with member employers and other community partners we respectfully request the following, irrespective of whatever shape the final funding formula may take (Federal to Provincial - Provincial to Municipal).

That a fair and transparent portion of the revenues from cannabis sales in the legalization process be dedicated and reinvested into the following:

- 1. Education and awareness programs, particularly aimed at youth under the age of 19 with the aim of deterring the use of cannabis.*
- 2. Increased education, guidelines and awareness in workplaces as to health and safety issues, absenteeism, productivity and benefits.*
- 3. Increased funding towards community counselling and addiction support services, for youth and adults.*
- 4. Education and awareness programs aimed at identifying the inter-relationship between cannabis, homelessness and those at-risk individuals.*

Please see Appendix "A" for additional references, examples, key stats, lessons learned, and future predictions

Respectfully;



Gerry Macartney, CEO

On behalf of the Government Affairs Committee and the Board of Directors, London Chamber of Commerce

Copies: All area MPS and MPPs

APPENDIX "A"

Key Stats:

Precedence:

Washington:

- Estimated 10k jobs created
- 15% to prevention and reduction of substance abuse
- 10% to education and public health programs relating to pot
- 1% to short/long term research initiatives (on effects)
- 50% to basic health trust (like Medicaid)
- 5% to community health centres
- 0.3% to drop-out prevention
- 18.7% to "general fund"
- (source: <https://www.tre.wa.gov/portfolio-item/washington-state-marijuana-revenues-and-health/>)

Colorado

- 15% retail sales tax supports early literacy, school health, bullying prevention and dropout prevention program
- 20% goes to Building Excellent Schools Today (BEST)
- 9% to public health
 - o 3.5% to advertising/prevention for youth (marijuana education campaign)
 - o 3.5% to substance abuse prevention grants
- .5% to prosecution (attorney general)
- 4.2% to department of education for a variety of initiatives
- 1.5% to the department of agriculture for pesticide control and inspections
- (source: <https://drive.google.com/file/d/0B-GHuI9KBfjVQ0h4U2dOMGxZYWc/view>)
- (source: <https://www.entrepreneur.com/article/289613>)
- (source: <https://www.colorado.gov/pacific/revenue/disposition-marijuana-tax-revenue>)

California

- Estimated 1.2k jobs created

Lessons Learned:

Nevada: <https://taxfoundation.org/nevada-tax-marijuana/>

- This is interesting in terms of planning, zoning and overall taxation strategy
- 30% tax rate in CO and WA have barely reduced the black market – I.e. it's expensive to buy legal pot

Short Term / Long Term Impact of Use:

Short-term

- Significant reduction in one's self-reported cognitive abilities (<http://onlinelibrary.wiley.com/doi/10.1111/ajad.12157/full>)
- Decreased ability to complete tasks that require coordination or operate heavy machinery (<https://www.livescience.com/24558-marijuana-effects.html>)
- Decreased interest in completing tasks (<https://www.livescience.com/24558-marijuana-effects.html>)

Long-term

- A motivational syndrome, typically associated with habitual users or those who start in early adolescence (<https://www.psychologytoday.com/blog/the-athletes-way/201307/does-long-term-cannabis-use-stifle-motivation>, http://www3.imperial.ac.uk/newsandeventspggrp/imperialcollege/newssummary/news_1-7-2013-11-49-21)
- Associated with lower production of dopamine
- Long term studies have correlated habitual use with psychosis and depression - this is not causal (<https://mic.com/articles/135541/does-marijuana-cause-mental-illness-what-we-know-about-the-long-term-effects-of-weed#.4MKMiN2Ln>)
- age is a significant factor as is genetic predisposition to addiction
- Frequent or habitual use has been associated with depression, suicide and anxiety disorders (<https://www.canada.ca/en/health-canada/services/substance-abuse/controlled-illegal-drugs/health-risks-of-marijuana-use.html#s4> ***)
- Youth are especially vulnerable to addiction (<https://www.canada.ca/en/health-canada/services/substance-abuse/controlled-illegal-drugs/health-risks-of-marijuana-use.html#s4>)
- Increase dopamine production stimulates the "reward centre", increasing motivation to use a substance
- failing to fulfill major duties at work, school or home
- Heavy marijuana use has been linked to lower income, greater need for socioeconomic assistance, unemployment, criminal behavior, and lower satisfaction with life (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4827335/>) --- there are few, if no, indications of causality in each of these studies
- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4827335/table/T2/> (table stating the degree of confidence researchers have in correlates)
- <http://www.businessinsider.com/new-national-academies-sciences-report-marijuana-cannabis-health-effects-2017-1->

Future Predictions:

Federal predictions:

<http://www.businessinsider.com/cannabis-to-add-a-million-jobs-132-billion-tax-revenue-to-us-by-2025-2018-1>

- 1.1 million jobs by 2025, if legalized federally (USA)
- 132 billion by the same time period