



**City of Missoula, Montana**  
**Item to be Referred to City Council Committee**

**Committee:** Administration and Finance

**Item:** Resolution of the Missoula City Council requesting the Missoula County Commission adopt a resolution and referral to the people of Missoula County for authorization of a local-option marijuana excise tax of up to three percent.

**Date:** June 24, 2021

**Sponsor(s):** John Engen

**Prepared by:** Jessica Miller

**Ward(s) Affected:**

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Ward 1    | <input type="checkbox"/> Ward 4         |
| <input type="checkbox"/> Ward 2    | <input type="checkbox"/> Ward 5         |
| <input type="checkbox"/> Ward 3    | <input type="checkbox"/> Ward 6         |
| <input type="checkbox"/> All Wards | <input checked="" type="checkbox"/> N/A |

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**Action Required:**

Consider a resolution of the Missoula City Council requesting the Missoula County Commission adopt a resolution and referral to the people of Missoula County for authorization of a local-option marijuana excise tax of up to three percent.

**Recommended Motion(s):**

I move the City Council: adopt a resolution of the Missoula City Council requesting the Missoula County Commission adopt a resolution and referral to the people of Missoula County for authorization of a local-option marijuana excise tax of up to three percent.

**Timeline:**

Referral to committee:	June 28, 2021
Committee discussion:	July 7, 2021
Council action (or sets hearing):	July 12, 2021
Public Hearing:	<a href="#">Click or tap here to enter text.</a>
Deadline:	<a href="#">Click or tap here to enter text.</a>

**Background and Alternatives Explored:**

The 2021 Montana Legislature passed House Bill 701, which regulates the operation and taxation of marijuana and marijuana-related businesses. HB 701 included a provision allowing counties in Montana to refer a local-option marijuana excise tax of up to 3% to their electors. Missoula County estimates annual revenue for such a tax to be approximately \$716,000. HB 701 specifies that 50% of the revenue go to the county, 45% must be apportioned to municipalities, and 5% goes to the Montana Department of Revenue for administration. The City of Missoula could gain approximately \$322,200 in new revenue.

Missoula County will hold public hearings on July 1 and July 6 to consider a resolution to refer the local-option marijuana tax to the electorate. If passed in the countywide special election, the tax would go into effect in January 2022.

**Financial Implications:**

Estimated potential City revenue of approximately \$322,200.

**Links to external websites:**

N/A