

RESOLUTION NO. 2022-_____

**A RESOLUTION OF INTENT TO PRESENT TO THE QUALIFIED ELECTORS
OF GALLATIN COUNTY, MONTANA THE QUESTION OF A 3% LOCAL-OPTION
MARIJUANA EXCISE TAX ON THE RETAIL VALUE OF
ALL NON-MEDICAL MARIJUANA AND ALL NON-MEDICAL MARIJUANA
PRODUCTS SOLD IN GALLATIN COUNTY, MONTANA**

This Resolution was introduced by Bradley Bowen, Deputy Gallatin County Attorney, moved by Commissioner _____, and seconded by Commissioner _____. The Resolution was adopted _____.

WHEREAS, House Bill (HB) 701, now codified, in part, at Title 16, Chapter 12, Part 3, Montana Code Annotated (MCA), allows, beginning January 1, 2022, 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; and

WHEREAS, §§ 16-12-301 through 16-12-317, MCA, set forth the processes by which qualified electors of each county may authorize the imposition of a local-option marijuana excise tax up to 3% through an election; and

WHEREAS, pursuant to § 16-12-310(2), MCA, a local-option marijuana excise tax is a tax on the retail value of all marijuana and marijuana products sold at an adult-use dispensary or medical marijuana dispensary within a county; and

WHEREAS, pursuant to § 16-12-309, MCA, 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, in accordance with § 16-12-311(3)(b), MCA, local-option marijuana excise tax, if approved by a majority of qualified electors of a county, may become effective not less than 90 days after the election; and

WHEREAS, pursuant to § 16-12-310(3), MCA, if a county imposes a local-option marijuana excise tax: 50% of the resulting tax revenue must be retained by the county; 45% of the resulting tax revenue must be apportioned to the 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 the tax; and

WHEREAS, in accordance with § 16-12-317, MCA, unless otherwise restricted, a county or municipality may appropriate and expend revenue derived from a local-option marijuana excise tax for any activity, undertaking, or administrative service that the municipality is

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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, local governments have limited sources of revenue, and a local-option marijuana excise tax will help diversify local revenue generation; and

WHEREAS, the majority of Gallatin County voters voted to approve Initiative Measure 190 in the November 3, 2020 election; and

WHEREAS, a local-option marijuana excise tax will allow Gallatin County a new source of revenue; and

WHEREAS, 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, revenue of a local-option marijuana excise tax may be used by Gallatin County for any activity, undertaking, or administrative services; and

WHEREAS, the Gallatin County Board of County Commissioners is authorized pursuant to § 16-12-311(2), MCA, to present to the qualified electors of Gallatin County the question of a local-option marijuana excise tax by resolution; and

WHEREAS, the purpose of this Resolution of Intent is to obtain written and verbal comment regarding the Gallatin County Board of County Commissioner's intention to place a ballot question on the June 7, 2022 primary election ballot to request the qualified electors to vote on the question of whether to impose a three percent (3%) local-option excise tax, effective October 1, 2022, on the retail value of all non-medical marijuana and all non-medical marijuana products sold in Gallatin County, Montana; and

WHEREAS, following the public hearing and consideration of any and all verbal and written comment on this Resolution of Intent, the Gallatin County Board of County Commissioners will determine on March 8, 2022, whether to pass a Resolution to authorize placing the above-described ballot measure on the June 7, 2022 primary election ballot.

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NOW THEREFORE BE IT RESOLVED, that incorporating all of the above-recitals, the Gallatin County Board of County Commissioners, after due discussion and deliberation, finds that it is in the best interest of Gallatin County, Montana to pass this Resolution of Intent providing notice of its intention to place a ballot question on the June 7, 2022 primary election ballot to request the qualified electors to vote on the question of whether to impose a three percent (3%) local-option excise tax, effective October 1, 2022, on the retail value of all non-medical marijuana and all non-medical marijuana products sold in Gallatin County, Montana.

NOW BE IT FURTHER RESOLVED, the Gallatin County Board of County Commissioners will determine on March 8, 2022, whether to pass a Resolution to authorize placing the above-described ballot measure on the June 7, 2022 primary election ballot.

Dated this ____ day of _____ 2022.

GALLATIN COUNTY
BOARD OF COUNTY COMMISSIONERS
By:

Joe Skinner, Chair

Attest:

Eric Semerad
Gallatin County Clerk and Recorder