House Engrossed

medical marijuana; mental health; research

State of Arizona
House of Representatives
Fifty-fourth Legislature
Second Regular Session
2020

HOUSE CONCURRENT RESOLUTION 2045

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING TO MEDICAL 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 medical marijuana, is enacted to become valid as a law if approved by the voters and on proclamation of the Governor:

AN ACT

AMENDING TITLE 36, CHAPTER 28.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2803.02; AMENDING TITLE 36, CHAPTER 28.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2812; AMENDING SECTIONS 36-2817 AND 42-5010, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5030.02; AMENDING TITLE 42, CHAPTER 5, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5077; RELATING TO MEDICAL MARIJUANA.

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

Section 1. Title 36, chapter 28.1, Arizona Revised Statutes, is amended by adding section 36-2803.02, to read:

36-2803.02. Warning labels; requirements

THE DEPARTMENT SHALL DEVELOP WARNING LABELS THAT ARE BASED ON THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES OFFICE OF THE SURGEON GENERAL'S WARNINGS ON MARIJUANA. THE DEPARTMENT SHALL REQUIRE THE LABELS TO BE AFFIXED TO THE PACKAGING OF ANY MEDICAL MARIJUANA THAT IS DISPENSED BY A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY TO A QUALIFIED PATIENT OR A DESIGNATED CAREGIVER.

Sec. 2. Title 36, chapter 28.1, Arizona Revised Statutes, is amended by adding section 36-2812, to read:

36-2812. Marijuana research studies; grants; requirements; exemption

A. THE DEPARTMENT SHALL PROVIDE GRANTS FROM MONIES IN THE MEDICAL MARIJUANA FUND ESTABLISHED BY SECTION 36-2817 FOR MARIJUANA RESEARCH STUDIES ON THE SAFETY AND EFFICACY OF USING MARIJUANA FOR MEDICAL PURPOSES AND THE SIDE EFFECTS OF MARIJUANA USE, SPECIFICALLY FOCUSING ON THE FOLLOWING:

1. THE RELATIONSHIP BETWEEN MARIJUANA USE AND SCHIZOPHRENIA.

2. THE CORRELATION BETWEEN MARIJUANA USE AND VIOLENT BEHAVIOR, CONSIDERING FACTORS SUCH AS MENTAL ILLNESS AND THE TETRAHYDROCANNABINOL CONCENTRATION IN MARIJUANA.

B. GRANTS PROVIDED PURSUANT TO THIS SECTION ARE EXEMPT FROM THE REQUIREMENTS OF TITLE 41, CHAPTER 24.

C. THE DEPARTMENT SHALL POST ON ITS PUBLIC WEBSITE ALL RESEARCH CONDUCTED PURSUANT TO THE GRANTS PROVIDED UNDER THIS SECTION.

D. NOTWITHSTANDING TITLE 13, CHAPTER 34, A PERSON WHO RECEIVES A GRANT FOR A MARIJUANA RESEARCH STUDY PURSUANT TO THIS SECTION AND ANY OF THE PERSON'S EMPLOYEES WORKING ON THE RESEARCH STUDY MAY NOT BE CHARGED WITH OR PROSECUTED FOR POSSESSION OF MARIJUANA THAT IS CULTIVATED FOR MEDICAL USE WHEN THE PERSON IS WORKING ON THE RESEARCH STUDY.

Sec. 3. Section 36-2817, Arizona Revised Statutes, is amended to read:

36-2817. Medical marijuana fund; private donations

A. The medical marijuana fund is established consisting of fees collected, civil penalties imposed and private donations received under this chapter. The department shall administer the fund. Monies in the fund are continuously appropriated.

B. The director of the department may accept and spend private grants, gifts, donations, contributions and devises to assist in carrying out ~~the provisions of~~ this chapter.

C. MONIES IN THE MEDICAL MARIJUANA FUND MAY BE USED TO PROVIDE GRANTS RELATING TO MARIJUANA RESEARCH STUDIES PURSUANT TO SECTION 36-2812.

~~C.~~ D. Monies in the medical marijuana fund do not revert to the state general fund at the end of a fiscal year.

Sec. 4. Section 42-5010, Arizona Revised Statutes, is amended to read:

42-5010. Rates; distribution base

A. The tax imposed by this article is levied and shall be collected at the following rates:

1. Five percent of the tax base as computed for the business of every person engaging or continuing in this state in the following business classifications described in article 2 of this chapter:

(a) Transporting classification.

(b) Utilities classification.

(c) Telecommunications classification.

(d) Pipeline classification.

(e) Private car line classification.

(f) Publication classification.

(g) Job printing classification.

(h) Prime contracting classification.

(i) Amusement classification.

(j) Restaurant classification.

(k) Personal property rental classification.

(l) Retail classification and amounts equal to retail transaction privilege tax due pursuant to section 42-5008.01.

(m) MEDICAL MARIJUANA CLASSIFICATION.

2. Five and one-half percent of the tax base as computed for the business of every person engaging or continuing in this state in:

(a) The transient lodging classification described in section 42-5070.

(b) The online lodging marketplace classification described in section 42-5076 who has entered into an agreement with the department to register for, or has otherwise obtained from the department, a license to collect tax pursuant to section 42-5005, subsection L.

3. Three and one-eighth percent of the tax base as computed for the business of every person engaging or continuing in this state in the mining classification described in section 42-5072.

4. Zero percent of the tax base as computed for the business of every person engaging or continuing in this state in the commercial lease classification described in section 42-5069.

B. Except as provided by subsection J of this section, twenty percent of the tax revenues collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classifications listed in subsection A, paragraph 1, subdivisions (a) through (h) of this section is designated as distribution base for purposes of section 42-5029.

C. Forty percent of the tax revenues collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classifications listed in subsection A, paragraph 1, subdivisions (i) through ~~(l)~~ (m) of this section is designated as distribution base for purposes of section 42-5029.

D. Thirty-two percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 3 of this section is designated as distribution base for purposes of section 42-5029.

E. Fifty-three and one-third percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 4 of this section is designated as distribution base for purposes of section 42-5029.

F. Fifty percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 2 of this section is designated as distribution base for purposes of section 42-5029.

G. In addition to the rates prescribed by subsection A of this section, if approved by the qualified electors voting at a statewide general election, an additional rate increment is imposed and shall be collected through June 30, 2021. The taxpayer shall pay taxes pursuant to this subsection at the same time and in the same manner as under subsection A of this section. The department shall separately account for the revenues collected with respect to the rates imposed pursuant to this subsection and the state treasurer shall distribute all of those revenues in the manner prescribed by section 42-5029, subsection E. The rates imposed pursuant to this subsection shall not be considered local revenues for purposes of article IX, section 21, Constitution of Arizona. The additional tax rate increment is levied at the rate of six-tenths of one ~~per cent~~ PERCENT of the tax base of every person engaging or continuing in this state in a business classification listed in subsection A, paragraph 1 of this section.

H. Any increase in the rate of tax that is imposed by this chapter and that is enacted by the legislature or by a vote of the people does not apply with respect to contracts entered into by prime contractors or pursuant to written bids made by prime contractors on or before the effective date of the legislation or the date of the election enacting the increase. To qualify for the exemption under this subsection, the prime contractor must maintain sufficient documentation, in a manner and form prescribed by the department, to verify the date of the contract or written bid.

I. For taxpayers taxable under this chapter other than prime contractors taxable pursuant to section 42-5075:

1. Any increase in the rate of tax that is levied by this article or article 2 of this chapter enacted by the legislature or by a vote of the people does not apply for a period of one hundred twenty days from the date of the tax rate increase to the gross proceeds of sales or gross income from the business of the taxpayer with respect to written contracts entered into before the effective date of the tax rate increase unless the taxpayer has entered into a contract that contains a provision that entitles the taxpayer to recover from the purchaser the amount of the additional tax levied.

2. The provisions of this subsection apply without regard to the accounting method used by the taxpayer to report the taxes imposed under article 2 of this chapter.

3. The provisions of this subsection shall not be considered in determining the rate of tax imposed under chapter 6, article 3 of this title.

J. Zero percent of the tax revenues that are collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classification listed in subsection A, paragraph 1, subdivision (h) of this section, and that are subject to any distribution required by section 42-5032.02, is designated as distribution base for the purposes of section 42-5029 until the total amount subject to distribution pursuant to section 42-5032.02 has reached the maximum amount prescribed by section 42-5032.02, subsection C. Thereafter, twenty percent of the remaining tax revenues is designated as distribution base for the purposes of section 42-5029 as provided by subsection B of this section.

Sec. 5. Title 42, chapter 5, article 1, Arizona Revised Statutes, is amended by adding section 42-5030.02, to read:

42-5030.02. Distribution of revenues for seriously mentally ill services

EACH MONTH THE STATE TREASURER SHALL CREDIT, FROM THE AMOUNT DESIGNATED AS DISTRIBUTION BASE PURSUANT TO SECTION 42-5029, SUBSECTION D, THE TOTAL AMOUNT OF STATE TRANSACTION PRIVILEGE TAX REVENUES RECEIVED FROM PERSONS CONDUCTING BUSINESS UNDER THE MEDICAL MARIJUANA CLASSIFICATION PURSUANT TO SECTION 42-5077 TO THE STATE GENERAL FUND. THE LEGISLATURE SHALL ANNUALLY APPROPRIATE THE MONIES CREDITED PURSUANT TO THIS SECTION TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM FOR NONMEDICAID SERIOUSLY MENTALLY ILL SERVICES.

Sec. 6. Title 42, chapter 5, article 2, Arizona Revised Statutes, is amended by adding section 42-5077, to read:

42-5077. Medical marijuana classification; definition

A. THE MEDICAL MARIJUANA CLASSIFICATION IS COMPRISED OF THE BUSINESS OF SELLING MARIJUANA BY A NONPROFIT MEDICAL MARIJUANA DISPENSARY.

B. THE TAX BASE OF THE MEDICAL MARIJUANA CLASSIFICATION IS THE GROSS PROCEEDS OF SALES DERIVED FROM THE BUSINESS.

C. FOR THE PURPOSES OF THIS SECTION, "NONPROFIT MEDICAL MARIJUANA DISPENSARY" HAS THE SAME MEANING PRESCRIBED IN SECTION 36-2801.

Sec. 7. Conforming legislation

The legislative council staff shall prepare proposed legislation conforming the Arizona Revised Statutes to the provision of this act for consideration in the fifty-fifth 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.