

REFERENCE TITLE: recreational; adult use; marijuana

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
Second Regular Session  
2020

# HB 2871

Introduced by  
Representatives Blanc: Andrade, Cano, Powers Hannley, Rodriguez

## AN ACT

AMENDING SECTION 36-2817, ARIZONA REVISED STATUTES; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28.2; AMENDING TITLE 42, CHAPTER 5, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 10; AMENDING TITLE 43, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-108; RELATING TO MARIJUANA.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Subject to the requirements of article IV, part 1,  
3 section 1, Constitution of Arizona, section 36-2817, Arizona Revised  
4 Statutes, is amended to read:

5 36-2817. Medical marijuana fund; private donations

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

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

13 C. Monies in the medical marijuana fund do not revert to the state  
14 general fund at the end of a fiscal year.

15 D. ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, THE  
16 DIRECTOR OF THE DEPARTMENT SHALL TRANSFER THE FOLLOWING SUMS FROM THE  
17 MEDICAL MARIJUANA FUND FOR THE FOLLOWING PURPOSES:

18 1. \$15,000,000 TO THE ARIZONA TEACHERS ACADEMY FUND ESTABLISHED BY  
19 SECTION 15-1655.

20 2. \$10,000,000 TO THE DEPARTMENT TO FUND:

21 (a) THE FORMATION AND OPERATION OF COUNCILS, COMMISSIONS AND  
22 PROGRAMS DEDICATED TO IMPROVING PUBLIC HEALTH, INCLUDING TEEN SUICIDE  
23 PREVENTION, IMPROVING YOUTH HEALTH, SUBSTANCE ABUSE PREVENTION AND  
24 ADDRESSING ADVERSE CHILDHOOD EXPERIENCES.

25 (b) THE ARIZONA POISON CONTROL SYSTEM ESTABLISHED PURSUANT TO  
26 SECTION 36-1161, THE ARIZONA HEALTH IMPROVEMENT PLAN, THE CHILD FATALITY  
27 REVIEW TEAM ESTABLISHED PURSUANT TO SECTION 36-3501, THE CHRONIC PAIN SELF  
28 MANAGEMENT PROGRAM AND THE MATERNAL MORTALITY REVIEW PROGRAM.

29 3. \$10,000,000 TO THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY TO  
30 DISTRIBUTE GRANTS FOR THE FOLLOWING PURPOSES:

31 (a) REDUCING IMPAIRED DRIVING, INCLUDING CONDUCTING TRAINING  
32 PROGRAMS AND PURCHASING EQUIPMENT FOR DETECTING, TESTING AND ENFORCING  
33 LAWS AGAINST DRIVING, FLYING OR BOATING WHILE IMPAIRED.

34 (b) EQUIPMENT, TRAINING AND PERSONNEL COSTS FOR DEDICATED TRAFFIC  
35 ENFORCEMENT.

36 4. \$2,000,000 TO THE DEPARTMENT TO IMPLEMENT, CARRY OUT AND ENFORCE  
37 CHAPTER 28.2 OF THIS TITLE.

38 5. \$2,000,000 TO THE DEPARTMENT OF HEALTH SERVICES TO DEVELOP AND  
39 IMPLEMENT, IN CONJUNCTION WITH THE DEPARTMENT OF ECONOMIC SECURITY AND  
40 OTHER STATE AGENCIES, A SOCIAL EQUITY OWNERSHIP PROGRAM TO PROMOTE THE  
41 OWNERSHIP AND OPERATION OF MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING  
42 FACILITIES BY INDIVIDUALS FROM COMMUNITIES THAT ARE DISPROPORTIONATELY  
43 IMPACTED BY THE ENFORCEMENT OF PREVIOUS MARIJUANA LAWS. FOR THE PURPOSES  
44 OF THIS PARAGRAPH, "MARIJUANA ESTABLISHMENT" AND "MARIJUANA TESTING  
45 FACILITY" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 36-2851.

1 6. \$1,000,000 TO THE DEPARTMENT TO FUND PROGRAMS AND GRANTS TO  
2 QUALIFIED NONPROFIT ORGANIZATIONS FOR EDUCATION, COMMUNITY OUTREACH AND  
3 SOCIAL EQUITY PROGRAMS RELATED TO CHAPTER 28.2 OF THIS TITLE.

4 7. \$1,000,000 TO THE ADULT USE MARIJUANA FUND ESTABLISHED BY  
5 SECTION 36-2857.

6 Sec. 2. Title 36, Arizona Revised Statutes, is amended by adding  
7 chapter 28.2, to read:

8 CHAPTER 28.2  
9 RECREATIONAL ADULT USE OF MARIJUANA

10 36-2851. Definitions

11 IN THIS CHAPTER, UNLESS THE CONTEXT REQUIRES OTHERWISE:

12 1. "ADVERTISE" AND "ADVERTISING" MEAN ANY PUBLIC COMMUNICATION IN  
13 ANY MEDIUM THAT OFFERS OR SOLICITS A COMMERCIAL TRANSACTION INVOLVING THE  
14 SALE, PURCHASE OR DELIVERY OF MARIJUANA OR MARIJUANA PRODUCTS.

15 2. "CHILD-RESISTANT" MEANS DESIGNED OR CONSTRUCTED TO BE  
16 SIGNIFICANTLY DIFFICULT FOR CHILDREN UNDER FIVE YEARS OF AGE TO OPEN, AND  
17 NOT DIFFICULT FOR NORMAL ADULTS TO USE PROPERLY.

18 3. "CONSUME", "CONSUMING" AND "CONSUMPTION" MEAN THE ACT OF  
19 INGESTING, INHALING OR OTHERWISE INTRODUCING MARIJUANA INTO THE HUMAN  
20 BODY.

21 4. "CONSUMER" MEANS AN INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS  
22 OF AGE AND WHO PURCHASES MARIJUANA OR MARIJUANA PRODUCTS.

23 5. "CULTIVATE" AND "CULTIVATION" MEAN TO PROPAGATE, BREED, GROW,  
24 PREPARE AND PACKAGE MARIJUANA.

25 6. "DELIVER" AND "DELIVERY" MEAN THE TRANSPORTATION, TRANSFER OR  
26 PROVISION OF MARIJUANA OR MARIJUANA PRODUCTS TO A CONSUMER AT A LOCATION  
27 OTHER THAN THE DESIGNATED RETAIL LOCATION OF A MARIJUANA ESTABLISHMENT.

28 7. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES OR ITS  
29 SUCCESSOR AGENCY.

30 8. "DESIGNATED CAREGIVER" HAS THE SAME MEANING PRESCRIBED IN  
31 SECTION 36-2801.

32 9. "DISPROPORTIONATELY IMPACTED AREA" MEANS A GEOGRAPHIC AREA THAT  
33 HAS HAD HISTORICALLY HIGH RATES OF ARREST, CONVICTION AND INCARCERATION  
34 RELATED TO MARIJUANA CRIMES.

35 10. "DUAL LICENSEE" MEANS AN ENTITY THAT HOLDS BOTH A NONPROFIT  
36 MEDICAL MARIJUANA DISPENSARY REGISTRATION AND A MARIJUANA ESTABLISHMENT  
37 LICENSE.

38 11. "EMPLOYEE" HAS THE SAME MEANING PRESCRIBED IN SECTION  
39 36-601.01.

40 12. "EMPLOYER" HAS THE SAME MEANING PRESCRIBED IN SECTION  
41 36-601.01.

42 13. "EXCLUDED FELONY OFFENSE" HAS THE SAME MEANING PRESCRIBED IN  
43 SECTION 36-2801.

- 1           14. "GOOD STANDING" MEANS THAT A NONPROFIT MEDICAL MARIJUANA  
2 DISPENSARY IS NOT THE SUBJECT OF A PENDING NOTICE OF INTENT TO REVOKE  
3 ISSUED BY THE DEPARTMENT.
- 4           15. "HEALTH CARE FACILITY" HAS THE SAME MEANING PRESCRIBED IN  
5 SECTION 36-601.01.
- 6           16. "INDEPENDENT THIRD-PARTY LABORATORY" HAS THE SAME MEANING  
7 PRESCRIBED IN SECTION 36-2801.
- 8           17. "INDUSTRIAL HEMP" HAS THE SAME MEANING PRESCRIBED IN SECTION  
9 3-311.
- 10          18. "LOCALITY" MEANS A CITY, TOWN OR COUNTY.
- 11          19. "MANUFACTURE" AND "MANUFACTURING" MEAN TO COMPOUND, BLEND,  
12 EXTRACT, INFUSE OR OTHERWISE MAKE OR PREPARE A MARIJUANA PRODUCT.
- 13          20. "MARIJUANA":
- 14           (a) MEANS ALL PARTS OF THE PLANT OF THE GENUS CANNABIS, WHETHER  
15 GROWING OR NOT, AS WELL AS THE SEEDS FROM THE PLANT, THE RESIN EXTRACTED  
16 FROM ANY PART OF THE PLANT, AND EVERY COMPOUND, MANUFACTURE, SALT,  
17 DERIVATIVE, MIXTURE OR PREPARATION OF THE PLANT OR ITS SEEDS OR RESIN.
- 18           (b) INCLUDES CANNABIS AS DEFINED IN SECTION 13-3401.
- 19           (c) DOES NOT INCLUDE INDUSTRIAL HEMP, THE FIBER PRODUCED FROM THE  
20 STALKS OF THE PLANT OF THE GENUS CANNABIS, OIL OR CAKE MADE FROM THE SEEDS  
21 OF THE PLANT, STERILIZED SEEDS OF THE PLANT THAT ARE INCAPABLE OF  
22 GERMINATION, OR THE WEIGHT OF ANY OTHER INGREDIENT COMBINED WITH MARIJUANA  
23 TO PREPARE TOPICAL OR ORAL ADMINISTRATIONS, FOOD, DRINK OR OTHER PRODUCTS.
- 24          21. "MARIJUANA CONCENTRATE":
- 25           (a) MEANS RESIN EXTRACTED FROM ANY PART OF A PLANT OF THE GENUS  
26 CANNABIS AND EVERY COMPOUND, MANUFACTURE, SALT, DERIVATIVE, MIXTURE OR  
27 PREPARATION OF THAT RESIN OR TETRAHYDROCANNABINOL.
- 28           (b) DOES NOT INCLUDE INDUSTRIAL HEMP OR THE WEIGHT OF ANY OTHER  
29 INGREDIENT COMBINED WITH CANNABIS TO PREPARE TOPICAL OR ORAL  
30 ADMINISTRATIONS, FOOD, DRINK OR OTHER PRODUCTS.
- 31          22. "MARIJUANA ESTABLISHMENT" MEANS AN ENTITY LICENSED BY THE  
32 DEPARTMENT TO OPERATE ALL OF THE FOLLOWING:
- 33           (a) A SINGLE RETAIL LOCATION AT WHICH THE LICENSEE MAY SELL  
34 MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS, CULTIVATE MARIJUANA AND  
35 MANUFACTURE MARIJUANA PRODUCTS.
- 36           (b) A SINGLE OFF-SITE CULTIVATION LOCATION AT WHICH THE LICENSEE  
37 MAY CULTIVATE MARIJUANA, PROCESS MARIJUANA AND MANUFACTURE MARIJUANA  
38 PRODUCTS, BUT FROM WHICH MARIJUANA AND MARIJUANA PRODUCTS MAY NOT BE  
39 TRANSFERRED OR SOLD TO CONSUMERS.
- 40           (c) A SINGLE OFF-SITE LOCATION AT WHICH THE LICENSEE MAY  
41 MANUFACTURE MARIJUANA PRODUCTS AND PACKAGE AND STORE MARIJUANA AND  
42 MARIJUANA PRODUCTS, BUT FROM WHICH MARIJUANA AND MARIJUANA PRODUCTS MAY  
43 NOT BE TRANSFERRED OR SOLD TO CONSUMERS.
- 44          23. "MARIJUANA FACILITY AGENT" MEANS A PRINCIPAL OFFICER, BOARD  
45 MEMBER OR EMPLOYEE OF A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING

1 FACILITY WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND HAS NOT BEEN  
2 CONVICTED OF AN EXCLUDED FELONY OFFENSE.

3 24. "MARIJUANA PRODUCTS" MEANS MARIJUANA CONCENTRATE AND PRODUCTS  
4 THAT ARE COMPOSED OF MARIJUANA AND OTHER INGREDIENTS AND THAT ARE INTENDED  
5 FOR USE OR CONSUMPTION, INCLUDING EDIBLE PRODUCTS, OINTMENTS AND  
6 TINCTURES.

7 25. "MARIJUANA TESTING FACILITY" MEANS THE DEPARTMENT OR ANOTHER  
8 ENTITY THAT IS LICENSED BY THE DEPARTMENT TO ANALYZE THE POTENCY OF  
9 MARIJUANA AND TEST MARIJUANA FOR HARMFUL CONTAMINANTS.

10 26. "NONPROFIT MEDICAL MARIJUANA DISPENSARY" HAS THE SAME MEANING  
11 PRESCRIBED IN SECTION 36-2801.

12 27. "NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT" HAS THE SAME  
13 MEANING PRESCRIBED IN SECTION 36-2801.

14 28. "OPEN SPACE" MEANS A PUBLIC PARK, PUBLIC SIDEWALK, PUBLIC  
15 WALKWAY OR PUBLIC PEDESTRIAN THOROUGHFARE.

16 29. "PLACES OF EMPLOYMENT" HAS THE SAME MEANING PRESCRIBED IN  
17 SECTION 36-601.01.

18 30. "PROCESS" AND "PROCESSING" MEAN TO HARVEST, DRY, CURE, TRIM OR  
19 SEPARATE PARTS OF THE MARIJUANA PLANT.

20 31. "PUBLIC PLACE" HAS THE SAME MEANING PRESCRIBED IN SECTION  
21 36-601.01.

22 32. "QUALIFYING PATIENT" HAS THE SAME MEANING PRESCRIBED IN SECTION  
23 36-2801.

24 33. "SMOKE" MEANS TO INHALE, EXHALE, BURN, CARRY OR POSSESS ANY  
25 LIGHTED MARIJUANA OR LIGHTED MARIJUANA PRODUCTS, WHETHER NATURAL OR  
26 SYNTHETIC.

27 36-2852. Applicability of chapter

28 THIS CHAPTER DOES NOT DO ANY OF THE FOLLOWING:

29 1. RESTRICT THE RIGHTS OF EMPLOYERS TO MAINTAIN A DRUG-AND-ALCOHOL-  
30 FREE WORKPLACE OR AFFECT THE ABILITY OF EMPLOYERS TO HAVE WORKPLACE  
31 POLICIES RESTRICTING THE USE OF MARIJUANA BY EMPLOYEES OR PROSPECTIVE  
32 EMPLOYEES.

33 2. REQUIRE AN EMPLOYER TO ALLOW OR ACCOMMODATE THE USE,  
34 CONSUMPTION, POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, SALE OR  
35 CULTIVATION OF MARIJUANA IN A PLACE OF EMPLOYMENT.

36 3. ALLOW DRIVING, FLYING OR BOATING WHILE IMPAIRED TO EVEN THE  
37 SLIGHTEST DEGREE BY MARIJUANA AND HAVE MORE THAN FIVE NANOGRAMS PER  
38 MILLILITER OF TETRAHYDROCANNABINOL IN THE PERSON'S BLOOD OR PREVENT THIS  
39 STATE FROM ENACTING AND IMPOSING PENALTIES FOR DRIVING, FLYING OR BOATING  
40 WHILE IMPAIRED TO EVEN THE SLIGHTEST DEGREE BY MARIJUANA AND HAVE MORE  
41 THAN FIVE NANOGRAMS PER MILLILITER OF TETRAHYDROCANNABINOL IN THE PERSON'S  
42 BLOOD.

43 4. ALLOW AN INDIVIDUAL WHO IS UNDER TWENTY-ONE YEARS OF AGE TO  
44 PURCHASE, POSSESS, TRANSPORT OR CONSUME MARIJUANA OR MARIJUANA PRODUCTS.

- 1           5. ALLOW THE SALE, TRANSFER OR PROVISION OF MARIJUANA OR MARIJUANA  
2 PRODUCTS TO AN INDIVIDUAL WHO IS UNDER TWENTY-ONE YEARS OF AGE.
- 3           6. RESTRICT THE RIGHTS OF EMPLOYERS, SCHOOLS, DAY CARE CENTERS,  
4 ADULT DAY CARE, HEALTH CARE FACILITIES OR CORRECTIONS FACILITIES TO  
5 PROHIBIT OR REGULATE CONDUCT OTHERWISE ALLOWED BY THIS CHAPTER WHEN SUCH  
6 CONDUCT OCCURS ON OR IN THEIR PROPERTIES.
- 7           7. RESTRICT THE ABILITY OF AN INDIVIDUAL, PARTNERSHIP, LIMITED  
8 LIABILITY COMPANY, PRIVATE CORPORATION, PRIVATE ENTITY OR PRIVATE  
9 ORGANIZATION OF ANY CHARACTER THAT OCCUPIES, OWNS OR CONTROLS PROPERTY TO  
10 PROHIBIT OR REGULATE CONDUCT OTHERWISE ALLOWED BY THIS CHAPTER ON OR IN  
11 SUCH PROPERTY.
- 12           8. ALLOW ANY PERSON TO:
- 13           (a) SMOKE MARIJUANA IN A PUBLIC PLACE OR OPEN SPACE.
- 14           (b) CONSUME MARIJUANA OR MARIJUANA PRODUCTS WHILE DRIVING,  
15 OPERATING OR RIDING IN THE PASSENGER SEAT OR COMPARTMENT OF AN OPERATING  
16 MOTOR VEHICLE, BOAT, VESSEL OR AIRCRAFT OR ANOTHER VEHICLE USED FOR  
17 TRANSPORTATION.
- 18           9. PROHIBIT THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE  
19 FROM PROHIBITING OR REGULATING CONDUCT OTHERWISE ALLOWED BY THIS CHAPTER  
20 WHEN SUCH CONDUCT OCCURS ON OR IN PROPERTY THAT IS OCCUPIED, OWNED,  
21 CONTROLLED OR OPERATED BY THIS STATE OR A POLITICAL SUBDIVISION OF THIS  
22 STATE.
- 23           10. AUTHORIZE A PERSON TO PROCESS OR MANUFACTURE MARIJUANA BY MEANS  
24 OF ANY LIQUID OR GAS, OTHER THAN ALCOHOL, THAT HAS A FLASHPOINT BELOW ONE  
25 HUNDRED DEGREES FAHRENHEIT, UNLESS PERFORMED BY A MARIJUANA ESTABLISHMENT.
- 26           11. REQUIRE A PERSON TO VIOLATE FEDERAL LAW OR TO IMPLEMENT OR FAIL  
27 TO IMPLEMENT A RESTRICTION ON THE POSSESSION, CONSUMPTION, DISPLAY,  
28 TRANSFER, PROCESSING, MANUFACTURING OR CULTIVATION OF MARIJUANA IF BY SO  
29 DOING THE PERSON WILL LOSE A MONETARY OR LICENSING-RELATED BENEFIT UNDER  
30 FEDERAL LAW.
- 31           12. SUPERSEDE OR ELIMINATE ANY EXISTING RIGHTS OR PRIVILEGES OF ANY  
32 PERSON EXCEPT AS SPECIFICALLY SET FORTH IN THIS CHAPTER.
- 33           13. LIMIT ANY PRIVILEGE OR RIGHT OF A NONPROFIT MEDICAL MARIJUANA  
34 DISPENSARY UNDER CHAPTER 28.1 OF THIS TITLE EXCEPT AS EXPRESSLY SET FORTH  
35 IN THIS CHAPTER.
- 36           14. LIMIT ANY PRIVILEGE OR RIGHT OF A QUALIFYING PATIENT OR  
37 DESIGNATED CAREGIVER UNDER CHAPTER 28.1 OF THIS TITLE.
- 38           36-2853. Allowable possession and personal use of marijuana;  
39 marijuana products and marijuana paraphernalia
- 40           A. EXCEPT AS SPECIFICALLY AND EXPRESSLY PROVIDED IN SECTIONS  
41 36-2852 AND 36-2854 AND NOTWITHSTANDING ANY OTHER LAW, THE FOLLOWING ACTS  
42 BY AN INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS OF AGE ARE LAWFUL, ARE  
43 NOT AN OFFENSE UNDER THE LAWS OF THIS STATE OR ANY LOCALITY, MAY NOT  
44 CONSTITUTE THE BASIS FOR DETENTION, SEARCH OR ARREST, AND CANNOT SERVE AS  
45 THE SOLE BASIS FOR SEIZURE OR FORFEITURE OF ASSETS, FOR IMPOSING PENALTIES

1 OF ANY KIND UNDER THE LAWS OF THIS STATE OR ANY LOCALITY OR FOR ABROGATING  
2 OR LIMITING ANY RIGHT OR PRIVILEGE CONFERRED OR PROTECTED BY THE LAWS OF  
3 THIS STATE OR ANY LOCALITY:

4 1. POSSESSING, CONSUMING, PURCHASING, PROCESSING, MANUFACTURING BY  
5 MANUAL OR MECHANICAL MEANS, INCLUDING SIEVING OR ICE WATER SEPARATION BUT  
6 EXCLUDING CHEMICAL EXTRACTION OR CHEMICAL SYNTHESIS, OR TRANSPORTING ONE  
7 OUNCE OR LESS OF MARIJUANA, EXCEPT THAT NOT MORE THAN FIVE GRAMS OF  
8 MARIJUANA MAY BE IN THE FORM OF MARIJUANA CONCENTRATE.

9 2. POSSESSING, TRANSPORTING, CULTIVATING OR PROCESSING NOT MORE  
10 THAN SIX MARIJUANA PLANTS FOR PERSONAL USE AT THE INDIVIDUAL'S PRIMARY  
11 RESIDENCE, AND POSSESSING, PROCESSING AND MANUFACTURING BY MANUAL OR  
12 MECHANICAL MEANS, INCLUDING SIEVING OR ICE WATER SEPARATION BUT EXCLUDING  
13 CHEMICAL EXTRACTION OR CHEMICAL SYNTHESIS, THE MARIJUANA PRODUCED BY THE  
14 PLANTS ON THE PREMISES WHERE THE MARIJUANA PLANTS WERE GROWN IF ALL OF THE  
15 FOLLOWING APPLY:

16 (a) NOT MORE THAN TWELVE PLANTS ARE PRODUCED AT A SINGLE RESIDENCE  
17 WHERE TWO OR MORE INDIVIDUALS WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE  
18 RESIDE AT ONE TIME.

19 (b) CULTIVATION TAKES PLACE WITHIN A CLOSET, ROOM, GREENHOUSE OR  
20 OTHER ENCLOSED AREA ON THE GROUNDS OF THE RESIDENCE EQUIPPED WITH A LOCK  
21 OR OTHER SECURITY DEVICE THAT PREVENTS ACCESS BY MINORS.

22 (c) CULTIVATION TAKES PLACE IN AN AREA WHERE THE MARIJUANA PLANTS  
23 ARE NOT VISIBLE FROM PUBLIC VIEW WITHOUT USING BINOCULARS, AIRCRAFT OR  
24 OTHER OPTICAL AIDS.

25 3. TRANSFERRING ONE OUNCE OR LESS OF MARIJUANA, OF WHICH NOT MORE  
26 THAN FIVE GRAMS MAY BE IN THE FORM OF MARIJUANA CONCENTRATE, TO AN  
27 INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IF THE TRANSFER IS  
28 WITHOUT REMUNERATION AND IS NOT ADVERTISED OR PROMOTED TO THE PUBLIC.

29 4. TRANSFERRING UP TO SIX MARIJUANA PLANTS TO AN INDIVIDUAL WHO IS  
30 AT LEAST TWENTY-ONE YEARS OF AGE IF THE TRANSFER IS WITHOUT REMUNERATION  
31 AND IS NOT ADVERTISED OR PROMOTED TO THE PUBLIC.

32 5. ACQUIRING, POSSESSING, MANUFACTURING, USING, PURCHASING, SELLING  
33 OR TRANSPORTING PARAPHERNALIA RELATING TO THE CULTIVATION, MANUFACTURE,  
34 PROCESSING OR CONSUMPTION OF MARIJUANA OR MARIJUANA PRODUCTS.

35 6. ASSISTING ANOTHER INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS OF  
36 AGE IN ANY OF THE ACTS DESCRIBED IN THIS SUBSECTION.

37 B. NOTWITHSTANDING ANY OTHER LAW, A PERSON WITH MORE THAN FIVE  
38 NANOGRAMS PER MILLILITER OF TETRAHYDROCANNABINOL IN THE PERSON'S BLOOD IS  
39 GUILTY OF VIOLATING SECTION 28-1381, SUBSECTION A, PARAGRAPH 3 ONLY IF THE  
40 PERSON IS ALSO IMPAIRED TO THE SLIGHTEST DEGREE.

41 C. NOTWITHSTANDING ANY OTHER LAW, THE ODOR OF MARIJUANA OR BURNT  
42 MARIJUANA DOES NOT BY ITSELF CONSTITUTE REASONABLE ARTICULABLE SUSPICION  
43 OF A CRIME. THIS SUBSECTION DOES NOT APPLY WHEN A LAW ENFORCEMENT OFFICER  
44 IS INVESTIGATING WHETHER A PERSON HAS VIOLATED SECTION 28-1381.

1 36-2854. Violations; classification; civil penalty;  
2 enforcement

3 A. NOTWITHSTANDING ANY OTHER LAW AND EXCEPT AS OTHERWISE PROVIDED  
4 IN THIS CHAPTER, A PERSON WHO POSSESSES AN AMOUNT OF MARIJUANA GREATER  
5 THAN THE AMOUNT ALLOWED PURSUANT TO SECTION 36-2853, BUT NOT MORE THAN TWO  
6 AND ONE-HALF OUNCES OF MARIJUANA, OF WHICH NOT MORE THAN TWELVE AND  
7 ONE-HALF GRAMS IS IN THE FORM OF MARIJUANA CONCENTRATE, IS GUILTY OF A  
8 PETTY OFFENSE.

9 B. NOTWITHSTANDING ANY OTHER LAW, A PERSON WHO IS UNDER TWENTY-ONE  
10 YEARS OF AGE AND WHO POSSESSES, CONSUMES, TRANSPORTS OR TRANSFERS WITHOUT  
11 REMUNERATION ONE OUNCE OR LESS OF MARIJUANA, OF WHICH NOT MORE THAN FIVE  
12 GRAMS IS IN THE FORM OF MARIJUANA CONCENTRATE, OR PARAPHERNALIA RELATING  
13 TO THE CONSUMPTION OF MARIJUANA OR MARIJUANA PRODUCTS:

14 1. FOR A FIRST VIOLATION, SHALL PAY A CIVIL PENALTY OF NOT MORE  
15 THAN \$100 TO THE ADULT USE MARIJUANA FUND ESTABLISHED BY SECTION 36-2857  
16 AND IN THE COURT'S DISCRETION MAY BE ORDERED TO ATTEND UP TO FOUR HOURS OF  
17 DRUG EDUCATION OR COUNSELING.

18 2. FOR A SECOND VIOLATION, IS GUILTY OF A PETTY OFFENSE AND IN THE  
19 COURT'S DISCRETION MAY BE ORDERED TO ATTEND UP TO EIGHT HOURS OF DRUG  
20 EDUCATION OR COUNSELING.

21 3. FOR A THIRD OR SUBSEQUENT VIOLATION, IS GUILTY OF A CLASS 1  
22 MISDEMEANOR.

23 C. A PERSON WHO SMOKES MARIJUANA IN A PUBLIC PLACE OR OPEN SPACE IS  
24 GUILTY OF A PETTY OFFENSE.

25 D. EXCEPT AS OTHERWISE PROVIDED IN CHAPTER 28.1 OF THIS TITLE AND  
26 NOTWITHSTANDING ANY OTHER LAW, ANY UNLICENSED PERSON WHO CULTIVATES  
27 MARIJUANA PLANTS PURSUANT TO SECTION 36-2853 WHERE THEY ARE VISIBLE FROM  
28 PUBLIC VIEW WITHOUT USING BINOCULARS, AIRCRAFT OR OTHER OPTICAL AIDS OR  
29 OUTSIDE OF AN ENCLOSED AREA THAT IS EQUIPPED WITH A LOCK OR OTHER SECURITY  
30 DEVICE THAT PREVENTS ACCESS BY MINORS IS GUILTY OF:

31 1. FOR A FIRST VIOLATION, A PETTY OFFENSE.

32 2. FOR A SECOND OR SUBSEQUENT VIOLATION, A CLASS 3 MISDEMEANOR.

33 E. A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE AND WHO  
34 MISREPRESENTS THE PERSON'S AGE TO ANY OTHER PERSON BY MEANS OF A WRITTEN  
35 INSTRUMENT OF IDENTIFICATION OR WHO USES A FRAUDULENT OR FALSE WRITTEN  
36 INSTRUMENT OF IDENTIFICATION WITH THE INTENT TO INDUCE A PERSON TO SELL OR  
37 OTHERWISE TRANSFER MARIJUANA OR A MARIJUANA PRODUCT TO THE PERSON WHO IS  
38 UNDER TWENTY-ONE YEARS OF AGE IS GUILTY OF:

39 1. FOR A FIRST VIOLATION, A PETTY OFFENSE.

40 2. FOR A SECOND OR SUBSEQUENT VIOLATION, A CLASS 1 MISDEMEANOR.

41 F. A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE AND WHO SOLICITS  
42 ANOTHER PERSON TO PURCHASE MARIJUANA OR A MARIJUANA PRODUCT IN VIOLATION  
43 OF THIS CHAPTER IS GUILTY OF:

44 1. FOR A FIRST VIOLATION, A PETTY OFFENSE.

45 2. FOR A SECOND OR SUBSEQUENT VIOLATION, A CLASS 3 MISDEMEANOR.



1           36-2855. Rules; licensing; early applicants; fees; civil  
2                                           penalty; legal counsel

3           A. THE DEPARTMENT SHALL ADOPT RULES TO IMPLEMENT AND ENFORCE THIS  
4 CHAPTER AND REGULATE MARIJUANA, MARIJUANA PRODUCTS, MARIJUANA  
5 ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES. THOSE RULES SHALL  
6 INCLUDE REQUIREMENTS FOR:

7           1. LICENSING MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING  
8 FACILITIES, INCLUDING CONDUCTING INVESTIGATIONS AND BACKGROUND CHECKS TO  
9 DETERMINE ELIGIBILITY FOR LICENSING APPLICANTS FOR MARIJUANA ESTABLISHMENT  
10 AND MARIJUANA TESTING FACILITIES, EXCEPT THAT:

11           (a) AN APPLICATION FOR A MARIJUANA ESTABLISHMENT LICENSE OR  
12 MARIJUANA TESTING FACILITY LICENSE MAY NOT REQUIRE THE DISCLOSURE OF THE  
13 IDENTITY OF ANY PERSON WHO IS ENTITLED TO A SHARE OF LESS THAN TEN PERCENT  
14 OF THE PROFITS OF AN APPLICANT THAT IS A PUBLICLY TRADED CORPORATION.

15           (b) THE DEPARTMENT MAY NOT ISSUE MORE THAN TWO HUNDRED FIFTY  
16 MARIJUANA ESTABLISHMENT LICENSES. THE DEPARTMENT SHALL ALLOCATE THE  
17 LICENSES THROUGHOUT THIS STATE BY POPULATION.

18           (c) NOTWITHSTANDING SUBDIVISION (b) OF THIS PARAGRAPH, THE  
19 DEPARTMENT MAY ISSUE A MARIJUANA ESTABLISHMENT LICENSE TO NOT MORE THAN  
20 TWO MARIJUANA ESTABLISHMENTS PER COUNTY THAT DOES NOT CONTAIN REGISTERED  
21 NONPROFIT MEDICAL MARIJUANA DISPENSARIES, OR ONE MARIJUANA ESTABLISHMENT  
22 LICENSE PER COUNTY THAT CONTAINS ONE REGISTERED NONPROFIT MEDICAL  
23 MARIJUANA DISPENSARY. ANY LICENSE ISSUED PURSUANT TO THIS SUBDIVISION  
24 SHALL BE FOR A FIXED COUNTY AND MAY NOT BE RELOCATED OUTSIDE OF THAT  
25 COUNTY.

26           (d) THE DEPARTMENT SHALL ACCEPT APPLICATIONS FOR MARIJUANA  
27 ESTABLISHMENT LICENSES BEGINNING JULY 1, 2021. EACH APPLICATION SHALL  
28 INCLUDE A NARRATIVE THAT ESTABLISHES A GOAL OF DIVERSITY IN OWNERSHIP,  
29 MANAGEMENT, EMPLOYMENT AND CONTRACTING TO ENSURE THAT DIVERSE PARTICIPANTS  
30 AND GROUPS ARE AFFORDED AN EQUAL OPPORTUNITY.

31           (e) THE DEPARTMENT SHALL ISSUE MARIJUANA ESTABLISHMENT LICENSES  
32 UNDER THIS PARAGRAPH BY RANDOM SELECTION AND ACCORDING TO RULES ADOPTED  
33 PURSUANT TO THIS SECTION. AT LEAST SIXTY DAYS BEFORE ANY RANDOM  
34 SELECTION, THE DEPARTMENT SHALL PROMINENTLY PUBLICIZE THE RANDOM SELECTION  
35 ON ITS WEBSITE AND THROUGH OTHER MEANS OF GENERAL DISTRIBUTION INTENDED TO  
36 REACH AS MANY INTERESTED PARTIES AS POSSIBLE AND SHALL PROVIDE NOTICE  
37 THROUGH AN EMAIL NOTIFICATION SYSTEM TO WHICH INTERESTED PARTIES CAN  
38 SUBSCRIBE.

39           (f) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PARAGRAPH, AND NOT  
40 LATER THAN SIX MONTHS AFTER THE DEPARTMENT ADOPTS FINAL RULES TO IMPLEMENT  
41 THE SOCIAL EQUITY OWNERSHIP PROGRAM PURSUANT TO PARAGRAPH 9 OF THIS  
42 SUBSECTION, THE DEPARTMENT SHALL ISSUE TWENTY-SIX ADDITIONAL MARIJUANA  
43 ESTABLISHMENT LICENSES TO ENTITIES THAT ARE QUALIFIED PURSUANT TO THE  
44 SOCIAL EQUITY OWNERSHIP PROGRAM.

1 (g) LICENSES ISSUED BY THE DEPARTMENT TO MARIJUANA ESTABLISHMENTS  
2 AND MARIJUANA TESTING FACILITIES SHALL BE VALID FOR A PERIOD OF TWO YEARS.

3 (h) A LICENSE ISSUED BY THE DEPARTMENT FOR A MARIJUANA  
4 ESTABLISHMENT REVERTS BACK TO THE DEPARTMENT IF THE MARIJUANA  
5 ESTABLISHMENT IS NOT OPEN FOR BUSINESS WITHIN ONE YEAR AFTER THE LICENSE  
6 IS ISSUED.

7 2. LICENSING FEES AND RENEWAL FEES FOR MARIJUANA ESTABLISHMENTS AND  
8 MARIJUANA TESTING FACILITIES IN AMOUNTS THAT ARE REASONABLE AND RELATED TO  
9 THE ACTUAL COST OF PROCESSING APPLICATIONS FOR LICENSES AND RENEWALS AND  
10 THAT DO NOT EXCEED FIVE TIMES THE FEES PRESCRIBED BY THE DEPARTMENT TO  
11 REGISTER OR RENEW A NONPROFIT MEDICAL MARIJUANA DISPENSARY.

12 3. THE SECURITY OF MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING  
13 FACILITIES.

14 4. MARIJUANA ESTABLISHMENTS TO SAFELY CULTIVATE, PROCESS AND  
15 MANUFACTURE MARIJUANA AND MARIJUANA PRODUCTS.

16 5. TRACKING, TESTING, LABELING AND PACKAGING MARIJUANA AND  
17 MARIJUANA PRODUCTS, INCLUDING REQUIREMENTS THAT MARIJUANA AND MARIJUANA  
18 PRODUCTS BE:

19 (a) SOLD TO CONSUMERS IN CLEARLY AND CONSPICUOUSLY LABELED  
20 CONTAINERS THAT CONTAIN ACCURATE WARNINGS REGARDING THE USE OF MARIJUANA  
21 OR MARIJUANA PRODUCTS.

22 (b) PLACED IN CHILD-RESISTANT PACKAGING ON EXIT FROM A MARIJUANA  
23 ESTABLISHMENT.

24 6. FORMS OF GOVERNMENT-ISSUED IDENTIFICATION THAT ARE ACCEPTABLE BY  
25 A MARIJUANA ESTABLISHMENT TO VERIFY A CONSUMER'S AGE AND PROCEDURES  
26 RELATED TO VERIFYING A CONSUMER'S AGE CONSISTENT WITH SECTION 4-241.  
27 UNTIL THE DEPARTMENT ADOPTS FINAL RULES RELATED TO VERIFYING A CONSUMER'S  
28 AGE, MARIJUANA ESTABLISHMENTS SHALL COMPLY WITH THE PROOF OF LEGAL AGE  
29 REQUIREMENTS PRESCRIBED IN SECTION 4-241.

30 7. THE POTENCY OF EDIBLE MARIJUANA PRODUCTS THAT MAY BE SOLD TO  
31 CONSUMERS BY MARIJUANA ESTABLISHMENTS AT REASONABLE LEVELS ON  
32 CONSIDERATION OF INDUSTRY STANDARDS, EXCEPT THAT THE RULES:

33 (a) SHALL LIMIT THE STRENGTH OF EDIBLE MARIJUANA PRODUCTS TO NOT  
34 MORE THAN TEN MILLIGRAMS OF TETRAHYDROCANNABINOL PER SERVING OR ONE  
35 HUNDRED MILLIGRAMS OF TETRAHYDROCANNABINOL PER PACKAGE.

36 (b) SHALL REQUIRE THAT IF A MARIJUANA PRODUCT CONTAINS MORE THAN  
37 ONE SERVING, IT MUST BE DELINEATED OR SCORED INTO STANDARD SERVING SIZES  
38 AND HOMOGENIZED TO ENSURE UNIFORM DISBURSEMENT THROUGHOUT THE MARIJUANA  
39 PRODUCT.

40 8. ENSURING THE HEALTH, SAFETY AND TRAINING OF EMPLOYEES OF  
41 MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES.

1           9. ESTABLISHING AND IMPLEMENTING A SOCIAL EQUITY OWNERSHIP PROGRAM  
2 TO PROMOTE THE OWNERSHIP AND OPERATION OF MARIJUANA ESTABLISHMENTS AND  
3 MARIJUANA TESTING FACILITIES BY INDIVIDUALS FROM DISPROPORTIONATELY  
4 IMPACTED AREAS.

5           B. THE DEPARTMENT MAY:

6           1. SUBJECT TO TITLE 41, CHAPTER 6, ARTICLE 10, DENY ANY APPLICATION  
7 SUBMITTED OR DENY, SUSPEND OR REVOKE, IN WHOLE OR IN PART, ANY  
8 REGISTRATION OR LICENSE ISSUED UNDER THIS CHAPTER IF THE REGISTERED OR  
9 LICENSED PARTY OR AN OFFICER, AGENT OR EMPLOYEE OF THE REGISTERED OR  
10 LICENSED PARTY DOES ANY OF THE FOLLOWING:

11           (a) VIOLATES THIS CHAPTER OR ANY RULE ADOPTED PURSUANT TO THIS  
12 CHAPTER.

13           (b) HAS BEEN, IS OR MAY CONTINUE TO BE IN SUBSTANTIAL VIOLATION OF  
14 THE REQUIREMENTS FOR LICENSING OR REGISTRATION AND, AS A RESULT, THE  
15 HEALTH OR SAFETY OF THE GENERAL PUBLIC IS IN IMMEDIATE DANGER.

16           2. SUBJECT TO TITLE 41, CHAPTER 6, ARTICLE 10, AND UNLESS ANOTHER  
17 PENALTY IS PROVIDED ELSEWHERE IN THIS CHAPTER, ASSESS A CIVIL PENALTY  
18 AGAINST A PERSON THAT VIOLATES THIS CHAPTER OR ANY RULE ADOPTED PURSUANT  
19 TO THIS CHAPTER IN AN AMOUNT NOT TO EXCEED \$1,000 FOR EACH VIOLATION.  
20 EACH DAY A VIOLATION OCCURS CONSTITUTES A SEPARATE VIOLATION. THE MAXIMUM  
21 AMOUNT OF ANY ASSESSMENT IS \$25,000 FOR ANY THIRTY-DAY PERIOD. IN  
22 DETERMINING THE AMOUNT OF A CIVIL PENALTY ASSESSED AGAINST A PERSON, THE  
23 DEPARTMENT SHALL CONSIDER ALL OF THE FACTORS SET FORTH IN SECTION 36-2816,  
24 SUBSECTION H. ALL CIVIL PENALTIES COLLECTED BY THE DEPARTMENT PURSUANT TO  
25 THIS PARAGRAPH SHALL BE DEPOSITED IN THE ADULT USE MARIJUANA FUND  
26 ESTABLISHED BY SECTION 36-2857.

27           3. AT ANY TIME DURING REGULAR HOURS OF OPERATION, VISIT AND INSPECT  
28 A MARIJUANA ESTABLISHMENT, MARIJUANA TESTING FACILITY OR DUAL LICENSEE TO  
29 DETERMINE IF IT COMPLIES WITH THIS CHAPTER AND RULES ADOPTED PURSUANT TO  
30 THIS CHAPTER. THE DEPARTMENT SHALL MAKE AT LEAST ONE UNANNOUNCED VISIT  
31 ANNUALLY TO EACH FACILITY LICENSED PURSUANT TO THIS CHAPTER. THE  
32 DEPARTMENT SHALL POST THE INSPECTION REPORTS ON ITS PUBLIC WEBSITE.

33           4. ADOPT ANY OTHER RULES NOT EXPRESSLY STATED IN THIS SECTION THAT  
34 ARE NECESSARY TO ENSURE THE SAFE AND RESPONSIBLE CULTIVATION, SALE,  
35 PROCESSING, MANUFACTURE, TESTING AND TRANSPORT OF MARIJUANA AND MARIJUANA  
36 PRODUCTS.

37           C. UNTIL THE DEPARTMENT ADOPTS RULES PERMITTING AND REGULATING  
38 DELIVERY BY MARIJUANA ESTABLISHMENTS PURSUANT TO SUBSECTION D OF THIS  
39 SECTION, DELIVERY IS UNLAWFUL UNDER THIS CHAPTER.

40           D. ON OR AFTER JANUARY 1, 2021, THE DEPARTMENT MAY, AND NOT LATER  
41 THAN JANUARY 1, 2022 THE DEPARTMENT SHALL, ADOPT RULES TO PERMIT AND  
42 REGULATE DELIVERY BY MARIJUANA ESTABLISHMENTS. THE RULES SHALL:

43           1. REQUIRE THAT DELIVERY AND THE MARIJUANA AND MARIJUANA PRODUCTS  
44 TO BE DELIVERED ORIGINATE FROM A DESIGNATED RETAIL LOCATION OF A MARIJUANA

1 ESTABLISHMENT AND ONLY AFTER AN ORDER IS MADE WITH THE MARIJUANA  
2 ESTABLISHMENT BY A CONSUMER.

3 2. PROHIBIT DELIVERY TO ANY PROPERTY OWNED OR LEASED BY THE UNITED  
4 STATES, THIS STATE, A POLITICAL SUBDIVISION OF THIS STATE OR THE ARIZONA  
5 BOARD OF REGENTS.

6 3. LIMIT THE AMOUNT OF MARIJUANA AND MARIJUANA PRODUCTS BASED ON  
7 RETAIL PRICE THAT MAY BE IN A DELIVERY VEHICLE DURING A SINGLE TRIP FROM  
8 THE DESIGNATED RETAIL LOCATION OF A MARIJUANA ESTABLISHMENT.

9 4. PROHIBIT EXTRA OR UNALLOCATED MARIJUANA OR MARIJUANA PRODUCTS IN  
10 DELIVERY VEHICLES.

11 5. REQUIRE THAT DELIVERIES BE MADE ONLY BY MARIJUANA FACILITY  
12 AGENTS IN UNMARKED VEHICLES THAT ARE EQUIPPED WITH A GLOBAL POSITIONING  
13 SYSTEM OR SIMILAR LOCATION TRACKING SYSTEM AND VIDEO SURVEILLANCE AND  
14 RECORDING EQUIPMENT AND THAT CONTAIN A LOCKED COMPARTMENT IN WHICH  
15 MARIJUANA AND MARIJUANA PRODUCTS MUST BE STORED.

16 6. REQUIRE DELIVERY LOGS NECESSARY TO ENSURE COMPLIANCE WITH THIS  
17 SUBSECTION AND RULES ADOPTED PURSUANT TO THIS SUBSECTION.

18 7. REQUIRE INSPECTIONS TO ENSURE COMPLIANCE WITH THIS SUBSECTION  
19 AND RULES ADOPTED PURSUANT TO THIS SUBSECTION.

20 8. INCLUDE ANY OTHER PROVISIONS NECESSARY TO ENSURE SAFE AND  
21 RESTRICTED DELIVERY.

22 9. REQUIRE DUAL LICENSEES TO COMPLY WITH THE RULES ADOPTED PURSUANT  
23 TO THIS SUBSECTION.

24 E. EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION, THE  
25 DEPARTMENT MAY NOT PERMIT DELIVERY OF MARIJUANA OR MARIJUANA PRODUCTS  
26 UNDER THIS CHAPTER BY ANY INDIVIDUAL OR ENTITY. IN ADDITION TO ANY OTHER  
27 PENALTY IMPOSED BY LAW, AN INDIVIDUAL OR ENTITY THAT DELIVERS MARIJUANA OR  
28 MARIJUANA PRODUCTS IN A MANNER THAT IS NOT AUTHORIZED BY THIS CHAPTER  
29 SHALL PAY A CIVIL PENALTY OF \$20,000 PER VIOLATION TO THE ADULT USE  
30 MARIJUANA FUND ESTABLISHED BY SECTION 36-2857. THIS SUBSECTION MAY BE  
31 ENFORCED BY THE ATTORNEY GENERAL.

32 F. ALL RULES ADOPTED BY THE DEPARTMENT PURSUANT TO THIS SECTION  
33 SHALL BE CONSISTENT WITH THE PURPOSE OF THIS CHAPTER.

34 G. THE DEPARTMENT MAY NOT ADOPT ANY RULE THAT:

35 1. PROHIBITS THE OPERATION OF MARIJUANA ESTABLISHMENTS, EITHER  
36 EXPRESSLY OR THROUGH REQUIREMENTS THAT MAKE THE OPERATION OF A MARIJUANA  
37 ESTABLISHMENT UNDULY BURDENSOME.

38 2. PROHIBITS OR INTERFERES WITH THE ABILITY OF A DUAL LICENSEE TO  
39 OPERATE A MARIJUANA ESTABLISHMENT AND A NONPROFIT MEDICAL MARIJUANA  
40 DISPENSARY AT SHARED LOCATIONS.

41 H. NOTWITHSTANDING SECTION 41-192, THE DEPARTMENT MAY EMPLOY LEGAL  
42 COUNSEL AND MAKE AN EXPENDITURE OR INCUR AN INDEBTEDNESS FOR LEGAL  
43 SERVICES FOR THE PURPOSES OF:

44 1. DEFENDING THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS  
45 CHAPTER.

1           2. DEFENDING CHAPTER 28.1 OF THIS TITLE OR RULES ADOPTED PURSUANT  
2 TO CHAPTER 28.1 OF THIS TITLE.

3           I. THE DEPARTMENT SHALL DEPOSIT ALL LICENSE FEES, APPLICATION FEES  
4 AND RENEWAL FEES PAID TO THE DEPARTMENT PURSUANT TO THIS CHAPTER IN THE  
5 ADULT USE MARIJUANA FUND ESTABLISHED BY SECTION 36-2857.

6           J. ON REQUEST, THE DEPARTMENT OF HEALTH SERVICES SHALL SHARE WITH  
7 THE DEPARTMENT OF REVENUE INFORMATION REGARDING A MARIJUANA ESTABLISHMENT,  
8 MARIJUANA TESTING FACILITY OR DUAL LICENSEE, INCLUDING ITS NAME, PHYSICAL  
9 ADDRESS, CULTIVATION SITE AND TRANSACTION PRIVILEGE TAX LICENSE NUMBER.

10          K. NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT MAY:

11           1. LICENSE AN INDEPENDENT THIRD-PARTY LABORATORY TO ALSO OPERATE AS  
12 A MARIJUANA TESTING FACILITY.

13           2. OPERATE A MARIJUANA TESTING FACILITY.

14          L. THE DEPARTMENT SHALL MAINTAIN AND PUBLISH A CURRENT LIST OF ALL  
15 MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES BY NAME AND  
16 LICENSE NUMBER.

17          M. NOTWITHSTANDING ANY OTHER LAW, THE ISSUANCE OF AN OCCUPATIONAL,  
18 PROFESSIONAL OR OTHER REGULATORY LICENSE OR CERTIFICATION TO A PERSON BY A  
19 JURISDICTION OR REGULATORY AUTHORITY OUTSIDE THIS STATE DOES NOT ENTITLE  
20 THAT PERSON TO BE ISSUED A MARIJUANA ESTABLISHMENT LICENSE, A MARIJUANA  
21 TESTING FACILITY LICENSE OR ANY OTHER LICENSE, REGISTRATION OR  
22 CERTIFICATION UNDER THIS CHAPTER.

23           36-2856. Marijuana facility agents; registration; card; rules

24          A. A MARIJUANA FACILITY AGENT SHALL BE REGISTERED WITH THE  
25 DEPARTMENT BEFORE WORKING AT A MARIJUANA ESTABLISHMENT OR MARIJUANA  
26 TESTING FACILITY.

27          B. A PERSON WHO WISHES TO BE REGISTERED AS A MARIJUANA FACILITY  
28 AGENT OR RENEW THE PERSON'S REGISTRATION AS A MARIJUANA FACILITY AGENT  
29 SHALL:

30           1. SUBMIT A COMPLETED APPLICATION ON A FORM PRESCRIBED BY THE  
31 DEPARTMENT AND PAY A NONREFUNDABLE FEE THAT IS REASONABLE AND RELATED TO  
32 THE ACTUAL COST OF PROCESSING APPLICATIONS SUBMITTED PURSUANT TO THIS  
33 SECTION.

34           2. SUBMIT EVIDENCE THAT THE APPLICANT HOLDS A CURRENT LEVEL I  
35 FINGERPRINT CLEARANCE CARD ISSUED PURSUANT TO SECTION 41-1758.07, OR  
36 SUBMIT A FULL SET OF THE APPLICANT'S FINGERPRINTS FOR THE PURPOSE OF  
37 OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION  
38 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY  
39 EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION  
40 WITHOUT DISCLOSING THAT THE RECORDS CHECK IS RELATED TO THIS CHAPTER AND  
41 ACTS ALLOWED BY THIS CHAPTER. THE DEPARTMENT OF PUBLIC SAFETY SHALL  
42 DESTROY EACH SET OF FINGERPRINTS AFTER THE CRIMINAL RECORDS CHECK IS  
43 COMPLETED.

44          C. IF THE DEPARTMENT DETERMINES THAT AN APPLICANT MEETS THE  
45 CRITERIA FOR REGISTRATION UNDER THIS CHAPTER AND RULES ADOPTED PURSUANT TO

1 THIS CHAPTER, THE DEPARTMENT SHALL ISSUE THE APPLICANT A MARIJUANA  
2 FACILITY AGENT CARD THAT IS VALID FOR TWO YEARS.

3 D. A REGISTERED MARIJUANA FACILITY AGENT MAY BE EMPLOYED BY OR  
4 ASSOCIATED WITH ANY MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY.  
5 A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY SHALL PROMPTLY  
6 NOTIFY THE DEPARTMENT WHEN IT EMPLOYS OR BECOMES ASSOCIATED WITH A NEW  
7 MARIJUANA FACILITY AGENT. A MARIJUANA FACILITY AGENT SHALL PROMPTLY  
8 NOTIFY THE DEPARTMENT WHEN THE MARIJUANA FACILITY AGENT IS EMPLOYED BY OR  
9 BECOMES ASSOCIATED WITH A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING  
10 FACILITY AND WHEN THE MARIJUANA FACILITY AGENT IS NO LONGER EMPLOYED BY OR  
11 ASSOCIATED WITH A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY.

12 E. A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT OF A DUAL  
13 LICENSEE WHO HAS APPLIED TO BE REGISTERED AS A MARIJUANA FACILITY AGENT  
14 MAY SERVE AS A MARIJUANA FACILITY AGENT OF THAT DUAL LICENSEE UNTIL THE  
15 DEPARTMENT HAS APPROVED OR REJECTED THE AGENT'S APPLICATION.

16 F. THE DEPARTMENT SHALL ADOPT RULES TO IMPLEMENT THIS SECTION.

17 36-2857. Adult use marijuana fund; disposition; exemption

18 A. THE ADULT USE MARIJUANA FUND IS ESTABLISHED CONSISTING OF ALL  
19 MONIES DEPOSITED PURSUANT TO SECTIONS 36-2855, 42-5452 AND 42-5453,  
20 PRIVATE DONATIONS AND INTEREST EARNED ON THOSE MONIES. MONIES IN THE FUND  
21 ARE CONTINUOUSLY APPROPRIATED. MONIES IN THE FUND AND ITS ACCOUNTS MAY  
22 NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS PROVIDED IN THIS SECTION,  
23 DO NOT REVERT TO THE STATE GENERAL FUND AND ARE EXEMPT FROM THE PROVISIONS  
24 OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE STATE  
25 TREASURER SHALL ADMINISTER THE FUND.

26 B. ALL MONIES IN THE ADULT USE MARIJUANA FUND MUST FIRST BE SPENT,  
27 AND THE STATE TREASURER SHALL TRANSFER MONIES FROM THE FUND, TO PAY:

28 1. THE ACTUAL REASONABLE COSTS INCURRED BY THE DEPARTMENT OF HEALTH  
29 SERVICES TO IMPLEMENT, CARRY OUT AND ENFORCE THIS CHAPTER AND RULES  
30 ADOPTED PURSUANT TO THIS CHAPTER.

31 2. THE ACTUAL REASONABLE COSTS INCURRED BY THE DEPARTMENT OF  
32 REVENUE TO IMPOSE AND ENFORCE THE TAX AUTHORIZED AND LEVIED BY SECTION  
33 42-5452.

34 3. THE ACTUAL REASONABLE COSTS TO IMPLEMENT SECTION 36-2863.

35 4. THE ACTUAL REASONABLE COSTS INCURRED BY THE STATE TREASURER TO  
36 ADMINISTER THE FUND.

37 5. ANY OTHER MANDATORY EXPENDITURE OF STATE REVENUES REQUIRED BY  
38 THIS CHAPTER TO IMPLEMENT OR ENFORCE THE PROVISIONS OF THIS CHAPTER.

39 C. THE STATE TREASURER MAY PRESCRIBE FORMS NECESSARY TO MAKE  
40 TRANSFERS FROM THE ADULT USE MARIJUANA FUND PURSUANT TO SUBSECTION B OF  
41 THIS SECTION.

42 D. ON OR BEFORE JUNE 30 AND DECEMBER 31 OF EACH YEAR, THE STATE  
43 TREASURER SHALL TRANSFER ALL MONIES IN THE ADULT USE MARIJUANA FUND IN  
44 EXCESS OF THE AMOUNTS PAID PURSUANT TO SUBSECTION B OF THIS SECTION AS  
45 FOLLOWS:

1           1. TEN PERCENT TO THE JUSTICE REINVESTMENT FUND ESTABLISHED BY  
2 SECTION 36-2864 FOR SOCIAL EQUITY PROGRAMS AND JUSTICE REINVESTMENT  
3 PROGRAMS.

4           2. THIRTY PERCENT TO EARLY CHILDHOOD DEVELOPMENT AND HEALTH  
5 PROGRAMS ADMINISTERED PURSUANT TO TITLE 8, CHAPTER 13.

6           3. EIGHT PERCENT TO NONPROFITS SERVING DISPROPORTIONATELY IMPACTED  
7 AREAS.

8           4. EIGHT PERCENT TO CHILD CARE PROGRAMS SERVING CHILDREN WHOSE  
9 PARENTS ARE INCARCERATED.

10          5. EIGHT PERCENT TO BEHAVIORAL HEALTH PROGRAMS THAT PROVIDE DRUG  
11 REHABILITATION, EMPLOYMENT OPPORTUNITIES AND HOUSING.

12          6. SIX PERCENT TO COMMUNITY COLLEGES AND PROVISIONAL COMMUNITY  
13 COLLEGE DISTRICTS.

14          7. THIRTY PERCENT TO SECONDARY EDUCATION.

15          E. THE MONIES TRANSFERRED AND RECEIVED PURSUANT TO THIS SECTION:

16           1. ARE IN ADDITION TO ANY OTHER APPROPRIATION, TRANSFER OR OTHER  
17 ALLOCATION OF MONIES AND MAY NOT SUPPLANT, REPLACE OR CAUSE A REDUCTION IN  
18 OTHER FUNDING SOURCES.

19           2. ARE NOT CONSIDERED LOCAL REVENUES FOR THE PURPOSES OF ARTICLE  
20 IX, SECTIONS 20 AND 21, CONSTITUTION OF ARIZONA.

21           36-2858. Localities: marijuana establishments and marijuana  
22 testing facilities

23           A. A LOCALITY MAY:

24           1. ENACT REASONABLE ZONING REGULATIONS THAT LIMIT THE USE OF LAND  
25 FOR MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES TO SPECIFIED  
26 AREAS.

27           2. LIMIT THE NUMBER OF MARIJUANA ESTABLISHMENTS OR MARIJUANA  
28 TESTING FACILITIES, OR BOTH.

29           3. PROHIBIT MARIJUANA ESTABLISHMENTS OR MARIJUANA TESTING  
30 FACILITIES, OR BOTH.

31           4. REGULATE THE TIME, PLACE AND MANNER OF MARIJUANA ESTABLISHMENT  
32 AND MARIJUANA TESTING FACILITY OPERATIONS.

33           5. ESTABLISH REASONABLE RESTRICTIONS ON PUBLIC SIGNAGE REGARDING  
34 MARIJUANA, MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES.

35           6. PROHIBIT OR RESTRICT DELIVERY WITHIN ITS JURISDICTION.

36           B. A COUNTY MAY EXERCISE ITS AUTHORITY PURSUANT TO SUBSECTION A OF  
37 THIS SECTION ONLY IN UNINCORPORATED AREAS OF THE COUNTY.

38           C. A LOCALITY MAY NOT ENACT ANY ORDINANCE, REGULATION OR RULE THAT:

39           1. IS MORE RESTRICTIVE THAN A COMPARABLE ORDINANCE, REGULATION OR  
40 RULE THAT APPLIES TO NONPROFIT MEDICAL MARIJUANA DISPENSARIES.

41           2. MAKES THE OPERATION OF A MARIJUANA ESTABLISHMENT OR MARIJUANA  
42 TESTING FACILITY UNDULY BURDENSOME IF THE LOCALITY HAS NOT PROHIBITED  
43 MARIJUANA ESTABLISHMENTS OR MARIJUANA TESTING FACILITIES.

44           3. CONFLICTS WITH THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS  
45 CHAPTER.

1 4. PROHIBITS THE TRANSPORTATION OF MARIJUANA BY A MARIJUANA  
2 ESTABLISHMENT OR MARIJUANA TESTING FACILITY ON PUBLIC ROADS.

3 5. RESTRICTS OR INTERFERES WITH THE ABILITY OF A DUAL LICENSEE OR  
4 AN ENTITY ELIGIBLE TO BECOME A DUAL LICENSEE TO OPERATE A NONPROFIT  
5 MEDICAL MARIJUANA DISPENSARY AND A MARIJUANA ESTABLISHMENT COOPERATIVELY  
6 AT SHARED LOCATIONS.

7 6. EXCEPT AS EXPRESSLY AUTHORIZED BY THIS SECTION OR SECTION  
8 36-2852, PROHIBITS OR RESTRICTS ANY CONDUCT OR TRANSACTION ALLOWED BY THIS  
9 CHAPTER, OR IMPOSES ANY LIABILITY OR PENALTY IN ADDITION TO THAT  
10 PRESCRIBED BY THIS CHAPTER FOR ANY CONDUCT OR TRANSACTION CONSTITUTING A  
11 VIOLATION OF THIS CHAPTER.

12 36-2859. Lawful operation of marijuana establishments and  
13 marijuana testing facilities

14 A. EXCEPT AS SPECIFICALLY AND EXPRESSLY PROVIDED IN SECTION 36-2858  
15 AND NOTWITHSTANDING ANY OTHER LAW, IT IS LAWFUL AND IS NOT AN OFFENSE  
16 UNDER THE LAWS OF THIS STATE OR ANY LOCALITY, MAY NOT CONSTITUTE THE BASIS  
17 FOR DETENTION, SEARCH OR ARREST, AND MAY NOT CONSTITUTE THE SOLE BASIS FOR  
18 SEIZURE OR FORFEITURE OF ASSETS OR THE BASIS FOR IMPOSING PENALTIES UNDER  
19 THE LAWS OF THIS STATE OR ANY LOCALITY FOR:

20 1. A MARIJUANA ESTABLISHMENT, OR AN AGENT ACTING ON BEHALF OF A  
21 MARIJUANA ESTABLISHMENT, TO:

22 (a) POSSESS MARIJUANA OR MARIJUANA PRODUCTS.

23 (b) PURCHASE, SELL OR TRANSPORT MARIJUANA AND MARIJUANA PRODUCTS TO  
24 OR FROM A MARIJUANA ESTABLISHMENT.

25 (c) SELL MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS, EXCEPT THAT  
26 A MARIJUANA ESTABLISHMENT MAY NOT SELL MORE THAN ONE OUNCE OF MARIJUANA TO  
27 A CONSUMER IN A SINGLE TRANSACTION, NOT MORE THAN FIVE GRAMS OF WHICH MAY  
28 BE IN THE FORM OF MARIJUANA CONCENTRATE.

29 (d) CULTIVATE, PRODUCE, TEST OR PROCESS MARIJUANA OR MANUFACTURE  
30 MARIJUANA OR MARIJUANA PRODUCTS BY ANY MEANS, INCLUDING CHEMICAL  
31 EXTRACTION OR CHEMICAL SYNTHESIS.

32 2. AN AGENT ACTING ON BEHALF OF A MARIJUANA ESTABLISHMENT TO SELL  
33 OR OTHERWISE TRANSFER MARIJUANA TO AN INDIVIDUAL UNDER TWENTY-ONE YEARS OF  
34 AGE, IF THE AGENT REASONABLY VERIFIED THAT THE INDIVIDUAL APPEARED TO BE  
35 TWENTY-ONE YEARS OF AGE OR OLDER BY MEANS OF A GOVERNMENT-ISSUED  
36 PHOTOGRAPHIC IDENTIFICATION IN COMPLIANCE WITH RULES ADOPTED PURSUANT TO  
37 SECTION 36-2855, SUBSECTION A, PARAGRAPH 6.

38 3. A MARIJUANA TESTING FACILITY, OR AN AGENT ACTING ON BEHALF OF A  
39 MARIJUANA TESTING FACILITY, TO OBTAIN, POSSESS, PROCESS, REPACKAGE,  
40 TRANSFER, TRANSPORT OR TEST MARIJUANA AND MARIJUANA PRODUCTS.

41 4. A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A MARIJUANA  
42 ESTABLISHMENT, OR AN AGENT ACTING ON BEHALF OF A NONPROFIT MEDICAL  
43 MARIJUANA DISPENSARY OR A MARIJUANA ESTABLISHMENT, TO SELL OR OTHERWISE  
44 TRANSFER MARIJUANA OR MARIJUANA PRODUCTS TO A NONPROFIT MEDICAL MARIJUANA



1 DISPENSARY, A MARIJUANA ESTABLISHMENT OR AN AGENT ACTING ON BEHALF OF A  
2 NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A MARIJUANA ESTABLISHMENT.

3 5. ANY INDIVIDUAL, CORPORATION OR OTHER ENTITY TO SELL, LEASE OR  
4 OTHERWISE ALLOW PROPERTY OR GOODS THAT ARE OWNED, MANAGED OR CONTROLLED BY  
5 THE INDIVIDUAL, CORPORATION OR OTHER ENTITY TO BE USED FOR ANY ACTIVITY  
6 AUTHORIZED BY THIS CHAPTER, OR TO PROVIDE SERVICES TO A MARIJUANA  
7 ESTABLISHMENT, MARIJUANA TESTING FACILITY OR AGENT ACTING ON BEHALF OF A  
8 MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY IN CONNECTION WITH  
9 ANY ACTIVITY AUTHORIZED BY THIS CHAPTER.

10 B. THIS SECTION DOES NOT PRECLUDE THE DEPARTMENT FROM IMPOSING  
11 PENALTIES AGAINST A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY  
12 FOR FAILING TO COMPLY WITH THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS  
13 CHAPTER.

14 C. A MARIJUANA ESTABLISHMENT MAY BE OWNED OR OPERATED BY A PUBLICLY  
15 TRADED COMPANY.

16 D. NOTWITHSTANDING ANY OTHER LAW, A DUAL LICENSEE:

17 1. MAY HOLD A MARIJUANA ESTABLISHMENT LICENSE AND OPERATE A  
18 MARIJUANA ESTABLISHMENT PURSUANT TO THIS CHAPTER.

19 2. MAY OPERATE ON A FOR-PROFIT BASIS IF THE DUAL LICENSEE PROMPTLY  
20 NOTIFIES THE DEPARTMENT OF HEALTH SERVICES AND DEPARTMENT OF REVENUE AND  
21 TAKES ANY ACTIONS NECESSARY TO ENABLE ITS FOR-PROFIT OPERATION, INCLUDING  
22 CONVERTING ITS CORPORATE FORM AND AMENDING ITS ORGANIZATIONAL AND  
23 OPERATING DOCUMENTS.

24 3. MUST CONTINUE TO HOLD BOTH ITS MARIJUANA ESTABLISHMENT LICENSE  
25 AND NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION, REGARDLESS OF ANY  
26 CHANGE IN OWNERSHIP OF THE DUAL LICENSEE, UNLESS IT TERMINATES ITS STATUS  
27 AS A DUAL LICENSEE AND FORFEITS EITHER ITS MARIJUANA ESTABLISHMENT LICENSE  
28 OR NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION BY NOTIFYING THE  
29 DEPARTMENT OF SUCH A TERMINATION AND FORFEITURE.

30 4. SHALL SUBMIT ITS ANNUAL FINANCIAL STATEMENTS OR AN AUDIT REPORT  
31 TO THE DEPARTMENT FOR THE PURPOSES OF RENEWING ITS NONPROFIT MEDICAL  
32 MARIJUANA DISPENSARY REGISTRATION.

33 5. MAY NOT BE REQUIRED TO:

34 (a) EMPLOY OR CONTRACT WITH A MEDICAL DIRECTOR.

35 (b) OBTAIN NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT OR  
36 MARIJUANA FACILITY AGENT REGISTRATIONS FOR OUTSIDE VENDORS THAT DO NOT  
37 HAVE REGULAR, UNSUPERVISED ACCESS TO THE INTERIOR OF THE DUAL LICENSEE.

38 (c) HAVE A SINGLE SECURE ENTRANCE AS REQUIRED BY SECTION 36-2806,  
39 SUBSECTION C, BUT MAY BE REQUIRED TO IMPLEMENT APPROPRIATE SECURITY  
40 MEASURES TO DETER AND PREVENT THE THEFT OF MARIJUANA AND TO REASONABLY  
41 REGULATE CUSTOMER ACCESS TO THE PREMISES.

42 (d) COMPLY WITH ANY OTHER PROVISION OF CHAPTER 28.1 OF THIS TITLE  
43 OR ANY RULE ADOPTED PURSUANT TO CHAPTER 28.1 OF THIS TITLE THAT MAKES ITS  
44 OPERATION AS A DUAL LICENSEE UNDULY BURDENSOME.

1 E. NOTWITHSTANDING ANY OTHER LAW, A DUAL LICENSEE THAT ELECTS TO  
2 OPERATE ON A FOR-PROFIT BASIS PURSUANT TO SUBSECTION D, PARAGRAPH 2 OF  
3 THIS SECTION IS SUBJECT TO THE TAXES IMPOSED PURSUANT TO TITLE 43.

4 F. NOTWITHSTANDING ANY OTHER LAW, A DUAL LICENSEE MUST CONDUCT BOTH  
5 OF THE FOLLOWING OPERATIONS AT A SHARED LOCATION:

6 1. SELL MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS PURSUANT TO  
7 THIS CHAPTER.

8 2. DISPENSE MARIJUANA TO REGISTERED QUALIFYING PATIENTS AND  
9 REGISTERED DESIGNATED CAREGIVERS PURSUANT TO CHAPTER 28.1 OF THIS TITLE.

10 G. NOTWITHSTANDING CHAPTER 28.1 OF THIS TITLE OR ANY RULE ADOPTED  
11 PURSUANT TO CHAPTER 28.1 OF THIS TITLE, A DUAL LICENSEE MAY ENGAGE IN ANY  
12 ACT, PRACTICE, CONDUCT OR TRANSACTION ALLOWED FOR A MARIJUANA  
13 ESTABLISHMENT BY THIS CHAPTER.

14 H. NOTWITHSTANDING ANY OTHER LAW:

15 1. AN INDIVIDUAL MAY BE AN APPLICANT, PRINCIPAL OFFICER OR BOARD  
16 MEMBER OF MORE THAN ONE MARIJUANA ESTABLISHMENT OR MORE THAN ONE DUAL  
17 LICENSEE REGARDLESS OF THE ESTABLISHMENT'S LOCATION.

18 2. TWO OR MORE MARIJUANA ESTABLISHMENTS OR DUAL LICENSEES MAY  
19 DESIGNATE A SINGLE OFF-SITE LOCATION AS PRESCRIBED IN SECTION 36-2851,  
20 PARAGRAPH 22, SUBDIVISION (c) TO BE JOINTLY USED BY THOSE DUAL LICENSEES  
21 OR MARIJUANA ESTABLISHMENTS.

22 I. MARIJUANA ESTABLISHMENTS, MARIJUANA TESTING FACILITIES AND DUAL  
23 LICENSEES THAT ARE SUBJECT TO APPLICABLE FEDERAL OR STATE  
24 ANTIDISCRIMINATION LAWS MAY NOT PAY THEIR EMPLOYEES DIFFERENTLY BASED  
25 SOLELY ON A PROTECTED CLASS STATUS SUCH AS SEX, RACE, COLOR, RELIGION,  
26 NATIONAL ORIGIN, AGE OR DISABILITY. THIS SUBSECTION DOES NOT EXPAND OR  
27 MODIFY THE JURISDICTIONAL REACH, PROVISIONS OR REQUIREMENTS OF ANY  
28 APPLICABLE ANTI-DISCRIMINATION LAW.

29 36-2860. Advertising restrictions; enforcement; civil penalty

30 A. A MARIJUANA ESTABLISHMENT OR NONPROFIT MEDICAL MARIJUANA  
31 DISPENSARY MAY ENGAGE IN ADVERTISING.

32 B. AN ADVERTISING PLATFORM MAY HOST ADVERTISING ONLY IF BOTH OF THE  
33 FOLLOWING APPLY:

34 1. THE ADVERTISING IS AUTHORIZED BY A MARIJUANA ESTABLISHMENT OR  
35 NONPROFIT MEDICAL MARIJUANA DISPENSARY.

36 2. THE ADVERTISING ACCURATELY AND LEGIBLY IDENTIFIES THE MARIJUANA  
37 ESTABLISHMENT OR NONPROFIT MEDICAL MARIJUANA DISPENSARY RESPONSIBLE FOR  
38 THE CONTENT OF THE ADVERTISING BY NAME AND LICENSE NUMBER OR REGISTRATION  
39 NUMBER.

40 C. ANY ADVERTISING UNDER THIS CHAPTER INVOLVING DIRECT,  
41 INDIVIDUALIZED COMMUNICATION OR DIALOGUE SHALL USE A METHOD OF AGE  
42 AFFIRMATION TO VERIFY THAT THE RECIPIENT IS TWENTY-ONE YEARS OF AGE OR  
43 OLDER BEFORE ENGAGING IN THAT COMMUNICATION OR DIALOGUE. FOR THE PURPOSES  
44 OF THIS SUBSECTION, THAT METHOD OF AGE AFFIRMATION MAY INCLUDE USER  
45 CONFIRMATION, BIRTH DATE DISCLOSURE OR OTHER SIMILAR REGISTRATION METHODS.

1 D. IT IS UNLAWFUL FOR AN INDIVIDUAL OR ENTITY OTHER THAN A  
2 MARIJUANA ESTABLISHMENT OR DUAL LICENSEE TO DO ANY OF THE FOLLOWING IN A  
3 MANNER THAT IS NOT AUTHORIZED BY THIS CHAPTER OR RULES ADOPTED BY THE  
4 DEPARTMENT PURSUANT TO THIS CHAPTER:

- 5 1. FACILITATE THE DELIVERY OF MARIJUANA OR MARIJUANA PRODUCTS.  
6 2. SOLICIT OR ACCEPT ORDERS FOR MARIJUANA OR MARIJUANA PRODUCTS OR  
7 OPERATE A PLATFORM THAT SOLICITS OR ACCEPTS ORDERS FOR MARIJUANA OR  
8 MARIJUANA PRODUCTS.  
9 3. OPERATE A LISTING SERVICE RELATED TO THE SALE OR DELIVERY OF  
10 MARIJUANA OR MARIJUANA PRODUCTS.

11 E. A MARIJUANA ESTABLISHMENT THAT VIOLATES THIS SECTION IS SUBJECT  
12 TO DISCIPLINARY ACTION BY THE DEPARTMENT PURSUANT TO SECTION 36-2855,  
13 SUBSECTION B. A NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT VIOLATES THIS  
14 SECTION IS SUBJECT TO DISCIPLINARY ACTION BY THE DEPARTMENT PURSUANT TO  
15 SECTION 36-2816.

16 F. IN ADDITION TO ANY OTHER PENALTY IMPOSED BY LAW, AN INDIVIDUAL  
17 OR ENTITY OTHER THAN A MARIJUANA ESTABLISHMENT OR NONPROFIT MEDICAL  
18 MARIJUANA DISPENSARY THAT ADVERTISES MARIJUANA OR MARIJUANA PRODUCTS IN  
19 VIOLATION OF THIS SECTION OR OTHERWISE VIOLATES THIS SECTION SHALL PAY A  
20 CIVIL PENALTY OF \$20,000 PER VIOLATION TO THE ADULT USE MARIJUANA FUND  
21 ESTABLISHED BY SECTION 36-2857. THIS SUBSECTION MAY BE ENFORCED BY THE  
22 ATTORNEY GENERAL.

23 36-2861. Packaging; restrictions on particular marijuana  
24 products

25 A. A MARIJUANA ESTABLISHMENT MAY NOT:

- 26 1. PACKAGE OR LABEL MARIJUANA OR MARIJUANA PRODUCTS IN A FALSE OR  
27 MISLEADING MANNER.  
28 2. MANUFACTURE OR SELL MARIJUANA PRODUCTS THAT RESEMBLE THE FORM OF  
29 A HUMAN, ANIMAL, INSECT, FRUIT, TOY OR CARTOON.  
30 3. SELL OR ADVERTISE MARIJUANA OR MARIJUANA PRODUCTS WITH NAMES  
31 THAT RESEMBLE OR IMITATE FOOD OR DRINK BRANDS MARKETED TO CHILDREN, OR  
32 OTHERWISE ADVERTISE MARIJUANA OR MARIJUANA PRODUCTS TO CHILDREN.

33 B. A MARIJUANA ESTABLISHMENT THAT VIOLATES THIS SECTION IS SUBJECT  
34 TO DISCIPLINARY ACTION BY THE DEPARTMENT PURSUANT TO SECTION 36-2855,  
35 SUBSECTION B.

36 36-2862. Contracts; professional services

37 A. IT IS THE PUBLIC POLICY OF THIS STATE THAT CONTRACTS RELATED TO  
38 MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES ARE ENFORCEABLE.

39 B. A PERSON THAT IS LICENSED, CERTIFIED OR REGISTERED BY ANY  
40 DEPARTMENT, AGENCY OR REGULATORY BOARD OF THIS STATE IS NOT SUBJECT TO  
41 DISCIPLINARY ACTION BY THAT ENTITY FOR PROVIDING PROFESSIONAL ASSISTANCE  
42 TO A PROSPECTIVE OR REGISTERED MARIJUANA ESTABLISHMENT, MARIJUANA TESTING  
43 FACILITY OR OTHER PERSON FOR ANY LAWFUL ACTIVITY UNDER THIS CHAPTER.

1           36-2863. Automatic expungement and sealing of records;  
2                                   marijuana possession; petition; expungement order;  
3                                   requirements; definition

4           A. THE COURT SHALL EXPUNGE THE RECORD OF A PERSON'S ARREST,  
5 CONVICTION AND SENTENCE FOR POSSESSING MARIJUANA IN VIOLATION OF SECTION  
6 13-3405, SUBSECTION A, PARAGRAPH 1. A PERSON WHOSE RECORD IS EXPUNGED  
7 SHALL BE TREATED IN ALL RESPECTS AS IF THE PERSON WAS NEVER ARRESTED,  
8 CONVICTED OR SENTENCED.

9           B. WITHIN ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION, ALL  
10 LAW ENFORCEMENT AGENCIES IN THIS STATE AND THE CLERK OF THE COURT IN EACH  
11 COUNTY SHALL IDENTIFY AND SEAL ALL RECORDS IN THE ENTITY'S POSSESSION OR  
12 CONTROL THAT ARE RELATED TO A PERSON'S ARREST, CONVICTION AND SENTENCE FOR  
13 POSSESSING MARIJUANA IN VIOLATION OF SECTION 13-3405, SUBSECTION A,  
14 PARAGRAPH 1.

15           C. IF A PERSON IS ARRESTED FOR, CHARGED WITH OR INDICTED FOR A  
16 VIOLATION OF SECTION 13-3405, SUBSECTION A, PARAGRAPH 1 AND THE COURT OR A  
17 PROSECUTOR DISMISSES OR VACATES THE COMPLAINT, INFORMATION OR INDICTMENT,  
18 THE PERSON IS FOUND NOT GUILTY OR A CRIMINAL CHARGE IS NOT FILED AGAINST  
19 THE PERSON IN THE SUPERIOR COURT OR A MUNICIPAL COURT OR JUSTICE COURT  
20 WITHIN FOURTEEN DAYS AFTER THE ARREST OR COURT DISPOSITION, ALL LAW  
21 ENFORCEMENT, GRAND JURY, PROSECUTING AGENCY AND COURT RECORDS THAT PERTAIN  
22 TO THE ARREST OR CHARGE SHALL BE SEALED. THE CLERK OF THE COURT OR THE  
23 PERSON WHO IS CHARGED WITH RETAINING AND CONTROLLING THE RECORDS MAY NOT  
24 DISCLOSE TO ANYONE THE EXISTENCE OF THE RECORDS OR ANY INFORMATION THAT  
25 PERTAINS TO ANY CHARGE THAT WAS SEALED. THIS SUBSECTION DOES NOT PROHIBIT  
26 AN ARRESTED, CHARGED OR INDICTED PERSON OR THE PERSON'S HEIRS FROM FILING  
27 A PETITION WITH THE COURT OR THE CLERK OF THE COURT TO SEAL THE RECORDS,  
28 AND, IF GRANTED, THE RECORDS SHALL BE SEALED.

29           D. THE CLERK OF THE COURT, ANY PERSON WHO IS CHARGED WITH RETAINING  
30 AND CONTROLLING THE RECORDS OR ANY LAW ENFORCEMENT AGENCY THAT HAS  
31 INFORMATION CONTAINED IN THE SEALED RECORDS MAY NOT DISCLOSE TO ANYONE,  
32 EXCEPT THE SUBJECT OF THE RECORD ON SUBMISSION OF SATISFACTORY PROOF OF  
33 THE SUBJECT'S IDENTITY, INFORMATION THAT PERTAINS TO ANY CHARGE THAT IS  
34 SEALED UNDER THIS SECTION. THE CLERK OF THE COURT OR A PERSON WHO IS  
35 CHARGED WITH RETAINING AND CONTROLLING THE RECORDS SHALL FORWARD A NOTICE  
36 OF THE SEALING TO ANY LAW ENFORCEMENT AGENCY THAT THE CLERK OR PERSON  
37 KNOWS RECEIVED DISSEMINATED INFORMATION CONCERNING THE ARREST, AND THE LAW  
38 ENFORCEMENT AGENCY SHALL SEAL THE DISSEMINATED INFORMATION. THE CLERK OF  
39 THE COURT OR A PERSON WHO IS CHARGED WITH RETAINING AND CONTROLLING THE  
40 RECORDS SHALL PROVIDE ADEQUATE SECURITY MEASURES TO SAFEGUARD AGAINST  
41 UNAUTHORIZED ACCESS TO OR DISSEMINATION OF THE RECORDS OR, ON THE REQUEST  
42 OF THE SUBJECT OF THE RECORDS, CAUSE THE ACTUAL PHYSICAL DESTRUCTION OF  
43 THE RECORDS, EXCEPT THAT THE CLERK OF THE COURT OR PERSON MAY NOT CAUSE  
44 THE ACTUAL PHYSICAL DESTRUCTION OF THE RECORDS UNTIL THREE YEARS AFTER THE  
45 DATE OF THE FINAL DISPOSITION OF THE CRIMINAL CASE TO WHICH THE RECORDS

1 PERTAIN. A PERSON WHO HAS A RECORD SEALED MAY STATE THAT THE PERSON HAS  
2 NEVER BEEN ARRESTED WITHIN THE MEANING OF THE LAW WITH RESPECT TO THE  
3 PROCEEDINGS THAT ARE SEALED AND MAY SWEAR SO UNDER OATH.

4 E. BEGINNING ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION, IF  
5 A PERSON'S ARREST, CONVICTION OR SENTENCE IS NOT EXPUNGED AND SEALED  
6 PURSUANT TO SUBSECTIONS A, B, C AND D OF THIS SECTION FOR POSSESSING  
7 MARIJUANA PURSUANT TO SECTION 13-3405, SUBSECTION A, PARAGRAPH 1, THE  
8 PERSON MAY PETITION THE COURT THAT PRONOUNCED SENTENCE TO EXPUNGE THE  
9 PERSON'S RECORD OF ARREST, CONVICTION AND SENTENCE OR, IF THE PERSON WAS  
10 INDICTED BUT THE CHARGES WERE DISMISSED, THE PERSON WAS FOUND NOT GUILTY  
11 OR THE CONVICTION WAS VACATED, MAY PETITION THE COURT OF PROPER  
12 JURISDICTION IN THE CITY, TOWN OR COUNTY THAT FILED THE CHARGES AGAINST  
13 THE PERSON OR WHERE THE ARREST OCCURRED TO EXPUNGE THE PERSON'S ARREST  
14 RECORD OR COURT RECORD, OR BOTH.

15 F. THE COURT SHALL GRANT A PETITION FOR EXPUNGEMENT WITHOUT A  
16 HEARING. THE COURT MAY DISMISS A PETITION THAT DOES NOT MEET THE  
17 REQUIREMENTS PRESCRIBED IN THIS SECTION ONLY AFTER A HEARING. THE COURT  
18 SHALL PROVIDE A COPY OF THE PETITION FOR EXPUNGEMENT TO THE PROSECUTOR AND  
19 ALLOW THE PROSECUTOR TO RESPOND TO THE PETITION AND REQUEST A HEARING.

20 G. AFTER THE COURT GRANTS A PETITION FOR EXPUNGEMENT OR AFTER AN  
21 AUTOMATIC EXPUNGEMENT UNDER SUBSECTION A OF THIS SECTION:

22 1. THE COURT SHALL ISSUE AN ORDER OR MINUTE ENTRY TO THE PETITIONER  
23 THAT STATES THAT THE EXPUNGEMENT ORDER EXPUNGES ANY RECORD OF THE  
24 PETITIONER'S ARREST, CONVICTION AND SENTENCE AND THAT THE CLERK OF THE  
25 COURT WILL NOTIFY THE DEPARTMENT OF PUBLIC SAFETY, THE PROSECUTOR AND THE  
26 ARRESTING LAW ENFORCEMENT AGENCY, IF APPLICABLE, OF THE EXPUNGEMENT ORDER.

27 2. ON ORDER OF A COURT, THE CLERK OF THE COURT SHALL SEAL ALL  
28 RECORDS RELATING TO THE EXPUNGED ARREST, CONVICTION AND SENTENCE AND ALLOW  
29 THE RECORDS TO BE ACCESSED ONLY BY THE PERSON WHOSE RECORD WAS EXPUNGED,  
30 THE PERSON'S ATTORNEY OR A PEACE OFFICER FOR A LAWFUL PURPOSE.

31 3. THE DEPARTMENT OF PUBLIC SAFETY SHALL SEAL AND SEPARATE THE  
32 EXPUNGED RECORD FROM THE DEPARTMENT'S RECORDS AND INFORM ALL APPROPRIATE  
33 STATE AND FEDERAL LAW ENFORCEMENT AGENCIES OF THE EXPUNGEMENT. THE  
34 DEPARTMENT MAY NOT CHARGE THE SUCCESSFUL PETITIONER A FEE TO RESEARCH AND  
35 CORRECT THE PETITIONER'S CRIMINAL HISTORY RECORD.

36 4. THE ARRESTING AND PROSECUTING AGENCIES SHALL CLEARLY IDENTIFY IN  
37 EACH AGENCY'S FILES AND ELECTRONIC RECORDS THAT THE PETITIONER'S ARREST OR  
38 CONVICTION AND SENTENCE IS EXPUNGED.

39 5. A PERSON WHOSE CONVICTION IS EXPUNGED PURSUANT TO THIS SECTION  
40 MAY STATE, IN ALL INSTANCES, THAT THE PERSON HAS NEVER BEEN ARRESTED FOR,  
41 CHARGED WITH OR CONVICTED OF THE CRIME THAT IS THE SUBJECT OF THE  
42 CONVICTION, INCLUDING IN RESPONSE TO QUESTIONS ON EMPLOYMENT, HOUSING,  
43 FINANCIAL AID OR LOAN APPLICATIONS.

44 H. A CONVICTION FOR AN OFFENSE THAT IS COMMITTED IN ANOTHER  
45 JURISDICTION AND THAT IF COMMITTED IN THIS STATE WOULD NOT CONSTITUTE AN

1 OFFENSE IN THIS STATE MAY NOT BE USED AGAINST THE PETITIONER OR PROHIBIT  
2 THE PETITIONER FROM OBTAINING AN EXPUNGEMENT.

3 I. THIS SECTION DOES NOT AFFECT THE RIGHT OF THE PERSON WHOSE  
4 RECORD IS EXPUNGED TO APPEAL FROM THE CONVICTION OR SENTENCE OR TO RELY ON  
5 IT IN ANY SUBSEQUENT PROCEEDING FOR THE SAME OFFENSE.

6 J. THIS SECTION DOES NOT APPLY TO ANY LAW ENFORCEMENT, PROSECUTING  
7 AGENCY OR COURT RECORD THAT PERTAINS TO AN INFORMATION OR INDICTMENT THAT  
8 CONTAINS MORE THAN ONE COUNT WHILE THE CASE IS PENDING OR, IF THE CASE IS  
9 DISPOSED OF, ONLY WHEN ALL COUNTS ARE ENTITLED TO EXPUNGEMENT PURSUANT TO  
10 THIS SECTION.

11 K. FOR THE PURPOSES OF THIS SECTION, "RECORD" INCLUDES EVERY  
12 PHOTOGRAPH OF THE PERSON AND ALL PALM PRINTS AND FINGERPRINTS TAKEN OR  
13 MADE OF THE PERSON. RECORD DOES NOT INCLUDE A COURT RECORD OR TRANSCRIPT  
14 OF THE PROCEEDINGS THAT IS MADE OR PREPARED BY AN OFFICIAL COURT REPORTER,  
15 ASSISTANT COURT REPORTER OR MONITOR.

16 36-2864. Justice reinvestment fund; exemption; distribution;  
17 definition

18 A. THE JUSTICE REINVESTMENT FUND IS ESTABLISHED CONSISTING OF ALL  
19 MONIES DEPOSITED PURSUANT TO SECTION 36-2857 AND INTEREST EARNED ON THOSE  
20 MONIES. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. MONIES IN THE  
21 FUND AND ITS ACCOUNTS MAY NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS  
22 PROVIDED IN THIS SECTION, DO NOT REVERT TO THE STATE GENERAL FUND AND ARE  
23 EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF  
24 APPROPRIATIONS. THE STATE TREASURER SHALL ADMINISTER THE FUND.

25 B. ALL MONIES IN THE JUSTICE REINVESTMENT FUND MUST FIRST BE SPENT,  
26 AND THE STATE TREASURER SHALL TRANSFER MONIES FROM THE FUND, TO PAY:

27 1. THE REASONABLE COSTS INCURRED BY THE STATE TREASURER TO  
28 ADMINISTER THE FUND.

29 2. THE REASONABLE ADMINISTRATIVE COSTS INCURRED BY THE DEPARTMENT  
30 TO CARRY OUT ITS DUTIES PURSUANT TO THIS SECTION.

31 C. ON OR BEFORE JUNE 30 AND DECEMBER 31 OF EACH YEAR, THE STATE  
32 TREASURER SHALL TRANSFER ALL MONIES IN THE JUSTICE REINVESTMENT FUND IN  
33 EXCESS OF THE AMOUNTS PAID PURSUANT TO SUBSECTION B OF THIS SECTION AS  
34 FOLLOWS:

35 1. THIRTY-FIVE PERCENT TO COUNTY PUBLIC HEALTH DEPARTMENTS, IN  
36 PROPORTION TO THE POPULATION OF EACH COUNTY ACCORDING TO THE MOST RECENT  
37 UNITED STATES DECENNIAL CENSUS, FOR THE PURPOSE OF PROVIDING JUSTICE  
38 REINVESTMENT PROGRAMS OR DISTRIBUTING GRANTS TO QUALIFIED NONPROFIT  
39 ORGANIZATIONS TO PROVIDE JUSTICE REINVESTMENT PROGRAMS IN THAT COUNTY.

40 2. THIRTY-FIVE PERCENT TO THE DEPARTMENT FOR THE PURPOSE OF  
41 DISTRIBUTING GRANTS TO QUALIFIED NONPROFIT ORGANIZATIONS THAT PROVIDE  
42 JUSTICE REINVESTMENT PROGRAMS IN THIS STATE.

43 3. THIRTY PERCENT TO THE DEPARTMENT FOR THE PURPOSE IMPLEMENTING  
44 THE SOCIAL EQUITY OWNERSHIP PROGRAM ESTABLISHED PURSUANT TO SECTION

1 36-2855 AND PROVIDING GRANTS TO SOCIAL EQUITY APPLICANTS TO ASSIST IN  
2 DEVELOPING THE APPLICANT'S MARIJUANA ESTABLISHMENT BUSINESS.

3 D. GRANTS MADE PURSUANT TO THIS SECTION ARE EXEMPT FROM TITLE 41,  
4 CHAPTER 23, AND EACH GRANTEE SHALL PROVIDE THE GRANTING AGENCY WITH AN  
5 ANNUAL REPORT DETAILING THE USE OF GRANTED MONIES.

6 E. MONIES TRANSFERRED AND RECEIVED PURSUANT TO SUBSECTION C OF THIS  
7 SECTION ARE NOT CONSIDERED LOCAL REVENUES FOR THE PURPOSES OF ARTICLE IX,  
8 SECTION 20, CONSTITUTION OF ARIZONA.

9 F. THE STATE TREASURER MAY PRESCRIBE FORMS NECESSARY TO MAKE  
10 TRANSFERS PURSUANT TO SUBSECTION B OF THIS SECTION.

11 G. FOR THE PURPOSES OF THIS SECTION, "JUSTICE REINVESTMENT  
12 PROGRAMS" MEANS INITIATIVES OR PROGRAMS THAT FOCUS ON ANY OF THE  
13 FOLLOWING:

14 1. PUBLIC AND BEHAVIORAL HEALTH, INCLUDING EVIDENCE-BASED AND  
15 EVIDENCE-INFORMED SUBSTANCE USE PREVENTION AND TREATMENT AND SUBSTANCE USE  
16 EARLY INTERVENTION SERVICES.

17 2. RESTORATIVE JUSTICE, JAIL DIVERSION, WORKFORCE DEVELOPMENT,  
18 INDUSTRY-SPECIFIC TECHNICAL ASSISTANCE OR MENTORING SERVICES FOR  
19 ECONOMICALLY DISADVANTAGED PERSONS IN COMMUNITIES THAT ARE  
20 DISPROPORTIONATELY IMPACTED BY HIGH RATES OF ARREST AND INCARCERATION.

21 3. ADDRESSING THE UNDERLYING CAUSES OF CRIME, REDUCING DRUG-RELATED  
22 ARRESTS AND REDUCING THE PRISON POPULATION IN THIS STATE.

23 4. CREATING OR DEVELOPING TECHNOLOGY AND PROGRAMS TO ASSIST WITH  
24 RESTORING CIVIL RIGHTS AND EXPUNGING CRIMINAL RECORDS.

25 36-2865. Transaction privilege tax; use tax; additional taxes  
26 prohibited; exception

27 A. FOR PURPOSES OF THE TRANSACTION PRIVILEGE TAX AND USE TAX LEVIED  
28 AND COLLECTED PURSUANT TO TITLE 42, CHAPTERS 5 AND 6, MARIJUANA AND  
29 MARIJUANA PRODUCTS ARE TANGIBLE PERSONAL PROPERTY DEFINED IN SECTION  
30 42-5001 AND ARE SUBJECT TO THE TRANSACTION PRIVILEGE TAX IN THE RETAIL  
31 CLASSIFICATION AND USE TAX.

32 B. EXCEPT AS PROVIDED IN SUBSECTION A OF THIS SECTION AND SECTION  
33 42-5452, THIS STATE AND LOCALITIES MAY NOT LEVY OR COLLECT ADDITIONAL  
34 TAXES OF ANY KIND ON THE SALE OF MARIJUANA OR MARIJUANA PRODUCTS AND MAY  
35 NOT LEVY OR COLLECT ANY FEES OR ASSESSMENTS OF ANY KIND ON THE SALE OF  
36 MARIJUANA OR MARIJUANA PRODUCTS OR ON THE LICENSING, OPERATIONS OR  
37 ACTIVITIES OF MARIJUANA ESTABLISHMENTS OR MARIJUANA TESTING FACILITIES,  
38 UNLESS THE FEE OR ASSESSMENT IS OF GENERAL APPLICABILITY TO INDIVIDUALS OR  
39 BUSINESSES THAT ARE NOT ENGAGED IN THE SALE OF MARIJUANA OR MARIJUANA  
40 PRODUCTS.

41 C. THE PROHIBITION IMPOSED BY SUBSECTION B OF THIS SECTION DOES NOT  
42 APPLY TO UNIFORM INCREASES TO THE TRANSACTION PRIVILEGE TAX RATE FOR THE  
43 RETAIL CLASSIFICATION OR USE TAX RATE BY THIS STATE OR A LOCALITY OR TO  
44 UNIFORM INCREASES TO FEES OR ASSESSMENTS ALLOWED BY SUBSECTION B OF THIS  
45 SECTION.

1           36-2866. Enforcement of this chapter; special action

2           A. IF THE DEPARTMENT FAILS TO ADOPT RULES NECESSARY TO IMPLEMENT  
3 THIS CHAPTER ON OR BEFORE JUNE 1, 2021, OR FAILS TO BEGIN ACCEPTING  
4 APPLICATIONS AS PROVIDED IN SECTION 36-2855, SUBSECTION A, PARAGRAPH 1,  
5 SUBDIVISION (d), ANY CITIZEN MAY COMMENCE A SPECIAL ACTION IN SUPERIOR  
6 COURT TO COMPEL THE DEPARTMENT TO PERFORM THE ACTIONS MANDATED UNDER THIS  
7 CHAPTER.

8           B. IF THE DEPARTMENT FAILS TO ISSUE A LICENSE OR SEND A NOTICE OF  
9 DENIAL WITHIN SIXTY DAYS AFTER RECEIVING A COMPLETE MARIJUANA  
10 ESTABLISHMENT APPLICATION PURSUANT TO SECTION 36-2855, SUBSECTION A,  
11 PARAGRAPH 1, SUBDIVISION (d), THE APPLICANT MAY COMMENCE A SPECIAL ACTION  
12 IN SUPERIOR COURT TO COMPEL THE DEPARTMENT TO PERFORM THE ACTIONS MANDATED  
13 UNDER THIS CHAPTER.

14           C. NOTWITHSTANDING CHAPTER 28.1 OF THIS TITLE, IF THE DEPARTMENT  
15 FAILS TO ISSUE ANY MARIJUANA ESTABLISHMENT LICENSES PURSUANT TO SECTION  
16 36-2855, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (d) ON OR BEFORE APRIL 5,  
17 2021, EACH NONPROFIT MEDICAL MARIJUANA DISPENSARY IN GOOD STANDING MAY  
18 BEGIN TO CULTIVATE, PRODUCE, PROCESS, MANUFACTURE, TRANSPORT AND TEST  
19 MARIJUANA AND MARIJUANA PRODUCTS AND MAY SELL MARIJUANA AND MARIJUANA  
20 PRODUCTS TO CONSUMERS UNTIL THE DEPARTMENT ISSUES LICENSES TO OPERATE  
21 MARIJUANA ESTABLISHMENTS. IF THIS OCCURS, NONPROFIT MEDICAL MARIJUANA  
22 DISPENSARIES IN GOOD STANDING SHALL:

23           1. BE TREATED AS MARIJUANA ESTABLISHMENTS FOR ALL PURPOSES UNDER  
24 THIS CHAPTER, AND THE ESTABLISHMENTS' NONPROFIT MEDICAL MARIJUANA  
25 DISPENSARY AGENTS SHALL BE TREATED AS MARIJUANA FACILITY AGENTS FOR ALL  
26 PURPOSES UNDER THIS CHAPTER.

27           2. COMPLY WITH THE RULES ADOPTED BY THE DEPARTMENT TO IMPLEMENT  
28 CHAPTER 28.1 OF THIS TITLE, EXCEPT THOSE THAT ARE INCONSISTENT WITH THIS  
29 CHAPTER.

30           Sec. 3. Title 42, chapter 5, Arizona Revised Statutes, is amended  
31 by adding article 10, to read:

32                           ARTICLE 10. MARIJUANA AND MARIJUANA PRODUCTS

33           42-5451. Definitions

34           IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

35           1. "CONSUMER" HAS THE SAME MEANING PRESCRIBED IN SECTION 36-2851.

36           2. "DESIGNATED CAREGIVER" HAS THE SAME MEANING PRESCRIBED IN  
37 SECTION 36-2801.

38           3. "DUAL LICENSEE" HAS THE SAME MEANING PRESCRIBED IN SECTION  
39 36-2851.

40           4. "MARIJUANA" HAS THE SAME MEANING PRESCRIBED IN SECTION 36-2851.

41           5. "MARIJUANA ESTABLISHMENT" HAS THE SAME MEANING PRESCRIBED IN  
42 SECTION 36-2851.

43           6. "MARIJUANA PRODUCTS" HAS THE SAME MEANING PRESCRIBED IN SECTION  
44 36-2851.





1 MARIJUANA ESTABLISHMENT THAT IS SUBJECT TO THE TAX IMPOSED BY THIS ARTICLE  
2 DURING THE TAX MONTH.

3 D. ALL PENALTIES AND INTEREST COLLECTED PURSUANT TO THIS SECTION  
4 SHALL BE DEPOSITED IN THE ADULT USE MARIJUANA FUND ESTABLISHED BY SECTION  
5 36-2857.

6 E. THE DEPARTMENT MAY ADOPT RULES THAT ARE NECESSARY OR CONVENIENT  
7 TO ENFORCE THIS ARTICLE, EXCEPT THAT THOSE RULES MAY NOT CONFLICT WITH  
8 TITLE 36, CHAPTER 28.2.

9 F. THE DEPARTMENT OF REVENUE MAY SHARE CONFIDENTIAL INFORMATION AS  
10 DEFINED IN SECTION 42-2001 WITH THE DEPARTMENT OF HEALTH SERVICES FOR ITS  
11 USE IN DETERMINING WHETHER A MARIJUANA ESTABLISHMENT, MARIJUANA TESTING  
12 FACILITY OR DUAL LICENSEE IS IN COMPLIANCE WITH TAX OBLIGATIONS UNDER THIS  
13 TITLE OR TITLE 43.

14 Sec. 4. Title 43, chapter 1, article 1, Arizona Revised Statutes,  
15 is amended by adding section 43-108, to read:

16 43-108. Subtraction from gross income; ordinary and necessary  
17 expenses; marijuana establishments and marijuana  
18 testing facilities; definitions

19 A. NOTWITHSTANDING ANY OTHER LAW, IN COMPUTING ARIZONA ADJUSTED  
20 GROSS INCOME OR ARIZONA TAXABLE INCOME FOR A TAXPAYER, ALL ORDINARY AND  
21 NECESSARY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR IN CARRYING ON  
22 A TRADE OR BUSINESS AS A MARIJUANA ESTABLISHMENT, MARIJUANA TESTING  
23 FACILITY OR DUAL LICENSEE THAT ELECTS TO OPERATE ON A FOR-PROFIT BASIS  
24 PURSUANT TO TITLE 36, CHAPTER 28.2 SHALL BE SUBTRACTED FROM ARIZONA GROSS  
25 INCOME TO THE EXTENT NOT ALREADY EXCLUDED FROM ARIZONA GROSS INCOME.

26 B. FOR THE PURPOSES OF THIS SECTION, "DUAL LICENSEE", "MARIJUANA  
27 ESTABLISHMENT" AND "MARIJUANA TESTING FACILITY" HAVE THE SAME MEANINGS  
28 PRESCRIBED IN SECTION 36-2851.

29 Sec. 5. Requirements for enactment; three-fourths vote

30 Pursuant to article IV, part 1, section 1, Constitution of Arizona,  
31 section 36-2817, Arizona Revised Statutes, as amended by this act, is  
32 effective only on the affirmative vote of at least three-fourths of the  
33 members of each house of the legislature.

34 Sec. 6. Requirements for enactment; two-thirds vote

35 Pursuant to article IX, section 22, Constitution of Arizona, this  
36 act is effective only on the affirmative vote of at least two-thirds of  
37 the members of each house of the legislature and is effective immediately  
38 on the signature of the governor or, if the governor vetoes this act, on  
39 the subsequent affirmative vote of at least three-fourths of the members  
40 of each house of the legislature.