



Bill Number: H.B. 2050

Rios Floor Amendment

Reference to: Appropriations Committee Amendment

Amendment drafted by: Leg Council

FLOOR AMENDMENT EXPLANATION

1. Requires nonprofit medical marijuana dispensaries to separate marijuana products and each specific lot of cultivated marijuana into one batch before testing, which must consist of only one strain.
2. Requires marijuana samples provided to a third-party laboratory for testing to all be derived from the same batch.
3. Directs third-party laboratories conducting marijuana testing, within five days of completing testing, to upload the laboratory-approved certificate of analysis to the Department of Health Services' (DHS) online portal.
4. Requires nonprofit medical marijuana dispensaries to assign each batch a unique batch number that must be:
 - a) documented and maintained by the cultivation site or nonprofit medical marijuana dispensary for at least two years and be available to DHS on request;
 - b) provided to the to the third-party laboratory for testing; and
 - c) included on the batch label.
5. Prohibits unique dispensary batch numbers from being reused.
6. Requires nonprofit medical marijuana dispensaries to provide their registration certificate number and marijuana test batch numbers to the third-party laboratory when conducting testing.
7. Requires, beginning January 1, 2023, DHS to require certified independent third-party laboratories to conduct marijuana proficiency testing through a nationally or internationally accredited provider.
8. Waives the medicinal marijuana card application fee for veterans who have been honorably discharged from service and have been an Arizona resident for at least one year.
9. Requires marijuana third-party laboratory certificates of analysis to be available through a QR code printed on all marijuana product packaging.

Amendment explanation prepared by Michael Madden

06/13/2022

RIOS FLOOR AMENDMENT

SENATE AMENDMENTS TO H.B. 2050

(Reference to APPROPRIATIONS Committee amendment)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Subject to the requirements of article IV, part 1,
3 section 1, Constitution of Arizona, section 36-2801, Arizona Revised
4 Statutes, is amended to read:

5 36-2801. Definitions

6 In this chapter, unless the context otherwise requires:

7 1. "Allowable amount of marijuana":

8 (a) With respect to a qualifying patient, means:

9 (i) Two and one-half ounces of usable marijuana.

10 (ii) If the qualifying patient's registry identification card states
11 that the qualifying patient is authorized to cultivate marijuana, twelve
12 marijuana plants contained in an enclosed, locked facility, except that the
13 plants are not required to be in an enclosed, locked facility if the plants
14 are being transported because the qualifying patient is moving.

15 (b) With respect to a designated caregiver, for each patient
16 assisted by the designated caregiver under this chapter, means:

17 (i) Two and one-half ounces of usable marijuana.

18 (ii) If the designated caregiver's registry identification card
19 provides that the designated caregiver is authorized to cultivate
20 marijuana, twelve marijuana plants contained in an enclosed, locked
21 facility, except that the plants are not required to be in an enclosed,
22 locked facility if the plants are being transported because the designated
23 caregiver is moving.

24 (c) Does not include marijuana that is incidental to medical use,
25 but is not usable marijuana.

1 2. "BATCH" MEANS ALL OF THE FOLLOWING:

2 (a) WHEN REFERRING TO CULTIVATED MARIJUANA, A SPECIFIC LOT OF
3 STRAIN-SPECIFIC MARIJUANA THAT IS GROWN FROM ONE OR MORE SEEDS OR CUTTINGS,
4 THAT IS CULTIVATED USING THE SAME GROWING PRACTICES AND THAT IS HARVESTED
5 AT THE SAME LOCATION AT THE SAME TIME AND CURED UNDER SIMILAR CONDITIONS.

6 (b) WHEN REFERRING TO MARIJUANA PRODUCTS, A SPECIFIC AMOUNT OF A
7 MARIJUANA PRODUCT THAT IS INFUSED, MANUFACTURED, EXTRACTED OR PREPARED FOR
8 SALE FROM THE SAME SET OF INGREDIENTS AND THAT MAY INCLUDE A COMBINATION OF
9 MULTIPLE STRAINS.

10 (c) WHEN REFERRING TO THE TESTING OF CULTIVATED MARIJUANA BY AN
11 INDEPENDENT THIRD-PARTY LABORATORY, AN AMOUNT THAT IS DERIVED FROM A BATCH
12 OF CULTIVATED MARIJUANA THAT IS PREPARED AND DELIVERED TO THE INDEPENDENT
13 THIRD-PARTY LABORATORY AT THE SAME TIME FOR TESTING.

14 (d) WHEN REFERRING TO THE TESTING OF MARIJUANA PRODUCTS BY AN
15 INDEPENDENT THIRD-PARTY LABORATORY, A SET OF MARIJUANA PRODUCTS THAT IS
16 INFUSED, MANUFACTURED, EXTRACTED OR PREPARED FOR SALE FROM THE SAME SET OF
17 INGREDIENTS AND THAT IS PREPARED AND DELIVERED TO THE INDEPENDENT
18 THIRD-PARTY LABORATORY AT THE SAME TIME FOR TESTING.

19 ~~2.~~ 3. "Cardholder" means a qualifying patient, a designated
20 caregiver, a nonprofit medical marijuana dispensary agent or a independent
21 third-party laboratory agent who has been issued and possesses a valid
22 registry identification card.

23 4. "CULTIVATION SITE" MEANS THE LOCATION WHERE MARIJUANA MAY BE
24 CULTIVATED, INFUSED OR PREPARED FOR SALE BY AND FOR A NONPROFIT MEDICAL
25 MARIJUANA DISPENSARY.

26 ~~3.~~ 5. "Debilitating medical condition" means one or more of the
27 following:

28 (a) Cancer, glaucoma, positive status for human immunodeficiency
29 virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic
30 lateral sclerosis, Crohn's disease or agitation of Alzheimer's disease or
31 the treatment of these conditions.

1 (b) A chronic or debilitating disease or medical condition or its
2 treatment that produces one or more of the following:

3 (i) Cachexia or wasting syndrome.

4 (ii) Severe and chronic pain.

5 (iii) Severe nausea.

6 (iv) Seizures, including those characteristic of epilepsy.

7 (v) Severe and persistent muscle spasms, including those
8 characteristic of multiple sclerosis.

9 (c) Any other medical condition or its treatment added by the
10 department pursuant to section 36-2801.01.

11 ~~4.~~ 6. "Department" means the department of health services or its
12 successor agency.

13 ~~5.~~ 7. "Designated caregiver" means a person who:

14 (a) Is at least twenty-one years of age.

15 (b) Has agreed to assist with a patient's medical use of marijuana.

16 (c) Has not been convicted of an excluded felony offense.

17 (d) Assists not more than five qualifying patients with the medical
18 use of marijuana.

19 (e) May receive reimbursement for actual costs incurred in assisting
20 a registered qualifying patient's medical use of marijuana if the
21 registered designated caregiver is connected to the registered qualifying
22 patient through the department's registration process. The designated
23 caregiver may not be paid any fee or compensation for service as a
24 caregiver. Payment for costs under this subdivision does not constitute an
25 offense under title 13, chapter 34 or under title 36, chapter 27,
26 article 4.

27 ~~6.~~ 8. "Enclosed, locked facility" means a closet, room, greenhouse
28 or other enclosed area that is equipped with locks or other security
29 devices that ~~permit~~ ALLOW access only by a cardholder.

30 ~~7.~~ 9. "Excluded felony offense" means:

1 (a) A violent crime as defined in section 13-901.03, subsection B,
2 that was classified as a felony in the jurisdiction where the person was
3 convicted.

4 (b) A violation of a state or federal controlled substance law that
5 was classified as a felony in the jurisdiction where the person was
6 convicted but does not include:

7 (i) An offense for which the sentence, including any term of
8 probation, incarceration or supervised release, was completed ten or more
9 years earlier.

10 (ii) An offense involving conduct that would be immune from arrest,
11 prosecution or penalty under section 36-2811, except that the conduct
12 occurred before December 14, 2010 or was prosecuted by an authority other
13 than the state of Arizona.

14 ~~8.~~ 10. "Independent third-party laboratory" means an entity that
15 has a national or international accreditation and that is certified by the
16 department to analyze marijuana cultivated for medical use.

17 ~~9.~~ 11. "Independent third-party laboratory agent" means an owner,
18 employee or volunteer of a certified independent third-party laboratory who
19 is at least twenty-one years of age and who has not been convicted of an
20 excluded felony offense.

21 ~~10.~~ 12. "Marijuana" means all parts of any plant of the genus
22 cannabis, whether growing or not, and the seeds of such A plant.

23 ~~11.~~ 13. "Medical use" means the acquisition, possession,
24 cultivation, manufacture, use, administration, delivery, transfer or
25 transportation of marijuana or paraphernalia relating to the administration
26 of marijuana to treat or alleviate a registered qualifying patient's
27 debilitating medical condition or symptoms associated with the patient's
28 debilitating medical condition.

29 ~~12.~~ 14. "Nonprofit medical marijuana dispensary" means a
30 not-for-profit entity that acquires, possesses, cultivates, manufactures,
31 delivers, transfers, transports, supplies, sells or dispenses marijuana or

1 related supplies and educational materials to cardholders. A nonprofit
2 medical marijuana dispensary may receive payment for all expenses incurred
3 in its operation.

4 ~~13.~~ 15. "Nonprofit medical marijuana dispensary agent" means a
5 principal officer, board member, employee or volunteer of a nonprofit
6 medical marijuana dispensary who is at least twenty-one years of age and
7 has not been convicted of an excluded felony offense.

8 ~~14.~~ 16. "Physician" means a doctor of medicine who holds a valid
9 and existing license to practice medicine pursuant to title 32, chapter 13
10 or its successor, a doctor of osteopathic medicine who holds a valid and
11 existing license to practice osteopathic medicine pursuant to title 32,
12 chapter 17 or its successor, a naturopathic physician who holds a valid and
13 existing license to practice naturopathic medicine pursuant to title 32,
14 chapter 14 or its successor or a homeopathic physician who holds a valid
15 and existing license to practice homeopathic medicine pursuant to title 32,
16 chapter 29 or its successor.

17 ~~15.~~ 17. "Qualifying patient" means a person who has been diagnosed
18 by a physician as having a debilitating medical condition.

19 ~~16.~~ 18. "Registry identification card" means a document issued by
20 the department that identifies a person as a registered qualifying patient,
21 a registered designated caregiver, a registered nonprofit medical marijuana
22 dispensary agent or a registered independent third-party laboratory agent.

23 19. "STRAIN" MEANS MARIJUANA THAT HAS THE SAME PHENOTYPE, CULTIVAR
24 OR PHYSIOLOGICAL MAKEUP.

25 ~~17.~~ 20. "Usable marijuana":

26 (a) Means the dried flowers of the marijuana plant, and any mixture
27 or preparation thereof.

28 (b) Does not include:

29 (i) The seeds, stalks and roots of the plant.

30 (ii) The weight of any non-marijuana ingredients combined with
31 marijuana and prepared for consumption as food or drink.

1 ~~18.~~ 21. "Verification system" means a secure, password-protected,
2 web-based system that is established and maintained by the department and
3 that is available to law enforcement personnel and nonprofit medical
4 marijuana dispensary agents on a twenty-four-hour basis for verifying
5 registry identification cards.

6 ~~19.~~ 22. "Visiting qualifying patient" means a person:

7 (a) Who is not a resident of Arizona or who has been a resident of
8 Arizona less than thirty days.

9 (b) Who has been diagnosed with a debilitating medical condition by
10 a person who is licensed with authority to prescribe drugs to humans in the
11 state of the person's residence or, in the case of a person who has been a
12 resident of Arizona less than thirty days, the state of the person's former
13 residence.

14 ~~20.~~ 23. "Written certification" means a document dated and signed
15 by a physician, stating that in the physician's professional opinion the
16 patient is likely to receive therapeutic or palliative benefit from the
17 medical use of marijuana to treat or alleviate the patient's debilitating
18 medical condition or symptoms associated with the debilitating medical
19 condition. The physician must:

20 (a) Specify the qualifying patient's debilitating medical condition
21 in the written certification.

22 (b) Sign and date the written certification only in the course of a
23 physician-patient relationship after the physician has completed a full
24 assessment of the qualifying patient's medical history.

25 Sec. 2. Subject to the requirements of article IV, part 1,
26 section 1, Constitution of Arizona, section 36-2801.01, Arizona Revised
27 Statutes, is amended to read:

28 36-2801.01. Addition of debilitating medical conditions

29 The public may petition the department to add debilitating medical
30 conditions or treatments to the list of debilitating medical conditions set
31 forth in section 36-2801, paragraph ~~3~~ 5. The department shall consider

1 petitions in the manner required by department rule, including public
2 notice and hearing. The department shall approve or deny a petition within
3 ~~one-hundred-eighty~~ ONE HUNDRED EIGHTY days ~~of~~ AFTER its submission. The
4 approval or denial of a petition is a final decision of the department
5 subject to judicial review pursuant to title 12, chapter 7, article 6.
6 Jurisdiction and venue are vested in the superior court.

7 Sec. 3. Subject to the requirements of article IV, part 1,
8 section 1, Constitution of Arizona, section 36-2803, Arizona Revised
9 Statutes, is amended to read:

10 36-2803. Rulemaking; notice; testing of marijuana and
11 marijuana products; batches; batch numbers; fees

12 A. The department shall adopt rules:

13 1. Governing the manner in which the department considers petitions
14 from the public to add debilitating medical conditions or treatments to the
15 list of debilitating medical conditions set forth in section 36-2801,
16 paragraph ~~3~~ 5, including public notice of, and an opportunity to comment
17 in a public hearing on, petitions.

18 2. Establishing the form and content of registration and renewal
19 applications submitted under this chapter.

20 3. Governing the manner in which the department considers
21 applications for and renewals of registry identification cards.

22 4. Governing nonprofit medical marijuana dispensaries to protect
23 against diversion and theft without imposing an undue burden on nonprofit
24 medical marijuana dispensaries or compromising the confidentiality of
25 cardholders, including:

26 (a) The manner in which the department considers applications for
27 and renewals of registration certificates.

28 (b) Minimum oversight requirements for nonprofit medical marijuana
29 dispensaries.

30 (c) Minimum recordkeeping requirements for nonprofit medical
31 marijuana dispensaries.

1 (d) Minimum security requirements for nonprofit medical marijuana
2 dispensaries, including requirements to protect each registered nonprofit
3 medical marijuana dispensary location by a fully operational security alarm
4 system.

5 (e) Procedures for suspending or revoking the registration
6 certificate of nonprofit medical marijuana dispensaries that violate this
7 chapter or the rules adopted pursuant to this section.

8 5. Establishing application and renewal fees for registry
9 identification cards, nonprofit medical marijuana dispensary registration
10 certificates and independent third-party laboratory certificates, according
11 to the following:

12 (a) The total amount of all fees shall generate revenues that are
13 sufficient to implement and administer this chapter, except that fee
14 revenue may be offset or supplemented by private donations.

15 (b) Nonprofit medical marijuana dispensary application fees may not
16 exceed \$5,000.

17 (c) Nonprofit medical marijuana dispensary renewal fees may not
18 exceed \$1,000.

19 (d) The total amount of revenue generated from nonprofit medical
20 marijuana dispensary application and renewal fees, registry identification
21 card fees for nonprofit medical marijuana dispensary agents and independent
22 third-party laboratory agents and application and renewal fees for
23 independent third-party laboratories shall be sufficient to implement and
24 administer this chapter, including the verification system, except that the
25 fee revenue may be offset or supplemented by private donations.

26 (e) The department may establish a sliding scale of patient
27 application and renewal fees that are based on a qualifying patient's
28 household income and that are reasonable and related to the actual costs of
29 processing applications and renewals.

30 (f) The department may consider private donations under section
31 36-2817 to reduce application and renewal fees.

1 B. The department of health services shall adopt rules that require
2 each nonprofit medical marijuana dispensary to display in a conspicuous
3 location a sign that warns pregnant women about the potential dangers to
4 fetuses caused by smoking or ingesting marijuana while pregnant or to
5 infants while breastfeeding and the risk of being reported to the
6 department of child safety during pregnancy or at the birth of the child by
7 persons who are required to report. The rules shall include the specific
8 warning language that must be included on the sign. The cost and display
9 of the sign required by rule shall be borne by the nonprofit medical
10 marijuana dispensary. The rules shall also require each certifying
11 physician to attest that the physician has provided information to each
12 qualifying female patient that warns about the potential dangers to fetuses
13 caused by smoking or ingesting marijuana while pregnant or to infants while
14 breastfeeding and the risk of being reported to the department of child
15 safety during pregnancy or at the birth of the child by persons who are
16 required to report.

17 C. The department is authorized to adopt the rules set forth in
18 subsections A and B of this section and shall adopt those rules pursuant to
19 title 41, chapter 6.

20 D. The department of health services shall post prominently on its
21 public website a warning about the potential dangers to fetuses caused by
22 smoking or ingesting marijuana while pregnant or to infants while
23 breastfeeding and the risk of being reported to the department of child
24 safety during pregnancy or at the birth of the child by persons who are
25 required to report.

26 E. Before selling or dispensing marijuana or marijuana products to
27 registered qualified patients or registered designated caregivers,
28 nonprofit medical marijuana dispensaries shall test marijuana and marijuana
29 products for medical use to determine unsafe levels of contamination,
30 including unsafe levels of microbial contamination, heavy metals,
31 pesticides, fungicides, growth regulators and residual solvents and confirm

1 the potency of the marijuana to be dispensed. The dried flowers of the
2 marijuana plant are not required to be tested for residual solvents. If a
3 nonprofit medical marijuana dispensary's test results for heavy metals
4 comply with the prescribed requirements for a period of six consecutive
5 months, heavy metal testing for that dispensary's marijuana and marijuana
6 products is required only on a quarterly basis.

7 F. A NONPROFIT MEDICAL MARIJUANA DISPENSARY MUST SEPARATE EACH
8 SPECIFIC LOT OF CULTIVATED MARIJUANA INTO ONE BATCH BEFORE TESTING THE
9 MARIJUANA IN ACCORDANCE WITH SUBSECTION E OF THIS SECTION. EACH BATCH MUST
10 CONSIST OF ONLY ONE STRAIN OF CULTIVATED MARIJUANA. A NONPROFIT MEDICAL
11 MARIJUANA DISPENSARY MUST SEPARATE MARIJUANA PRODUCTS INTO ONE BATCH BEFORE
12 TESTING THE MARIJUANA PRODUCTS IN ACCORDANCE WITH SUBSECTION E OF THIS
13 SECTION. THE SAMPLE THAT IS PROVIDED TO AN INDEPENDENT THIRD-PARTY
14 LABORATORY TO COMPLY WITH THE TESTING REQUIREMENTS IN SUBSECTION E OF THIS
15 SECTION MUST BE DERIVED FROM THE SAME BATCH.

16 G. AN INDEPENDENT THIRD-PARTY LABORATORY THAT CONDUCTS TESTING IN
17 ACCORDANCE WITH SUBSECTION E OF THIS SECTION SHALL UPLOAD TO THE
18 DEPARTMENT'S ONLINE PORTAL WITHIN FIVE CALENDAR DAYS AFTER COMPLETING THE
19 TESTING THE LABORATORY-APPROVED CERTIFICATE OF ANALYSIS THAT PROVIDES THE
20 DETAILS OF THE LABORATORY TEST RESULTS THAT WERE CONDUCTED IN ACCORDANCE
21 WITH SUBSECTION E OF THIS SECTION.

22 H. A NONPROFIT MEDICAL MARIJUANA DISPENSARY SHALL ASSIGN EACH BATCH
23 A UNIQUE BATCH NUMBER. EACH UNIQUE BATCH NUMBER SHALL BE ALL OF THE
24 FOLLOWING:

25 1. DOCUMENTED AND MAINTAINED IN THE CULTIVATION SITE OR NONPROFIT
26 MEDICAL MARIJUANA DISPENSARY RECORDS FOR AT LEAST TWO YEARS AND BE
27 AVAILABLE TO THE DEPARTMENT ON REQUEST.

28 2. PROVIDED TO THE INDEPENDENT THIRD-PARTY LABORATORY FOR CONDUCTING
29 TESTING IN ACCORDANCE WITH SUBSECTION E OF THIS SECTION.

30 3. INCLUDED ON THE BATCH LABEL.

1 I. A NONPROFIT MEDICAL MARIJUANA DISPENSARY MAY NOT REUSE A UNIQUE
2 BATCH NUMBER.

3 J. A NONPROFIT MEDICAL MARIJUANA DISPENSARY SHALL PROVIDE THE
4 NONPROFIT MEDICAL MARIJUANA DISPENSARY'S REGISTRATION CERTIFICATE NUMBER
5 AND THE UNIQUE BATCH NUMBER TO THE INDEPENDENT THIRD-PARTY LABORATORY WHEN
6 CONDUCTING TESTING IN ACCORDANCE WITH SUBSECTION E OF THIS SECTION.

7 ~~F.~~ K. Nonprofit medical marijuana dispensaries shall:

8 1. Provide test results to a registered qualifying patient or
9 designated caregiver immediately on request.

10 2. Display in a conspicuous location a sign that notifies patients
11 of their right to receive the certified independent third-party laboratory
12 test results for marijuana and marijuana products for medical use.

13 ~~G.~~ L. The department shall adopt rules to certify and regulate
14 independent third-party laboratories that analyze marijuana cultivated for
15 medical use. The department shall establish certification fees for
16 laboratories pursuant to subsection A of this section. In order to be
17 certified as an independent third-party laboratory that is allowed to test
18 marijuana and marijuana products for medical use pursuant to this chapter,
19 an independent third-party laboratory:

20 1. Must meet requirements established by the department, including
21 reporting and health and safety requirements.

22 2. May not have any direct or indirect familial or financial
23 relationship with or interest in a nonprofit medical marijuana dispensary
24 or related medical marijuana business entity or management company, or any
25 direct or indirect familial or financial relationship with a designated
26 caregiver for whom the laboratory is testing marijuana and marijuana
27 products for medical use in this state.

28 3. Must have a quality assurance program and standards.

29 4. Must have an adequate chain of custody and sample requirement
30 policies.

1 5. Must have an adequate records retention process to preserve
2 records.

3 6. Must establish procedures to ensure that results are accurate,
4 precise and scientifically valid before reporting the results.

5 7. Must be accredited by a national or international accreditation
6 association or other similar accrediting entity, as determined by the
7 department.

8 8. Must establish policies and procedures for disposal and reverse
9 distribution of samples that are collected by the laboratory.

10 ~~H. M.~~ Through December 31, 2022, the department may conduct
11 proficiency testing and remediate problems with independent third-party
12 laboratories that are certified and regulated pursuant to this chapter and
13 marijuana testing facilities that are licensed and regulated pursuant to
14 chapter 28.2 of this title.

15 ~~I. N.~~ Beginning January 1, 2023, the department shall ~~conduct~~
16 ~~proficiency testing and remediate problems with~~ REQUIRE independent
17 third-party laboratories that are certified and regulated pursuant to this
18 chapter and marijuana testing facilities that are licensed and regulated
19 pursuant to chapter 28.2 of this title TO CONDUCT PROFICIENCY TESTING THAT
20 IS COMMERCIALY AVAILABLE BY CONTRACTING WITH A PROFICIENCY TESTING
21 PROVIDER THAT HAS NATIONAL OR INTERNATIONAL ACCREDITATION. THE DEPARTMENT
22 SHALL SUPERVISE REMEDIATION AS NEEDED. ~~The department may contract for~~
23 ~~proficiency testing with laboratories that have a national or international~~
24 ~~accreditation.~~

25 ~~J. O.~~ For the purposes of subsections ~~H. M~~ and ~~I. N~~ of this
26 section, remediation may include assessing civil penalties and suspending
27 or revoking a laboratory's certification or a marijuana testing facility's
28 license.

29 ~~K. P.~~ The department shall adopt rules that prescribe reasonable
30 time frames for testing marijuana and marijuana products."

31 Renumber to conform

1 Page 3, between lines 22 and 23, insert:

2 "Sec. 5. Subject to the requirements of article IV, part 1,
3 section 1, Constitution of Arizona, section 36-2804.02, Arizona Revised
4 Statutes, is amended to read:

5 36-2804.02. Registration of qualifying patients and designated
6 caregivers: fee waiver

7 A. A qualifying patient may apply to the department for a registry
8 identification card by submitting:

9 1. Written certification issued by a physician within ~~the~~ ninety
10 days immediately preceding the date of application.

11 2. The application fee.

12 3. An application, including:

13 (a) THE name, mailing address, residence address and date of birth
14 of the qualifying patient, except that if the applicant is homeless no
15 address is required.

16 (b) THE name, address and telephone number of the qualifying
17 patient's physician.

18 (c) THE name, address and date of birth of the qualifying patient's
19 designated caregiver, if any.

20 (d) A statement signed by the qualifying patient pledging not to
21 divert marijuana to anyone who is not allowed to possess marijuana pursuant
22 to this chapter.

23 (e) A signed statement from the designated caregiver, if any,
24 agreeing to be the patient's designated caregiver and pledging not to
25 divert marijuana to anyone who is not allowed to possess marijuana pursuant
26 to this chapter.

27 (f) A designation as to who will be allowed to cultivate marijuana
28 plants for the qualifying patient's medical use if a registered nonprofit
29 medical marijuana dispensary is not operating within twenty-five miles of
30 the qualifying patient's home.

1 B. The application for a qualifying patient's registry
2 identification card shall ask whether the patient would like the department
3 to notify ~~him~~ THE PATIENT of any clinical studies needing human subjects
4 for research on the medical use of marijuana. The department shall notify
5 interested patients if it is notified of studies that will be conducted in
6 the United States.

7 C. A VETERAN OF THE ARMED FORCES OF THE UNITED STATES WHO HAS BEEN
8 HONORABLY DISCHARGED AND WHO HAS BEEN A RESIDENT OF THIS STATE FOR AT LEAST
9 ONE YEAR IS EXEMPT FROM THE APPLICATION FEE PRESCRIBED BY SUBSECTION A OF
10 THIS SECTION.

11 Sec. 6. Subject to the requirements of article IV, part 1,
12 section 1, Constitution of Arizona, section 36-2804.05, Arizona Revised
13 Statutes, is amended to read:

14 36-2804.05. Denial of registry identification card; notification

15 A. The department may deny an application or renewal of a qualifying
16 patient's registry identification card only if the applicant:

17 1. Does not meet the ~~requirements~~ REQUIREMENT of section 36-2801,
18 paragraph ~~15~~ 17.

19 2. Does not provide the information required.

20 3. Previously had a registry identification card revoked for
21 violating this chapter.

22 4. Provides false information.

23 B. The department may deny an application or renewal of a designated
24 caregiver's registry identification card if the applicant:

25 1. Does not meet the requirements of section 36-2801, paragraph
26 ~~5~~ 7.

27 2. Does not provide the information required.

28 3. Previously had a registry identification card revoked for
29 violating this chapter.

30 4. Provides false information.

1 C. The department may deny a registry identification card to a
2 nonprofit medical marijuana dispensary agent if:

3 1. The agent applicant does not meet the requirements of section
4 36-2801, paragraph ~~13~~ 15.

5 2. The applicant or dispensary did not provide the required
6 information.

7 3. The agent applicant previously had a registry identification card
8 revoked for violating this chapter.

9 4. The applicant or dispensary provides false information.

10 D. The department may conduct a criminal records check of each
11 designated caregiver or nonprofit medical marijuana dispensary agent
12 applicant to carry out this section.

13 E. The department shall notify the registered nonprofit medical
14 marijuana dispensary in writing of the reason for denying a registry
15 identification card to a nonprofit medical marijuana dispensary agent.

16 F. The department shall notify the qualifying patient in writing of
17 the reason for denying a registry identification card to the qualifying
18 patient's designated caregiver.

19 G. Denial of an application or renewal is considered a final
20 decision of the department subject to judicial review pursuant to title 12,
21 chapter 7, article 6. Jurisdiction and venue for judicial review are
22 vested in the superior court.

23 Sec. 7. Subject to the requirements of article IV, part 1,
24 section 1, Constitution of Arizona, section 36-2817, Arizona Revised
25 Statutes, is amended to read:

26 36-2817. Medical marijuana fund; private donations; fund
27 transfers; use of monies

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

1 B. The director of the department may accept and spend private
2 grants, gifts, donations, contributions and devises to assist in carrying
3 out this chapter.

4 C. Monies in the medical marijuana fund may be used to provide
5 grants for marijuana clinical trials conducted pursuant to section 36-2822.

6 D. Monies in the medical marijuana fund do not revert to the state
7 general fund at the end of a fiscal year.

8 E. On November 30, 2020, the director of the department shall
9 transfer the following sums from the medical marijuana fund for the
10 following purposes:

11 1. \$15,000,000 to the Arizona teachers academy fund established by
12 section 15-1655.

13 2. \$10,000,000 to the department to fund the formation and operation
14 of councils, commissions and programs dedicated to improving public health,
15 including teen suicide prevention, the maternal mortality review program,
16 improving youth health, substance abuse prevention, addressing adverse
17 childhood experiences, the Arizona poison control system established
18 pursuant to section 36-1161, the Arizona health improvement plan, the child
19 fatality review team established pursuant to section 36-3501 and the
20 chronic pain self management program.

21 3. \$10,000,000 to the governor's office of highway safety to
22 distribute grants for the following purposes:

23 (a) Reducing impaired driving, including conducting training
24 programs and purchasing equipment for detecting, testing and enforcing laws
25 against driving, flying or boating while impaired.

26 (b) Equipment, training and personnel costs for dedicated traffic
27 enforcement.

28 4. \$2,000,000 to the department to implement, carry out and enforce
29 chapter 28.2 of this title.

30 5. \$4,000,000 to the department to distribute grants to qualified
31 nonprofit entities that will provide outreach to individuals who may be

1 eligible to file petitions for expungement pursuant to section 36-2862 and
2 will assist with the expungement petition process. The department shall
3 distribute grants pursuant to this paragraph on or before June 30, 2021.

4 6. \$2,000,000 to the department of health services to develop and
5 implement, in conjunction with the department of economic security and
6 other state agencies, a social equity ownership program to promote the
7 ownership and operation of marijuana establishments and marijuana testing
8 facilities by individuals from communities disproportionately impacted by
9 the enforcement of previous marijuana laws. For the purposes of this
10 paragraph, "marijuana establishment" and "marijuana testing facility" have
11 the same meanings prescribed in section 36-2850.

12 7. \$1,000,000 to the department to fund programs and grants to
13 qualified nonprofit organizations for education and community outreach
14 related to chapter 28.2 of this title.

15 8. \$1,000,000 to the smart and safe Arizona fund established by
16 section 36-2856.

17 F. After all costs incurred to implement, carry out and enforce this
18 chapter and the rules adopted pursuant to this chapter are paid for fiscal
19 year 2021-2022, the department shall transfer from the medical marijuana
20 fund the following sums for the following purposes:

21 1. \$1,250,000 to the department for suicide prevention.

22 2. \$1,250,000 to the Arizona health care cost containment system for
23 suicide prevention.

24 3. \$2,000,000 to the institute for mental health research for
25 research to improve mental health services, research and education in this
26 state.

27 4. \$2,000,000 to the department for the primary care provider loan
28 repayment program and the rural private primary care provider loan
29 repayment program established by chapter 21 of this title. The department
30 shall prioritize rural providers in the areas of mental health care and
31 behavioral health care if feasible and appropriate.

1 5. \$2,000,000 to the board of medical student loans for the purposes
2 of title 15, chapter 13, article 7. The board shall prioritize students
3 who intend to practice in the area of psychiatry or other areas of practice
4 that treat mental illness if feasible and appropriate.

5 6. \$5,000,000 to county public health departments, in proportion to
6 the population of each county, for the purposes of addressing important
7 public health issues and communities affected by drug addiction and
8 incarceration.

9 7. \$1,000,000 to the department for the health care directives
10 registry established pursuant to section 36-3291.

11 G. Monies transferred pursuant to subsection F of this section do
12 not revert to the state general fund.

13 H. The director shall make a onetime transfer of \$250,000 from the
14 medical marijuana fund to the department to provide grants for marijuana
15 research studies pursuant to section 36-2812.

16 I. The director may use monies in the medical marijuana fund to
17 contract with laboratories pursuant to section 36-2803, subsection ~~F~~ N to
18 comply with the proficiency testing requirements of this chapter for
19 independent third-party laboratories and marijuana testing facilities. On
20 or before July 1 of each year, the department shall report to the joint
21 legislative budget committee expenditures made pursuant to this subsection
22 for the preceding fiscal year."

23 Renumber to conform

24 Page 12, between lines 4 and 5, insert:

25 "Sec. 9. Subject to the requirements of article IV, part 1,
26 section 1, Constitution of Arizona, section 36-2854.01, Arizona Revised
27 Statutes, is amended to read:

28 36-2854.01. Marijuana products; labeling; packaging

29 Not later than December 31, 2023, any marijuana product packaging
30 labeled for sale shall include a consumer scannable tetrahydrocannabinol

1 quick response code or similar technology linking to a webpage that
2 displays all of the following for the specific marijuana product:

- 3 1. The date of harvest of the marijuana.
- 4 2. The tetrahydrocannabinol strain of the marijuana.
- 5 3. The tetrahydrocannabinol extraction method used to extract the
6 tetrahydrocannabinol from the marijuana.

7 ~~4. A laboratory report of impurities containing at least heavy~~
8 ~~metals and agrochemicals.~~

9 4. THE COMPLETE INDEPENDENT THIRD-PARTY LABORATORY CERTIFICATE OF
10 ANALYSIS THAT IS PROVIDED TO THE DEPARTMENT PURSUANT TO SECTION 36-2803 IF
11 THE MARIJUANA PRODUCT IS TESTED PURSUANT TO SECTION 36-2803, OR THE
12 COMPLETE MARIJUANA TESTING FACILITY CERTIFICATE OF ANALYSIS.

- 13 5. The date of manufacture of the marijuana product.
- 14 6. The distribution chain, including at least a point of intended
15 sale.
- 16 7. A warning that states, "using marijuana during pregnancy could
17 cause birth defects or other health issues to your unborn child."

18 Renumber to conform

19 Page 12, line 12, after "sections" insert "36-2801, 36-2801.01, 36-2803,"; strike
20 "and" insert ", 36-2804.02, 36-2804.05, 36-2817,"; after "36-2854" insert
21 "and 36-2854.01"

22 Amend title to conform

REBECCA RIOS

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