A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING TO MARIJUANA.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

1. Under the power of the referendum, as vested in the Legislature, the following measure, relating to marijuana, is enacted to become valid as a law if approved by the voters and on proclamation of the Governor:

   Be it enacted by the Legislature of the state of Arizona:

   Section 1. Title 4, Arizona Revised Statutes, is amended by adding chapter 4, to read:

   CHAPTER 4

   REGULATION OF MARIJUANA

   ARTICLE 1. GENERAL PROVISIONS

   4-401. Definitions

   IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

   2. "CONSUMPTION" MEANS THE ACT OF INGESTING, INHALING OR OTHERWISE INTRODUCING MARIJUANA INTO THE HUMAN BODY.

   3. "LOCAL GOVERNMENT" MEANS A CITY, TOWN OR COUNTY.

   4. "LOCAL REGULATORY AUTHORITY" MEANS THE OFFICE OR ENTITY THAT IS DESIGNATED BY A LOCAL GOVERNMENT TO PROCESS MARIJUANA ESTABLISHMENT APPLICATIONS.


   6. "MARIJUANA ACCESSORIES" MEANS ANY EQUIPMENT, PRODUCT OR MATERIAL OF ANY KIND THAT IS USED, INTENDED FOR USE OR DESIGNED FOR USE IN PLANTING, PROPAGATING, CULTIVATING, GROWING, HARVESTING, COMPOSTING, MANUFACTURING, COMPOUNDING, CONVERTING, PRODUCING, PROCESSING, PREPARING, TESTING, ANALYZING, PACKAGING, REPACKAGING, STORING, VAPORIZING OR CONTAINING MARIJUANA, OR FOR INGESTING, INHALING OR OTHERWISE INTRODUCING MARIJUANA INTO THE HUMAN BODY.

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

8. "MARIJUANA ESTABLISHMENT" MEANS A MARIJUANA CULTIVATION FACILITY, A MARIJUANA TESTING FACILITY, A MARIJUANA PRODUCT MANUFACTURING FACILITY OR A RETAIL MARIJUANA STORE.

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

10. "MARIJUANA PRODUCTS" MEANS CONCENTRATED MARIJUANA PRODUCTS AND MARIJUANA PRODUCTS THAT ARE COMPOSED OF MARIJUANA AND OTHER INGREDIENTS AND THAT ARE INTENDED FOR USE OR CONSUMPTION, INCLUDING EDIBLE PRODUCTS, OINTMENTS AND TINCTURES.

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

12. "RETAIL MARIJUANA STORE" MEANS AN ENTITY THAT IS REGISTERED TO PURCHASE MARIJUANA FROM MARIJUANA CULTIVATION FACILITIES, TO PURCHASE MARIJUANA AND MARIJUANA PRODUCTS FROM MARIJUANA PRODUCT MANUFACTURING FACILITIES AND TO SELL MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS.

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

4-402. Personal use of marijuana

NOTWITHSTANDING ANY LAW, EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, THE FOLLOWING ACTS, BY PERSONS WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE, ARE LAWFUL AND ARE NOT A CRIMINAL OR CIVIL OFFENSE UNDER THE LAWS OF THIS STATE OR ANY POLITICAL SUBDIVISION OF THIS STATE OR A BASIS FOR SEIZURE OR FORFEITURE OF ASSETS UNDER THE LAWS OF THIS STATE OR ANY POLITICAL SUBDIVISION OF THIS STATE:

1. POSSESSING, USING, DISPLAYING, PURCHASING OR TRANSPORTING MARIJUANA ACCESSORIES OR ONE OUNCE OR LESS OF MARIJUANA.

2. POSSESSING, GROWING, PROCESSING OR TRANSPORTING NOT MORE THAN SIX MARIJUANA PLANTS, WITH THREE OR FEWER BEING MATURE, FLOWERING PLANTS, AND POSsessING THE MARIJUANA
PRODUCED BY THE PLANTS ON THE PREMISES WHERE THE PLANTS WERE GROWN.

3. TRANSFERRING ONE OUNCE OR LESS OF MARIJUANA AND UP TO SIX IMMATURE MARIJUANA PLANTS TO A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE WITHOUT REMUNERATION.

4. CONSUMING MARIJUANA, EXCEPT THAT THIS CHAPTER DOES NOT ALLOW THE CONSUMPTION OF MARIJUANA IN PUBLIC.

5. ASSISTING ANOTHER PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IN ANY OF THE ACTS DESCRIBED IN PARAGRAPHS 1 THROUGH 4 OF THIS SECTION.

4-403. Restrictions on personal cultivation; civil penalty

A. THE PERSONAL CULTIVATION OF MARIJUANA IS SUBJECT TO THE FOLLOWING RESTRICTIONS:

1. MARIJUANA PLANTS SHALL BE CULTIVATED IN A LOCATION WHERE THE PLANTS ARE NOT SUBJECT TO PUBLIC VIEW WITHOUT THE USE OF BINOCULARS, AIRCRAFT OR OTHER OPTICAL AIDS.

2. A PERSON WHO CULTIVATES MARIJUANA MUST TAKE REASONABLE PRECAUTIONS TO ENSURE THAT THE PLANTS ARE SECURE FROM UNAUTHORIZED ACCESS.

3. MARIJUANA CULTIVATION MAY OCCUR ONLY ON PROPERTY THAT IS LAWFULLY IN POSSESSION OF THE CULTIVATOR OR WITH THE CONSENT OF THE PERSON IN LAWFUL POSSESSION OF THE PROPERTY.

B. A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF UP TO SEVEN HUNDRED FIFTY DOLLARS FOR EACH VIOLATION.

4-404. Public consumption banned; civil penalty

A. IT IS UNLAWFUL TO CONSUME MARIJUANA IN PUBLIC.

B. A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF UP TO ONE THOUSAND DOLLARS.

4-405. False identification; civil penalty

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

1. PURCHASING, ATTEMPTING TO PURCHASE OR OTHERWISE PROCURING OR ATTEMPTING TO Procure MARIJUANA OR MARIJUANA PRODUCTS.

2. GAINING ACCESS TO A MARIJUANA ESTABLISHMENT.

B. A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF UP TO FOUR HUNDRED DOLLARS.

4-406. Marijuana accessories authorized

NOTWITHSTANDING ANY OTHER LAW, IT IS LAWFUL AND IS NOT AN OFFENSE UNDER THE LAWS OF THIS STATE OR ANY POLITICAL
SUBDIVISION OF THIS STATE OR A BASIS FOR SEIZURE OR FORFEITURE
OF ASSETS UNDER THE LAWS OF THIS STATE OR ANY POLITICAL
SUBDIVISION OF THIS STATE FOR A person WHO IS AT LEAST
TWENTY-ONE YEARS OF AGE TO MANUFACTURE, POSSESS OR PURCHASE
MARIJUANA ACCESSORIES OR TO DISTRIBUT OR SELL MARIJUANA
ACCESSORIES TO A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF
AGE.

4-407. Lawful operation of marijuana establishments
A. NOTWITHSTANDING ANY OTHER LAW, THE FOLLOWING ACTS,
WHEN PERFORMED BY A RETAIL MARIJUANA STORE WITH A CURRENT,
VALID REGISTRATION, OR BY A PERSON WHO IS AT LEAST TWENTY-ONE
YEARS OF AGE AND WHO IS ACTING IN THE PERSON’S CAPACITY AS AN
OWNER, EMPLOYEE OR AGENT OF A RETAIL MARIJUANA STORE, ARE
LAWFUL AND ARE NOT AN OFFENSE UNDER THE LAWS OF THIS STATE OR
A BASIS FOR SEIZURE OR FORFEITURE OF ASSETS UNDER THE LAWS OF
THIS STATE:

1. POSSESSING, DISPLAYING, STORING OR TRANSPORTING
MARIJUANA OR MARIJUANA PRODUCTS, EXCEPT THAT MARIJUANA AND
MARIJUANA PRODUCTS MAY NOT BE DISPLAYED IN A MANNER THAT IS
VISIBLE TO THE GENERAL PUBLIC FROM A PUBLIC RIGHT-OF-WAY.

2. DELIVERING OR TRANSFERRING MARIJUANA OR MARIJUANA
PRODUCTS TO A MARIJUANA TESTING FACILITY.

3. RECEIVING MARIJUANA OR MARIJUANA PRODUCTS FROM A
MARIJUANA TESTING FACILITY.

4. PURCHASING MARIJUANA FROM A MARIJUANA CULTIVATION
FACILITY.

5. PURCHASING MARIJUANA OR MARIJUANA PRODUCTS FROM A
MARIJUANA PRODUCT MANUFACTURING FACILITY.

6. DELIVERING, DISTRIBUTING OR SELLING MARIJUANA OR
MARIJUANA PRODUCTS TO CONSUMERS.

B. NOTWITHSTANDING ANY OTHER LAW, THE FOLLOWING ACTS,
WHEN PERFORMED BY A MARIJUANA CULTIVATION FACILITY WITH A
CURRENT, VALID REGISTRATION, OR BY A PERSON WHO IS AT LEAST
TWENTY-ONE YEARS OF AGE AND WHO IS ACTING IN THE PERSON’S
CAPACITY AS AN OWNER, EMPLOYEE OR AGENT OF A MARIJUANA
CULTIVATION FACILITY, ARE LAWFUL AND ARE NOT AN OFFENSE UNDER
THE LAWS OF THIS STATE OR A BASIS FOR SEIZURE OR FORFEITURE OF
ASSETS UNDER THE LAWS OF THIS STATE:

1. CULTIVATING, MANUFACTURING, HARVESTING, PROCESSING,
PACKAGING, TRANSPORTING, DISPLAYING, STORING OR POSSESSING
MARIJUANA.

2. DELIVERING OR TRANSFERRING MARIJUANA TO A MARIJUANA
TESTING FACILITY.

3. RECEIVING MARIJUANA FROM A MARIJUANA TESTING
FACILITY.
4. DELIVERING, DISTRIBUTING OR SELLING MARIJUANA TO A MARIJUANA CULTIVATION FACILITY, A MARIJUANA PRODUCT MANUFACTURING FACILITY OR A RETAIL MARIJUANA STORE.

5. RECEIVING OR PURCHASING MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY.

6. RECEIVING MARIJUANA SEEDS OR IMMATURE MARIJUANA PLANTS FROM A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE.

C. NOTWITHSTANDING ANY OTHER LAW, THE FOLLOWING ACTS, WHEN PERFORMED BY A MARIJUANA PRODUCT MANUFACTURING FACILITY WITH A CURRENT, VALID REGISTRATION, OR BY A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS ACTING IN THE PERSON’S CAPACITY AS AN OWNER, EMPLOYEE OR AGENT OF A MARIJUANA PRODUCT MANUFACTURING FACILITY, ARE LAWFUL AND ARE NOT AN OFFENSE UNDER THE LAWS OF THIS STATE OR A BASIS FOR SEIZURE OR FORFEITURE OF ASSETS UNDER THE LAWS OF THIS STATE:

1. PACKAGING, PROCESSING, TRANSPORTING, MANUFACTURING, DISPLAYING OR POSSESSING MARIJUANA OR MARIJUANA PRODUCTS.

2. DELIVERING OR TRANSFERRING MARIJUANA OR MARIJUANA PRODUCTS TO A MARIJUANA TESTING FACILITY.

3. RECEIVING MARIJUANA OR MARIJUANA PRODUCTS FROM A MARIJUANA TESTING FACILITY.

4. DELIVERING OR SELLING MARIJUANA OR MARIJUANA PRODUCTS TO A RETAIL MARIJUANA STORE OR A MARIJUANA PRODUCT MANUFACTURING FACILITY.

5. PURCHASING MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY.

6. PURCHASING MARIJUANA OR MARIJUANA PRODUCTS FROM A MARIJUANA PRODUCT MANUFACTURING FACILITY.

D. NOTWITHSTANDING ANY OTHER LAW, THE FOLLOWING ACTS, WHEN PERFORMED BY A MARIJUANA TESTING FACILITY WITH A CURRENT, VALID REGISTRATION, OR BY A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS ACTING IN THE PERSON’S CAPACITY AS AN OWNER, EMPLOYEE OR AGENT OF A MARIJUANA TESTING FACILITY, ARE LAWFUL AND ARE NOT AN OFFENSE UNDER THE LAWS OF THIS STATE OR A BASIS FOR SEIZURE OR FORFEITURE OF ASSETS UNDER THE LAWS OF THIS STATE:

1. POSSESSING, CULTIVATING, PROCESSING, REPACKAGING, STORING, TRANSPORTING, DISPLAYING, TRANSFERRING OR DELIVERING MARIJUANA.

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

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

E. NOTWITHSTANDING ANY OTHER LAW, IT IS LAWFUL AND IS NOT AN OFFENSE UNDER THE LAWS OF THIS STATE OR A BASIS FOR SEIZURE OR FORFEITURE OF ASSETS UNDER THE LAWS OF THIS STATE TO LEASE OR OTHERWISE ALLOW THE USE OF PROPERTY OWNED, OCCUPIED OR CONTROLLED BY ANY PERSON, CORPORATION OR OTHER ENTITY FOR ANY ACTIVITY CONDUCTED LAWFULLY IN ACCORDANCE WITH SUBSECTIONS A THROUGH D OF THIS SECTION.

F. THIS SECTION DOES NOT PREVENT THE IMPOSITION OF PENALTIES ON MARIJUANA ESTABLISHMENTS FOR VIOLATING THIS CHAPTER OR RULES ADOPTED BY THE DEPARTMENT OR LOCAL GOVERNMENTS PURSUANT TO THIS CHAPTER.

4-408. Privacy protections

IN ORDER TO ENSURE THAT INDIVIDUAL PRIVACY IS PROTECTED, THE DEPARTMENT MAY NOT REQUIRE:

1. A CONSUMER TO PROVIDE A RETAIL MARIJUANA STORE WITH PERSONAL INFORMATION OTHER THAN GOVERNMENT-ISSUED IDENTIFICATION TO DETERMINE THE CONSUMER'S AGE.

2. A RETAIL MARIJUANA STORE TO ACQUIRE AND RECORD PERSONAL INFORMATION ABOUT CONSUMERS.

4-409. Marijuana establishment registrations; fee

A. EACH APPLICANT FOR A MARIJUANA ESTABLISHMENT SHALL SUBMIT AN APPLICATION OR RENEWAL APPLICATION FOR A REGISTRATION TO OPERATE A MARIJUANA ESTABLISHMENT TO THE DEPARTMENT. A MARIJUANA ESTABLISHMENT MAY SUBMIT A RENEWAL APPLICATION UP TO NINETY DAYS BEFORE THE EXPIRATION OF THE MARIJUANA ESTABLISHMENT'S REGISTRATION.

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

C. ON RECEIVING AN APPLICATION OR RENEWAL APPLICATION FOR A MARIJUANA ESTABLISHMENT, THE DEPARTMENT SHALL IMMEDIATELY FORWARD A COPY OF EACH APPLICATION AND FIFTY PERCENT OF THE REGISTRATION APPLICATION FEE TO THE LOCAL REGULATORY AUTHORITY FOR THE LOCAL GOVERNMENT IN WHICH THE APPLICANT DESIRES TO OPERATE THE MARIJUANA ESTABLISHMENT, UNLESS THE LOCAL GOVERNMENT HAS NOT DESIGNATED A LOCAL REGULATORY AUTHORITY.

D. WITHIN NINETY DAYS AFTER RECEIVING AN APPLICATION OR RENEWAL APPLICATION, THE DEPARTMENT SHALL ISSUE AN ANNUAL REGISTRATION TO THE APPLICANT UNLESS THE DEPARTMENT FINDS THE APPLICANT IS NOT IN COMPLIANCE WITH THE RULES ADOPTED PURSUANT TO THIS CHAPTER OR THE DEPARTMENT IS NOTIFIED BY THE RELEVANT LOCAL GOVERNMENT THAT THE APPLICANT IS NOT IN COMPLIANCE WITH
LOCAL ORDINANCES AND RULES IN EFFECT AT THE TIME OF APPLICATION.

E. IF A LOCAL GOVERNMENT ENACTS A LIMIT ON THE NUMBER OF MARIJUANA ESTABLISHMENTS AND A GREATER NUMBER OF APPLICANTS SEEKS REGISTRATION, THE DEPARTMENT SHALL SOLICIT AND CONSIDER INPUT FROM THE LOCAL REGULATORY AUTHORITY AS TO THE LOCAL GOVERNMENT'S PREFERENCES FOR REGISTRATION.

F. ON DENIAL OF AN APPLICATION, THE DEPARTMENT SHALL NOTIFY THE APPLICANT IN WRITING OF THE SPECIFIC REASON FOR THE DENIAL.

G. EACH MARIJUANA ESTABLISHMENT REGISTRATION SHALL SPECIFY THE LOCATION WHERE THE MARIJUANA ESTABLISHMENT WILL OPERATE. A SEPARATE REGISTRATION IS REQUIRED FOR EACH LOCATION AT WHICH A MARIJUANA ESTABLISHMENT OPERATES.

H. MARIJUANA ESTABLISHMENTS AND THE ACCOUNTS AND RECORDS MAINTAINED AND CREATED BY MARIJUANA ESTABLISHMENTS ARE SUBJECT TO INSPECTION BY THE DEPARTMENT.

I. THE DEPARTMENT MAY CHARGE A REGISTRATION FEE TO APPLICANTS FOR REGISTRATION UNDER THIS SECTION TO PAY FOR STARTUP COSTS.

4-410. Local control

A. A LOCAL GOVERNMENT MAY PROHIBIT THE OPERATION OF MARIJUANA CULTIVATION FACILITIES, MARIJUANA PRODUCT MANUFACTURING FACILITIES, MARIJUANA TESTING FACILITIES OR RETAIL MARIJUANA STORES BY ENACTING AN ORDINANCE OR BY A VOTER INITIATIVE.

B. A LOCAL GOVERNMENT MAY ENACT ORDINANCES OR RULES THAT DO NOT CONFLICT WITH THIS CHAPTER OR WITH RULES ADOPTED PURSUANT TO THIS CHAPTER GOVERNING THE TIME, PLACE, MANNER AND NUMBER OF MARIJUANA ESTABLISHMENTS. A LOCAL GOVERNMENT MAY ESTABLISH CIVIL PENALTIES FOR THE VIOLATION OF AN ORDINANCE OR RULE GOVERNING THE TIME, PLACE, AND MANNER OF A MARIJUANA ESTABLISHMENT THAT OPERATES WITHIN THE LOCATION OF THAT LOCAL GOVERNMENT.

C. A LOCAL GOVERNMENT MAY DESIGNATE A LOCAL REGULATORY AUTHORITY THAT IS RESPONSIBLE FOR PROCESSING APPLICATIONS SUBMITTED FOR A REGISTRATION TO OPERATE A MARIJUANA ESTABLISHMENT WITHIN THE BOUNDARIES OF THE LOCAL GOVERNMENT. THE LOCAL GOVERNMENT MAY ALLOW THE LOCAL REGULATORY AUTHORITY TO ISSUE SUCH REGISTRATIONS IF THE ISSUANCE BY THE LOCAL GOVERNMENT BECOMES NECESSARY BECAUSE THE DEPARTMENT FAILS TO ADOPT RULES PURSUANT TO THIS CHAPTER OR TO ACCEPT OR PROCESS APPLICATIONS IN ACCORDANCE WITH THIS CHAPTER.

D. A LOCAL GOVERNMENT MAY ESTABLISH PROCEDURES FOR ISSUING, SUSPENDING AND REVKOKING A REGISTRATION IT ISSUES IN
ACCORDANCE WITH SUBSECTION F OR G OF THIS SECTION. THESE PROCEDURES ARE SUBJECT TO ALL REQUIREMENTS OF TITLE 41, CHAPTER 6.

E. A LOCAL GOVERNMENT MAY ESTABLISH A SCHEDULE OF ANNUAL OPERATING, REGISTRATION AND APPLICATION FEES FOR MARIJUANA ESTABLISHMENTS. THE APPLICATION FEE IS DUE ONLY IF AN APPLICATION IS SUBMITTED TO A LOCAL GOVERNMENT IN ACCORDANCE WITH SUBSECTION F OF THIS SECTION AND A REGISTRATION FEE IS DUE ONLY IF A REGISTRATION IS ISSUED BY A LOCAL GOVERNMENT IN ACCORDANCE WITH SUBSECTION F OR G OF THIS SECTION.

F. IF THE DEPARTMENT DOES NOT ISSUE A REGISTRATION TO AN APPLICANT WITHIN NINETY DAYS AFTER RECEIPT OF THE APPLICATION FILED IN ACCORDANCE WITH THIS CHAPTER AND DOES NOT NOTIFY THE APPLICANT, IN WRITING AND WITHIN THAT TIME PERIOD, OF THE SPECIFIC, PERMISSIBLE REASON FOR ITS DENIAL OR IF THE DEPARTMENT HAS ADOPTED RULES PURSUANT TO THIS CHAPTER AND HAS ACCEPTED APPLICATIONS BUT HAS NOT ISSUED ANY REGISTRATIONS WITHIN FIFTEEN MONTHS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE APPLICANT MAY RESUBMIT ITS APPLICATION DIRECTLY TO THE LOCAL REGULATORY AUTHORITY, PURSUANT TO SUBSECTION C OF THIS SECTION, AND THE LOCAL REGULATORY AUTHORITY MAY ISSUE AN ANNUAL REGISTRATION TO THE APPLICANT. IF AN APPLICANT SUBMITS AN APPLICATION TO A LOCAL REGULATORY AUTHORITY UNDER THIS SUBSECTION, THE DEPARTMENT SHALL FORWARD TO THE LOCAL REGULATORY AUTHORITY THE APPLICATION FEE THE APPLICANT PAID TO THE DEPARTMENT ON REQUEST BY THE LOCAL REGULATORY AUTHORITY.

G. IF THE DEPARTMENT DOES NOT ADOPT RULES PURSUANT TO THIS CHAPTER WITHIN NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, AN APPLICANT MAY SUBMIT AN APPLICATION DIRECTLY TO THE LOCAL REGULATORY AUTHORITY ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION, AND THE LOCAL REGULATORY AUTHORITY MAY ISSUE AN ANNUAL REGISTRATION TO THE APPLICANT.

H. A LOCAL REGULATORY AUTHORITY ISSUING A REGISTRATION TO AN APPLICANT SHALL DO SO WITHIN NINETY DAYS AFTER RECEIPT OF THE SUBMITTED OR RESUBMITTED APPLICATION UNLESS THE LOCAL REGULATORY AUTHORITY FINDS AND NOTIFIES THE APPLICANT THAT THE APPLICANT IS NOT IN COMPLIANCE WITH ORDINANCES AND RULES ENACTED PURSUANT TO SUBSECTION B OF THIS SECTION IN EFFECT AT THE TIME THE APPLICATION IS SUBMITTED TO THE LOCAL REGULATORY AUTHORITY. THE LOCAL GOVERNMENT SHALL NOTIFY THE DEPARTMENT IF AN ANNUAL REGISTRATION HAS BEEN ISSUED TO THE APPLICANT.

I. A REGISTRATION ISSUED BY A LOCAL GOVERNMENT IN ACCORDANCE WITH SUBSECTION F OR G OF THIS SECTION HAS THE SAME FORCE AND EFFECT AS A REGISTRATION ISSUED BY THE DEPARTMENT.
THE HOLDER OF SUCH A REGISTRATION IS NOT SUBJECT TO REGULATION
OR ENFORCEMENT BY THE DEPARTMENT DURING THE TERM OF THAT
REGISTRATION.

J. A SUBSEQUENT OR RENEWED REGISTRATION MAY BE ISSUED
UNDER SUBSECTION F OF THIS SECTION ON AN ANNUAL BASIS ONLY ON
RESUBMISSION TO THE LOCAL GOVERNMENT OF A NEW APPLICATION
SUBMITTED TO THE DEPARTMENT.

K. A SUBSEQUENT OR RENEWED REGISTRATION MAY BE ISSUED
UNDER SUBSECTION G OF THIS SECTION ON AN ANNUAL BASIS IF THE
DEPARTMENT HAS NOT ADOPTED RULES PURSUANT TO THIS CHAPTER
WITHIN NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION
AND BEFORE AT LEAST NINETY DAYS BEFORE THE DATE ON WHICH THE
SUBSEQUENT OR RENEWED REGISTRATION WOULD BE EFFECTIVE OR IF
THE DEPARTMENT HAS ADOPTED RULES PURSUANT TO THIS CHAPTER BUT
HAS NOT, AT LEAST NINETY DAYS AFTER THE ADOPTION OF SUCH
RULES, ISSUED REGISTRATIONS PURSUANT TO THIS CHAPTER.

L. THIS SECTION DOES NOT LIMIT RELIEF THAT MAY BE
AVAILABLE TO AN AGGRIEVED PARTY UNDER TITLE 41, CHAPTER 6.

4-411. Employers; driving; minors; control of property

THIS CHAPTER:

1. DOES NOT REQUIRE AN EMPLOYER TO ALLOW OR ACCOMMODATE
THE USE, CONSUMPTION, POSSESSION, TRANSFER, DISPLAY,
TRANSPORTATION, SALE OR GROWING OF MARIJUANA IN THE WORKPLACE
OR AFFECT THE ABILITY OF EMPLOYERS TO HAVE POLICIES
RESTRICTING THE USE OF MARIJUANA BY EMPLOYEES.

2. DOES NOT ALLOW DRIVING UNDER THE INFLUENCE OF
MARIJUANA OR SUPERSEDE LAWS RELATED TO DRIVING UNDER THE
INFLUENCE OF MARIJUANA.

3. DOES NOT ALLOW THE TRANSFER OF MARIJUANA, WITH OR
WITHOUT REMUNERATION, TO A PERSON WHO IS UNDER TWENTY-ONE
YEARS OF AGE.

4. DOES NOT PROHIBIT A PERSON, EMPLOYER, SCHOOL,
HOSPITAL, RECREATION OR YOUTH CENTER, CORRECTIONS FACILITY,
CORPORATION OR OTHER ENTITY THAT OCCUPIES, OWNS OR CONTROLS
PRIVATE PROPERTY FROM PROHIBITING OR OTHERWISE REGULATING THE
POSsession, CONSUMPTION, USE, DISPLAY, TRANSFER, DISTRIBUTION,
SALE, TRANSPORTATION OR GROWING OF MARIJUANA ON OR IN THAT
PROPERTY.

4-412. Impact on medical marijuana law

THIS CHAPTER DOES NOT LIMIT ANY PRIVILEGE OR RIGHT OF A
MEDICAL MARIJUANA PATIENT, PRIMARY CAREGIVER OR MEDICAL
MARIJUANA DISPENSARY UNDER TITLE 36, CHAPTER 28.1.

4-413. Rulemaking

WITHIN NINE MONTHS AFTER THE EFFECTIVE DATE OF THIS
SECTION, THE DEPARTMENT SHALL ADOPT RULES NECESSARY TO
IMPLEMENT THIS CHAPTER. THESE RULES MAY NOT PROHIBIT THE
OPERATION OF MARIJUANA ESTABLISHMENTS, EITHER EXPRESSLY OR
THROUGH RULES THAT MAKE THEIR OPERATION UNREASONABLY
IMPRacticABLE. THESE RULES SHALL INCLUDE:

1. PROCEDURES FOR ISSUING, RENEWING, SUSPENDING AND
REVOKING A REGISTRATION TO OPERATE A MARIJUANA ESTABLISHMENT,
WITH SUCH PROCEDURES SUBJECT TO ALL REQUIREMENTS OF TITLE 41,
CHAPTER 6.

2. A SCHEDULE OF APPLICATION, REGISTRATION AND RENEWAL
FEES. APPLICATION FEES MAY NOT EXCEED FIVE THOUSAND DOLLARS,
ADJUSTED ANNUALLY FOR INFLATION, UNLESS THE DEPARTMENT
DETERMINES THAT A LARGER FEE IS NECESSARY TO CARRY OUT ITS
RESPONSIBILITIES UNDER THIS CHAPTER.

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

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

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

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

7. HEALTH AND SAFETY REGULATIONS AND STANDARDS FOR THE
MANUFACTURE OF MARIJUANA PRODUCTS AND THE CULTIVATION OF
MARIJUANA.

8. REASONABLE RESTRICTIONS ON THE ADVERTISING AND
DISPLAY OF MARIJUANA AND MARIJUANA PRODUCTS.

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

Sec. 2. Title 42, chapter 5, Arizona Revised Statutes, is amended by adding article 10, to read:

ARTICLE 10. TAX ON MARIJUANA SALES AND TRANSFERS

42-5451. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

2. "MARIJUANA" HAS THE SAME MEANING PRESCRIBED IN
SECTION 4-401.

3. "MARIJUANA CULTIVATION FACILITY" HAS THE SAME
MEANING PRESCRIBED IN SECTION 4-401.

4. "MARIJUANA PRODUCT MANUFACTURING FACILITY" HAS THE
SAME MEANING PRESCRIBED IN SECTION 4-401.
5. "RETAIL MARIJUANA STORE" HAS THE SAME MEANING PRESCRIBED IN SECTION 4-401.

42-5452. Levy of tax

A. AN EXCISE TAX IS LEVIED ON THE SALE OR TRANSFER OF MARIJUANA BY A MARIJUANA CULTIVATION FACILITY TO A RETAIL MARIJUANA STORE OR MARIJUANA PRODUCT MANUFACTURING FACILITY, REGARDLESS OF WHETHER THE RETAIL MARIJUANA STORE OR MARIJUANA PRODUCT MANUFACTURING FACILITY IS LOCATED WITHIN OR OUTSIDE THIS STATE.

B. EACH MARIJUANA CULTIVATION FACILITY SHALL PAY THE TAX AT THE RATE OF FIFTY DOLLARS PER OUNCE OF MARIJUANA SOLD OR TRANSFERRED AND AT A PROPORTIONATE RATE FOR ANY LESSER OR GREATER QUANTITY THAN ONE OUNCE.

C. NOTWITHSTANDING SUBSECTION B OF THIS SECTION, THE DEPARTMENT, BY RULE, MAY EXEMPT OR PRESCRIBE A LOWER RATE OF TAX WITH RESPECT TO CERTAIN PARTS OF THE MARIJUANA PLANT.

42-5453. Return and payment of tax; administration and disposition of revenues

A. THE TAX IMPOSED THIS ARTICLE IS DUE AND PAYABLE, TOGETHER WITH A RETURN STATEMENT PRESCRIBED BY THE DEPARTMENT, FOR EACH MONTH ON OR BEFORE THE TWENTIETH DAY OF THE SUCCEEDING MONTH. THE TAX IS DELINQUENT IF NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE THE LAST BUSINESS DAY OF THE MONTH IN WHICH IT IS DUE AND PAYABLE. THE DEPARTMENT SHALL ALLOW OR MAY REQUIRE THE PAYMENT AND RETURN STATEMENT TO BE FILED ELECTRONICALLY.

B. THE MONTHLY RETURN STATEMENT SHALL INCLUDE AN ACCOUNT OF THE QUANTITY OF MARIJUANA THAT IS SOLD OR TRANSFERRED BY THE MARIJUANA CULTIVATION FACILITY AND THAT IS SUBJECT TO TAX DURING THE TAX MONTH, INCLUDING:

1. THE TOTAL NUMBER OF OUNCES, INCLUDING FRACTIONAL OUNCES, SOLD OR TRANSFERRED TO EACH RETAIL MARIJUANA STORE AND MARIJUANA PRODUCT MANUFACTURING FACILITY DURING THE MONTH, ITEMIZED IN THE CASE OF PARTS OF MARIJUANA PLANTS THAT ARE SUBJECT TO EXEMPTION OR LOWER TAX RATES.
2. THE NAME AND PHYSICAL ADDRESS OF EACH RETAIL MARIJUANA STORE AND MARIJUANA PRODUCT MANUFACTURING FACILITY TO WHICH THE MARIJUANA IS SOLD OR TRANSFERRED.
3. THE WEIGHT, INCLUDING FRACTIONAL OUNCES, OF MARIJUANA THAT IS SOLD OR TRANSFERRED TO EACH RETAIL MARIJUANA STORE AND MARIJUANA PRODUCT MANUFACTURING FACILITY.

C. UNLESS THE CONTEXT OTHERWISE REQUIRES, ARTICLE 1 OF THIS CHAPTER GOVERNS THE TAX IMPOSED UNDER THIS ARTICLE, EXCEPT THAT, NOTWITHSTANDING SECTION 42-1116, EACH MONTH THE DEPARTMENT SHALL DEPOSIT:
1. FORTY PERCENT OF THE NET REVENUES IN A PUBLIC SAFETY
GRANT PROGRAM FUND TO BE ADMINISTERED BY A TASK FORCE,
APPOINTED BY THE DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY,
TO SOLICIT, RECEIVE, REVIEW AND EVALUATE APPLICATIONS AND
AWARD GRANTS.

2. FORTY PERCENT OF THE NET REVENUES IN A PUBLIC
EDUCATION GRANT PROGRAM FUND TO BE ADMINISTERED BY A TASK
FORCE, APPOINTED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION,
TO SOLICIT, RECEIVE, REVIEW AND EVALUATE APPLICATIONS AND
AWARD GRANTS.

3. TWENTY PERCENT OF THE NET REVENUES IN A DRUG
TREATMENT AND REHABILITATION PROGRAM FUND ADMINISTERED BY A
TASK FORCE, APPOINTED BY THE DIRECTOR OF THE DEPARTMENT OF
HEALTH SERVICES, TO SOLICIT, RECEIVE, REVIEW AND EVALUATE
APPLICATIONS AND AWARD GRANTS.

42-5454. Violations; civil penalties; revocation of
registration

A. A MARIJUANA CULTIVATION FACILITY OR RETAIL MARIJUANA
STORE THAT IS DELINQUENT IN PAYING THE TAX OR SUBMITTING A
RETURN STATEMENT UNDER THIS ARTICLE IS SUBJECT TO CIVIL
PENALTIES AS PROVIDED BY SECTION 42-1125.

B. IF A MARIJUANA CULTIVATION FACILITY OR RETAIL
MARIJUANA STORE FAILS TO PAY THE TAX OR FILE A RETURN
STATEMENT AS REQUIRED BY THIS ARTICLE, THE FACILITY'S OR
STORE'S REGISTRATION IS SUBJECT TO REVOCATION, ON NOTICE FROM
THE DEPARTMENT, AS PROVIDED PURSUANT TO SECTION 4-410,
SUBSECTION D AND SECTION 4-413, PARAGRAPH 1.

Sec. 3. Repeal
This act is repealed from and after December 31, 2023.

Sec. 4. Purpose and findings
The legislature finds and declares that:
1. In the interest of allowing law enforcement to focus
on violent and property crimes and to enhance individual
freedom, the use of marijuana should be legal for persons who
are at least twenty-one years of age.

2. In the interest of the health and public safety of
our citizenry, the production and sale of marijuana should be
regulated so that:
   (a) Individuals will have to show proof of age before
       purchasing marijuana.
   (b) Legitimate, taxpaying business people, and not
       criminal actors, will conduct sales of marijuana.
   (c) Marijuana sold by regulated businesses will be
       labeled and subject to additional regulations to ensure that
       consumers are informed and protected.
3. This act is not intended to diminish the right to privacy.

4. This act does not propose or intend to require any individual or entity to engage in any conduct that violates federal law, to exempt any individual or entity from any requirement of federal law or to pose any obstacle to federal enforcement of federal law.

Sec. 5. Conforming legislation

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

2. The Secretary of State shall submit this proposition to the voters at the next general election as provided by article IV, part 1, section 1, Constitution of Arizona.