



Provider-Licensee's Inspections and Deficiencies:



Subject to the authority and restrictions under [§ 16-12-210, MCA](#), and [ARM 42.39.501](#), the Department may conduct inspections to determine a licensee-provider's compliance with the marijuana rules and regulations of the state of Montana.

The Montana Department of Revenue's Cannabis Control Division, or the Department, employs inspectors throughout the state to perform inspections of all licensed marijuana premises to ensure conformity with respect to the rules and regulations that govern the marijuana in state of Montana.

This document serves as a guide to inform applicants about Department inspections, deficiencies, and the importance of addressing and correcting (when possible) those deficiencies in a timely matter.

This guide will also address the action(s) that the Department may take following the discovery of a provider's deficiencies.

What types of inspections does the Department conduct?

- The Department conducts/may conduct the following types of inspections:
 - Initial applications for a new marijuana provider license
 - Renewal applications of an existing marijuana provider
 - Announced and unannounced inspections of a licensed premises
 - Update application inspections
 - Tier-level increase for cultivator licensee-providers
 - Complaint-driven inspections (the Department receives a complaint about a specific provider)
 - Deficiency follow-up inspections
 - Suspension expiration inspections
 - Relinquishment inspections

How often are inspections conducted?

- Inspections are conducted annually, upon renewal, for each licensed location. There may be additional inspections performed throughout the year (e.g., an unannounced inspection, a complaint-driven inspection, etc.).
- This annual requirement can be found: [§ 16-12-210, MCA](#).

When will a provider be notified that an inspection is going to be conducted?

- Inspectors will contact a provider (or their designated contact) via phone and/or email to schedule an inspection*.

**In the event of an unannounced inspection, an inspector will not contact the provider or their designated contact.*

What happens after an inspection has been conducted by the Department?

- o After the inspection is completed, the applicant will receive a Deficiency Report. Even if no deficiencies are noted, the provider will still receive a report.
- o This report will have a **Letter ID in the top right corner that will be L + 10 digits** (e.g., L123456789) for the provider's reference. Should the provider need to respond to any deficiencies issued, they will need to use this Letter ID to address those violations in [TAP](#).

What is a deficiency?

- o A deficiency is a violation of the rules and regulations pertaining to the cultivation, manufacture, sales, transport, and/or testing of medical and adult-use marijuana in Montana.
- o Deficiencies that are observed by the inspector at the time of the inspection, or during a pre-inspection of a provider's Metrc account, will be documented and saved to a Deficiency Report.
- o After the inspection(s) has been performed for all sites licensed to a provider, they will receive a notification via email that there is documentation (the Deficiency Report) available in their [TAP account](#).

NOTE: A Deficiency Report will not be sent to the provider until all their site inspections have been completed. This report and notification can take some time to appear in [TAP](#), especially if the licensee has multiple locations in various regions of the state.

If a provider receives deficiencies in the report issued by the Department, what are the actions that the provider must then perform?

- o The provider, or a designated employee, is required to respond to their deficiencies via a **Plan of Correction (POC)** in [TAP](#).
- o If the Plan of Correction is not received within ten (10) days, the Department will assume that the deficiencies have not been corrected.

If a provider does not respond to their Deficiency Report within the required ten-day (10) period, are they subject to any Department action?

- o Should a provider fail to respond to the Deficiency Report within the required timeframe, they may receive a **Notice of Proposed Department Action**.
- o Proposed Department Action may include [civil penalties](#), [suspension](#), or [revocation](#) of a marijuana provider's business license.

How to provide/submit a Plan of Correction:

- o Providers must log into [TAP](#) to respond to/address their deficiencies.
- o A document to assist providers with how to submit their Plan of Correction in TAP can be found [here](#).
- o To verify a deficiency has been cured, it is **strongly recommended** that photographs and documents be uploaded with the Plan of Correction.

***TIP: Be as detailed as possible when naming your photographs and documentation.**

After a provider submits their Plan of Correction, what follows next?

- o Inspector Supervisors review the Plans of Correction in the order that they are received. In this process, the Inspector Supervisor identifies whether the Plan of Correction response "cured" the deficiencies cited or if the item(s) remain "uncured."
- o If a provider submits information that demonstrates the violation has been remedied, the Deficiency Follow Up Letter will show the status of that deficiency as **CURED**.
- o Failure to respond or provide information that demonstrates the violation(s) has been remedied, the Deficiency Follow Up Letter will show the status of the deficiency as **UNCURED** as the response is not acceptable.

NOTE: Because an inspection is a snapshot in time, some deficiencies cannot be corrected retroactively, regardless of the provider's response(s) to their Deficiency Report. For example, marijuana that does not have an assigned Metrc tag located on the product is considered untracked product and is an incurable deficiency.

A provider's Deficiency Response(s) should include steps to ensure that these types of violations are not reoccurring in nature.

If a provider has an inspection during their business license renewal process and their license is renewed, does that mean the licensee will not be subject to any proposed disciplinary action?

- o No. If a license is renewed by the Department, that license is still subject to receiving a Notice of Proposed Department Action, such as [civil penalties](#), due to deficiencies cited.

If a provider facing Proposed Department Action wishes to pursue denial rights, are they required to pay their renewal fee during this time?

- o Yes. Providers must pay their renewal fees, in full, if they wish to continue their operations during the appellate process.

Sources and Resources

- o [ARM 42.39.507-Civil Penalties](#)
- o [ARM 42.39.501-Inspections](#)
- o [ARM 42.39.203-Seed-to-Sale Tracking and Reconciliation](#)
- o [ARM 42.39.504-Suspension and Revocation of a License](#)
- o [ARM 42.39.503-Violations, Procedures, Aggravating and Mitigating](#)
- o [CCD Website-Inspections](#)
- o [Licensee Guide-How to Submit/Respond to Deficiencies](#)
- o [§16-2-210, MCA-Inspections -- Procedures -- Prohibition On Inspector Affiliation With Licensees](#)
- o [TAP Portal Link-Submit Requested Documents](#)