

**RESOLUTION NO. 2021-086**

**RESOLUTION PRESENTING TO QUALIFIED ELECTORS OF MISSOULA COUNTY THE  
QUESTION OF A 3% LOCAL-OPTION MARIJUANA EXCISE TAX PURSUANT TO HB701**

**WHEREAS**, House Bill (HB) 701 allows for the operation of various categories of marijuana businesses and taxation of marijuana retail sales in Montana counties in which a majority of voters approved Initiative Measure 190 in the November 3, 2020 election beginning January 1, 2021;

**WHEREAS**, the majority of Missoula County voters voted to approve Initiative Measure No. 190 in the November 3, 2020 election; and

**WHEREAS**, Sections 94-98 of HB701 give to qualified electors of each county authority to authorize the imposition of a local-option marijuana excise tax up to 3% by an election using specific processes set forth therein; and

**WHEREAS**, the local-option marijuana excise tax, if approved by a majority of qualified electors of Missoula County, would become effective 90 days after the election; and

**WHEREAS**, the local-option marijuana excise tax is a tax on the retail value of all marijuana and marijuana products sold at adult-use dispensaries and medical marijuana dispensaries within the county; and

**WHEREAS**, 50% of the resulting tax revenue must be retained by Missoula County; 45% of the resulting tax revenue must be apportioned to municipalities on the basis of the ratio of the population of the city or town to the total county population; and the remaining 5% of the resulting tax revenue must be retained by the Montana Department of Revenue to defray costs associated with administering the tax; and

**WHEREAS**, local governments have limited sources of revenue, and a new local-option marijuana excise tax would help diversify local revenue generation; and

**WHEREAS**, in accordance with Montana law the revenue of local-option marijuana excise tax may be used for any activity, undertaking, or administrative service that the municipality is authorized by law to perform, including costs resulting from the imposition of the tax or due to administrative burdens imposed on the municipality as a result of licensing or regulatory requirements; and

**WHEREAS**, in the seven states that had programs in place in 2019 for the full year, marijuana tax revenues represented about 0.36 percent of overall state budgets. Additionally, revenues have grown consistently over the last three years in the states with more established markets. This local-option excise tax will allow Missoula County to capture a robust new source of revenue; and

**WHEREAS**, as of May 7, 2021 there were 48 registered Marijuana Dispensaries in Missoula County registered with the Montana Department of Health and Human Services; and

**WHEREAS**, as set forth by sections 94 through 98 of HB701 the qualified electors of a county are delegated the power to authorize their county to impose a local-option marijuana excise tax within the corporate boundary of the county; and

**WHEREAS**, if passed, the marijuana excise tax will be assessed on retail sales of marijuana products sold at adult-use dispensary or medical marijuana dispensaries, effective January 31, 2022; and

**WHEREAS**, public hearings were held on July 1, 2021 and July 15, 2021; and

**WHEREAS**, the board of county commissioners considered written and verbal comments from the public; and

**WHEREAS**, that public comment was generally supportive of the placing the question of taxation for the voters with consideration given to whether medical marijuana and medical marijuana products should be taxed; and

**WHEREAS**, the board of county commissioners believe that potential uses of funds collected from any tax on marijuana related to local sales include property tax relief and to address housing issues in Missoula County; and

**WHEREAS**, the imposition of a local option marijuana excise tax of 3% on non-medical marijuana and non-medical marijuana products when added with the 20% state tax will result in a 23% tax rate; and

**WHEREAS**, the imposition of a local option marijuana excise tax of 3% on medical marijuana and medical marijuana products when added with the 4% state tax will result in a 7% tax rate; and

**WHEREAS**, the board of county commissioners is authorized pursuant to Section 96 of HB701 to enter a resolution referring the question of a local-option marijuana excise tax of up to 3% on marijuana products sold at adult-use dispensaries and medical marijuana dispensaries to qualified electors or Missoula County; and

**NOW THEREFORE, BE IT RESOLVED** that the Missoula Board of County Commissioners hereby refer the following questions to qualified electors of Missoula County:

**First ballot question**

“Shall Missoula County impose a 3% local-option marijuana excise tax on the retail value of all non-medical marijuana and non-medical marijuana products sold within Missoula County.

FOR a 3% (three percent) Marijuana Local-Option Excise Tax for all non-medical marijuana and non-medical marijuana products

AGAINST a 3% (three percent) Marijuana Local-Option Excise Tax for all non-medical marijuana and non-medical marijuana products”

**Second ballot question**

"Shall Missoula County impose a 3% local-option marijuana excise tax on the retail value of all medical marijuana and medical marijuana products sold within Missoula County.

FOR a 3% (three percent) Marijuana Local-Option Excise Tax for all medical marijuana and medical marijuana products

AGAINST a 3% (three percent) Marijuana Local-Option Excise Tax for all medical marijuana and medical marijuana products"

**DATED THIS 15<sup>TH</sup> DAY OF JULY, 2021**

ATTEST:

BOARD OF COMMISSIONERS  
MISSOULA COUNTY

*Tyler Gernant*

Tyler Gernant, Clerk and Recorder

*David Strohmaier*

David Strohmaier, Chair

*Josh Slotnick*

Josh Slotnick, Commissioner

*Juanita Vero*

Juanita Vero, Commissioner

