

## 1 SENATE BILL NO. 423

2 INTRODUCED BY J. ESSMANN

3 BY REQUEST OF THE SENATE JUDICIARY STANDING COMMITTEE

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE MONTANA THERAPEUTIC MARIJUANA ACT  
6 AND REVISING LAWS RELATING TO THE USE OF MARIJUANA; CREATING A SYSTEM OF LICENSING FOR  
7 THE CULTIVATION, MANUFACTURE, TRANSPORTATION, AND TRANSFER OF MARIJUANA FOR  
8 THERAPEUTIC USE; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; CREATING A  
9 SPECIAL REVENUE ACCOUNT; ESTABLISHING A TRANSITION PROCESS; AMENDING SECTIONS  
10 37-1-101, 37-1-136, 37-1-316, 37-3-343, 37-3-347, 41-5-216, 45-9-101, 45-9-102, 45-9-103, 45-9-110, 45-9-127,  
11 45-9-203, 45-10-103, 45-10-107, 50-46-201, 50-46-202, AND 61-11-101, ~~69-1-114, AND 69-1-401~~, MCA;  
12 REPEALING SECTIONS 50-46-101, 50-46-102, 50-46-103, 50-46-201, 50-46-202, 50-46-205, 50-46-206,  
13 50-46-207, AND 50-46-210, MCA; AND PROVIDING EFFECTIVE DATES."

14

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

16

17 NEW SECTION. **Section 1. Short title -- purpose.** (1) [Sections 1 through 40] may be cited as the  
18 "Montana Therapeutic Marijuana Act".

19 (2) The purpose of [sections 1 through 40] is to:

20 (a) provide legal protections to individuals with debilitating medical conditions who engage in the  
21 therapeutic use of marijuana as provided in [sections 1 through 40] to alleviate the symptoms of their debilitating  
22 medical conditions;

23 (b) allow for the possession, cultivation, manufacture, delivery, and transportation of marijuana as  
24 permitted by [sections 1 through 40]; and

25 (c) create a framework for therapeutic use of marijuana that protects the health, welfare, and safety of  
26 both the persons engaging in the therapeutic use of marijuana and the general public by:

27 (i) allowing individuals who provide the required application materials to obtain registry identification  
28 cards;

29 (ii) allowing individuals to assist, without compensation, up to four registered cardholders with the  
30 cultivation and manufacture of therapeutic marijuana;

- 1 (iii) providing for licensure of individuals, businesses, and organizations that are involved in the cultivation,  
2 manufacture, delivery, transportation, and transfer of therapeutic marijuana or related products;  
3 (iv) allowing certain licensees to be reimbursed for their costs; and  
4 (v) establishing reporting requirements for production of therapeutic marijuana and sales and inspection  
5 requirements for licensed premises.

6  
7 **NEW SECTION. Section 2. Definitions.** As used in [sections 1 through 40], unless the context clearly  
8 requires otherwise, the following definitions apply:

9 (1) "Courier" means an individual or business that is licensed to transport and deliver therapeutic  
10 marijuana or therapeutic marijuana-infused products from a licensed premises to a registered cardholder.

11 (2) "Debilitating medical condition" means:

12 (a) cancer, glaucoma, positive status for human immunodeficiency virus, or acquired immune deficiency  
13 syndrome when the condition or disease results in symptoms that seriously and adversely affect the patient's  
14 health status;

15 (b) cachexia or wasting syndrome;

16 (c) severe chronic pain that is documented by:

17 (i) the patient's primary care physician and by a specialist with expertise in the disease process that is  
18 causing the pain; and

19 (ii) objective proof of the etiology of the pain, including diagnostic tests that include but are not limited to  
20 the results of an x-ray, computerized tomography scan, or magnetic resonance imaging;

21 (d) intractable nausea or vomiting;

22 (e) epilepsy or an intractable seizure disorder;

23 (f) multiple sclerosis;

24 (g) Crohn's disease;

25 (h) painful peripheral neuropathy;

26 (i) a central nervous system disorder resulting in chronic, painful spasticity or muscle spasms;

27 (j) admittance into hospice care in accordance with rules adopted by the department; or

28 (k) any other medical condition or treatment for a medical condition approved by the legislature after  
29 reviewing recommendations of the advisory board provided for in [section 3].

30 (3) "Department" means the department of public health and human services.

1 (4) "Licensed premises" means the premises at which a therapeutic marijuana grower, a therapeutic  
2 marijuana-infused products manufacturer, or a registrant of a grower or manufacturer is authorized to cultivate,  
3 manufacture, or provide therapeutic marijuana or therapeutic marijuana-infused products.

4 (5) "Licensee" means a courier, personal production assistant, therapeutic marijuana grower, or  
5 therapeutic marijuana-infused products manufacturer that has received a license pursuant to [sections 17 through  
6 40].

7 (6) "Limited access area" means a building, room, or other contiguous area on a licensed premises to  
8 which only persons licensed or registered by the state licensing authority pursuant to [sections 17 through 40]  
9 may have access.

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

11 (8) "Marijuana" has the meaning provided in 50-32-101.

12 (9) "Mature marijuana plant" means a harvestable female marijuana plant that is flowering.

13 (10) "Paraphernalia" has the meaning provided in 45-10-101.

14 (11) (a) "Personal production assistant" means an individual 18 years of age or older who is licensed  
15 pursuant to [sections 17 through 40] and who has agreed to assist a registered cardholder as allowed under  
16 [section 23].

17 (b) The term does not include the cardholder's primary care or referral physician.

18 (12) "Primary care physician" means a person who:

19 (a) is licensed under Title 37, chapter 3;

20 (b) has an established office in Montana; and

21 (c) has a bona fide professional relationship with the patient that has existed for at least 6 months and  
22 has included at least four visits at which the patient's debilitating medical condition was reviewed or assessed.

23 (13) "Qualifying patient" means a person who has been diagnosed by a physician or physicians as having  
24 a debilitating medical condition.

25 (14) "Referral physician" means a person who:

26 (a) is licensed under Title 37, chapter 3;

27 (b) has an established office in Montana; and

28 (c) is the ~~person~~ PHYSICIAN to whom a patient's primary care physician has referred the patient for  
29 physical examination and medical assessment.

30 (15) "Registered cardholder" or "cardholder" means a Montana resident with a debilitating medical

1 condition who has received and maintains a valid registry identification card.

2 (16) "Registrant" means an individual who is registered by the state licensing authority for the purposes  
3 of working for a therapeutic marijuana grower or therapeutic marijuana-infused products manufacturer.

4 (17) "Registry identification card" means a document issued by the department pursuant to [section 4]  
5 that identifies an individual as a registered cardholder.

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

7 (b) An individual is not considered a resident for the purposes of [sections 1 through 40] if the individual:

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

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

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

12 (20) "Standard of care" means, AT A MINIMUM:

13 (a) the following activities when undertaken by a patient's primary care physician OR REFERRAL PHYSICIAN  
14 if the primary care physician OR REFERRAL PHYSICIAN is providing written certification for a patient with a debilitating  
15 medical condition:

16 (i) obtaining the patient's medical history;

17 (ii) performing a relevant physical examination;

18 (iii) reviewing prior treatment and treatment response for the debilitating medical condition;

19 (iv) obtaining and reviewing relevant diagnostic test results related to the debilitating medical condition;

20 (v) discussing with the patient and ensuring that the patient understands the advantages, disadvantages,  
21 alternatives, potential adverse effects, and expected response to the recommended treatment;

22 (vi) monitoring the response to treatment and possible adverse effects; and

23 (vii) creating and maintaining patient records that remain with the physician; or

24 (b) the following activities undertaken by ~~a referral physician when the referral physician~~ THE SECOND  
25 PHYSICIAN WHO is providing written certification FOR A MINOR OR A QUALIFYING PATIENT WHOSE DEBILITATING MEDICAL  
26 CONDITION IS SEVERE CHRONIC PAIN:

27 (i) obtaining the patient's medical history;

28 (ii) reviewing prior treatment and treatment response for the debilitating medical condition;

29 (iii) obtaining and reviewing relevant diagnostic test results related to the debilitating medical condition;

30 and

1 (iv) creating and maintaining patient records that remain with the physician.

2 (21) "State licensing authority" means the ~~public service commission~~ DEPARTMENT OF LABOR AND INDUSTRY  
3 provided for in ~~2-15-2602~~ 2-15-1701.

4 (22) "Therapeutic marijuana" means marijuana that is cultivated, manufactured, transferred, or used for  
5 therapeutic use.

6 (23) "Therapeutic marijuana grower" means an organization that meets the requirements of [section 20]  
7 and is licensed pursuant to [sections 17 through 40] to cultivate marijuana at a licensed premises.

8 (24) (a) "Therapeutic marijuana-infused product" means a product that contains therapeutic marijuana  
9 and is intended for therapeutic use by means other than smoking.

10 (b) The term includes but is not limited to edible products, ointments, and tinctures.

11 (25) "Therapeutic marijuana-infused products manufacturer" means an organization that meets the  
12 requirements of [section 20] and is licensed pursuant to [sections 17 through 40] to manufacture therapeutic  
13 marijuana-infused products.

14 (26) "Therapeutic use" means:

15 (a) for a registered cardholder, the possession, cultivation, manufacture, transportation, or use of  
16 marijuana or paraphernalia by a registered cardholder to alleviate the symptoms or effects of the cardholder's  
17 debilitating medical condition; and

18 (b) for a licensee, the cultivation, manufacture, transportation, or storage of therapeutic marijuana or the  
19 possession and use of paraphernalia for the manufacture of therapeutic marijuana:

20 (i) as allowed by the applicable license; and

21 (ii) solely for use by a registered cardholder.

22 (27) "Written certification" means a statement signed by a physician stating that:

23 (a) the physician has completed a full assessment of the qualifying patient's medical history and current  
24 medical condition;

25 (b) the assessment meets the standard of care;

26 (c) the qualifying patient has a debilitating medical condition; and

27 (d) the potential benefits of the therapeutic use of marijuana would likely outweigh the health risks for  
28 the qualifying patient.

29

30 NEW SECTION. **Section 3. Advisory board -- membership -- duties.** (1) There is an advisory board

1 consisting of eight medical practitioners representing the fields of neurology, pain management, medical  
 2 oncology, psychiatry, infectious disease, family medicine OR INTERNAL MEDICINE, and ~~gynecology~~ OPHTHALMOLOGY.

3 (2) (a) Each advisory board member must be nationally board-certified in the member's area of specialty  
 4 and knowledgeable about the therapeutic use of marijuana.

5 (b) The governor shall appoint the members from a list of practitioners proposed by Montana  
 6 organizations representing physicians and health care facilities.

7 (3) The board shall meet two times a year to:

8 (a) review debilitating medical conditions previously approved by the legislature to determine whether  
 9 to recommend changes to the eligibility criteria for individuals applying under those conditions or to review new  
 10 scientific evidence pertaining to currently approved conditions, including information on the amount of therapeutic  
 11 marijuana allowed for approved conditions or the form in which the marijuana should be used;

12 (b) review and, if necessary, recommend increases or decreases to the quantity of marijuana that  
 13 therapeutic marijuana growers and registered cardholders may cultivate or manufacture in order to provide an  
 14 adequate supply for registered cardholders;

15 (c) recommend the manner of consumption or application of marijuana-infused products that may be  
 16 most appropriate for a particular debilitating medical condition; and

17 (d) review and recommend to the law and justice interim committee provided for in 5-5-226 additional  
 18 debilitating medical conditions for which the benefits of the use of therapeutic marijuana would likely outweigh  
 19 the risks, based on petitions submitted to the department for the addition of new debilitating medical conditions.

20 (4) Members of the board are entitled to be paid in an amount to be determined by the department, not  
 21 to exceed \$50 for each day in which a member is actually and necessarily engaged in the performance of board  
 22 duties and to be reimbursed for travel expenses, as provided for in 2-18-501 through 2-18-503, incurred while  
 23 performing board duties. The board's operational costs must be paid through fees, fines, and penalties paid  
 24 pursuant to [sections 1 through 16].

25  
 26 **NEW SECTION. Section 4. Registry identification cards -- minors -- exceptions -- ~~report~~ REPORTS**  
 27 **to legislature.** (1) The department shall establish and maintain a program for the issuance of registry  
 28 identification cards to Montana residents who meet the requirements of [sections 1 through 40].

29 (2) Except as provided in subsections (4) and (5), the department shall issue a registry identification card  
 30 to a qualifying patient who submits the following, in accordance with department rules:

- 1 (a) written certification that the person is a qualifying patient;
- 2 (b) for a qualifying patient whose medical condition is severe chronic pain, objective proof of the etiology  
3 of the pain established by the results of diagnostic tests, including but not limited to x-rays, a computerized  
4 tomography scan, or magnetic resonance imaging;
- 5 (c) an application fee or renewal fee;
- 6 (d) the name, address, and date of birth of the qualifying patient;
- 7 (e) proof of Montana residency;
- 8 (f) the name, street address, and telephone number of the qualifying patient's primary care physician  
9 and referral physician, if any;
- 10 (g) a statement on a form prescribed by the department pledging not to divert marijuana to anyone who  
11 is not allowed to possess marijuana pursuant to [sections 1 through 40];
- 12 (h) a statement indicating that the qualifying patient intends to:
- 13 (i) cultivate the qualifying patient's therapeutic marijuana; ~~or~~
- 14 (ii) obtain therapeutic marijuana from a therapeutic marijuana grower or a therapeutic marijuana-infused  
15 products manufacturer; OR
- 16 (III) BOTH CULTIVATE THERAPEUTIC MARIJUANA AND OBTAIN THERAPEUTIC MARIJUANA FROM A THERAPEUTIC  
17 MARIJUANA GROWER OR A THERAPEUTIC MARIJUANA-INFUSED PRODUCTS MANUFACTURER;
- 18 (i) (i) the name, street address, and date of birth of the individual's personal production assistant, if any;  
19 or
- 20 (ii) an application for approval to acquire therapeutic marijuana from a therapeutic marijuana grower or  
21 therapeutic-marijuana infused products manufacturer, IF APPLICABLE.
- 22 (3) A registered cardholder may have only one personal production assistant if the cardholder chooses  
23 to cultivate and manufacture therapeutic marijuana ~~rather than obtain the marijuana from a therapeutic marijuana~~  
24 ~~grower or a therapeutic marijuana-infused products manufacturer.~~
- 25 (4) The department shall issue a registry identification card to a minor if the minor's custodial parent or  
26 legal guardian with responsibility for health care decisions:
- 27 (a) submits the materials required under subsection (2);
- 28 (b) provides proof of legal guardianship and responsibility for health care decisions if the person is  
29 submitting an application as the minor's legal guardian with responsibility for health care decisions; and
- 30 (c) signs and submits a written statement that:

- 1 (i) two physicians have explained to the minor and to the minor's custodial parent or legal guardian with  
2 responsibility for health care decisions the potential risks and benefits of the therapeutic use of marijuana; and  
3 (ii) the minor's custodial parent or legal guardian with responsibility for health care decisions:  
4 (A) consents to the therapeutic use of marijuana by the minor;  
5 (B) agrees to serve as the minor's personal production assistant;  
6 (C) agrees to control the acquisition of marijuana and the dosage and frequency of the therapeutic use  
7 of marijuana by the minor;  
8 (D) submits fingerprints to facilitate a finger print and background check by the department of justice and  
9 the federal bureau of investigation. The parent or legal guardian shall pay the costs of the background check and  
10 may not be licensed if the parent or legal guardian does not meet the requirements of [sections 1 through 40].  
11 (E) pledges, on a form prescribed by the department, not to divert marijuana to anyone who is not  
12 allowed to possess marijuana pursuant to [sections 1 through 40].
- 13 (5) The application for a minor must include written certification and the statements required under  
14 [section 5] from:  
15 (a) the primary care physician who is recommending marijuana for therapeutic use; and  
16 (b) a second physician who has conducted a comprehensive review of the minor's medical record as  
17 maintained by the minor's primary care physician and who is recommending marijuana for therapeutic use by the  
18 minor.
- 19 (6) An individual may not be a registered cardholder if the individual is IN THE CUSTODY OF OR under the  
20 supervision of the department of corrections, A DISTRICT COURT, A COURT OF LIMITED JURISDICTION, or a youth court.
- 21 (7) (a) The department shall verify the information contained in an application or renewal submitted  
22 pursuant to this section and shall approve or deny an application or renewal within 15 days of receipt of the  
23 application or renewal.  
24 (b) The department may deny an application or renewal only:  
25 (i) if the applicant did not provide the information required pursuant to this section;  
26 (ii) if the department determines that the information was falsified;  
27 (iii) if the applicant is not qualified to receive a registry identification card under the provisions of [sections  
28 1 through 40]; or  
29 (iv) for other reasons specified by the department by rule.  
30 (c) Rejection of an application or renewal is considered a final department action, subject to judicial



1 review.

2 (8) The department shall issue a registry identification card with a unique identification number within  
3 15 days of approving an application or renewal. Registry identification cards expire 1 year after the date of  
4 issuance unless a physician has provided a written certification stating that a card is valid for a shorter period of  
5 time. A registry identification card must state:

6 (a) the name, street address, and date of birth of the registered cardholder;

7 (b) the name and street address of the primary care physician or referral physician, if any, who provided  
8 the written certification for the cardholder;

9 (c) the date of issuance and expiration date of the registry identification card; and

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

11 (9) The department shall provide the state licensing authority with the name of each registered  
12 cardholder who indicates on the application that the cardholder intends to:

13 (a) obtain therapeutic marijuana from a therapeutic marijuana grower or a therapeutic marijuana-infused  
14 products manufacturer; or

15 (b) use a personal production assistant.

16 (10) (a) A registered cardholder shall notify the department within 10 days of any change in the:

17 (i) cardholder's street address, physician, or personal production assistant;

18 (ii) status of the cardholder's debilitating medical condition.

19 (b) If a change occurs and is not reported to the department, the registry identification card is void.

20 (11) The department shall report biannually to the legislature the number of applications for registry  
21 identification cards, the number of registered cardholders approved, the nature of the debilitating medical  
22 conditions of the cardholders, the number of registry identification cards revoked, the number of physicians  
23 providing written certification for registered cardholders, and the number of written certifications each physician  
24 has provided. The department may not provide any identifying information of cardholders or physicians.

25 [(12) THE BOARD OF MEDICAL EXAMINERS SHALL REPORT ANNUALLY TO THE LEGISLATURE, AS PROVIDED IN  
26 37-3-203, ON THE NUMBER AND TYPES OF COMPLAINTS THE BOARD HAS RECEIVED INVOLVING PRACTICES IN PROVIDING  
27 WRITTEN CERTIFICATION FOR THE THERAPEUTIC USE OF MARIJUANA.]

28

29 NEW SECTION. **Section 5. Written certification -- accompanying statements -- required**  
30 **notification to board of medical examiners.** (1) The written certification provided by a physician must be made

1 on a form prescribed by the department and signed and dated by the physician. The form must include:

2 (a) the physician's name, license number, office address, and telephone number on file with the board  
3 of medical examiners and the physician's BUSINESS e-mail address, IF ANY; and

4 (b) the qualifying patient's name, date of birth, and debilitating medical condition.

5 (2) A physician who is providing written certification for a qualifying patient 18 years of age or older or  
6 who is the primary care provider for a minor applying for a registry identification card shall provide:

7 (a) a statement initialed by the physician that the physician:

8 (i) has a BONA FIDE professional relationship with the qualifying patient that has existed for at least 6  
9 months and has included at least four visits at which the patient's debilitating medical condition was reviewed or  
10 assessed;

11 (ii) has assumed primary responsibility for providing management and routine care of the qualifying  
12 patient's debilitating medical condition after conducting a comprehensive medical history and physical  
13 examination that included a personal review of any medical records maintained by other treating physicians and  
14 that may have included the qualifying patient's reaction and response to conventional medical therapies;

15 (iii) has reviewed all prescription and nonprescription medications and supplements used by the qualifying  
16 patient and has considered the potential drug interaction with marijuana;

17 (iv) has explained the potential risks and benefits of the therapeutic use of marijuana to the qualifying  
18 patient; and

19 (v) plans to continue to assess the patient and the patient's therapeutic use of marijuana during the  
20 course of the physician-patient relationship;

21 (b) a statement that in the physician's professional opinion the potential benefits of the therapeutic use  
22 of marijuana would likely outweigh the health risks for the qualifying patient; and

23 (c) an attestation that the information provided in the written certification and accompanying statements  
24 is true and correct.

25 (3) A physician who is the second physician recommending marijuana for therapeutic use by a minor  
26 or the second physician providing a written certification for a qualifying patient whose debilitating medical  
27 condition includes severe chronic pain shall submit:

28 (a) a statement initialed by the physician that the physician conducted a comprehensive review of the  
29 minor's medical records as maintained by the primary care physician or documented the qualifying patient's  
30 severe chronic pain as required pursuant to [sections 1 through 40];

1 (b) a statement that in the physician's professional opinion, the potential benefits of the therapeutic use  
2 of marijuana would likely outweigh the health risks for the minor or qualifying patient; and

3 (c) an attestation that the information provided in the written certification and accompanying statements  
4 is true and correct.

5 (4) (A) The department shall provide the board of medical examiners provided for in 2-15-1731 with the  
6 name of each physician, except a referral physician, who provides written certification for 25 or more patients  
7 within a 12-month period. The board of medical examiners shall review the physician's practices in order to  
8 determine whether they meet the standard of care.

9 (B) THE PHYSICIAN WHOSE PRACTICES ARE UNDER REVIEW SHALL PAY THE COSTS OF THE BOARD'S REVIEW  
10 ACTIVITIES.

11  
12 **NEW SECTION. Section 6. Unlawful conduct by cardholder -- penalties.** (1) The department shall  
13 revoke and may not reissue the registry identification card of a person who:

14 (a) is convicted of a drug offense; or

15 (b) allows another person to be in possession of the cardholder's card for any purpose.

16 (2) ~~A violation of A REGISTERED CARDHOLDER WHO VIOLATES~~ [sections 1 through 16] is punishable by a  
17 fine not to exceed ~~\$10,000~~ \$500 or by imprisonment in a county jail for a term not to exceed ~~4-year~~ 6 MONTHS,  
18 or both, unless otherwise provided in [sections 1 through 16] or unless the violation would constitute a violation  
19 of Title 45. An offense constituting a violation of Title 45 must be charged and prosecuted pursuant to the  
20 provisions of Title 45.

21  
22 **NEW SECTION. Section 7. Prohibitions on physician affiliation with therapeutic marijuana**  
23 **licensees.** (1) (a) A physician may not:

24 (i) accept or solicit anything of value, including monetary remuneration, from a licensee or registrant or  
25 offer anything of value to a licensee or registrant;

26 (ii) offer a discount or any other thing of value to an individual who uses or agrees to use a particular  
27 licensee;

28 (iii) examine a patient for the purposes of diagnosing a debilitating medical condition at a location where  
29 therapeutic marijuana is grown, manufactured, sold, or distributed; or

30 (iv) hold an economic interest in an enterprise engaged in the therapeutic use of marijuana if the

1 physician certifies the debilitating medical condition of an applicant for a registry identification card.

2 (b) This subsection (1) does not prevent a physician from accepting a fee for providing medical care to  
3 a licensee or a registrant if the physician charges the licensee or registrant the same fee as the physician charges  
4 other patients for providing a similar level of medical care.

5 (2) If the department has cause to believe that a physician has violated this section, has violated a  
6 provision of rules adopted pursuant to [sections 1 through 40], or has not met the standard of care required under  
7 [sections 1 through 40], the department may refer the matter to the board of medical examiners for review  
8 pursuant to 37-1-308.

9 (3) A violation of this section constitutes unprofessional conduct as set out in 37-1-316. If the board of  
10 medical examiners finds that a physician has violated this section, the board shall restrict the physician's authority  
11 to provide written certification for the therapeutic use of marijuana. The board of medical examiners shall notify  
12 the department of the sanction.

13 (4) If the board of medical examiners believes a physician's practices may harm the public health, safety,  
14 or welfare, the board may summarily restrict, as provided in 2-4-631, a physician's authority to provide written  
15 certification for the therapeutic use of marijuana.

16  
17 **NEW SECTION. Section 8. Local government authority to regulate.** (1) To protect the public health,  
18 safety, or welfare, a local government may by ordinance or resolution regulate a therapeutic marijuana grower  
19 or a therapeutic marijuana-infused products manufacturer that operates within the local government's  
20 jurisdictional area. The regulations may include but are not limited to:

21 (a) restrictions on number and location;

22 (b) business licensing requirements;

23 (c) building codes and standards; and

24 (d) the inspection of businesses to ensure compliance with any sanitary requirements established by  
25 the state licensing authority.

26 (2) An incorporated city or town may adopt an ordinance or resolution that prohibits the cultivation or  
27 manufacture of therapeutic marijuana by a therapeutic marijuana grower or a therapeutic marijuana-infused  
28 products manufacturer within its jurisdictional area.

29  
30 **NEW SECTION. Section 9. Health care facility procedures for patients who are registered**

1 **cardholders.** (1) Except for hospices that allow the therapeutic use of marijuana as provided in [section 14], a  
 2 health care facility as defined in 50-5-101 shall take the following measures in the order listed when a patient who  
 3 is a registered cardholder has therapeutic marijuana in the patient's possession upon admission to the health care  
 4 facility:

5 (a) require the patient to remove the therapeutic marijuana from the premises before the patient is  
 6 admitted, if the patient is able to do so;

7 (b) make a reasonable effort to contact the patient's personal production assistant or a courier; or

8 (c) contact the local law enforcement agency having jurisdiction in the area where the facility is located.

9 (2) A personal production assistant or courier contacted by a health care facility shall remove the  
 10 therapeutic marijuana without charge to the health care facility and deliver it to the cardholder's residence or to  
 11 a therapeutic marijuana grower or therapeutic marijuana-infused products manufacturer for storage until the  
 12 patient is discharged from the facility. The personal production assistant or courier may return the therapeutic  
 13 marijuana to the cardholder upon the cardholder's discharge from the facility.

14 (3) A law enforcement agency contacted by a health care facility shall respond by removing and storing  
 15 the therapeutic marijuana until the patient is discharged from the facility.

16 (4) If the therapeutic marijuana is being held by a law enforcement agency, the patient may pick up the  
 17 therapeutic marijuana upon discharge from the hospital at no cost to the patient.

18 (5) A health care facility may not be charged for costs related to removal of therapeutic marijuana from  
 19 the facility's premises.

20

21 **NEW SECTION. Section 10. Therapeutic use of marijuana -- limits on amount -- presumption of**  
 22 **therapeutic use.** (1) (a) Marijuana for therapeutic use may be cultivated or manufactured by:

23 (i) a registered cardholder who has indicated to the department that the cardholder will grow therapeutic  
 24 marijuana for personal use at the cardholder's residence;

25 (ii) a therapeutic marijuana grower; or

26 (iii) a therapeutic marijuana-infused products manufacturer that has also obtained a therapeutic marijuana  
 27 grower license.

28 (b) A cardholder who lives in a rental property must have the landlord's WRITTEN permission to cultivate  
 29 or manufacture therapeutic marijuana in or on the rental property.

30 (2) (a) A registered cardholder may possess up to 4 mature marijuana plants, 12 seedlings, and a

1 maximum of 2 ounces of usable marijuana, EXCEPT AS PROVIDED IN SUBSECTION (2)(B), THE CARDHOLDER SHALL  
 2 KEEP THE MARIJUANA at the cardholder's residence.

3 (b) A registered cardholder may not be in possession of more than 1 ounce OF THE CARDHOLDER'S USABLE  
 4 MARIJUANA when the cardholder is outside of the cardholder's residence.

5 (3) A therapeutic marijuana grower or therapeutic marijuana-infused products manufacturer may provide  
 6 no more than 2 ounces of usable marijuana or its equivalent in an infused product to a registered cardholder  
 7 during a 30-day period. The licensee shall maintain records of transactions with cardholders to verify that the  
 8 licensee has met the requirements of this section.

9 (4) Marijuana for therapeutic use by registered cardholders must be grown and manufactured in  
 10 Montana.

11 (5) (a) A registered cardholder or licensee is presumed to be engaged in the therapeutic use of  
 12 marijuana if the cardholder or licensee:

13 (i) is in possession of a registry identification card or an appropriate license; and

14 (ii) is in possession of an amount of marijuana that does not exceed the amount permitted under [sections  
 15 1 through 40].

16 (b) The presumption may be rebutted by evidence that the possession of marijuana was not for the  
 17 purpose of alleviating the symptoms or effects of a registered cardholder's debilitating medical condition.

18  
 19 NEW SECTION. **Section 11. Confidentiality of registry information -- disclosure.** (1) The  
 20 department shall maintain a confidential list of individuals to whom the department has issued registry  
 21 identification cards. Individual names and other identifying information on the list must be confidential and are not  
 22 subject to disclosure, except to:

23 (a) authorized employees of the department and the state licensing authority as necessary to perform  
 24 official duties of the department or state licensing authority; or

25 (b) authorized employees of state or local government agencies, including law enforcement agencies,  
 26 only as necessary to verify that an individual is a lawful possessor of a registry identification card.

27 (2) ~~A~~ [EXCEPT AS PROVIDED IN 37-3-203.] A person, including an employee or official of the department  
 28 or other state or local government agency, commits the offense of disclosure of confidential information relating  
 29 to therapeutic use of marijuana if the person knowingly or purposely discloses confidential information in violation  
 30 of this section.

1 (3) A person convicted of disclosure of confidential information relating to therapeutic use of marijuana  
 2 shall be fined not to exceed ~~\$1,000~~ \$500 or be imprisoned in the county jail for a term not to exceed 6 months,  
 3 or both.

4  
 5 **NEW SECTION. Section 12. Legal protections for therapeutic use.** (1) ~~An~~ EXCEPT AS PROVIDED IN  
 6 [SECTION 14] AND SUBJECT TO THE PROVISIONS OF SUBSECTION (7), AN individual who possesses a registry  
 7 identification card issued pursuant to [section 4] or a person licensed or registered pursuant to [sections 17  
 8 through 40] may not be arrested, prosecuted, or penalized in any manner or be denied any right or privilege,  
 9 including but not limited to civil penalty or disciplinary action by a professional licensing board or the department  
 10 of labor and industry, solely because:

11 (a) the registered cardholder acquires, possesses, cultivates, or manufactures marijuana not in excess  
 12 of the amounts allowed under [section 10];

13 (b) the registered cardholder uses therapeutic marijuana; or

14 (c) the licensee or registrant undertakes the activities allowed under the applicable license or registration.

15 (2) A physician may not be arrested, prosecuted, or penalized in any manner or be denied any right or  
 16 privilege, including but not limited to civil penalty or disciplinary action by the board of medical examiners or the  
 17 department of labor and industry, solely for providing written certification for the therapeutic use of marijuana to  
 18 qualifying patients.

19 (3) Nothing in this section prevents the imposition of a civil penalty or a disciplinary action by a  
 20 professional licensing board or the department of labor and industry if:

21 (a) an individual's therapeutic use of marijuana impairs the individual's job-related performance; or

22 (b) a physician violates the standard of care or other requirements of [sections 1 through 40].

23 (4) An interest in or right to property that is possessed, owned, or used in connection with the therapeutic  
 24 use of marijuana or acts incidental to therapeutic use may not be forfeited under any provision of law providing  
 25 for the forfeiture of property other than as a sentence imposed after conviction of a criminal offense.

26 (5) (a) An individual may not be arrested or prosecuted for constructive possession, conspiracy as  
 27 provided in 45-4-102, or other provisions of law or any other offense solely for being in the presence or vicinity  
 28 of the therapeutic use of marijuana as permitted under [sections 1 through 40].

29 (b) This subsection (5) does not prevent the arrest or prosecution of an individual who is in the vicinity  
 30 of the therapeutic use of marijuana if the individual is in possession of or is using marijuana and is not a

1 registered cardholder.

2 (6) Except as provided in [section 37], possession of or application for a registry identification card or  
3 a license does not alone constitute probable cause to search the individual or the property of the individual or  
4 entity possessing or applying for the registry identification card, license, or registration or otherwise subject the  
5 individual or property of the individual or entity possessing or applying for the card or license to inspection by any  
6 governmental agency, including a law enforcement agency.

7 (7) THE PROVISIONS OF SUBSECTION (1) RELATING TO PROTECTION FROM ARREST OR PROSECUTION DO NOT  
8 APPLY TO AN INDIVIDUAL UNLESS THE INDIVIDUAL HAS OBTAINED A REGISTRY IDENTIFICATION CARD, LICENSE, OR  
9 REGISTRATION PRIOR TO AN ARREST OR THE FILING OF A CRIMINAL CHARGE. IT IS NOT A DEFENSE TO A CRIMINAL CHARGE  
10 THAT AN INDIVIDUAL OBTAINS A REGISTRY IDENTIFICATION CARD, LICENSE, OR REGISTRATION AFTER AN ARREST OR THE  
11 FILING OF A CRIMINAL CHARGE.

12  
13 **NEW SECTION. Section 13. Registry card or license to be carried and exhibited on demand --**  
14 **photo identification required.** A registered cardholder or an individual licensed or registered pursuant to  
15 [sections 1 through 40] shall have the cardholder's registry identification card or the individual's license or  
16 registration in the individual's immediate possession at all times. The individual shall display the registry  
17 identification card, license, or registration and a valid photo identification upon demand of a law enforcement  
18 officer, justice of the peace, or city or municipal judge.

19  
20 **NEW SECTION. Section 14. Limitations of therapeutic marijuana act -- penalties.** (1) [Sections 1  
21 through 40] do not permit:

- 22 (a) any person, including a registered cardholder, to operate, navigate, or be in actual physical control
- 23 of a motor vehicle, aircraft, or motorboat while under the influence of marijuana;
- 24 (b) the use of marijuana by a licensee;
- 25 (c) except as provided in subsection (3), the therapeutic use of marijuana:
- 26 (i) in a health care facility as defined in 50-5-101;
- 27 (ii) in a school or a postsecondary school as defined in 20-5-402;
- 28 (iii) on or in any property owned by a school district or a postsecondary school; or
- 29 (iv) on or in any property leased by a school district or a postsecondary school when the property is being
- 30 used for school-related purposes; or



1 (d) the smoking of marijuana by a registered cardholder:  
 2 (i) in a school bus or other form of public transportation;  
 3 (ii) in a correctional facility;  
 4 (iii) at a public park, public beach, public recreation center, or youth center;  
 5 (iv) in plain view of or in a place open to the general public; or  
 6 (v) where exposure to the marijuana smoke significantly adversely affects the health, safety, or welfare  
 7 of children.

8 (2) A cardholder or licensee may not cultivate or manufacture therapeutic marijuana in a manner that  
 9 is visible from the street or other public area.

10 (3) A hospice licensed under Title 50, chapter 5, may adopt a policy that allows therapeutic use of  
 11 marijuana by a registered cardholder.

12 (4) Nothing in [sections 1 through 40] may be construed to require:

13 (a) a government medical assistance program ~~or private health insurer~~, A GROUP BENEFIT PLAN THAT IS  
 14 COVERED BY THE PROVISIONS OF TITLE 2, CHAPTER 18, AN INSURER COVERED BY THE PROVISIONS OF TITLE 33, OR AN  
 15 INSURER AS DEFINED IN 39-71-116 to reimburse a person for costs associated with the therapeutic use of  
 16 marijuana; or

17 (b) an employer to accommodate the therapeutic use of marijuana ~~in any workplace~~.

18 (5) NOTHING IN THIS CHAPTER MAY BE CONSTRUED TO:

19 (A) PROHIBIT AN EMPLOYER FROM INCLUDING IN ANY CONTRACT A PROVISION PROHIBITING THE THERAPEUTIC  
 20 USE OF MARIJUANA; OR

21 (B) PERMIT A CAUSE OF ACTION AGAINST AN EMPLOYER FOR WRONGFUL DISCHARGE PURSUANT TO 39-2-904  
 22 OR DISCRIMINATION PURSUANT TO 49-1-102.

23 ~~(5)(6)~~ Nothing in [sections 1 through 40] may be construed to allow a licensee or registrant to use  
 24 marijuana or to prevent criminal prosecution of a licensee or registrant who uses marijuana or paraphernalia for  
 25 personal use.

26 ~~(6)(7)~~ (a) An individual who violates subsection (1)(a) is subject to a revocation of the individual's registry  
 27 identification card if the individual is convicted of or pleads guilty to any offense related to driving under the  
 28 influence of alcohol or drugs when the initial offense with which the individual was charged was a violation of  
 29 61-8-401, 61-8-406, or 61-8-410. A revocation under this section must be for the period of suspension or  
 30 revocation set forth:

1 (i) in 61-5-208 for a violation of 61-8-401 or 61-8-406; or

2 (ii) in 61-8-410 for a violation of 61-8-410.

3 (b) If an individual's registry identification card is subject to renewal during the revocation period, the  
4 individual may not renew the card until the full revocation period has elapsed. The card subsequently may be  
5 renewed only if the individual submits all materials required for renewal.

6  
7 **NEW SECTION. Section 15. Fraudulent representation of therapeutic use of marijuana -- penalty.**

8 (1) A person commits the offense of fraudulent representation of therapeutic use of marijuana if the person  
9 knowingly or purposely fabricates or misrepresents to a law enforcement officer a registry identification card,  
10 license, or registration issued pursuant to [sections 1 through 40].

11 (2) A person convicted of fraudulent representation of therapeutic use of marijuana shall be fined not to  
12 exceed ~~\$1,000~~ \$500 or be imprisoned in the county jail for a term not to exceed ~~1 year~~ 6 MONTHS, or both.

13  
14 **NEW SECTION. Section 16. Rulemaking -- fees.** (1) The department shall adopt rules necessary for  
15 the implementation and administration of [sections 1 through 16]. The rules must include but are not limited to:

16 (a) the manner in which the department will consider applications for registry identification cards for  
17 qualifying patients and renewal of registry identification cards for registered cardholders;

18 (b) the acceptable forms of proof of Montana residency;

19 (c) the circumstances under which a patient's admittance into hospice care will qualify as a debilitating  
20 medical condition;

21 (d) the diagnostic tests allowable as proof of a debilitating medical condition involving severe chronic  
22 pain;

23 (e) the circumstances under which the department will notify the board of medical examiners of potential  
24 violations of [section 7]; and

25 (f) other rules necessary to implement the purposes of the regulation of therapeutic marijuana.

26 (2) The department's rules must establish application and renewal fees that generate revenue sufficient  
27 to offset all expenses of implementing and administering [sections 1 through 16]. The department may vary the  
28 application and renewal fees along a sliding scale that accounts for an applicant's income.

29  
30 **NEW SECTION. Section 17. State licensing authority.** (1) The state licensing authority may hire

1 employees to carry out the responsibilities assigned under [sections 17 through 40]. The employees are  
 2 employees of the ~~public service commission~~ DEPARTMENT OF LABOR AND INDUSTRY.

3 (2) The operational costs of the state licensing authority related to carrying out its responsibilities under  
 4 [sections 17 through 40] must be fully funded by fees paid by licensees and registrants. The costs include but  
 5 are not limited to the costs of the authority's licensing, inspection, and investigation duties and operation of the  
 6 hotline provided for in [section 39].

7  
 8 **NEW SECTION. Section 18. State licensing authority -- powers and duties -- rulemaking authority.**

9 (1) (A) THE STATE LICENSING AUTHORITY SHALL DETERMINE THE NUMBER OF LICENSES TO BE ISSUED FOR THERAPEUTIC  
 10 MARIJUANA GROWERS, THERAPEUTIC MARIJUANA-INFUSED PRODUCTS MANUFACTURERS, AND COURIERS BASED UPON  
 11 AN INITIAL REVIEW AND PERIODIC REVIEWS OF THE NUMBER OF REGISTERED CARDHOLDERS WHO HAVE INDICATED TO THE  
 12 DEPARTMENT THAT THEY PLAN TO OBTAIN THERAPEUTIC MARIJUANA FROM A GROWER OR THERAPEUTIC  
 13 MARIJUANA-INFUSED PRODUCTS MANUFACTURER.

14 (B) BASED UPON ITS INITIAL REVIEW AND PERIODIC REVIEWS OF THE NUMBER OF REGISTERED CARDHOLDERS  
 15 AND THE RESULTING NEED FOR THERAPEUTIC MARIJUANA, THE STATE LICENSING AUTHORITY MAY:

16 (I) ISSUE TEMPORARY LICENSES; AND

17 (II) REDUCE THE NUMBER OF PLANTS, SEEDLINGS, CUTTINGS, AND CLONES AND THE INVENTORY OF USABLE  
 18 MARIJUANA A GROWER MAY CULTIVATE, MANUFACTURE, OR POSSESS.

19 ~~(1)~~(2) The state licensing authority shall:

20 (a) grant or refuse state licenses for the cultivation, manufacture, distribution, transportation, and  
 21 provision of therapeutic marijuana as provided by law;

22 (b) suspend, restrict, or revoke licenses upon violation of [sections 1 through 40] or a rule adopted  
 23 pursuant to [sections 1 through 40];

24 (c) impose fines and penalties authorized by [sections 17 through 40] or a rule adopted pursuant to  
 25 [sections 17 through 40];

26 (d) take any action with respect to a registrant that it may take with respect to a licensee;

27 (e) propose and adopt rules and adopt rulings and findings as necessary for the proper regulation and  
 28 control of the cultivation, manufacture, distribution, transportation, and provision of therapeutic marijuana and for  
 29 the enforcement of [sections 1 through 40];

30 (f) hear and determine at a public hearing:

- 1 (i) an appeal of a state license denial; or
- 2 (ii) a complaint against a licensee;
- 3 (g) administer oaths and issue subpoenas to require the presence of persons and the production of
- 4 materials necessary for a hearing held pursuant to this section;
- 5 (h) maintain the confidentiality of reports obtained from a licensee showing the volume or quantity of
- 6 therapeutic marijuana provided to a particular individual or any other records that are exempt from public
- 7 inspection pursuant to state law;
- 8 (i) develop the forms, licenses, identification cards, and applications necessary for the administration of
- 9 [sections 17 through 40]; and
- 10 (j) report annually to the legislature the number of applications received and granted for each type of
- 11 license, the geographic locations of licensees, the number of registered cardholders served by each licensee,
- 12 and the number and types of licenses revoked by the state licensing authority. The report may not provide any
- 13 individually identifying information about licensees.
- 14 ~~(2)~~(3) A hearing held pursuant to this section must comply with the provisions of Title 2, chapter 4.
- 15 ~~(3)~~(4) The state licensing authority may adopt rules to carry out its duties and responsibilities, including
- 16 but not limited to rules related to:
- 17 (a) licensing procedures, including:
- 18 (i) procedures for applications for initial licenses, renewals, and reinstatements;
- 19 (ii) procedures for approval, denial, or suspension of a license;
- 20 (iii) provisions for fines and license restrictions or revocations;
- 21 (iv) the procedure and fees for submitting fingerprints for background checks; and
- 22 (v) the fees to be charged for license applications, license issuance, license renewals or reinstatements,
- 23 applications to change locations, and applications to transfer ownership. The fees must cover the operational
- 24 costs of the state licensing authority.
- 25 (b) the duties of officers and employees of the state licensing authority;
- 26 (c) requirements for inspections, investigations, searches, and seizures;
- 27 (d) penalties for violation of the provisions of [sections 17 through 40];
- 28 (e) prohibitions on misrepresentation and unfair practices;
- 29 (f) control of informational and product displays on licensed premises;
- 30 (g) development of individual identification cards for officers, managers, contractors, employees, and

1 other support staff of entities licensed or registered by the state licensing authority pursuant to [sections 17  
2 through 40];

3 (h) security requirements for a licensed premises including, at a minimum, the lighting, physical security,  
4 video, and alarm requirements and other minimum procedures for internal control as determined necessary for  
5 the proper administration and enforcement of [sections 1 through 40];

6 (i) requirements for reporting changes, alterations, or modifications to a licensed premises;

7 (j) the storage of and transportation of therapeutic marijuana;

8 (k) sanitary requirements for therapeutic marijuana growers and for therapeutic marijuana-infused  
9 products manufacturers;

10 (l) the acceptable forms of photo identification that a licensee may accept when verifying a transaction;

11 (m) labeling standards;

12 (n) records to be kept by licensees and the required availability of the records, including the availability  
13 of information ensuring payment of applicable taxes;

14 (o) the sharing of information with other state agencies and with state and local law enforcement  
15 agencies;

16 (p) the use of genetic markers, if feasible, to verify the source of marijuana in a registered cardholder's  
17 possession or confiscated by a law enforcement agency; and

18 (q) other rules necessary to carry out the provisions of [sections 1 through 40].

19 ~~(4)~~(5) Nothing in [sections 1 through 40] may be construed to limit a law enforcement agency's ability  
20 to investigate unlawful activity in relation to a licensee or registrant. A law enforcement agency may run a  
21 Montana criminal justice information network criminal history record check of a licensee or a registrant during an  
22 investigation of unlawful activity related to therapeutic marijuana.

23  
24 **NEW SECTION. Section 19. Requirements for provision of therapeutic marijuana.** (1) The state  
25 licensing authority shall establish by rule a process by which registered cardholders who plan to obtain  
26 therapeutic marijuana from a therapeutic marijuana grower or therapeutic marijuana-infused products  
27 manufacturer are provided with information about the grower or manufacturer from which the therapeutic  
28 marijuana may be obtained.

29 (2) A registered cardholder may not obtain therapeutic marijuana directly from a therapeutic marijuana  
30 grower or therapeutic marijuana-infused product manufacturer.

- 1 (3) The rules must include but are not limited to:
- 2 (a) the use of a courier to transport and deliver therapeutic marijuana;
- 3 (b) the manner in which licensees will ensure that therapeutic marijuana is provided only to registered
- 4 cardholders; and
- 5 (c) the procedures a licensee shall follow if the licensee has reasonable cause to believe an individual
- 6 is using a fraudulent registry identification card in an effort to obtain therapeutic marijuana.

7 (4) A licensee may provide ~~a small~~ AN amount of its therapeutic marijuana or therapeutic

8 marijuana-infused product for testing to a laboratory that is registered pursuant to rules adopted by the state

9 licensing authority pursuant to [sections 1 through 40]. THE STATE LICENSING AUTHORITY MAY DETERMINE BY RULE

10 THE AMOUNT OF THERAPEUTIC MARIJUANA THAT MAY BE PROVIDED FOR TESTING.

11 (5) Therapeutic marijuana and marijuana-infused products must be labeled with a list of all chemical

12 additives that were used in the cultivation and production of the therapeutic marijuana or marijuana-infused

13 product, including but not limited to nonorganic pesticides, herbicides, and fertilizers.

14

15 **NEW SECTION. Section 20. Organizations eligible for certain licenses -- requirements.** (1) To

16 qualify for licensure as a therapeutic marijuana grower or a therapeutic marijuana-infused products manufacturer,

17 an applicant must be an organization that is formed or incorporated with a five-member structure of control and

18 that operates the licensed activities on a reimbursement-of-costs basis and not for the purposes of earning a

19 profit.

20 (2) An applicant under this section shall provide the state licensing authority with:

21 (a) proof of the organization's structure of control;

22 (b) a list of all individuals:

23 (i) with direct or indirect authority over the management policies of the facility; and

24 (ii) having a 5% or greater ownership in the licensed premises, whether the ownership is direct or indirect

25 and is in land, buildings, or other materials. The information must include owners of any entity that owns all or

26 part of the land.

27 (c) a brief business plan showing how the organization will fund operations during the first 2 years of

28 licensing, including the funding sources to be used;

29 (d) a description of the facility that will be used for the production of therapeutic marijuana; and

30 (e) other information as required by the state licensing authority.

1  
2           **NEW SECTION. Section 21. Classes of licenses -- disclosure -- confidentiality.** (1) The state  
3 licensing authority may issue:

- 4           (a) a courier license;  
5           (b) a personal production assistant license;  
6           (c) a therapeutic marijuana grower license;  
7           (d) a therapeutic marijuana-infused products manufacturer license; and  
8           (e) registrations for A LABORATORY AS ALLOWED UNDER [SECTION 19] AND FOR managers, operators,  
9 employees, contractors, and other support staff employed by, working in, or having access to a limited access  
10 area of a licensed premises.

11           (2) The state licensing authority may take any action with respect to a registrant pursuant to [sections  
12 17 through 40] that it may take with a licensee.

13           (3) The state licensing authority shall provide each appropriate local law enforcement agency with the  
14 name and street address of each licensee in the agency's jurisdiction. The law enforcement agency may disclose  
15 the information to authorized employees of the agency as necessary to verify that a therapeutic marijuana  
16 operation is licensed and is in compliance with the provisions of [sections 17 through 40].

17  
18           **NEW SECTION. Section 22. Couriers -- requirements -- allowable activities.** (1) The state licensing  
19 authority may issue a courier license to an individual or business to transport therapeutic marijuana or therapeutic  
20 marijuana-infused products from a licensed therapeutic marijuana grower or therapeutic marijuana-infused  
21 products manufacturer to a registered cardholder OR FROM A GROWER TO A MANUFACTURER.

22           (2) An applicant for a courier license shall:  
23           (a) undergo the licensing procedures established in [section 26]; and  
24           (b) submit application materials as required by the state licensing authority, including but not limited to  
25 a statement acknowledging that possession of the license does not allow the person to engage in the use of  
26 therapeutic marijuana or paraphernalia and agreeing not to divert therapeutic marijuana to anyone who is not  
27 allowed to possess marijuana pursuant to [sections 1 through 40].

28           (3) A courier shall contract with the therapeutic marijuana grower or therapeutic marijuana-infused  
29 products manufacturer and may be reimbursed at a rate established by the state licensing authority.

30           (4) Before a courier transports or delivers therapeutic marijuana, the courier shall notify the local law

1 enforcement agencies having jurisdiction in the areas where the courier will obtain and deliver the therapeutic  
 2 marijuana. The courier shall specify the licensee from whom the courier is obtaining therapeutic marijuana and  
 3 the registered cardholder OR THERAPEUTIC MARIJUANA-INFUSED PRODUCTS MANUFACTURER to whom the courier is  
 4 delivering the therapeutic marijuana.

5 (5) The state licensing authority may adopt rules relating to the amount of therapeutic marijuana that a  
 6 courier may possess and transport at any given time.

7 (6) The state licensing authority may grant a courier license to a therapeutic marijuana grower or a  
 8 therapeutic marijuana-infused products manufacturer under exceptional circumstances as established by rule.  
 9 Exceptional circumstances include but are not limited to the proximity of registered cardholders to a therapeutic  
 10 marijuana grower or infused products manufacturer.

11  
 12 **NEW SECTION. Section 23. Personal production assistants -- requirements -- allowable activities.**

13 (1) The state licensing authority shall issue a license to an individual who is named as a personal production  
 14 assistant in a registered cardholder's approved application if the individual:

15 (a) registers the individual's street address with the state licensing authority;

16 (b) signs a statement:

17 (i) agreeing to:

18 (A) assist in cultivating or manufacturing therapeutic marijuana only for registered cardholders who have  
 19 named the applicant as their personal production assistant;

20 (B) transport therapeutic marijuana only as allowed in [section 9]; and

21 (C) notify the state licensing authority and other regulatory entities within 10 days of any change in the  
 22 individual's street address or in the street address where the therapeutic marijuana is cultivated or manufactured;

23 and

24 (ii) acknowledging that the individual may not engage in the use of therapeutic marijuana or use  
 25 paraphernalia for any purpose other than cultivating or manufacturing marijuana for therapeutic use by a  
 26 registered cardholder; and

27 (iii) pledging not to divert marijuana to anyone who is not allowed to possess marijuana pursuant to  
 28 [sections 1 through 40];

29 (c) undergoes the licensing procedures established in [section 26]; and

30 (d) is not prohibited from licensure under the provisions of [section 27].



1 (2) An individual may serve as a personal production assistant for no more than four registered  
 2 cardholders unless the state licensing authority approves a personal production assistant to serve more than four  
 3 patients because of exceptional circumstances. Exceptional circumstances include but are not limited to the  
 4 registered cardholder's proximity to a therapeutic marijuana grower or therapeutic marijuana-infused products  
 5 manufacturer.

6 (3) A personal production assistant may not:

7 (a) receive compensation for activities allowed under [sections 1 through 40];

8 (b) hold any other license issued under [sections 17 through 40];

9 (c) delegate to another person the personal production assistant's authority to assist in the production  
 10 of therapeutic marijuana for a cardholder or engage others to assist in the production of therapeutic marijuana  
 11 for a cardholder; or

12 (d) cultivate or manufacture therapeutic marijuana at a location other than the residence of the registered  
 13 cardholder.

14 (4) A personal production assistant shall maintain at all times a list of the registered cardholders who  
 15 have named the individual as their personal production assistant. The list must include the registry identification  
 16 card number of each patient and must be provided to a law enforcement agency upon request.

17  
 18 **NEW SECTION. Section 24. Therapeutic marijuana grower -- requirements -- allowable activities.**

19 (1) An organization licensed as a therapeutic marijuana grower shall cultivate marijuana at a licensed premises.

20 (2) A therapeutic marijuana grower shall:

21 (a) limit its therapeutic marijuana production to:

22 (i) 95 mature plants; and

23 (ii) the number of seedlings, cuttings, and clones and inventory of usable marijuana set by the state  
 24 licensing authority by rule; and

25 (b) submit to the state licensing authority an acknowledgment that it will not exceed allowable production  
 26 limits.

27 (3) A therapeutic marijuana grower may:

28 (a) sell marijuana to a therapeutic marijuana-infused products manufacturer as allowed by the state  
 29 licensing authority; ~~and~~

30 (b) contract with a courier to deliver therapeutic marijuana to a registered cardholder OR THERAPEUTIC

1 MARIJUANA-INFUSED PRODUCTS MANUFACTURER; AND

2 (C) TRANSFER THERAPEUTIC MARIJUANA TO ANOTHER THERAPEUTIC MARIJUANA GROWER AS PROVIDED BY RULE.

3 (4) A therapeutic marijuana grower may not:

4 ~~—— (a) transfer therapeutic marijuana to another grower; or~~

5 ~~—— (b) conduct transactions directly with a registered cardholder at the therapeutic marijuana grower's~~  
6 licensed premises.

7 (5) Therapeutic marijuana may not be used in any form on the licensed premises.

8

9 NEW SECTION. Section 25. Therapeutic marijuana-infused products manufacturer -- allowable

10 **activities.** (1) An organization licensed as a therapeutic marijuana-infused products manufacturer shall:

11 (a) prepare therapeutic marijuana-infused products on a licensed premises that is used exclusively for  
12 the manufacture and preparation of therapeutic marijuana-infused products;

13 (b) use equipment that is used exclusively for the manufacture and preparation of therapeutic  
14 marijuana-infused products; and

15 (c) if it does not have a therapeutic marijuana grower license, execute a written agreement or contract  
16 with a therapeutic marijuana grower that states at a minimum:

17 (i) the total amount of therapeutic marijuana to be obtained from the therapeutic marijuana grower and  
18 used in the manufacturing process; and

19 (ii) the total amount of therapeutic marijuana-infused products to be manufactured from the therapeutic  
20 marijuana obtained from the therapeutic marijuana grower.

21 (2) All licensed premises on which therapeutic marijuana-infused products are manufactured must meet:

22 (a) the sanitary standards for therapeutic marijuana-infused product preparation adopted by the state  
23 licensing authority; and

24 (b) any applicable standards set by a local board of health for a food service establishment as defined  
25 in 50-50-102.

26 (3) The state licensing authority shall determine the maximum amount and forms of marijuana that:

27 (A) a therapeutic marijuana-infused products manufacturer may obtain from a therapeutic marijuana  
28 grower; OR

29 (B) A THERAPEUTIC MARIJUANA GROWER OR THERAPEUTIC MARIJUANA-INFUSED PRODUCTS MANUFACTURER MAY

30 PROVIDE TO A REGISTERED CARDHOLDER WHO IS ALSO CULTIVATING OR MANUFACTURING THERAPEUTIC MARIJUANA FOR

1 THE CARDHOLDER'S USE.

2 (4) A therapeutic marijuana-infused product must be prepackaged and labeled in accordance with rules  
3 adopted by the state licensing authority to indicate at a minimum that:

4 (a) the product contains therapeutic marijuana;

5 (b) the product is manufactured without any regulatory oversight for efficacy; and

6 (c) health risks may be associated with the consumption or use of the product.

7 (5) Therapeutic marijuana and therapeutic marijuana-infused products may not be consumed on a  
8 licensed premises.

9 (6) A therapeutic marijuana-infused products manufacturer that also has a therapeutic marijuana grower  
10 license may use the marijuana from the licensed premises affiliated with its grower license only for the purposes  
11 of making therapeutic marijuana-infused products at its manufacturing premises.

12 (7) Therapeutic marijuana-infused products may not be considered a food or drug for the purposes of  
13 Title 50, chapter 31.

14

15 NEW SECTION. Section 26. Licensing procedures -- background checks. (1) An applicant for a  
16 license or registration shall submit the following, in accordance with rules adopted by the state licensing authority:

17 (a) the name and street address of the applicant;

18 (b) the names and street addresses of the officers, directors, or managers involved with the applicant;

19 (c) the street address or physical description, if no street address is available, where the applicant's  
20 facility will be located;

21 (d) application and licensing fees as established by the state licensing authority in rule; and

22 (e) any other information required by the state licensing authority.

23 (2) Payment of the fee and submission of an application do not create an entitlement to receive a license  
24 or a registration.

25 (3) (a) An applicant shall submit fingerprints to facilitate a fingerprint and background check by the  
26 department of justice and the federal bureau of investigation.

27 (b) The state licensing authority may acquire a name-based criminal history record check for an  
28 applicant, licensee, or registrant who has twice submitted to a fingerprint-based criminal history record check and  
29 whose fingerprints are unclassifiable.

30 (4) The state licensing authority shall use the information resulting from a criminal history record check

1 conducted under this section to investigate and determine whether an applicant is qualified to hold a state license  
 2 or registration pursuant to [sections 17 through 40]. The state licensing authority may verify any information an  
 3 applicant is required to submit.

4 (5) (a) Except as provided in subsection (6)(b), a license or registration issued pursuant to this section  
 5 is valid for 2 years from the date of issuance unless revoked or suspended pursuant to [section 36 or 38].

6 (b) A personal production assistant license is valid for:

7 (i) the same period of time as the registry identification cards for the registered cardholders who have  
 8 named the individual as their personal production assistant; or

9 (ii) a maximum of 2 years if the registry identification card of at least one of the registered cardholders  
 10 who have named the individual as their personal production assistant would expire more than 2 years after the  
 11 individual was first licensed.

12 (6) Each license or registration issued under [sections 17 through 40] is separate and distinct. A licensee  
 13 or registrant may not:

14 (a) exercise any of the privileges granted under a license or registration other than the license or  
 15 registration that the licensee or registrant holds; or

16 (b) allow another person to exercise the privileges granted under the license or registration.

17 (7) (a) A licensee shall notify the state licensing authority in writing of the name, street address, and date  
 18 of birth of a new officer, manager, or employee before the new officer, manager, or employee begins working  
 19 at, managing, or being associated with the licensee.

20 (b) Before the individual may begin the association with the licensee, the individual shall:

21 (i) submit fingerprints to facilitate a fingerprint and background check by the department of justice and  
 22 the federal bureau of investigation; and

23 (ii) obtain the identification required by the state licensing authority.

24  
 25 **NEW SECTION. Section 27. Persons prohibited as licensees.** The state licensing authority may not  
 26 issue a license to:

27 (1) an individual with a felony conviction;

28 (2) a licensed physician providing written certification for the therapeutic use of marijuana;

29 (3) an individual WHO IS IN THE CUSTODY OF OR under the supervision of the department of corrections,

30 A DISTRICT COURT, A COURT OF LIMITED JURISDICTION, or a youth court;

- 1 (4) a licensee who, during a period of licensure or at the time of application, has failed to:
- 2 (a) pay any taxes, interest, or penalties due;
- 3 (b) pay a judgment due to a government agency;
- 4 (c) stay out of default on a government-issued student loan;
- 5 (d) pay child support; or
- 6 (e) remedy an outstanding delinquency for child support or for taxes or judgments owed to a government
- 7 agency;
- 8 (5) a person who employs an individual who has not passed a criminal history record check;
- 9 (6) a peace officer, as defined in 45-2-101;
- 10 (7) an officer or employee of the state licensing authority;
- 11 (8) a person whose authority for a license of a different class has been revoked by the state licensing
- 12 authority;
- 13 (9) a person for a license for a location that is currently licensed pursuant to 50-57-201 as an
- 14 establishment or a retail food establishment; or
- 15 (10) an individual who has not been a resident of Montana for at least 5 years prior to the date of the
- 16 person's application.

17

18 **NEW SECTION. Section 28. Denial of license.** (1) The state licensing authority shall deny a license

19 to an applicant or licensee if:

- 20 (a) the premises on which the applicant proposes to conduct operations do not meet the requirements
- 21 of [sections 1 through 40];
- 22 (b) the applicant does not meet or fails to comply with any of the terms, conditions, or provisions of
- 23 [sections 1 through 40] or any rules adopted by the state licensing authority;
- 24 (c) the applicant fails to comply with any special terms or conditions that were placed on its license; or
- 25 (d) the licensed premises has been operated in a manner that adversely affects the public health or
- 26 welfare or the safety of the community in which the licensed premises is located.

27 (2) An applicant who is denied a license pursuant to subsection (1) is entitled to a hearing pursuant to

28 Title 2, chapter 4. The state licensing authority shall provide written notice of the reasons for denial at least 15

29 days before the hearing.

30

1           **NEW SECTION. Section 29. Restrictions applicable to new licenses -- local government authority.**

2       (1) The state licensing authority may not accept or approve an application for a license:

3           (a) until it is established that the applicant is or will be entitled to possession of the premises through a  
4       lease, rental agreement, or other arrangement for possession or by virtue of ownership of the premises;

5           (b) for a location in an area where the cultivation, manufacture, and provision of therapeutic marijuana  
6       as contemplated is not permitted under the applicable local government zoning laws; or

7           (c) if the building in which therapeutic marijuana is to be cultivated or manufactured is located within 2,000  
8       feet of a school, a family or group day-care home as defined in 52-2-703, an alcohol or drug treatment facility,  
9       or the principal campus of a postsecondary school or seminary. The distance must be measured in a straight line  
10      from the nearest property line of the land used for a school, day-care home, alcohol or drug treatment center,  
11      campus, or seminary to the nearest portion of the building to be used by the applicant.

12          (2) A local government may by ordinance or resolution vary the distance restrictions imposed by this  
13      section or may eliminate one or more types of schools, campuses, or facilities from the application of a distance  
14      restriction.

15

16          **NEW SECTION. Section 30. Licenses -- contents and display.** (1) A license issued pursuant to  
17      [sections 17 through 40] must specify the date of issuance, the period of licensure, the name of the licensee, and  
18      the premises that is licensed.

19          (2) The license must be conspicuously displayed at all times at the premises for which it is issued.

20          (3) The licensee shall at all times possess and maintain possession of the premises for which the license  
21      is issued. Possession may be by ownership, lease, rental, or other arrangement.

22

23          **NEW SECTION. Section 31. Cash transactions prohibited.** (1) Cash transactions related to  
24      therapeutic marijuana are prohibited.

25          (2) A licensee shall retain all documents related to transactions involving therapeutic marijuana, including  
26      documents verifying the type of payment used for the transaction.

27          (3) A licensee shall make all documents related to transactions available to the state licensing authority  
28      for inspection upon request.

29          (4) This section does not prohibit the use of checks, money orders, prepaid cards, debit cards, or credit  
30      cards to reimburse licensees for costs.

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**NEW SECTION. Section 32. Transfer of ownership -- change of location or manager.** (1) A therapeutic marijuana grower license or therapeutic marijuana-infused manufacturer license may be transferred to another organization upon application to the state licensing authority on forms prepared and furnished by the state licensing authority. In determining whether to permit a transfer of ownership, the state licensing authority shall consider the requirements of [sections 17 through 40] and rules adopted pursuant to [sections 17 through 40].

(2) A personal production assistant license or courier license is not transferable.

(3) A licensee shall report a transfer or change of ownership to the state licensing authority 30 days before a transfer or change of ownership occurs.

(4) A report is required for transfers of capital stock of any corporation.

(5) Upon approval from the state licensing authority, a licensee may move the licensee's permanent location to any place in the same city, town, or county for which the license was originally granted. Before granting the request, the state licensing authority shall consider whether the proposed change of location would conform with city, town, or county zoning requirements or regulatory decisions made pursuant to [section 8].

(6) A licensee shall employ a separate and distinct manager on the premises. The licensee shall report to the state licensing authority:

- (a) the name of the manager; and
- (b) a change in manager 30 days prior to any change.

**NEW SECTION. Section 33. Unlawful financial assistance.** (1) The state licensing authority shall require a complete disclosure of all persons having a direct or indirect financial interest in each license issued pursuant to [sections 17 through 40]. The disclosure must include the extent of each person's financial interest.

(2) This section does not apply to:

- (a) a financial institution as defined in 32-6-103;
- (b) federal housing administration-approved mortgages; or
- (c) stockholders, directors, or officers of financial institutions or the federal housing administration.

(3) This section is intended to prohibit and prevent the control of licenses by an individual, organization, or business that is not licensed pursuant to the provisions of [sections 1 through 40].

1            **NEW SECTION. Section 34. License renewal.** (1) For all licenses except personal production assistant  
2 licenses, the state licensing authority shall notify the licensee 90 days in advance of the expiration of the license.  
3 The notification must be sent by first-class mail to the licensee's address of record with the state licensing  
4 authority. Except as provided in subsection (2), a licensee shall apply for the renewal of an existing license at  
5 least 30 days before the expiration date of the license.

6            (2) The state licensing authority, in its discretion and based upon reasonable grounds, may waive the  
7 30-day requirement.

8            (3) (a) A licensee whose license has been expired for 90 days or less may file a late renewal application  
9 upon the payment of a nonrefundable late application fee. A licensee who files a late renewal application and  
10 pays the fee may continue to operate until the state licensing authority has taken final action on the application  
11 unless the state licensing authority summarily suspends the license as provided in [section 38].

12            (b) A licensee whose license has been expired for more than 90 days may not cultivate, manufacture,  
13 or distribute or otherwise transfer therapeutic marijuana until the person has obtained a new license.

14  
15            **NEW SECTION. Section 35. Inactive licenses.** The state licensing authority may revoke or elect not  
16 to renew a license if it determines that the licensed premises has been inactive for at least 90 days.

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18            **NEW SECTION. Section 36. Unlawful acts by licensees.** (1) Except as otherwise provided in [sections  
19 1 through 40], it is unlawful for a licensee to:

20            (a) possess more plants and usable marijuana than allowed by the terms of the license issued by the  
21 state licensing authority or any rules adopted by the state licensing authority pursuant to [sections 17 through 40];

22            (b) have in possession or upon the licensed premises an amount of therapeutic marijuana in excess of  
23 the amount allowed by the license;

24            (c) allow any use of therapeutic marijuana upon a licensed premises;

25            (d) have on the licensed premises any therapeutic marijuana or marijuana paraphernalia that shows  
26 evidence of the therapeutic marijuana having been consumed or partially consumed;

27            (e) continue operating for the purpose of cultivation or manufacture of therapeutic marijuana or  
28 therapeutic marijuana-infused products without filing the forms and paying the fees required under [sections 17  
29 through 40];

30            (f) transfer or acquire therapeutic marijuana except as allowed pursuant to [sections 1 through 40];



- 1 (g) allow a person to be within a limited access area unless:
- 2 (i) the person's license or registration from the state licensing authority allows access and the person's
- 3 license or registration is displayed as required by [sections 1 through 40]; or
- 4 (ii) the person is an employee of the state licensing authority conducting an inspection pursuant to
- 5 [section 37];
- 6 (h) fail to designate areas of ingress and egress for limited-access areas and post signs in conspicuous
- 7 locations as required by rules adopted pursuant to [sections 17 through 40];
- 8 (i) fail to report a transfer or change of ownership or financial interest as required by [section 32];
- 9 (j) fail to report the names of or a change in managers as required by [section 32];
- 10 (k) display any signs;
- 11 (l) advertise in any medium, including electronic media;
- 12 (m) provide public premises for the purpose of using therapeutic marijuana in any form;
- 13 (n) provide therapeutic marijuana to a person not licensed pursuant to [sections 17 through 40] or to an
- 14 individual who is unable to produce a valid registry identification card;
- 15 (o) offer for sale or solicit an order for therapeutic marijuana;
- 16 (p) provide therapeutic marijuana anywhere other than the licensed premises specifically designated in
- 17 the license unless the licensee is a courier; or
- 18 (q) violate the provisions of 30-14-205 and 30-14-209.
- 19 (2) (a) It is unlawful for a therapeutic marijuana grower to possess, transfer, deliver, or cause to be
- 20 delivered to any person therapeutic marijuana not grown upon its licensed premises.
- 21 (b) A violation of this subsection (2) is grounds for the immediate revocation of the license granted under
- 22 [sections 17 through 40].
- 23 (3) (a) It is unlawful for a physician to make patient referrals to a therapeutic marijuana licensee or to
- 24 receive anything of value from a licensee or its agents, servants, or officers or anyone with a financial interest
- 25 in the license.
- 26 (b) It is unlawful for a licensee or registrant to offer anything of value to a physician.
- 27 (4) A person who violates a provision of this section commits a misdemeanor that is punishable by a fine
- 28 not to exceed \$10,000 or by imprisonment in a county jail for a term not to exceed 1 year, or both, unless the
- 29 violation would constitute a violation of Title 45. An offense constituting a violation of Title 45 must be charged
- 30 and prosecuted pursuant to the provisions of Title 45.

1  
2           **NEW SECTION. Section 37. Inspection procedures.** (1) The state licensing authority may conduct  
3 frequent, unannounced inspections.

4           (2) (a) Each licensee shall keep a complete set of records necessary to show all business transactions,  
5 INCLUDING TRANSFERS AMONG GROWERS. The records must be open for inspection by the state licensing authority  
6 at any time during business hours.

7           (b) The state licensing authority may require:

8           (i) a licensee to furnish information it considers necessary for the proper administration of [sections 1  
9 through 40]; and

10           (ii) an audit of the licensee's records and accounts by an auditor selected by the state licensing authority.  
11 The auditor may have access to all books and records of the licensee.

12           (3) The licensee shall pay the costs of an audit required under this section.

13           (4) (a) A licensed premises, including any places of storage, where therapeutic marijuana is cultivated,  
14 manufactured, stored, cultivated, or distributed is subject to entry by the state licensing authority for the purpose  
15 of inspection or investigation during all business hours and other times of apparent activity.

16           (b) (i) For examination of inventory or books and records required to be kept by the licensee, the state  
17 licensing authority may have access during business hours.

18           (ii) If any part of the licensed premises consists of a locked area, the licensee shall make the area  
19 available for inspection without delay upon request of the state licensing authority.

20           (5) A licensee shall keep all books and records showing all business transactions of the licensee for the  
21 current tax year and the 7 tax years immediately preceding the current tax year.

22           (6) Within 15 days after the end of each month and in a manner prescribed by the state licensing  
23 authority, a licensee shall file a statement showing for that month:

24           (a) the total gross income collected through reimbursement of costs;

25           (b) the amount of usable marijuana produced;

26           (c) the number of plants grown, seedlings started, and cuttings and clones in inventory;

27           (D) THE AMOUNT AND FORMS OF THERAPEUTIC MARIJUANA TRANSFERRED BY A THERAPEUTIC MARIJUANA  
28 GROWER TO ANOTHER GROWER;

29           ~~(d)~~(E) the names and registry identification numbers of registered cardholders to whom mature plants,  
30 seedlings, usable marijuana, or marijuana-infused products were transferred and the quantities transferred to

1 each cardholder; and

2 ~~(e)~~(F) the number of mature plants, seedlings, cuttings, and clones and amount of usable marijuana  
3 remaining in inventory.

4

5 **NEW SECTION. Section 38. Penalties for licensees.** (1) The state licensing authority may summarily  
6 suspend a license or issue a notice of contemplated action for a violation of any provision of [sections 17 through  
7 40] or rules adopted pursuant to [sections 17 through 40].

8 (2) A license may be revoked, suspended, or subject to other disciplinary action and a renewal action  
9 may be denied for:

10 (a) failure to comply with or satisfy any provisions of [sections 1 through 40] or rules adopted by the state  
11 licensing authority;

12 (b) failure to allow an inspection by an authorized representative of the state licensing authority;

13 (c) falsification of any material or information submitted to the state licensing authority;

14 (d) diversion of therapeutic marijuana as determined by the state licensing authority; or

15 (e) threatening or harming a registered cardholder, a physician, or an employee of the state licensing  
16 department.

17 (3) (a) A licensee whose license has been summarily suspended or who has received a notice of  
18 contemplated action may request a hearing and an administrative review of written materials as applicable. The  
19 licensee shall file the request for a hearing within 30 days of the date the action is taken or the notice is received.

20 (b) The request must be sent to the state licensing authority and include:

21 (i) the requester's name, address, and telephone number;

22 (ii) a statement of the facts relevant to the review of the action;

23 (iii) a statement of the statutes and administrative rules relevant to the review of the action; and

24 (iv) any other information or evidence the requester considers relevant to the request.

25 (4) The state licensing authority shall consider the request as provided in title 2, chapter 4.

26

27 **NEW SECTION. Section 39. Hotline.** (1) The state licensing authority shall create and maintain a  
28 hotline to receive reports of suspected abuse of the provisions of [sections 1 through 40].

29 (2) The state licensing authority may:

30 (a) investigate reports of suspected abuse of the provisions of [sections 1 through 40]; or

1 (b) refer reports of suspected abuse to the law enforcement agency having jurisdiction in the area where  
2 the suspected abuse is occurring.

3  
4 **NEW SECTION. Section 40. Special revenue account.** (1) There is an account in the state special  
5 revenue fund to the credit of the state licensing authority for use in administering [sections 17 through 40]. The  
6 account consists of money deposited into the account from licensing fees and penalties assessed by the state  
7 licensing authority and any other source of revenue due to the state licensing authority. Interest earned on the  
8 account must be deposited into the account and used to sustain the account.

9 (2) Money from the account must be used to cover the expenses of the state licensing authority.

10 (3) Money remaining in the account at the end of the fiscal year must be transferred to the general fund.

11  
12 **SECTION 41. SECTION 37-1-101, MCA, IS AMENDED TO READ:**

13 **"37-1-101. Duties of department.** In addition to the provisions of 2-15-121, the department shall:

14 (1) establish and provide all the administrative, legal, and clerical services needed by the boards within  
15 the department, including corresponding, receiving and processing routine applications for licenses as defined  
16 by a board, issuing and renewing routine licenses as defined by a board, disciplining licensees, setting  
17 administrative fees, preparing agendas and meeting notices, conducting mailings, taking minutes of board  
18 meetings and hearings, and filing;

19 (2) standardize policies and procedures and keep in Helena all official records of the boards;

20 (3) make arrangements and provide facilities in Helena for all meetings, hearings, and examinations of  
21 each board or elsewhere in the state if requested by the board;

22 (4) contract for or administer and grade examinations required by each board;

23 (5) investigate complaints received by the department of illegal or unethical conduct of a member of the  
24 profession or occupation under the jurisdiction of a board or a program within the department;

25 (6) except as provided in [sections 17 through 40], assess the costs of the department to the boards and  
26 programs on an equitable basis as determined by the department;

27 (7) adopt rules setting administrative fees and expiration, renewal, and termination dates for licenses;

28 (8) issue a notice to and pursue an action against a licensed individual, as a party, before the licensed  
29 individual's board after a finding of reasonable cause by a screening panel of the board pursuant to  
30 37-1-307(1)(d);

1 (9) (a) provide notice to the board and to the appropriate legislative interim committee when a board  
2 cannot operate in a cost-effective manner;

3 (b) suspend all duties under this title related to the board except for services related to renewal of  
4 licenses;

5 (c) review the need for a board and make recommendations to the legislative interim committee with  
6 monitoring responsibility for the boards for legislation revising the board's operations to achieve fiscal solvency;  
7 and

8 (d) notwithstanding 2-15-121, recover the costs by one-time charges against all licensees of the board  
9 after providing notice and meeting the requirements under the Montana Administrative Procedure Act;

10 (10) monitor a board's cash balances to ensure that the balances do not exceed two times the board's  
11 annual appropriation level and adjust fees through administrative rules when necessary;

12 (11) establish policies and procedures to set fees for administrative services, as provided in 37-1-134,  
13 commensurate with the cost of the services provided. Late penalty fees may be set without being commensurate  
14 with the cost of services provided.

15 (12) adopt uniform rules for all boards and department programs to comply with the public notice  
16 requirements of 37-1-311 and 37-1-405. The rules may require the posting of only the licensee's name and the  
17 fact that a hearing is being held when the information is being posted on a publicly available website prior to a  
18 decision leading to a suspension or revocation of a license or other final decision of a board or the department.

19 (13) carry out the licensing and other duties of [sections 17 through 40]. The department may not  
20 delegate the responsibility for carrying out the provisions of [sections 17 through 40] to a board."

21

22 **Section 42.** Section 37-1-136, MCA, is amended to read:

23 **"37-1-136. Disciplinary authority of boards -- injunctions.** (1) Subject to 37-1-138, each licensing  
24 board allocated to the department has the authority, in addition to any other penalty or disciplinary action provided  
25 by law, to adopt rules specifying grounds for disciplinary action and rules providing for:

26 (a) revocation of a license;

27 (b) suspension of its judgment of revocation on terms and conditions determined by the board;

28 (c) suspension of the right to practice for a period not exceeding 1 year;

29 (d) placing a licensee on probation;

30 (e) reprimand or censure of a licensee; or

1 (f) taking any other action in relation to disciplining a licensee as the board in its discretion considers  
2 proper.

3 (2) Any disciplinary action by a board shall be conducted as a contested case hearing under the  
4 provisions of the Montana Administrative Procedure Act.

5 (3) Notwithstanding any other provision of law, a board may maintain an action to enjoin a person from  
6 engaging in the practice of the occupation or profession regulated by the board until a license to practice is  
7 procured. A person who has been enjoined and who violates the injunction is punishable for contempt of court.

8 (4) An action may not be taken against a person who is in compliance with ~~Title 50, chapter 46~~ sections  
9 1 through 40].

10 (5) Rules adopted under subsection (1) must provide for the provision of public notice as required by  
11 37-1-311."

12

13 **Section 43.** Section 37-1-316, MCA, is amended to read:

14 **"37-1-316. Unprofessional conduct.** The following is unprofessional conduct for a licensee or license  
15 applicant governed by this part:

16 (1) conviction, including conviction following a plea of nolo contendere, of a crime relating to or  
17 committed during the course of the person's practice or involving violence, use or sale of drugs, fraud, deceit, or  
18 theft, whether or not an appeal is pending;

19 (2) permitting, aiding, abetting, or conspiring with a person to violate or circumvent a law relating to  
20 licensure or certification;

21 (3) fraud, misrepresentation, deception, or concealment of a material fact in applying for or assisting in  
22 securing a license or license renewal or in taking an examination required for licensure;

23 (4) signing or issuing, in the licensee's professional capacity, a document or statement that the licensee  
24 knows or reasonably ought to know contains a false or misleading statement;

25 (5) a misleading, deceptive, false, or fraudulent advertisement or other representation in the conduct of  
26 the profession or occupation;

27 (6) offering, giving, or promising anything of value or benefit to a federal, state, or local government  
28 employee or official for the purpose of influencing the employee or official to circumvent a federal, state, or local  
29 law, rule, or ordinance governing the licensee's profession or occupation;

30 (7) denial, suspension, revocation, probation, fine, or other license restriction or discipline against a

1 licensee by a state, province, territory, or Indian tribal government or the federal government if the action is not  
2 on appeal, under judicial review, or has been satisfied;

3 (8) failure to comply with a term, condition, or limitation of a license by final order of a board;

4 (9) revealing confidential information obtained as the result of a professional relationship without the prior  
5 consent of the recipient of services, except as authorized or required by law;

6 (10) use of alcohol, a habit-forming drug, or a controlled substance as defined in Title 50, chapter 32, to  
7 the extent that the use impairs the user physically or mentally in the performance of licensed professional duties;

8 (11) having a physical or mental disability that renders the licensee or license applicant unable to practice  
9 the profession or occupation with reasonable skill and safety;

10 (12) engaging in conduct in the course of one's practice while suffering from a contagious or infectious  
11 disease involving serious risk to public health or without taking adequate precautions, including but not limited  
12 to informed consent, protective gear, or cessation of practice;

13 (13) misappropriating property or funds from a client or workplace or failing to comply with a board rule  
14 regarding the accounting and distribution of a client's property or funds;

15 (14) interference with an investigation or disciplinary proceeding by willful misrepresentation of facts, by  
16 the use of threats or harassment against or inducement to a client or witness to prevent them from providing  
17 evidence in a disciplinary proceeding or other legal action, or by use of threats or harassment against or  
18 inducement to a person to prevent or attempt to prevent a disciplinary proceeding or other legal action from being  
19 filed, prosecuted, or completed;

20 (15) assisting in the unlicensed practice of a profession or occupation or allowing another person or  
21 organization to practice or offer to practice by use of the licensee's license;

22 (16) failing to report the institution of or final action on a malpractice action, including a final decision on  
23 appeal, against the licensee or of an action against the licensee by a:

24 (a) peer review committee;

25 (b) professional association; or

26 (c) local, state, federal, territorial, provincial, or Indian tribal government;

27 (17) failure of a health care provider, as defined in 27-6-103, to comply with a policy or practice  
28 implementing 28-10-103(3)(a);

29 (18) conduct that does not meet the generally accepted standards of practice. A certified copy of a  
30 malpractice judgment against the licensee or license applicant or of a tort judgment in an action involving an act

1 or omission occurring during the scope and course of the practice is conclusive evidence of but is not needed  
2 to prove conduct that does not meet generally accepted standards.

3 (19) the sole use of any electronic means, including teleconferencing, to obtain the information required  
4 for a written certification that is used to apply for a registry identification card pursuant to [sections 1 through 40]."

5

6 **Section 44.** Section 37-3-343, MCA, is amended to read:

7 **"37-3-343. Practice of telemedicine prohibited without license -- scope of practice limitations --**  
8 **violations and penalty.** (1) A physician may not practice telemedicine in this state without a telemedicine license  
9 issued pursuant to 37-3-301, 37-3-341 through 37-3-345, and 37-3-347 through 37-3-349.

10 (2) A telemedicine license authorizes an out-of-state physician to practice telemedicine only with respect  
11 to the specialty in which the physician is board-certified or meets the current requirements to take the examination  
12 to become board-certified and on which the physician bases the physician's application for a telemedicine license  
13 pursuant to 37-3-345(2).

14 (3) A telemedicine license authorizes an out-of-state physician to practice only telemedicine. A  
15 telemedicine license does not authorize the physician to engage in the practice of medicine while physically  
16 present within the state.

17 (4) A telemedicine license may not be used by a physician as a means to obtain the information required  
18 for a written certification that is used to apply for a registry identification card pursuant to [sections 1 through 40].

19 ~~(4)~~(5) A physician who practices telemedicine in this state without a telemedicine license issued pursuant  
20 to 37-3-301, 37-3-341 through 37-3-345, and 37-3-347 through 37-3-349, in violation of the terms or conditions  
21 of that license, in violation of the scope of practice allowed by the license, or without a physician's license issued  
22 pursuant to 37-3-301, is guilty of a misdemeanor and on conviction shall be sentenced as provided in 37-3-325."

23

24 **Section 45.** Section 37-3-347, MCA, is amended to read:

25 **"37-3-347. Reasons for denial of license -- alternative route to licensed practice.** (1) The board may  
26 deny an application for a telemedicine license if the applicant:

27 (a) fails to demonstrate that the applicant possesses the qualifications for a license required by 37-3-341  
28 through 37-3-345 and 37-3-347 through 37-3-349 and the rules of the board;

29 (b) plans to use telemedicine as a means of obtaining the information required for a written certification  
30 that is used to apply for a registry identification card pursuant to [sections 1 through 40];



1           ~~(b)~~(c) fails to pay a required fee;  
2           ~~(c)~~(d) does not possess the qualifications or character required by this chapter; or  
3           ~~(d)~~(e) has committed unprofessional conduct.

4           (2) A physician who does not meet the qualifications for a telemedicine license provided in 37-3-345 may  
5 apply for a physician's license in order to practice medicine in Montana."  
6

7           **Section 46.** Section 41-5-216, MCA, is amended to read:

8           **"41-5-216. Disposition of youth court, law enforcement, and department records -- sharing and**  
9 **access to records.** (1) Formal youth court records, law enforcement records, and department records that are  
10 not exempt from sealing under subsections (4) and (6) and that pertain to a youth covered by this chapter must  
11 be physically sealed on the youth's 18th birthday. In those cases in which jurisdiction of the court or any agency  
12 is extended beyond the youth's 18th birthday, the records must be physically sealed upon termination of the  
13 extended jurisdiction.

14           (2) Except as provided in subsection (6), when the records pertaining to a youth pursuant to this section  
15 are sealed, an agency, other than the department, that has in its possession copies of the sealed records shall  
16 destroy the copies of the records. Anyone violating the provisions of this subsection is subject to contempt of  
17 court.

18           (3) Except as provided in subsection (6), this section does not prohibit the destruction of records with  
19 the consent of the youth court judge or county attorney after 10 years from the date of sealing.

20           (4) The requirements for sealed records in this section do not apply to medical records, fingerprints, DNA  
21 records, photographs, youth traffic records, records in any case in which the youth did not fulfill all requirements  
22 of the court's judgment or disposition, records referred to in 42-3-203, reports referred to in 45-5-624(7), or the  
23 information referred to in 46-23-508, in any instance in which the youth was required to register as a sexual  
24 offender pursuant to Title 46, chapter 23, part 5.

25           (5) After formal youth court records, law enforcement records, and department records are sealed, they  
26 are not open to inspection except, upon order of the youth court, for good cause, including when a youth commits  
27 a new offense, to:

28           (a) those persons and agencies listed in 41-5-215(2); and

29           (b) adult probation professional staff preparing a presentence report on a youth who has reached the  
30 age of majority.

1 (6) (a) When formal youth court records, law enforcement records, and department records are sealed  
2 under subsection (1), the electronic records of the management information system maintained by the department  
3 of public health and human services and by the department relating to the youth whose records are being sealed  
4 must be preserved for the express purpose of research and program evaluation as provided in subsection (6)(b).

5 (b) The department of public health and human services and the department shall disassociate the  
6 offense and disposition information from the name of the youth in the respective management information system.  
7 The offense and disposition information must be maintained separately and may be used only:

8 (i) for research and program evaluation authorized by the department of public health and human  
9 services or by the department and subject to any applicable laws; and

10 (ii) as provided in Title 5, chapter 13.

11 (7) (a) Informal youth court records for a youth for whom formal proceedings have been filed must be  
12 physically sealed on the youth's 18th birthday or, in those cases in which jurisdiction of the court or any agency  
13 is extended beyond the youth's 18th birthday, upon termination of the extended jurisdiction and may be inspected  
14 only pursuant to subsection (5).

15 (b) The informal youth court records may be maintained and inspected only by youth court personnel  
16 upon a new offense prior to the youth's 18th birthday.

17 (c) Except as provided in subsection (7)(a), when a youth becomes 18 years of age or when extended  
18 supervision ends and the youth was involved only in informal proceedings, informal youth court records that are  
19 in hard-copy form must be destroyed and any electronic records in the youth court management information  
20 system must disassociate the offense and disposition information from the name of the youth and may be used  
21 only for the following purposes:

22 (i) for research and program evaluation authorized by the office of the court administrator and subject  
23 to any applicable laws; and

24 (ii) as provided in Title 5, chapter 13.

25 (8) Nothing in this section prohibits the intra-agency use or information sharing of formal or informal youth  
26 court records within the juvenile probation management information system. Electronic records of the youth court  
27 may not be shared except as provided in 41-5-1524. If a person authorized under 41-5-215 is in need of a copy  
28 of a record that is in electronic form, the juvenile probation officer shall make only a physical copy of the record  
29 that is authorized and the person receiving the record shall destroy the record after it has fulfilled its purpose or  
30 as provided in subsection (2) of this section.

1 (9) This section does not prohibit the intra-agency use or information sharing of formal or informal youth  
2 court records within the department's youth management information system. Electronic records of the  
3 department's youth management information system may not be shared except as provided in subsection (5).  
4 If a person authorized under 41-5-215 is in need of a copy of a record that is in electronic form, the department  
5 shall make only a physical copy of the record that is authorized and the person receiving the record shall destroy  
6 the record after it has fulfilled its purpose or as provided in subsection (2) of this section.

7 (10) This section does not prohibit the sharing of formal or informal youth court records with a short-term  
8 detention center, a youth care facility, a youth assessment center, or a youth detention facility upon placement  
9 of a youth within the facility.

10 (11) This section does not prohibit access to formal or informal youth court records, including electronic  
11 records, for purposes of conducting evaluations as required by 41-5-2003.

12 (12) This section does not prohibit the office of court administrator, upon written request from the  
13 department of public health and human services or the state licensing authority as defined in [section 2], from  
14 confirming whether a youth applying for a registry identification card or a license or registration as provided in  
15 [sections 1 through 40] is currently under youth court supervision."

16

17 **Section 47.** Section 45-9-101, MCA, is amended to read:

18 **"45-9-101. Criminal distribution of dangerous drugs.** (1) Except as provided in ~~Title 50, chapter 46~~  
19 [sections 1 through 40], a person commits the offense of criminal distribution of dangerous drugs if the person  
20 sells, barter, exchanges, gives away, or offers to sell, barter, exchange, or give away any dangerous drug, as  
21 defined in 50-32-101.

22 (2) A person convicted of criminal distribution of a narcotic drug, as defined in 50-32-101(18)(d), or an  
23 opiate, as defined in 50-32-101(19), shall be imprisoned in the state prison for a term of not less than 2 years or  
24 more than life and may be fined not more than \$50,000, except as provided in 46-18-222.

25 (3) A person convicted of criminal distribution of a dangerous drug included in Schedule I or Schedule  
26 II pursuant to 50-32-222 or 50-32-224, except marijuana or tetrahydrocannabinol, who has a prior conviction for  
27 criminal distribution of such a drug shall be imprisoned in the state prison for a term of not less than 10 years or  
28 more than life and may be fined not more than \$50,000, except as provided in 46-18-222. Upon a third or  
29 subsequent conviction for criminal distribution of such a drug, the person shall be imprisoned in the state prison  
30 for a term of not less than 20 years or more than life and may be fined not more than \$50,000, except as provided

1 in 46-18-222.

2 (4) A person convicted of criminal distribution of dangerous drugs not otherwise provided for in  
3 subsection (2), (3), or (5) shall be imprisoned in the state prison for a term of not less than 1 year or more than  
4 life or be fined an amount of not more than \$50,000, or both.

5 (5) A person who was an adult at the time of distribution and who is convicted of criminal distribution of  
6 dangerous drugs to a minor shall be sentenced as follows:

7 (a) If convicted pursuant to subsection (2), the person shall be imprisoned in the state prison for not less  
8 than 4 years or more than life and may be fined not more than \$50,000, except as provided in 46-18-222.

9 (b) If convicted of the distribution of a dangerous drug included in Schedule I or Schedule II pursuant to  
10 50-32-222 or 50-32-224 and if previously convicted of such a distribution, the person shall be imprisoned in the  
11 state prison for not less than 20 years or more than life and may be fined not more than \$50,000, except as  
12 provided in 46-18-222.

13 (c) If convicted of the distribution of a dangerous drug included in Schedule I or Schedule II pursuant to  
14 50-32-222 or 50-32-224 and if previously convicted of two or more such distributions, the person shall be  
15 imprisoned in the state prison for not less than 40 years or more than life and may be fined not more than  
16 \$50,000, except as provided in 46-18-222.

17 (d) If convicted pursuant to subsection (4), the person shall be imprisoned in the state prison for not less  
18 than 2 years or more than life and may be fined not more than \$50,000, except as provided in 46-18-222.

19 (6) Practitioners, as defined in 50-32-101, and agents under their supervision acting in the course of a  
20 professional practice are exempt from this section."

21

22 **Section 48.** Section 45-9-102, MCA, is amended to read:

23 **"45-9-102. Criminal possession of dangerous drugs.** (1) Except as provided in ~~Title 50, chapter 46~~  
24 ~~[sections 1 through 40]~~, a person commits the offense of criminal possession of dangerous drugs if the person  
25 possesses any dangerous drug, as defined in 50-32-101.

26 (2) A person convicted of criminal possession of marijuana or its derivatives in an amount the aggregate  
27 weight of which does not exceed 60 grams of marijuana or 1 gram of hashish is, for the first offense, guilty of a  
28 misdemeanor and shall be punished by a fine of not less than \$100 or more than \$500 and by imprisonment in  
29 the county jail for not more than 6 months. The minimum fine must be imposed as a condition of a suspended  
30 or deferred sentence. A person convicted of a second or subsequent offense under this subsection is punishable

1 by a fine not to exceed \$1,000 or by imprisonment in the county jail for a term not to exceed 1 year or in the state  
2 prison for a term not to exceed 3 years or by both.

3 (3) A person convicted of criminal possession of an anabolic steroid as listed in 50-32-226 is, for the first  
4 offense, guilty of a misdemeanor and shall be punished by a fine of not less than \$100 or more than \$500 or by  
5 imprisonment in the county jail for not more than 6 months, or both.

6 (4) A person convicted of criminal possession of an opiate, as defined in 50-32-101(19), shall be  
7 imprisoned in the state prison for a term of not less than 2 years or more than 5 years and may be fined not more  
8 than \$50,000, except as provided in 46-18-222.

9 (5) (a) A person convicted of a second or subsequent offense of criminal possession of  
10 methamphetamine shall be punished by:

11 (i) imprisonment for a term not to exceed 5 years or by a fine not to exceed \$50,000, or both; or

12 (ii) commitment to the department of corrections for placement in an appropriate correctional facility or  
13 program for a term of not less than 3 years or more than 5 years. If the person successfully completes a  
14 residential methamphetamine treatment program operated or approved by the department of corrections during  
15 the first 3 years of a term, the remainder of the term must be suspended. The court may also impose a fine not  
16 to exceed \$50,000.

17 (b) During the first 3 years of a term under subsection (5)(a)(ii), the department of corrections may place  
18 the person in a residential methamphetamine treatment program operated or approved by the department of  
19 corrections or in a correctional facility or program. The residential methamphetamine treatment program must  
20 consist of time spent in a residential methamphetamine treatment facility and time spent in a community-based  
21 prerelease center.

22 (c) The court shall, as conditions of probation pursuant to subsection (5)(a), order:

23 (i) the person to abide by the standard conditions of probation established by the department of  
24 corrections;

25 (ii) payment of the costs of imprisonment, probation, and any methamphetamine treatment by the person  
26 if the person is financially able to pay those costs;

27 (iii) that the person may not enter an establishment where alcoholic beverages are sold for consumption  
28 on the premises or where gambling takes place;

29 (iv) that the person may not consume alcoholic beverages;

30 (v) the person to enter and remain in an aftercare program as directed by the person's probation officer;

1 and

2 (vi) the person to submit to random or routine drug and alcohol testing.

3 (6) A person convicted of criminal possession of dangerous drugs not otherwise provided for in  
4 subsections (2) through (5) shall be imprisoned in the state prison for a term not to exceed 5 years or be fined  
5 an amount not to exceed \$50,000, or both.

6 (7) A person convicted of a first violation under this section is presumed to be entitled to a deferred  
7 imposition of sentence of imprisonment.

8 (8) Ultimate users and practitioners, as defined in 50-32-101, and agents under their supervision acting  
9 in the course of a professional practice are exempt from this section."

10

11 **Section 49.** Section 45-9-103, MCA, is amended to read:

12 **"45-9-103. Criminal possession with intent to distribute.** (1) Except as provided in ~~Title 50, chapter~~  
13 ~~46 [sections 1 through 40]~~, a person commits the offense of criminal possession with intent to distribute if the  
14 person possesses with intent to distribute any dangerous drug as defined in 50-32-101.

15 (2) A person convicted of criminal possession of an opiate, as defined in 50-32-101(19), with intent to  
16 distribute shall be imprisoned in the state prison for a term of not less than 2 years or more than 20 years and  
17 may be fined not more than \$50,000, except as provided in 46-18-222.

18 (3) A person convicted of criminal possession with intent to distribute not otherwise provided for in  
19 subsection (2) shall be imprisoned in the state prison for a term of not more than 20 years or be fined an amount  
20 not to exceed \$50,000, or both.

21 (4) Practitioners, as defined in 50-32-101, and agents under their supervision acting in the course of a  
22 professional practice are exempt from this section."

23

24 **Section 50.** Section 45-9-110, MCA, is amended to read:

25 **"45-9-110. Criminal production or manufacture of dangerous drugs.** (1) Except as provided in ~~Title~~  
26 ~~50, chapter 46 [sections 1 through 40]~~, a person commits the offense of criminal production or manufacture of  
27 dangerous drugs if the person knowingly or purposely produces, manufactures, prepares, cultivates, compounds,  
28 or processes a dangerous drug, as defined in 50-32-101.

29 (2) A person convicted of criminal production or manufacture of a narcotic drug, as defined in  
30 50-32-101(18)(d), or an opiate, as defined in 50-32-101(19), shall be imprisoned in the state prison for a term of

1 not less than 5 years or more than life and may be fined not more than \$50,000, except as provided in 46-18-222.

2 (3) A person convicted of criminal production or manufacture of a dangerous drug included in Schedule  
3 I of 50-32-222 or Schedule II of 50-32-224, except marijuana or tetrahydrocannabinol, who has a prior conviction  
4 that has become final for criminal production or manufacture of a Schedule I or Schedule II drug shall be  
5 imprisoned in the state prison for a term of not less than 20 years or more than life and may be fined not more  
6 than \$50,000, except as provided in 46-18-222. Upon a third or subsequent conviction that has become final for  
7 criminal production or manufacture of a Schedule I or Schedule II drug, the person shall be imprisoned in the  
8 state prison for a term of not less than 40 years or more than life and may be fined not more than \$50,000, except  
9 as provided in 46-18-222.

10 (4) A person convicted of criminal production or manufacture of marijuana, tetrahydrocannabinol, or a  
11 dangerous drug not referred to in subsections (2) and (3) shall be imprisoned in the state prison for a term not  
12 to exceed 10 years and may be fined not more than \$50,000, except that if the dangerous drug is marijuana and  
13 the total weight is more than a pound or the number of plants is more than 30, the person shall be imprisoned  
14 in the state prison for not less than 2 years or more than life and may be fined not more than \$50,000. "Weight"  
15 means the weight of the dry plant and includes the leaves and stem structure but does not include the root  
16 structure. A person convicted under this subsection who has a prior conviction that has become final for criminal  
17 production or manufacture of a drug under this subsection shall be imprisoned in the state prison for a term not  
18 to exceed twice that authorized for a first offense under this subsection and may be fined not more than \$100,000.

19 (5) Practitioners, as defined in 50-32-101, and agents under their supervision acting in the course of a  
20 professional practice are exempt from this section."

21

22 **Section 51.** Section 45-9-127, MCA, is amended to read:

23 **"45-9-127. Carrying dangerous drugs on train -- penalty.** (1) Except as provided in ~~File 50, chapter~~  
24 ~~46 [sections 1 through 40]~~, a person commits the offense of carrying dangerous drugs on a train in this state if  
25 the person is knowingly or purposely in criminal possession of a dangerous drug and boards any train.

26 (2) A person convicted of carrying dangerous drugs on a train in this state is subject to the penalties  
27 provided in 45-9-102."

28

29 **SECTION 52. SECTION 45-9-203, MCA, IS AMENDED TO READ:**

30 **"45-9-203. Surrender of license or registry identification card. (1) If a court suspends or revokes a**

1 driver's license under 45-9-202(2)(e), the defendant shall, at the time of sentencing, surrender the license to the  
 2 court. The court shall forward the license and a copy of the sentencing order to the department of justice. The  
 3 defendant may apply to the department for issuance of a probationary license under 61-2-302.

4 (2) If a person with a registry identification card issued pursuant to [section 4] for the therapeutic use of  
 5 marijuana is convicted of an offense under this chapter, the court shall:

6 (a) at the time of sentencing, require the person to surrender the registry identification card; and

7 (b) notify the department of public health and human services of the conviction in order for the  
 8 department to carry out its duties under [section 6]."

9

10 **Section 53.** Section 45-10-103, MCA, is amended to read:

11 **"45-10-103. Criminal possession of drug paraphernalia.** Except as provided in ~~Title 50, chapter 46~~  
 12 [sections 1 through 40], it is unlawful for a person to use or to possess with intent to use drug paraphernalia to  
 13 plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test,  
 14 analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body  
 15 a dangerous drug. A person who violates this section is guilty of a misdemeanor and upon conviction shall be  
 16 imprisoned in the county jail for not more than 6 months, fined an amount of not more than \$500, or both. A  
 17 person convicted of a first violation of this section is presumed to be entitled to a deferred imposition of sentence  
 18 of imprisonment."

19

20 **Section 54.** Section 45-10-107, MCA, is amended to read:

21 **"45-10-107. Exemptions.** Practitioners, as defined in 50-32-101, and agents under their supervision  
 22 acting in the course of a professional practice and persons in compliance with ~~Title 50, chapter 46 [sections 1~~  
 23 through 40]; are exempt from this part."

24

25 **SECTION 55. SECTION 50-46-201, MCA, IS AMENDED TO READ:**

26 **"50-46-201. Medical use of marijuana -- legal protections -- limits on amount -- presumption of**  
 27 **medical use.** (1) A person who possesses a registry identification card issued pursuant to ~~50-46-103~~ before the  
 28 effective date of [section 61(4) 65(4)] may not be arrested, prosecuted, or penalized in any manner or be denied  
 29 any right or privilege, including but not limited to civil penalty or disciplinary action by a professional licensing  
 30 board or the department of labor and industry, if:



- 1 (a) the qualifying patient or caregiver acquires, possesses, cultivates, manufactures, delivers, transfers,  
2 or transports marijuana not in excess of the amounts allowed in subsection (2); or  
3 (b) the qualifying patient uses marijuana for medical use.
- 4 (2) A qualifying patient and that qualifying patient's caregiver may not possess more than six marijuana  
5 plants and 1 ounce of usable marijuana each.
- 6 (3) (a) A qualifying patient or caregiver is presumed to be engaged in the medical use of marijuana if the  
7 qualifying patient or caregiver:  
8 (i) is in possession of a registry identification card; and  
9 (ii) is in possession of an amount of marijuana that does not exceed the amount permitted under  
10 subsection (2).  
11 (b) The presumption may be rebutted by evidence that the possession of marijuana was not for the  
12 purpose of alleviating the symptoms or effects of a qualifying patient's debilitating medical condition.
- 13 (4) A physician may not be arrested, prosecuted, or penalized in any manner or be denied any right or  
14 privilege, including but not limited to civil penalty or disciplinary action by the board of medical examiners or the  
15 department of labor and industry, for providing written certification for the medical use of marijuana to qualifying  
16 patients.
- 17 (5) An interest in or right to property that is possessed, owned, or used in connection with the medical  
18 use of marijuana or acts incidental to medical use may not be forfeited under any provision of law providing for  
19 the forfeiture of property other than as a sentence imposed after conviction of a criminal offense.
- 20 (6) A person may not be subject to arrest or prosecution for constructive possession, conspiracy, as  
21 provided in 45-4-102, or other provisions of law or any other offense for simply being in the presence or vicinity  
22 of the medical use of marijuana as permitted under this chapter.
- 23 (7) Possession of or application for a registry identification card does not alone constitute probable cause  
24 to search the person or property of the person possessing or applying for the registry identification card or  
25 otherwise subject the person or property of the person possessing or applying for the card to inspection by any  
26 governmental agency, including a law enforcement agency.
- 27 (8) A registry identification card or its equivalent issued by another state government to permit the  
28 medical use of marijuana by a qualifying patient or to permit a person to assist with a qualifying patient's medical  
29 use of marijuana has the same force and effect as a registry identification card issued by the department."  
30

1           **SECTION 56. SECTION 50-46-202, MCA, IS AMENDED TO READ:**

2           **"50-46-202. Disclosure of confidential information relating to medical use of marijuana -- penalty.**

3           (1) The department shall maintain a confidential list of the persons to whom the department has issued registry  
 4           identification cards. Individual names and other identifying information on the list must be confidential and are not  
 5           subject to disclosure except to:

6           (a) authorized employees of the department as necessary to perform official duties of the department;

7           or

8           (b) state or local law enforcement agencies, only as necessary to verify that a person is a lawful  
 9           possessor of a registry identification card.

10           ~~(1)~~(2) A person, including an employee or official of the department or other state or local government  
 11           agency, commits the offense of disclosure of confidential information relating to medical use of marijuana if the  
 12           person knowingly or purposely discloses confidential information in violation of ~~50-46-103~~ this section.

13           ~~(2)~~(3) A person convicted of disclosure of confidential information relating to medical use of marijuana  
 14           shall be fined not to exceed \$1,000 or be imprisoned in the county jail for a term not to exceed 6 months, or both."

15

16           **Section 57. Section 61-11-101, MCA, is amended to read:**

17           **"61-11-101. Report of convictions and suspension or revocation of driver's licenses -- surrender**

18           **of licenses.** (1) If a person is convicted of an offense for which chapter 5 or chapter 8, part 8, makes mandatory  
 19           the suspension or revocation of the driver's license or commercial driver's license of the person by the  
 20           department, the court in which the conviction occurs shall require the surrender to it of all driver's licenses then  
 21           held by the convicted person. The court shall, within 5 days after the conviction becomes final, forward the license  
 22           and a record of the conviction to the department. If the person does not possess a driver's license, the court shall  
 23           indicate that fact in its report to the department.

24           (2) A court having jurisdiction over offenses committed under a statute of this state or a municipal  
 25           ordinance regulating the operation of motor vehicles on highways, except for standing or parking statutes or  
 26           ordinances, shall forward a record of the conviction, as defined in 61-5-213, to the department within 5 days after  
 27           the conviction becomes final. The court may recommend that the department issue a restricted probationary  
 28           license on the condition that the individual comply with the requirement that the person attend and complete a  
 29           chemical dependency education course, treatment, or both, as ordered by the court under 61-8-732.

30           (3) A court or other agency of this state or of a subdivision of the state that has jurisdiction to take any

1 action suspending, revoking, or otherwise limiting a license to drive shall report an action and the adjudication  
2 upon which it is based to the department within 5 days on forms furnished by the department.

3 (4) A conviction becomes final for the purposes of this part upon the later of:

4 (a) expiration of the time for appeal of the court's judgment or sentence to the next highest court;

5 (b) forfeiture of bail that is not vacated; or

6 (c) imposition of a fine or court cost as a condition of a deferred imposition of a sentence or a suspended  
7 execution of a sentence.

8 (5) (a) On a conviction referred to in subsection (1) of a person who holds a commercial driver's license  
9 or who is required to hold a commercial driver's license, a court may not take any action, including deferring  
10 imposition of judgment, that would prevent a conviction for any violation of a state or local traffic control law or  
11 ordinance, except a parking law or ordinance, in any type of motor vehicle, from appearing on the person's driving  
12 record. The provisions of this subsection (5)(a) apply only to the conviction of a person who holds a commercial  
13 driver's license or who is required to hold a commercial driver's license and do not apply to the conviction of a  
14 person who holds any other type of driver's license.

15 (b) For purposes of this subsection (5), "who is required to hold a commercial driver's license" refers to  
16 a person who did not have a commercial driver's license but who was operating a commercial motor vehicle at  
17 the time of a violation of a state or local traffic control law or ordinance resulting in a conviction referred to in  
18 subsection (1).

19 (6) (a) If a person who holds a valid therapeutic marijuana registry identification card or a therapeutic  
20 marijuana license or registration issued pursuant to [sections 1 through 40] is convicted of or pleads guilty to any  
21 offense related to driving under the influence of alcohol or drugs when the initial offense with which the person  
22 was charged was a violation of 61-8-401, 61-8-406, or 61-8-410, the court in which the conviction occurs shall  
23 require the person to surrender the registry identification card, license, or registration.

24 (b) Within 5 days after the conviction becomes final, the court shall forward:

25 (i) the registry identification card and a copy of the conviction to the department of public health and  
26 human services; or

27 (ii) the license or registration and a copy of the conviction to the ~~department of revenue~~ STATE LICENSING  
28 AUTHORITY AS DEFINED IN [SECTION 2]."

29

30 ~~Section 57. Section 69-1-114, MCA, is amended to read:~~

1 ~~—————"69-1-114. Fees. (1) Each fee charged by the commission must be reasonable.~~  
 2 ~~————(2) Except for a fee assessed pursuant to 69-3-204(2), 69-8-421(10), or 69-12-423(2), or [sections 17~~  
 3 ~~through 40], a fee set by the commission may not exceed \$500.~~  
 4 ~~————(3) All fees collected by the department under 69-8-421(10) must be deposited in an account in the~~  
 5 ~~special revenue fund. Funds in this account must be used as provided in 69-8-421(10)."~~

6  
 7 ~~————Section 58. Section 69-1-401, MCA, is amended to read:~~  
 8 ~~————"69-1-401. Definitions. As used in this part, the following definitions apply:~~  
 9 ~~————(1) "Department" means the department of public service regulation provided for in Title 2, chapter 15,~~  
 10 ~~part 26.~~  
 11 ~~————(2) (a) "Regulated companies" means all organizations, corporations, associations, or other public or~~  
 12 ~~private entities which now are or may hereafter become subject to regulation in any manner by the department~~  
 13 ~~of public service regulation, the public service commission, or any successor agency. The term does not include~~  
 14 ~~motor carriers regulated pursuant to Title 69, chapter 12.~~  
 15 ~~————(b) The term does not include individuals, businesses, or organizations licensed by the department~~  
 16 ~~pursuant to [sections 17 through 40]."~~

17  
 18 NEW SECTION. Section 58. Emergency rulemaking. The department of public health and human  
 19 services and the ~~public service commission~~ DEPARTMENT OF LABOR AND INDUSTRY shall adopt emergency rules  
 20 as provided in 2-4-303 to allow for issuance of registry identification cards and processing of license applications  
 21 pursuant to [sections 1 through 40] by June 1, 2011.

22  
 23 NEW SECTION. SECTION 59. REPEALER. THE FOLLOWING SECTIONS OF THE MONTANA CODE ANNOTATED  
 24 ARE REPEALED:  
 25 50-46-101. SHORT TITLE.  
 26 50-46-102. DEFINITIONS.  
 27 50-46-103. PROCEDURES -- MINORS -- CONFIDENTIALITY -- REPORT TO LEGISLATURE.  
 28 50-46-201. MEDICAL USE OF MARIJUANA -- LEGAL PROTECTIONS -- LIMITS ON AMOUNT -- PRESUMPTION OF MEDICAL  
 29 USE.  
 30 50-46-202. DISCLOSURE OF CONFIDENTIAL INFORMATION RELATING TO MEDICAL USE OF MARIJUANA -- PENALTY.

- 1 50-46-205. LIMITATIONS OF MEDICAL MARIJUANA ACT.  
 2 50-46-206. AFFIRMATIVE DEFENSE.  
 3 50-46-207. FRAUDULENT REPRESENTATION OF MEDICAL USE OF MARIJUANA -- PENALTY.  
 4 50-46-210. RULEMAKING -- FEES.

5  
 6 NEW SECTION. Section 60. Transition. (1) (a) Registry identification cards issued prior to [the  
 7 effective date of ~~this act~~ SECTION 65(4)] to qualifying patients for a debilitating medical condition that did not  
 8 include severe or chronic pain are valid until the expiration date listed on the card.

9 (b) Registry identification cards issued to qualifying patients for a debilitating medical condition that  
 10 included severe or chronic pain expire on August 31, 2011. An individual who is in possession of marijuana after  
 11 August 31, 2011, is not protected by the provisions of Title 50, chapter 46, that were in effect on [~~the effective date~~  
 12 ~~of this act~~] JUNE 30, 2011, if the individual was issued a registry identification card for a condition that included  
 13 severe or chronic pain and has not obtained a new registry identification card pursuant to sections [1 through 40].

14 (c) The department of public health and human services shall, before August 31, 2011, reissue cards  
 15 to qualifying patients who obtained a card before [~~passage and approval of this act~~] [THE EFFECTIVE DATE OF  
 16 SECTION 65(4)] and whose debilitating medical condition at the time of registration did not include severe or  
 17 chronic pain. The cards must be issued using a color that makes them easily distinguishable from cards issued  
 18 prior to [~~the passage and approval of this act~~] [THE EFFECTIVE DATE OF SECTION 65(4)].

19 (D) INDIVIDUALS WITH REGISTRY IDENTIFICATION CARDS THAT ARE VALID UNDER THIS SUBSECTION (1) ARE  
 20 SUBJECT TO THE PROVISIONS OF [THIS ACT] ON JULY 1, 2011, AND SHALL OBTAIN MARIJUANA FOR THERAPEUTIC USE  
 21 ACCORDING TO THE PROVISIONS OF [SECTIONS 1 THROUGH 16] AND THIS SECTION.

22 (2) (A) The department of public health and human services may begin issuing new registry identification  
 23 cards pursuant to [~~sections 1 through 16~~] ON JUNE 1, 2011. ON JUNE 1, 2011. THE DEPARTMENT SHALL ISSUE THE  
 24 CARDS USING THE DEFINITIONS IN [SECTION 2] AND PURSUANT TO THE WRITTEN CERTIFICATION AND PHYSICIAN STATEMENT  
 25 REQUIREMENTS OF [SECTION 5]. Cards issued pursuant to [sections 1 through 16] must be issued using a color that  
 26 makes them easily distinguishable from cards issued before [~~passage and approval of this act~~] [THE EFFECTIVE  
 27 DATE OF SECTION 65(4)] and from cards issued pursuant to subsection (2)(c).

28 (B) QUALIFYING PATIENTS WHO OBTAIN A REGISTRY IDENTIFICATION CARD ON OR AFTER JUNE 1, 2011, AND  
 29 BEFORE JULY 1, 2011, MAY NAME A CAREGIVER IN THEIR APPLICATIONS AND MAY, THROUGH JUNE 30, 2011, USE A  
 30 CAREGIVER TO OBTAIN THERAPEUTIC MARIJUANA. ON JULY 1, 2011, A REGISTERED CARDHOLDER MAY BE IN POSSESSION

1 OF THERAPEUTIC MARIJUANA AS ALLOWED UNDER THIS SECTION. ON AND AFTER OCTOBER 1, 2011, A REGISTERED  
 2 CARDHOLDER MAY CULTIVATE, MANUFACTURE, OBTAIN, OR POSSESS THERAPEUTIC MARIJUANA AS PROVIDED IN [THIS ACT].

3 (3) From July 1, 2011, to ~~September 30~~ OCTOBER 1, 2011, an individual with a valid registry identification  
 4 card issued before [the effective date of this act] or pursuant to [sections 1 through 16] may possess four mature  
 5 plants, 12 seedlings, and ~~2 ounces~~ THE FOLLOWING AMOUNTS of usable marijuana at the cardholder's residence:

6 (A) 8 OUNCES FROM JULY 1 THROUGH JULY 31;

7 (B) 6 OUNCES FROM AUGUST 1 THROUGH AUGUST 31;

8 (C) 4 OUNCES FROM SEPTEMBER 1 THROUGH SEPTEMBER 30; AND

9 (D) 2 OUNCES ON OR AFTER OCTOBER 1.

10 (4) (a) The ~~public service commission~~ DEPARTMENT OF LABOR AND INDUSTRY may begin processing  
 11 applications for licenses for couriers, personal production assistants, therapeutic marijuana growers, and  
 12 therapeutic marijuana-infused product manufacturers on June 1, 2011.

13 (b) Personal production assistants may begin carrying out the activities allowed under their license on  
 14 July 1, 2011.

15 (c) Beginning July 1, 2011, therapeutic marijuana growers and therapeutic marijuana-infused product  
 16 manufacturers that have been licensed by the ~~public service commission~~ DEPARTMENT OF LABOR AND INDUSTRY  
 17 may cultivate, manufacture, and possess marijuana for therapeutic use but may not engage in any transactions  
 18 with cardholders or couriers before October 1, 2011.

19 (d) Couriers licensed by the state licensing authority before October 1, 2011, may not undertake the  
 20 activities allowed by their license until October 1, 2011.

21 (4) A caregiver who obtained a registry identification card prior to [the effective date of ~~this act~~ SECTION  
 22 65(4)] is protected by the provisions of Title 50, chapter 46, that ~~were in effect prior to [the effective date of this~~  
 23 ~~act]~~ ARE IN EFFECT until June 30, 2011. A caregiver may not be in possession of marijuana plants, seedlings,  
 24 cuttings, clones, usable marijuana, or marijuana-related products on July 1, 2011. Before July 1, 2011, the  
 25 caregiver shall take the items to the law enforcement agency having jurisdiction in their area. The law  
 26 enforcement agency shall destroy the items.

27  
 28 NEW SECTION. Section 61. Codification instruction. [Sections 1 through 40] are intended to be  
 29 codified as an integral part of Title 50, chapter 46, and the provisions of Title 50, chapter 46, apply to [sections  
 30 1 through 40].

1  
 2 ~~COORDINATION SECTION. **Section 59. Coordination instruction.** (1) If House Bill No. 161 is not~~  
 3 ~~passed and approved, then [this act] is void.~~

4  
 5 COORDINATION SECTION. **SECTION 62. COORDINATION INSTRUCTION.** IF HOUSE BILL NO. 82 IS NOT  
 6 PASSED AND APPROVED, THE BRACKETED LANGUAGE IN [SECTIONS 4 AND 11 OF THIS ACT] IS VOID.

7  
 8 NEW SECTION. **SECTION 63. INSTRUCTIONS TO CODE COMMISSIONER.** (1) WHEREVER A REFERENCE TO  
 9 "MEDICAL USE OF MARIJUANA" APPEARS IN LEGISLATION ENACTED BY THE 2011 LEGISLATURE, THE CODE COMMISSIONER  
 10 IS DIRECTED TO CHANGE THE REFERENCE TO "THERAPEUTIC USE OF MARIJUANA".

11 (2) WHEREVER A REFERENCE TO "MEDICAL MARIJUANA" APPEARS IN LEGISLATION ENACTED BY THE 2011  
 12 LEGISLATURE, THE CODE COMMISSIONER IS DIRECTED TO CHANGE THE REFERENCE TO "THERAPEUTIC MARIJUANA".

13 (3) WHEREVER A REFERENCE TO 50-46-102 APPEARS IN LEGISLATION ENACTED BY THE 2011 LEGISLATURE,  
 14 THE REFERENCE MUST BE REPLACED WITH A REFERENCE TO [SECTION 2] OF SENATE BILL NO. 423.

15 (4) WHEREVER A REFERENCE TO 50-46-205 APPEARS IN LEGISLATION ENACTED BY THE 2011 LEGISLATURE,  
 16 THE REFERENCE MUST BE REPLACED WITH A REFERENCE TO [SECTION 14] OF SENATE BILL NO. 423.

17  
 18 NEW SECTION. **Section 64. Severability.** If a part of [this act] is invalid, all valid parts that are  
 19 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
 20 the part remains in effect in all valid applications that are severable from the invalid applications.

21  
 22 NEW SECTION. **Section 65. Effective dates.** (1) Except as provided in subsections (2) through (4),  
 23 [this act] is effective October 1, 2011.

24 (2) [Sections 17, 18, and 25 through 29] are effective June 1, 2011.

25 (3) [Section 4] AND, EXCEPT AS PROVIDED IN SUBSECTION (4), [SECTION 60 59] IS ARE effective July 1, 2011.

26 (4) ~~[Section 61] is [SECTION 59]~~ [SECTIONS 55, 56, AND 58], THE REPEAL OF 50-46-103 PROVIDED FOR IN  
 27 [SECTION 60 59], [SECTIONS 64 60, 62, AND 63], AND THIS SECTION ARE effective on passage and approval.

28 - END -