



Bill Number: H.B. 2050

Gowan Floor Amendment

Reference to: Appropriations Committee Amendment

Amendment drafted by: Leg Council

FLOOR AMENDMENT EXPLANATION

1. Requires the Arizona Biomedical Research Centre within DHS to provide \$5 million annually for five years in competitive grants for marijuana clinical trials, using monies from the Smart and Safe Arizona Fund, the Medical Marijuana Fund or a combination of both.
2. Requires DHS, effective January 1, 2024, to contract with a third party to collect random samples of marijuana products for sale at medical and recreational dispensaries to confirm that the certified test results match the products being sold.
3. Specifies that complaints relating to an independent third-party lab, marijuana testing facility, medical marijuana dispensary or recreational marijuana establishment are available to the public, unless requested by the complainant.
4. Requires DHS to accept and process new medical marijuana dispensary applications for any applicant that DHS stipulated or admitted to having applied for a medical dispensary certificate since January 1, 2017.
5. Delays various DHS administrative and dispensary licensing requirements.
6. Prohibits an individual from being an applicant, principal officer or board member on more than five applications for a medical marijuana dispensary certificate.
7. Removes the requirement that medical marijuana dispensary registration certificates issued to applicants who applied on the grounds that the applicant previously applied for registration in a county or area with no medical dispensary be:
 - a) issued only to marijuana facility agents or nonprofit medical dispensary agents; and
 - b) considered issued to an early applicant that may apply for and receive a recreational marijuana establishment license.

Amendment explanation prepared by Michael Madden
06/13/2022

GOWAN FLOOR AMENDMENT
SENATE AMENDMENTS TO H.B. 2050
(Reference to APPROPRIATIONS Committee amendment)

- 1 Page 2, line 18, strike "JUNE 1, 2022" insert "TWENTY-ONE DAYS AFTER THE
2 EFFECTIVE DATE OF THIS SECTION"
- 3 Line 23, strike "JULY 1, 2022 THROUGH JULY 31, 2022" insert "TWENTY-TWO DAYS
4 AFTER THE EFFECTIVE DATE OF THIS SECTION FOR THE FOLLOWING THIRTY DAYS"
- 5 Line 26, strike "MEET" insert "PAY THE APPLICABLE FEE AND TO WHICH"; strike
6 "REQUIREMENTS" insert "APPLY"
- 7 Line 27, after "STIPULATED" insert "OR ADMITTED"
- 8 Line 29, strike "DURING THE PERIOD BEGINNING" insert "ON OR AFTER"
- 9 Line 30, strike "THROUGH DECEMBER 31, 2020"
- 10 Page 3, strike lines 6 through 14, insert:
- 11 "G. AN INDIVIDUAL MAY NOT BE AN APPLICANT, PRINCIPAL OFFICER OR
12 BOARD MEMBER ON MORE THAN FIVE APPLICATIONS FOR A NONPROFIT MEDICAL
13 MARIJUANA DISPENSARY REGISTRATION CERTIFICATE THAT ARE SUBMITTED PURSUANT
14 TO SUBSECTION F OF THIS SECTION."
- 15 Line 15, strike "AN"
- 16 Line 16, strike "OPERATING" insert "A"; after "DISPENSARY" insert "THAT HAS
17 BEEN ISSUED A REGISTRATION CERTIFICATE"
- 18 Line 18, strike the first "NOVEMBER" insert "DECEMBER"; strike "NOVEMBER 30"
19 insert "DECEMBER 31"

1 Page 3, between lines 22 and 23, insert:

2 "Sec. 2. Subject to the requirements of article IV, part 1,
3 section 1, Constitution of Arizona, section 36-2822, Arizona Revised
4 Statutes, is amended to read:

5 36-2822. Arizona biomedical research centre; medical marijuana
6 fund; smart and safe Arizona fund; grants;
7 marijuana clinical trials; requirements

8 A. The Arizona biomedical research centre in the department shall
9 provide competitive grants from monies in the medical marijuana fund
10 established by section 36-2817 **OR THE SMART AND SAFE ARIZONA FUND**
11 **ESTABLISHED BY SECTION 36-2856** for marijuana clinical trials that are
12 approved by the United States food and drug administration for evaluating
13 both the safety and efficacy of using marijuana in humans and researching
14 the impacts of marijuana interactions with prescription drugs,
15 nonprescription drugs and illicit drugs.

16 B. Clinical trials funded pursuant to subsection A of this section
17 shall be conducted by Arizona-based researchers from nonprofit
18 organizations or universities, be approved by the United States food and
19 drug administration, the United States drug enforcement administration and
20 an institutional review board and be publishable in peer-reviewed medical
21 and public health journals. The centre shall prioritize randomized
22 controlled clinical trials that study the treatment of autism, epilepsy,
23 post-traumatic stress disorder and pain.

24 C. Notwithstanding title 13, chapter 34, a person who receives a
25 grant for a marijuana clinical trial pursuant to this section and any of
26 the person's employees working on the clinical trial may not be charged
27 with or prosecuted for possession of marijuana that is cultivated for
28 medical use when the person is working on the clinical trial.

29 D. The Arizona biomedical research centre ~~may~~ **SHALL** provide up to
30 \$5,000,000 annually for five consecutive years from the medical marijuana
31 fund established by section 36-2817 **OR THE SMART AND SAFE ARIZONA FUND**

1 ESTABLISHED BY SECTION 36-2856, OR A COMBINATION OF BOTH FUNDS, to
2 administer and award competitive grants pursuant to this section. The
3 centre may not use more than five percent of these monies for
4 administrative purposes."

5 Renumber to conform

6 Page 4, line 21, after the comma insert "BEGINNING OCTOBER 1, 2022,"

7 Line 22, strike "OR" insert "TO BECOME A DUAL LICENSEE IF THE LICENSEE
8 NOTIFIES THE DEPARTMENT AND SUBMITS THE APPLICABLE FEE, AND A NONPROFIT
9 MEDICAL MARIJUANA DISPENSARY MAY APPLY FOR"

10 Line 23, after "LICENSE" insert "TO BECOME A DUAL LICENSEE IF THE NONPROFIT
11 MEDICAL MARIJUANA DISPENSARY NOTIFIES THE DEPARTMENT AND SUBMITS THE
12 APPLICABLE FEE"; after the period insert "ON NOTIFICATION AND PAYMENT OF
13 THE APPLICABLE FEE PURSUANT TO THIS ITEM,"; strike "A" insert "THE
14 APPLICABLE"

15 Line 24, strike "A"; strike "TO" insert a period

16 Strike lines 25 and 26

17 Page 12, between lines 4 and 5, insert:

18 "Sec. 4. Subject to the requirements of article IV, part 1,
19 section 1, Constitution of Arizona, section 36-2856, Arizona Revised
20 Statutes, is amended to read:

21 36-2856. Smart and safe Arizona fund; grants; disposition of
22 monies; exemption

23 A. The smart and safe Arizona fund is established consisting of all
24 monies deposited pursuant to sections 36-2854, 42-5452 and 42-5503, private
25 donations and interest earned on those monies. Monies in the fund are
26 continuously appropriated. Monies in the fund and its accounts may not be
27 transferred to any other fund except as provided in this section, do not
28 revert to the state general fund and are exempt from the provisions of
29 section 35-190 relating to the lapsing of appropriations. The state
30 treasurer shall administer the fund.

1 B. All monies in the smart and safe Arizona fund must first be
2 spent, and the state treasurer shall transfer monies from the fund, to pay:

3 1. The actual reasonable costs incurred by the department to
4 implement, carry out and enforce this chapter and rules adopted pursuant to
5 this chapter ~~AND TO PROVIDE GRANTS FOR MARIJUANA CLINICAL TRIALS CONDUCTED~~
6 ~~PURSUANT TO SECTION 36-2822.~~

7 2. The actual reasonable costs incurred by the department of revenue
8 to impose and enforce the tax authorized and levied by section 42-5452.

9 3. The actual reasonable costs incurred by the supreme court and the
10 department of public safety to process petitions for expungement and
11 expungement orders pursuant to section 36-2862 and to otherwise implement
12 section 36-2862.

13 4. The actual reasonable costs incurred by the state treasurer to
14 administer the fund.

15 5. Any other mandatory expenditure of state revenues required by
16 this chapter to implement or enforce the provisions of this chapter.

17 C. The state treasurer may prescribe forms necessary to make
18 transfers from the smart and safe Arizona fund pursuant to subsection B of
19 this section.

20 D. On or before June 30 and December 31 of each year, the state
21 treasurer shall transfer all monies in the smart and safe Arizona fund in
22 excess of the amounts paid pursuant to subsection B of this section as
23 follows:

24 1. ~~33~~ THIRTY-THREE percent to community college districts and
25 provisional community college districts, but not to community college
26 tuition financing districts established pursuant to section 15-1409, for
27 the purposes of investing in and providing workforce development programs,
28 job training, career and technical education, and science, technology,
29 engineering and ~~math~~ MATHEMATICS programs, as follows:

30 (a) ~~15~~ FIFTEEN percent of the ~~33~~ THIRTY-THREE percent divided
31 equally between each community college district.

1 (b) 0.5 percent of the ~~33~~ THIRTY-THREE percent divided equally
2 between each provisional community college district, if one or more
3 provisional community college districts exist.

4 (c) The remainder to community college districts and provisional
5 community colleges districts in proportion to each district's full-time
6 equivalent student enrollment percentage of the total statewide audited
7 full-time equivalent student enrollment in the preceding fiscal year
8 prescribed in section 15-1466.01.

9 2. 31.4 percent to municipal police departments, municipal fire
10 departments, fire districts established pursuant to title 48, chapter 5 and
11 county sheriffs' departments in proportion to the number of enrolled
12 members for each such agency in the public safety personnel retirement
13 system established by title 38, chapter 5, article 4 and the public safety
14 personnel defined contribution RETIREMENT plan established ~~by~~ PURSUANT TO
15 title 38, chapter 5, article 4.1,~~---~~ for personnel costs.

16 3. 25.4 percent to the Arizona highway user revenue fund established
17 by section 28-6533.

18 4. ~~10~~ TEN percent to the justice reinvestment fund established by
19 section 36-2863.

20 5. 0.2 percent to the attorney general to use to enforce this
21 chapter, or to grant to localities to enforce this chapter.

22 E. The monies transferred and received pursuant to this section:

23 1. Are in addition to any other appropriation, transfer or other
24 allocation of monies and may not supplant, replace or cause a reduction in
25 other funding sources.

26 2. Are not considered local revenues for the purposes of article IX,
27 sections 20 and 21, Constitution of Arizona.

1 Sec. 5. Subject to the requirements of article IV, part 1,
2 section 1, Constitution of Arizona, title 36, chapter 28.2, Arizona Revised
3 Statutes, is amended by adding sections 36-2866 and 36-2867, to read:

4 36-2866. Complaints; disclosure of information; confidentiality

5 A. A COMPLAINT THAT RELATES TO COMPLIANCE WITH THIS CHAPTER, CHAPTER
6 28.1 OF THIS TITLE OR THE RULES ADOPTED PURSUANT TO THIS CHAPTER AND
7 CHAPTER 28.1 OF THIS TITLE AND THAT IS SUBMITTED TO THE DEPARTMENT
8 REGARDING AN INDEPENDENT THIRD-PARTY LABORATORY, A MARIJUANA TESTING
9 FACILITY, A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A MARIJUANA
10 ESTABLISHMENT IS AVAILABLE TO THE PUBLIC AFTER THE DEPARTMENT DETERMINES
11 THAT THERE IS A REASONABLE BASIS TO PROCEED TO INVESTIGATE THE COMPLAINT,
12 EXCEPT THAT THE NAME OF THE COMPLAINANT SHALL BE CONFIDENTIAL IF REQUESTED
13 BY THE COMPLAINANT.

14 B. UNLESS OTHERWISE PROHIBITED BY FEDERAL OR STATE LAW, THE
15 DEPARTMENT MAY DISCLOSE THE INFORMATION IN A COMPLAINT DESCRIBED IN
16 SUBSECTION A OF THIS SECTION TO AN OFFICER OF THE COURT PURSUANT TO A COURT
17 ORDER, TO A DEPARTMENT OR AGENCY OF THIS STATE OR THE FEDERAL GOVERNMENT,
18 TO A LAW ENFORCEMENT AGENCY OR TO A COUNTY MEDICAL EXAMINER IF THE
19 DISCLOSURE OF THIS INFORMATION IS NECESSARY AND PERTINENT TO AN
20 INVESTIGATION OR PROCEEDING. THE RECIPIENT OF INFORMATION DISCLOSED
21 PURSUANT TO THIS SUBSECTION SHALL MAINTAIN THE CONFIDENTIALITY OF THE
22 COMPLAINANT'S NAME.

23 36-2867. Sample collection and testing

24 A. BEGINNING JANUARY 1, 2024, THE DEPARTMENT SHALL CONTRACT WITH A
25 THIRD PARTY, WHICH MAY INCLUDE INDEPENDENT THIRD-PARTY LABORATORIES AND
26 MARIJUANA TESTING FACILITIES, TO COLLECT RANDOM SAMPLES OF MARIJUANA OR
27 MARIJUANA PRODUCTS FOR SALE AT NONPROFIT MEDICAL MARIJUANA DISPENSARIES AND
28 MARIJUANA ESTABLISHMENTS TO CONFIRM THAT THE CERTIFIED TEST RESULTS,
29 EXCLUDING TETRAHYDROCANNABINOL PERCENTAGES, OF THE MARIJUANA OR MARIJUANA
30 PRODUCTS MATCH THE MARIJUANA OR MARIJUANA PRODUCTS BEING SOLD. THE

1 THIRD-PARTY CONTRACTOR MAY COLLECT, POSSESS AND TEST THE SAMPLES OF
2 MARIJUANA AND MARIJUANA PRODUCTS FOR THE PURPOSES OF THIS SECTION.

3 B. NOTWITHSTANDING TITLE 13, CHAPTER 34, A THIRD-PARTY CONTRACTOR
4 MAY NOT BE CHARGED WITH OR PROSECUTED FOR POSSESSION OF MARIJUANA OR
5 MARIJUANA PRODUCTS THAT ARE COLLECTED FOR THE PURPOSES OF A CONTRACT WITH
6 THE DEPARTMENT PURSUANT TO THIS SECTION."

7 Renumber to conform

8 Page 12, line 8, strike "chapter 6" insert "chapters 6 and 6.1"

9 Line 12, strike "and" insert ", 36-2822, "; after "36-2854" insert "and
10 36-2856"

11 Line 13, after the comma insert "and sections 36-2866 and 36-2867, Arizona
12 Revised Statutes, as added by this act,"

13 Amend title to conform

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