

REFERENCE TITLE: hemp-derived products; regulation

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1702

Introduced by
Senators Gowan: Ortiz

AN ACT

AMENDING SECTIONS 3-311, 3-312, 3-313, 3-314, 3-316, 3-317, 3-318 AND 3-320, ARIZONA REVISED STATUTES; AMENDING TITLE 3, CHAPTER 2, ARTICLE 4.1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 3-321, 3-322, 3-323, 3-324, 3-325, 3-326, 3-327, 3-328, 3-329, 3-330, 3-331 AND 3-332, ARIZONA REVISED STATUTES; AMENDING SECTIONS 13-3405, 41-619.51, 41-1758, 41-1758.01 AND 41-1758.07, ARIZONA REVISED STATUTES; RELATING TO HEMP.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Heading change

3 The article heading of title 3, chapter 2, article 4.1, Arizona
4 Revised Statutes, is changed from "INDUSTRIAL HEMP" to "HEMP".

5 Sec. 2. Section 3-311, Arizona Revised Statutes, is amended
6 to read:

7 3-311. Definitions

8 In this article, unless the context otherwise requires:

9 ~~1. "Agricultural pilot program" means the industrial hemp program~~
10 ~~that is designed to research the growth, cultivation and marketing of~~
11 ~~industrial hemp, hemp seeds and hemp products as authorized by this~~
12 ~~article and rules and orders adopted by the director pursuant to this~~
13 ~~article.~~

14 ~~2.~~ 1. "Crop" means any industrial hemp that is grown under a
15 single industrial hemp license issued by the ARIZONA department OF
16 AGRICULTURE, ANY OTHER AUTHORIZED INDUSTRIAL HEMP PROGRAM OF THE UNITED
17 STATES DEPARTMENT OF AGRICULTURE, ANOTHER STATE, INDIAN TRIBE OR UNITED
18 STATES TERRITORY OR AN INDUSTRIAL HEMP PROGRAM UNDER THE AUTHORIZATION OF
19 THE DIRECTOR OR THE UNITED STATES DEPARTMENT OF AGRICULTURE.

20 ~~3.~~ 2. "Grower" means an individual, partnership, company or
21 corporation that propagates OR PRODUCES industrial hemp under this article
22 and rules and orders adopted by the director pursuant to this article.

23 ~~4.~~ 3. "Harvester" means an individual, partnership, company or
24 corporation that is licensed by the department to harvest industrial hemp
25 for a licensed grower.

26 ~~5. "Hemp products" means all products made from industrial hemp,~~
27 ~~including cloth, cordage, fiber, fuel, grain, paint, paper, construction~~
28 ~~materials, plastics and by-products derived from sterile hemp seed or hemp~~
29 ~~seed oil. Hemp products excludes any product made to be ingested except~~
30 ~~food made from sterile hemp seed or hemp seed oil.~~

31 4. "HEMP-DERIVED PRODUCTS":

32 (a) MEANS ANY PRODUCT OR BY-PRODUCTS THAT CONTAIN REGULATED HEMP
33 CANNABINOIDS AND THAT ARE DERIVED FROM THE FLOWER OR FLOWER PARTS OR ANY
34 DERIVATIVE, EXTRACT, CANNABINOID, ISOMER, ACID, SALT OR SALT OF ISOMERS OF
35 AN AUTHORIZED INDUSTRIAL HEMP CROP THAT IS INTENDED FOR HUMAN OR ANIMAL
36 CONSUMPTION, INHALATION OR TOPICAL APPLICATION.

37 (b) INCLUDES ANY SYNTHETIC OR SEMI-SYNTHETIC REGULATED HEMP
38 CANNABINOID.

39 (c) DOES NOT INCLUDE HEMP SEED, HEMP BEVERAGES WITH GREATER THAN
40 THIRTY MILLIGRAMS PER LITER BY VOLUME OF DELTA-9 TETRAHYDROCANNABINOL,
41 INDUSTRIAL HEMP PRODUCTS NOT INTENDED FOR HUMAN OR ANIMAL CONSUMPTION,
42 INHALATION OR TOPICAL APPLICATION AND ANY DRUG THAT DOES NOT QUALIFY FOR
43 AN EXCEPTION PURSUANT TO SECTION 13-3405.

1 ~~6.~~ 5. "Hemp seed" means any viable cannabis sativa L. seed that
2 produces an industrial hemp plant that is subject to this article and
3 rules and orders adopted by the director pursuant to this article.

4 ~~7.~~ 6. "Industrial hemp" OR "HEMP" means the plant cannabis
5 sativa L. and any part of such a plant, INCLUDING THE SEEDS AND ALL
6 DERIVATIVES, EXTRACTS, CANNABINOIDS, ISOMERS, ACIDS, SALTS AND SALTS OF
7 ISOMERS, whether growing or not, with a TOTAL delta-9 tetrahydrocannabinol
8 concentration of not more than three-tenths percent on a dry-weight basis.

9 7. "INDUSTRIAL HEMP PRODUCTS":

10 (a) MEANS THE PRODUCTS AND BY-PRODUCTS MADE FROM THE STERILE SEED,
11 THE STEM, THE STALK OR THE IMMATURE PLANT OF A CROP.

12 (b) DOES NOT INCLUDE HEMP SEED, HEMP-DERIVED PRODUCTS, ANY HEMP
13 FLOWER OR FLOWER PARTS OR ANY DERIVATIVE, EXTRACT, CANNABINOID, ISOMER,
14 ACID, SALT OR SALT OF ISOMERS OF INDUSTRIAL HEMP.

15 8. "Industrial hemp site" means the location in which a ~~grower,~~
16 ~~harvester, transporter or processor possesses~~ LICENSEE PROPAGATES OR
17 PRODUCES A CROP OR IS IN POSSESSION OF a crop, a harvested crop or hemp
18 seed.

19 9. "License" means the authorization that is granted by the
20 department to propagate, PRODUCE, harvest, transport, ~~or~~ process,
21 MANUFACTURE OR OFFER FOR RETAIL SALE industrial hemp in this state under
22 this article and rules and orders adopted by the director pursuant to this
23 article.

24 10. "Licensee" means a grower, harvester, transporter,
25 MANUFACTURER, RETAILER or processor with a valid license.

26 11. "MANUFACTURE":

27 (a) MEANS TO COMPOUND, BLEND, EXTRACT, INFUSE, COOK OR OTHERWISE
28 MAKE OR PREPARE HEMP-DERIVED PRODUCTS.

29 (a) INCLUDES THE EXTRACTION, INFUSION, PACKAGING, REPACKING AND
30 LABELING OF HEMP-DERIVED PRODUCTS

31 12. "MANUFACTURER" MEANS AN INDIVIDUAL, PARTNERSHIP, COMPANY OR
32 CORPORATION THAT IS LICENSED BY THE DEPARTMENT TO RECEIVE INDUSTRIAL HEMP
33 OR HEMP-DERIVED PRODUCT COMPONENTS TO MANUFACTURE OR PREPARE HEMP-DERIVED
34 PRODUCTS OR A PERSON THAT MANUFACTURES, PREPARES OR PACKAGES HEMP-DERIVED
35 PRODUCTS.

36 ~~11.~~ 13. "Processor" means an individual, partnership, company or
37 corporation that is licensed by the department to receive AN industrial
38 hemp CROP for processing into ~~hemp~~ HEMP-DERIVED products or hemp seed.

39 14. "REGULATED HEMP CANNABINOIDS":

40 (a) MEANS A CANNABINOID, INCLUDING DELTA-8 TETRAHYDROCANNABINOL,
41 DELTA-10 TETRAHYDROCANNABINOL, HEXAHYDROCANNABINOL,
42 TETRAHYDROCANNABIPHOROL AND TETRAHYDROCANNABIVARIN, THAT IS DERIVED FROM
43 HEMP AND IN A CONCENTRATION OF MORE THAN ONE-TENTH OF ONE PERCENT OF
44 DELTA-9 TETRAHYDROCANNABINOL AND IS IN A CONCENTRATION OF NOT MORE THAN
45 THREE-TENTH OF ONE PERCENT ON A DRY WEIGHT BASIS.

1 (b) DOES NOT INCLUDE CANNABICHROMENE, CANNABICITRAN, CANNABICYCLOL,
2 CANNABIDIOL, CANNABIELSOIN, CANNABIGEROL, CANNABINOL OR CANNABIVARIN THAT
3 IS DERIVED FROM HEMP AND IN A CONCENTRATION OF MORE THAN ONE-TENTH OF ONE
4 PERCENT.

5 14. "RETAILER" MEANS AN INDIVIDUAL, PARTNERSHIP, COMPANY OR
6 CORPORATION THAT OFFERS FOR SALE HEMP-DERIVED PRODUCTS.

7 15. "TOTAL DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION" MEANS THE
8 VALUE DETERMINED AFTER THE PROCESS OF DECARBOXYLATION, OR THE APPLICATION
9 OF A CONVERSION FACTOR IF THE TESTING METHODOLOGY DOES NOT INCLUDE
10 DECARBOXYLATION, THAT EXPRESSES THE POTENTIAL TOTAL DELTA-9
11 TETRAHYDROCANNABINOL CONTENT DERIVED FROM THE SUM OF THE
12 TETRAHYDROCANNABINOL AND TETRAHYDROCANNABOLIC ACID CONTENT AND REPORTED ON
13 A DRY-WEIGHT BASIS.

14 ~~12.~~ 16. "Transporter" means an individual, partnership, company or
15 corporation that is licensed by the department to transport industrial
16 hemp for a licensed grower to a processor.

17 Sec. 3. Section 3-312, Arizona Revised Statutes, is amended to
18 read:

19 3-312. Legislative findings; purpose; authorization

20 A. The legislature finds and determines that developing and using
21 industrial hemp can improve the economy and agricultural vitality of this
22 state and that the production of industrial hemp can be regulated so as
23 not to interfere with strict regulation of marijuana in this state.

24 B. The ~~purposes~~ PURPOSE of this article ~~are:~~

25 ~~1. To promote the economy and agriculture in this state by allowing~~
26 ~~institutions of higher learning and the department to develop and regulate~~
27 ~~industrial hemp as part of an agricultural pilot program for the purpose~~
28 ~~of research into the growth, cultivation and marketing of industrial hemp~~
29 ~~as authorized by the agricultural act of 2014 (P.L. 113-79; 128 Stat. 649;~~
30 ~~7 United States Code section 5940).~~

31 ~~2. To allow the commercial growth, cultivation and marketing of~~
32 ~~industrial hemp if the commercial growth, cultivation and marketing of~~
33 ~~industrial hemp is authorized by federal law, while maintaining strict~~
34 ~~control of marijuana~~ IS TO ALLOW COMMERCIAL PRODUCTION OF INDUSTRIAL HEMP
35 AS AUTHORIZED BY FEDERAL LAW WHILE MAINTAINING STRICT CONTROL OF
36 MARIJUANA.

37 C. Industrial hemp is an agricultural product that is subject to
38 regulation by the department.

39 D. Industrial hemp propagation, ~~processing, manufacturing,~~
40 ~~distribution and market research are authorized in this state under a~~
41 ~~preapproved agricultural pilot program. Hemp seed that is authorized for~~
42 ~~an agricultural pilot program shall be certified solely through the~~
43 ~~department. Unauthorized hemp seed may not be planted. Hemp seed that is~~
44 ~~derived from previously authorized hemp seed is considered authorized hemp~~
45 ~~seed for the purposes of this article.~~ PRODUCTION, HARVESTING,

1 TRANSPORTING, PROCESSING, MANUFACTURING AND RETAILING ARE AUTHORIZED IN
2 THIS STATE PURSUANT TO THIS ARTICLE AND BY THE RULES AND ORDERS ADOPTED BY
3 THE DIRECTOR.

4 ~~E. If authorized under federal law, the commercial production,~~
5 ~~processing, manufacturing, distribution and commerce of industrial hemp in~~
6 ~~this state is allowed outside of the agricultural pilot program.~~

7 E. INDUSTRIAL HEMP RESEARCH MAY BE CONDUCTED IN THIS STATE UNDER AN
8 EXEMPT FEE LICENSE TO BE ISSUED BY THE DEPARTMENT IF THE INDUSTRIAL HEMP
9 PRODUCED DOES NOT ENTER THE STREAM OF COMMERCE AND IS DISPOSED OF
10 ACCORDING TO THE RULES AND ORDERS ADOPTED BY THE DIRECTOR. HEMP SEED
11 PRODUCED UNDER AN EXEMPT FEE LICENSE THAT COMPLIES WITH SECTION 3-316 MAY
12 BE SOLD OR DISTRIBUTED.

13 Sec. 4. Section 3-313, Arizona Revised Statutes, is amended to
14 read:

15 3-313. Rules; fees; intent

16 A. For the purposes of carrying out this article, the director
17 shall:

18 ~~1.~~ adopt rules pursuant to title 41, chapter 6 to:

19 1. Oversee the licensing, production and management of industrial
20 hemp and hemp seed in this state ~~pursuant to this article.~~

21 2. OVERSEE AND PRESCRIBE REQUIREMENTS FOR MANUFACTURING, LABELING
22 AND RETAIL SALE OF HEMP-DERIVED PRODUCTS IN THIS STATE.

23 ~~2.~~ 3. ~~Adopt~~ ESTABLISH fees ~~by rule.~~

24 ~~3.~~ 4. Authorize qualified applicants to propagate, PRODUCE,
25 harvest, transport, ~~or~~ process OR MANUFACTURE, or any combination thereof,
26 industrial hemp ~~according to rules adopted by the director.~~

27 5. PROTECT THE HEALTH, SAFETY AND WELFARE OF CONSUMERS.

28 6. REQUIRE HEMP-DERIVED PRODUCTS BE SOLD AND MARKETED ONLY TO
29 PERSONS WHO ARE TWENTY-ONE YEARS OF AGE OR OLDER.

30 7. PROHIBIT HEMP-DERIVED PRODUCTS FROM RESEMBLING A HUMAN, AN
31 ANIMAL, AN INSECT, A FRUIT, A TOY, A CARTOON OR FOOD.

32 8. PROHIBIT LICENSEES FROM OFFERING HEMP-DERIVED PRODUCTS THAT
33 RESEMBLE FOOD OR DRINK PRODUCTS INTENTIONALLY MARKETED TO CHILDREN.

34 9. ENSURE LICENSEES' HEMP-DERIVED PRODUCTS ARE SECURELY STORED AND
35 NOT ACCESSIBLE TO PERSONS WHO ARE UNDER TWENTY-ONE YEARS OF AGE.

36 10. REQUIRE MANUFACTURERS TO INCLUDE A WEBSITE LINK, INCLUDING A
37 QUICK RESPONSE CODE, ON ALL HEMP-DERIVED PRODUCT PACKAGING THAT LINKS TO
38 THE MANUFACTURER'S WEBSITE ON WHICH SHALL INCLUDE THE MANUFACTURER'S FULL
39 PANEL CERTIFICATE OF ANALYSIS PROVIDED BY AN INDEPENDENT THIRD-PARTY
40 LABORATORY AND THE MANUFACTURER'S NAME, PHYSICAL ADDRESS, TELEPHONE NUMBER
41 AND EMAIL ADDRESS.

42 11. REQUIRE MANUFACTURERS TO SUBMIT HEMP-DERIVED PRODUCTS OFFERED
43 FOR SALE IN THIS STATE TO PROVIDE A CERTIFICATE OF ANALYSIS FROM AN
44 INDEPENDENT THIRD-PARTY LABORATORY PURSUANT TO SECTION 3-323 THAT INCLUDES

1 ANALYTICAL RESULTS FOR ANY AMOUNTS OF PESTICIDES, MICROBIALS, RESIDUAL
2 SOLVENTS, HEAVY METALS AND THE POTENCY.

3 12. DENY OR SUSPEND, IN WHOLE OR IN PART, ANY LICENSE ISSUED IF THE
4 LICENSEE OR OFFICER OR AGENT OF THE LICENSEE COMMITS A VIOLATION PURSUANT
5 TO PARAGRAPH 13 OF THIS SUBSECTION THAT POSES A THREAT TO THE HEALTH
6 SAFETY AND WELFARE OF A CONSUMER, EMPLOYEE OR THE PUBLIC

7 13. CONDUCT AN INVESTIGATION BASED ON A COMPLAINT RECEIVED BY THE
8 DEPARTMENT OR ON THE DIRECTOR'S OWN INITIATIVE TO DETERMINE WHETHER A
9 VIOLATION OF THIS ARTICLE OR ANY RULE ADOPTED PURSUANT TO THIS SECTION OR
10 SECTION 3-322 HAS BEEN COMMITTED BY A LICENSEE OR AN OFFICER OR AGENT OF
11 THE LICENSEE.

12 14. IN ADDITION TO ANY OTHER PENALTIES AUTHORIZED BY THIS ARTICLE,
13 ASSESS A CIVIL PENALTY FOR A VIOLATION OF THIS ARTICLE OR ANY RULE ADOPTED
14 PURSUANT TO THIS SECTION IN AN AMOUNT OF NOT MORE THAN \$50,000 FOR EACH
15 VIOLATION. FOR THE PURPOSES OF THIS PARAGRAPH, EACH DAY A VIOLATION
16 OCCURS CONSTITUTES A SEPARATE VIOLATION.

17 15. DETERMINE THE AMOUNT OF A CIVIL PENALTY ASSESSED FOR A
18 VIOLATION PURSUANT TO PARAGRAPH 14 OF THIS SUBSECTION AND ISSUE A NOTICE
19 OF ASSESSMENT. IN DETERMINING THE AMOUNT OF THE CIVIL PENALTY, THE
20 DIRECTOR SHALL CONSIDER ALL OF THE FOLLOWING:

- 21 (a) REPEATED VIOLATIONS OF THE LAWS OF THIS STATE AND RULES.
- 22 (b) PATTERNS OF NONCOMPLIANCE.
- 23 (c) THE TYPE OF VIOLATION.
- 24 (d) THE SEVERITY OF THE VIOLATION.
- 25 (e) THE POTENTIAL FOR AND OCCURRENCES OF ACTUAL HARM.
- 26 (f) THE THREAT TO HEALTH AND SAFETY CAUSED BY THE VIOLATION.
- 27 (g) THE NUMBER OF VIOLATIONS.
- 28 (h) THE NUMBER OF PERSONS AFFECTED BY THE VIOLATION.
- 29 (i) THE LENGTH OF TIME THE VIOLATION OCCURRED.

30 B. The legislature intends that the fees adopted pursuant to
31 subsection A, paragraph ~~2~~ 3 of this section be used to fund the
32 department's activities in licensing, testing, inspecting and supervising
33 industrial hemp production AND REGULATING HEMP-DERIVED PRODUCTS.

34 Sec. 5. Section 3-314, Arizona Revised Statutes, is amended to
35 read:

36 3-314. Industrial hemp licenses; applications; fees; renewal;
37 revocation

38 A. A grower, harvester, transporter, ~~or~~ processor, MANUFACTURER OR
39 RETAILER shall obtain an industrial hemp license from the department.

40 B. A grower, harvester, transporter, ~~or~~ processor, MANUFACTURER OR
41 RETAILER shall apply for a license pursuant to rules and orders adopted by
42 the director.

43 C. An application for an original or renewal industrial hemp
44 license shall comply with all of the following:

- 45 1. Be on a form that is provided by the department.

1 2. Include complete and accurate information.
2 3. Be accompanied by the license fee prescribed by the director.
3 The director shall deposit, pursuant to sections 35-146 and 35-147, fees
4 collected under this paragraph in the industrial hemp trust fund
5 established by section 3-315.

6 ~~D. An applicant shall provide proof to the department of having a~~
7 ~~valid fingerprint clearance card issued pursuant to section 41-1758.07 for~~
8 ~~the purpose of validating applicant eligibility.~~

9 ~~E.~~ D. A license issued pursuant to this section is valid for ~~one~~
10 ~~year~~ THE YEAR THE LICENSE IS ISSUED, unless revoked, and may be renewed as
11 provided by the department. Rather than renewing a licensee's license
12 every year, a licensee may renew the licensee's license every two years by
13 paying a license fee that is twice the amount designated by the fee
14 schedule in rule that is adopted by the director and other applicable
15 fees. Licensees that renew every two years shall comply with any annual
16 reporting requirements.

17 ~~F.~~ E. The department may revoke or refuse to issue or renew a
18 license for a violation of any law of this state, any federal law or any
19 rule or order adopted by the director.

20 ~~G. A member of an Indian tribe may apply for a license pursuant to~~
21 ~~this section. If a member of an Indian tribe is issued a license pursuant~~
22 ~~to this section, the member is subject to the requirements prescribed in~~
23 ~~this article.~~

24 Sec. 6. Section 3-316, Arizona Revised Statutes, is amended to
25 read:

26 3-316. Recordkeeping, inspection, transportation and
27 distribution requirements

28 A. ~~A grower, harvester, transporter or processor of industrial hemp~~
29 ~~that is licensed~~ ALL LICENSEES pursuant to this article shall keep and
30 maintain records as required by rule or order. The director or the
31 director's designee may inspect or audit the records during normal
32 business hours to ensure compliance with this article or any department
33 rule or order.

34 B. The director or the director's designee may physically inspect
35 an industrial hemp site to ensure compliance with this article or any
36 department rule or order. During any physical inspection of an industrial
37 hemp site, the director or the director's designee may take a
38 representative sample for OFFICIAL analysis by the state agricultural
39 laboratory or a laboratory that is certified by the state agricultural
40 laboratory. If THE OFFICIAL ANALYSIS DETERMINES a crop contains, ~~an~~
41 ~~average carboxylated~~ WITHIN AN ACCEPTABLE MARGIN OF ERROR, A TOTAL delta-9
42 tetrahydrocannabinol concentration that exceeds three-tenths percent on a
43 dry-weight basis or violates any other pesticide law, the department may
44 take corrective action pursuant to section 3-317.

1 C. Notwithstanding section 13-3405, the director or the director's
2 designee may possess and transport samples of cannabis sativa L. collected
3 for testing to determine ~~delta-9 tetrahydrocannabinol concentration for~~
4 ~~eligibility as industrial hemp~~ COMPLIANCE WITH THIS ARTICLE.

5 D. Only a ~~licensed grower, harvester, processor or transporter or~~
6 LICENSEE, the director or the director's designee may transport industrial
7 hemp off the industrial hemp site. When transporting industrial hemp off
8 the industrial hemp site, the ~~licensed grower, processor or transporter~~
9 LICENSEE shall carry the licensing documents as evidence that the
10 industrial hemp was ~~grown by a licensed grower~~ PRODUCED IN COMPLIANCE WITH
11 THIS ARTICLE AND THE RULES ADOPTED BY THE DIRECTOR. This subsection does
12 not apply to the transportation of ~~hemp~~ HEMP-DERIVED products.

13 ~~E. A licensed grower shall notify the department of all of the~~
14 ~~following:~~

15 ~~1. The sale or distribution of any industrial hemp grown under the~~
16 ~~grower's license.~~

17 ~~2. The name and address of the person or entity receiving the~~
18 ~~industrial hemp.~~

19 ~~3. The amount of the industrial hemp sold or distributed.~~

20 E. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE MAY ENTER ANY PUBLIC OR
21 PRIVATE PREMISES DURING REGULAR BUSINESS HOURS IN ORDER TO ACCESS
22 HEMP-DERIVED PRODUCTS AND RECORDS AND TO EVALUATE COMPLIANCE WITH THIS
23 ARTICLE AND ANY DEPARTMENT RULE AND ORDER.

24 G. DURING ANY ON-SITE INSPECTION OF A LICENSEE, THE DIRECTOR OR THE
25 DIRECTOR'S DESIGNEE MAY COLLECT A SAMPLE OF ANY HEMP-DERIVED PRODUCTS FOR
26 ANALYSIS BY THE STATE AGRICULTURAL LABORATORY OR A LABORATORY CERTIFIED BY
27 THE STATE AGRICULTURAL LABORATORY.

28 Sec. 7. Section 3-317, Arizona Revised Statutes, is amended to
29 read:

30 3-317. Corrective actions; hearing

31 A. The director shall adopt rules to address, correct and remediate
32 violations of this article and rules or orders adopted pursuant to this
33 article.

34 B. The director may:

35 1. Issue and enforce a written cease and desist order against
36 ~~a grower, harvester, transporter or processor of~~ any industrial hemp
37 LICENSEE that the director finds is in violation of this article. The
38 order shall prohibit the further sale, MANUFACTURING, processing or
39 transportation of the industrial hemp OR HEMP-DERIVED PRODUCTS except on
40 approval of the director.

41 2. Issue a stop sale order.

42 3. Seize and destroy any crop, harvested crop, ~~or~~ hemp seed OR
43 HEMP-DERIVED PRODUCT that does not comply with this article or any rule or
44 order adopted pursuant to this article.

1 4. Take any other action to enforce this article and the rules and
2 orders adopted pursuant to this article.

3 C. A person who violates this article or any rule or order adopted
4 pursuant to this article may request a hearing before an administrative
5 law judge pursuant to title 41, chapter 6, article 10. The decision of
6 the administrative law judge is subject to review by the director as
7 provided by title 41, chapter 6, article 10. A request pursuant to this
8 subsection does not stay a cease and desist order issued pursuant to this
9 section.

10 Sec. 8. Section 3-318, Arizona Revised Statutes, is amended to
11 read:

12 3-318. Industrial hemp advisory council; members; duties

13 A. The director shall establish by rule or order an industrial hemp
14 advisory council to assist and make recommendations to the director
15 regarding the administration and implementation of this article. The
16 director shall appoint five members to the council, including one public
17 member.

18 B. The industrial hemp advisory council shall:

19 1. Advise the director regarding expenditures from the industrial
20 hemp trust fund.

21 2. ANNUALLY REVIEW ALL RULES AND ORDERS ADOPTED BY THE DIRECTOR
22 PURSUANT TO THIS ARTICLE TO ENSURE COMPLIANCE WITH FEDERAL LAW.

23 3. RECOMMEND STATUTORY AND RULE CHANGES TO THE DIRECTOR THAT ARE
24 NECESSARY TO COMPLY WITH FEDERAL LAW.

25 ~~2.~~ 4. Provide additional assistance as the director deems
26 necessary.

27 Sec. 9. Section 3-320, Arizona Revised Statutes, is amended to
28 read:

29 3-320. Affirmative defense

30 A. It is an affirmative defense to any prosecution for the
31 possession or cultivation of marijuana OR NARCOTIC DRUGS pursuant to title
32 13, chapter 34 that the defendant is a licensee, or a designee or agent of
33 a licensee, who is in compliance with this article.

34 B. This section is not a defense to a charge of possession, sale,
35 transportation or distribution of marijuana OR NARCOTIC DRUGS pursuant to
36 title 13, chapter 34 that is not industrial hemp.

37 Sec. 10. Title 3, chapter 2, article 4.1, Arizona Revised Statutes,
38 is amended by adding sections 3-321, 3-322, 3-323, 3-324, 3-325, 3-326,
39 3-327, 3-328, 3-329, 3-330, 3-331 and 3-332, to read:

40 3-321. Sale, distribution, possession and consumption of
41 hemp-derived products; prohibition; civil penalty;
42 violation; classification

43 A. A PERSON MAY NOT KNOWINGLY:

44 1. SELL OR DISTRIBUTE A PRODUCT CONTAINING A HEMP-DERIVED PRODUCT
45 TO ANY PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE.

1 2. PERSUADE, ENTICE, SEND OR ASSIST A PERSON WHO IS UNDER TWENTY-
2 ONE YEARS OF AGE TO PURCHASE, ACQUIRE, RECEIVE OR ATTEMPT TO PURCHASE A
3 PRODUCT CONTAINING A HEMP-DERIVED PRODUCT. THIS PARAGRAPH DOES NOT
4 PROHIBIT A PEACE OFFICER FROM EMPLOYING A MINOR OR PERSON AGED EIGHTEEN OR
5 OLDER FROM ASSISTING IN A STING OPERATIONS IF THE MINOR'S PARENT OR LEGAL
6 GUARDIAN CONSENTS TO THE ACTION.

7 3. DISTRIBUTE SAMPLES OF PRODUCTS CONTAINING A HEMP-DERIVED PRODUCT
8 IN OR ON A PUBLIC STREET, SIDEWALK OR PARK.

9 4. SELL OR DISTRIBUTE A PRODUCT CONTAINING A HEMP-DERIVED PRODUCT
10 WITHOUT FIRST OBTAINING PROOF OF AGE FROM THE PURCHASER OR RECIPIENT
11 UNLESS A REASONABLE PERSON WOULD OTHERWISE CONCLUDE ON THE BASIS OF
12 APPEARANCE THAT THE PURCHASER OR RECIPIENT IS TWENTY-ONE YEARS OF AGE OR
13 OLDER.

14 B. A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE MAY NOT KNOWINGLY
15 PURCHASE, POSSESS OR ACCEPT RECEIPT OF ANY PRODUCT CONTAINING A HEMP-
16 DERIVED PRODUCT OR KNOWINGLY PRESENT PURPORTED PROOF OF AGE THAT IS FALSE,
17 FRAUDULENT OR NOT REPRESENTATIVE OF THE PERSON TO PURCHASE OR RECEIVE A
18 HEMP-DERIVED PRODUCT.

19 C. NOTWITHSTANDING ANY OTHER PROVISION IN THIS ARTICLE, A PERSON
20 UNDER THE AGE OF TWENTY-ONE MAY POSSESS AND CONSUME A HEMP-DERIVED PRODUCT
21 PURSUANT TO THE WRITTEN RECOMMENDATION OF A LICENSED PHYSICIAN. A PERSON
22 WHO RECEIVES A WRITTEN RECOMMENDATION FROM A LICENSED PHYSICIAN AND WHO IS
23 UNDER EIGHTEEN YEARS OF AGE SHALL ONLY POSSESS OR CONSUME A HEMP-DERIVED
24 PRODUCT UNDER THE SUPERVISION OF THE PERSON'S PARENT OR GUARDIAN.

25 D. THE DEPARTMENT MAY IMPOSE A CIVIL PENALTY OF NOT MORE THAN \$250
26 FOR A VIOLATION OF THIS SECTION. A PERSON WHO HAS A SECOND OR SUBSEQUENT
27 VIOLATION OF THIS SECTION IS GUILTY OF A CLASS 2 MISDEMEANOR.

28 3-322. Sale of hemp-derived products; licensure; requirements

29 A. ANY PERSON ENGAGED IN THE BUSINESS OF SELLING HEMP-DERIVED
30 PRODUCTS, INCLUDING DISTRIBUTORS, MANUFACTURERS AND RETAILERS, SHALL
31 OBTAIN A LICENSE FROM THE DEPARTMENT BEFORE OPERATING OR BY JULY 1, 2026,
32 WHICHEVER IS LATER.

33 B. TO OBTAIN AND MAINTAIN A LICENSE, AN APPLICANT SHALL:

34 1. SUBMIT TO THE DEPARTMENT ANY INFORMATION REQUIRED BY THE
35 DEPARTMENT TO ENFORCE THIS ARTICLE.

36 2. PAY ALL LICENSING FEES AS PRESCRIBED BY THE DEPARTMENT.

37 3. CONSENT TO REASONABLE INSPECTION AND SAMPLING OF HEMP-DERIVED
38 PRODUCT INVENTORY AT THE DISCRETION OF THE DEPARTMENT.

39 C. A LICENSE REMAINS VALID FOR ONE YEAR, UNLESS REVOKED, AND MAY BE
40 RENEWED ANNUALLY OR BIENNIALY.

41 D. A LICENSEE THAT CHOOSES TO RENEW A LICENSE EVERY TWO YEARS SHALL
42 PAY DOUBLE THE ANNUAL FEE AS PRESCRIBED BY THE DEPARTMENT AND SHALL COMPLY
43 WITH ANY ANNUAL REPORTING REQUIREMENTS.

1 E. THE DEPARTMENT SHALL:
2 1. SET REQUIREMENTS AND ISSUE LICENSES FOR THE MANUFACTURING,
3 RETAILING AND DISTRIBUTION OF HEMP-DERIVED PRODUCTS.
4 2. DENY OR REVOKE LICENSES FOR VIOLATIONS OF THIS ARTICLE OR RULES
5 ADOPTED BY THE DEPARTMENT.
6 3. ADOPT RULES TO ENFORCE THIS SECTION.
7 F. THE DEPARTMENT SHALL ISSUE LICENSES NOT LATER THAN THREE MONTHS
8 AFTER THE ADOPTION OF RULES.
9 G. AS A CONDITION OF LICENSURE, A RETAILER MAY NOT SELL OR
10 DISTRIBUTE HEMP-DERIVED PRODUCTS WITHIN FIVE HUNDRED FEET OF AN ELEMENTARY
11 OR SECONDARY SCHOOL.
12 H. A PERSON MAY NOT DISTRIBUTE, MANUFACTURE OR SELL HEMP-DERIVED
13 PRODUCTS WITHOUT A LICENSE.
14 I. ANY HEMP-DERIVED PRODUCT OFFERED FOR SALE IN VIOLATION OF THIS
15 SECTION IS SUBJECT TO SEIZURE AND FORFEITURE BY THE DEPARTMENT OR LAW
16 ENFORCEMENT.
17 3-323. Testing of; hemp-derived products; certificate of
18 analysis; label requirements
19 A. A MANUFACTURER OF HEMP-DERIVED PRODUCTS SHALL TEST A
20 HEMP-DERIVED PRODUCT BEFORE DISTRIBUTING THE HEMP-DERIVED PRODUCT.
21 B. A DISTRIBUTOR OF HEMP-DERIVED PRODUCTS SHALL TEST PURSUANT TO
22 SUBSECTION C OF THIS SECTION ALL HEMP-DERIVED PRODUCTS THAT ARE REPACKAGED
23 BEFORE FINAL SALE TO A CONSUMER.
24 C. THE DIRECTOR SHALL ESTABLISH BY RULE A TESTING METHOD TO
25 DETERMINE THE PRESENCE AND AMOUNTS, AND SHALL INCLUDE THE ALLOWABLE
26 MAXIMUM AMOUNT, OF THE FOLLOWING SUBSTANCES:
27 1. HEAVY METALS.
28 2. PESTICIDES.
29 3. MYCOTOXINS.
30 4. SOLVENTS.
31 5. MICROBIALS.
32 D. A PERSON MAY NOT DISTRIBUTE OR SELL ANY HEMP-DERIVED PRODUCTS IN
33 THIS STATE THAT CONTAINS MORE THAN THE MAXIMUM AMOUNT ALLOWED FOR ANY
34 SUBSTANCE AS PRESCRIBED IN SUBSECTION C OF THIS SECTION.
35 E. A MANUFACTURER OR DISTRIBUTOR THAT TESTS HEMP-DERIVED PRODUCTS
36 PURSUANT TO SUBSECTION C OF THIS SECTION SHALL CONTRACT WITH AN
37 INDEPENDENT TESTING LABORATORY THE USES HIGH-PERFORMANCE LIQUID
38 CHROMATOGRAPHY FOR ANY NECESSARY SEPARATION AND MEASUREMENT.
39 F. EACH TESTED HEMP-DERIVED PRODUCT MUST HAVE A VALID CERTIFICATE
40 OF ANALYSIS FROM AN INDEPENDENT TESTING LABORATORY. THE CERTIFICATE OF
41 ANALYSIS SHALL INCLUDE ALL OF THE FOLLOWING:
42 1. THE BATCH NUMBER.
43 2. THE DATE THE INDEPENDENT TESTING LABORATORY RECEIVED THE
44 HEMP-DERIVED PRODUCT.
45 3. THE DATE THE INDEPENDENT TESTING LABORATORY COMPLETED THE TEST.

- 1 4. THE METHOD OF ANALYSIS FOR EACH TEST CONDUCTED.
- 2 5. PROOF THAT THE CERTIFICATE OF ANALYSIS CORRESPONDS TO THE
- 3 HEMP-DERIVED PRODUCT.
- 4 G. THE LABEL OF A HEMP-DERIVED PRODUCT MUST INCLUDE AN EXPIRATION
- 5 DATE THAT COMPLIES WITH FEDERAL LAW. THE EXPIRATION DATE MAY NOT BE MORE
- 6 THAN TWO YEARS FROM THE PUBLICATION DATE OF THE HEMP-DERIVED PRODUCT'S
- 7 LABORATORY TESTING REPORT.
- 8 H. AN INDEPENDENT TESTING LAB THAT TESTS HEMP-DERIVED PRODUCTS
- 9 PURSUANT TO THIS SECTION:
- 10 1. SHALL MAINTAIN AN ISO 1702 ACCREDITATION OR REGISTRATION WITH
- 11 THE UNITED STATES DRUG ENFORCEMENT AGENCY.
- 12 2. MAY NOT MAINTAIN ANY DIRECT OR INDIRECT INTEREST IN AN ENTITY
- 13 WHOSE HEMP-DERIVED PRODUCT THE INDEPENDENT TESTING LAB TESTS OR THAT
- 14 SELLS, DISTRIBUTES OR MANUFACTURES HEMP-DERIVED PRODUCTS.
- 15 3-324. Labeling of hemp-derived products
- 16 A. ANY PERSON THAT OFFERS HEMP-DERIVED PRODUCTS FOR DISTRIBUTION OR
- 17 SALE IN THIS STATE SHALL ENSURE THAT THE HEMP-DERIVED PRODUCT'S LABEL IS
- 18 CLEARLY DISPLAYED AND INCLUDES THE FOLLOWING INFORMATION:
- 19 1. THE NAME OR COMMON NAME OF THE HEMP-DERIVED PRODUCT.
- 20 2. THE BRAND.
- 21 3. THE CONTAINER SIZE OR NET COUNT OF INDIVIDUAL ITEMS.
- 22 4. THE NET WEIGHT OR VOLUME OF THE HEMP-DERIVED PRODUCT.
- 23 5. SUGGESTED PRODUCT USE, INCLUDING THE NUMBER OF SERVINGS IF THE
- 24 HEMP-DERIVED PRODUCT IS INTENDED FOR INGESTION OR INHALATION.
- 25 6. A LIST OF ALL INGREDIENTS, INCLUDING THE AMOUNT OF ANY REGULATED
- 26 CANNABINOIDS.
- 27 7. A LIST OF ALLERGENS.
- 28 8. THE NAME AND ADDRESS OF THE MANUFACTURER OR DISTRIBUTOR.
- 29 9. THE BATCH NUMBER.
- 30 10. A STATEMENT WARNING THAT USE OF THE HEMP-DERIVED PRODUCT WHILE
- 31 PREGNANT OR BREASTFEEDING MAY BE HARMFUL.
- 32 11. A STATEMENT THAT THE PRODUCT CONTAINS A HEMP-DERIVED PRODUCT
- 33 AND THAT CONSUMING CERTAIN CANNABINOIDS MAY IMPAIR THE CONSUMER'S ABILITY
- 34 TO DRIVE OR OPERATE HEAVY MACHINERY.
- 35 12. A STATEMENT INSTRUCTING CONSUMERS TO KEEP THE HEMP-DERIVED
- 36 PRODUCT OUT OF THE REACH OF CHILDREN.
- 37 13. A STATEMENT THAT THE HEMP-DERIVED PRODUCT IS ONLY FOR USE BY
- 38 PERSONS WHO ARE TWENTY-ONE YEARS OF AGE AND OLDER.
- 39 14. A STATEMENT ADVISING CONSUMERS TO CONSULT A PHYSICIAN BEFORE
- 40 USING THE HEMP-DERIVED PRODUCT.
- 41 15. A STATEMENT THAT CONSUMING HEMP-DERIVED PRODUCTS MAY RESULT IN
- 42 A FAILED DRUG TEST.
- 43 16. AN EXPIRATION DATE IN ACCORDANCE WITH SECTION 3-323 AND OTHER
- 44 APPLICABLE LAW.

1 17. A STATEMENT READING: "WARNING - THE SAFETY OF THIS PRODUCT HAS
2 NOT BEEN DETERMINED".

3 18. A GRAPHICAL DEPICTION OF THE UNIVERSAL INTERNATIONAL
4 INTOXICATING CANNABINOID PRODUCT SYMBOL INDICATING THAT THE HEMP-DERIVED
5 PRODUCT CONTAINS INTOXICATING CANNABINOIDS.

6 19. FOR ANY HEMP-DERIVED PRODUCT INTENDED FOR INGESTION OR
7 INHALATION, A DISCLAIMER STATING "THIS PRODUCT HAS NOT BEEN EVALUATED BY
8 THE UNITED STATES FOOD AND DRUG ADMINISTRATION. THIS PRODUCT IS NOT
9 INTENDED TO DIAGNOSE, TREAT, CURE, MITIGATE, OR PREVENT ANY DISEASE."

10 B. HEMP-DERIVED PRODUCT LABELS MAY NOT IMITATE THE APPEARANCE OF
11 FOOD, CANDY OR OTHER COMMONLY AVAILABLE SNACK PRODUCTS MARKETED TOWARD OR
12 APPEALING TO CHILDREN.

13 3-325. Requirements of hemp-derived products

14 HEMP-DERIVED PRODUCTS SOLD IN THIS STATE:

15 1. MUST BE LABELED ACCORDING TO SECTION 3-324 AND INCLUDE A QUICK
16 RESPONSE CODE LINKING TO REQUIRED LABEL AND TESTING INFORMATION.

17 2. MAY NOT USE TRADEMARKS, TRADE DRESS OR IMAGERY PRIMARILY
18 APPEALING TO PERSONS WHO ARE UNDER TWENTY-ONE YEARS OF AGE IN PACKAGING,
19 LABELING OR MARKETING. THIS PARAGRAPH DOES NOT PROHIBIT DRAWINGS,
20 ILLUSTRATIONS AND OTHER ARTWORK THE DOES NOT SPECIFICALLY TARGET MINORS.

21 3. IF INTENDED FOR INGESTION AND NOT INHALATION:

22 (a) MAY NOT CONTAIN MORE THAN TEN SERVINGS OF REGULATED HEMP
23 CANNABINOIDS PER PACKAGE.

24 (b) MAY NOT BE SHAPED LIKE ANIMALS OR CARTOON CHARACTERS.

25 4. IF INTENDED FOR INHALATION, SHALL BE SOLD ONLY IN CONTAINERS
26 HOLDING TWO GRAMS OR LESS OF REGULATED HEMP CANNABINOIDS.

27 5. MAY NOT RESEMBLE ANTHROPOMORPHIC FIGURES, ANIMALS, CARTOON
28 CHARACTERS OR FICTIONAL CHARACTERS.

29 3-326. Influence; hemp-derived products

30 A. THIS ARTICLE DOES NOT ALLOW ANY PERSON TO:

31 1. PERFORM A TASK UNDER THE INFLUENCE OF A HEMP-DERIVED PRODUCT IF
32 DOING SO WOULD CONSTITUTE NEGLIGENCE, A CRIMINAL VIOLATION OR PROFESSIONAL
33 MALPRACTICE.

34 2. OPERATE, NAVIGATE OR CONTROL A MOTOR VEHICLE, AIRCRAFT,
35 MOTORIZED WATERCRAFT OR OTHER VEHICLE WHILE UNDER THE INFLUENCE OF A HEMP-
36 DERIVED PRODUCT.

37 B. THIS ARTICLE DOES NOT REQUIRE AN EMPLOYER TO ACCOMMODATE THE USE
38 OF A HEMP-DERIVED PRODUCT IN ANY WORKPLACE OR TO ACCOMMODATE AN EMPLOYEE
39 WORKING WHILE UNDER THE INFLUENCE OF A HEMP-DERIVED PRODUCT.

40 C. THIS ARTICLE DOES NOT EXEMPT ANY PERSON FROM PROSECUTION FOR A
41 CRIMINAL OFFENSE RELATED TO IMPAIRMENT OR INTOXICATION RESULTING FROM THE
42 USE OF A HEMP-DERIVED PRODUCT UNDER THE LAWS OF THIS STATE, INCLUDING ANY
43 PROVISION IN TITLE 28 RELATING TO DRIVING WHILE UNDER THE INFLUENCE. THIS
44 ARTICLE DOES NOT RELIEVE ANY PERSON FROM A LEGAL REQUIREMENT TO SUBMIT TO

1 BREATH, BLOOD, URINE OR OTHER TESTING TO DETECT THE PRESENCE OF A
2 CONTROLLED SUBSTANCE OR HEMP-DERIVED PRODUCT.

3 3-327. Registration of hemp-derived products

4 A. A PERSON MAY NOT DISTRIBUTE A HEMP-DERIVED PRODUCT IN THIS STATE
5 UNLESS THE PERSON'S ANNUALLY REGISTERS THE HEMP-DERIVED PRODUCT WITH THE
6 DEPARTMENT AND THE PERSONS SUBMITS A REGISTRATION APPLICATION ON A FORM
7 APPROVED BY THE DEPARTMENT. THE APPLICATION SHALL INCLUDE ALL OF THE
8 FOLLOWING INFORMATION:

9 1. THE NAME AND ADDRESS OF THE APPLICANT.

10 2. IF APPLICABLE, THE NAME AND ADDRESS OF THE INDIVIDUAL,
11 PARTNERSHIP, COMPANY OR CORPORATION WHOSE NAME WILL APPEAR ON THE PRODUCT
12 LABEL.

13 3. THE PRODUCT NAME.

14 4. THE PRODUCT TYPE AND INTENDED USE.

15 5. A COPY OF THE LABEL AS IT WILL APPEAR ON THE PRODUCT.

16 6. IF APPLICABLE, THE HEMP-DERIVED PRODUCT'S NATIONAL DRUG CODE
17 NUMBER.

18 7. A CERTIFICATE OF ANALYSIS FROM AN INDEPENDENT TESTING LABORATORY
19 DEMONSTRATING COMPLIANCE WITH THE TESTING REQUIREMENTS IN SECTION 3-323.

20 B. A REGISTRANT SHALL OBTAIN A NEW REGISTRATION IF ANY OF THE
21 FOLLOWING CHANGES OCCURS:

22 1. A CHANGE IN THE HEMP-DERIVED PRODUCT'S INGREDIENTS.

23 2. A CHANGE IN THE HEMP-DERIVED PRODUCT'S DIRECTIONS FOR USE.

24 3. A CHANGE IN THE HEMP-DERIVED PRODUCT'S NAME.

25 C. A REGISTRANT SHALL SUBMIT COPIES OF ANY LABEL CHANGES TO THE
26 DEPARTMENT AS SOON AS THE CHANGES TAKE EFFECT.

27 D. THE REGISTRANT SHALL ENSURE THE ACCURACY AND COMPLETENESS OF THE
28 SUBMITTED REGISTRATION APPLICATION.

29 E. THE DEPARTMENT MAY DENY AN INCOMPLETE REGISTRATION APPLICATION.

30 F. A PERSON SHALL MAINTAIN THE REGISTRATION OF A DISCONTINUED
31 HEMP-DERIVED PRODUCT UNTIL THE HEMP-DERIVED PRODUCT IS NO LONGER AVAILABLE
32 FOR DISTRIBUTION.

33 3-328. Department testing and inspection of hemp-derived
34 products

35 A. THE DEPARTMENT SHALL:

36 1. CONDUCT RANDOM INSPECTIONS OF HEMP-DERIVED PRODUCTS DISTRIBUTED
37 OR AVAILABLE FOR DISTRIBUTION IN THIS STATE TO ENSURE COMPLIANCE WITH THIS
38 ARTICLE.

39 2. PERIODICALLY SAMPLE, ANALYZE AND TEST HEMP-DERIVED PRODUCTS FOR
40 COMPLIANCE WITH REGISTRATION, LABELING AND CERTIFICATE OF ANALYSIS
41 REQUIREMENTS PURSUANT TO SECTION 3-313.

42 B. THE DEPARTMENT MAY INSPECT ANY HEMP-DERIVED PRODUCT IN THIS
43 STATE WHENEVER NECESSARY.

44 C. ANY SAMPLE COLLECTED BY THE DEPARTMENT UNDER THIS SECTION SHALL
45 SERVES AS THE OFFICIAL SAMPLE.

1 3-329. On-site consumption of hemp-derived products

2 A. RETAILERS AND FOOD SERVICE ESTABLISHMENTS SHALL BE LICENSED BY
3 THE DEPARTMENT TO OFFER HEMP-DERIVED PRODUCTS.

4 B. A PERSON MAY SELL HEMP-DERIVED PRODUCTS ONLY IF THE HEMP-DERIVED
5 PRODUCTS ARE REGISTERED PURSUANT TO SECTION 3-327.

6 C. RETAILERS AND FOOD SERVICE ESTABLISHMENTS THAT OFFER
7 HEMP-DERIVED PRODUCTS AT TEMPORARY EVENTS OR FESTIVALS SHALL:

8 1. REGISTER WITH THE DEPARTMENT.

9 2. PAY A TEMPORARY EVENT REGISTRATION FEE ESTABLISHED BY THE
10 DEPARTMENT.

11 D. BUSINESSES, DISTRIBUTORS AND RETAILERS SELLING HEMP-DERIVED
12 PRODUCTS MAY NOT EMPLOY ANY PERSONS UNDER EIGHTEEN YEARS OF AGE. ANY
13 PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE BUT EIGHTEEN YEARS OF AGE OR
14 OLDER SHALL WORK UNDER THE DIRECT SUPERVISION OF A PERSON WHO IS AT LEAST
15 TWENTY-ONE YEARS OF AGE.

16 E. ON-SITE CONSUMPTION OF HEMP-DERIVED PRODUCTS IS SUBJECT TO THE
17 FOLLOWING CONDITIONS:

18 1. UNLESS PREPARED UNDER A MANUFACTURER'S LICENSE, ONLY PREPACKAGED
19 HEMP-DERIVED PRODUCTS REGISTERED UNDER SECTION 3-327 MAY BE SOLD FOR
20 DIRECT CONSUMPTION.

21 2. FOOD SERVICE ESTABLISHMENTS MAY ADD HEMP-DERIVED PRODUCTS TO
22 FOOD IF THE FOOD SERVICE ESTABLISHMENT COMPLIES WITH THIS ARTICLE.

23 3. FOOD SERVICE ESTABLISHMENTS THAT ADD HEMP-DERIVED PRODUCTS TO
24 FOOD SHALL KEEP AND ON INSPECTION PRESENT A COPY OF THE DEPARTMENT'S
25 REGISTRATION FOR EACH HEMP-DERIVED PRODUCT.

26 4. ON REQUEST, FOOD SERVICE ESTABLISHMENTS SHALL PROVIDE CONSUMERS
27 WITH THE HEMP-DERIVED PRODUCT'S COMMON NAME, THE NAME OF ITS DISTRIBUTOR
28 OR MANUFACTURER AND A COPY OF THE REGISTRATION ON FILE WITH THE
29 DEPARTMENT.

30 5. FOOD SERVICE ESTABLISHMENTS SHALL NOTIFY THE DEPARTMENT WITHIN
31 TWENTY-FOUR HOURS AFTER BECOMING AWARE OF ANY SERIOUS HEALTH INCIDENT
32 RELATED TO A HEMP-DERIVED PRODUCT THE FOOD SERVICE ESTABLISHMENT OFFERED.

33 6. FOOD SERVICE ESTABLISHMENTS SHALL PROMINENTLY DISPLAY AND MAKE
34 CLEARLY VISIBLE THE MILLIGRAM CONTENT OF ALL REGULATED HEMP CANNABINOIDS
35 USED IN THE FOOD SERVICE ESTABLISHMENT'S HEMP-DERIVED PRODUCTS.

36 3-330. Priority placement; prohibition

37 A HEMP-DERIVED PRODUCT MANUFACTURER OR DISTRIBUTOR MAY NOT PAY A
38 RETAILER AND A RETAILER MAY NOT ACCEPT ANY PAYMENT, CREDIT OR OTHER
39 CONSIDERATION TO INDUCE THE RETAILER TO ADVERTISE OR DISPLAY A
40 HEMP-DERIVED PRODUCT IN A CERTAIN MANNER ON THE RETAILER'S LICENSED
41 PREMISES.

42 3-331. Safe harbor; transportation; hemp-derived products;
43 prohibition; definitions

44 A. THIS ARTICLE DOES NOT APPLY TO ANY SAFE HARBOR HEMP PRODUCT OR
45 SAFE HARBOR MANUFACTURER OR STORAGE FACILITY.

1 B. FOR THE PURPOSES OF THIS SECTION:

2 1. "SAFE HARBOR HEMP PRODUCT" MEANS A HEMP-DERIVED PRODUCT,
3 COMPOUND OR CANNABINOID, WHETHER FINISHED OR IN THE PROCESS OF BEING
4 PRODUCED, THAT IS PERMITTED TO BE MANUFACTURED FOR DISTRIBUTION, PRODUCED
5 FOR DISTRIBUTION, PACKAGED FOR DISTRIBUTION, PROCESSED FOR DISTRIBUTION,
6 PREPARED FOR DISTRIBUTION, TREATED FOR DISTRIBUTION, TRANSPORTED FOR
7 DISTRIBUTION OR HELD FOR DISTRIBUTION IN ARIZONA FOR EXPORT FROM ARIZONA
8 BUT IS NOT PERMITTED TO BE SOLD OR DISTRIBUTED IN ARIZONA.

9 2. "SAFE HARBOR MANUFACTURER OR STORAGE FACILITY" MEANS A FACILITY
10 THAT MANUFACTURES FOR DISTRIBUTION, PRODUCES FOR DISTRIBUTION, PACKAGES
11 FOR DISTRIBUTION, PROCESSES FOR DISTRIBUTION, PREPARES FOR DISTRIBUTION,
12 TREATS FOR DISTRIBUTION, TRANSPORTS FOR DISTRIBUTION OR HOLDS FOR
13 DISTRIBUTION A SAFE HARBOR HEMP PRODUCT.

14 3-332. School grounds; hemp-derived products; prohibition

15 ON OR BEFORE THE BEGINNING OF THE 2025-2026 SCHOOL YEAR, EVERY LOCAL
16 SCHOOL DISTRICT IN THIS STATE SHALL ADOPT AND ENFORCE A WRITTEN POLICY
17 PROHIBITING THE USE OF ANY HEMP-DERIVED PRODUCT BY ANY PERSON AT ANY TIME
18 IN SCHOOL BUILDINGS, IN SCHOOL FACILITIES, ON SCHOOL CAMPUSES AND ON ANY
19 OTHER SCHOOL PROPERTY OWNED OR OPERATED BY THE LOCAL SCHOOL ADMINISTRATIVE
20 UNIT. THE POLICY SHALL PROHIBIT THE USE OF ANY HEMP-DERIVED PRODUCTS BY
21 PERSONS ATTENDING A SCHOOL-SPONSORED EVENT AT A LOCATION NOT LISTED IN
22 THIS SUBSECTION WHEN IN THE PRESENCE OF STUDENTS OR SCHOOL PERSONNEL OR IN
23 AN AREA WHERE SMOKING OR HEMP-DERIVED PRODUCT USE IS OTHERWISE PROHIBITED
24 BY LAW.

25 Sec. 11. Section 13-3405, Arizona Revised Statutes, is amended to
26 read:

27 13-3405. Possession, use, production, sale or transportation
28 of marijuana; classification; exceptions

29 A. Except as provided in sections 36-2852 and 36-2853, a person
30 shall not knowingly:

- 31 1. Possess or use marijuana.
- 32 2. Possess marijuana for sale.
- 33 3. Produce marijuana.
- 34 4. Transport for sale, import into this state or offer to transport
35 for sale or import into this state, sell, transfer or offer to sell or
36 transfer marijuana.

37 B. Except as provided in sections 36-2852 and 36-2853, a person who
38 violates:

39 1. Subsection A, paragraph 1 of this section involving an amount of
40 marijuana not possessed for sale having a weight of less than two pounds
41 is guilty of a class 6 felony.

42 2. Subsection A, paragraph 1 of this section involving an amount of
43 marijuana not possessed for sale having a weight of at least two pounds
44 but less than four pounds is guilty of a class 5 felony.

- 1 3. Subsection A, paragraph 1 of this section involving an amount of
2 marijuana not possessed for sale having a weight of four pounds or more is
3 guilty of a class 4 felony.
- 4 4. Subsection A, paragraph 2 of this section involving an amount of
5 marijuana having a weight of less than two pounds is guilty of a class 4
6 felony.
- 7 5. Subsection A, paragraph 2 of this section involving an amount of
8 marijuana having a weight of at least two pounds but not more than four
9 pounds is guilty of a class 3 felony.
- 10 6. Subsection A, paragraph 2 of this section involving an amount of
11 marijuana having a weight of more than four pounds is guilty of a class 2
12 felony.
- 13 7. Subsection A, paragraph 3 of this section involving an amount of
14 marijuana having a weight of less than two pounds is guilty of a class 5
15 felony.
- 16 8. Subsection A, paragraph 3 of this section involving an amount of
17 marijuana having a weight of at least two pounds but not more than four
18 pounds is guilty of a class 4 felony.
- 19 9. Subsection A, paragraph 3 of this section involving an amount of
20 marijuana having a weight of more than four pounds is guilty of a class 3
21 felony.
- 22 10. Subsection A, paragraph 4 of this section involving an amount
23 of marijuana having a weight of less than two pounds is guilty of a class
24 3 felony.
- 25 11. Subsection A, paragraph 4 of this section involving an amount
26 of marijuana having a weight of two pounds or more is guilty of a class 2
27 felony.
- 28 C. If the aggregate amount of marijuana involved in one offense or
29 all of the offenses that are consolidated for trial equals or exceeds the
30 statutory threshold amount, a person who is sentenced pursuant to
31 subsection B, paragraph 5, 6, 8, 9 or 11 of this section is not eligible
32 for suspension of sentence, probation, pardon or release from confinement
33 on any basis until the person has served the sentence imposed by the
34 court, the person is eligible for release pursuant to section 41-1604.07
35 or the sentence is commuted.
- 36 D. In addition to any other penalty prescribed by this title, the
37 court shall order a person who is convicted of a violation of any
38 provision of this section to pay a fine of not less than \$750 or three
39 times the value as determined by the court of the marijuana involved in or
40 giving rise to the charge, whichever is greater, and not more than the
41 maximum authorized by chapter 8 of this title. A judge shall not suspend
42 any part or all of the imposition of any fine required by this subsection.

1 E. A person who is convicted of a felony violation of any provision
2 of this section for which probation or release before the expiration of
3 the sentence imposed by the court is authorized is prohibited from using
4 any marijuana, dangerous drug or narcotic drug except as lawfully
5 administered by a practitioner and as a condition of any probation or
6 release shall be required to submit to drug testing administered under the
7 supervision of the probation department of the county or the state
8 department of corrections as appropriate during the duration of the term
9 of probation or before the expiration of the sentence imposed.

10 F. If the aggregate amount of marijuana involved in one offense or
11 all of the offenses that are consolidated for trial is less than the
12 statutory threshold amount, a person who is sentenced pursuant to
13 subsection B, paragraph 4, 7 or 10 and who is granted probation by the
14 court shall be ordered by the court that as a condition of probation the
15 person perform not less than two hundred forty hours of community
16 restitution with an agency or organization providing counseling,
17 rehabilitation or treatment for alcohol or drug abuse, an agency or
18 organization that provides medical treatment to persons who abuse
19 controlled substances, an agency or organization that serves persons who
20 are victims of crime or any other appropriate agency or organization.

21 G. If a person who is sentenced pursuant to subsection B, paragraph
22 1, 2 or 3 of this section is granted probation for a felony violation of
23 this section, the court shall order that as a condition of probation the
24 person perform not less than twenty-four hours of community restitution
25 with an agency or organization providing counseling, rehabilitation or
26 treatment for alcohol or drug abuse, an agency or organization that
27 provides medical treatment to persons who abuse controlled substances, an
28 agency or organization that serves persons who are victims of crime or any
29 other appropriate agency or organization.

30 H. If a person is granted probation for a misdemeanor violation of
31 this section, the court shall order as a condition of probation that the
32 person attend eight hours of instruction on the nature and harmful effects
33 of narcotic drugs, marijuana and other dangerous drugs on the human
34 system, and on the laws related to the control of these substances, or
35 perform twenty-four hours of community restitution.

36 I. This section does not apply to either:

37 1. A person who is licensed pursuant to title 3, chapter 2, article
38 4.1 and who possesses, uses, sells, produces, manufactures or transports
39 industrial hemp as defined in section 3-311.

40 2. A person who engages in the commercial production, processing,
41 manufacturing, distribution or commerce of industrial hemp as defined in
42 section 3-311 in this state ~~outside of the agricultural pilot program~~
43 ~~established pursuant to title 3, chapter 2, article 4.1~~ if the person's
44 actions are authorized under federal law.

1 Sec. 12. Section 41-619.51, Arizona Revised Statutes, is amended to
2 read:

3 41-619.51. Definitions

4 In this article, unless the context otherwise requires:

5 1. "Agency" means the supreme court, the department of economic
6 security, the department of child safety, the department of education, the
7 department of health services, the department of juvenile corrections, the
8 department of emergency and military affairs, the department of public
9 safety, the department of transportation, the state real estate
10 department, the department of insurance and financial institutions, the
11 Arizona game and fish department, the Arizona department of agriculture,
12 the board of examiners of nursing care institution administrators and
13 assisted living facility managers, the state board of dental examiners,
14 the Arizona state board of pharmacy, the board of physical therapy, the
15 state board of psychologist examiners, the board of athletic training, the
16 board of occupational therapy examiners, the state board of podiatry
17 examiners, the acupuncture board of examiners the state board of technical
18 registration or the board of massage therapy or the Arizona department of
19 housing.

20 2. "Board" means the board of fingerprinting.

21 3. "Central registry exception" means notification to the
22 department of economic security, the department of child safety or the
23 department of health services, as appropriate, pursuant to section
24 41-619.57 that the person is not disqualified because of a central
25 registry check conducted pursuant to section 8-804.

26 4. "Expedited review" means an examination, in accordance with
27 board rule, of the documents an applicant submits by the board or its
28 hearing officer without the applicant being present.

29 5. "Good cause exception" means the issuance of a fingerprint
30 clearance card to an employee pursuant to section 41-619.55.

31 6. "Person" means a person who is required to be fingerprinted
32 pursuant to this article or who is subject to a central registry check and
33 any of the following:

- 34 ~~(a) Section 3-314.~~
35 ~~(b)~~ (a) Section 8-105.
36 ~~(c)~~ (b) Section 8-322.
37 ~~(d)~~ (c) Section 8-463.
38 ~~(e)~~ (d) Section 8-509.
39 ~~(f)~~ (e) Section 8-802.
40 ~~(g)~~ (f) Section 8-804.
41 ~~(h)~~ (g) Section 15-183.
42 ~~(i)~~ (h) Section 15-503.
43 ~~(j)~~ (i) Section 15-512.
44 ~~(k)~~ (j) Section 15-534.
45 ~~(l)~~ (k) Section 15-763.01.

1 ~~(nn)~~ (l) Section 15-782.02.
2 ~~(nn)~~ (m) Section 15-1330.
3 ~~(oo)~~ (n) Section 15-1881.
4 ~~(pp)~~ (o) Section 17-215.
5 ~~(qq)~~ (p) Section 28-3228.
6 ~~(rr)~~ (q) Section 28-3413.
7 ~~(ss)~~ (r) Section 32-122.02.
8 ~~(tt)~~ (s) Section 32-122.05.
9 ~~(uu)~~ (t) Section 32-122.06.
10 ~~(vv)~~ (u) Section 32-823.
11 ~~(ww)~~ (v) Section 32-1232.
12 ~~(xx)~~ (w) Section 32-1276.01.
13 ~~(yy)~~ (x) Section 32-1284.
14 ~~(zz)~~ (y) Section 32-1297.01.
15 ~~(aaa)~~ (z) Section 32-1904.
16 ~~(bbb)~~ (aa) Section 32-1941.
17 ~~(ccc)~~ (bb) Section 32-1982.
18 ~~(ddd)~~ (cc) Section 32-2022.
19 ~~(eee)~~ (dd) Section 32-2063.
20 ~~(fff)~~ (ee) Section 32-2108.01.
21 ~~(ggg)~~ (ff) Section 32-2123.
22 ~~(hhh)~~ (gg) Section 32-2371.
23 ~~(iii)~~ (hh) Section 32-3430.
24 ~~(jjj)~~ (ii) Section 32-3620.
25 ~~(kkk)~~ (jj) Section 32-3668.
26 ~~(lll)~~ (kk) Section 32-3669.
27 ~~(mmm)~~ (ll) Section 32-3922.
28 ~~(nnn)~~ (mm) Section 32-3924.
29 ~~(ooo)~~ (pp) Section 32-4222.
30 ~~(ppp)~~ (qq) Section 32-4128.
31 ~~(qqq)~~ (rr) Section 36-113.
32 ~~(rrr)~~ (ss) Section 36-207.
33 ~~(sss)~~ (tt) Section 36-411.
34 ~~(ttt)~~ (uu) Section 36-425.03.
35 ~~(uuu)~~ (vv) Section 36-446.04.
36 ~~(vvv)~~ (ww) Section 36-594.01.
37 ~~(www)~~ (xx) Section 36-594.02.
38 ~~(xxx)~~ (yy) Section 36-766.01.
39 ~~(yyy)~~ (zz) Section 36-882.
40 ~~(zzz)~~ (aaa) Section 36-883.02.
41 ~~(aaaa)~~ (bbb) Section 36-897.01.
42 ~~(bbbb)~~ (ccc) Section 36-897.03.
43 ~~(cccc)~~ (ddd) Section 36-3008.
44 ~~(dddd)~~ (eee) Section 41-619.53.
45 ~~(eeee)~~ (fff) Section 41-1964.

- 1 ~~(fff)~~ (ggg) Section 41-1967.01.
- 2 ~~(ggg)~~ (hhh) Section 41-1968.
- 3 ~~(hhh)~~ (iii) Section 41-1969.
- 4 ~~(iii)~~ (jjj) Section 41-2814.
- 5 ~~(jjj)~~ (kkk) Section 41-4025.
- 6 ~~(kkk)~~ (lll) Section 46-141, subsection A or B.
- 7 ~~(lll)~~ (mmm) Section 46-321.

8 Sec. 13. Section 41-1758, Arizona Revised Statutes, is amended to
9 read:

10 41-1758. Definitions

11 In this article, unless the context otherwise requires:

12 1. "Agency" means the supreme court, the department of economic
13 security, the department of child safety, the department of education, the
14 department of health services, the department of juvenile corrections, the
15 department of emergency and military affairs, the department of public
16 safety, the department of transportation, the state real estate
17 department, the department of insurance and financial institutions, the
18 board of fingerprinting, the Arizona game and fish department, the Arizona
19 department of agriculture, the board of examiners of nursing care
20 institution administrators and assisted living facility managers, the
21 state board of dental examiners, the Arizona state board of pharmacy, the
22 board of physical therapy, the state board of psychologist examiners, the
23 board of athletic training, the board of occupational therapy examiners,
24 the state board of podiatry examiners, the acupuncture board of examiners,
25 the state board of technical registration, the board of massage therapy or
26 the Arizona department of housing.

27 2. "Division" means the fingerprinting division in the department
28 of public safety.

29 3. "Electronic or internet-based fingerprinting services" means a
30 secure system for digitizing applicant fingerprints and transmitting the
31 applicant data and fingerprints of a person or entity submitting
32 fingerprints to the department of public safety for any authorized purpose
33 under this title. For the purposes of this paragraph, "secure system"
34 means a system that complies with the information technology security
35 policy approved by the department of public safety.

36 4. "Good cause exception" means the issuance of a fingerprint
37 clearance card to an applicant pursuant to section 41-619.55.

38 5. "Person" means a person who is required to be fingerprinted
39 pursuant to any of the following:

- 40 ~~(a) Section 3-314.~~
- 41 ~~(b)~~ (a) Section 8-105.
- 42 ~~(c)~~ (b) Section 8-322.
- 43 ~~(d)~~ (c) Section 8-463.
- 44 ~~(e)~~ (d) Section 8-509.
- 45 ~~(f)~~ (e) Section 8-802.

1	(g)	(f)	Section 15-183.
2	(h)	(g)	Section 15-503.
3	(i)	(h)	Section 15-512.
4	(j)	(i)	Section 15-534.
5	(k)	(j)	Section 15-763.01.
6	(l)	(k)	Section 15-782.02.
7	(m)	(l)	Section 15-1330.
8	(n)	(m)	Section 15-1881.
9	(o)	(n)	Section 17-215.
10	(p)	(o)	Section 28-3228.
11	(q)	(p)	Section 28-3413.
12	(r)	(q)	Section 32-122.02.
13	(s)	(r)	Section 32-122.05.
14	(t)	(s)	Section 32-122.06.
15	(u)	(t)	Section 32-823.
16	(v)	(u)	Section 32-1232.
17	(w)	(v)	Section 32-1276.01.
18	(x)	(w)	Section 32-1284.
19	(y)	(x)	Section 32-1297.01.
20	(z)	(y)	Section 32-1904.
21	(aa)	(z)	Section 32-1941.
22	(bb)	(aa)	Section 32-1982.
23	(cc)	(bb)	Section 32-2022.
24	(dd)	(cc)	Section 32-2063.
25	(ee)	(dd)	Section 32-2108.01.
26	(ff)	(ee)	Section 32-2123.
27	(gg)	(ff)	Section 32-2371.
28	(hh)	(gg)	Section 32-3430.
29	(ii)	(hh)	Section 32-3620.
30	(jj)	(ii)	Section 32-3668.
31	(kk)	(jj)	Section 32-3669.
32	(ll)	(kk)	Section 32-3922.
33	(mm)	(ll)	Section 32-3924.
34	(nn)	(mm)	Section 32-4128.
35	(oo)	(pp)	Section 32-4222.
36	(qq)	(qq)	Section 36-113.
37	(rr)	(rr)	Section 36-207.
38	(ss)	(ss)	Section 36-411.
39	(tt)	(tt)	Section 36-425.03.
40	(uu)	(uu)	Section 36-446.04.
41	(vv)	(vv)	Section 36-594.01.
42	(ww)	(ww)	Section 36-594.02.
43	(xx)	(xx)	Section 36-766.01.
44	(yy)	(yy)	Section 36-882.
45	(zz)	(zz)	Section 36-883.02.

- 1 ~~(zzz)~~ (aaa) Section 36-897.01.
- 2 ~~(aaa)~~ (bbb) Section 36-897.03.
- 3 ~~(bbb)~~ (ccc) Section 36-3008.
- 4 ~~(ccc)~~ (ddd) Section 41-619.52.
- 5 ~~(ddd)~~ (eee) Section 41-619.53.
- 6 ~~(eee)~~ (fff) Section 41-1964.
- 7 ~~(fff)~~ (ggg) Section 41-1967.01.
- 8 ~~(ggg)~~ (hhh) Section 41-1968.
- 9 ~~(hhh)~~ (iii) Section 41-1969.
- 10 ~~(iii)~~ (jjj) Section 41-2814.
- 11 ~~(jjj)~~ (kkk) Section 41-4025.
- 12 ~~(kkk)~~ (lll) Section 46-141, subsection A or B.
- 13 ~~(lll)~~ (mmm) Section 46-321.

14 6. "Rap back services" has the same meaning prescribed in section
15 41-1750.

16 7. "Vulnerable adult" has the same meaning prescribed in section
17 13-3623.

18 Sec. 14. Section 41-1758.01, Arizona Revised Statutes, is amended
19 to read:

20 41-1758.01. Fingerprinting division; powers and duties

21 A. The fingerprinting division is established in the department of
22 public safety and shall:

23 1. Conduct fingerprint background checks for persons and applicants
24 who are seeking licenses from state agencies, employment with licensees,
25 contract providers and state agencies or employment or educational
26 opportunities with agencies that require fingerprint background checks
27 pursuant to sections ~~3-314~~, 8-105, 8-322, 8-463, 8-509, 8-802, 15-183,
28 15-503, 15-512, 15-534, 15-763.01, 15-782.02, 15-1330, 15-1881, 17-215,
29 28-3228, 28-3413, 32-122.02, 32-122.05, 32-122.06, 32-823, 32-1232,
30 32-1276.01, 32-1284, 32-1297.01, 32-1904, 32-1941, 32-1982, 32-2022,
31 32-2063, 32-2108.01, 32-2123, 32-2371, 32-3430, 32-3620, 32-3668, 32-3669,
32 32-3922, 32-3924, 32-4128, 32-4222, 36-113, 36-207, 36-411, 36-425.03,
33 36-446.04, 36-594.01, 36-594.02, 36-766.01, 36-882, 36-883.02, 36-897.01,
34 36-897.03, 36-3008, 41-619.52, 41-619.53, 41-1964, 41-1967.01, 41-1968,
35 41-1969, 41-2814, ~~AND~~ 41-4025, section 46-141, subsection A or B and
36 section 46-321.

37 2. Issue fingerprint clearance cards. On issuance, a fingerprint
38 clearance card becomes the personal property of the cardholder and the
39 cardholder shall retain possession of the fingerprint clearance card.

40 3. On submission of an application for a fingerprint clearance
41 card, collect the fees established by the board of fingerprinting pursuant
42 to section 41-619.53 and deposit, pursuant to sections 35-146 and 35-147,
43 the monies collected in the board of fingerprinting fund.

44 4. Inform in writing each person who submits fingerprints for a
45 fingerprint background check of the right to petition the board of

1 fingerprinting for a good cause exception pursuant to section 41-1758.03,
2 41-1758.04 or 41-1758.07.

3 5. If after conducting a state and federal criminal history records
4 check the division determines that it is not authorized to issue a
5 fingerprint clearance card to a person, inform the person in writing that
6 the division is not authorized to issue a fingerprint clearance card. The
7 notice shall include the criminal history information on which the denial
8 was based. This criminal history information is subject to dissemination
9 restrictions pursuant to section 41-1750 and Public Law 92-544.

10 6. Notify the person in writing if the division suspends, revokes
11 or places a driving restriction notation on a fingerprint clearance card
12 pursuant to section 41-1758.04. The notice shall include the criminal
13 history information on which the suspension, revocation or placement of
14 the driving restriction notation was based. This criminal history
15 information is subject to dissemination restrictions pursuant to section
16 41-1750 and Public Law 92-544.

17 7. Administer and enforce this article.

18 B. The fingerprinting division may contract for electronic or
19 internet-based fingerprinting services through an entity or entities for
20 the acquisition and transmission of applicant fingerprint and data
21 submissions to the department, including identity verified fingerprints
22 pursuant to section 15-106. The entity or entities contracted by the
23 department of public safety may charge the applicant a fee for services
24 provided pursuant to this article. The entity or entities contracted by
25 the department of public safety shall comply with:

26 1. All information privacy and security measures and submission
27 standards established by the department of public safety.

28 2. The information technology security policy approved by the
29 department of public safety.

30 Sec. 15. Section 41-1758.07, Arizona Revised Statutes, is amended
31 to read:

32 41-1758.07. Level I fingerprint clearance cards; definitions

33 A. On receiving the state and federal criminal history record of a
34 person who is required to be fingerprinted pursuant to this section, the
35 division shall compare the record with the list of criminal offenses that
36 preclude the person from receiving a level I fingerprint clearance
37 card. If the person's criminal history record does not contain any of the
38 offenses listed in subsections B and C of this section, the division shall
39 issue the person a level I fingerprint clearance card.

40 B. A person who is subject to registration as a sex offender in
41 this state or any other jurisdiction or who is awaiting trial on or who
42 has been convicted of committing or attempting, soliciting, facilitating
43 or conspiring to commit one or more of the following offenses in this
44 state or the same or similar offenses in another state or jurisdiction is
45 precluded from receiving a level I fingerprint clearance card:

- 1 1. Sexual abuse of a vulnerable adult.
- 2 2. Incest.
- 3 3. Homicide, including first or second degree murder, manslaughter
- 4 and negligent homicide.
- 5 4. Sexual assault.
- 6 5. Sexual exploitation of a minor.
- 7 6. Sexual exploitation of a vulnerable adult.
- 8 7. Commercial sexual exploitation of a minor.
- 9 8. Commercial sexual exploitation of a vulnerable adult.
- 10 9. Child sex trafficking as prescribed in section 13-3212.
- 11 10. Child abuse.
- 12 11. Felony child neglect.
- 13 12. Abuse of a vulnerable adult.
- 14 13. Sexual conduct with a minor.
- 15 14. Molestation of a child.
- 16 15. Molestation of a vulnerable adult.
- 17 16. Dangerous crimes against children as defined in section 13-705.
- 18 17. Exploitation of minors involving drug offenses.
- 19 18. Taking a child for the purpose of prostitution as prescribed in
- 20 section 13-3206.
- 21 19. Neglect or abuse of a vulnerable adult.
- 22 20. Sex trafficking.
- 23 21. Sexual abuse.
- 24 22. Production, publication, sale, possession and presentation of
- 25 obscene items as prescribed in section 13-3502.
- 26 23. Furnishing harmful items to minors as prescribed in section
- 27 13-3506.
- 28 24. Furnishing harmful items to minors by internet activity as
- 29 prescribed in section 13-3506.01.
- 30 25. Obscene or indecent telephone communications to minors for
- 31 commercial purposes as prescribed in section 13-3512.
- 32 26. Luring a minor for sexual exploitation.
- 33 27. Enticement of persons for purposes of prostitution.
- 34 28. Procurement by false pretenses of person for purposes of
- 35 prostitution.
- 36 29. Procuring or placing persons in a house of prostitution.
- 37 30. Receiving earnings of a prostitute.
- 38 31. Causing one's spouse to become a prostitute.
- 39 32. Detention of persons in a house of prostitution for debt.
- 40 33. Keeping or residing in a house of prostitution or employment in
- 41 prostitution.
- 42 34. Pandering.
- 43 35. Transporting persons for the purpose of prostitution, polygamy
- 44 and concubinage.
- 45 36. Portraying adult as a minor as prescribed in section 13-3555.

- 1 37. Admitting minors to public displays of sexual conduct as
2 prescribed in section 13-3558.
- 3 38. Any felony offense involving contributing to the delinquency of
4 a minor.
- 5 39. Unlawful sale or purchase of children.
- 6 40. Child bigamy.
- 7 41. Any felony offense involving domestic violence as defined in
8 section 13-3601 except for a felony offense only involving criminal damage
9 in an amount of more than \$250 but less than \$1,000 if the offense was
10 committed before June 29, 2009.
- 11 42. Any felony offense in violation of title 13, chapter 12 if
12 committed within five years before the date of applying for a level I
13 fingerprint clearance card.
- 14 43. Felony drug or alcohol related offenses if committed within
15 five years before the date of applying for a level I fingerprint clearance
16 card.
- 17 44. Felony indecent exposure.
- 18 45. Felony public sexual indecency.
- 19 46. Terrorism.
- 20 47. Any offense involving a violent crime as defined in section
21 13-901.03.
- 22 48. Trafficking of persons for forced labor or services.
- 23 C. A person who is awaiting trial on or who has been convicted of
24 committing or attempting, soliciting, facilitating or conspiring to commit
25 one or more of the following offenses in this state or the same or similar
26 offenses in another state or jurisdiction is precluded from receiving a
27 level I fingerprint clearance card, except that the person may petition
28 the board of fingerprinting for a good cause exception pursuant to section
29 41-619.55:
- 30 1. Any misdemeanor offense in violation of title 13, chapter 12.
- 31 2. Misdemeanor indecent exposure.
- 32 3. Misdemeanor public sexual indecency.
- 33 4. Aggravated criminal damage.
- 34 5. Theft.
- 35 6. Theft by extortion.
- 36 7. Shoplifting.
- 37 8. Forgery.
- 38 9. Criminal possession of a forgery device.
- 39 10. Obtaining a signature by deception.
- 40 11. Criminal impersonation.
- 41 12. Theft of a credit card or obtaining a credit card by fraudulent
42 means.
- 43 13. Receipt of anything of value obtained by fraudulent use of a
44 credit card.
- 45 14. Forgery of a credit card.

- 1 15. Fraudulent use of a credit card.
- 2 16. Possession of any machinery, plate or other contrivance or
3 incomplete credit card.
- 4 17. False statement as to financial condition or identity to obtain
5 a credit card.
- 6 18. Fraud by persons authorized to provide goods or services.
- 7 19. Credit card transaction record theft.
- 8 20. Misconduct involving weapons.
- 9 21. Misconduct involving explosives.
- 10 22. Depositing explosives.
- 11 23. Misconduct involving simulated explosive devices.
- 12 24. Concealed weapon violation.
- 13 25. Misdemeanor possession and misdemeanor sale of peyote.
- 14 26. Felony possession and felony sale of peyote if committed more
15 than five years before the date of applying for a level I fingerprint
16 clearance card.
- 17 27. Misdemeanor possession and misdemeanor sale of a
18 vapor-releasing substance containing a toxic substance.
- 19 28. Felony possession and felony sale of a vapor-releasing
20 substance containing a toxic substance if committed more than five years
21 before the date of applying for a level I fingerprint clearance card.
- 22 29. Misdemeanor sale of precursor chemicals.
- 23 30. Felony sale of precursor chemicals if committed more than five
24 years before the date of applying for a level I fingerprint clearance
25 card.
- 26 31. Misdemeanor possession, misdemeanor use or misdemeanor sale of
27 marijuana, dangerous drugs or narcotic drugs.
- 28 32. Felony possession, felony use or felony sale of marijuana,
29 dangerous drugs or narcotic drugs if committed more than five years before
30 the date of applying for a level I fingerprint clearance card.
- 31 33. Misdemeanor manufacture or misdemeanor distribution of an
32 imitation controlled substance.
- 33 34. Felony manufacture or felony distribution of an imitation
34 controlled substance if committed more than five years before the date of
35 applying for a level I fingerprint clearance card.
- 36 35. Misdemeanor manufacture or misdemeanor distribution of an
37 imitation prescription-only drug.
- 38 36. Felony manufacture or felony distribution of an imitation
39 prescription-only drug if committed more than five years before the date
40 of applying for a level I fingerprint clearance card.
- 41 37. Misdemeanor manufacture or misdemeanor distribution of an
42 imitation over-the-counter drug.
- 43 38. Felony manufacture or felony distribution of an imitation
44 over-the-counter drug if committed more than five years before the date of
45 applying for a level I fingerprint clearance card.

- 1 39. Misdemeanor possession or misdemeanor possession with intent to
2 use an imitation controlled substance.
- 3 40. Felony possession or felony possession with intent to use an
4 imitation controlled substance if committed more than five years before
5 the date of applying for a level I fingerprint clearance card.
- 6 41. Misdemeanor possession or misdemeanor possession with intent to
7 use an imitation prescription-only drug.
- 8 42. Felony possession or felony possession with intent to use an
9 imitation prescription-only drug if committed more than five years before
10 the date of applying for a level I fingerprint clearance card.
- 11 43. Misdemeanor possession or misdemeanor possession with intent to
12 use an imitation over-the-counter drug.
- 13 44. Felony possession or felony possession with intent to use an
14 imitation over-the-counter drug if committed more than five years before
15 the date of applying for a level I fingerprint clearance card.
- 16 45. Misdemeanor manufacture of certain substances and drugs by
17 certain means.
- 18 46. Felony manufacture of certain substances and drugs by certain
19 means if committed more than five years before the date of applying for a
20 level I fingerprint clearance card.
- 21 47. Adding poison or other harmful substance to food, drink or
22 medicine.
- 23 48. A criminal offense involving criminal trespass under title 13,
24 chapter 15.
- 25 49. A criminal offense involving burglary under title 13,
26 chapter 15.
- 27 50. A criminal offense under title 13, chapter 23, except
28 terrorism.
- 29 51. Misdemeanor offenses involving child neglect.
- 30 52. Misdemeanor offenses involving contributing to the delinquency
31 of a minor.
- 32 53. Misdemeanor offenses involving domestic violence as defined in
33 section 13-3601.
- 34 54. Felony offenses involving domestic violence if the offense only
35 involved criminal damage in an amount of more than \$250 but less than
36 \$1,000 and the offense was committed before June 29, 2009.
- 37 55. Arson.
- 38 56. Felony offenses involving sale, distribution or transportation
39 of, offer to sell, transport or distribute or conspiracy to sell,
40 transport or distribute marijuana, dangerous drugs or narcotic drugs if
41 committed more than five years before the date of applying for a level I
42 fingerprint clearance card.
- 43 57. Criminal damage.
- 44 58. Misappropriation of charter school monies as prescribed in
45 section 13-1818.

- 1 59. Taking identity of another person or entity.
- 2 60. Aggravated taking identity of another person or entity.
- 3 61. Trafficking in the identity of another person or entity.
- 4 62. Cruelty to animals.
- 5 63. Prostitution as prescribed in section 13-3214.
- 6 64. Sale or distribution of material harmful to minors through
7 vending machines as prescribed in section 13-3513.
- 8 65. Welfare fraud.
- 9 66. Any felony offense in violation of title 13, chapter 12 if
10 committed more than five years before the date of applying for a level I
11 fingerprint clearance card.
- 12 67. Kidnapping.
- 13 68. Robbery, aggravated robbery or armed robbery.
- 14 D. A person who is awaiting trial on or who has been convicted of
15 committing or attempting to commit a misdemeanor violation of section
16 28-1381, 28-1382 or 28-1383 in this state or the same or a similar offense
17 in another state or jurisdiction within five years after the date of
18 applying for a level I fingerprint clearance card is precluded from
19 driving any vehicle to transport employees or clients of the employing
20 agency as part of the person's employment. The division shall place a
21 notation on the level I fingerprint clearance card that indicates this
22 driving restriction. This subsection does not preclude a person from
23 driving a vehicle alone as part of the person's employment.
- 24 E. Notwithstanding subsection C of this section, on receiving
25 written notice from the board of fingerprinting that a good cause
26 exception was granted pursuant to section 41-619.55, the division shall
27 issue a level I fingerprint clearance card to the applicant.
- 28 F. If the division denies a person's application for a level I
29 fingerprint clearance card pursuant to subsection C of this section and a
30 good cause exception is requested pursuant to section 41-619.55, the
31 division shall release, on request by the board of fingerprinting, the
32 person's criminal history record to the board of fingerprinting.
- 33 G. A person shall be granted a level I fingerprint clearance card
34 pursuant to this section if either of the following applies:
35 1. An agency granted a good cause exception before August 16, 1999
36 and no new precluding offense is identified. The fingerprint clearance
37 card shall specify only the program that granted the good cause exception.
38 On the request of the applicant, the agency that granted the prior good
39 cause exception shall notify the division in writing of the date on which
40 the prior good cause exception was granted, the date of the conviction and
41 the name of the offense for which the good cause exception was granted.
- 42 2. The board granted a good cause exception and no new precluding
43 offense is identified.

1 H. The licensee or contract provider shall assume the costs of
2 fingerprint checks conducted pursuant to this section and may charge these
3 costs to persons who are required to be fingerprinted.

4 I. A person who is under eighteen years of age or who is at least
5 ninety-nine years of age is exempt from the level I fingerprint clearance
6 card requirements of this section. At all times the person shall be under
7 the direct visual supervision of personnel who have valid level I
8 fingerprint clearance cards.

9 J. The division may conduct criminal history records checks through
10 state and federal rap back services pursuant to section 41-1750,
11 subsection G for the purpose of updating the clearance status of current
12 level I fingerprint clearance cardholders pursuant to this section and may
13 notify the employing or licensing agency of the results of the records
14 check. If the division suspends a person's fingerprint clearance card and
15 the person requests a good cause exception pursuant to section 41-619.55,
16 the division shall release, on request by the board of fingerprinting, the
17 person's criminal history record to the board of fingerprinting.

18 K. The division shall revoke a person's level I fingerprint
19 clearance card on receipt of a written request for revocation from the
20 board of fingerprinting pursuant to section 41-619.55.

21 L. If a person's criminal history record contains an offense listed
22 in subsection B or C of this section and the final disposition is not
23 recorded on the record, the division shall conduct research to obtain the
24 disposition within thirty business days after receipt of the record. If
25 the division cannot determine, within thirty business days after receipt
26 of the person's state and federal criminal history record information,
27 whether the person is awaiting trial on or has been convicted of
28 committing or attempting, soliciting, facilitating or conspiring to commit
29 any of the offenses listed in subsection B or C of this section in this
30 state or the same or a similar offense in another state or jurisdiction,
31 the division shall not issue a level I fingerprint clearance card to the
32 person. If the division is unable to make the determination required by
33 this subsection and does not issue a level I fingerprint clearance card to
34 a person, the person may request a good cause exception pursuant to
35 section 41-619.55.

36 M. If after conducting a state and federal criminal history records
37 check the division determines that it is not authorized to issue a level I
38 fingerprint clearance card to an applicant, the division shall notify the
39 agency that the division is not authorized to issue a level I fingerprint
40 clearance card. This notice shall include the criminal history
41 information on which the denial was based. This criminal history
42 information is subject to dissemination restrictions pursuant to section
43 41-1750 and Public Law 92-544.

1 N. The division is not liable for damages resulting from:

2 1. The issuance of a level I fingerprint clearance card to an
3 applicant who is later found to have been ineligible to receive a level I
4 fingerprint clearance card at the time the card was issued.

5 2. The denial of a level I fingerprint clearance card to an
6 applicant who is later found to have been eligible to receive a level I
7 fingerprint clearance card at the time issuance of the card was denied.

8 O. Notwithstanding any law to the contrary, an individual may apply
9 for and receive a level I fingerprint clearance card pursuant to this
10 section to satisfy a requirement that the person have a valid fingerprint
11 clearance card issued pursuant to section 41-1758.03.

12 P. Notwithstanding any law to the contrary, except as prescribed
13 pursuant to subsection Q of this section, an individual who receives a
14 level I fingerprint clearance card pursuant to this section also satisfies
15 a requirement that the individual have a valid fingerprint clearance card
16 issued pursuant to section 41-1758.03.

17 Q. Unless a cardholder commits an offense listed in subsection B or
18 C of this section after June 29, 2009, a fingerprint clearance card issued
19 pursuant to section 41-1758.03 before June 29, 2009 and its renewals are
20 valid for all requirements for a level I fingerprint clearance card except
21 those relating to the requirements of section 8-105 or 8-509. A
22 fingerprint clearance card issued before June 29, 2009 to meet the
23 requirements of section 8-105 or 8-509 and its renewals are valid after
24 June 29, 2009 to meet all requirements for a level I fingerprint clearance
25 card, including the requirements of section 8-105 or 8-509, if the
26 cardholder has been certified by the court to adopt or has been issued a
27 foster home license before June 29, 2009.

28 R. The issuance of a level I fingerprint clearance card does not
29 entitle a person to employment.

30 S. For the purposes of this section:

31 1. "Person" means a person who is fingerprinted pursuant to:

32 (a) Section ~~3-314~~, 8-105, 8-463, 8-509, 8-802, 17-215, 36-207,
33 36-594.01, 36-594.02, 36-882, 36-883.02, 36-897.01, 36-897.03, 36-2819,
34 36-2855, 41-619.52, 41-619.53, 41-1964, 41-1967.01, 41-1968, 41-1969 or
35 46-141.

36 (b) Subsection O of this section.

37 2. "Renewal" means the issuance of a fingerprint clearance card to
38 an existing fingerprint clearance cardholder who applies before the
39 person's existing fingerprint clearance card expires.

40 Sec. 16. Emergency

41 This act is an emergency measure that is necessary to preserve the
42 public peace, health or safety and is operative immediately as provided by
43 law.