

Fiscal Note

BILL # HB 2451

TITLE: marijuana; advertising; restrictions

SPONSOR: Montenegro

STATUS: As Amended by House HHS

PREPARED BY: Maggie Rocker

Description

The bill would impose additional advertising restrictions on marijuana establishments and nonprofit medical marijuana dispensaries beginning June 30, 2025.

Estimated Impact

To the extent that proposed legislation requires additional personnel within DHS and the Attorney General's office, agency enforcement costs would increase. We expect any increased costs would be paid from the Smart and Safe Fund.

We have requested DHS's estimated impact of this legislation and are awaiting the department's response.

Analysis

Current statute requires marijuana establishments to verify recipients are 21 or older prior to engaging in advertising involving direct communication or dialogue. Any establishment that violates this restriction is subject to a civil penalty of \$20,000, to be deposited into the Smart and Safe Arizona Fund.

The proposed legislation would impose additional advertising restrictions to prohibit marijuana establishments and nonprofit medical marijuana dispensaries from advertising products to individuals under 21, including advertising products resembling food and drink brands marketed to children; advertising with likenesses of toys and cartoons that appeal to children; advertising in a way that primarily appeals to children; advertising at or on public transportation; and advertising via social media or a website unless at least 71.6% of the audience is projected to be over 21.

The bill also requires marijuana advertising to provide a written warning to not use marijuana if under 21 and to keep out of reach of children. Under the proposed legislation, billboard advertisements for marijuana and marijuana products could not be placed within 1,000 radial feet of childcare centers, churches, public parks, substance abuse recovery facilities, and schools providing instruction to children in preschool, kindergarten, or grades 1-12. Those in violation of advertising requirements would have 30 days to comply upon notification from the Attorney General's office. The bill exempts DHS from rulemaking requirements for 2 years following the bill's effective date.

To the extent that DHS and the Attorney General require additional FTE Positions to enforce the bill's provisions, there could be an increased cost to the agencies. However, we expect any additional costs would be paid from the Smart and Safe Arizona Fund, which funds marijuana regulatory costs.

Local Government Impact

None

2/16/24

