



BOARD of COMMISSIONERS

COUNTY OF CARBON • STATE OF MONTANA

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RESOLUTION 2022-05

RESOLUTION PRESENTING TO QUALIFIED ELECTORS OF CARBON 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 Carbon 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 Carbon 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 Carbon 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 government entity 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 Carbon County to capture a new source of revenue; and

WHEREAS, as of December 30, 2021 there were 7 registered Marijuana Dispensaries in Carbon 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 February 24 and March 3, 2022; 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 acceptable uses of funds collected from any tax on marijuana related to local sales shall be limited to public infrastructure and public facilities capital expenditures; and

WHEREAS, public infrastructure capital expenditures are defined as construction or maintenance of road and bridge surfaces valued at \$25,000 or more; and

WHEREAS, public facilities capital expenditures are defined as building construction valued at \$10,000 or more; 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 Carbon County; and

**RESOLUTION 2022-01:
RESOLUTION PRESENTING TO QUALIFIED ELECTORS OF CARBON COUNTY THE
QUESTION OF A 3% LOCAL-OPTION MARIJUANA EXCISE TAX PURSUANT TO HB701**

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

First ballot question

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

PASSED AND ADOPTED BY THIS 3rd day of March, 2022.

Carbon County Commissioners

Scott C. Miller
Commissioner Dist. #1

Scott Blain
Commissioner Dist. #2

Bill E. Bullock
Commissioner Dist. #3

ATTEST:

Christine L. Stovall, Clerk and Recorder

**RESOLUTION 2022-01:
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