

(Sections 3-145, 3-201, 3-231, 3-364, 36-2804.01 and 36-2806 – failed to obtain the three-fourths vote pursuant to article IV, part 1, section 1, Constitution of Arizona.)

House Engrossed Senate Bill

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

SENATE BILL 1420

AN ACT

AMENDING TITLE 3, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 3-109.03; AMENDING SECTIONS 3-145, 3-201, 3-231, 3-364, 36-2804.01 AND 36-2806, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO MEDICAL MARIJUANA.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 ~~Section 1. Subject to the requirements of article IV, part 1,~~
3 ~~section 1, Constitution of Arizona, title 3, chapter 1, article 1, Arizona~~
4 ~~Revised Statutes, is amended by adding section 3-109.03, to read:~~

5 ~~3-109.03. Marijuana for medical use, agricultural commodity,~~
6 ~~rules, definitions~~

7 ~~A. MARIJUANA THAT IS CULTIVATED FOR MEDICAL USE BY A NONPROFIT~~
8 ~~MEDICAL MARIJUANA DISPENSARY OR A DESIGNATED CAREGIVER IS AN AGRICULTURAL~~
9 ~~COMMODITY AS DEFINED IN RULE BY THE DEPARTMENT AND, BEGINNING JUNE 1,~~
10 ~~2019, IS SUBJECT TO REGULATION UNDER THIS TITLE AND THE RULES ADOPTED~~
11 ~~PURSUANT TO THIS TITLE. THE DIRECTOR MAY ADOPT ANY RULES NECESSARY~~
12 ~~RELATING TO THE CULTIVATION OF MARIJUANA FOR MEDICAL USE AND REQUIRED~~
13 ~~TESTING BY INDEPENDENT THIRD PARTY LABORATORIES OF MARIJUANA THAT IS~~
14 ~~CULTIVATED BY A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A DESIGNATED~~
15 ~~CAREGIVER FOR MEDICAL USE.~~

16 ~~B. FOR THE PURPOSES OF THIS TITLE, "DESIGNATED CAREGIVER",~~
17 ~~"MARIJUANA", "MEDICAL USE" AND "NONPROFIT MEDICAL MARIJUANA DISPENSARY"~~
18 ~~HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 36-2801.~~

19 ~~Sec. 2. Subject to the requirements of article IV, part 1, section~~
20 ~~1, Constitution of Arizona, section 3-145, Arizona Revised Statutes, is~~
21 ~~amended to read:~~

22 ~~3-145. Mandatory and voluntary certification; sampling~~
23 ~~procedures; application; immunity; expiration;~~
24 ~~renewal~~

25 ~~A. A person who THAT establishes, conducts or maintains a~~
26 ~~laboratory that provides agricultural laboratory services to agencies or~~
27 ~~departments of this state or its political subdivisions shall apply for a~~
28 ~~certificate from the state agricultural laboratory as proof that the~~
29 ~~laboratory so certified is in compliance with rules adopted by the~~
30 ~~director for the certification of such laboratories. Any other person~~
31 ~~providing agricultural laboratory services may apply for such a~~
32 ~~certificate.~~

33 ~~B. A person providing guaranteed laboratory analysis information to~~
34 ~~distributors of commercial feed and whole seeds for consumption by~~
35 ~~livestock shall be certified under this section.~~

36 ~~C. An individual who collects samples for the state agricultural~~
37 ~~laboratory or for any certified agricultural laboratory shall follow the~~
38 ~~sampling procedures established by the director.~~

39 ~~D. A PERSON THAT PROVIDES LABORATORY ANALYSES OF MARIJUANA~~
40 ~~CULTIVATED FOR MEDICAL USE SHALL APPLY FOR A CERTIFICATE FROM THE STATE~~
41 ~~AGRICULTURAL LABORATORY. THE DIRECTOR SHALL ADOPT RULES FOR THE~~
42 ~~CERTIFICATION OF LABORATORIES THAT ANALYZE MARIJUANA CULTIVATED FOR~~
43 ~~MEDICAL USE, INCLUDING THE REQUIRED SAMPLING AND TESTING OF MARIJUANA. AN~~
44 ~~OWNER OR EMPLOYEE OF A LABORATORY THAT PROVIDES ANALYSES OF MARIJUANA~~
45 ~~CULTIVATED FOR MEDICAL USE UNDER THIS SUBSECTION MAY NOT HAVE A FAMILIAL~~

1 ~~RELATIONSHIP WITH A NONPROFIT MEDICAL MARIJUANA DISPENSARY OWNER OR AGENT~~
2 ~~WHOSE MARIJUANA IS BEING TESTED. EXCEPT AS PROVIDED IN SECTION 36 2806, A~~
3 ~~LABORATORY THAT IS CERTIFIED TO ANALYZE MARIJUANA SHALL REPORT THE TEST~~
4 ~~RESULTS ONLY TO THE NONPROFIT MEDICAL MARIJUANA DISPENSARY OR DESIGNATED~~
5 ~~CAREGIVER THAT CULTIVATES THE MARIJUANA, THE DEPARTMENT OF HEALTH SERVICES~~
6 ~~AND THE STATE AGRICULTURAL LABORATORY. NOTWITHSTANDING TITLE 13, CHAPTER~~
7 ~~34, AN EMPLOYEE OF THE DEPARTMENT OF AGRICULTURE OR AN EMPLOYEE OF ANY~~
8 ~~CONTRACTED THIRD PARTY TESTING FACILITY MAY NOT BE CHARGED WITH OR~~
9 ~~PROSECUTED FOR POSSESSION OF ANY AMOUNT OF MARIJUANA THAT IS CULTIVATED~~
10 ~~FOR MEDICAL USE AND THAT THE EMPLOYEE IS USING AS A SAMPLE FOR TESTING AS~~
11 ~~REQUIRED BY THIS SUBSECTION AND RULES ADOPTED PURSUANT TO THIS TITLE.~~

12 ~~D. E. A certified laboratory shall report test results only to the~~
13 ~~party who provided THAT PROVIDES the original sample and, on request, to~~
14 ~~the state agricultural laboratory or as required by section 3 2611.01.~~

15 ~~E. F. A person who THAT desires a certificate pursuant to this~~
16 ~~section shall file with the state agricultural laboratory an application~~
17 ~~for a certificate accompanied by the application fee.~~

18 ~~F. G. The application shall be on a form prescribed by the~~
19 ~~assistant director and furnished by the state agricultural laboratory and~~
20 ~~shall contain:~~

21 ~~1. The name and location of the laboratory.~~

22 ~~2. The name of the person owning the laboratory and the name of the~~
23 ~~person supervising the laboratory.~~

24 ~~3. A description of the programs, services and functions provided~~
25 ~~by the laboratory.~~

26 ~~4. Such other information as the assistant director deems necessary~~
27 ~~to carry out the purposes of this section.~~

28 ~~G. H. The assistant director shall issue a certificate to an~~
29 ~~applicant if the assistant director is satisfied that the applicant has~~
30 ~~complied with the rules prescribing standards for certified laboratories.~~

31 ~~H. I. A certificate expires one year after the date of issuance~~
32 ~~and shall be renewed upon ON payment of the renewal application fee as~~
33 ~~prescribed in section 3 146 and continued compliance with this article and~~
34 ~~the applicable rules.~~

35 ~~Sec. 3. Subject to the requirements of article IV, part 1, section~~
36 ~~1, Constitution of Arizona, section 3 201, Arizona Revised Statutes, is~~
37 ~~amended to read:~~

38 ~~3 201. Definitions~~

39 ~~In this article, unless the context otherwise requires:~~

40 ~~1. "Associate director" means the associate director of the~~
41 ~~division.~~

42 ~~2. "Diseases" includes any fungus, bacterium, virus or other~~
43 ~~organism of any kind and any unknown cause that is or may be found to be~~
44 ~~injurious, or likely to be or to become injurious to any domesticated or~~
45 ~~cultivated plant, or to the product of any such plant.~~

1 ~~3. "Division" means the plant services division of the Arizona~~
2 ~~department of agriculture.~~

3 ~~4. "Noxious weed" means any species of plant that is, or is liable~~
4 ~~to be, detrimental or destructive and difficult to control or eradicate~~
5 ~~and shall include INCLUDES any species that the director, after~~
6 ~~investigation and hearing, shall determine DETERMINES to be a noxious~~
7 ~~weed.~~

8 ~~5. "Nursery" means real property or other premises on or in which~~
9 ~~nursery stock is propagated, grown or cultivated or from which source~~
10 ~~nursery stock is offered for distribution or sale.~~

11 ~~6. "Nursery stock" includes all trees, shrubs, vines, cacti,~~
12 ~~agaves, succulents, herbaceous plants whether annuals, biennials or~~
13 ~~perennials, bulbs, corms, rhizomes, roots, decorative plant material,~~
14 ~~flowers, fruit pits or seeds, cuttings, buds, grafts, scions and other~~
15 ~~plants intended for sale, gift or propagation, either cultivated or~~
16 ~~collected in the wild, except seeds as regulated by article 2 of this~~
17 ~~chapter, fruit and vegetables regulated by chapter 3, articles 2 and 4 of~~
18 ~~this title and cotton plants.~~

19 ~~7. "Pests" includes all noxious weeds, insects, diseases, mites,~~
20 ~~spiders, nematodes and other animal or plant organisms found TO BE~~
21 ~~injurious, or likely to be or to become injurious, to any domesticated,~~
22 ~~cultivated, native or wild plant, or to the product of any such plant.~~

23 ~~8. "Plant" or "crop" includes:~~

24 ~~(a) Every kind of vegetation, WHETHER wild or domesticated, and any~~
25 ~~part thereof OF THAT VEGETATION, as well as seed, fruit or other ANOTHER~~
26 ~~natural product of such THAT vegetation.~~

27 ~~(b) MARIJUANA THAT IS CULTIVATED FOR MEDICAL USE BY A NONPROFIT~~
28 ~~MEDICAL MARIJUANA DISPENSARY OR A DESIGNATED CAREGIVER.~~

29 ~~9. "Shipment" includes anything that is brought into the THIS state~~
30 ~~or that is transported within the THIS state and that may be the host or~~
31 ~~may contain or carry or may be susceptible of containing, carrying or~~
32 ~~having present on, in or about it any plant pest or plant disease.~~

33 ~~Sec. 4. Subject to the requirements of article 10, part 1, section~~
34 ~~1, Constitution of Arizona, section 3 231, Arizona Revised Statutes, is~~
35 ~~amended to read:~~

36 ~~3 231. Definitions~~

37 ~~in this article, unless the context otherwise requires:~~

38 ~~1. "Advertisement" means all representations, other than those on~~
39 ~~the label, made in any manner relating to seed within the scope of this~~
40 ~~article.~~

41 ~~2. "Agricultural seed":~~

42 ~~(a) Means the seeds of grass, forage, cereal, and fiber crops and~~
43 ~~any other kinds of seeds commonly recognized within this state as~~
44 ~~agricultural seeds, lawn seeds and mixtures of such seeds. , and~~

1 ~~(b) May include noxious weed seeds when if the department~~
2 ~~determines that such THE seed is being used as agricultural seed.~~

3 ~~(c) INCLUDES SEEDS OF MARIJUANA THAT ARE CULTIVATED FOR MEDICAL USE~~
4 ~~BY A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A DESIGNATED CAREGIVER.~~

5 ~~3. "Cease and desist order" means an administrative order THAT IS~~
6 ~~provided by law restraining the sale, use, disposition and movement of a~~
7 ~~definite amount of seed.~~

8 ~~4. "Certified seed" or "registered seed" means seed that has been~~
9 ~~produced and labeled in accordance with the procedures and in compliance~~
10 ~~with the rules and regulations of an officially recognized seed certifying~~
11 ~~agency.~~

12 ~~5. "Custom application" means an application of pesticide to a seed~~
13 ~~by a pesticide applicator who THAT does not hold title to the seed.~~

14 ~~6. "Dealer" means any person who THAT sells seed.~~

15 ~~7. "Division" means the environmental services division of the~~
16 ~~Arizona department of agriculture.~~

17 ~~8. "Established plant, warehouse, or place of business" means any~~
18 ~~permanent office headquarters maintained by an importer, broker, seller or~~
19 ~~authorized manufacturer's agent, or any permanent warehouse, building or~~
20 ~~structure in or from which a permanent business is operated, at which~~
21 ~~stocks of agricultural seed, vegetable seed or ornamental plant seed~~
22 ~~regulated by this article are sold, distributed, processed, mixed, stored~~
23 ~~or kept.~~

24 ~~9. "Hybrid" means the first generation seed of a crossbreed THAT IS~~
25 ~~produced by controlling pollination and by combining two or more inbred~~
26 ~~lines, or one inbred or a single crossbreed with an open pollinated~~
27 ~~variety, or two varieties or species, except open pollinated varieties of~~
28 ~~corn (zea mays). The second generation, or subsequent generations from~~
29 ~~such crosses, shall not be regarded as crosses. Hybrid designations shall~~
30 ~~be treated as variety names. Any kinds or varieties that have pure seed~~
31 ~~which THAT is less than ninety five per cent PERCENT but more than~~
32 ~~seventy five per cent PERCENT hybrid seed as a result of incompletely~~
33 ~~controlled pollination in a cross shall be labeled to show the percentage~~
34 ~~of pure seed that is hybrid seed, or shall be labeled with a statement~~
35 ~~such as "contains from seventy five per cent PERCENT to ninety five per~~
36 ~~cent PERCENT hybrid seed". No one kind of seed shall be labeled as hybrid~~
37 ~~if the pure seed contains less than seventy five per cent PERCENT hybrid~~
38 ~~seed.~~

39 ~~10. "Inoculant" means a commercial preparation containing~~
40 ~~nitrogen fixing bacteria that is applied to seed.~~

41 ~~11. "Kind" means one or more related species or subspecies which~~
42 ~~THAT singly or collectively are known by one common name, such as corn,~~
43 ~~oats, alfalfa and timothy.~~

1 ~~12. "Label" means any label or other written, printed or graphic~~
2 ~~representations, in any form whatsoever, accompanying or pertaining to any~~
3 ~~seed whether in bulk or in containers and includes representations or~~
4 ~~invoices.~~

5 ~~13. "Labeler" means any person whose name and address appear on the~~
6 ~~label pertaining to or attached to a lot or container of agricultural,~~
7 ~~vegetable or ornamental plant seed THAT IS sold, offered for sale, exposed~~
8 ~~for sale or transported for sowing purposes.~~

9 ~~14. "License" means an Arizona state seed license that is obtained~~
10 ~~from the department.~~

11 ~~15. "Lot" means a definite quantity of seed THAT IS identified by a~~
12 ~~lot number or other mark, every portion or bag of which is uniform within~~
13 ~~recognized tolerances for the factors which THAT appear in the labeling.~~

14 ~~16. "Noxious weed seeds" means "prohibited noxious weed seeds" and~~
15 ~~"restricted noxious weed seeds" as defined as follows and THE FOLLOWING as~~
16 ~~listed in the rules adopted under this article: .~~

17 ~~(a) "Prohibited noxious weed seeds", WHICH are the seeds of~~
18 ~~perennial or annual weeds which THAT, when established, are highly~~
19 ~~destructive and difficult to control by ordinary good cultural practice~~
20 ~~and the seed of which is prohibited by this article subject to recognized~~
21 ~~tolerances.~~

22 ~~(b) "Restricted noxious weed seeds", WHICH are all noxious weed~~
23 ~~seed not classified as prohibited noxious weed seed.~~

24 ~~17. "Ornamental plant seed" means the seed of any plant THAT IS used~~
25 ~~for decorative or ornamental purposes and includes flower seed.~~

26 ~~18. "Person" means any individual, partnership, corporation,~~
27 ~~company, society or association.~~

28 ~~19. "Pure seed", "germination" and other seed labeling and testing~~
29 ~~terms in common usage shall be defined as in the federal seed act (53~~
30 ~~Stat. 1275; 7 United States Code sections 1551 through 1611) and the rules~~
31 ~~and regulations promulgated under that act.~~

32 ~~20. "Record" means all information relating to the shipment or~~
33 ~~shipments involved and includes a file sample of each lot of seed.~~

34 ~~21. "Sell" means TO offer for sale, expose for sale, possess for~~
35 ~~sale, exchange, barter or trade.~~

36 ~~22. "Treated" means that the seed has received an application of a~~
37 ~~substance or process that is designed to reduce, control or repel certain~~
38 ~~disease organisms, insects or other pests attacking such seeds or~~
39 ~~seedlings growing from the seeds.~~

40 ~~23. "Type" means either a group of varieties so similar that the~~
41 ~~individual varieties cannot be clearly differentiated except under special~~
42 ~~conditions or, when used with a variety name, seed of the variety named,~~
43 ~~which may be mixed with seed of other varieties of the same kind and of~~
44 ~~similar character. If type is designated, the designation may be~~
45 ~~associated with the name of the kind but in all cases shall be clearly~~

1 ~~associated with the word "type". If the type designation does not include~~
2 ~~a variety name, it shall include a name that describes a group of~~
3 ~~varieties of similar character, and the pure seed shall be at least ninety~~
4 ~~per cent PERCENT of one or more varieties THAT all of which conform to the~~
5 ~~type designation.~~

6 ~~24. "Variety" means a subdivision of a kind characterized by growth,~~
7 ~~yield, plant, fruit, seed or other characteristics by which it can be~~
8 ~~differentiated from other plants of the same kind.~~

9 ~~25. "Vegetable seeds" means seeds of those crops which THAT are~~
10 ~~grown in gardens and on truck farms and THAT are generally known and sold~~
11 ~~under the name of vegetable seeds in this state.~~

12 ~~26. "Weed seeds" means the seeds of all plants THAT ARE generally~~
13 ~~recognized as weeds within this state and includes noxious weed seeds.~~

14 ~~Sec. 5. Subject to the requirements of article IV, part 1,~~
15 ~~section 1, Constitution of Arizona, section 3-364, Arizona Revised~~
16 ~~Statutes, is amended to read:~~

17 ~~3-364. Inspection powers; notification requirements~~

18 ~~A. The director may enter at reasonable times into or on or through~~
19 ~~any public or private property for the purpose of ascertaining compliance~~
20 ~~or noncompliance with any rules or orders adopted or issued under this~~
21 ~~article. If practicable, and if notice will not inhibit the director's~~
22 ~~ability to enforce this article, the director or the director's agent~~
23 ~~shall notify the owner, operator or lessee of the property when entering~~
24 ~~on the property.~~

25 ~~B. THE DIRECTOR MAY ENTER AT REASONABLE TIMES INTO OR ON A PRIVATE~~
26 ~~PROPERTY WHERE MARIJUANA IS CULTIVATED FOR MEDICAL USE FOR THE PURPOSE OF~~
27 ~~ASCERTAINING COMPLIANCE OR NONCOMPLIANCE WITH ANY RULES OR ORDERS ADOPTED~~
28 ~~OR ISSUED UNDER THIS TITLE. IF PRACTICABLE, AND IF NOTICE WILL NOT INHIBIT~~
29 ~~THE DIRECTOR'S ABILITY TO ENFORCE THIS ARTICLE, THE DIRECTOR OR THE~~
30 ~~DIRECTOR'S AGENT SHALL NOTIFY THE NONPROFIT MEDICAL MARIJUANA DISPENSARY~~
31 ~~OR THE DESIGNATED CAREGIVER WHEN ENTERING ON THE PROPERTY.~~

32 ~~B. C. Within five days after the inspection the director shall~~
33 ~~inform any alleged violator in writing if the director anticipates an~~
34 ~~enforcement action. The notice of a potential enforcement action shall~~
35 ~~indicate the nature of the alleged violation and the last possible date~~
36 ~~for issuing a citation under section 3-368, subsection f. If in the~~
37 ~~course of an investigation the department identifies any additional~~
38 ~~alleged violator, the director shall inform the additional alleged~~
39 ~~violator within five days of AFTER initiating the new investigation. The~~
40 ~~notice of a potential enforcement action against the additional alleged~~
41 ~~violator shall indicate the nature of the alleged violation and the last~~
42 ~~possible date for issuing a citation or notice of de minimis violation~~
43 ~~under section 3-368, subsection f. If the director does not issue a~~
44 ~~notice of a potential enforcement action, the director shall inform the~~

1 ~~alleged violator within fifteen days after the inspection that the~~
2 ~~director does not anticipate any enforcement action.~~

3 ~~Sec. 6. Subject to the requirements of article IV, part 1,~~
4 ~~section 1, Constitution of Arizona, section 36 2804.01, Arizona Revised~~
5 ~~Statutes, is amended to read:~~

6 ~~36 2804.01. Registration of nonprofit medical marijuana~~
7 ~~dispensary agents; notices; civil penalty;~~
8 ~~classification~~

9 ~~A. A nonprofit medical marijuana dispensary agent shall be~~
10 ~~registered with the department before BEING EMPLOYED BY OR volunteering or~~
11 ~~working at a NONPROFIT medical marijuana dispensary. A REGISTERED~~
12 ~~NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT MAY USE THAT REGISTRATION TO~~
13 ~~BE EMPLOYED BY OR VOLUNTEER AT ANY REGISTERED NONPROFIT MEDICAL MARIJUANA~~
14 ~~DISPENSARY THAT IS OWNED BY THE SAME CORPORATION AND THAT HAS THE SAME~~
15 ~~BOARD OF DIRECTORS OR THE SAME PRINCIPAL OFFICERS. THE REGISTERED~~
16 ~~NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT SHALL INFORM THE DEPARTMENT~~
17 ~~WITHIN TEN DAYS AFTER BEGINNING EMPLOYMENT OR VOLUNTEER WORK AT A~~
18 ~~DIFFERENT NONPROFIT MEDICAL MARIJUANA DISPENSARY OF THE DISPENSARY'S NAME~~
19 ~~AND LOCATION. A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT MAY BE~~
20 ~~EMPLOYED OR VOLUNTEER WITH A SINGLE REGISTRATION AT MULTIPLE NONPROFIT~~
21 ~~MEDICAL MARIJUANA DISPENSARIES THAT ARE OWNED BY THE SAME CORPORATION WITH~~
22 ~~THE SAME BOARD OF DIRECTORS OR THE SAME PRINCIPAL OFFICERS.~~

23 ~~B. A nonprofit medical marijuana dispensary may apply to the~~
24 ~~department for a registry identification card for a nonprofit medical~~
25 ~~marijuana dispensary agent by submitting:~~

26 ~~1. The name, address and date of birth of the PROSPECTIVE nonprofit~~
27 ~~medical marijuana dispensary agent.~~

28 ~~2. A nonprofit medical marijuana dispensary agent application.~~

29 ~~3. A statement signed by the prospective nonprofit medical~~
30 ~~marijuana dispensary agent pledging not to divert marijuana to anyone who~~
31 ~~is not allowed to possess marijuana pursuant to this chapter.~~

32 ~~4. The application fee.~~

33 ~~C. A registered nonprofit medical marijuana dispensary shall notify~~
34 ~~the department within ten days after a nonprofit medical marijuana~~
35 ~~dispensary agent ceases to be employed by or volunteer at the registered~~
36 ~~nonprofit medical marijuana dispensary.~~

37 ~~D. No A person who has been convicted of an excluded felony offense~~
38 ~~may NOT be a nonprofit medical marijuana dispensary agent.~~

39 ~~E. The department may conduct a STATE AND FEDERAL criminal records~~
40 ~~check PURSUANT TO SECTION 41 1750 AND PUBLIC LAW 92 544 in order to carry~~
41 ~~out this section.~~

1 ~~Sec. 7. Subject to the requirements of article IV, part 1,~~
2 ~~section 1, Constitution of Arizona, section 36-2806, Arizona Revised~~
3 ~~Statutes, is amended to read:~~

4 ~~36-2806. Registered nonprofit medical marijuana dispensaries.~~
5 ~~Inspection, testing, requirements, immunity~~

6 ~~A. A registered nonprofit medical marijuana dispensary shall be~~
7 ~~operated on a not for profit basis. The bylaws of a registered nonprofit~~
8 ~~medical marijuana dispensary shall contain such provisions relative to the~~
9 ~~disposition of revenues and receipts to establish and maintain its~~
10 ~~nonprofit character. A registered nonprofit medical marijuana dispensary~~
11 ~~need not be recognized as tax exempt by the internal revenue service and~~
12 ~~is not required to incorporate pursuant to title 10, chapter 19,~~
13 ~~article 1.~~

14 ~~B. The operating documents of a registered nonprofit medical~~
15 ~~marijuana dispensary shall include procedures for the oversight of the~~
16 ~~registered nonprofit medical marijuana dispensary and procedures to ensure~~
17 ~~accurate recordkeeping.~~

18 ~~C. A registered nonprofit medical marijuana dispensary shall have a~~
19 ~~single secure entrance and shall implement appropriate security measures~~
20 ~~to deter and prevent the theft of marijuana and unauthorized entrance into~~
21 ~~areas containing marijuana.~~

22 ~~D. A registered nonprofit medical marijuana dispensary is~~
23 ~~prohibited from acquiring, possessing, cultivating, manufacturing,~~
24 ~~delivering, transferring, transporting, supplying or dispensing marijuana~~
25 ~~for any purpose except to assist registered qualifying patients with the~~
26 ~~medical use of marijuana directly or through the registered qualifying~~
27 ~~patients' designated caregivers.~~

28 ~~E. All cultivation of marijuana must take place in an enclosed,~~
29 ~~locked facility at a physical address provided to the department during~~
30 ~~the registration process, which can only be accessed by registered~~
31 ~~nonprofit medical marijuana dispensary agents WHO ARE associated in the~~
32 ~~registry with the nonprofit medical marijuana dispensary.~~

33 ~~F. A registered nonprofit medical marijuana dispensary may acquire~~
34 ~~usable marijuana or marijuana plants from a registered qualifying patient~~
35 ~~or a registered designated caregiver only if the registered qualifying~~
36 ~~patient or registered designated caregiver receives no compensation for~~
37 ~~the marijuana.~~

38 ~~G. A nonprofit medical marijuana dispensary shall not permit ALLOW~~
39 ~~any person to consume marijuana on the property of a nonprofit medical~~
40 ~~marijuana dispensary.~~

41 ~~H. Registered nonprofit medical marijuana dispensaries are subject~~
42 ~~to reasonable inspection by the department. The department shall:~~

43 ~~1. Give reasonable notice of an inspection under this subsection.~~

44 ~~2. ESTABLISH INSPECTION PROTOCOLS FOR NONPROFIT MEDICAL MARIJUANA~~
45 ~~DISPENSARIES THAT INCLUDE THE INSPECTION OF DISPENSARY PREMISES BEGINNING~~

1 ~~JUNE 1, 2019 FOR SANITARY CONDITIONS FOR STORING AND PROCESSING MEDICAL~~
2 ~~MARIJUANA AND FOR THE EXISTENCE OF HARMFUL LEVELS OF MOLD IN ANY BUILDING~~
3 ~~OPERATED BY THE DISPENSARY.~~

4 ~~3. ESTABLISH REMEDIATION REQUIREMENTS FOR NONPROFIT MEDICAL~~
5 ~~MARIJUANA DISPENSARY PREMISES WHERE AN INSPECTION VIOLATION IS FOUND.~~

6 ~~1. BEGINNING JUNE 1, 2019, THE DEPARTMENT SHALL PROMULGATE RULES IN~~
7 ~~ORDER TO DETERMINE A PROCESS FOR COLLECTING RANDOM SAMPLES OF MEDICAL~~
8 ~~MARIJUANA BEING SOLD FOR TESTING TO CONFIRM THAT THE MEDICAL MARIJUANA~~
9 ~~DOES NOT INCLUDE HARMFUL LEVELS OF MOLD, PATHOGENIC BACTERIA OR OTHER~~
10 ~~HARMFUL ADULTERANTS AND IS LABELED CORRECTLY AND THAT THE DISCLOSURE~~
11 ~~DOCUMENT INCLUDED WITH THE SAMPLE REFLECTS ANY CHEMICAL USED IN PRODUCING~~
12 ~~THE MEDICAL MARIJUANA SAMPLE AND THE ACTUAL CONTENTS OF THE SAMPLE. THE~~
13 ~~DEPARTMENT MAY CONTRACT WITH A THIRD PARTY INDEPENDENT LABORATORY TO~~
14 ~~COLLECT AND TEST THE MEDICAL MARIJUANA SAMPLES. AN OWNER OR AGENT OF A~~
15 ~~NONPROFIT MEDICAL MARIJUANA DISPENSARY MAY NOT HAVE A FAMILIAL~~
16 ~~RELATIONSHIP WITH AN OWNER OR EMPLOYEE OF A LABORATORY PERFORMING ANALYSES~~
17 ~~OF MEDICAL MARIJUANA SAMPLES UNDER THIS SUBSECTION. IF A MEDICAL~~
18 ~~MARIJUANA SAMPLE IS NOT LABELED CORRECTLY OR A DISCLOSURE DOCUMENT IS NOT~~
19 ~~ACCURATE BASED ON THE RESULTS OF THE TESTING, THE SAMPLE SHALL BE~~
20 ~~DESTROYED.~~

21 ~~3. ALL MEDICAL MARIJUANA PRODUCTS THAT ARE DISPENSED BY A NONPROFIT~~
22 ~~MEDICAL MARIJUANA DISPENSARY SHALL BE DISPENSED IN CHILDPROOF CONTAINERS~~
23 ~~AND HAVE THE REGISTERED QUALIFYING PATIENT'S NAME AND REGISTRY~~
24 ~~IDENTIFICATION CARD NUMBER INDICATED ON THE LABEL. THE MEDICAL MARIJUANA~~
25 ~~PRODUCT SHALL INCLUDE A WRITTEN DISCLOSURE THAT LISTS ALL CHEMICAL~~
26 ~~COMPOUNDS USED DURING THE CULTIVATION OF THE PRODUCT AS TESTED PURSUANT TO~~
27 ~~TITLE 3.~~

28 ~~K. NOTWITHSTANDING TITLE 13, CHAPTER 34, AN EMPLOYEE OF THE~~
29 ~~DEPARTMENT OR AN EMPLOYEE OF ANY CONTRACTED THIRD PARTY TESTING FACILITY~~
30 ~~MAY NOT BE CHARGED WITH OR PROSECUTED FOR POSSESSION OF ANY AMOUNT OF~~
31 ~~MARIJUANA THAT IS CULTIVATED FOR MEDICAL USE AND THAT THE EMPLOYEE IS~~
32 ~~USING AS A SAMPLE FOR TESTING AS REQUIRED BY SUBSECTION I OF THIS SECTION~~
33 ~~AND THE RULES ADOPTED PURSUANT TO THAT SUBSECTION.~~

34 Sec. 8. Appropriation; Arizona department of agriculture;
35 medical marijuana fund

36 A. The sum of \$2,000,000 is appropriated from the medical marijuana
37 fund established by section 36-2817, Arizona Revised Statutes, in fiscal
38 year 2018-2019 to the Arizona department of agriculture for the purpose of
39 regulating marijuana as an agricultural commodity.

40 B. The appropriation made in subsection A of this section is exempt
41 from the provisions of section 35-190, Arizona Revised Statutes, relating
42 to lapsing of appropriations.

1 ~~Sec. 9. Department of agriculture, exemption from rulemaking~~
2 ~~For the purposes of section 3 109.03, Arizona Revised Statutes, as~~
3 ~~added by this act, and sections 3 145, 3 201, 3 231 and 3 364, Arizona~~
4 ~~Revised Statutes, as amended by this act, the department of agriculture is~~
5 ~~exempt from the rulemaking requirements of title 41, chapter 6, Arizona~~
6 ~~Revised Statutes, for one year after the effective date of this act.~~

7 Sec. 10. Short title

8 This act may be cited as the "Medical Marijuana Reform Act".

9 ~~Sec. 11. Requirements for enactment, three fourths vote~~

10 ~~Pursuant to article IV, part 1, section 1, Constitution of Arizona,~~
11 ~~section 3 109.03, Arizona Revised Statutes, as added by this act, sections~~
12 ~~3 145, 3 201, 3 231, 3 364, 36 2804.01 and 36 2806, Arizona Revised~~
13 ~~Statutes, as amended by this act, and section 9 of this act are effective~~
14 ~~only on the affirmative vote of at least three fourths of the members of~~
15 ~~each house of the legislature.~~