

REFERENCE TITLE: marijuana; regulation; taxation

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

HB 2558

Introduced by
Representatives Gallego, Cardenas, Larkin, Steele, Senator Gallardo:
Representatives Campbell, Gabaldón, Gonzales, Mendez, Quezada, Saldate,
Sherwood, Senator Hobbs

AN ACT

AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28.2; RELATING
TO THE REGULATION OF MARIJUANA.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 36, Arizona Revised Statutes, is amended by adding
3 chapter 28.2, to read:

4 CHAPTER 28.2

5 REGULATION AND TAXATION OF MARIJUANA

6 ARTICLE 1. GENERAL PROVISIONS

7 36-2821. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "CONSUMER" MEANS A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE
10 AND WHO PURCHASES MARIJUANA OR MARIJUANA PRODUCTS FOR PERSONAL USE OR USE BY
11 PERSONS WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE, BUT NOT FOR RESALE TO
12 OTHERS.

13 2. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES.

14 3. "INDUSTRIAL HEMP" MEANS THE PLANT OF THE GENUS CANNABIS AND ANY
15 PART OF THAT PLANT, WHETHER GROWING OR NOT, WITH A DELTA-9
16 TETRAHYDROCANNABINOL CONCENTRATION THAT DOES NOT EXCEED THREE-TENTHS PER CENT
17 ON A DRY WEIGHT BASIS.

18 4. "LOCAL REGULATORY AUTHORITY" MEANS THE OFFICE OR ENTITY THAT IS
19 DESIGNATED BY A CITY, TOWN OR COUNTY TO PROCESS MARIJUANA ESTABLISHMENT
20 APPLICATIONS.

21 5. "LOCALITY" MEANS A CITY, TOWN OR COUNTY.

22 6. "MARIJUANA":

23 (a) MEANS ALL PARTS OF THE PLANT OF THE GENUS CANNABIS, THE SEEDS OF
24 THE PLANT, THE RESIN EXTRACTED FROM ANY PART OF THE PLANT AND EVERY COMPOUND,
25 MANUFACTURE, SALT, DERIVATIVE, MIXTURE OR PREPARATION OF THE PLANT, ITS SEEDS
26 OR ITS RESIN, INCLUDING MARIJUANA CONCENTRATE.

27 (b) DOES NOT INCLUDE INDUSTRIAL HEMP OR FIBER PRODUCED FROM THE
28 STALKS, OIL OR CAKE MADE FROM THE SEEDS OF THE PLANT, A STERILIZED SEED OF
29 THE PLANT THAT IS INCAPABLE OF GERMINATION OR THE WEIGHT OF ANY OTHER
30 INGREDIENT COMBINED WITH MARIJUANA TO PREPARE TOPICAL OR ORAL
31 ADMINISTRATIONS, FOOD, DRINK OR ANOTHER PRODUCT.

32 7. "MARIJUANA ACCESSORIES" MEANS ANY EQUIPMENT, PRODUCTS OR MATERIALS
33 OF ANY KIND THAT ARE USED, INTENDED FOR USE OR DESIGNED FOR USE IN PLANTING,
34 PROPAGATING, CULTIVATING, GROWING, HARVESTING, COMPOSTING, MANUFACTURING,
35 COMPOUNDING, CONVERTING, PRODUCING, PROCESSING, PREPARING, TESTING,
36 ANALYZING, PACKAGING, REPACKAGING, STORING, VAPORIZING OR CONTAINING
37 MARIJUANA, OR FOR INGESTING, INHALING OR OTHERWISE INTRODUCING MARIJUANA INTO
38 THE HUMAN BODY.

39 8. "MARIJUANA CULTIVATION FACILITY" MEANS AN ENTITY THAT IS REGISTERED
40 TO CULTIVATE, PREPARE AND PACKAGE MARIJUANA AND SELL MARIJUANA TO RETAIL
41 MARIJUANA STORES, TO MARIJUANA PRODUCT MANUFACTURING FACILITIES AND TO OTHER
42 MARIJUANA CULTIVATION FACILITIES, BUT NOT TO CONSUMERS.

43 9. "MARIJUANA ESTABLISHMENT" MEANS A MARIJUANA CULTIVATION FACILITY, A
44 MARIJUANA TESTING FACILITY, A MARIJUANA PRODUCT MANUFACTURING FACILITY OR A
45 RETAIL MARIJUANA STORE.

1 10. "MARIJUANA PRODUCT MANUFACTURING FACILITY" MEANS AN ENTITY THAT IS
2 REGISTERED TO PURCHASE MARIJUANA, MANUFACTURE, PREPARE AND PACKAGE MARIJUANA
3 PRODUCTS AND SELL MARIJUANA AND MARIJUANA PRODUCTS TO OTHER MARIJUANA PRODUCT
4 MANUFACTURING FACILITIES AND TO RETAIL MARIJUANA STORES, BUT NOT TO
5 CONSUMERS.

6 11. "MARIJUANA PRODUCTS" MEANS CONCENTRATED MARIJUANA PRODUCTS AND
7 MARIJUANA PRODUCTS THAT ARE COMPOSED OF MARIJUANA AND OTHER INGREDIENTS AND
8 THAT ARE INTENDED FOR USE OR CONSUMPTION, INCLUDING EDIBLE PRODUCTS,
9 OINTMENTS AND TINCTURES.

10 12. "MARIJUANA TESTING FACILITY" MEANS AN ENTITY THAT IS REGISTERED TO
11 ANALYZE AND CERTIFY THE SAFETY AND POTENCY OF MARIJUANA.

12 13. "PUBLIC PLACE" MEANS ANY PLACE TO WHICH THE GENERAL PUBLIC HAS
13 ACCESS.

14 14. "RETAIL MARIJUANA STORE" MEANS AN ENTITY THAT IS REGISTERED TO
15 PURCHASE MARIJUANA FROM MARIJUANA CULTIVATION FACILITIES AND MARIJUANA AND
16 MARIJUANA PRODUCTS FROM MARIJUANA PRODUCT MANUFACTURING FACILITIES AND TO
17 SELL MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS.

18 15. "UNREASONABLY IMPRACTICABLE" MEANS THAT THE MEASURES NECESSARY TO
19 COMPLY WITH THE RULES ADOPTED BY THE DEPARTMENT REQUIRE SUCH A HIGH
20 INVESTMENT OF RISK, MONEY, TIME OR ANY OTHER RESOURCE OR ASSET THAT THE
21 OPERATION OF A MARIJUANA ESTABLISHMENT IS NOT WORTHY OF BEING CARRIED OUT IN
22 PRACTICE BY A REASONABLY PRUDENT BUSINESSPERSON.

23 36-2822. Marijuana; personal use; forfeiture prohibited

24 A. NOTWITHSTANDING ANY OTHER LAW, EXCEPT AS OTHERWISE PROVIDED IN THIS
25 CHAPTER, A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE MAY:

26 1. POSSESS, CONSUME, USE, DISPLAY, PURCHASE OR TRANSPORT MARIJUANA
27 ACCESSORIES OR ONE OUNCE OR LESS OF MARIJUANA.

28 2. POSSESS, GROW, PROCESS OR TRANSPORT NOT MORE THAN FIVE MARIJUANA
29 PLANTS AND THE MARIJUANA PRODUCED BY THE PLANTS ON THE PREMISES WHERE THE
30 PLANTS WERE GROWN.

31 3. TRANSFER ONE OUNCE OR LESS OF MARIJUANA AND UP TO FIVE IMMATURE
32 MARIJUANA PLANTS TO A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE WITHOUT
33 REMUNERATION.

34 4. ASSIST ANOTHER PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IN
35 ANY OF THE ACTS DESCRIBED IN THIS SUBSECTION.

36 B. MARIJUANA AND MARIJUANA ACCESSORIES THAT ARE IN THE POSSESSION OF A
37 PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE PURSUANT TO SUBSECTION A OF
38 THIS SECTION ARE NOT SUBJECT TO SEIZURE OR FORFEITURE IN THIS STATE OR ANY
39 POLITICAL SUBDIVISION OF THIS STATE.

40 36-2823. Personal cultivation; requirements; civil penalty

41 A. IT IS UNLAWFUL FOR A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE
42 TO CULTIVATE A MARIJUANA PLANT UNLESS:

43 1. THE MARIJUANA PLANT IS CULTIVATED IN A LOCATION WHERE THE PLANT IS
44 NOT SUBJECT TO PUBLIC VIEW WITHOUT THE USE OF BINOCULARS, AIRCRAFT OR OTHER
45 OPTICAL AIDS.

1 2. THE PERSON TAKES REASONABLE PRECAUTIONS TO ENSURE THAT THE PLANT IS
2 SECURE FROM UNAUTHORIZED ACCESS AND ACCESS BY A PERSON WHO IS UNDER
3 TWENTY-ONE YEARS OF AGE.

4 3. THE MARIJUANA CULTIVATION OCCURS ONLY ON PROPERTY THAT IS LAWFULLY
5 IN POSSESSION OF THE CULTIVATOR OR WITH THE CONSENT OF THE PERSON WHO IS IN
6 LAWFUL POSSESSION OF THE PROPERTY.

7 B. A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF
8 UP TO SEVEN HUNDRED FIFTY DOLLARS.

9 36-2824. Public smoking prohibited; civil penalty

10 IT IS UNLAWFUL FOR A PERSON TO SMOKE MARIJUANA IN A PUBLIC PLACE. A
11 PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF UP TO FIVE
12 HUNDRED DOLLARS.

13 36-2825. False identification; violation; classification

14 A. A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE MAY NOT PRESENT OR
15 OFFER TO A MARIJUANA ESTABLISHMENT OR THE MARIJUANA ESTABLISHMENT'S AGENT OR
16 EMPLOYEE ANY WRITTEN INSTRUMENT OR ORAL EVIDENCE OF AGE THAT IS FALSE,
17 FRAUDULENT OR NOT ACTUALLY THE PERSON'S OWN FOR THE PURPOSE OF EITHER:

18 1. PURCHASING, ATTEMPTING TO PURCHASE OR OTHERWISE PROCURING OR
19 ATTEMPTING TO PROCURE MARIJUANA.

20 2. GAINING ACCESS TO A MARIJUANA ESTABLISHMENT.

21 B. A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS 1
22 MISDEMEANOR.

23 36-2826. Marijuana accessories

24 NOTWITHSTANDING ANY OTHER LAW, IN THIS STATE AND ANY POLITICAL
25 SUBDIVISION OF THIS STATE, A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE
26 MAY MANUFACTURE, POSSESS AND PURCHASE MARIJUANA ACCESSORIES AND DISTRIBUTE
27 AND SELL MARIJUANA ACCESSORIES TO A PERSON WHO IS AT LEAST TWENTY-ONE YEARS
28 OF AGE.

29 36-2827. Marijuana establishment; authorization; limitation;
30 forfeiture prohibited

31 A. NOTWITHSTANDING ANY OTHER LAW, A PERSON WHO IS AT LEAST TWENTY-ONE
32 YEARS OF AGE AND WHO IS ACTING IN THE PERSON'S CAPACITY AS AN OWNER, EMPLOYEE
33 OR AGENT OF A RETAIL MARIJUANA STORE WITH A CURRENT AND VALID REGISTRATION OR
34 A RETAIL MARIJUANA STORE WITH A CURRENT AND VALID REGISTRATION MAY DO ALL OF
35 THE FOLLOWING IN THIS STATE AND ANY POLITICAL SUBDIVISION OF THIS STATE:

36 1. POSSESS, DISPLAY, STORE AND TRANSPORT MARIJUANA AND MARIJUANA
37 PRODUCTS, IF THE MARIJUANA AND MARIJUANA PRODUCTS ARE NOT DISPLAYED IN A
38 MANNER THAT IS VISIBLE TO THE GENERAL PUBLIC FROM A PUBLIC RIGHT-OF-WAY.

39 2. PURCHASE MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY.

40 3. PURCHASE MARIJUANA AND MARIJUANA PRODUCTS FROM A MARIJUANA PRODUCT
41 MANUFACTURING FACILITY.

42 4. DELIVER, DISTRIBUTE AND SELL MARIJUANA AND MARIJUANA PRODUCTS TO
43 CONSUMERS.

1 5. LEASE OR OTHERWISE ALLOW THE USE OF PROPERTY OWNED, OCCUPIED OR
2 CONTROLLED BY ANY PERSON, CORPORATION OR OTHER ENTITY FOR ANY OF THE
3 ACTIVITIES CONDUCTED LAWFULLY PURSUANT TO THIS SUBSECTION.

4 B. NOTWITHSTANDING ANY OTHER LAW, A PERSON WHO IS AT LEAST TWENTY-ONE
5 YEARS OF AGE AND WHO IS ACTING IN THE PERSON'S CAPACITY AS AN OWNER, EMPLOYEE
6 OR AGENT OF A MARIJUANA CULTIVATION FACILITY WITH A CURRENT AND VALID
7 REGISTRATION OR A MARIJUANA CULTIVATION FACILITY WITH A CURRENT AND VALID
8 REGISTRATION MAY DO ALL OF THE FOLLOWING IN THIS STATE AND ANY POLITICAL
9 SUBDIVISION OF THIS STATE:

10 1. CULTIVATE, HARVEST, PROCESS, PACKAGE, TRANSPORT, DISPLAY, STORE AND
11 POSSESS MARIJUANA.

12 2. DELIVER AND TRANSFER MARIJUANA TO A MARIJUANA TESTING FACILITY.

13 3. DELIVER, DISTRIBUTE AND SELL MARIJUANA TO A MARIJUANA CULTIVATION
14 FACILITY, A MARIJUANA PRODUCT MANUFACTURING FACILITY AND A RETAIL MARIJUANA
15 STORE.

16 4. RECEIVE AND PURCHASE MARIJUANA FROM A MARIJUANA CULTIVATION
17 FACILITY.

18 5. RECEIVE MARIJUANA SEEDS AND IMMATURE MARIJUANA PLANTS FROM A PERSON
19 WHO IS AT LEAST TWENTY-ONE YEARS OF AGE.

20 6. LEASE OR OTHERWISE ALLOW THE USE OF PROPERTY OWNED, OCCUPIED OR
21 CONTROLLED BY ANY PERSON, CORPORATION OR OTHER ENTITY FOR ANY OF THE
22 ACTIVITIES CONDUCTED LAWFULLY PURSUANT TO THIS SUBSECTION.

23 C. NOTWITHSTANDING ANY OTHER LAW, A PERSON WHO IS AT LEAST TWENTY-ONE
24 YEARS OF AGE AND WHO IS ACTING IN THE PERSON'S CAPACITY AS AN OWNER, EMPLOYEE
25 OR AGENT OF A MARIJUANA PRODUCT MANUFACTURING FACILITY WITH A CURRENT AND
26 VALID REGISTRATION OR A MARIJUANA PRODUCT MANUFACTURING FACILITY WITH A
27 CURRENT AND VALID REGISTRATION MAY DO ALL OF THE FOLLOWING IN THIS STATE AND
28 ANY POLITICAL SUBDIVISION OF THIS STATE:

29 1. PACKAGE, PROCESS, TRANSPORT, MANUFACTURE, DISPLAY AND POSSESS
30 MARIJUANA AND MARIJUANA PRODUCTS.

31 2. DELIVER AND TRANSFER MARIJUANA AND MARIJUANA PRODUCTS TO A
32 MARIJUANA TESTING FACILITY.

33 3. DELIVER AND SELL MARIJUANA AND MARIJUANA PRODUCTS TO A RETAIL
34 MARIJUANA STORE AND A MARIJUANA PRODUCT MANUFACTURING FACILITY.

35 4. PURCHASE MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY.

36 5. PURCHASE MARIJUANA AND MARIJUANA PRODUCTS FROM A MARIJUANA PRODUCT
37 MANUFACTURING FACILITY.

38 6. LEASE OR OTHERWISE ALLOW THE USE OF PROPERTY OWNED, OCCUPIED OR
39 CONTROLLED BY ANY PERSON, CORPORATION OR OTHER ENTITY FOR ANY OF THE
40 ACTIVITIES CONDUCTED LAWFULLY PURSUANT TO THIS SUBSECTION.

41 D. NOTWITHSTANDING ANY OTHER LAW, A PERSON WHO IS AT LEAST TWENTY-ONE
42 YEARS OF AGE AND WHO IS ACTING IN THE PERSON'S CAPACITY AS AN OWNER, EMPLOYEE
43 OR AGENT OF A MARIJUANA TESTING FACILITY WITH A CURRENT AND VALID
44 REGISTRATION OR A MARIJUANA TESTING FACILITY WITH A CURRENT AND VALID

1 REGISTRATION MAY DO ALL OF THE FOLLOWING IN THIS STATE AND ANY POLITICAL
2 SUBDIVISION OF THIS STATE:

3 1. POSSESS, CULTIVATE, PROCESS, REPACKAGE, STORE, TRANSPORT OR DISPLAY
4 MARIJUANA.

5 2. RECEIVE MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY, A
6 MARIJUANA RETAIL STORE, A MARIJUANA PRODUCTS MANUFACTURER OR A PERSON WHO IS
7 AT LEAST TWENTY-ONE YEARS OF AGE.

8 3. RETURN MARIJUANA TO A MARIJUANA CULTIVATION FACILITY, A MARIJUANA
9 RETAIL STORE, A MARIJUANA PRODUCT MANUFACTURING FACILITY OR A PERSON WHO IS
10 AT LEAST TWENTY-ONE YEARS OF AGE.

11 4. LEASE OR OTHERWISE ALLOW THE USE OF PROPERTY OWNED, OCCUPIED OR
12 CONTROLLED BY ANY PERSON, CORPORATION OR OTHER ENTITY FOR ANY OF THE
13 ACTIVITIES CONDUCTED LAWFULLY PURSUANT TO THIS SUBSECTION.

14 E. A MARIJUANA CULTIVATION FACILITY MAY NOT PRODUCE MARIJUANA
15 CONCENTRATES, TINCTURES, EXTRACTS OR OTHER MARIJUANA PRODUCTS.

16 F. ANY ITEMS THAT ARE LAWFULLY IN THE POSSESSION OF A PERSON WHO IS AT
17 LEAST TWENTY-ONE YEARS OF AGE AND WHO IS ACTING IN THE PERSON'S CAPACITY AS
18 AN OWNER, EMPLOYEE OR AGENT OF A MARIJUANA ESTABLISHMENT PURSUANT TO THIS
19 SECTION OR OF A MARIJUANA ESTABLISHMENT PURSUANT TO THIS SECTION ARE NOT
20 SUBJECT TO SEIZURE OR FORFEITURE IN THIS STATE OR ANY POLITICAL SUBDIVISION
21 OF THIS STATE.

22 G. THIS SECTION DOES NOT PREVENT THE IMPOSITION OF PENALTIES FOR
23 VIOLATING THIS CHAPTER OR RULES ADOPTED BY THE DEPARTMENT OR A LOCALITY
24 PURSUANT TO THIS CHAPTER.

25 36-2828. Marijuana establishment; registration; application

26 A. EACH APPLICATION OR RENEWAL APPLICATION FOR AN ANNUAL REGISTRATION
27 TO OPERATE A MARIJUANA ESTABLISHMENT MUST BE SUBMITTED TO THE DEPARTMENT. A
28 RENEWAL APPLICATION MAY BE SUBMITTED UP TO NINETY DAYS BEFORE THE EXPIRATION
29 OF THE MARIJUANA ESTABLISHMENT'S REGISTRATION.

30 B. THE DEPARTMENT SHALL BEGIN ACCEPTING AND PROCESSING APPLICATIONS TO
31 OPERATE MARIJUANA ESTABLISHMENTS ONE YEAR AFTER THE EFFECTIVE DATE OF THIS
32 SECTION.

33 C. ON RECEIVING AN APPLICATION OR RENEWAL APPLICATION FOR A MARIJUANA
34 ESTABLISHMENT, THE DEPARTMENT SHALL IMMEDIATELY FORWARD A COPY OF EACH
35 APPLICATION AND HALF OF THE REGISTRATION APPLICATION FEE TO THE LOCAL
36 REGULATORY AUTHORITY FOR THE LOCALITY IN WHICH THE APPLICANT DESIRES TO
37 OPERATE THE MARIJUANA ESTABLISHMENT, UNLESS THE LOCALITY HAS NOT DESIGNATED A
38 LOCAL REGULATORY AUTHORITY.

39 D. AT LEAST FORTY-FIVE BUT NOT MORE THAN NINETY DAYS AFTER RECEIVING
40 AN APPLICATION OR RENEWAL APPLICATION FOR A MARIJUANA ESTABLISHMENT, THE
41 DEPARTMENT SHALL ISSUE AN ANNUAL REGISTRATION TO THE APPLICANT, UNLESS THE
42 DEPARTMENT FINDS THAT THE APPLICANT IS NOT IN COMPLIANCE WITH RULES ENACTED
43 BY THE DEPARTMENT.

44 E. IF AN APPLICATION IS DENIED, THE DEPARTMENT SHALL NOTIFY THE
45 APPLICANT IN WRITING OF THE SPECIFIC REASON FOR THE DENIAL.

1 F. EVERY APPLICANT FOR A MARIJUANA ESTABLISHMENT REGISTRATION SHALL
2 SPECIFY THE LOCATION WHERE THE MARIJUANA ESTABLISHMENT WILL OPERATE. A
3 SEPARATE REGISTRATION IS REQUIRED FOR EACH LOCATION AT WHICH A MARIJUANA
4 ESTABLISHMENT OPERATES.

5 G. MARIJUANA ESTABLISHMENTS AND THE BOOKS AND RECORDS MAINTAINED AND
6 CREATED BY MARIJUANA ESTABLISHMENTS ARE SUBJECT TO INSPECTION BY THE
7 DEPARTMENT.

8 36-2829. Underage possession; forfeiture; drug awareness
9 program; civil penalty

10 NOTWITHSTANDING SECTION 13-3405, A PERSON WHO IS UNDER TWENTY-ONE YEARS
11 OF AGE AND WHO IS FOUND TO POSSESS ONE OUNCE OR LESS OF MARIJUANA SHALL
12 FORFEIT THE MARIJUANA AND COMPLETE UP TO FOUR HOURS OF INSTRUCTION IN A DRUG
13 AWARENESS PROGRAM. IF THE PERSON DOES NOT COMPLETE THE DRUG AWARENESS
14 PROGRAM WITHIN ONE YEAR, THE PERSON IS SUBJECT TO A CIVIL PENALTY OF UP TO
15 THREE HUNDRED DOLLARS.

16 36-2830. Applicability of chapter

17 THIS CHAPTER DOES NOT:

18 1. REQUIRE AN EMPLOYER TO PERMIT OR ACCOMMODATE THE USE, CONSUMPTION,
19 POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, SALE OR GROWING OF MARIJUANA
20 IN THE WORKPLACE OR AFFECT THE ABILITY OF EMPLOYERS TO HAVE POLICIES
21 RESTRICTING THE USE OF MARIJUANA BY EMPLOYEES OR TO DISCIPLINE EMPLOYEES WHO
22 ARE UNDER THE INFLUENCE OF MARIJUANA IN THE WORKPLACE.

23 2. ALLOW DRIVING UNDER THE INFLUENCE OF MARIJUANA OR DRIVING WHILE
24 IMPAIRED BY MARIJUANA OR SUPERSEDE LAWS RELATED TO DRIVING UNDER THE
25 INFLUENCE OF MARIJUANA OR DRIVING WHILE IMPAIRED BY MARIJUANA.

26 3. PERMIT THE TRANSFER OF MARIJUANA, WITH OR WITHOUT REMUNERATION, TO
27 A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE OR ALLOW A PERSON WHO IS UNDER
28 TWENTY-ONE YEARS OF AGE TO PURCHASE, POSSESS, USE, TRANSPORT, GROW OR CONSUME
29 MARIJUANA.

30 4. PROHIBIT A PERSON, EMPLOYER, SCHOOL, HOSPITAL, DETENTION FACILITY
31 OR CORPORATION OR ANY OTHER ENTITY THAT OCCUPIES, OWNS OR CONTROLS A PROPERTY
32 FROM PROHIBITING OR OTHERWISE REGULATING THE POSSESSION, CONSUMPTION, USE,
33 DISPLAY, TRANSFER, DISTRIBUTION, SALE, TRANSPORTATION OR GROWING OF MARIJUANA
34 ON OR IN THAT PROPERTY.

35 5. LIMIT ANY PRIVILEGES OR RIGHTS OF A MEDICAL MARIJUANA PATIENT,
36 PRIMARY CAREGIVER OR MEDICAL MARIJUANA DISPENSARY UNDER CHAPTER 28.1 OF THIS
37 TITLE.

38 36-2831. Research

39 SCIENTIFIC AND MEDICAL RESEARCHERS WHO HAVE PREVIOUSLY PUBLISHED MAY
40 PURCHASE, POSSESS AND SECURELY STORE MARIJUANA FOR PURPOSES OF CONDUCTING
41 RESEARCH. SCIENTIFIC AND MEDICAL RESEARCHERS MAY ADMINISTER AND DISTRIBUTE
42 MARIJUANA TO A RESEARCH PARTICIPANT WHO IS AT LEAST TWENTY-ONE YEARS OF AGE
43 AFTER RECEIVING INFORMED CONSENT FROM THE RESEARCH PARTICIPANT.

1 36-2832. Marijuana regulation fund; transfer

2 THE MARIJUANA REGULATION FUND IS ESTABLISHED CONSISTING OF FEES AND
3 TAXES COLLECTED AND CIVIL PENALTIES IMPOSED UNDER THIS CHAPTER. THE
4 DEPARTMENT SHALL ADMINISTER THE FUND AND SHALL USE THE MONIES IN THE FUND FOR
5 IMPLEMENTATION AND ENFORCEMENT OF THIS CHAPTER. MONIES IN THE FUND ARE
6 CONTINUOUSLY APPROPRIATED. MONIES IN THE FUND SHALL NOT BE TRANSFERRED TO
7 ANY OTHER FUND EXCEPT AS PROVIDED IN SECTION 36-2833.

8 36-2833. Excise tax; deposit; distribution

9 A. AN EXCISE TAX IS LEVIED ON THE SALE OR TRANSFER OF MARIJUANA FROM A
10 MARIJUANA CULTIVATION FACILITY TO A RETAIL MARIJUANA STORE OR MARIJUANA
11 PRODUCT MANUFACTURING FACILITY. EACH MARIJUANA CULTIVATION FACILITY SHALL
12 PAY AN EXCISE TAX AT THE RATE OF FIFTY DOLLARS PER OUNCE, OR PROPORTIONATE
13 PART THEREOF, ON MARIJUANA THAT IS SOLD OR TRANSFERRED FROM A MARIJUANA
14 CULTIVATION FACILITY TO A RETAIL MARIJUANA STORE OR MARIJUANA PRODUCT
15 MANUFACTURING FACILITY.

16 B. THE DEPARTMENT MAY ADJUST THE RATE ANNUALLY TO ACCOUNT FOR
17 INFLATION OR DEFLATION BASED ON THE CONSUMER PRICE INDEX PUBLISHED BY THE
18 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

19 C. ON THE FIFTEENTH DAY OF EACH MONTH, EACH MARIJUANA CULTIVATION
20 FACILITY SHALL PAY TO THE DEPARTMENT THE EXCISE TAXES DUE ON THE MARIJUANA
21 THAT THE MARIJUANA CULTIVATION FACILITY TRANSFERRED OR SOLD IN THE PRIOR
22 CALENDAR MONTH. THE DEPARTMENT SHALL DEPOSIT MONIES COLLECTED PURSUANT TO
23 THIS SUBSECTION IN THE MARIJUANA REGULATION FUND.

24 D. REVENUES GENERATED BY THE TAX IMPOSED PURSUANT TO THIS SECTION IN
25 EXCESS OF THE AMOUNT NEEDED TO IMPLEMENT AND ENFORCE THIS CHAPTER IN ANY
26 FISCAL YEAR MUST BE DISTRIBUTED EVERY THREE MONTHS AS FOLLOWS:

27 1. THIRTY PER CENT TO THE DEPARTMENT OF EDUCATION.

28 2. TEN PER CENT TO THE DEPARTMENT OF HEALTH SERVICES FOR USE IN
29 VOLUNTARY PROGRAMS FOR THE TREATMENT OF ALCOHOL, TOBACCO AND MARIJUANA ABUSE.

30 3. TEN PER CENT TO THE DEPARTMENT OF HEALTH SERVICES FOR A
31 SCIENTIFICALLY AND MEDICALLY ACCURATE PUBLIC EDUCATION CAMPAIGN EDUCATING
32 YOUTH AND ADULTS ABOUT THE HEALTH AND SAFETY RISKS OF ALCOHOL, TOBACCO AND
33 MARIJUANA.

34 4. FIFTY PER CENT TO THE STATE GENERAL FUND.

35 36-2834. Rulemaking; prohibition

36 A. NOT LATER THAN ONE HUNDRED EIGHTY DAYS AFTER THE EFFECTIVE DATE OF
37 THIS SECTION, THE DEPARTMENT SHALL ADOPT RULES NECESSARY FOR IMPLEMENTATION
38 OF THIS CHAPTER. THE RULES MAY NOT PROHIBIT THE OPERATION OF MARIJUANA
39 ESTABLISHMENTS, EITHER EXPRESSLY OR THROUGH RULES THAT MAKE THE OPERATION OF
40 A MARIJUANA ESTABLISHMENT UNREASONABLY IMPRACTICABLE. THE RULES MUST
41 INCLUDE:

42 1. PROCEDURES FOR THE ISSUANCE, RENEWAL, SUSPENSION AND REVOCATION OF
43 A REGISTRATION TO OPERATE A MARIJUANA ESTABLISHMENT CONSISTENT WITH THE
44 REQUIREMENTS OF TITLE 41, CHAPTER 6.

1 2. A SCHEDULE OF APPLICATION, REGISTRATION AND RENEWAL FEES.
2 APPLICATION FEES MAY NOT EXCEED FIVE THOUSAND DOLLARS, ADJUSTED ANNUALLY FOR
3 INFLATION, UNLESS THE DEPARTMENT DETERMINES A GREATER FEE IS NECESSARY TO
4 CARRY OUT THE DEPARTMENT'S RESPONSIBILITIES UNDER THIS CHAPTER.

5 3. QUALIFICATIONS FOR REGISTRATION THAT ARE DIRECTLY AND DEMONSTRABLY
6 RELATED TO THE OPERATION OF A MARIJUANA ESTABLISHMENT.

7 4. SECURITY REQUIREMENTS FOR MARIJUANA ESTABLISHMENTS, INCLUDING FOR
8 THE TRANSPORTATION OF MARIJUANA BY MARIJUANA ESTABLISHMENTS.

9 5. REQUIREMENTS TO PREVENT THE SALE OR DIVERSION OF MARIJUANA AND
10 MARIJUANA PRODUCTS TO PERSONS WHO ARE UNDER TWENTY-ONE YEARS OF AGE.

11 6. LABELING REQUIREMENTS FOR MARIJUANA AND MARIJUANA PRODUCTS THAT ARE
12 SOLD OR DISTRIBUTED BY A MARIJUANA ESTABLISHMENT.

13 7. HEALTH AND SAFETY REGULATIONS AND STANDARDS FOR THE MANUFACTURE OF
14 MARIJUANA PRODUCTS AND BOTH THE INDOOR AND OUTDOOR CULTIVATION OF MARIJUANA
15 BY MARIJUANA ESTABLISHMENTS.

16 8. RESTRICTIONS ON THE ADVERTISING AND DISPLAY OF MARIJUANA AND
17 MARIJUANA PRODUCTS.

18 9. CIVIL PENALTIES FOR THE FAILURE TO COMPLY WITH RULES ADOPTED
19 PURSUANT TO THIS CHAPTER.

20 10. PROCEDURES FOR COLLECTING TAXES LEVIED ON MARIJUANA CULTIVATION
21 FACILITIES.

22 B. IN ORDER TO ENSURE THAT INDIVIDUAL PRIVACY IS PROTECTED, THE
23 DEPARTMENT MAY NOT REQUIRE A CONSUMER TO PROVIDE A RETAIL MARIJUANA STORE
24 WITH PERSONAL INFORMATION OTHER THAN GOVERNMENT-ISSUED IDENTIFICATION TO
25 DETERMINE THE CONSUMER'S AGE, AND A RETAIL MARIJUANA STORE IS NOT REQUIRED TO
26 ACQUIRE AND RECORD PERSONAL INFORMATION ABOUT CONSUMERS.

27 Sec. 2. Conforming legislation

28 The legislative council staff shall prepare proposed legislation
29 conforming the Arizona Revised Statutes to the provisions of this act for
30 consideration in the fifty-second legislature, first regular session.

31 Sec. 3. Requirements for enactment: two-thirds vote

32 Pursuant to article IX, section 22, Constitution of Arizona, this act
33 is effective only on the affirmative vote of at least two-thirds of the
34 members of each house of the legislature and is effective immediately on the
35 signature of the governor or, if the governor vetoes this act, on the
36 subsequent affirmative vote of at least three-fourths of the members of each
37 house of the legislature.