



CANNABIS CONTROL DIVISION

MONTANA

CCD History and Statistics

**Children, Families, Health & Human
Services Interim Committee**

November 5, 2025

Table of Contents

Table of Contents	2
History	3
Tax Revenues	5
Purpose	10
Structure of Cannabis Control Division	11
Licensing Bureau	12
Inspection Bureau.....	17
Ongoing Issues	20
Appendix A: Definitions	22

History

In 2004, voters legalized medical marijuana in Montana with citizens' Initiative I-148.

In 2011, the Montana Legislature amended Initiative I-148 with SB 423, referred to as the "Repealer Bill," which launched a lengthy five-year court battle. During this period, the state had little oversight of the program because no requirements for product tracking, testing, or inspections of licensees existed under the existing laws.

In 2016, Initiative I-182 passed, amended by SB 333 in 2017, referred to as the Montana Marijuana Act, which created the infrastructure for a regulated medical marijuana program overseen by the Montana Department of Health and Human Services. Up until this point, the focus of the program was on patient access to marijuana for qualifying conditions. The law did not establish a regulatory framework for the cannabis industry. The passage of SB 333 established additional requirements, including tracking plants (seed-to-sale), testing products, and pre-licensing and annual inspections.

In 2019, SB 265 passed, which untethered medical marijuana cardholders from specific providers and established canopy tiers and licensing fees. It also extended the 4 percent tax rate for 2 years, until October 1, 2021, when it was scheduled to decrease to 2 percent.

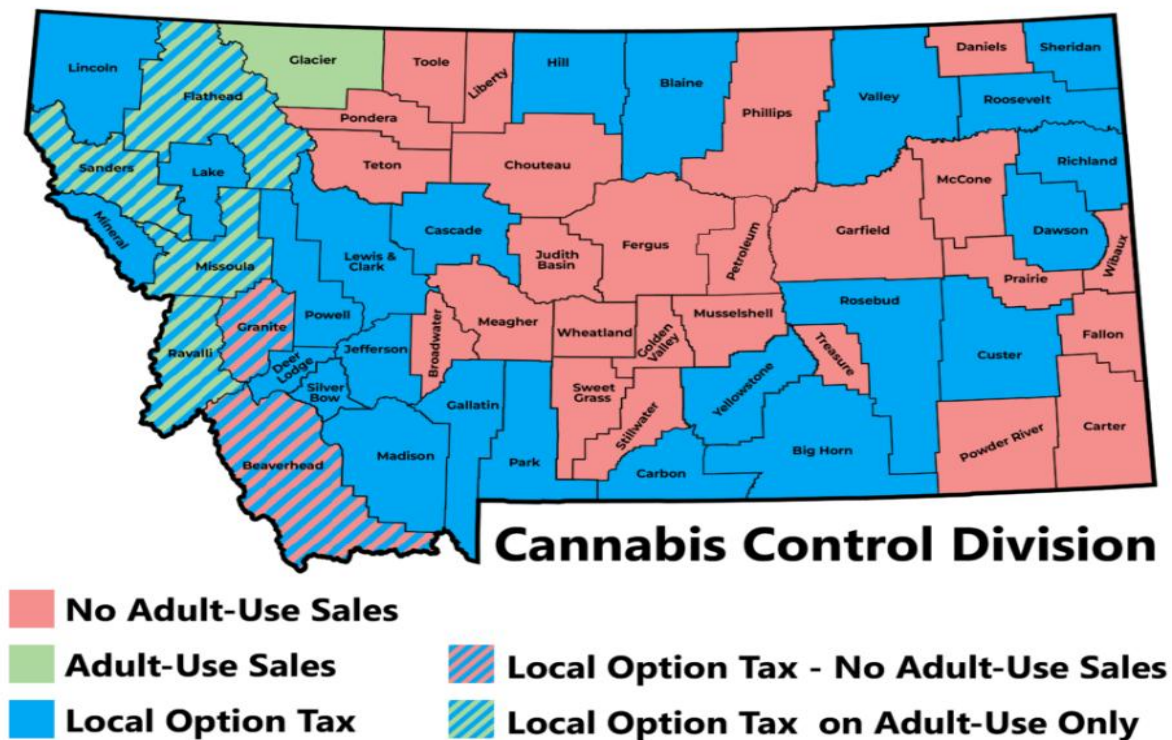
On November 2, 2020, Citizens' Initiative I-190 passed. This legalized adult-use cannabis in Montana. The Legislature amended I-190 with HB 701, also referred to as the Montana Marijuana Regulation and Taxation Act (MMRTA). The Act set the adult-use tax rate at 20 percent, the medical-use tax rate at 4 percent, and allowed for a local option tax of up to 3 percent.

The Act transferred the medical marijuana program to the Montana Department of Revenue, under a newly created program, the Cannabis Control Division. Licensees transitioned from a vertically integrated market structure—where they had to grow, manufacture, and dispense their products—to a horizontal (wholesale) market structure—where they could choose to participate in all or only one aspect of the marketplace. The Act also established a more explicit focus on regulation. This enables the state to enforce compliance with seed-to-sale tracking, public health and welfare, and licensing and regulation enforcement through the ability to fine, suspend, or revoke a Licensee for not adhering to the statutes and rules.

The map in this section indicates the counties that supported I-190, the counties that did not, and which counties are implementing a local option tax:

- Counties where the majority of voters supported I-190, allowing adult-use sales, are reflected in green
- Multiple counties have held local elections to change from red to green since the original I-190 vote
- Counties where the majority of voters were not in support of I-190, disallowing adult-use sales, are reflected in red
- Counties currently implementing the local option taxes are reflected in blue

The Local Options 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. The election petition or resolution must establish the rate of the Local Options Tax. The rate may not exceed 3%.



The term Former Medical Marijuana Licensee (FMML) became an important distinction under the statute. An FMML is a person or business that had an application for licensure submitted or approved by the DPHHS on April 27, 2021. See § 16-12-102(14). This designation allowed those who were formerly in the medical program when I-190 passed the ability to participate in the sale of adult-use cannabis. For those who entered the program after April 27, 2021, their dispensary license was limited to medical cannabis sales only until July 1, 2025, when SB27 allowed all dispensaries to sell adult use, except for those located in red counties

Since January 1, 2022, there has been a moratorium on all new cannabis dispensary, manufacturer, and cultivator licenses. SB27 extended this again until July 1, 2027. Testing laboratory, transporter, and combined use licenses are exempt from this restriction.

On January 1, 2022, the CCD successfully launched adult-use sales in Montana.

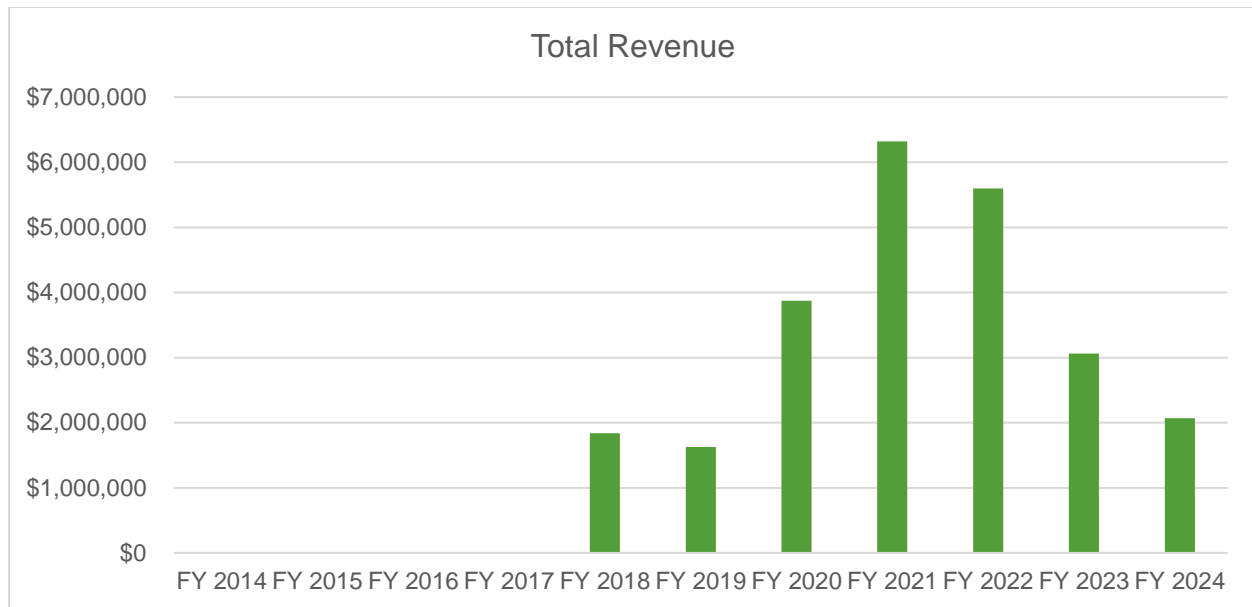
Tax Revenues

Medical Cannabis Collections

The medical cannabis tax collections provided below are for the last seven fiscal years since the tax took effect in Fiscal Year (FY) 2018. Following the legalization of adult-use cannabis and the start of sales in January 2022, the number of medical cannabis cardholders and the amount of sales have decreased each year.

The 2017 Legislature enacted a tax on medical cannabis sales as part of their revision of the regulation of medical cannabis. From July 1, 2017, through June 30, 2018, the tax was 4 percent of gross sales. From July 1, 2018, through September 30, 2020, the tax dropped to 2 percent of gross sales. The tax rate increased back to 4 percent on October 1, 2019, and was kept at 4 percent by the 2021 Legislature.

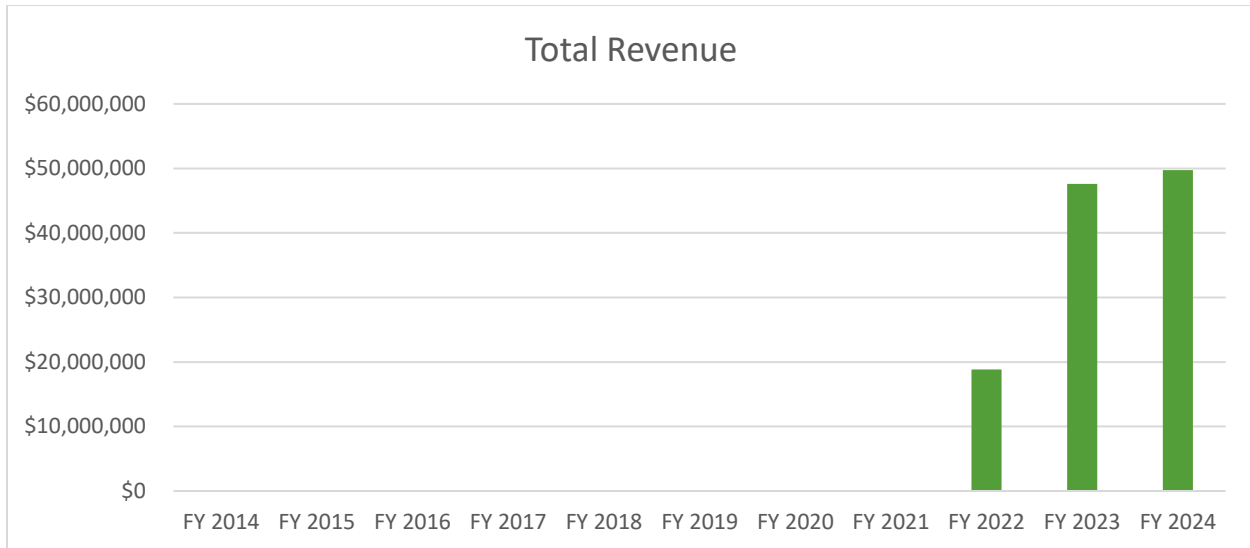
Fiscal Year	Total Revenue
FY 2014	\$0
FY 2015	\$0
FY 2016	\$0
FY 2017	\$0
FY 2018	\$1,836,085
FY 2019	\$1,626,805
FY 2020	\$3,871,936
FY 2021	\$6,319,828
FY 2022	\$5,595,671
FY 2023	\$3,061,340
FY 2024	\$2,067,613



Adult-use Cannabis Collections

The adult-use cannabis tax collections provided below are for FY 2022 – FY 2024. Note that FY 2022 only includes six months of legal sales, as sales began on January 1, 2022. Following the passage of Initiative-190 and HB 701, adult-use cannabis is taxed at a rate of 20 percent of the retail price.

Fiscal Year	Total Revenue
FY 2014	\$0
FY 2015	\$0
FY 2016	\$0
FY 2017	\$0
FY 2018	\$0
FY 2019	\$0
FY 2020	\$0
FY 2021	\$0
FY 2022	\$18,816,673
FY 2023	\$47,613,282
FY 2024	\$49,722,303



Filing and Payment

Dispensaries collect the tax from consumers at the time of sale. The dispensaries are required to file sales reports and remit the tax collections to the department within 15 days of the end of the quarter. These reports can then be compared with the Metro seed-to-sale data by the department for auditing purposes.

Tax Revenue Distribution

The process of distributing cannabis tax and license fee revenue begins with the revenue collected from taxes on adult-use and medical cannabis, as well as license fees. This revenue is deposited in the state's cannabis special revenue account.

The cannabis special revenue account is initially used to cover the department's administrative costs. At the end of the fiscal year, the remaining account balance is distributed as follows:

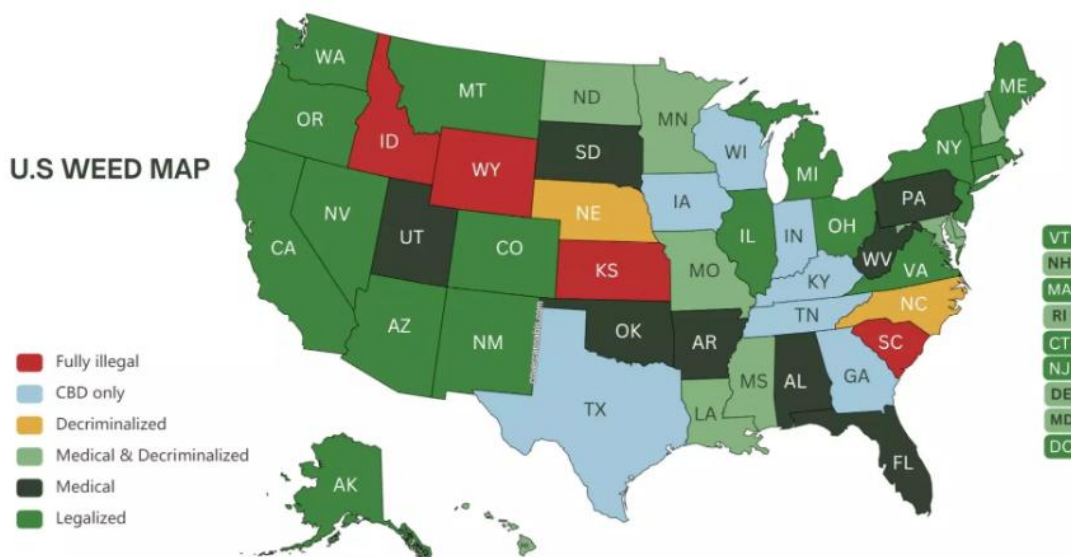
- \$6 million to the marijuana Healing and Ending Addiction through Recovery and Treatment (HEART) fund account. Established in See § 17-6-606
- 20% to FWP for wildlife habitat, as provided in See § 87-1-209
- 4% each to the state park account, trails and recreational facilities account, and the nongame wildlife account
- 3%, up to \$200,000, to veterans and surviving spouses, state special revenue account
- \$300,000 each year of the 2025 biennium to the board of crime control for the crisis intervention team training program; this distribution is intended to be part of the ongoing budget
- The remaining funds are placed in the general fund.

Distribution of Cannabis Taxes and Fees

Fund	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
HEART Fund	\$0	\$0	\$6,000,000	\$6,000,000	\$6,000,000
Wildlife Habitat	\$0	\$0	\$4,437,772	\$8,756,701	\$9,545,259
State Parks	\$0	\$0	\$887,554	\$1,751,340	\$1,909,052
Trails and Recreation	\$0	\$0	\$887,554	\$1,751,340	\$1,909,052
Nongame Wildlife	\$0	\$0	\$887,554	\$1,751,340	\$1,909,052
Veteran's Affairs	\$0	\$0	\$200,000	\$200,000	\$200,000
DOJ Grant Funding and Board of Crime Control	\$0	\$0	\$450,000	\$150,000	\$450,000
General Fund	\$0	\$0	\$14,238,426	\$29,422,782	\$31,803,882

State Comparison

As of November 2024, some form of cannabis is legal in 38 of 50 states, with 24 states and the District of Columbia allowing for legalized adult-use cannabis.



Source: <https://covercannabis.com/blog/where-is-marijuana-legal/>

The following table shows the tax rates for states with legalized adult-use cannabis:

State	Tax Rates
Alaska	\$50 per oz flowers, \$15 per oz stems and leaves, \$25 per oz immature flowers/buds
Arizona	16% excise tax
California	15% excise tax on wholesale and per oz cultivation tax (\$9.65 flowers, \$2.87 leaves, \$1.35 fresh plant), state sales tax of 7.25% applies
Colorado	15% excise tax on retail and wholesale, local option tax of up to 8%
Connecticut	Tax per milligram of THC: \$0.00625 in flowers, \$0.0275 in edibles, \$0.009 in other products. 6.35% retail sales tax and 3% municipal sales tax
Delaware	15% retail excise tax. Sales have not yet begun.
District of Columbia	Possession of up to 2 oz. Legal but no retail sales.
Illinois	7% wholesale tax; Retail tax of 10% on flowers; 20% on cannabis infused products; 25% on products > 35% THC; Local option tax up to 3%.
Maine	10% sales tax plus excise tax of \$335/lb flower; \$94/lb trim; \$1.5 per immature plant/seedling; \$0.3 per seed.
Maryland	9% retail sales tax
Massachusetts	10.75% excise tax plus state sales tax of 6.25% and local option tax of up to 3%, medical exempt
Michigan	10% excise tax plus a 6% state sales tax. 3% on the grower's gross receipts for medical
Minnesota	10% retail excise tax, 6.875% state sales tax, local sales tax
Missouri	16% retail sales tax
Montana	20% sales tax, 4% on medical, and a local option tax of up to 3%
Nevada	15% excise tax on wholesale and 10% on retail, plus state sales tax of 6.85%
New Jersey	State sales tax of 6.625% applies on top of an excise tax of \$1.52 per ounce of cannabis—local option sales tax of up to 2%.
New Mexico	12% excise tax, increasing to 18% in 2025, plus state and local sales tax of at least 5%
New York	Tax per milligram of THC: \$0.005 in flower, \$0.008 in concentrates, \$0.03 in edibles. 13% total excise tax
Ohio	10% retail sales tax
Oregon	17% sales tax, local option sales tax up to 3%
Rhode Island	10% excise tax plus 3% local excise tax and 7% state sales tax
Vermont	14% excise tax plus state sales tax of 6%
Virginia	21% sales tax, local option sales tax of 3%
Washington	37% sales tax plus state and local general sales tax of at least 6.5%. Medical is exempt from sales taxes.

Source: <https://disa.com/marijuana-legality-by-state>

Purpose

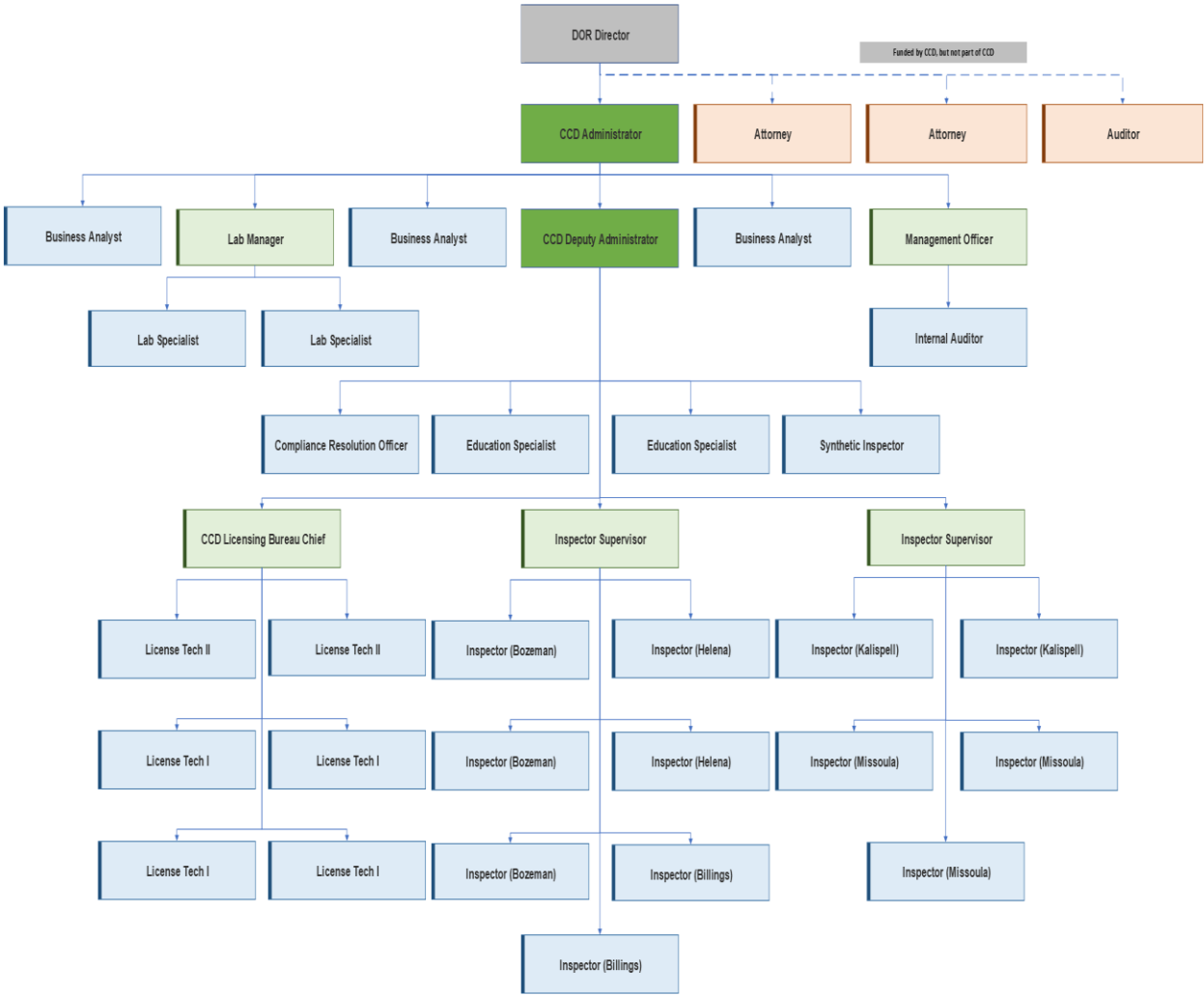
The mission of the Cannabis Control Division is to ensure the health and welfare of all Montanans through fair administration, education, and enforcement of the Montana Marijuana Regulation and Taxation Act.

- Develop a good faith partnership between the State of Montana and stakeholders by establishing rules and policies that provide interested consumers with access to a regulated industry while diminishing an unregulated, untested illicit market.
- The public's health, safety, and well-being are always our top priority;
- Develop and institute regulations that are necessary, while balancing the needs of patients and licensees;
- Compliance through education, enforcement when needed;
- Strive to be transparent and clearly communicate with the public and stakeholders;
- Customer focus, treat businesses and citizens with fairness and respect.

Duties and responsibilities:

- Oversee and issue more than 1000 business licenses to cultivators, manufacturers, dispensaries, transporters, and labs;
- Oversee and issue more than 5,000 worker permits;
- Oversee and issue more than 12,000 registered medical card holders;
- Annually process renewal applications for these licenses;
- Annual inspection of all licensed business locations to ensure licensees are compliant with Montana's marijuana laws;
- Review and approve all packaging and labeling to ensure it is not considered appealing to children and has the appropriate warning language;
- Educate licensees to ensure they understand the laws enacted by the legislature.

Structure of Cannabis Control Division



Program Budget – FY26 FY27

- Full Time Employees: 35
- Personal Services: \$ 6,780,954
- Operating Expenses: \$ 5,286,147
- Total Budget: **\$ 12,067,101**

Licensing Bureau

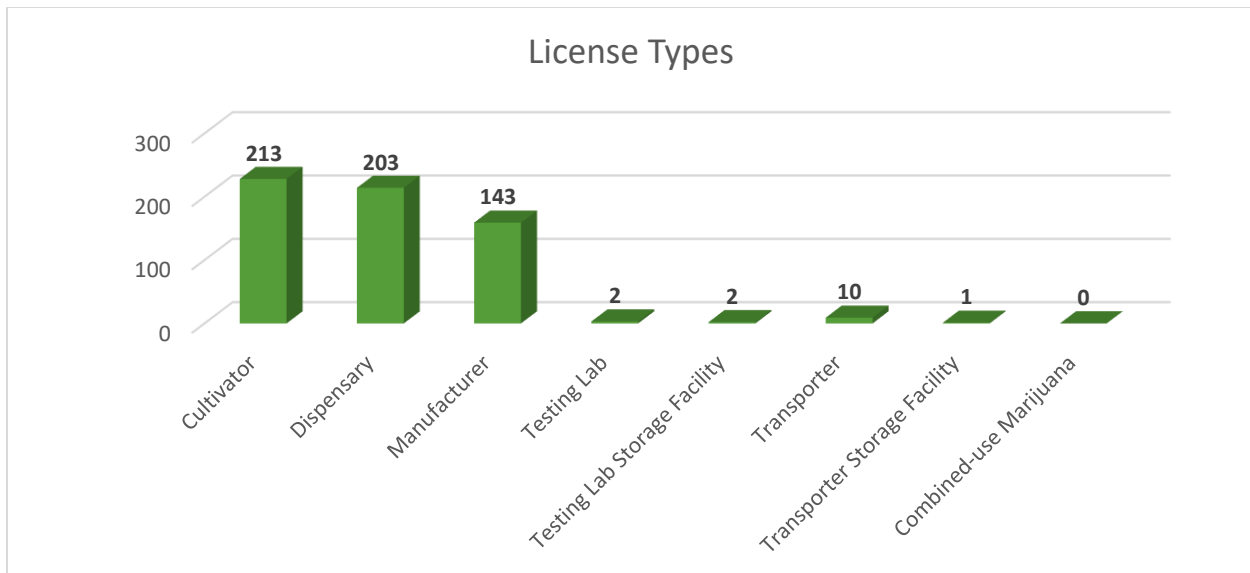
Cannabis Business Licenses

Active as of 7/1/2025

Type	Number
Licensee	232

License Type	Number
Cultivator	213
Dispensary	203
Manufacturer	143
Testing Lab	2
Testing Lab Storage Facility	2
Transporter	10
Transporter Storage Facility	1
Combined-use Marijuana	0

Site Type	Number
Cultivator	341
Dispensary	567
Manufacturer	198
Testing Lab	2
Testing Lab Storage Facility	2
Transporter Storage Facility	1



Licensee: a person holding a state license issued pursuant to this chapter.

Cultivator: a person licensed by the department to plant, cultivate, grow, harvest, and dry marijuana; and package and relabel marijuana produced at the location in a natural or naturally dried form that has not been converted, concentrated, or compounded for sale through a licensed dispensary.

Manufacturer: a person licensed by the department to convert or compound marijuana into marijuana products, marijuana concentrates, or marijuana extracts and package, repackage, label, or relabel marijuana products as allowed under this chapter.

Adult-use dispensary: a licensed premise from which a person is licensed by the department may: obtain marijuana or marijuana products from a licensed cultivator, manufacturer, dispensary, or other licensee approved under this chapter; and sell marijuana or marijuana products to registered cardholders, adults that are 21 years of age or older, or both.

Medical marijuana dispensary: the location from which a registered cardholder may obtain marijuana or marijuana products.

Transporter: allows a marijuana transporter to physically distribute and deliver marijuana and marijuana products to a licensed premises and to registered cardholders within the state of Montana that present a valid registry identification card.

Combined-use: allows a federally recognized tribe located in the state or a business entity that is majority-owned by a federally recognized tribe located in the state to maintain one marijuana cultivation license and one marijuana dispensary license allowing for the operation of a dispensary. One license is available to each of the eight

federally recognized tribes located in Montana or a business entity that is majority owned by the tribe.

Testing laboratory: a qualified person, licensed under this chapter that provides testing of representative samples of marijuana and marijuana products, and provides information regarding the chemical composition and potency of a sample, as well as the presence of molds, pesticides, or other contaminants in a sample.

Marijuana storage facility endorsement: a marijuana transporter or a marijuana testing laboratory shall obtain a marijuana storage facility endorsement for any overnight storage of marijuana or marijuana products. A marijuana storage facility endorsement allows a marijuana transporter or marijuana testing laboratory to maintain a separate, off-site storage facility.

License Fee Structure

Dispensary

The license fee is based on licensed premises. The initial licensure and renewal fee is \$5,000 per licensed premises.

Cultivator

Licensed according to a tiered canopy system. Initial licensure and annual fees for these licensees are:

Cultivator Tiers	Tier Parameters	Tier Fee
Micro tier	Canopy of up to 250 square feet at one indoor cultivation facility	\$1,000
Tier 1	canopy of up to 1,000 square feet at one indoor cultivation facility	\$2,500
Tier 2	canopy of up to 2,500 square feet at up to two indoor cultivation facilities	\$5,000
Tier 3	canopy of up to 5,000 square feet at up to three indoor cultivation facilities	\$7,500
Tier 4	canopy of up to 7,500 square feet at up to four indoor cultivation facilities	\$10,000
Tier 5	canopy of up to 10,000 square feet at up to five indoor cultivation facilities	\$13,000
Tier 6	canopy of up to 13,000 square feet at up to five indoor cultivation facilities	\$15,000
Tier 7	canopy of up to 15,000 square feet at up to five indoor cultivation facilities	\$17,500

Tier 8	canopy of up to 17,500 square feet at up to five indoor cultivation facilities	\$20,000
Tier 9	canopy of up to 20,000 square feet at up to six indoor cultivation facilities	\$23,000
Tier 10	canopy of up to 30,000 square feet at up to seven indoor cultivation facilities	\$27,000
Tier 11	canopy of up to 40,000 square feet at up to eight indoor cultivation facilities	\$32,000
Tier 12	canopy of up to 50,000 square feet at up to nine indoor cultivation facilities	\$37,000

Manufacturer

The license fee is based on the amount of concentrate produced on a monthly basis. The annual fees for licensees are:

Manufacturer Tiers	Tier Parameters	Tier Fees
Tier 1	Produces, every month, less than 1 pound of concentrate and up to 10 pounds of concentrate	\$5,000
Tier 2	Produces, monthly, between 10 and 15 pounds of concentrate	\$10,000
Tier 3	Produces, monthly, 15 pounds or more of concentrate	\$20,000

Transporter

The license is a two-year license. The initial licensure and renewal fee is \$10,000.

Testing Laboratory

The license fee is based on licensed premises. The initial licensure and renewal fee is \$5,000 per licensed premises.

Marijuana Storage Facility

The license fee is based on licensed storage facilities. The initial licensure and renewal fee is \$1,000 per licensed storage facility.

Combined-use

The license consists of one cultivator license and one dispensary license, allowing for the operation of a dispensary. The initial licensure and renewal fee is \$7,500.

Additional Fees

Processing Fee: At the time of initial application and at renewal, the applicant shall pay the department a non-refundable processing fee equal to 20 percent of the

license fee identified. The department will not begin processing an application until it receives all processing fees.

Location change: the fee for changing the location of any licensed premises is \$2,500.

Packaging and Labeling

Before selling, offering for sale, or transferring marijuana or marijuana product that is for ultimate sale to a consumer, registered cardholder, or the cardholder's designated purchaser(s): all licensee or licensee applicants must submit and receive approval for labeling, packaging, and exit package applications. This includes wholesale packaging and labeling.

Packaging and Labeling Fees	Amount
Generic Labels	\$0
Custom Labels	\$25 per label
Generic Packages	\$0
Custom Packages	\$10 per package
Exit Packages	\$10 per exit package

Marijuana Worker Permit

A **Worker Permit** is required for any individual age 18 and over who performs work for or on behalf of any aspect of a marijuana business or testing laboratory.

Type (Active as of 7/1/25)	Number
Worker Permit	5,824

Worker Permit Fee	Amount
Initial and Renewal	\$50
Replacement	\$10
Update (Testing Laboratory Eligibility)	\$30

Medical Marijuana Card

Cardholder: a Montana resident with a debilitating medical condition who has received and maintains a valid registry identification card.

Minor Cardholder: a Montana minor resident with a debilitating medical condition who has received and maintains a valid registry identification card.

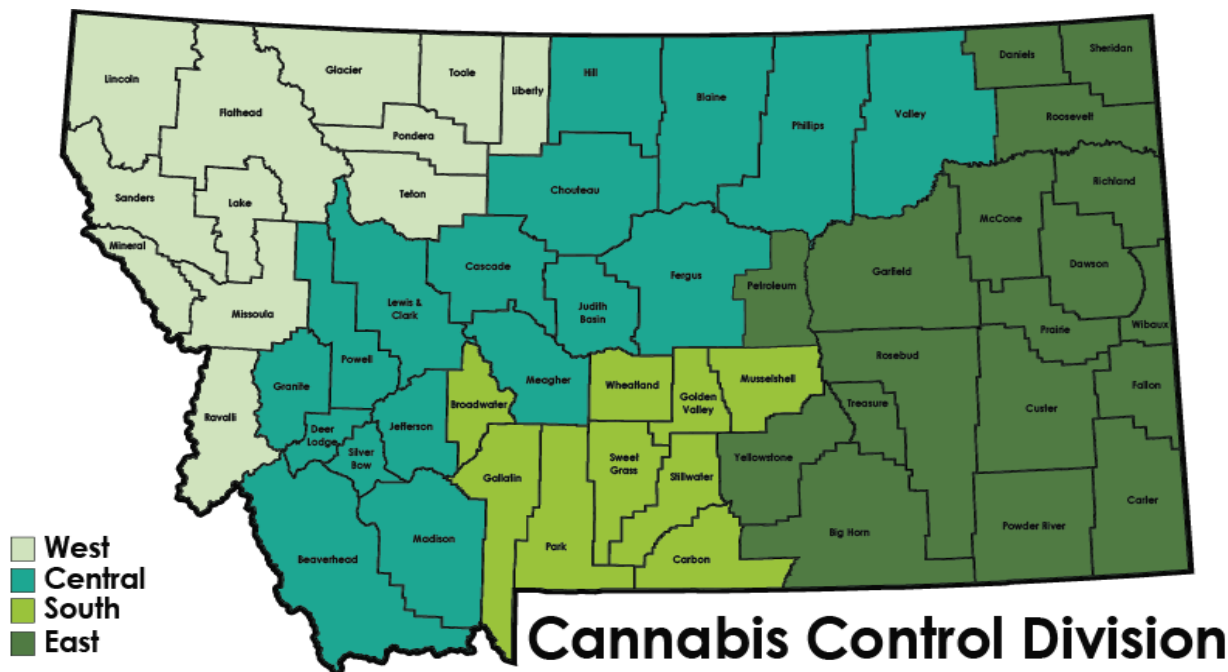
Type (Active as of 7/1/2025)	Number
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Medical Card Fee	Amount
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Cardholder	12,989
Minor Cardholder	38

Initial and Renewal	\$20
Replacement	\$10

Inspection Bureau



Inspections

Inspections were conducted between January 1, 2023, and July 1, 2025.

Inspections					
Year	Announced	Unannounced	Complaint	Exit	Total Inspections
2023	1173	227	18	28	1446
2024	1142	347	26	47	1562
2025	700	272	13	34	1019

Testing Laboratory

The Cannabis Laboratory Program is responsible for auditing third-party testing laboratories to ensure the safety of products and protect consumers. This is achieved through annual onsite laboratory audits and continuous offsite monitoring of seed-to-sale testing activities, test results, and sampling. This unit is also responsible for

staying current with the latest developments in cannabis science, public health, and laboratory science, while providing technical expertise to the department.

Synthetics

The Synthetic Marijuana Inspection unit works to ensure synthetic products are not being sold in the state of Montana and is responsible for inspecting unlicensed businesses to educate and enforce the prohibition on all synthetically derived cannabinoids.

Synthetic Inspector Statistics (September 5, 2023, to October 31, 2024)		Number
Locations Inspected		252
Miles Driven		30,030

What is Enforcement: Inspections, Deficiency Reports, Proposed Department Action, and Compliance Verification Letters

The Resolution Unit assures that appropriate and consistent resolutions are made with licensees who violate the law. This is done through a review of deficiencies found during the inspection and assigns potential referrals for education, warnings, civil penalties, suspensions, and/or revocations based on the severity of the deficiencies. This unit also entertains settlement negotiations.

CCD ensures compliance with marijuana laws through two primary avenues: a Compliance Verification Letter (CVL) issued by the Resolution Unit and/or a Notice of Proposed Department Action (NPDA) issued by the Legal Services Office.

Compliance Verification Letter (CVL)

CCD initiated the CVL process in April 2024 to help streamline enforcement, thereby creating efficiencies. Before that time, the CVL was used minimally as an information request tool (noted in the table below as “Information Request”). The CVL is now utilized in all cases that don’t warrant a license revocation. CCD issues a CVL to Licensees when an inspection results in incurable or uncured deficiencies. The CVL allows the Licensee to informally resolve the issues with the Department (without involvement from the Office of Dispute Resolution). If the Licensee and the Department cannot informally resolve the issues, the Department will proceed with the Proposed Department Action process. For other areas of non-compliance that CCD discovers outside the inspection process, it generally issues an Information Request letter stating the suspected area(s) of non-compliance and affording the Licensee an opportunity to respond.

Notice of Proposed Department Action (PDA)

The PDA process was used exclusively as enforcement prior to April 1, 2024. Licensee would be required to request a hearing with the Office of Dispute Resolution to have an opportunity to discuss the alleged violations and proposed action further. CCD now only issues a PDA when the Licensee and Department cannot informally resolve the issue, or after an inspection of a licensed premises reveals issues of non-compliance that warrant a proposed revocation of the license. A Licensee may request a hearing to contest the PDA with the Department's Office of Dispute Resolution under the Montana Administrative Procedures Act. Once a resolution has been reached, a settlement agreement is drafted and issued to the Licensee. The settlement agreement outlines the terms and conditions that must be adhered to in order to resolve the matter.

Of the total PDAs summarized below, 55 were issued to Licensees that failed to submit label, package, and/or exit package applications by August 1, 2022, pursuant to § 16-12-208(8), MCA and ARM 42.39.320. These PDAs were issued outside of the inspection process.

The following table summarizes the legal action taken through the PDA process from January 2022 to date:

PDA Action	Number
PDAs Issued	252

The following table summarizes informal resolution action taken through the CVL process from April 1, 2024, to date:

CVL Action	Number
Total cases resolved by the resolution unit	140
Compliance verification letters issued	59
Settlement agreements executed	40
Information requests issued	11

The following table summarizes the resulting action by CVL and PDA to date:

Enforcement Action	Number
Total civil penalties assessed	\$977,885
Cases referred to education	94
Suspensions	16

Ongoing Cannabis Related Issues

Marijuana Testing Laboratories

Over the course of the last four years, the Cannabis Control program has seen a dramatic reduction in cannabis testing laboratory licensees in Montana. The program began with five third-party testing labs; there are now two testing labs. The reduction in labs has become a pain point for the industry due to the lack of competition and delayed testing turnaround times. Several factors likely contributed to the decline of testing labs, including operating costs, loss of expertise, and a finite number of customers. The program acknowledges that it creates a risk to the stability of the legal cannabis industry in Montana.

Naturally Derived Psychoactive Hemp Products

Following the federal legalization of hemp in the 2018 Farm Bill, a national industry has rapidly emerged to manufacture and sell consumable products that contain cannabinoids derived from hemp. The relative lack of federal regulation and enforcement of these products presents several challenges, with implications for public health and safety, as well as the ability of consumers to make informed choices about the products they consume. As a result, some states have stepped in to regulate and tax hemp and hemp-derived products, while others have followed the lead of federal agencies. This has created a state-by-state patchwork of regulations that are often difficult for the industry, government bodies, and consumers to navigate.

Lack of Enforcement of FDA Regulations

The FDA has stated that cannabidiol (CBD) and tetrahydrocannabinol (THC) cannot be added to any food that is sold in interstate commerce, and that CBD and THC cannot be marketed as dietary supplements, even though they are derived from hemp. It may be possible to use other cannabinoids in accordance with FDA regulations; however, hemp-derived products are not currently following the appropriate FDA notification or approval processes. To date, the FDA has taken minimal enforcement action, issuing warning letters to a small number of manufacturers or sellers of hemp-derived products when there are health claims that put the product into the category of unapproved drugs.

Products with Intoxicating Amounts of Delta-9-THC:

The federal definition of hemp limits hemp products to no more than 0.3% delta-9 THC by weight, but 0.3% is not a non-intoxicating threshold, especially for edible products. Hemp-derived products are currently being sold that contain 100 mg, 200 mg, or even 400 mg of delta-9-THC (far more than the allowable amounts of THC in most adult-use cannabis markets). Still, they are legal under current federal policy because they stay under the federal limit of 0.3% delta-9-THC by weight.

Youth Access and Lack of Age Restrictions:

Federal legalization of hemp did not impose any age restrictions on the purchase of hemp products. Presumably, this assumed that hemp products would not be intoxicating. The reality is that many businesses are now manufacturing and selling intoxicating hemp-derived products containing significant doses of delta-9-THC or intoxicating semi-synthetic cannabinoids. In response, some states have established age restrictions on the sale of potentially intoxicating hemp-derived products. Still, in most parts of the country, and online, these intoxicating products are available for sale to minors.

Lack of Packaging and Labeling Standards:

Most state regulatory programs for cannabis include robust requirements around the labeling of adult-use and medical cannabis products. There are currently no federal standards requiring labels to disclose the THC content of hemp-derived products. As a result, products that may contain a significant amount of THC state that the product contains “less than 0.3% THC.” Consumers of these products are not able to make informed decisions about the amount of THC they are comfortable consuming.

Lack of Testing Requirements:

State regulatory programs for cannabis also typically establish robust testing requirements for consumer products, including testing for potency, pesticides, solvents, heavy metals, and mycotoxins or microbiological contaminants. At the federal level, hemp testing requirements are only established at the crop level to confirm that a crop is hemp rather than cannabis. There are no requirements or standards for finished product potency testing or for testing for other harmful contaminants.

Source: Cannabis Regulators Association (CANNRA)

Appendix A: Definitions

(1) "Adult-use dispensary" means a licensed premises from which a person authorized by the department may:

(a) obtain marijuana or marijuana products from a licensed cultivator, manufacturer, dispensary, or other licensee approved under this chapter; and

(b) sell marijuana or marijuana products to registered cardholders, adults that are 21 years of age or older, or both.

(2) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another person.

(3) "Beneficial owner of", "beneficial ownership of", or "beneficially owns an" is determined in accordance with section 13 (d) of the federal Securities and Exchange Act of 1934, as amended.

(4) "Canopy" means the total amount of square footage dedicated to live plant production at a licensed premises, consisting of the area of the floor, platform, or means of support or suspension of the plant.

(5) "Consumer" means a person 21 years of age or older who obtains or possesses marijuana or marijuana products for personal use from a licensed dispensary but not for resale.

(6) "Control", "controls", "controlled", "controlling", "controlled by", and "under common control with" mean the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting owner's interests, by contract, or otherwise.

(7) "Controlling beneficial owner" means a person who satisfies one or more of the following:

(a) is a natural person, an entity that is organized under the laws of and for which its principal place of business is located in one of the states or territories of the United States or the District of Columbia, or a publicly traded corporation, and:

(i) acting alone or acting in concert, owns or acquires beneficial ownership of 5% or more of the owner's interest of a marijuana business;

(ii) is an affiliate that controls a marijuana business and includes, without limitation, any manager; or

(iii) is otherwise in a position to control the marijuana business; or

(b) is a qualified institutional investor acting alone or in concert that owns or acquires beneficial ownership of more than 15% of the owner's interest of a marijuana business.

(8) "Correctional facility or program" means a facility or program that is described in 53-1-202(2) or (3) and to which an individual may be ordered by any court of competent jurisdiction.

(9) "Cultivator" means a person licensed by the department to:

- (a) plant, cultivate, grow, harvest, and dry marijuana; and
- (b) package and relabel marijuana produced at the location in a natural or naturally dried form that has not been converted, concentrated, or compounded for sale through a licensed dispensary.

(10) "Debilitating medical condition" means:

- (a) cancer, glaucoma, positive status for human immunodeficiency virus, or acquired immune deficiency syndrome when the condition or disease results in symptoms that seriously and adversely affect the patient's health status;
- (b) cachexia or wasting syndrome;
- (c) severe chronic pain that is a persistent pain of severe intensity that significantly interferes with daily activities as documented by the patient's treating physician;
- (d) intractable nausea or vomiting;
- (e) epilepsy or an intractable seizure disorder;
- (f) multiple sclerosis;
- (g) Crohn's disease;
- (h) painful peripheral neuropathy;
- (i) a central nervous system disorder resulting in chronic, painful spasticity or muscle spasms;
- (j) admittance into hospice care in accordance with rules adopted by the department; or
- (k) posttraumatic stress disorder.

(11) "Department" means the department of revenue provided for in 2-15-1301.

(12) (a) "Employee" means an individual employed to do something for the benefit of an employer.

(b) The term includes a manager, agent, or director of a partnership, association, company, corporation, limited liability company, or organization.

(c) The term does not include a third party with whom a licensee has a contractual relationship.

(13) (a) "Financial interest" means a legal or beneficial interest that entitles the holder, directly or indirectly through a business, an investment, or a spouse, parent, or child relationship, to 5% or more of the net profits or net worth of the entity in which the interest is held.

(b) The term does not include interest held by a bank or licensed lending institution or a security interest, lien, or encumbrance but does include holders of private loans or convertible securities.

(14) "Former medical marijuana licensee" means a person that was licensed by or had an application for licensure pending with the department of public health and human services to provide marijuana to individuals with debilitating medical conditions on November 3, 2020.

(15) (a) "Indoor cultivation facility" means an enclosed area used to grow live plants that is within a permanent structure using artificial light exclusively or to supplement natural sunlight.

(b) The term may include:

(i) a greenhouse;

(ii) a hoop house; or

(iii) a similar structure that protects the plants from variable temperature, precipitation, and wind.

(16) "Licensed premises" means all locations related to, or associated with, a specific license that is authorized under this chapter and includes all enclosed public and private areas at the location that are used in the business operated pursuant to a license, including offices, kitchens, restrooms, and storerooms.

(17) "Licensee" means a person holding a state license issued pursuant to this chapter.

(18) "Local government" means a county, a consolidated government, or an incorporated city or town.

(19) "Manufacturer" means a person licensed by the department to convert or compound marijuana into marijuana products, marijuana concentrates, or marijuana extracts and package, repackage, label, or relabel marijuana products as allowed under this chapter.

(20) (a) "Marijuana" means all plant material from the genus *Cannabis* containing tetrahydrocannabinol (THC) or seeds of the genus capable of germination.

(b) The term does not include hemp, including any part of that plant, including the seeds and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis, or commodities or products manufactured with hemp, or any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

(c) The term does not include a drug approved by the United States Food and Drug Administration pursuant to section 505 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 301, et seq.

(21) "Marijuana business" means a cultivator, manufacturer, adult-use dispensary, medical marijuana dispensary, combined-use marijuana licensee, testing laboratory, marijuana transporter, or any other business or function that is licensed by the department under this chapter.

(22) "Marijuana concentrate" means any type of marijuana product consisting wholly or in part of the resin extracted from any part of the marijuana plant.

(23) "Marijuana derivative" means any mixture or preparation of the dried leaves, flowers, resin, or byproducts of the marijuana plant, including but not limited to marijuana concentrates and other marijuana products.

(24) "Marijuana product" means a product that contains marijuana and is intended for use by a consumer by a means other than smoking. The term includes but is not limited to edible products, ointments, tinctures, marijuana derivatives, and marijuana concentrates.

(25) "Marijuana transporter" means a person that is licensed to transport marijuana and marijuana products from one marijuana business to another marijuana business, or to and from a testing laboratory, and to temporarily store the transported retail marijuana and retail marijuana products at its licensed premises but is not authorized to sell marijuana or marijuana products to consumers under any circumstances.

(26) "Mature marijuana plant" means a harvestable marijuana plant.

(27) "Medical marijuana" means marijuana or marijuana products that are for sale solely to a cardholder who is registered under Title 16, chapter 12, part 5.

(28) "Medical marijuana dispensary" means the location from which a registered cardholder may obtain marijuana or marijuana products.

(29) "Outdoor cultivation" means live plants growing in an area exposed to natural sunlight and environmental conditions including variable temperature, precipitation, and wind.

(30) "Owner's interest" means the shares of stock in a corporation, a membership in a nonprofit corporation, a membership interest in a limited liability company, the interest of a member in a cooperative or in a limited cooperative association, a partnership interest in a limited partnership, a partnership interest in a partnership, and the interest of a member in a limited partnership association.

(31) "Paraphernalia" has the meaning provided for "drug paraphernalia" in 45-10-101.

(32) "Passive beneficial owner" means any person acquiring an owner's interest in a marijuana business that is not otherwise a controlling beneficial owner or in control.

(33) "Person" means an individual, partnership, association, company, corporation, limited liability company, or organization.

(34) "Qualified institutional investor" means:

(a) a bank or banking institution including any bank, trust company, member bank of the federal reserve system, bank and trust company, stock savings bank, or mutual

savings bank that is organized and doing business under the laws of this state, any other state, or the laws of the United States;

(b) a bank holding company as defined in 32-1-109;

(c) a company organized as an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and that is subject to regulation or oversight by the insurance department of the office of the state auditor or a similar agency of another state, or any receiver or similar official or any liquidating agent for such a company, in their capacity as such an insurance company;

(d) an investment company registered under section 8 of the federal Investment Company Act of 1940, as amended;

(e) an employee benefit plan or pension fund subject to the federal Employee Retirement Income Security Act of 1974, excluding an employee benefit plan or pension fund sponsored by a licensee or an intermediary holding company licensee that directly or indirectly owns 10% or more of a licensee;

(f) a state or federal government pension plan; or

(g) any other entity identified by rule by the department.

(35) "Registered cardholder" or "cardholder" means a Montana resident with a debilitating medical condition who has received and maintains a valid registry identification card.

(36) "Registry identification card" means a document issued by the department pursuant to 16-12-503 that identifies an individual as a registered cardholder.

(37) (a) "Resident" means an individual who meets the requirements of 1-1-215.

(b) An individual is not considered a resident for the purposes of this chapter if the individual:

(i) claims residence in another state or country for any purpose; or

(ii) is an absentee property owner paying property tax on property in Montana.

(38) "Seedling" means a marijuana plant that has no flowers and is less than 12 inches in height and 12 inches in diameter.

(39) "State laboratory" means the laboratory operated by the department of public health and human services to conduct environmental analyses.

(40) "Testing laboratory" means a qualified person, licensed under this chapter that:

(a) provides testing of representative samples of marijuana and marijuana products; and

(b) provides information regarding the chemical composition and potency of a sample, as well as the presence of molds, pesticides, or other contaminants in a sample.

(41) (a) "Usable marijuana" means the dried leaves and flowers of the marijuana plant that are appropriate for the use of marijuana by an individual.

(b) The term does not include the seeds, stalks, and roots of the plant.

Definitions From Administrative Rules of Montana 42.37.102

(1) "Act" means the Marijuana Regulation and Taxation Act, codified at 16-12-101, MCA, et. seq.

(2) "Authorized employee" means:

(a) an employee of the department who has received written authorization from the department director or the director's designee to obtain individual names and other identifying information from the marijuana registry;

(b) an employee of a state or local law enforcement agency who is authorized to obtain marijuana registry information through the Montana Criminal Justice Information Network (CJIN)/marijuana registry interface; or

(c) an employee of a state or local government agency, including a state or local law enforcement agency, who has received authorization to obtain marijuana registry information.

(3) "Batch" means:

(a) a quantity of usable marijuana from a harvest lot; or

(b) a quantity of cannabinoid concentrate or extract or cannabinoid product from a process lot.

(4) "CBD" means cannabidiol.

(5) "CBDA" means cannabidiolic acid.

(6) "Certificate of analysis" means the report prepared by a marijuana testing laboratory about the analytical testing performed and the results obtained by the laboratory.

(7) "Chemical manufacturing" means the use of chemical compounds such as, but not limited to, hydrocarbon solvents or food grade nonhydrocarbon solvents to separate cannabinoids or marijuana analytes of interest from marijuana.

(8) "Child resistant" means packaging designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly. The standard for child-resistant packaging is set by the federal consumer product safety commission (CPSC) and the testing procedures found in 16 CFR 1700.20 (2012).

(9) "Compliance audit" means a department review of aspects of a licensee's business without conducting a physical on-site inspection, including but not limited to website compliance checks, review of seed-to-sale tracking system records, permit compliance checks, and local ordinance compliance checks.

(10) "Cultivate" means to grow, propagate, clone, or harvest marijuana for use by registered cardholders or consumers.

(11) "Customer" means, collectively, adult use consumers and registered cardholders.

Appendix A: Definitions from § 16-12-102 and ARM 42.37.102

CCD History

(12) "Edible marijuana-infused product" or "edible" means an ingestible marijuana-infused product that is intended to be taken by mouth, swallowed, and primarily absorbed through the gastrointestinal tract. Edible marijuana-infused products may be psychoactive when used as intended. Without limitation, edible marijuana-infused products may be in the form of a food, beverage, capsule, or tablet.

(13) "Employee" as defined in 16-12-102, MCA, includes an independent contractor that performs work for any aspect of a marijuana business.

(14) "Existing outdoor cultivation space" means outdoor space used to grow live marijuana plants in an area exposed to natural sunlight and environmental conditions including variable temperature, precipitation, and wind, licensed on or before November 3, 2020.

(15) "Exit package" means a sealed container or package provided at the retail point of sale, in which any marijuana item already within a container is placed.

(16) "Fee" means the mandatory fees required by the department.

(17) "Fingerprint card" means an FD-258 fingerprint card utilized to facilitate a Federal Bureau of Investigation (FBI) fingerprint and background check.

(18) "Food-Grade" means the processing and packaging has been done with clean equipment and can be safely eaten.

(19) "Green county" means a county where the majority of voters voted to approve Initiative Measure No. 190 in the November 3, 2020, general election or where the local government approval provisions of 16-12-301, MCA, have been satisfied. This definition does not include a municipality that has approved or disapproved a category or categories of marijuana businesses, as authorized in 16-12-301, MCA.

(20) "Ingestible marijuana-infused product" or "ingestible" means a product that contains marijuana and at least one other ingredient, is intended for consumption or use other than by smoking or vaporizing, is intended to be taken into the body, and is either categorized as an edible marijuana-infused product or a transmucosal marijuana-infused product.

(21) "Ingredient" means any substance that is added to marijuana items that changes its final form including but not limited to flavorings, aromatic oils, colorants, food items, spices, sweeteners, and preservatives.

(22) "Label" or "labeling" means the written, printed, or graphic matter displayed on the packaging in which marijuana or a marijuana product is dispensed or displayed to a customer.

(23) "Licensee" means any person licensed by the department.

(24) "Limited access area" means a building, room, or other contiguous area upon the licensed premises where marijuana is grown, cultivated, stored, weighed, packaged, sold, or processed for sale, under the control of the licensee.

(25) "Major food allergen" or "allergen" means milk, eggs, fish, crustacean shellfish, tree nuts, peanuts, wheat, and soybeans and any ingredient containing a protein derived from these foods.

(26) "Manufacture" means the act of preparing and processing usable marijuana into a marijuana-infused product. A marijuana-infused product must be labeled as to indicate that it contains marijuana.

(27) "Marijuana" means the same as the definition in 16-12-102, MCA, and includes the biomass of the marijuana plant which contains greater than 0.3% THC concentration and appreciable concentrations of other cannabinoids of interest including flower, bud, shake, trim, and manicure.

(28) "Marijuana concentrate and extract" or "concentrate and extract" means the same as the definition in 16-12-102, MCA, and includes a substance obtained by separating and/or concentrating naturally occurring chemical constituents of marijuana, such as, but not limited to, cannabinoids, from marijuana plant material by mechanical, physical, chemical, or other processes that may:

(a) contain solvents in allowable amounts and ingredients used to promote a desired physical state, texture, or flavor in the marijuana concentrate, but no other ingredients; or

(b) be intended for use in the production of marijuana-infused products; or

(c) be a finished product intended for consumption or use.

(29) "Marijuana-infused product" means the same as the definition in 16-12-102, MCA, and includes the infusion of cannabinoids of interest using marijuana or marijuana concentrate or extract into existing products, substances, or consumer goods, and as an ingredient in the production of consumer goods that would not naturally or ordinarily contain cannabinoids of interest.

(30) "Marijuana items" means:

(a) marijuana;

(b) usable marijuana;

(c) dried leaves and flowers of the marijuana plant;

(d) marijuana derivatives, concentrates, extracts, resins, infused products, edible products, ointments, tinctures, suppositories, topicals; and

(e) other marijuana-related products.

(31) "Marijuana laws" for the purposes of these rules, means any combination of regulatory authority pursuant to the Montana Marijuana Regulation and Taxation Act (Title 16, chapter 12, MCA), rules of the department, rules of the Department of Public Health

and Human Services regarding marijuana testing laboratories, or local ordinances applicable to marijuana businesses.

(32) "Marijuana product category" means a defined group of marijuana products that are in the same form. Marijuana product categories are:

- (a) marijuana flower;
- (b) marijuana concentrates; and
- (c) marijuana-infused products, including the following subcategories:
 - (i) ingestible marijuana-infused products, including the following subcategories:
 - (A) edible; and
 - (B) transmucosal;
 - (ii) non-ingestible marijuana-infused products, including the following subcategories:
 - (A) topical; and
 - (B) transdermal.

(33) "Mechanical manufacturing" means the use of mechanical methods to produce or refine marijuana concentrates and extracts, such as but not limited to a press, centrifuge, or evaporation.

(34) "Monthly" means, for purposes of determining a registered cardholder's maximum monthly amount of usable marijuana, a period of 30 consecutive days.

(35) "Motor vehicle," for purposes of these rules, means a vehicle propelled by its own power and designed or used to transport persons or property on the highways of the state with an interior passenger compartment.

(36) "Non-ingestible marijuana-infused product" or "non-ingestible" means a product that contains marijuana and at least one other ingredient, is intended for consumption or use other than by smoking or vaporizing, is intended for external use only, and is either a topical marijuana-infused product or a transdermal marijuana-infused product.

(37) "Opaque" means packaging that does not allow the contents to be seen when unopened. Packaging may be opaque by virtue of the specific properties of the material of which it is composed, including any coating applied to it, or by means of a secondary opaque covering, such as a sticker.

(38) "Package" or "packaging" means the immediate container in which a finished marijuana product is placed for retail sale to consumers and any outer container or wrapping used in the retail display of the marijuana or marijuana product to customers.

(39) "Performing work on behalf of any aspect of a marijuana business" means and includes:

- (a) possessing, handling, producing, propagating, processing, securing, or selling marijuana or marijuana products at the licensed premises;

- (b) recording of the possession, handling, production, propagation, processing, securing, or selling of marijuana or marijuana products at the licensed premises; and
- (c) the direct supervision of a person described in (a) or (b).

(40) "Physician statement" means a written statement by a Montana licensed physician on department forms certifying the registered cardholder applicant's debilitating condition. Physician statement forms include:

- (a) Physician Statement for Debilitating Condition; or
- (b) Physician Statement for Minors.

(41) "Property owner permission form" means a completed, signed, and notarized form which gives an applicant or licensee who is renting or leasing the property where marijuana will be cultivated and manufactured permission to do so by the property owner. The form must be provided by the department.

(42) "Psychoactive" means capable of affecting mental processes or cognition when used as intended. A marijuana product is considered per se psychoactive if it is not a topical marijuana-infused product, and the labeled potency is greater than .3% THC.

(43) "Red county" means a county where the majority of voters voted against approval of Initiative Measure No. 190 in the November 3, 2020, general election or where the local government has voted to prohibit all marijuana businesses pursuant to 16-12-301, MCA. This definition does not include a municipality that has approved or disapproved a category or categories of marijuana businesses, as authorized in 16-12-301, MCA.

(44) "Registered premises" has the same meaning as "licensed premises."

(45) "Registry" means the department's confidential record identifying registered cardholders.

(46) "Resident" means a person determined to be a resident of Montana for tax purposes, pursuant to ARM 42.15.109.

(47) "Seed-to-sale tracking system" means the system provided in 16-12-105, MCA, for tracking inventory of marijuana, marijuana concentrate, and marijuana-infused products from either the seed or the seedling stage until the marijuana or marijuana product is sold to a consumer.

(48) "Test Batch" means a portion of a harvest or process lot that has been submitted for quality assurance testing.

(49) "THC" means tetrahydrocannabinol.

(50) "THCA" means tetrahydrocannabinolic acid.

(51) "Topical marijuana-infused product" or "topical" means a non-ingestible marijuana-infused product that is not psychoactive when used as intended. Topicals include but are not limited to creams, salves, bath soaks, and lotions.

(52) "Total potential psychoactive THC" means the highest theoretical concentration of psychoactive THC available in a marijuana item achievable only through the complete conversion of THCa to THC with the application of heat during administration/consumption. Total potential psychoactive THC is the sum of THC and THCa calculated using the following equation: Total potential psychoactive THC = (THCa x 0.877) + THC.

(53) "Transdermal marijuana-infused product" or "transdermal" means a non-ingestible marijuana-infused product that contains at least one skin-permeation-enhancing ingredient to facilitate absorption through the skin into the bloodstream, and may be psychoactive when used as intended. Transdermal products include but are not limited to adhesive patches applied to the skin.

(54) "Transmucosal marijuana-infused product" means an ingestible marijuana-infused product that is intended to be placed in a body cavity and absorbed through the mucosal lining of the cavity, and may be psychoactive when used as intended. Transmucosal marijuana-infused products include, but are not limited to, marijuana-infused tinctures, anal suppositories, lozenges, and nasal sprays.