

1 HOUSE BILL NO. 457

2 INTRODUCED BY B. MERCER

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A DELAYED EFFECTIVE DATE FOR
5 IMPLEMENTATION OF THE MONTANA MARIJUANA REGULATION AND TAXATION ACT; AMENDING
6 SECTIONS 16-12-104 AND 16-12-201, MCA; AMENDING SECTION 56, INITIATIVE MEASURE NO. 190,
7 APPROVED NOVEMBER 3, 2020; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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

12 **"16-12-104. (Effective October 1, 2021) Department responsibilities -- licensure.** (1) The
13 department shall establish and maintain a registry of persons who receive licenses under this chapter. The
14 department shall issue:

15 (a) licenses:

16 (i) to persons who apply to operate as adult-use providers or adult-use marijuana-infused products
17 providers and who submit applications meeting the requirements of this chapter; and

18 (ii) for adult-use dispensaries established by adult-use providers or adult-use marijuana-infused
19 products providers; and

20 (b) endorsements for manufacturing to an adult-use provider or an adult-use marijuana-infused
21 products provider that applies for a manufacturing endorsement and meets requirements established by the
22 department by rule.

23 (2) A person who obtains an adult-use provider license, adult-use marijuana-infused products
24 provider license, or adult-use dispensary license or an employee of a licensed adult-use provider or adult-use
25 marijuana-infused products provider is authorized to cultivate, manufacture, possess, sell, and transport
26 marijuana as allowed by this chapter.

27 (3) A person who obtains a testing laboratory license or an employee of a licensed testing laboratory
28 is authorized to possess, test, and transport marijuana as allowed by this chapter.

1 (4) The department shall conduct criminal history background checks as required by 50-46-307 and
2 50-46-308 before issuing a license to a person named as a provider or marijuana-infused products provider.

3 (5) Licenses issued pursuant to this chapter must:

4 (a) be laminated and produced on a material capable of lasting for the duration of the time period for
5 which the license is valid;

6 (b) indicate whether an adult-use provider or an adult-use marijuana-infused products provider has an
7 endorsement for manufacturing;

8 (c) state the date of issuance and the expiration date of the license; and

9 (d) contain other information that the department may specify by rule.

10 (6) (a) The department shall make application forms available and begin accepting applications for
11 licensure and endorsement under this chapter on ~~or before~~ January 1, ~~2022~~ 2023.

12 (b) The department shall review the information contained in an application or renewal submitted
13 pursuant to this chapter and shall approve or deny an application:

14 (i) within 30 days of receiving the application or renewal and all related application materials from an
15 existing licensed provider or marijuana-infused products provider; and

16 (ii) within 90 days of receiving the application and all related application materials from a new
17 applicant.

18 (c) If the department fails to act on a completed application within the time allowed under subsection
19 (6)(b), the department shall:

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

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

23 (d) Applications that are not processed within the time allowed under subsection (6)(b) remain active
24 until the department takes final action.

25 (e) (i) The department may not take final action on an application for a license or renewal of a license
26 until the department has completed a satisfactory inspection as required by this chapter and related
27 administrative rules.

28 (ii) Failure by the department to complete the required inspection within the time allowed under

1 subsection (6)(b) does not prevent an application from being considered complete for the purpose of subsection
2 (6)(c).

3 (f) The department shall issue a license or endorsement within 5 days of approving an application or
4 renewal.

5 (7) Review of a rejection of an application or renewal may be conducted as a contested case hearing
6 pursuant to the provisions of the Montana Administrative Procedure Act.

7 (8) Licenses and endorsements issued to adult-use providers and adult-use marijuana-infused
8 products providers must be renewed annually.

9 (9) The department shall provide the names and phone numbers of adult-use providers and adult-use
10 marijuana-infused products providers and the city, town, or county where registered premises and testing
11 laboratories are located to the public on the department's website. The department may not disclose the
12 physical location or address of an adult-use provider, adult-use marijuana-infused products provider, adult-use
13 dispensary, or testing laboratory.

14 (10) The department may not prohibit an adult-use provider, adult-use marijuana-infused products
15 provider, or adult-use dispensary licensee from operating at a shared location with a provider, marijuana-
16 infused products provider, or dispensary as defined in 50-46-302 if the provider, marijuana-infused products
17 provider, or dispensary is owned by the same person.

18 (11) The department may not adopt rules requiring a consumer to provide an adult-use provider, adult-
19 use marijuana-infused products provider, or adult-use dispensary licensee with identifying information other
20 than identification to determine the consumer's age or require the recording of personal information about
21 consumers other than information typically required in a retail transaction."
22

23 **Section 2.** Section 16-12-201, MCA, is amended to read:

24 **"16-12-201. (Effective October 1, 2021) Licensing of providers, marijuana-infused products**
25 **providers, and dispensaries for adult use.** No later than October 1, ~~2024~~ 2022, the department shall
26 promulgate rules and regulations to administer and enforce this chapter and shall begin accepting applications
27 for and issuing licenses. The rules may not be unduly burdensome. For the first 12 months after the department
28 begins to receive applications, the department shall only accept applications from and issue licenses to

1 providers, marijuana-infused products providers, and dispensaries licensed under Title 50, chapter 46, part 3,
2 that are in good standing with the department of public health and human services and in compliance with this
3 chapter and rules adopted by the department."
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5 **Section 3.** Section 56, Initiative Measure No. 190, approved November 3, 2020, is amended to read:

6 "NEW SECTION. **Section 56. Effective dates.** (1) [Sections 8, 16, 23, 36, and 40 through 49] are
7 effective January 1, 2021.

8 (2) Except as provided in subsection (1), [this act] is effective on October 1, ~~2024~~ 2022."
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10 NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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