



## COMMUNITY PLANNING, DEVELOPMENT & INNOVATION

Development Services Division

435 RYMAN | MISSOULA, MT 59802-4297 | 406.552.6630 | FAX 406.552.6053

### MEMORANDUM

**TO:**

Jim Nugent / City Attorney  
Marty Rehbein / City Clerk  
Dax Fraser, Adam Sebastian / City Fire  
Department  
Shannon Therriault / Health Department  
Ben Schmidt / Air Quality Division  
Elena Evans / Missoula Valley Water Quality  
District  
Donna Gaukler, Nathan McLeod, and Grant  
Carlton / City Parks Department

Nate Gordon / Wastewater Treatment Plant  
Jaeson White, Ryan Kamura, Richard Stepper /  
City Police Department  
Jeremy Keene, Troy Monroe, Logan McInnis,  
Ross Mollenhauer / Public Works & Mobility  
Candie Stover / DOR  
Ellen Buchanan / MRA  
Eric Copeland / Montana Building & Commercial  
Measurements Bureau

**CC:**

John Engen, Mayor  
City Council Members  
Dale Bickell, City CAO  
Sean McCoy, Chair, Planning Board  
Heather McMilin, Chair, Design Review Board  
Hans Hoffman, Chair, City Board of  
Adjustment  
Missoula County Realtors Association  
Climate Smart Missoula  
Chamber of Commerce

Missoula Building Industry Association  
Office of Neighborhoods  
Interested citizens  
Jim McDonald, Chair, Historic Preservation  
Commission  
Linda McCarthy, Downtown Missoula  
Partnership  
Missoula Economic Partnership  
Climate Ready Missoula

**FROM:** Madson Matthias, Associate Planner (CPDI)

**DATE:** June 3, 2022

**RE:** Seeking comment for the proposed amendments Title 5 Missoula City  
Business Licenses and Regulations Ordinance regarding cannabis  
businesses.

The Montana State Department of Revenue began accepting applications on January 1, 2022 from medical cannabis businesses licensed prior to November 3, 2020 to become recreational cannabis businesses. Recreational licenses from new businesses will be accepted by the State beginning July 1, 2023. To reflect the creation of this new business license type, staff are drafting an ordinance to amend Title 5 Business Licenses and Regulations. The proposed regulatory revisions will be applied to both medical cannabis and recreational (adult-use) cannabis.

New standards are being introduced for cultivation businesses. These business types will be required to meet the new standards in order to obtain a cannabis business license.

The proposed amendments to Title 5 include:

- Reformatting Chapter 5.04 for readability,
- Incorporating additional provisions within Chapter 5.04 Definitions related to cannabis uses and regulation,
- Incorporating additional provisions within 5.08 Licensing Provisions Generally related to cannabis licensing and regulation, and
- Creating Chapter 5.120 Cannabis to incorporate requirements for carbon filters at cultivation and cannabis manufacturing facilities.

The attached document includes a general description, provides amendment language, and an explanation for each suggested amendment. Amendments are shown as strike-through and underline. For reference, the current Business Licenses and Regulations Ordinance (Title 5) can be viewed online at:

<https://www.ci.missoula.mt.us/DocumentCenter/View/1027/Municipal-Code-Title-05-Licenses?bidId>.

Information and amendments regarding these proposed regulations can also be found at Recreational Cannabis Land Use Regulation Update located on Engage Missoula here: <https://www.engagemissoula.com/cannabis-title-5-update>.

Following the concern expressed in November 2021 by both Planning Board and City Council over the high energy usage associated with cannabis cultivation, City Council directed staff to amend Title 5 to incorporate revisions regarding energy consumption for cannabis cultivators. The energy-conservation regulations initially proposed by staff were and are constrained by the Montana Code Annotated Section 50-60-102(6) which requires local energy conservation standards that exceed the energy conservation standards contained in the state building code to be voluntary and incentive-based. For this reason, staff are not moving forward with energy regulations at this time. Staff will, however, be returning to City Council to describe the constraints within state law and provide possible routes forward through incentive-based energy codes. City Council will not be voting on any energy regulations at this time. Instead, they will hear different regulatory options and provide guidance to staff. A memo will be issued prior to the public hearing.

Agency and interested citizen comments are needed to refine the proposed amendments. Comments received by Friday, June 17, 2022 will be included in an informational packet to City Council prior to their public hearing. Comments will continue to be taken by City Council after this time until the public hearing is closed.

After agency and public input, the Land Use and Planning Committee will hold a Pre-Public Hearing Special Presentation on Wednesday, July 13, 2022 beginning at (time TBD), and the City Council will hold a public hearing on Monday, July 25, 2022 beginning at 6:00 p.m. City Council's Final Consideration on the proposed ordinance will be held on Monday, August 8, 2022 beginning at 6:00pm. Information on how to attend the meetings virtually and whether a hybrid or in-person option is available is posted here: <https://www.ci.missoula.mt.us/1149/AgendasWebcastsMinutes>.

Please forward your comments to Madson Matthias, [MatthiasM@ci.missoula.mt.us](mailto:MatthiasM@ci.missoula.mt.us). Send a notice of *no comment* if you have none so City Council are aware of your participation. If you have problems viewing the document or have questions, please contact me via email or telephone at 406-552-6625.

Attachment

Drafted Ordinance

AN EQUAL EMPLOYMENT OPPORTUNITY AFFIRMATIVE ACTION EMPLOYER M / F / V / H