

REFERENCE TITLE: marijuana regulatory board; licensing qualifications

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2247

Introduced by
Representative Payne

AN ACT

AMENDING TITLE 36, CHAPTER 28.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2823; AMENDING TITLE 36, CHAPTER 28.2, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2866; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28.3; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3034.01; 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, title 36, chapter 28.1, Arizona
4 Revised Statutes, is amended by adding section 36-2823, to read:

5 36-2823. Registration certificates; qualifications; rules

6 A. AN APPLICANT FOR A NEW NONPROFIT MEDICAL MARIJUANA DISPENSARY
7 REGISTRATION CERTIFICATE, IN ADDITION TO MEETING ANY REQUIREMENTS
8 PRESCRIBED IN THIS CHAPTER, MUST BE A RESIDENT OF THIS STATE AND MUST
9 DEMONSTRATE RESIDENCY WITH AT LEAST TWO OF THE FOLLOWING DOCUMENTS THAT
10 LIST THE APPLICANT'S NAME AND ADDRESS:

- 11 1. A DRIVER LICENSE.
- 12 2. A STATE-ISSUED IDENTIFICATION CARD.
- 13 3. A PROPERTY TAX BILL.
- 14 4. A VERIFIED COPY OF STATE OR FEDERAL INCOME TAX RETURNS FOR THE
15 PREVIOUS YEAR WITH AN ARIZONA ADDRESS.
- 16 5. A UTILITY BILL AND COPY OF PAYMENTS MADE FOR THE PREVIOUS YEAR.
- 17 6. ANY OTHER DOCUMENTATION AS PRESCRIBED IN RULE.

18 B. THE DIRECTOR MAY PRESCRIBE RULES TO CARRY OUT THIS SECTION.

19 Sec. 2. Subject to the requirements of article IV, part 1,
20 section 1, Constitution of Arizona, title 36, chapter 28.2, Arizona
21 Revised Statutes, is amended by adding section 36-2866, to read:

22 36-2866. Marijuana establishment licenses; qualifications;
23 rules

24 A. AN APPLICANT FOR A NEW MARIJUANA ESTABLISHMENT LICENSE, IN
25 ADDITION TO MEETING ANY REQUIREMENTS PRESCRIBED IN THIS CHAPTER, MUST BE A
26 RESIDENT OF THIS STATE AND MUST DEMONSTRATE RESIDENCY WITH AT LEAST TWO OF
27 THE FOLLOWING DOCUMENTS THAT LIST THE APPLICANT'S NAME AND ADDRESS:

- 28 1. A DRIVER LICENSE.
- 29 2. A STATE-ISSUED IDENTIFICATION CARD.
- 30 3. A PROPERTY TAX BILL.
- 31 4. A VERIFIED COPY OF STATE OR FEDERAL INCOME TAX RETURNS FOR THE
32 PREVIOUS YEAR WITH AN ARIZONA ADDRESS.
- 33 5. A UTILITY BILL AND COPY OF PAYMENTS MADE FOR THE PREVIOUS YEAR.
- 34 6. ANY OTHER DOCUMENTATION AS PRESCRIBED IN RULE.

35 B. THE DIRECTOR MAY PRESCRIBE RULES TO CARRY OUT THIS SECTION.

36 Sec. 3. Subject to the requirements of article IV, part 1,
37 section 1, Constitution of Arizona, title 36, Arizona Revised Statutes, is
38 amended by adding chapter 28.3, to read:

39 CHAPTER 28.3

40 ARIZONA MARIJUANA REGULATORY BOARD

41 ARTICLE 1. GENERAL PROVISIONS

42 36-2881. Definitions

43 A. IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- 44 1. "BOARD" MEANS THE ARIZONA MARIJUANA REGULATORY BOARD.

- 1 2. "INDEPENDENT THIRD-PARTY LABORATORY" HAS THE SAME MEANING
2 PRESCRIBED IN SECTION 36-2801.
- 3 3. "MARIJUANA ESTABLISHMENT" HAS THE SAME MEANING PRESCRIBED IN
4 SECTION 36-2850.
- 5 4. "MARIJUANA TESTING FACILITY" HAS THE SAME MEANING PRESCRIBED IN
6 SECTION 36-2850.
- 7 5. "NONPROFIT MEDICAL MARIJUANA DISPENSARY" HAS THE SAME MEANING
8 PRESCRIBED IN SECTION 36-2801.
- 9 6. "QUALIFYING PATIENT" HAS THE SAME MEANING PRESCRIBED IN SECTION
10 36-2801.
- 11 B. NOTWITHSTANDING ANY OTHER LAW, FOR THE PURPOSES OF CHAPTERS 28.1
12 AND 28.2 OF THIS TITLE:
- 13 1. "DEPARTMENT" MEANS THE ARIZONA MARIJUANA REGULATORY BOARD.
14 2. "DIRECTOR" MEANS THE DIRECTOR OF THE BOARD.
15 36-2882. Arizona marijuana regulatory board; membership;
16 appointments; duties; compensation
- 17 A. THE ARIZONA MARIJUANA REGULATORY BOARD IS ESTABLISHED CONSISTING
18 OF SEVEN MEMBERS AS FOLLOWS:
- 19 1. TWO MEMBERS WHO HAVE PUBLIC HEALTH EXPERTISE.
20 2. TWO MEMBERS WHO HAVE LABORATORY TESTING EXPERTISE IN THIS STATE
21 AND WHO ARE NOT AFFILIATED WITH AN INDEPENDENT THIRD-PARTY LABORATORY OR
22 MARIJUANA TESTING FACILITY.
- 23 3. TWO PUBLIC MEMBERS WHO DO NOT HAVE AN OWNERSHIP INTEREST IN A
24 NONPROFIT MEDICAL MARIJUANA DISPENSARY, A MARIJUANA ESTABLISHMENT, AN
25 INDEPENDENT THIRD-PARTY LABORATORY OR A MARIJUANA TESTING FACILITY.
- 26 4. ONE MEMBER WHO IS EITHER A QUALIFYING PATIENT OR A FAMILY MEMBER
27 OF A QUALIFYING PATIENT.
- 28 B. THE MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR
29 PURSUANT TO SECTION 38-211. NOT MORE THAN FOUR BOARD MEMBERS MAY BE OF
30 THE SAME POLITICAL PARTY, AND NOT MORE THAN FOUR BOARD MEMBERS MAY BE
31 RESIDENTS OF THE SAME COUNTY. BOARD MEMBER APPOINTMENTS ARE FOR A TERM OF
32 FIVE YEARS AND EXPIRE ON THE THIRD MONDAY IN JANUARY OF THE APPROPRIATE
33 YEAR. THE BOARD SHALL MEET AT LEAST ONCE EVERY MONTH.
- 34 C. EACH BOARD MEMBER:
- 35 1. SHALL SIGN AN AGREEMENT TO COMPLY WITH ALL CONFIDENTIALITY
36 REQUIREMENTS OF MATTERS THAT COME BEFORE THE BOARD.
- 37 2. IS SUBJECT TO THE PROVISIONS OF TITLE 38, CHAPTER 3, ARTICLE 8
38 RELATING TO CONFLICT OF INTEREST, SHALL SIGN A CONFLICT OF INTEREST
39 STATEMENT THAT IDENTIFIES AND DISCLOSES ANY POTENTIAL CONFLICT OF INTEREST
40 AND MAY NOT PARTICIPATE, IN ANY MANNER, IN ANY MATTER IN WHICH THE BOARD
41 MEMBER HAS A CONFLICT OF INTEREST.
- 42 3. MAY NOT VOTE ON ANY MEASURE IN WHICH THE BOARD MEMBER OR A
43 FAMILY MEMBER OR PARTNER OF THE BOARD MEMBER HAS A PECUNIARY INTEREST.
- 44 4. MAY NOT MISS MORE THAN ONE BOARD MEETING WITHIN A SIX-MONTH
45 PERIOD.

1 D. THE GOVERNOR MAY REMOVE A BOARD MEMBER ONLY FOR CAUSE. A BOARD
2 MEMBER WHO IS REMOVED FOR CAUSE MUST BE PROVIDED WRITTEN NOTICE AND AN
3 OPPORTUNITY TO RESPOND. THE GOVERNOR MAY REMOVE A BOARD MEMBER BASED ON
4 WRITTEN FINDINGS THAT SPECIFY THE REASON FOR REMOVAL.

5 E. THE BOARD SHALL ADMINISTER THE LAWS OF THIS STATE RELATING TO
6 MARIJUANA AS SET FORTH IN THIS CHAPTER AND CHAPTERS 28.1 AND 28.2 OF THIS
7 TITLE.

8 F. THE MEMBERS OF THE BOARD ARE ELIGIBLE TO RECEIVE COMPENSATION
9 NOT TO EXCEED \$200 PER DAY FOR EACH DAY SPENT IN THE DISCHARGE OF THEIR
10 DUTIES AND ALL EXPENSES NECESSARILY AND PROPERLY INCURRED IN ATTENDING
11 MEETINGS.

12 36-2883. Board; duties

13 THE BOARD SHALL HAVE THE AUTHORITY AND RESPONSIBILITIES PRESCRIBED
14 IN THIS CHAPTER AND CHAPTERS 28.1 AND 28.2 OF THIS TITLE.

15 36-2884. Director; duties; rules; compensation

16 A. THE BOARD SHALL APPOINT A DIRECTOR WHO HAS THE AUTHORITY AND
17 RESPONSIBILITIES PRESCRIBED IN THIS CHAPTER AND CHAPTERS 28.1 AND 28.2 OF
18 THIS TITLE AND ANY OTHER AUTHORITY AND RESPONSIBILITY THAT THE BOARD DEEMS
19 NECESSARY. THE DIRECTOR SHALL ADOPT RULES AS PRESCRIBED IN THIS CHAPTER
20 AND CHAPTERS 28.1 AND 28.2 OF THIS TITLE.

21 B. THE DIRECTOR'S COMPENSATION SHALL BE DETERMINED PURSUANT TO
22 SECTION 38-611.

23 C. THE DIRECTOR SHALL EMPLOY ALL EMPLOYEES OF THE BOARD AND MAY
24 EMPLOY ANY NECESSARY CONSULTANTS. THE COMPENSATION OF EMPLOYEES OF THE
25 BOARD SHALL BE AS DETERMINED PURSUANT TO SECTION 38-611.

26 36-2885. Microbusiness license; restrictions; applicant
27 requirements; rules

28 A. NOTWITHSTANDING ANY PROVISION OF CHAPTER 28.2 OF THIS TITLE,
29 EXCEPT THE LOCATION AND ZONING PROVISIONS, THE BOARD MAY ISSUE A
30 MICROBUSINESS LICENSE THAT ALLOWS A LICENSE HOLDER TO DO ALL OF THE
31 FOLLOWING AT A SINGLE LOCATION:

- 32 1. CULTIVATE UP TO ONE HUNDRED FIFTY MARIJUANA PLANTS.
- 33 2. PROCESS THE MARIJUANA AND MARIJUANA PRODUCTS FROM THE PLANTS,
34 INCLUDING CONCENTRATES, EDIBLES AND OTHER INFUSED PRODUCTS.
- 35 3. PACKAGE THE MARIJUANA AND MARIJUANA PRODUCTS.
- 36 4. SELL THE MARIJUANA AND MARIJUANA PRODUCTS TO PERSONS WHO ARE AT
37 LEAST TWENTY-ONE YEARS OF AGE.

38 B. A MICROBUSINESS LICENSE HOLDER MAY NOT SELL MARIJUANA OR
39 MARIJUANA PRODUCTS CULTIVATED AND PROCESSED AT THE MICROBUSINESS LOCATION
40 TO A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A MARIJUANA ESTABLISHMENT.

41 C. AN APPLICANT FOR A MICROBUSINESS LICENSE:

- 42 1. MAY NOT OWN A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A
43 MARIJUANA ESTABLISHMENT IN THIS STATE OR A COMPARABLE BUSINESS IN ANOTHER
44 STATE.

1 transferred to and retain the same status with the Arizona marijuana
2 regulatory board.

3 E. All certificates, licenses, registrations, permits and other
4 indicia of qualification and authority that were issued by the department
5 of health services relating to the Arizona medical marijuana act and the
6 responsible adult use of marijuana retain their validity for the duration
7 of their terms of validity as provided by law.

8 F. All equipment, records, furnishings and other property, all data
9 and investigative findings and all obligations on January 1, 2026 of the
10 department of health services relating to the Arizona medical marijuana
11 act and the responsible adult use of marijuana are transferred to the
12 Arizona marijuana regulatory board.

13 G. All personnel who are under the state personnel system and
14 employed by the department of health services relating to the Arizona
15 medical marijuana act and the responsible adult use of marijuana are
16 transferred to comparable positions and pay classifications in the
17 respective administrative units of the Arizona marijuana regulatory board
18 on January 1, 2026.

19 Sec. 7. Purpose

20 Pursuant to section 41-2955, subsection E, Arizona Revised Statutes,
21 the legislature establishes the Arizona marijuana regulatory board to
22 promote the public health and safety relating to marijuana in this state.

23 Sec. 8. Conforming legislation

24 The legislative council staff shall prepare proposed legislation
25 conforming the Arizona Revised Statutes to the provisions of this act for
26 consideration in the fifty-seventh legislature, first regular session.

27 Sec. 9. Effective date

28 Title 36, chapter 28.3, Arizona Revised Statutes, added by this act,
29 section 41-3034.01, Arizona Revised Statutes, as added by this act, and
30 sections 5, 6 and 7 of this act are effective from and after December 31,
31 2025.

32 Sec. 10. Requirements for enactment; three-fourths vote

33 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
34 sections 36-2823 and 36-2866, Arizona Revised Statutes, title 36, chapter
35 28.3, Arizona Revised Statutes, and section 41-3034.01, Arizona Revised
36 Statutes, as added by this act, are effective only on the affirmative vote
37 of at least three-fourths of the members of each house of the legislature.