

REFERENCE TITLE: **marijuana; regulation; taxation**

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

HB 2003

Introduced by
Representative Cardenas

AN ACT

AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28.2;
AMENDING TITLE 42, CHAPTER 3, ARIZONA REVISED STATUTES, BY ADDING ARTICLE
13; 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 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
10 AGE AND WHO PURCHASES MARIJUANA OR MARIJUANA PRODUCTS FOR PERSONAL USE OR
11 USE BY PERSONS WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE, BUT NOT FOR
12 RESALE TO 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
17 PERCENT ON A DRY-WEIGHT BASIS.

18 4. "LOCALITY" MEANS A CITY, TOWN OR COUNTY.

19 5. "LOCAL REGULATORY AUTHORITY" MEANS THE OFFICE OR ENTITY THAT IS
20 DESIGNATED BY A LOCALITY TO PROCESS MARIJUANA ESTABLISHMENT APPLICATIONS.

21 6. "MARIJUANA":

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

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

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

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

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

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

6 11. "MARIJUANA PRODUCTS" MEANS CONCENTRATED MARIJUANA PRODUCTS AND
7 MARIJUANA PRODUCTS THAT ARE COMPOSED OF MARIJUANA AND OTHER INGREDIENTS
8 AND 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
11 TO 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 36-2822. Marijuana: personal use; forfeiture prohibited

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

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

23 2. POSSESS, GROW, PROCESS OR TRANSPORT NOT MORE THAN FIVE MARIJUANA
24 PLANTS AND THE MARIJUANA PRODUCED BY THE PLANTS ON THE PREMISES WHERE THE
25 PLANTS WERE GROWN.

26 3. TRANSFER, WITHOUT REMUNERATION, ONE OUNCE OR LESS OF MARIJUANA
27 AND NOT MORE THAN FIVE IMMATURE MARIJUANA PLANTS TO A PERSON WHO IS AT
28 LEAST TWENTY-ONE YEARS OF AGE.

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

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

35 36-2823. Personal cultivation; requirements; civil penalty

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

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

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

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

4 B. A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY
5 OF NOT MORE THAN SEVEN HUNDRED FIFTY DOLLARS.

6 36-2824. Public smoking prohibited; civil penalty

7 IT IS UNLAWFUL FOR A PERSON TO SMOKE MARIJUANA IN A PUBLIC PLACE. A
8 PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF NOT MORE
9 THAN FIVE HUNDRED DOLLARS.

10 36-2825. False identification; violation; classification

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

15 1. PURCHASING, ATTEMPTING TO PURCHASE OR OTHERWISE PROCURING OR
16 ATTEMPTING TO PROCURE MARIJUANA.

17 2. GAINING ACCESS TO A MARIJUANA ESTABLISHMENT.

18 B. A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS 1
19 MISDEMEANOR.

20 36-2826. Marijuana accessories

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

26 36-2827. Marijuana establishments; authorization; limitation;
27 forfeiture prohibited

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

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

37 2. PURCHASE MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY.

38 3. PURCHASE MARIJUANA AND MARIJUANA PRODUCTS FROM A MARIJUANA
39 PRODUCT MANUFACTURING FACILITY.

40 4. DELIVER, DISTRIBUTE AND SELL MARIJUANA AND MARIJUANA PRODUCTS TO
41 CONSUMERS.

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

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

7 1. CULTIVATE, HARVEST, PROCESS, PACKAGE, TRANSPORT, DISPLAY, STORE
8 AND POSSESS MARIJUANA.

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

10 3. DELIVER, DISTRIBUTE AND SELL MARIJUANA TO A MARIJUANA
11 CULTIVATION FACILITY, A MARIJUANA PRODUCT MANUFACTURING FACILITY AND A
12 RETAIL MARIJUANA STORE.

13 4. RECEIVE AND PURCHASE MARIJUANA FROM A MARIJUANA CULTIVATION
14 FACILITY.

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

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

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

26 1. PACKAGE, PROCESS, TRANSPORT, MANUFACTURE, DISPLAY AND POSSESS
27 MARIJUANA AND MARIJUANA PRODUCTS.

28 2. DELIVER AND TRANSFER MARIJUANA AND MARIJUANA PRODUCTS TO A
29 MARIJUANA TESTING FACILITY.

30 3. DELIVER AND SELL MARIJUANA AND MARIJUANA PRODUCTS TO A RETAIL
31 MARIJUANA STORE AND A MARIJUANA PRODUCT MANUFACTURING FACILITY.

32 4. PURCHASE MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY.

33 5. PURCHASE MARIJUANA AND MARIJUANA PRODUCTS FROM A MARIJUANA
34 PRODUCT MANUFACTURING FACILITY.

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

38 D. NOTWITHSTANDING ANY OTHER LAW, A MARIJUANA TESTING FACILITY WITH
39 A CURRENT AND VALID REGISTRATION OR A PERSON WHO IS AT LEAST TWENTY-ONE
40 YEARS OF AGE AND WHO IS ACTING IN THE PERSON'S CAPACITY AS AN OWNER,
41 EMPLOYEE OR AGENT OF A MARIJUANA TESTING FACILITY WITH A CURRENT AND VALID
42 REGISTRATION MAY DO ALL OF THE FOLLOWING IN THIS STATE AND ANY POLITICAL
43 SUBDIVISION OF THIS STATE:

44 1. POSSESS, CULTIVATE, PROCESS, REPACKAGE, STORE, TRANSPORT OR
45 DISPLAY MARIJUANA.

1 2. RECEIVE MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY, A
2 MARIJUANA RETAIL STORE, A MARIJUANA PRODUCT MANUFACTURING FACILITY OR A
3 PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE.

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

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

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

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

18 G. THIS SECTION DOES NOT PREVENT THE IMPOSITION OF PENALTIES FOR
19 VIOLATING THIS CHAPTER OR RULES ADOPTED BY THE DEPARTMENT OR A LOCALITY
20 PURSUANT TO THIS CHAPTER.

21 36-2828. Marijuana establishments; registration; application;
22 inspection

23 A. A MARIJUANA ESTABLISHMENT SHALL SUBMIT TO THE DEPARTMENT AN
24 APPLICATION OR RENEWAL APPLICATION FOR AN ANNUAL REGISTRATION TO OPERATE.
25 A RENEWAL APPLICATION MAY BE SUBMITTED UP TO NINETY DAYS BEFORE THE
26 EXPIRATION OF THE MARIJUANA ESTABLISHMENT'S REGISTRATION.

27 B. THE DEPARTMENT SHALL BEGIN ACCEPTING AND PROCESSING APPLICATIONS
28 TO OPERATE MARIJUANA ESTABLISHMENTS ONE YEAR AFTER THE EFFECTIVE DATE OF
29 THIS SECTION.

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

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

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

43 F. EVERY APPLICANT FOR A MARIJUANA ESTABLISHMENT REGISTRATION SHALL
44 SPECIFY THE LOCATION WHERE THE MARIJUANA ESTABLISHMENT WILL OPERATE. A

1 SEPARATE REGISTRATION IS REQUIRED FOR EACH LOCATION AT WHICH A MARIJUANA
2 ESTABLISHMENT OPERATES.

3 G. THE DEPARTMENT MAY INSPECT MARIJUANA ESTABLISHMENTS AND THE
4 BOOKS AND RECORDS MAINTAINED AND CREATED BY MARIJUANA ESTABLISHMENTS.

5 36-2829. Underage possession; forfeiture; drug awareness
6 program; civil penalty

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

13 36-2830. Applicability of chapter

14 THIS CHAPTER DOES NOT:

15 1. REQUIRE AN EMPLOYER TO ALLOW OR ACCOMMODATE THE USE,
16 CONSUMPTION, POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, SALE OR
17 GROWING OF MARIJUANA IN THE WORKPLACE.

18 2. AFFECT THE ABILITY OF EMPLOYERS TO HAVE POLICIES RESTRICTING THE
19 USE OF MARIJUANA BY EMPLOYEES OR TO DISCIPLINE EMPLOYEES WHO ARE UNDER THE
20 INFLUENCE OF MARIJUANA IN THE WORKPLACE.

21 3. ALLOW DRIVING UNDER THE INFLUENCE OF MARIJUANA OR DRIVING WHILE
22 IMPAIRED BY MARIJUANA OR SUPERSEDE LAWS RELATED TO DRIVING UNDER THE
23 INFLUENCE OF MARIJUANA OR DRIVING WHILE IMPAIRED BY MARIJUANA.

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

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

33 6. LIMIT ANY PRIVILEGES OR RIGHTS OF A MEDICAL MARIJUANA PATIENT,
34 PRIMARY CAREGIVER OR MEDICAL MARIJUANA DISPENSARY UNDER CHAPTER 28.1 OF
35 THIS TITLE.

36 36-2831. Research

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

43 36-2832. Marijuana regulation fund; transfer

44 THE MARIJUANA REGULATION FUND IS ESTABLISHED CONSISTING OF FEES AND
45 TAXES COLLECTED AND CIVIL PENALTIES IMPOSED UNDER THIS CHAPTER. THE

1 DEPARTMENT SHALL ADMINISTER THE FUND AND SHALL USE THE MONIES IN THE FUND
2 FOR IMPLEMENTATION AND ENFORCEMENT OF THIS CHAPTER. MONIES IN THE FUND ARE
3 CONTINUOUSLY APPROPRIATED. MONIES IN THE FUND MAY NOT BE TRANSFERRED TO
4 ANY OTHER FUND EXCEPT AS PROVIDED IN SECTION 42-3552.

5 36-2833. Consumer privacy

6 TO ENSURE THAT INDIVIDUAL PRIVACY IS PROTECTED, THE DEPARTMENT MAY
7 NOT REQUIRE A CONSUMER TO PROVIDE A RETAIL MARIJUANA STORE WITH PERSONAL
8 INFORMATION OTHER THAN GOVERNMENT-ISSUED IDENTIFICATION TO DETERMINE THE
9 CONSUMER'S AGE, AND A RETAIL MARIJUANA STORE IS NOT REQUIRED TO ACQUIRE
10 AND RECORD PERSONAL INFORMATION ABOUT CONSUMERS.

11 Sec. 2. Title 42, chapter 3, Arizona Revised Statutes, is amended
12 by adding article 13, to read:

13 ARTICLE 13. MARIJUANA

14 42-3551. Definitions

15 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

16 1. "MARIJUANA" HAS THE SAME MEANING PRESCRIBED IN SECTION 36-2821.

17 2. "MARIJUANA CULTIVATION FACILITY" HAS THE SAME MEANING PRESCRIBED
18 IN SECTION 36-2821.

19 3. "MARIJUANA PRODUCT MANUFACTURING FACILITY" HAS THE SAME MEANING
20 PRESCRIBED IN SECTION 36-2821.

21 4. "RETAIL MARIJUANA STORE" HAS THE SAME MEANING PRESCRIBED IN
22 SECTION 36-2821.

23 42-3552. Levy and collection of tax on marijuana; disposition
24 of monies

25 A. THERE IS LEVIED AND SHALL BE COLLECTED BY THE DEPARTMENT IN THE
26 MANNER PROVIDED BY THIS CHAPTER A TAX AT THE RATE OF FIFTY DOLLARS PER
27 OUNCE, OR PROPORTIONATE PART THEREOF, ON THE SALE OR TRANSFER OF MARIJUANA
28 FROM A MARIJUANA CULTIVATION FACILITY TO A RETAIL MARIJUANA STORE OR
29 MARIJUANA PRODUCT MANUFACTURING FACILITY.

30 B. THE DEPARTMENT OF HEALTH SERVICES MAY ADJUST THE RATE ANNUALLY
31 TO ACCOUNT FOR INFLATION OR DEFLATION BASED ON THE CONSUMER PRICE INDEX
32 PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR
33 STATISTICS.

34 C. NOTWITHSTANDING SECTION 42-3102, THE DEPARTMENT SHALL DEPOSIT,
35 PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES LEVIED AND COLLECTED
36 PURSUANT TO THIS SECTION IN THE MARIJUANA REGULATION FUND ESTABLISHED BY
37 SECTION 36-2832.

38 D. THE DEPARTMENT OF REVENUE SHALL DISTRIBUTE, EVERY THREE MONTHS,
39 REVENUES GENERATED BY THE TAX IMPOSED PURSUANT TO THIS SECTION IN EXCESS
40 OF THE AMOUNT NEEDED TO IMPLEMENT AND ENFORCE TITLE 36, CHAPTER 28.2 IN
41 ANY FISCAL YEAR AS FOLLOWS:

42 1. THIRTY PERCENT TO THE DEPARTMENT OF EDUCATION.

43 2. TEN PERCENT TO THE DEPARTMENT OF HEALTH SERVICES FOR USE IN
44 VOLUNTARY PROGRAMS FOR THE TREATMENT OF ALCOHOL, TOBACCO AND MARIJUANA
45 ABUSE.

1 3. TEN PERCENT TO THE DEPARTMENT OF HEALTH SERVICES FOR A
2 SCIENTIFICALLY AND MEDICALLY ACCURATE PUBLIC EDUCATION CAMPAIGN EDUCATING
3 YOUTH AND ADULTS ABOUT THE HEALTH AND SAFETY RISKS OF ALCOHOL, TOBACCO AND
4 MARIJUANA.

5 4. FIFTY PERCENT TO THE STATE GENERAL FUND.

6 Sec. 3. Rulemaking; definition

7 A. Not later than one hundred eighty days after the effective date
8 of this act, the department of health services shall adopt rules necessary
9 for implementation of this act. The rules may not prohibit the operation
10 of marijuana establishments, either expressly or through rules that make
11 the operation of a marijuana establishment unreasonably impracticable.
12 The rules shall include:

13 1. Procedures for the issuance, renewal, suspension and revocation
14 of a registration to operate a marijuana establishment consistent with the
15 requirements of title 41, chapter 6, Arizona Revised Statutes.

16 2. A schedule of application, registration and renewal fees.
17 Application fees may not exceed five thousand dollars, adjusted annually
18 for inflation, unless the department determines a greater fee is necessary
19 to carry out the department's responsibilities under this act.

20 3. Qualifications for registration that are directly and
21 demonstrably related to the operation of a marijuana establishment.

22 4. Security requirements for marijuana establishments, including
23 for the transportation of marijuana by marijuana establishments.

24 5. Requirements to prevent the sale or diversion of marijuana and
25 marijuana products to persons who are under twenty-one years of age.

26 6. Labeling requirements for marijuana and marijuana products that
27 are sold or distributed by a marijuana establishment.

28 7. Health and safety regulations and standards for the manufacture
29 of marijuana products and both the indoor and outdoor cultivation of
30 marijuana by marijuana establishments.

31 8. Restrictions on the advertising and display of marijuana and
32 marijuana products.

33 9. Civil penalties for the failure to comply with rules adopted
34 pursuant to this section.

35 10. Procedures for collecting taxes levied on marijuana cultivation
36 facilities.

37 B. For the purposes of this section, "unreasonably impracticable"
38 means that the measures necessary to comply with the rules adopted by the
39 department require such a high investment of risk, money, time or any
40 other resource or asset that the operation of a marijuana establishment is
41 not worth being carried out in practice by a reasonably prudent
42 businessperson.

1 Sec. 4. Conforming legislation

2 The legislative council staff shall prepare proposed legislation
3 conforming the Arizona Revised Statutes to the provisions of this act for
4 consideration in the fifty-third legislature, second regular session.

5 Sec. 5. Requirements for enactment; two-thirds vote

6 Pursuant to article IX, section 22, Constitution of Arizona, this
7 act is effective only on the affirmative vote of at least two-thirds of
8 the members of each house of the legislature and is effective immediately
9 on the signature of the governor or, if the governor vetoes this act, on
10 the subsequent affirmative vote of at least three-fourths of the members
11 of each house of the legislature.