

SJ 31: PD0001 – VERSION 4 SUMMARY

The following sections summarize changes to the Economic Affairs Interim Committee's committee bill on the SJ31 Study of Marijuana Program Implementation since their August 2022 meeting. These changes were made on the direction of the committee and on the advice of legal and editing staff.

PREAMBLE

The editor broke up the sentences into separate 'Whereas' clauses because a single 'Whereas' clause may not contain complete sentences, according to section 7-2 of the Bill Drafting Manual.

Pages 1-2:

WHEREAS , during the 2021-2022 interim, the Economic Affairs Interim Committee received testimony relating to the interpretation and implementation of the Montana Marijuana Regulation and Taxation Act; and

WHEREAS, specifically, the committee received testimony that section 16-12-223, MCA, allowed only qualifying marijuana cultivator licensees to increase production tiers at the licensee's renewal and not at the licensee's discretion; and

WHEREAS, the committee disagreed with this interpretation and provided its analysis; and

WHEREAS, the issue was resolved to the committee's satisfaction; and

WHEREAS, this bill amends section 16-12-223, MCA, only to remove all existing doubt whether the Legislature intended to allow a qualifying cultivator licensee to increase production tiers at their discretion.

REPORTS TO LEGISLATURE

Section 2: 5-11-222 Reports to legislature. This section is required to be included in the bill as changes were made to reports by agencies and boards for the Economic Affairs Interim Committee and the Revenue Interim Committee:

Page 4: (bb) general marijuana regulation reports and medical marijuana registry reports from the department of revenue in accordance with 16-12-110;

~~(cc) medical marijuana registry reports from the department of revenue in accordance with 16-12-532(3);~~

- Page 11: (iii) medical marijuana registry reports from the department of revenue in accordance with ~~16-12-532(3)~~16-12-110;
- (iv) annual reports on complaints against physicians certifying medical marijuana use from the board of medical examiners in accordance with ~~16-12-532(4)~~16-12-110(6);
- Page 13: ~~(viii) — medical marijuana registry reports from the department of revenue in accordance with 16-12-532(5);~~

DEFINITIONS

Section 4: 16-12-102. Definitions. The definition of "marijuana product" is amended based on the recommendation of the Department of Revenue and approved by the committee at the August 2022 meeting:

- Page 21: (24) "Marijuana product " means a product that contains marijuana and is intended for use by a consumer ~~by a means other than smoking~~. The term includes but is not limited to edible products, ointments, tinctures, marijuana derivatives, and marijuana concentrates, including concentrates intended for use by smoking or vaping.

Section 22: 16-12-508. Individuals with debilitating medical conditions – requirements – minors – limitations. Amendments in this section clarify the definition of "marijuana products" do not include smokable products, based on the recommendation of the Department of Revenue and approved by the committee at the August 2022 meeting.

- Page 54: (2) The department shall issue a registry identification card to a minor if the materials required under subsection (1) are submitted and the minor's custodial parent or legal guardian with responsibility for health care decisions:
- (a) provides proof of legal guardianship and responsibility for health care decisions if the individual is submitting an application as the minor's legal guardian with responsibility for health care decisions; and
 - (b) signs and submits a written statement that:
 - (i) the minor's treating physician or referral physician has explained to the minor and to the minor's custodial parent or legal guardian with responsibility for health care decisions the potential risks and benefits of the use of marijuana;
 - (ii) indicates whether the minor's custodial parent or legal guardian will be obtaining marijuana or marijuana products for the minor through the system of licensed dispensaries provided for in this chapter; and
 - (iii) the minor's custodial parent or legal guardian with responsibility for health care decisions:
 - (A) consents to the use of marijuana by the minor;
 - (B) agrees to control the acquisition of marijuana and the dosage and frequency of the use of marijuana by the minor; and

(C) agrees that the minor will use only marijuana products intended for use by a means other than smoking and will not smoke marijuana;

DISCLOSURE OF CONTROLLING BENEFICIAL OWNER

Section 5: 16-12-104. Department responsibilities – licensure. Committee staff consulted with legal and amended language in this section to clarify that disclosure of this information is not confidential information according to Title 2, chapter 6 (public records).

Page 25: (10) (a) The department shall provide the names and phone numbers of persons, including the names of controlling beneficial owners, licensed under this chapter and the city, town, or county where licensed premises are located to the public on the department's website. Except as provided in subsection (10)(b), the department may not disclose the physical location or address of a marijuana business.

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

(c) The name of a controlling beneficial owner is not considered confidential information as defined in 2-6-1002.

Section 9: 16-12-110. Legislative monitoring. Updated language to state the information is to be furnished upon request, per the request of the committee at the August 2022 meeting. Moved this specific report to a separate section since this report can be requested "on demand" and the other reports are in accordance with 5-11-210 which is a biennial report.

Page 34: (5) The department shall furnish to the economic affairs interim committee, on request, a list containing the names of all controlling beneficial owners for each licensee.

Section 12: 16-12-203. Licensing types – requirements – limitations – activities. Updated language to state the information is to be furnished upon request, per the request of the committee at the August 2022 meeting.

Page 38: (h) The department shall furnish to the economic affairs interim committee, on request, a list containing the names of all controlling beneficial owners for each licensee.

SMOKING IN A HOTEL OR MOTEL ROOM

Section 7: 16-12-108. Limitations of act. The prohibition of smoking marijuana in a hotel or motel room is segregated into its own subsection in this part, per the request of the committee at the August 2022 meeting.

Page 29: (g) possession or consumption of marijuana or marijuana products or possession of marijuana paraphernalia:

- (i) on the grounds of any property owned or leased by a school district, a public or private preschool, school, or postsecondary school as defined in 20-5-402;
- (ii) in a school bus ~~or other form of public transportation;~~
- (iii) in a health care facility as defined in 50-5-101; or
- (iv) on the grounds of any correctional facility; ~~or~~
- ~~(v) in a hotel or motel room;~~
- (h) using marijuana or marijuana products in a location where smoking tobacco is prohibited;
 - ~~(i) smoking marijuana in a hotel or motel room, except for a hotel or motel room that is designated as a smoking room and rented to a guest;~~
 - ~~(j) consumption of marijuana or marijuana products:

 - (i) in a public place, except as allowed by the department; or
 - (ii) on trains, buses, or other forms of public transportation.;~~

DATA COLLECTION OF CANOPY SQUARE FOOTAGE

Section 9. Legislative monitoring. The committee received a suggestion at the August 2022 meeting to include data collection of canopy square footage and production in the required report from the Department of Revenue, and directed staff to include this language in the draft bill.

- Page 32-33:*
- (1) The economic affairs interim committee shall provide oversight of the department's activities pursuant to this chapter, including but not limited to monitoring of:
 - (a) the number of licensees;
 - ~~(b) (i) the total square footage of canopy licensed in the state; and~~
 - ~~(ii) the percentage of total canopy in production;~~

EFFECTIVE DATES

Sections 9 (Legislative monitoring) and 12 (Licensing types – requirements – limitations – activities) have been given an immediate effective date in order for members of the Economic Affairs Interim Committee to request reports regarding controlling beneficial owners upon passage and approval of the bill.