

REFERENCE TITLE: **medical marijuana; mental health; research**

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

HCR 2045

Introduced by
Representatives Bowers: Biasiucci, Bolick, Carroll, Cobb, Cook, Finchem,
Griffin, Lawrence, Lieberman, Nutt, Osborne, Thorpe, Toma, Udall

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)

1 Be it resolved by the House of Representatives of the State of Arizona,
2 the Senate concurring:

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

7 AN ACT

8 AMENDING TITLE 36, CHAPTER 28.1, ARIZONA REVISED STATUTES, BY
9 ADDING SECTION 36-2803.02; AMENDING SECTION 36-2806.02,
10 ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 28.1,
11 ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2812; AMENDING
12 SECTIONS 36-2817 AND 42-5010, ARIZONA REVISED STATUTES;
13 AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED
14 STATUTES, BY ADDING SECTION 42-5030.02; AMENDING TITLE 42,
15 CHAPTER 5, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING
16 SECTION 42-5077; RELATING TO MEDICAL MARIJUANA.

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

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

20 36-2803.02. Warning labels; requirements

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

28 Sec. 2. Section 36-2806.02, Arizona Revised Statutes,
29 is amended to read:

30 36-2806.02. Dispensing marijuana for medical use

31 A. Before marijuana may be dispensed to a registered
32 designated caregiver or a registered qualifying patient, a
33 nonprofit medical marijuana dispensary agent must access the
34 verification system and determine for the registered
35 qualifying patient for whom the marijuana is intended and any
36 registered designated caregiver transporting the marijuana to
37 the patient, that:

38 1. The registry identification card presented to the
39 registered nonprofit medical marijuana dispensary is valid.

40 2. Each person presenting a registry identification
41 card is the person identified on the registry identification
42 card presented to the nonprofit medical marijuana dispensary
43 agent.

44 3. The amount to be dispensed would not cause the
45 registered qualifying patient to exceed the limit on obtaining

1 no more than two-and-one-half ounces of marijuana during any
2 fourteen-day period.

3 B. After making the determinations required in
4 subsection A OF THIS SECTION, but before dispensing marijuana
5 to a registered qualifying patient or a registered designated
6 caregiver on a registered qualifying patient's behalf, a
7 nonprofit medical marijuana dispensary agent must enter the
8 following information in the verification system:

9 1. How much marijuana is being dispensed to the
10 registered qualifying patient.

11 2. Whether it was dispensed directly to the registered
12 qualifying patient or to the registered qualifying patient's
13 registered designated caregiver.

14 3. The date and time the marijuana was dispensed.

15 4. The registry identification card number of the
16 nonprofit medical marijuana dispensary and of the nonprofit
17 medical marijuana dispensary agent who dispensed the
18 marijuana.

19 C. A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY
20 MAY NOT DISPENSE TO A QUALIFYING PATIENT OR A DESIGNATED
21 CAREGIVER MEDICAL MARIJUANA WITH A TETRAHYDROCANNABINOL
22 CONCENTRATION OF MORE THAN TWO PERCENT.

23 Sec. 3. Title 36, chapter 28.1, Arizona Revised
24 Statutes, is amended by adding section 36-2812, to read:

25 36-2812. Marijuana research studies; grants;
26 requirements; exemption

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

32 1. THE RELATIONSHIP BETWEEN MARIJUANA USE AND
33 SCHIZOPHRENIA.

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

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

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

42 D. NOTWITHSTANDING TITLE 13, CHAPTER 34, A PERSON WHO
43 RECEIVES A GRANT FOR A MARIJUANA RESEARCH STUDY PURSUANT TO
44 THIS SECTION AND ANY OF THE PERSON'S EMPLOYEES WORKING ON THE
45 RESEARCH STUDY MAY NOT BE CHARGED WITH OR PROSECUTED FOR

1 POSSESSION OF MARIJUANA THAT IS CULTIVATED FOR MEDICAL USE
2 WHEN THE PERSON IS WORKING ON THE RESEARCH STUDY.

3 Sec. 4. Section 36-2817, Arizona Revised Statutes, is
4 amended to read:

5 36-2817. Medical marijuana fund; private donations

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

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

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

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

19 Sec. 5. Section 42-5010, Arizona Revised Statutes, is
20 amended to read:

21 42-5010. Rates; distribution base

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

24 1. Five percent of the tax base as computed for the
25 business of every person engaging or continuing in this state
26 in the following business classifications described in article
27 2 of this chapter:

- 28 (a) Transporting classification.
- 29 (b) Utilities classification.
- 30 (c) Telecommunications classification.
- 31 (d) Pipeline classification.
- 32 (e) Private car line classification.
- 33 (f) Publication classification.
- 34 (g) Job printing classification.
- 35 (h) Prime contracting classification.
- 36 (i) Amusement classification.
- 37 (j) Restaurant classification.
- 38 (k) Personal property rental classification.
- 39 (l) Retail classification and amounts equal to retail
40 transaction privilege tax due pursuant to section 42-5008.01.

41 (m) MEDICAL MARIJUANA CLASSIFICATION.

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

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

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

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

12 4. Zero percent of the tax base as computed for the
13 business of every person engaging or continuing in this state
14 in the commercial lease classification described in section
15 42-5069.

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

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

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

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

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

44 G. In addition to the rates prescribed by subsection A
45 of this section, if approved by the qualified electors voting

1 at a statewide general election, an additional rate increment
2 is imposed and shall be collected through June 30, 2021. The
3 taxpayer shall pay taxes pursuant to this subsection at the
4 same time and in the same manner as under subsection A of this
5 section. The department shall separately account for the
6 revenues collected with respect to the rates imposed pursuant
7 to this subsection and the state treasurer shall distribute
8 all of those revenues in the manner prescribed by section
9 42-5029, subsection E. The rates imposed pursuant to this
10 subsection shall not be considered local revenues for purposes
11 of article IX, section 21, Constitution of Arizona. The
12 additional tax rate increment is levied at the rate of
13 six-tenths of one ~~percent~~ PERCENT of the tax base of every
14 person engaging or continuing in this state in a business
15 classification listed in subsection A, paragraph 1 of this
16 section.

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

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

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

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

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

1 J. Zero percent of the tax revenues that are collected
2 at the rate prescribed by subsection A, paragraph 1 of this
3 section from persons on account of engaging in business under
4 the business classification listed in subsection A, paragraph
5 1, subdivision (h) of this section, and that are subject to
6 any distribution required by section 42-5032.02, is designated
7 as distribution base for the purposes of section 42-5029 until
8 the total amount subject to distribution pursuant to section
9 42-5032.02 has reached the maximum amount prescribed by
10 section 42-5032.02, subsection C. Thereafter, twenty percent
11 of the remaining tax revenues is designated as distribution
12 base for the purposes of section 42-5029 as provided by
13 subsection B of this section.

14 Sec. 6. Title 42, chapter 5, article 1, Arizona Revised
15 Statutes, is amended by adding section 42-5030.02, to read:

16 42-5030.02. Distribution of revenues for seriously
17 mentally ill services

18 EACH MONTH THE STATE TREASURER SHALL CREDIT, FROM THE
19 AMOUNT DESIGNATED AS DISTRIBUTION BASE PURSUANT TO SECTION
20 42-5029, SUBSECTION D, THE TOTAL AMOUNT OF STATE TRANSACTION
21 PRIVILEGE TAX REVENUES RECEIVED FROM PERSONS CONDUCTING
22 BUSINESS UNDER THE MEDICAL MARIJUANA CLASSIFICATION PURSUANT
23 TO SECTION 42-5077 TO THE STATE GENERAL FUND. THE LEGISLATURE
24 SHALL ANNUALLY APPROPRIATE THE MONIES CREDITED PURSUANT TO
25 THIS SECTION TO THE ARIZONA HEALTH CARE COST CONTAINMENT
26 SYSTEM FOR NONMEDICAID SERIOUSLY MENTALLY ILL SERVICES.

27 Sec. 7. Title 42, chapter 5, article 2, Arizona Revised
28 Statutes, is amended by adding section 42-5077, to read:

29 42-5077. Medical marijuana classification; definition

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

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

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

38 Sec. 8. Conforming legislation

39 The legislative council staff shall prepare proposed
40 legislation conforming the Arizona Revised Statutes to the
41 provision of this act for consideration in the fifty-fifth
42 legislature, first regular session.

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