

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       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       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, processing, manufacturing, distribution and commerce of industrial hemp in this state is allowed outside of the agricultural pilot program.~~

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

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

13 **3-313. Rules; fees; intent**

14 A. For the purposes of carrying out this article, the director  
15 shall:

16 ~~1. adopt rules pursuant to title 41, chapter 6 to:~~  
17 ~~1. Oversee the licensing, production and management of industrial~~  
18 ~~hemp and hemp seed in this state pursuant to this article.~~

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

21 ~~2. 3. Adopt fees by rule.~~

22 ~~3. 4. Authorize qualified applicants to propagate, PRODUCE,~~  
23 ~~harvest, transport, or process OR MANUFACTURE, or any combination thereof,~~  
24 ~~industrial hemp according to rules adopted by the director.~~

25 ~~5. PROTECT THE HEALTH, SAFETY AND WELFARE OF CONSUMERS.~~

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

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

30 ~~8. PROHIBIT LICENSEES FROM OFFERING HEMP-DERIVED PRODUCTS THAT~~  
31 ~~RESEMBLE FOOD OR DRINK PRODUCTS INTENTIONALLY MARKETED TO CHILDREN.~~

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

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

40 ~~11. REQUIRE MANUFACTURERS TO SUBMIT HEMP-DERIVED PRODUCTS OFFERED~~  
41 ~~FOR SALE IN THIS STATE TO PROVIDE A CERTIFICATE OF ANALYSIS FROM AN~~  
42 ~~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 POSSES 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 POSSES 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 BIENNIALLY.

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 CANNABINOID.

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 CANNABINOID 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 CANNABINOID.

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

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

1       ~~(zz)~~ (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.

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