

BEFORE THE DEPARTMENT OF REVENUE
OF THE STATE OF MONTANA

In the matter of the amendment of) NOTICE OF PUBLIC HEARING ON
ARM 42.39.310 pertaining to a waste) PROPOSED AMENDMENT
management process revision)

TO: All Concerned Persons

1. On August 26, 2022, at 11:30 a.m., the Department of Revenue will hold a public hearing in the Third Floor Reception Area Conference Room of the Sam W. Mitchell Building, located at 125 North Roberts, Helena, Montana, to consider the proposed amendment of the above-stated rule. The conference room is most readily accessed by entering through the east doors of the building.

2. The Department of Revenue will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, please advise the department of the nature of the accommodation needed, no later than 5 p.m. on August 12, 2022. Please contact Todd Olson, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or todd.olson@mt.gov.

3. The rule as proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

42.39.310 WASTE MANAGEMENT (1) through (9) remain the same.
(10) After the expiration of the 72-hour period in (9), a licensee may dispose of marijuana stalks and stems without rendering them unusable pursuant to (3) by releasing them to a third-party contractor to render them unusable. A licensee must provide the department with a copy of the waste removal agreement with the third-party contractor before commencing services and must maintain the contract in the binder of documents required by ARM 42.39.105(6). The third-party contractor may process marijuana stalks and stems into non-marijuana products or otherwise render the marijuana stalks and stems unusable.

AUTH: 16-12-112, MCA

IMP: 16-12-103, 16-12-105, 16-12-112, 16-12-203, 16-12-210, MCA

REASONABLE NECESSITY: The department proposes to amend ARM 42.39.310 to add (10), which would allow a marijuana licensee to dispose of marijuana stalks and stems in a more sustainable manner. Section 16-12-102(41), MCA, defines "usable marijuana" to exclude "stalks." Stems are similarly low in THC but, like stalks, can be further refined into non-marijuana products such as fiber and terpenes or can be disposed of in other more sustainable ways such as composting. The department is aware of at least one commercial hemp processor that has the ability to take marijuana stalks and stems, which would otherwise be disposed of as

waste, and create additional commodities with Montana employees to reduce the industry's contribution to landfills. The department proposes to review these service contracts for compliance that a contractor collects only marijuana stalks and stems and, if they process these items further, ensure they are processing them into non-marijuana products.

4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to: Todd Olson, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail todd.olson@mt.gov and must be received no later than 5:00 p.m., September 6, 2022.

5. Todd Olson, Department of Revenue, Director's Office, has been designated to preside over and conduct the hearing.

6. The Department of Revenue maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request, which includes the name and e-mail or mailing address of the person to receive notices and specifies that the person wishes to receive notice regarding particular subject matter or matters. Notices will be sent by e-mail unless a mailing preference is noted in the request. A written request may be mailed or delivered to the person in number 4 above or faxed to the office at (406) 444-3696, or may be made by completing a request form at any rules hearing held by the Department of Revenue.

7. An electronic copy of this notice is available on the department's web site at www.mtrevenue.gov, or through the Secretary of State's web site at sosmt.gov/ARM/register.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

9. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rule will not significantly and directly impact small businesses.

/s/ Todd Olson
Todd Olson
Rule Reviewer

/s/ Brendan Beatty
Brendan Beatty
Director of Revenue

Certified to the Secretary of State July 26, 2022.