

1 SENATE BILL NO. 538  
2 INTRODUCED BY C. FRIEDEL, E. BUTTREY, D. ZOLNIKOV, D. BARTEL, J. SMALL, M. HOPKINS, J.  
3 ELLSWORTH, J. KASSMIER  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING MARIJUANA LAWS; ADDING A FEE  
6 FOR DISPENSARIES FOR DRUG EDUCATION PROGRAMS; INCREASING THE PENALTY FOR  
7 FRAUDULENT REPRESENTATION; ALLOWING A LAW ENFORCEMENT OFFICIAL TO SEIZE MARIJUANA  
8 AND MARIJUANA PRODUCTS IN CERTAIN CASES; AMENDING SECTIONS 16-12-224 AND 16-12-302,  
9 MCA; AND PROVIDING AN A DELAYED EFFECTIVE DATE."  
10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
12

13 **Section 1.** Section 16-12-224, MCA, is amended to read:

14 **"16-12-224. Licensing of dispensaries.** (1) Except as provided in 16-12-201(2), an applicant for a  
15 dispensary license shall demonstrate that the local government approval provisions in 16-12-301 have been  
16 satisfied in the jurisdiction where each proposed dispensary is located if the proposed dispensary would be  
17 located in a county in which the majority of voters voted against approval of Initiative Measure No. 190 in the  
18 November 3, 2020, general election.

19 (2) When evaluating an initial or renewal application, the department shall evaluate each proposed  
20 dispensary for compliance with the provisions of 16-12-207 and 16-12-210.

21 (3) An adult-use dispensary licensee may operate at a shared location with a medical marijuana  
22 dispensary if the adult-use dispensary and medical marijuana dispensary are owned by the same person.

23 (4) A medical marijuana dispensary is authorized to sell exclusively to registered cardholders  
24 marijuana, marijuana products, and live marijuana plants.

25 (5) An adult-use dispensary is authorized to sell marijuana, marijuana products, and live marijuana  
26 plants to consumers or registered cardholders.

27 (6) The department shall charge a dispensary license fee for an initial application and at each

**Amendment - 1st Reading/2nd House-blue - Requested by: Edward Buttrey - (H) Business and Labor**

- 2023

68th Legislature 2023

Drafter: Jameson Walker, 406-444-3722

SB0538.001.001

1 (c) A dispensary may sell marijuana or marijuana products having higher THC potency levels than  
2 described in subsection ~~(8)~~ (9) to registered cardholders.

3 ~~(9)~~ (10) A licensee or employee is prohibited from conducting a transaction that would result in a  
4 consumer or registered cardholder exceeding the personal possession amounts set forth in 16-12-106 and 16-  
5 12-515."

6

7 **Section 2.** Section 16-12-302, MCA, is amended to read:

8 **"16-12-302. Fraudulent representation -- penalties.** (1) In addition to any other penalties provided  
9 by law, an individual who fraudulently represents to a law enforcement official that the individual is a cultivator,  
10 manufacturer, adult-use dispensary, medical marijuana dispensary, testing laboratory, or marijuana transporter  
11 or has a marijuana worker permit is guilty of a civil fine not to exceed ~~\$1,000~~ \$1,500.

12 (2) Subject to the provisions of 16-12-304, a law enforcement official may seize marijuana and  
13 marijuana products from an individual in violation of 16-12-107 and subsection (1) of this section and may  
14 charge the individual with a misdemeanor.

15 ~~(2)~~ (3) An individual convicted under this section may not be licensed under this chapter."

16

17 NEW SECTION. Section 3. Effective date. [This act] is effective ~~July 1, 2023~~ January 1, 2024.

18 - END -