Lunch and Learn:

MARIJUANA
2026 Updates

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MONTANA LEGISLATURE

LEGISLATIVE SERVICES DIVISION

Agenda

I. Definitions

II. National Overview
a. Federal Laws
b. Other States

III. Montana Overview
a. Legislative History
b. 2025 Session Legislation
c. Taxes and Revenue

IV. Current Issues

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I. DEFINITIONS

Marijuana Definitions

MCA 16-12-102

(20) (a) "Marijuana" means **all plant material from the genus Cannabis containing tetrahydrocannabinol (THC) or seeds of the genus capable of germination**.

(b) The term does not include hemp as provided in 80-18-101.

(c) The term does not include synthetic cannabinoid products.

(d) The term does not include any drug approved by the United States food and drug administration . . .

80-18-101

(1) (a) "Hemp" means the plant species Cannabis sativa L. and any part of that plant, including the seeds and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a **total delta-9 tetrahydrocannabinol concentration of not more than 0.3%** on a dry weight basis.

(b) The term does not include synthetic cannabinoids.

= **Δ9-THC > 0.3%**

II. NATIONAL OVERVIEW

National Overview: Federal Law

1937: Marihuana Tax Act
Extensive regulation of marijuana with significant penalties.

1970: Controlled Substances Act
Criminalized all of varieties of cannabis, subject to the most stringent regulations and criminal penalties.

2015: "Rohrabacher-Farr Amendment"
Annual provision prohibiting DOJ from using appropriated funds to prevent states and territories from implementing medical marijuana laws.

2018: Farm Bill
Legalized hemp with a statutory definition: "cannabis containing no more than a 0.3% concentration of the psychoactive compound delta-9-THC."

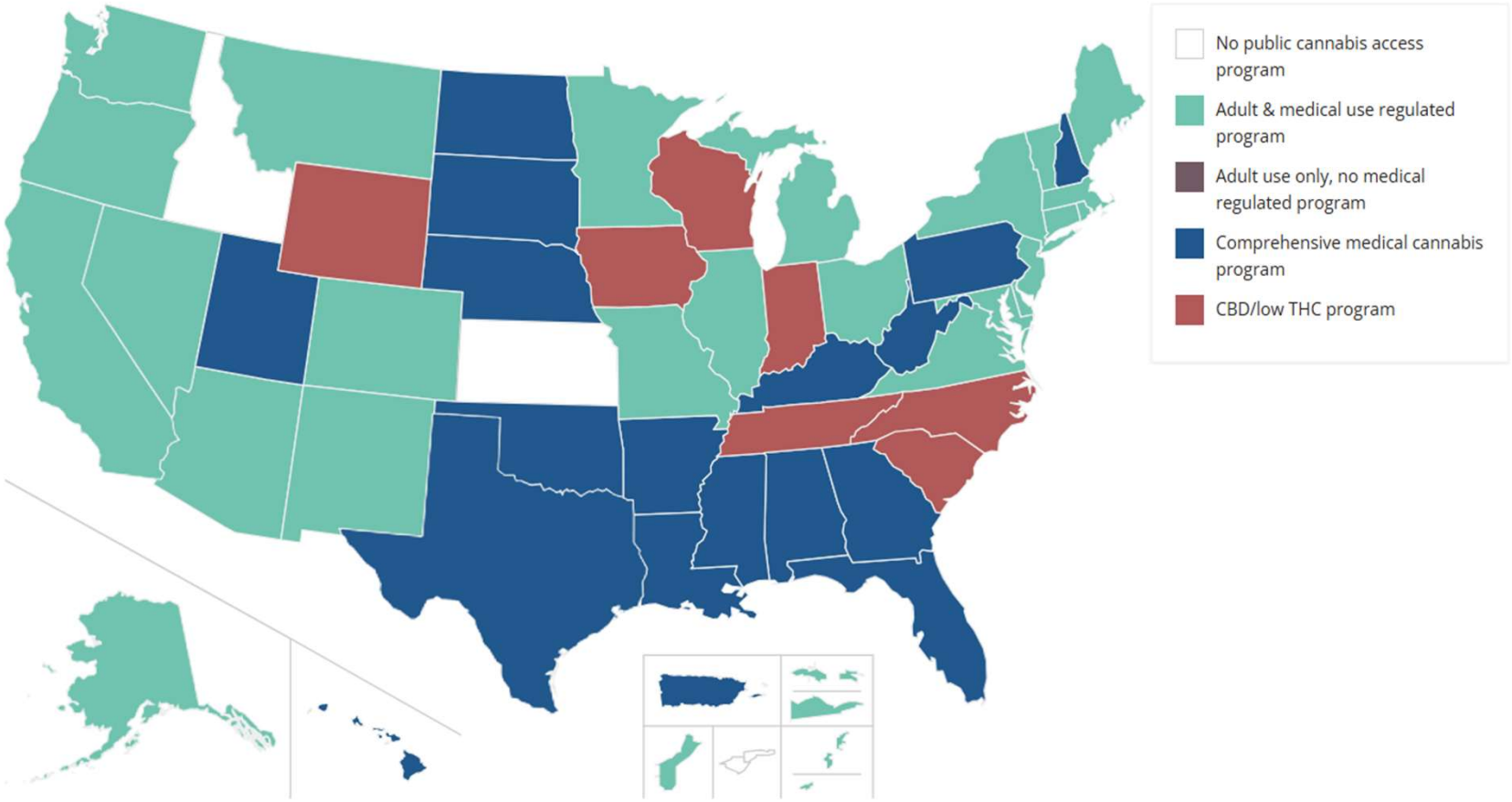
2026: Marijuana rescheduling
DEA reclassified FDA-approved marijuana products and state-licensed medical marijuana as Schedule III.

National Overview: Other States

As of late 2026:

24 states plus DC and 3 US territories have legalized recreational marijuana

41 states plus DC and 4 US territories have legalized medical marijuana



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III. MONTANA OVERVIEW

Montana Overview: Legislative History

1929: MARIJUANA PROHIBITED

2004: I-148 – MEDICAL MARIJUANA LEGALIZED

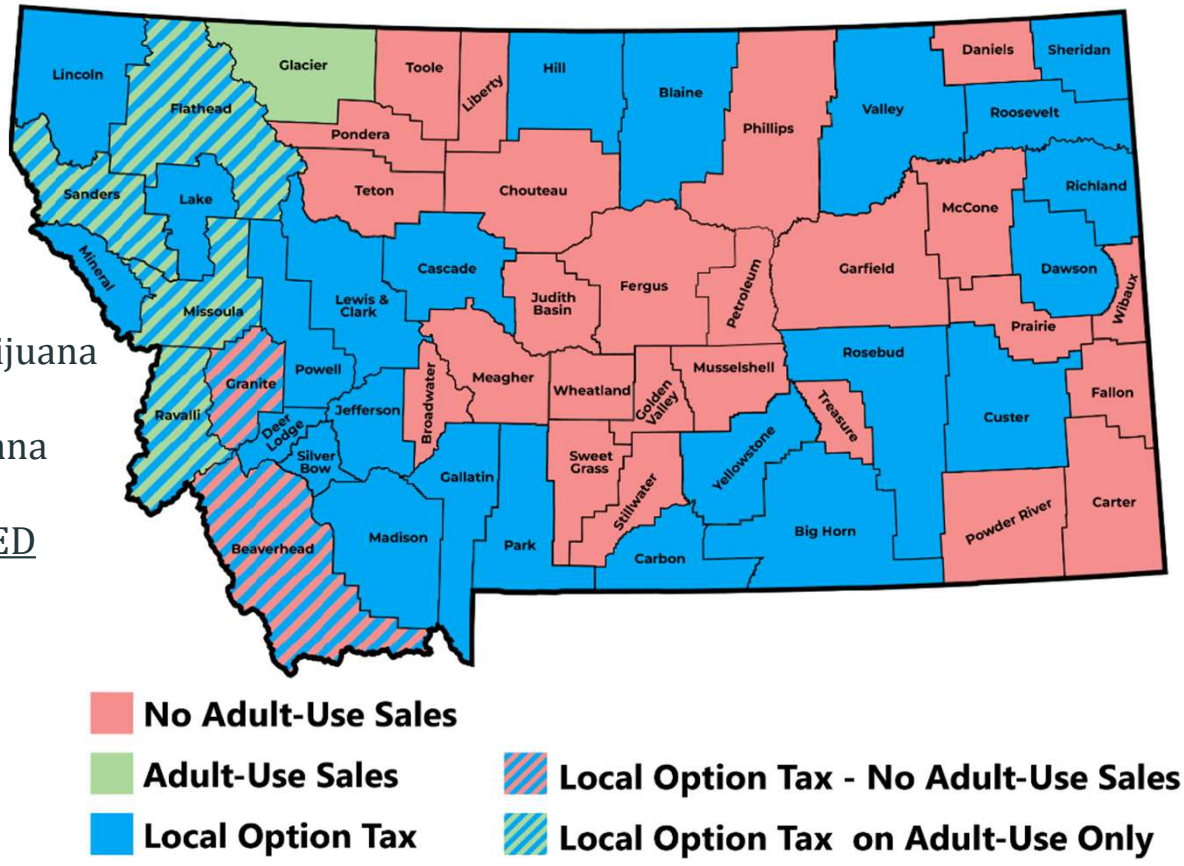
2011: SB423 - Increased regulations on Medical Marijuana

2016: I-182 - Relaxed regulations on Medical Marijuana

2020: I-190 - RECREATIONAL MARIJUANA LEGALIZED

2021: HB701 - Authority assigned to DOR

2023: HB948 - Prohibition of synthetic cannabinoids



Montana Overview: 2025 Legislation

PASSED ☑

HB 49 – Synthetic cannabinoid revisions

HB 636 – Edibles limited to 5mg serving size

HB 792 – Labeling and education requirements

SB 27 – License moratorium extension

SB 74 – Tax applied after discounts

SB 375 – Hemp edibles ban

SB 508 – THC DUI for under 21's

SJ 5 – Support for SAFER Banking Act

SJ 48 – Interim study of marijuana impact on public

FAILED ☒

HB 298 – Municipality election qualifications

HB 331 – Advertising limitations

HB 659 – Municipal election requirements

HB 688 – Local government ballot forms

HB 698 – Marijuana ballot forms

HB 748 – Medical marijuana purchase limits

HB 952 – Tribal marijuana compacts [Vetoed]

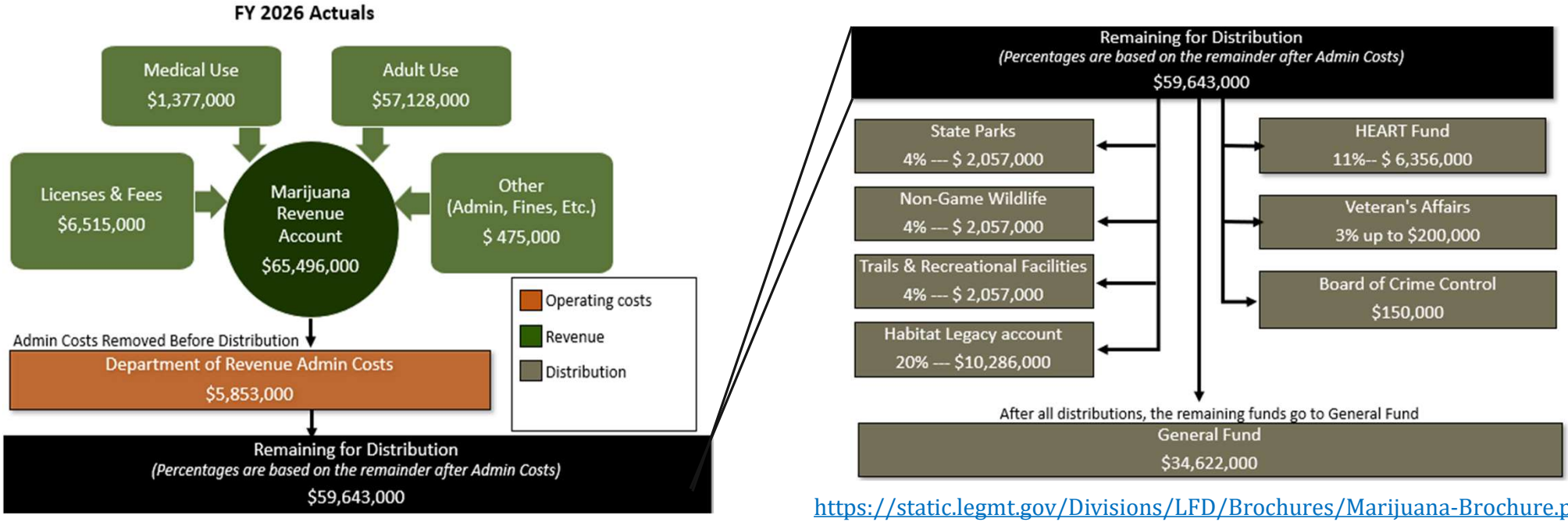
SB 255 – Consumer ID Card

SB 443 – 15% THC Cap

Montana Overview: Taxes and Revenue

January 2022 to September 2026 Estimated Sales	
Medical	$262,969,775
Adult-Use	$1,260,192,343
Total	**$1,523,162,119**

January 2022 to September 2026 Estimated Taxes	
Medical	$10,518,791
Adult-Use	$252,038,469
Total	**$262,557,260**



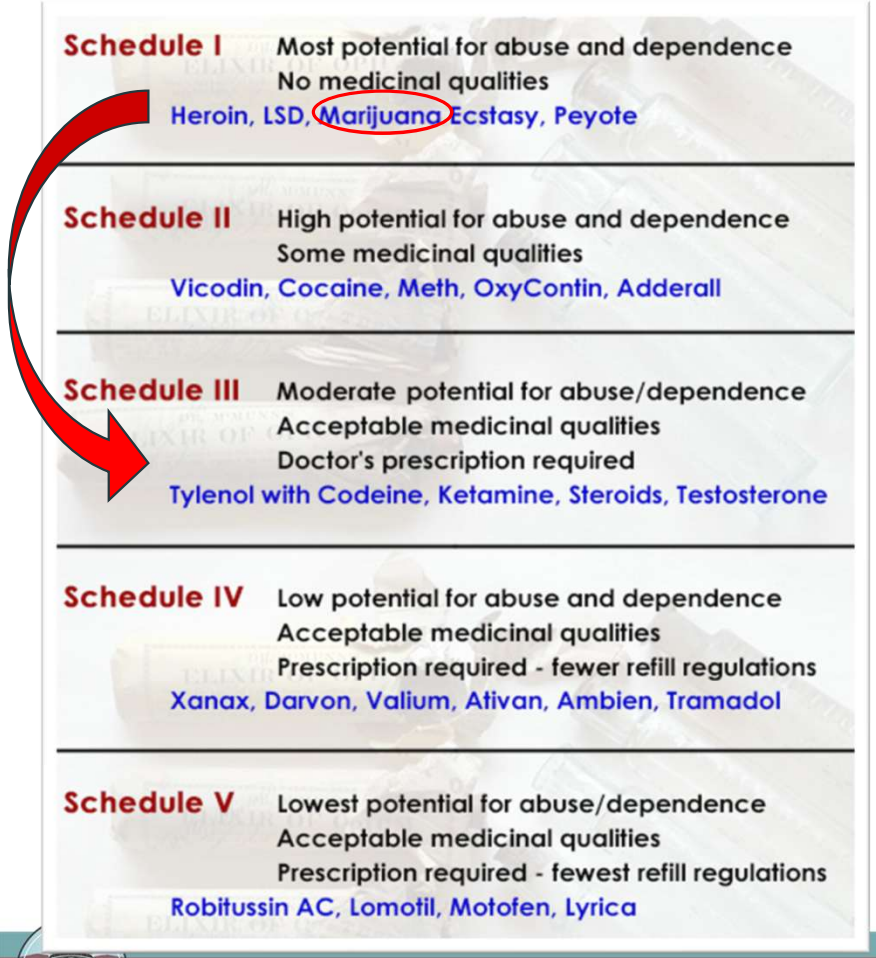
https://static.legmt.gov/Divisions/LFD/Brochures/Marijuana-Brochure.pdf

IV. CURRENT ISSUES

Current Issues: Overview

- **CSA Rescheduling**
- **Banking**
- **MT Licensing Moratorium**

Current Issues: Rescheduling



- DEA rescheduled **FDA-approved marijuana products** and **medical marijuana** in 2026.
- **Schedule III substances may only be dispensed with a valid prescription**; the **Food and Drug Administration (FDA) must approve a product for use**, and it would remain subject to regulation under the Federal Food, Drug, and Cosmetic Act (FDCA).
- ***Recreational marijuana remains federally illegal****, but DEA hearings about possible reclassification to Schedule III are ongoing.*

Current Issues: Banking

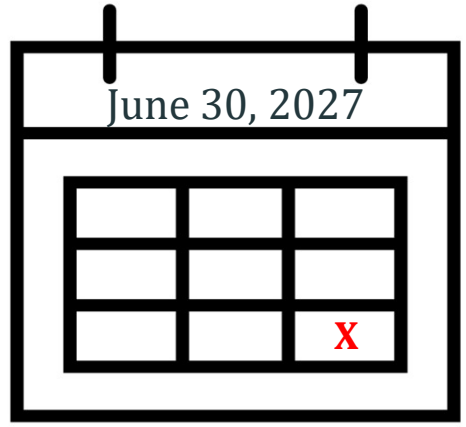
Federal laws make it difficult for most cannabis businesses to find a bank willing to do business: financial transactions involving proceeds from marijuana sales could result in prosecution under money laundering statutes, unlicensed money transmitter statutes, or the Bank Secrecy Act (BSA).

Business owners rely on cash-only transactions: prime targets for theft, burglary, armed robbery and other crimes.

The SAFER Banking Act would resolve the tension between federal and state law with respect to banking, lending to, and insuring a state-legal cannabis business.

Current Issues: MT Licensing Moratorium

Montana's licensing moratorium allows only prior-existing medical marijuana licensees to join the recreational market. It has been extended twice, now set to expire June 30, 2027. Once expired, Montana's marijuana licensure will be open to any new applicants:



16-12-201. Licensing of cultivators, manufacturers, and dispensaries.
(1) (a) Between July 1, 2025, and June 30, 2027, the department:

(i) may accept applications from and issue licenses to persons qualified for licensure under this chapter only if the application is related to an existing licensed premises;

(ii) may allow a licensee to move an existing licensed premises; and

(iii) may not allow for new licensed premises.

(b) On or after July 1, 2027, the department shall begin accepting applications for and issuing licenses to cultivate, manufacture, or sell marijuana or marijuana products to applicants who were not previously licensed and for premises not previously licensed.

V. Questions

References

MCA 2025 - TITLE 16. ALCOHOL, TOBACCO, AND MARIJUANA - CHAPTER 12. MARIJUANA REGULATION AND TAXATION
https://www.leg.mt.gov/bills/mca/title_0160/chapter_0120/parts_index.html

MT Cannabis Sales Reports
https://mtrevenue.gov/cannabis-sales-reports/

Statistical Analysis Center, Drug Seizures in Montana
https://tableau-ext.mt.gov/t/MBCC/views/CIM-DrugSeizures/DrugTrendsDashboard?%3Aembed=y

MT DOJ Forensic Science Division Annual Report, 2025
https://dojmt.gov/wp-content/uploads/2026/06/MT-FSD-2025-FSD-Annual-Report.pdf

CRS Report: The Federal Status of Marijuana and the Policy Gap with States, 03/2026
https://crsreports.congress.gov/product/pdf/IF/IF12270

CRS Report: Changes to the Statutory Definition of Hemp and Implications for Agricultural Policy
https://www.congress.gov/crs-product/IF13136

Map: Marijuana Legality by State
https://www.ncsl.org/health/state-medical-cannabis-laws

DEA Notice of Proposed Rulemaking to reschedule marijuana, 2026
https://www.dea.gov/NPRM2026

Questions?