Montana Medical Marijuana Act From SB 423 to I-182 and SB 333

Prepared by Sue O'Connell, Legislative Research Analyst For the Children, Families, Health, and Human Services Interim Committee June 14, 2017

<u>Background</u>

The 2011 Legislature repealed Montana's Medical Marijuana Act and replaced it with Senate Bill 423 to create the Montana Marijuana Act. That law put in place more stringent requirements and was immediately challenged in court.

Key provisions of SB 423 were on hold until Aug. 31, 2016, while the lawsuit made its way through the court system. The Montana Supreme Court upheld all challenged provisions of the law last year except the ban on compensation for marijuana products.

Then in November 2016, voters approved Initiative 182. The initiative removed many of the stricter requirements that SB 423 had placed on the program. It also changed the name of the law back to the Montana Medical Marijuana Act.

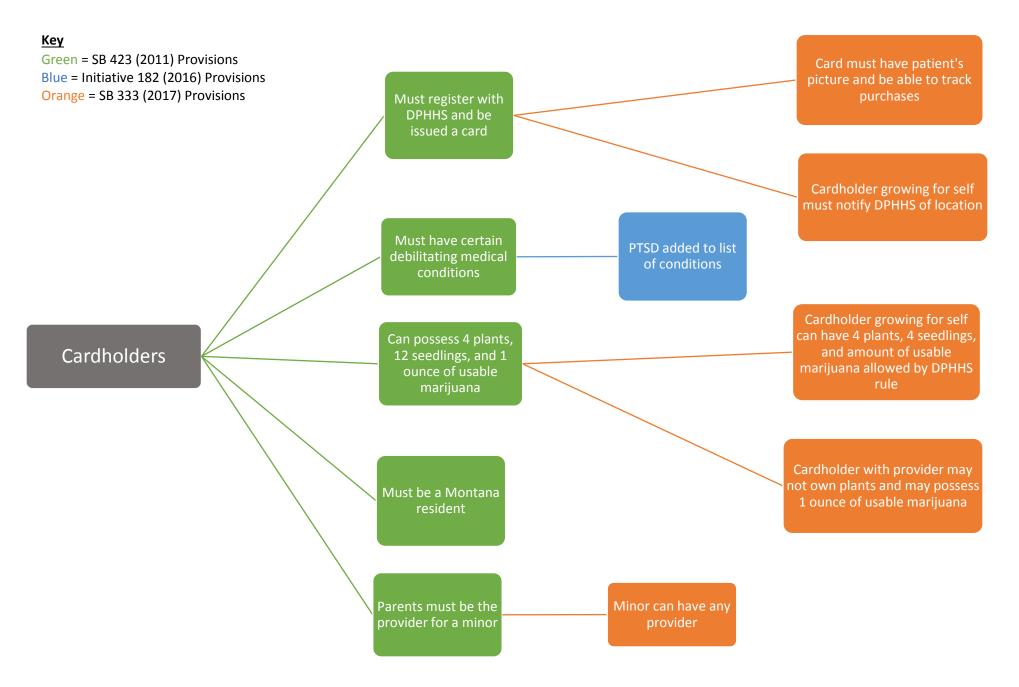
The 2017 Legislature made additional changes to the initiative by passing SB 333. That bill created more detailed regulations, allowed for additional chemical manufacturing of marijuana products, and created a tax on gross sales.

Changes to the MMA Over Time

This briefing paper uses a series of graphics on the following pages to illustrate the metamorphosis of the law over the last six years in the following topic areas:

- cardholder requirements;
- provider requirements;
- testing laboratory requirements;
- regulatory matters; and
- funding of the program.

Cl0425 7163soxa.docx02123



Green = SB 423 (2011) Provisions Blue = Initiative 182 (2016) Provisions Orange = SB 333 (2017) Provisions

Providers

Must be named by a patient and be registered with DPHHS

Limit of 3 patients per provider

Can possess 4 plants, 12 seedlings, and 1 ounce of usable marijuana per patient

Must be Montana resident

Can operate dispenaries

Per-patient possession limits eliminated and replaced with canopy, or square footage, amounts

Must be named by a

patient and be licensed by

DPHHS

No limit on the number of

patients

Must be a Montana resident for 1 year

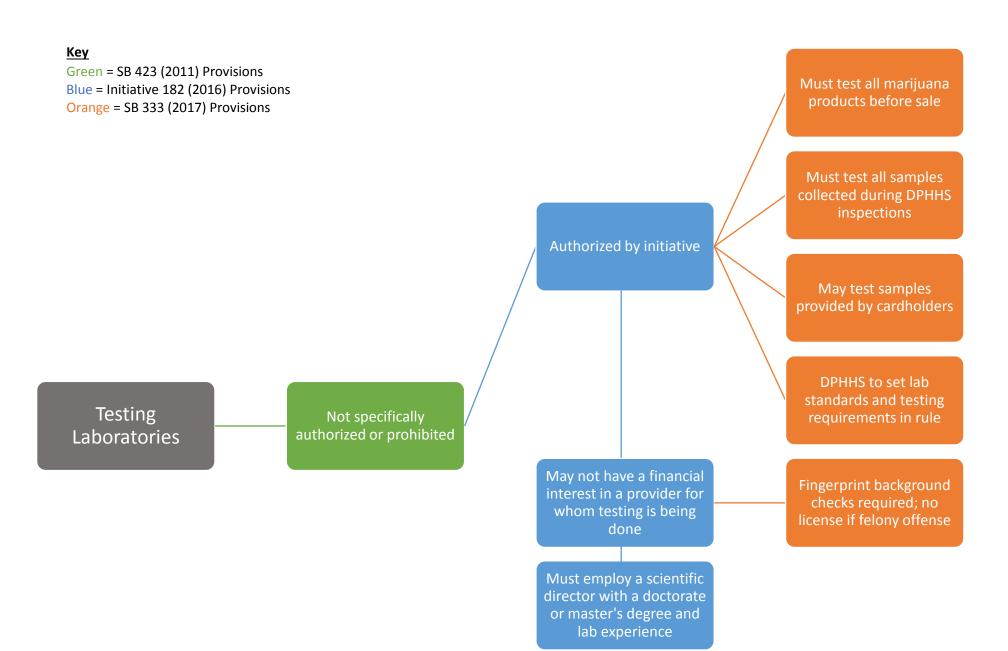
DPHHS to set dispensary

DPHHS will define canopy amounts

Must be Montana resident for 3 years

standards by rule

Can have employees



Key

Green = SB 423 (2011) Provisions Blue = Initiative 182 (2016) Provisions Orange = SB 333 (2017) Provisions

Law enforcement may not conduct unannounced inspections

DPHHS shall conduct annual inspections and may conduct unannounced inspections

> DPHHS may establish penatlies for licensing, health, or agricultural

DPHHS must collect samples during inspections and have them tested

DPHHS must report results of inspections to Children and Families Interim Committee

Inspections must be

General Regulatory Matters

Board of Medical Examiners Board of Medical Examiners must report to DPHHS reporting requirement names of doctors certifying more than 25 patients DPHHS must establish a system to track Providers must participate in plants/marijuana from start tracking system to sale DPHHS must adopt rules on dispensaries, chemical manufacturing, testing, and tracking

Law enforcement and

DPHHS may conduct

unannounced inspections

<u>Key</u>

Green = SB 423 (2011) Provisions Blue = Initiative 182 (2016) Provisions Orange = SB 333 (2017) Provisions

program and have a \$250,000 reserve Provider fees set at \$1,000 DPHHS to set fees for for 10 or fewer patients and chemical manufacturing \$5,000 for more than 10 endorsements for providers Providers must pay a 4% tax on gross sales in FY 2018 and a 2% tax after that DPHHS must set provider Funding Testing lab fee set at \$1,200 and patient cardholder fees DPHHS to set lab fee by rule to cover costs DPHHS to set patient fees by DPHHS to set dispensary fee No fee for dispensaries

DPHHS may adjust provider fees to adequately fund