

REFERENCE TITLE: cannabis; regulation; taxation

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

HB 2477

Introduced by
Representatives Mendez, Cardenas: Gabaldón, Velasquez

AN ACT

AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28.2; AMENDING TITLE 42, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 10; RELATING TO THE REGULATION OF CANNABIS.

(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 CANNABIS

6 ARTICLE 1. GENERAL PROVISIONS

7 36-2821. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "CANNABIS":

10 (a) MEANS ALL PARTS OF THE PLANT OF THE GENUS CANNABIS, THE SEEDS OF
11 THE PLANT, THE RESIN EXTRACTED FROM ANY PART OF THE PLANT AND EVERY COMPOUND,
12 MANUFACTURE, SALT, DERIVATIVE, MIXTURE OR PREPARATION OF THE PLANT, ITS SEEDS
13 OR ITS RESIN, INCLUDING CANNABIS CONCENTRATE.

14 (b) DOES NOT INCLUDE INDUSTRIAL HEMP OR FIBER PRODUCED FROM THE
15 STALKS, OIL OR CAKE MADE FROM THE SEEDS OF THE PLANT, A STERILIZED SEED OF
16 THE PLANT THAT IS INCAPABLE OF GERMINATION OR THE WEIGHT OF ANY OTHER
17 INGREDIENT COMBINED WITH CANNABIS TO PREPARE TOPICAL OR ORAL ADMINISTRATIONS,
18 FOOD, DRINK OR ANOTHER PRODUCT.

19 2. "CANNABIS ACCESSORIES" MEANS ANY EQUIPMENT, PRODUCTS OR MATERIALS
20 OF ANY KIND THAT ARE USED, INTENDED FOR USE OR DESIGNED FOR USE IN PLANTING,
21 PROPAGATING, CULTIVATING, GROWING, HARVESTING, COMPOSTING, MANUFACTURING,
22 COMPOUNDING, CONVERTING, PRODUCING, PROCESSING, PREPARING, TESTING,
23 ANALYZING, PACKAGING, REPACKAGING, STORING, VAPORIZING OR CONTAINING
24 CANNABIS, OR FOR INGESTING, INHALING OR OTHERWISE INTRODUCING CANNABIS INTO
25 THE HUMAN BODY.

26 3. "CANNABIS CULTIVATION FACILITY" MEANS AN ENTITY THAT IS REGISTERED
27 TO CULTIVATE, PREPARE AND PACKAGE CANNABIS AND SELL CANNABIS TO RETAIL
28 CANNABIS STORES, TO CANNABIS PRODUCT MANUFACTURING FACILITIES AND TO OTHER
29 CANNABIS CULTIVATION FACILITIES, BUT NOT TO CONSUMERS.

30 4. "CANNABIS ESTABLISHMENT" MEANS A CANNABIS CULTIVATION FACILITY, A
31 CANNABIS TESTING FACILITY, A CANNABIS PRODUCT MANUFACTURING FACILITY OR A
32 RETAIL CANNABIS STORE.

33 5. "CANNABIS PRODUCT MANUFACTURING FACILITY" MEANS AN ENTITY THAT IS
34 REGISTERED TO PURCHASE CANNABIS, MANUFACTURE, PREPARE AND PACKAGE CANNABIS
35 PRODUCTS AND SELL CANNABIS AND CANNABIS PRODUCTS TO OTHER CANNABIS PRODUCT
36 MANUFACTURING FACILITIES AND TO RETAIL CANNABIS STORES, BUT NOT TO CONSUMERS.

37 6. "CANNABIS PRODUCTS" MEANS CONCENTRATED CANNABIS PRODUCTS AND
38 CANNABIS PRODUCTS THAT ARE COMPOSED OF CANNABIS AND OTHER INGREDIENTS AND
39 THAT ARE INTENDED FOR USE OR CONSUMPTION, INCLUDING EDIBLE PRODUCTS,
40 OINTMENTS AND TINCTURES.

41 7. "CANNABIS TESTING FACILITY" MEANS AN ENTITY THAT IS REGISTERED TO
42 ANALYZE AND CERTIFY THE SAFETY AND POTENCY OF CANNABIS.

43 8. "CONSUMER" MEANS A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE
44 AND WHO PURCHASES CANNABIS OR CANNABIS PRODUCTS FOR PERSONAL USE OR USE BY
45 PERSONS WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE, BUT NOT FOR RESALE TO
46 OTHERS.

- 1 9. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES.
- 2 10. "INDUSTRIAL HEMP" MEANS THE PLANT OF THE GENUS CANNABIS AND ANY
3 PART OF THAT PLANT, WHETHER GROWING OR NOT, WITH A DELTA-9
4 TETRAHYDROCANNABINOL CONCENTRATION THAT DOES NOT EXCEED THREE-TENTHS PERCENT
5 ON A DRY-WEIGHT BASIS.
- 6 11. "LOCAL REGULATORY AUTHORITY" MEANS THE OFFICE OR ENTITY THAT IS
7 DESIGNATED BY A LOCALITY TO PROCESS CANNABIS ESTABLISHMENT APPLICATIONS.
- 8 12. "LOCALITY" MEANS A CITY, TOWN OR COUNTY.
- 9 13. "PUBLIC PLACE" MEANS ANY PLACE TO WHICH THE GENERAL PUBLIC HAS
10 ACCESS.
- 11 14. "RETAIL CANNABIS STORE" MEANS AN ENTITY THAT IS REGISTERED TO
12 PURCHASE CANNABIS FROM CANNABIS CULTIVATION FACILITIES AND CANNABIS AND
13 CANNABIS PRODUCTS FROM CANNABIS PRODUCT MANUFACTURING FACILITIES AND TO SELL
14 CANNABIS AND CANNABIS PRODUCTS TO CONSUMERS.
- 15 15. "UNREASONABLY IMPRACTICABLE" MEANS THAT THE MEASURES NECESSARY TO
16 COMPLY WITH THE RULES ADOPTED BY THE DEPARTMENT REQUIRE SUCH A HIGH
17 INVESTMENT OF RISK, MONEY, TIME OR ANY OTHER RESOURCE OR ASSET THAT THE
18 OPERATION OF A CANNABIS ESTABLISHMENT IS NOT WORTHY OF BEING CARRIED OUT IN
19 PRACTICE BY A REASONABLY PRUDENT BUSINESSPERSON.
- 20 36-2822. Cannabis; personal use; forfeiture prohibited
- 21 A. NOTWITHSTANDING ANY OTHER LAW, EXCEPT AS OTHERWISE PROVIDED IN THIS
22 CHAPTER, A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE MAY:
- 23 1. POSSESS, CONSUME, USE, DISPLAY, PURCHASE OR TRANSPORT CANNABIS
24 ACCESSORIES OR ONE OUNCE OR LESS OF CANNABIS.
- 25 2. POSSESS, GROW, PROCESS OR TRANSPORT NOT MORE THAN FIVE CANNABIS
26 PLANTS AND THE CANNABIS PRODUCED BY THE PLANTS ON THE PREMISES WHERE THE
27 PLANTS WERE GROWN.
- 28 3. TRANSFER ONE OUNCE OR LESS OF CANNABIS AND NOT MORE THAN FIVE
29 IMMATURE CANNABIS PLANTS TO A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE
30 WITHOUT REMUNERATION.
- 31 4. ASSIST ANOTHER PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IN
32 ANY OF THE ACTS DESCRIBED IN THIS SUBSECTION.
- 33 B. CANNABIS AND CANNABIS ACCESSORIES THAT ARE IN THE POSSESSION OF A
34 PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE PURSUANT TO SUBSECTION A OF
35 THIS SECTION ARE NOT SUBJECT TO SEIZURE OR FORFEITURE IN THIS STATE OR ANY
36 POLITICAL SUBDIVISION OF THIS STATE.
- 37 36-2823. Personal cultivation; requirements; civil penalty
- 38 A. IT IS UNLAWFUL FOR A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE
39 TO CULTIVATE A CANNABIS PLANT UNLESS:
- 40 1. THE CANNABIS PLANT IS CULTIVATED IN A LOCATION WHERE THE PLANT IS
41 NOT SUBJECT TO PUBLIC VIEW WITHOUT THE USE OF BINOCULARS, AIRCRAFT OR OTHER
42 OPTICAL AIDS.
- 43 2. THE PERSON TAKES REASONABLE PRECAUTIONS TO ENSURE THAT THE PLANT IS
44 SECURE FROM UNAUTHORIZED ACCESS AND ACCESS BY A PERSON WHO IS UNDER
45 TWENTY-ONE YEARS OF AGE.

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

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

6 36-2824. Public smoking prohibited; civil penalty

7 IT IS UNLAWFUL FOR A PERSON TO SMOKE CANNABIS IN A PUBLIC PLACE. A
8 PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF NOT MORE
9 THAN TWO HUNDRED FIFTY 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 CANNABIS ESTABLISHMENT OR THE CANNABIS ESTABLISHMENT'S AGENT OR
13 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 CANNABIS.

17 2. GAINING ACCESS TO A CANNABIS ESTABLISHMENT.

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

20 36-2826. Cannabis 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 AGE
23 MAY MANUFACTURE, POSSESS AND PURCHASE CANNABIS ACCESSORIES AND DISTRIBUTE AND
24 SELL CANNABIS ACCESSORIES TO A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF
25 AGE.

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

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

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

37 2. PURCHASE CANNABIS FROM A CANNABIS CULTIVATION FACILITY.

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

40 4. DELIVER, DISTRIBUTE AND SELL CANNABIS AND CANNABIS 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.

45 B. NOTWITHSTANDING ANY OTHER LAW, A CANNABIS CULTIVATION FACILITY WITH
46 A CURRENT AND VALID REGISTRATION OR A PERSON WHO IS AT LEAST TWENTY-ONE YEARS

1 OF AGE AND WHO IS ACTING IN THE PERSON'S CAPACITY AS AN OWNER, EMPLOYEE OR
2 AGENT OF A CANNABIS CULTIVATION FACILITY WITH A CURRENT AND VALID
3 REGISTRATION MAY DO ALL OF THE FOLLOWING IN THIS STATE AND ANY POLITICAL
4 SUBDIVISION OF THIS STATE:

5 1. CULTIVATE, HARVEST, PROCESS, PACKAGE, TRANSPORT, DISPLAY, STORE AND
6 POSSESS CANNABIS.

7 2. DELIVER AND TRANSFER CANNABIS TO A CANNABIS TESTING FACILITY.

8 3. DELIVER, DISTRIBUTE AND SELL CANNABIS TO A CANNABIS CULTIVATION
9 FACILITY, A CANNABIS PRODUCT MANUFACTURING FACILITY AND A RETAIL CANNABIS
10 STORE.

11 4. RECEIVE AND PURCHASE CANNABIS FROM A CANNABIS CULTIVATION FACILITY.

12 5. RECEIVE CANNABIS SEEDS AND IMMATURE CANNABIS PLANTS FROM A PERSON
13 WHO IS AT LEAST TWENTY-ONE YEARS OF AGE.

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

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

23 1. PACKAGE, PROCESS, TRANSPORT, MANUFACTURE, DISPLAY AND POSSESS
24 CANNABIS AND CANNABIS PRODUCTS.

25 2. DELIVER AND TRANSFER CANNABIS AND CANNABIS PRODUCTS TO A CANNABIS
26 TESTING FACILITY.

27 3. DELIVER AND SELL CANNABIS AND CANNABIS PRODUCTS TO A RETAIL
28 CANNABIS STORE AND A CANNABIS PRODUCT MANUFACTURING FACILITY.

29 4. PURCHASE CANNABIS FROM A CANNABIS CULTIVATION FACILITY.

30 5. PURCHASE CANNABIS AND CANNABIS PRODUCTS FROM A CANNABIS PRODUCT
31 MANUFACTURING FACILITY.

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

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

41 1. POSSESS, CULTIVATE, PROCESS, REPACKAGE, STORE, TRANSPORT OR DISPLAY
42 CANNABIS.

43 2. RECEIVE CANNABIS FROM A CANNABIS CULTIVATION FACILITY, A CANNABIS
44 RETAIL STORE, A CANNABIS PRODUCT MANUFACTURING FACILITY OR A PERSON WHO IS AT
45 LEAST TWENTY-ONE YEARS OF AGE.

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

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

7 E. A CANNABIS CULTIVATION FACILITY MAY NOT PRODUCE CANNABIS
8 CONCENTRATES, TINCTURES, EXTRACTS OR OTHER CANNABIS PRODUCTS. A CANNABIS
9 CULTIVATION FACILITY MAY NOT USE PESTICIDES IN THE CULTIVATION OF CANNABIS.

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

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

19 36-2828. Cannabis establishments; registration; application;
20 inspection

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

25 B. THE DEPARTMENT SHALL BEGIN ACCEPTING AND PROCESSING APPLICATIONS TO
26 OPERATE CANNABIS ESTABLISHMENTS ONE YEAR AFTER THE EFFECTIVE DATE OF THIS
27 SECTION.

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

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

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

41 F. EVERY APPLICANT FOR A CANNABIS ESTABLISHMENT REGISTRATION SHALL
42 SPECIFY THE LOCATION WHERE THE CANNABIS ESTABLISHMENT WILL OPERATE. A
43 SEPARATE REGISTRATION IS REQUIRED FOR EACH LOCATION AT WHICH A CANNABIS
44 ESTABLISHMENT OPERATES.

45 G. THE DEPARTMENT MAY INSPECT CANNABIS ESTABLISHMENTS AND THE BOOKS
46 AND RECORDS MAINTAINED AND CREATED BY CANNABIS ESTABLISHMENTS.

1 36-2829. Underage possession; forfeiture; drug awareness
2 program; civil penalty

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

9 36-2830. Applicability of chapter

10 THIS CHAPTER DOES NOT:

11 1. REQUIRE AN EMPLOYER TO PERMIT OR ACCOMMODATE THE USE, CONSUMPTION,
12 POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, SALE OR GROWING OF CANNABIS IN
13 THE WORKPLACE.

14 2. AFFECT THE ABILITY OF EMPLOYERS TO HAVE POLICIES RESTRICTING THE
15 USE OF CANNABIS BY EMPLOYEES OR TO DISCIPLINE EMPLOYEES WHO ARE UNDER THE
16 INFLUENCE OF CANNABIS IN THE WORKPLACE.

17 3. ALLOW DRIVING UNDER THE INFLUENCE OF CANNABIS OR DRIVING WHILE
18 IMPAIRED BY CANNABIS OR SUPERSEDE LAWS RELATED TO DRIVING UNDER THE INFLUENCE
19 OF CANNABIS OR DRIVING WHILE IMPAIRED BY CANNABIS.

20 4. PERMIT THE TRANSFER OF CANNABIS, WITH OR WITHOUT REMUNERATION, TO A
21 PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE OR ALLOW A PERSON WHO IS UNDER
22 TWENTY-ONE YEARS OF AGE TO PURCHASE, POSSESS, USE, TRANSPORT, GROW OR CONSUME
23 CANNABIS.

24 5. PROHIBIT A PERSON, EMPLOYER, SCHOOL, HOSPITAL, DETENTION FACILITY
25 OR CORPORATION OR ANY OTHER ENTITY THAT OCCUPIES, OWNS OR CONTROLS A PROPERTY
26 FROM PROHIBITING OR OTHERWISE REGULATING THE POSSESSION, CONSUMPTION, USE,
27 DISPLAY, TRANSFER, DISTRIBUTION, SALE, TRANSPORTATION OR GROWING OF CANNABIS
28 ON OR IN THAT PROPERTY.

29 6. LIMIT ANY PRIVILEGES OR RIGHTS OF A MEDICAL MARIJUANA PATIENT,
30 PRIMARY CAREGIVER OR MEDICAL MARIJUANA DISPENSARY UNDER CHAPTER 28.1 OF THIS
31 TITLE.

32 36-2831. Research

33 SCIENTIFIC AND MEDICAL RESEARCHERS WHO HAVE PREVIOUSLY PUBLISHED MAY
34 PURCHASE, POSSESS AND SECURELY STORE CANNABIS FOR PURPOSES OF CONDUCTING
35 RESEARCH. SCIENTIFIC AND MEDICAL RESEARCHERS MAY ADMINISTER AND DISTRIBUTE
36 CANNABIS TO A RESEARCH PARTICIPANT WHO IS AT LEAST TWENTY-ONE YEARS OF AGE
37 AFTER RECEIVING INFORMED CONSENT FROM THE RESEARCH PARTICIPANT.

38 36-2832. Cannabis regulation fund; transfer

39 THE CANNABIS REGULATION FUND IS ESTABLISHED CONSISTING OF FEES AND
40 TAXES COLLECTED AND CIVIL PENALTIES IMPOSED UNDER THIS CHAPTER. THE
41 DEPARTMENT SHALL ADMINISTER THE FUND AND SHALL USE THE MONIES IN THE FUND FOR
42 IMPLEMENTATION AND ENFORCEMENT OF THIS CHAPTER. MONIES IN THE FUND ARE
43 CONTINUOUSLY APPROPRIATED. MONIES IN THE FUND MAY NOT BE TRANSFERRED TO ANY
44 OTHER FUND EXCEPT AS PROVIDED IN SECTION 42-3382.

1 Sec. 3. Rulemaking

2 Not later than one hundred eighty days after the effective date of this
3 act, the department of health services shall adopt rules necessary for
4 implementation of this act. The rules may not prohibit the operation of
5 cannabis establishments, either expressly or through rules that make the
6 operation of a cannabis establishment unreasonably impracticable. The rules
7 shall include:

8 1. Procedures for the issuance, renewal, suspension and revocation of
9 a registration to operate a cannabis establishment consistent with the
10 requirements of title 41, chapter 6, Arizona Revised Statutes.

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

15 3. Qualifications for registration that are directly and demonstrably
16 related to the operation of a cannabis establishment.

17 4. Security requirements for cannabis establishments, including for
18 the transportation of cannabis by cannabis establishments.

19 5. Requirements to prevent the sale or diversion of cannabis and
20 cannabis products to persons who are under twenty-one years of age.

21 6. Labeling requirements for cannabis and cannabis products that are
22 sold or distributed by a cannabis establishment.

23 7. Health and safety regulations and standards for the manufacture of
24 cannabis products and both the indoor and outdoor cultivation of cannabis by
25 cannabis establishments.

26 8. Restrictions on the advertising and display of cannabis and
27 cannabis products.

28 9. Civil penalties for the failure to comply with rules adopted
29 pursuant to this section.

30 10. Procedures for collecting taxes levied on cannabis cultivation
31 facilities.

32 Sec. 4. Conforming legislation

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

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

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