

AGREEMENT AS TO DISTRIBUTION OF EXCISE TAX

THIS AGREEMENT between the City of Sidney, Montana and the Town of Fairview, Montana, this _____ day of July, 2023.

RECITALS

1. HB 701 (2021) authorized imposition of a local-option marijuana excise tax.
2. The question of a local-option marijuana excise tax was presented to the qualified electors of Richland County.
3. The electors voted to impose a local-option marijuana excise tax.
4. As an excise tax, the revenue is raised at the point of sale in licensed marijuana dispensaries.
5. By statute, a fraction of the revenues which are paid to the Montana Department of Revenue is retained by the State, a fraction is to be distributed to the County, and a fraction is to be distributed to qualified municipalities within a county.
6. All of the fractions for the County and incorporated municipalities are paid by the Department of Revenue to the County Treasurer.
7. There are two incorporated municipalities in Richland County: the City of Sidney and the Town of Fairview.
8. A dispute has arisen as to how these revenues are to be distributed under the statute. The Montana Legislature has passed, and the Governor has signed, House Bill 128, which resolves this dispute by amending the language of Section 16-12-310, M.C.A., to read as follows, in relevant part:
 - (a) 50% of the resulting tax revenue must be retained by the County;
 - (b) 45% of the resulting tax revenue must be apportioned to the municipalities on the basis of the ratio of the population of each city or town to the population of municipalities within the county[.]
9. The amendment to Section 16-12-310, M.C.A., does not take effect until October 1, 2023.
10. The purpose of this agreement is to agree as to the distribution of revenues currently held by the County notwithstanding the effective date of the amendment of Section 16-12-310,

M.C.A., and to relieve the Treasurer and the County of the hazards of that potential conflict in case of misdistribution of the incorporated municipality fraction.

NOW, THEREFORE, the parties agree:

1. All revenues previously received by the County Treasurer, and any future revenue received prior to October 1, 2023 from the excise tax described above shall be distributed by the Richland County Treasurer as if the statute, as amended by HB 128, was already in full force and effect.

IN WITNESS WHEREOF the parties have executed this agreement on its date set forth at the head of this agreement.

City of Sidney

Town of Fairview

By: _____
Rick Norby, Mayor

By: _____
Brian Bieber, Mayor

County of Richland, Montana

By: _____
Loren H. Young, Chairman
Board of County Commissioners