



GOVERNOR GREG GIANFORTE  
DIRECTOR BRENDAN BEATTY

## MEMORANDUM

TO: Economic Affairs Interim Committee

FROM: Brendan Beatty, Director

DATE: September 1, 2022

SUBJECT: 2023 Legislative Proposal for the Cannabis Control Division  
(non-Red Tape Initiative related)

This document contains the non-Red Tape Initiative-related legislative proposal for the Department of Revenue's (Department) Cannabis Control Division that has been approved through the Executive Planning Process/Office of Budget and Program Planning (OBPP) for introduction to the 2023 Legislature. The Department requests the committee review and move its approval of this proposal for pre-introduction.

Please feel free to let me know if I can clarify anything or provide any additional information.

<b>Division</b>	<b>DOR File No.</b>	<b>Short Title</b>	<b>Fiscal Impact</b>	<b>Statutes Impacted</b>
CCD	04-019	DOR/CCD Transfer Marijuana Lab Licensing and Audit Functions	None	16-12-202 16-12-206 16-12-209

This bill would align all cannabis control functions within the Department to create efficiencies for both DOR/DPHHS.

**Issue:**

In the Montana Marijuana Regulation and Taxation Act, the Department of Health and Human Services retained oversight of the marijuana laboratory quality assurance services for the Department’s Cannabis Control Division. This component of the program is responsible for the audit and compliance of licensed marijuana testing labs.

**Proposal:**

Transfer all duties pertaining to the licensing, compliance, and program oversight of the Marijuana Lab Services from DPHHS to the Department. The lab program costs at DPHHS are currently funded by the Department’s Cannabis Control Division's budget; the existing FTE would move to DOR.

<b>Division</b>	<b>DOR File No.</b>	<b>Short Title</b>	<b>Fiscal Impact</b>	<b>Statutes Impacted</b>
CCD	04-supplemental	DOR/CCD Provide Statutory Spending Authority for DOR-Retained portion of Local Option Marijuana Excise Tax	None	16-12-310, MCA

This bill would provide statutory spending authority for the DOR-retained portion of local option marijuana excise tax collected under 16-3-310, MCA.

**Issue:**

Section 16-12-310(3)(c), MCA, provides that the Department is entitled to retain five percent of the local-option marijuana excise taxes collected to facilitate the administration and collection of the tax. However, there no statutory appropriation which allows the department to spend the retained funds.

**Proposal:**

Amend 16-3-310(3)(c), MCA, to provide statutory spending authority for DOR-retained portion of local option marijuana excise tax.