

Fiscal Note

BILL # HB 2452

TITLE: marijuana funds; uses; enforcement

SPONSOR: Montenegro

STATUS: As Introduced

PREPARED BY: Maggie Rocker

Description

The bill would allow monies in the Medical Marijuana Fund and the Smart and Safe Arizona Fund to be used interchangeably to implement statutory requirements related to the regulation of marijuana. The bill also specifies additional entities to receive grant monies from the Smart and Safe Arizona Fund, including the Arizona Poison Control System, the Attorney General, and local law enforcement.

Estimated Impact

We estimate that the bill could have 2 different fiscal impacts. These impacts would not affect the General Fund. We cannot determine the magnitude of the impacts in advance.

1) To the extent the Department of Health Services (DHS) uses Smart and Safe Arizona Fund monies to provide new grants to the bill's proposed recipients, these grants would result in a dollar-for-dollar reduction to the statutory beneficiaries who receive semiannual allocations of excess fund monies.

2) To the extent that the Medical Marijuana Fund is used to offset operating and regulation costs typically paid by the Smart and Safe Arizona Fund, the latter fund would have savings that could be reallocated to any of its statutory purposes.

DHS has not yet notified us how much they intend to provide in grant awards.

Analysis

In 2010, voters passed the Arizona Medical Marijuana Act (AMMA), which legalized marijuana use for medical reasons. AMMA included the creation of the Medical Marijuana Fund, which receives monies collected from medical marijuana cardholders and dispensaries.

In 2020, Arizona voters passed the Smart and Safe Arizona Act, which legalized recreational marijuana use. The legislation created the Smart and Safe Arizona Fund, which receives monies collected from a 16% excise tax on recreational marijuana sales. Monies deposited into the fund are first used by agencies to implement and enforce the regulation and use of recreational marijuana. Any funds remaining on June 30 and December 31 of each year are allocated to community college districts, municipal police and fire departments, county sheriffs' departments, the Highway User Revenue Fund, the Justice Reinvestment Fund, and the Attorney General.

The proposed legislation would allow the Medical Marijuana Fund and the Smart and Safe Arizona Fund to be used interchangeably to implement and enforce marijuana regulations. It would also allow DHS to award grants to the Arizona Poison Control System, the Attorney General, and local law enforcement agencies for specified purposes. These grant distributions would take place prior to the semiannual transfers to the statutory beneficiaries listed above.

(Continued)



To the extent that DHS decides to award grant monies, those grants will result in a dollar-for-dollar reduction to the statutory beneficiaries receiving semiannual allocations from the Smart and Safe Arizona Fund.

Local Government Impact

See above.

2/8/24