

Local-Option Marijuana Excise Tax



Administration & Finance Committee

July 7, 2021

Legislation

House Bill 701

- Regulates taxation & operation of marijuana businesses
- Authorizes counties to put local-option marijuana excise tax on ballot
- Up to 3% on retail marijuana sales
- Requires 50% of revenue to county, 45% to city, 5% to Montana Department of Revenue

Process & Timeline

City Council

- Votes whether to support a resolution requesting Missoula County refer tax to voters
- If passed, Council would allocate revenue during a future budget season or budget amendment process

Missoula County

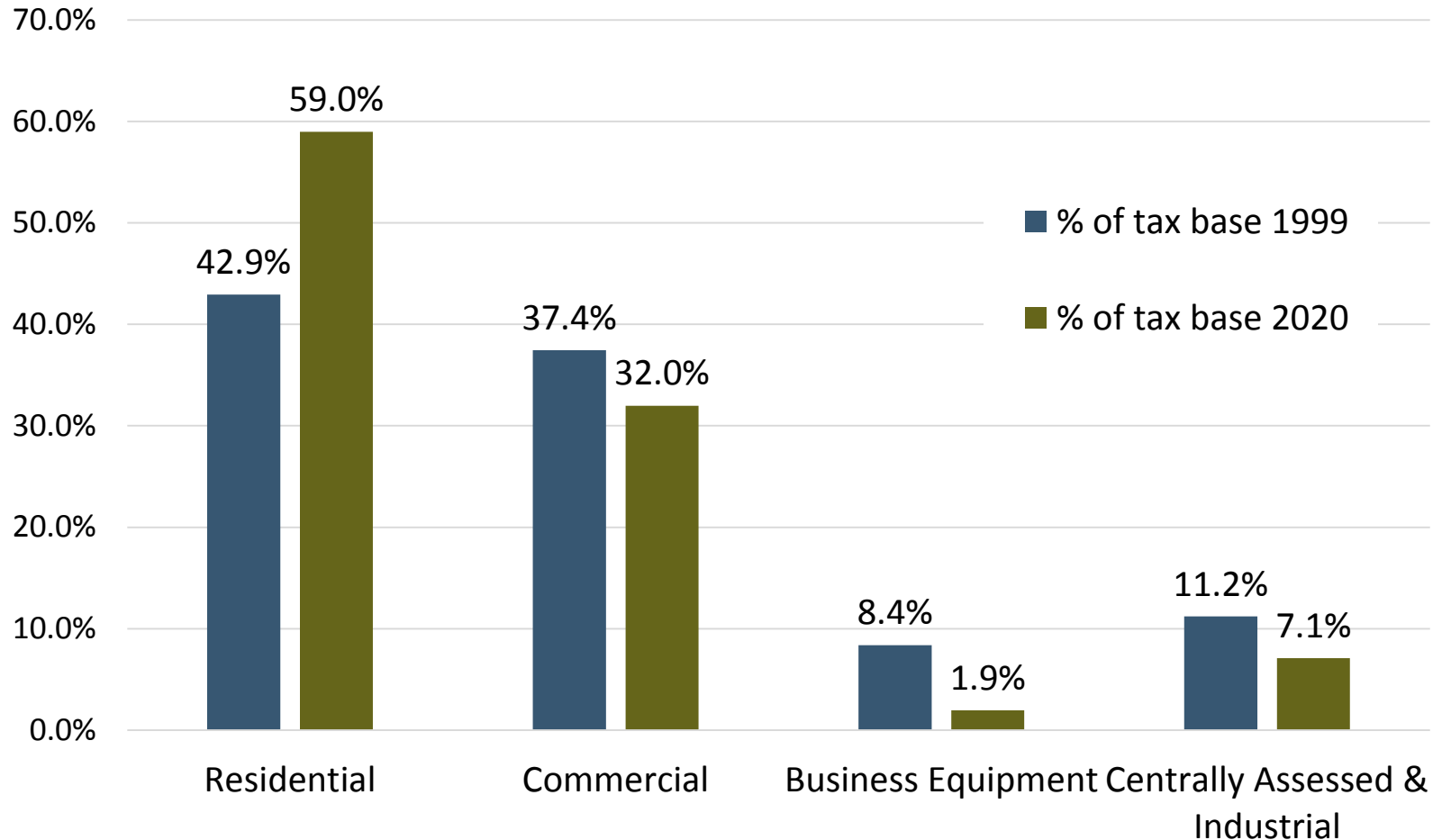
- Commissioners choose whether to refer the tax to voters
- Hearings July 1 and July 15
- Special election in November
- If approved, begin collecting tax January 2022

Revenue Estimates

- Currently 48 marijuana dispensaries in Missoula County
- County estimates \$716,000 total revenue, based on information extrapolated from BBER study
- City could receive approximately \$322,200
- Revenue can be used for any activity the jurisdiction is authorized to perform

Revenue Use

- Recommend property tax reduction



Property tax base has increasingly shifted to residential properties

Recommended Motion

I move to 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.

Questions?