

1 HOUSE BILL NO. 229
2 INTRODUCED BY M. HOPKINS, C. FRIEDEL
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING MARIJUANA LAWS; ALLOWING FOR A
5 PROBATIONARY LICENSE FOR TESTING LABORATORIES; RESTRICTING THE TRANSPORTATION OF
6 LABORATORY SAMPLES TO TESTING LABORATORIES; ALLOWING FOR A VARIANCE IN THE
7 MEASUREMENT OF A SINGLE-SERVE EDIBLE MARIJUANA PRODUCT; AND AMENDING SECTIONS 16-
8 12-104, 16-12-206, AND 16-12-224, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 16-12-104, MCA, is amended to read:

13 **"16-12-104. Department responsibilities -- licensure.** (1) The department shall establish and
14 maintain a registry of persons who receive licenses under this chapter.

15 (2) (a) The department shall issue the following license types to persons who submit applications
16 meeting the requirements of this chapter:

- 17 (i) cultivator license;
- 18 (ii) manufacturer license;
- 19 (iii) adult-use dispensary license or a medical marijuana dispensary license;
- 20 (iv) testing laboratory license.
- 21 (v) marijuana transporter license.
- 22 (vi) combined-use marijuana license.

23 (b) The department may establish other license types, subtypes, endorsements, and restrictions it
24 considers necessary for the efficient administration of this chapter.

25 (3) A licensee may not cultivate hemp or engage in hemp manufacturing at a licensed premises.

26 (4) A person licensed to cultivate or manufacture marijuana or marijuana products is subject to the
27 provisions contained in the Montana Pesticides Act provided for in Title 80, chapter 8.

Amendment - 1st Reading/2nd House-blue - Requested by: Jason Small - (S) Business, Labor, and Economic Affairs

- 2023

68th Legislature 2023

Drafter: Erin Sullivan, 406-444-3594

HB0229.002.004

1 (5) The department shall assess applications for licensure or renewal to determine if an applicant,
2 controlling beneficial owner, or a person with a financial interest in the applicant meets any of the criteria
3 established in this chapter for denial of a license.

4 (6) A license issued pursuant to this chapter must be displayed by the licensee as provided for in
5 rule by the department.

6 (7) (a) ~~The~~ Except as provided in subsection (8), the department shall review the information
7 contained in an application or renewal submitted pursuant to this chapter and shall approve or deny an
8 application:

9 (i) within 60 days of receiving the application or renewal and all related application materials from
10 a former medical marijuana licensee or an existing licensee under this chapter; and

11 (ii) within 120 days of receiving the application and all related application materials from a new
12 applicant.

13 (b) If the department fails to act on a completed application within the time allowed under
14 subsection (7)(a), the department shall:

15 (i) reduce the cost of the licensing fee for a new applicant for licensure or endorsement or for a
16 licensee seeking renewal of a license by 5% each week that the application is pending; and

17 (ii) allow a licensee to continue operation until the department takes final action.

18 (c) The department may not take final action on an application for a license or renewal of a license
19 until the department has completed a satisfactory inspection as required by this chapter and related
20 administrative rules.

21 (d) The department shall issue a license or endorsement within 5 days of approving an application
22 or renewal.

23 (8) (a) The department may issue a probationary license under subsection (2)(a)(iv) only if:

24 (i) an applicant has completed the International Organization for Standardization accreditor initial
25 assessment; and

26 (ii) there are no pending corrective actions to obtain International Organization for Standardization
27 accreditation.

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1 (b) A probationary license is valid for 90-180 days from the date of issue and is not eligible for
2 renewal may be renewed one time:

3 (i) if the application is denied after a good faith application effort; or

4 (ii) if the application remains pending International Organization for Standardization accreditation.

5 (c) If an applicant voluntarily closes the application process after receiving a probationary license,
6 the applicant may not receive a second probationary license for 2 years.

7 ~~(8)~~(9) (a) Review of a rejection of an application or renewal may be conducted as a contested case
8 hearing before the department's office of dispute resolution pursuant to the provisions of the Montana
9 Administrative Procedure Act.

10 (b) A person may appeal any decision of the department of revenue concerning the issuance,
11 rejection, suspension, or revocation of a license provided for by this chapter to the district court in the county in
12 which the person operates or proposes to operate. If a person operates or seeks to operate in more than one
13 county, the person may seek judicial review in the district court with jurisdiction over actions arising in any of the
14 counties where it operates or seeks to operate.

15 (c) An appeal pursuant to subsection ~~(8)(b)~~ (9)(b) must be made by filing a complaint setting forth
16 the grounds for relief and the nature of relief demanded with the district court within 30 days following receipt of
17 notice of the department's final decision.

18 ~~(9)~~(10) Licenses issued under this chapter must be renewed annually.

19 ~~(10)~~(11) (a) The department shall provide the names and phone numbers of persons licensed under
20 this chapter and the city, town, or county where licensed premises are located to the public on the department's
21 website. Except as provided in subsection ~~(10)(b)~~ (11)(b), the department may not disclose the physical
22 location or address of a marijuana business.

23 (b) The department may share the physical location or address of a marijuana business with
24 another state agency, political subdivision, and the state fire marshal.

25 ~~(11)~~(12) The department may not prohibit a cultivator, manufacturer, or adult-use dispensary licensee
26 operating in compliance with the requirements of this chapter from operating at a shared location with a medical
27 marijuana dispensary.

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1 ~~(12)~~(13) The department may not adopt rules requiring a consumer to provide a licensee with
2 identifying information other than government-issued identification to determine the consumer's age. A licensee
3 that scans a person's driver's license using an electronic reader to determine the person's age:

- 4 (a) may only use data or metadata from the scan determine the person's age;
5 (b) may not transfer or sell that data or metadata to another party; and
6 (c) shall permanently delete any data or metadata from the scan within 180 days, unless otherwise
7 provided for in this chapter or by the department.

8 ~~(13)~~(14) (a) Except as provided in subsection ~~(13)(b)~~ (14)(b), licenses issued by the department under
9 this chapter are nontransferable.

10 (b) A licensee may sell its marijuana business, including live plants, inventory, and material assets,
11 to a person who is licensed by the department under the provisions of this chapter. The department may, in its
12 discretion, issue a temporary license to the acquiring party to facilitate the transfer of the licensee's marijuana
13 business.

14 ~~(14)~~(15) A person who is not a controlling beneficial owner in a licensee may not receive or otherwise
15 obtain an ownership interest in a licensee that results in the person becoming a controlling beneficial owner
16 unless the licensee notifies, in writing, the department of the proposed transaction and the department
17 determines that the person qualifies for ownership under the provisions of this chapter."

18

19 **Section 2.** Section 16-12-206, MCA, is amended to read:

20 **"16-12-206. Testing laboratories -- licensing inspections.** (1) A testing laboratory may:

21 (a) measure the tetrahydrocannabinol, tetrahydrocannabinolic acid, cannabidiol, and cannabidiolic
22 acid content of marijuana and marijuana products; and

23 (b) test marijuana and marijuana products for pesticides, solvents, moisture levels, mold, mildew,
24 and other contaminants. A testing laboratory may transport samples to be tested.

25 (2) A licensed testing laboratory shall employ a scientific director who is responsible for ensuring
26 the achievement and maintenance of quality standards of practice. A scientific director must have the following
27 minimum qualifications: