# Rules drafted as of 9/21/21

HB 701 Sections implemented

CANNABIS CONTROL DIVISION
MONTANA

## License Types:

- **Manufacturer:** Section 39 (16-12-104(2), Department responsibilities -- Licensure); Section 51 (16-12-203(1)(a), MCA - Licensing types); Section 52 (16-12-204(all), Manufacturer reqs.)
- **Cultivator:** Section 4 (new - cultivators); Section 39(2); Section 51(1)(a)
- Dispensary: Section 5 (new - dispensaries); Section 39(2); Section 51(16-12-203(1)(a), MCA)
- **Transporter:** Section 3 (new - transporters); Section 39(2)
- **Storage facility endorsement:** Section 3(5) (new)
- **Combined use:** Section 6 (new – combined-use marijuana licenses)

## Licensee/Licensed Premises:

- **Licensed Premises:** Mandatory signage HB 249 - supersedes Section 58 (advertising prohibited)
- **Licensed Premises:** Security requirements Section 3(5)(c) (new); Section 37 (16-12-101(2)(f), MCA - Short title, purpose); Section 47 (16-12-112(1)(d)), MCA - Rules-fees); Section 54 (16-12-207(9)(a)(b), (10), MCA - Licensing as privilege -- criteria)
- **Licensed Premises:** Other requirements (we have not discussed at a rules meeting yet) - Section 6; Section 51 (16-12-203(4)(b), MCA); Section 52 (16-12-204(1)(a), (2), MCA); Section 54 (16-12-207(1)(b), (3), MCA); Section 55 (16-12-208 (2)(3), MCA - Restrictions); Section 57 (16-12-210, MCA - Inspections)
- **Licensee Requirements:** (common to all) (we have not discussed at a rules meeting yet) Section 2(new) background checks; Section 23 (rules, fees, residency, fingerprints and background); Section 37 (16-12-101, MCA - Purpose); Section 38 (16-12-102, MCA - Definitions); Section 39; Section 40 (16-12-105, MCA - Department responsibility to monitor and assess marijuana production, testing, sales, and license revocation); Section 44 (16-12-109, MCA - Unlawful conduct by licensees --penalties); Section 47; Section 51; Section 54; Section 56 (16-12-209, MCA - Testing of marijuana and marijuana products); Section 57;

Sections 94 through 97 (new - local-option marijuana excise tax); Section 109 (new - warning labels)

- **Point of Sale System for Dispensaries:** Section 40 (16-12-105(1)(a), MCA - Department responsibility to monitor and assess marijuana production, testing, sales, and license revocation); Section 47 (16-12-112(1)(g), MCA); Section 51; Section 56 (16-12-209(5)(b), MCA - Testing of marijuana and marijuana products)
- **Non-Former Medical Marijuana Licensees:** (red and green counties) Section 38 (16-12-102(14), MCA - Definitions); Section 49 (16-12-201(1)(a) & (b), (2), MCA - Licensing of providers, marijuana-infused products providers, and dispensaries for adult use cultivators, manufacturers, and dispensaries); Section 52 (16-12-204(3), MCA)
- **Fees:** Section 4 (new - cultivators (4)); Section 23 (new - rules, fees); Section 47 (16-12-112(1)(q), MCA); Section 52 (16-12-204(3), MCA); Section 99 (80-1-104(3), MCA - Labs-fees)
- **Advertising:** HB 249 (16-12-211, MCA)

## Disciplinary Actions:

- **Violations:** (generally, procedure, aggravating and mitigating circumstances) Section 18 (new (2) - unlawful conduct by cardholders -- penalties); Section 41 (16-12-106 (2), MCA - Personal use and cultivation - penalties); Section 44 (16-12-109, MCA (all));
- **Suspensions:** Section 50 (16-12-202(8), MCA - Testing labs, state lab responsibility); Section 51 (16-12-203(1)(e) and (f), MCA - Licensing types - requirements -- limitations -- activities); Section 57 (16-12-210(6), MCA - Inspections)
- **Revocations:** Section 18(1) (new - Unlawful conduct by cardholders -- penalties); Section 43 (16-12-108(6), MCA - Limitations of act); Section 44 (16-12-109(1) & (5), MCA - Unlawful conduct by licensees -- penalties); Section 50 (16-12-202(9), MCA - Testing labs, state lab responsibility); Section 54 (16-12-207(2), MCA); Section 57 (16-12-210(6), MCA); Section 97 (2)(d)(iii) - tax administration
- **Procedure Upon Revocation or Suspension:** Section 18(3) (new - Unlawful conduct by cardholders -- penalties); Section 23 (new - rules, fees); Section 39 (16-12-104(8)(a), MCA - Licensure); Section 44 (16-12-109(7), MCA); Section 57 (16-12-210(8), MCA)
- **Determining Civil Penalty:** Section 18(2) (new); Section 44 (16-12-109(1)(e), MCA)

- **Worker Permit Discipline:** Section 3(8); Section 5(9) (new); Section 7 (new); Section 39 (16-12-104(2)(b), (8)(a), MCA); Section 47 (16-12-112(1)(q), MCA)
- **Service of Notices:** Section 44 (16-12-109(1) through (3), MCA); Section 47 (16-12-112(1)(f), MCA); Section 57 (16-12-210(6) and (9), MCA); 2-4-601, MCA
- **Compliance Verification Letter:** Adopting existing and DPHHS-originated business process into rule to provide better understanding and application of this violation resolution alternative for licensees and the department

## Inspections:

- **Inspection Process:** Section 50 (16-12-202(2)(b), (3), MCA - Testing labs); Section 57 (16-12-210, MCA (all))
- **Deficiency Reports:** Adopting existing and DPHHS-originated business process into rule to provide better understanding and application of this violation resolution alternative for licensees and the department

## Packaging and Labeling:

- **General Labeling Requirements:** Section 47 (16-12-112(1)(h), MCA); Section 55 (16-12-208(6), (8), MCA - Restrictions)
- **Labeling Requirements for Marijuana Flower:** Section (5)(8)(b)(i)(new); Section 47 (16-12-112(1)(h), MCA)
- **Labeling Requirements for Marijuana Concentrates:** Section (5)(8)(b)(ii) - (vi)(new); Section 47 (16-12-112(1)(h), MCA)
- **Labeling Requirements for Ingestible Marijuana-Infused Products:** Section (5)(8)(b)(ii) and (iv)(new); Section 47 (16-12-112(1)(h), MCA)
- **Labeling Requirements for Non-Ingestible Marijuana-Infused Products:** Section (5)(8)(b)(v) and (vi) (new); Section 47 (16-12-112(1)(h), MCA)
- **Packaging Requirements:** Section 47 (16-12-112(1)(j), MCA); Section 55 (16-12-208(6), (8), MCA); Sec. 109

MONTANA Department of REVENUE