

an inspection. Failure on the part of a licensee to cooperate could result in denial, reprimand, suspension, or revocation of a license.

(4) If a department inspection reveals that an applicant or licensee is not in compliance with the marijuana laws, the department shall:

- (a) issue a deficiency report pursuant to [NEW RULE X~~I~~] to notify the applicant or licensee of the specific deficiencies or errors; or
- (b) issue a notice of proposed department action.

AUTH: 16-12-112, 16-12-224, MCA

IMP: 16-12-101, 16-12-202, 16-12-203, 16-12-204, 16-12-208, 16-12-210, 16-12-223, 16-12-224, MCA

NEW RULE X~~I~~ DEFICIENCY REPORTS (1) The department may issue a deficiency report to a licensee whenever a department inspection or compliance audit reveals a licensee is in violation of the marijuana laws. The purpose of the deficiency report is to afford licensees with an opportunity to cure deficiencies and avoid administrative proceedings before the department's office of dispute resolution.

(2) A deficiency report shall, at a minimum:

- (a) identify the date of the inspection;
- (b) identify the name of the inspector;
- (c) identify the deficiencies discovered during the inspection; and
- (d) cite the specific statute, rule, or local ordinance that the deficiency violates.

(3) A licensee shall have ten days from the date of the deficiency report to cure any deficiencies.

(a) If a licensee can show proof of having cured the deficiencies through photographs, document submissions, or through other correspondence, the licensee shall submit the proof to the department.

(b) If an inspection is required to determine whether a licensee has cured deficiencies, the licensee shall contact the department to schedule a follow-up inspection within ten days from the date of the deficiency report.

(4) If a licensee cures the identified deficiencies, the department will send the licensee a deficiency resolution letter which informs the licensee that the department will close out the deficiency and take no further action on the deficiency report.

(5) If a licensee fails to respond to a deficiency report within ten days, the department may issue a notice of proposed department action.

(6) Nothing in this rule prevents the department from proceeding immediately to administrative proceedings without issuing a deficiency report.

AUTH: 16-12-112, MCA

IMP: 16-12-101, 16-12-210, MCA

NEW RULE XI~~I~~ GENERAL LICENSEE REQUIREMENTS (1) A licensee must ensure that all employees wear a department issued worker permit in a clearly visible manner on the outermost layer of clothing while working on behalf of the licensee. A licensee is responsible for the security of all marijuana and marijuana products on a licensed premises, during transit, and under the supervision of the licensee or its employee until the marijuana or marijuana product is sold.

(2) A licensee is responsible for ensuring the department has a current and working email address and a current and valid mailing address on file to receive department correspondence.

(3) A licensee is responsible for providing the department with its hours of operation for each licensed premises. A licensee or its employee must be on-site during hours of operation and must make the licensed premises available to department inspectors during those hours.

(4) A licensee must use a weighing device pursuant to 30-12-203, MCA, and ARM 24.351.101 whenever marijuana is:

- (a) packaged for sale by weight;
- (b) bought and sold by weight; and
- (c) weighed for entry into the seed-to-sale tracking system.

(5) A licensee must establish and maintain and make available for department inspection at all licensed premises written emergency procedures to be followed in case of a fire, chemical spill, or other emergency.

(6) A licensee must maintain and make available for department inspection at all licensed premises the following documentation or information in a single binder, file, or other organized and readily accessible format:

(a) proof that any signage at the licensed premises complies with local jurisdiction sign ordinances and regulations;

(b) proof that licensees and employees of licensees are current on the required trainings;

(d) the emergency procedures required by (6);

(e) the written security plan required by [NEW RULE III(1)].

(f) for marijuana manufacturer licensees, the written standard operating procedures required by [MAR Notice No. 42-1033, NEW RULE II(16)]; and

(g) for marijuana cultivator licensees, the written standard operating procedures required by [MAR Notice No. 42-1033, NEW RULE III(8)].

(h) for marijuana dispensary licensees, a written standard operating procedure for the destruction of returned marijuana or marijuana products.

AUTH: 16-12-112, MCA

IMP: 16-12-112, MCA

NEW RULE XII LOCAL-OPTION MARIJUANA EXCISE TAX;
NOTIFICATION REQUIREMENTS OF A LOCALITY; AFFECTED DISPENSARY
REPORTING AND TAX PAYMENT REQUIREMENTS

(1) If a locality adopts a local-option marijuana excise tax pursuant to 16-12-309 through -317, MCA, the taxes are imposed on the purchaser, as defined in 15-64-101(5), MCA, and must be collected by an affected dispensary at the time of sale. For the purpose of this rule, an "affected dispensary" means a dispensary located within the jurisdiction of a locality with a local-option marijuana excise tax.

(2) A locality is required to notify the department of the adoption of a local-option marijuana excise tax at least 90 days prior to its effective date.

(a) If the locality complies with this requirement, then an affected dispensary's reporting and payment requirement begins with the filing date associated with the end of the calendar quarter in which the tax became effective. As an example, if a locality's local-option marijuana excise tax is effective November