

REFERENCE TITLE: marijuana funds; uses; enforcement.

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1076

Introduced by
Senator Shope

AN ACT

AMENDING SECTIONS 36-2817 AND 36-2856, ARIZONA REVISED STATUTES; RELATING
TO 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, section 36-2817, Arizona Revised
4 Statutes, is amended to read:

5 36-2817. Medical marijuana fund; private donations; fund
6 transfers; use of monies

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

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

14 C. Monies in the medical marijuana fund may be used to provide
15 grants for marijuana clinical trials conducted pursuant to section
16 36-2822.

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

19 E. On November 30, 2020, the director of the department shall
20 transfer the following sums from the medical marijuana fund for the
21 following purposes:

22 1. \$15,000,000 to the Arizona teachers academy fund established by
23 section 15-1655.

24 2. \$10,000,000 to the department to fund the formation and
25 operation of councils, commissions and programs dedicated to improving
26 public health, including teen suicide prevention, the maternal mortality
27 review program, improving youth health, substance abuse prevention,
28 addressing adverse childhood experiences, the Arizona poison control
29 system established pursuant to section 36-1161, the Arizona health
30 improvement plan, the child fatality review team established pursuant to
31 section 36-3501 and the chronic pain self management program.

32 3. \$10,000,000 to the governor's office of highway safety to
33 distribute grants for the following purposes:

34 (a) Reducing impaired driving, including conducting training
35 programs and purchasing equipment for detecting, testing and enforcing
36 laws against driving, flying or boating while impaired.

37 (b) Equipment, training and personnel costs for dedicated traffic
38 enforcement.

39 4. \$2,000,000 to the department to implement, carry out and enforce
40 chapter 28.2 of this title.

41 5. \$4,000,000 to the department to distribute grants to qualified
42 nonprofit entities that will provide outreach to individuals who may be
43 eligible to file petitions for expungement pursuant to section 36-2862 and
44 will assist with the expungement petition process. The department shall
45 distribute grants pursuant to this paragraph on or before June 30, 2021.

1 6. \$2,000,000 to the department of health services to develop and
2 implement, in conjunction with the department of economic security and
3 other state agencies, a social equity ownership program to promote the
4 ownership and operation of marijuana establishments and marijuana testing
5 facilities by individuals from communities disproportionately impacted by
6 the enforcement of previous marijuana laws. For the purposes of this
7 paragraph, "marijuana establishment" and "marijuana testing facility" have
8 the same meanings prescribed in section 36-2850.

9 7. \$1,000,000 to the department to fund programs and grants to
10 qualified nonprofit organizations for education and community outreach
11 related to chapter 28.2 of this title.

12 8. \$1,000,000 to the smart and safe Arizona fund established by
13 section 36-2856.

14 F. After all costs incurred to implement, carry out and enforce
15 this chapter and the rules adopted pursuant to this chapter are paid for
16 fiscal year 2021-2022, the department shall transfer from the medical
17 marijuana fund the following sums for the following purposes:

18 1. \$1,250,000 to the department for suicide prevention.

19 2. \$1,250,000 to the Arizona health care cost containment system
20 for suicide prevention.

21 3. \$2,000,000 to the institute for mental health research for
22 research to improve mental health services, research and education in this
23 state.

24 4. \$2,000,000 to the department for the primary care provider loan
25 repayment program and the rural private primary care provider loan
26 repayment program established by chapter 21 of this title. The department
27 shall prioritize rural providers in the areas of mental health care and
28 behavioral health care if feasible and appropriate.

29 5. \$2,000,000 to the board of medical student loans for the
30 purposes of title 15, chapter 13, article 7. The board shall prioritize
31 students who intend to practice in the area of psychiatry or other areas
32 of practice that treat mental illness if feasible and appropriate.

33 6. \$5,000,000 to county public health departments, in proportion to
34 the population of each county, for the purposes of addressing important
35 public health issues and communities affected by drug addiction and
36 incarceration.

37 7. \$1,000,000 to the department for the health care directives
38 registry established pursuant to section 36-3291.

39 G. Monies transferred pursuant to subsection F of this section do
40 not revert to the state general fund.

41 H. The director shall make a onetime transfer of \$250,000 from the
42 medical marijuana fund to the department to provide grants for marijuana
43 research studies pursuant to section 36-2812.

44 I. The director may use monies in the medical marijuana fund to
45 contract with laboratories pursuant to section 36-2803, subsection I to

1 comply with the proficiency testing requirements of this chapter for
2 independent third-party laboratories and marijuana testing facilities. On
3 or before July 1 of each year, the department shall report to the joint
4 legislative budget committee expenditures made pursuant to this subsection
5 for the preceding fiscal year.

6 J. MONIES IN THE MEDICAL MARIJUANA FUND ESTABLISHED BY THIS SECTION
7 AND THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856 MAY BE
8 USED INTERCHANGEABLY TO IMPLEMENT AND ENFORCE THIS CHAPTER AND CHAPTER
9 28.2 OF THIS TITLE.

10 Sec. 2. Subject to the requirements of article IV, part 1,
11 section 1, Constitution of Arizona, section 36-2856, Arizona Revised
12 Statutes, is amended to read:

13 36-2856. Smart and safe Arizona fund; disposition of monies;
14 exemption

15 A. The smart and safe Arizona fund is established consisting of all
16 monies deposited pursuant to sections 36-2853, 36-2854, 36-2859, 42-5452
17 and 42-5453, private donations and interest earned on those monies.
18 Monies in the fund are continuously appropriated. Monies in the fund and
19 its accounts may not be transferred to any other fund except as provided
20 in this section, do not revert to the state general fund and are exempt
21 from the provisions of section 35-190 relating to the lapsing of
22 appropriations. The state treasurer shall administer the fund.

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

26 1. The actual reasonable costs incurred by the department to
27 implement, carry out and enforce this chapter and rules adopted pursuant
28 to this chapter, INCLUDING GRANTS OF MONIES TO ANY OF THE FOLLOWING:

29 (a) THE ARIZONA POISON CONTROL SYSTEM FOR OPERATIONS AND FOR THE
30 PURPOSES OF SUPPORTING HEALTH CARE PROVIDERS AND PROVIDING PUBLIC HEALTH
31 AND SAFETY EDUCATION FOR CONCERNS RELATED TO ILLICIT MARIJUANA AND
32 INTOXICATING CANNABINOIDS.

33 (b) THE ATTORNEY GENERAL TO INVESTIGATE AND TAKE ENFORCEMENT ACTION
34 RELATING TO THE ILLICIT SALE OF MARIJUANA AND INTOXICATING CANNABINOIDS.

35 (c) MUNICIPAL POLICE DEPARTMENTS, COUNTY SHERIFF DEPARTMENTS AND
36 TRIBAL POLICE AGENCIES TO INVESTIGATE AND TAKE ENFORCEMENT ACTION RELATING
37 TO THE ILLICIT SALE OF MARIJUANA AND INTOXICATING CANNABINOIDS.

38 2. The actual reasonable costs incurred by the department of
39 revenue to impose and enforce the tax authorized and levied by section
40 42-5452.

41 3. The actual reasonable costs incurred by the supreme court and
42 the department of public safety to process petitions for expungement and
43 expungement orders pursuant to section 36-2862 and to otherwise implement
44 section 36-2862.

1 4. The actual reasonable costs incurred by the state treasurer to
2 administer the fund.

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

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

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

12 1. Thirty-three percent to community college districts and
13 provisional community college districts, but not to community college
14 tuition financing districts established pursuant to section 15-1409, for
15 the purposes of investing in and providing workforce development programs,
16 job training, career and technical education, and science, technology,
17 engineering and mathematics programs, as follows:

18 (a) Fifteen percent of the thirty-three percent divided equally
19 between each community college district.

20 (b) One-half of one percent of the thirty-three percent divided
21 equally between each provisional community college district, if one or
22 more provisional community college districts exist.

23 (c) The remainder to community college districts and provisional
24 community colleges districts in proportion to each district's full-time
25 equivalent student enrollment percentage of the total statewide audited
26 full-time equivalent student enrollment in the preceding fiscal year
27 prescribed in section 15-1466.01.

28 2. 31.4 percent to municipal police departments, municipal fire
29 departments, fire districts and joint powers authorities established
30 pursuant to title 48, chapter 5 and county sheriffs' departments in
31 proportion to the number of members as defined in section 38-842 for each
32 such agency in the public safety personnel retirement system established
33 by title 38, chapter 5, article 4 and the public safety personnel defined
34 contribution retirement plan established pursuant to title 38, chapter 5,
35 article 4.1, for personnel costs.

36 3. 25.4 percent to the Arizona highway user revenue fund
37 established by section 28-6533.

38 4. Ten percent to the justice reinvestment fund established by
39 section 36-2863.

40 5. 0.2 percent to the attorney general to use to enforce this
41 chapter or to grant to localities to enforce this chapter. **THE ATTORNEY
42 GENERAL MAY USE MONIES RECEIVED PURSUANT TO THIS PARAGRAPH TO INVESTIGATE
43 AND TAKE ENFORCEMENT ACTION RELATING TO THE ILLICIT SALE, MARKETING AND
44 DISTRIBUTION OF MARIJUANA AND INTOXICATING CANNABINOIDS.**

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

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

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

7 F. MONIES IN THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY THIS
8 SECTION AND THE MEDICAL MARIJUANA FUND ESTABLISHED BY SECTION 36-2817 MAY
9 BE USED INTERCHANGEABLY TO IMPLEMENT AND ENFORCE THIS CHAPTER AND CHAPTER
10 28.1 OF THIS TITLE.

11 Sec. 3. Requirements for enactment; three-fourths vote

12 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
13 sections 36-2817 and 36-2856, Arizona Revised Statutes, as amended by this
14 act, are effective only on the affirmative vote of at least three-fourths
15 of the members of each house of the legislature.