STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

June 7, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on June 7th, 2019:

H.B. 2039 elections; federal form; emergency voting (Townsend)
H.B. 2076 virtual training simulators; location (Fillmore)
H.B. 2134 municipal elections; write-in candidates (Cobb)
H.B. 2146 contracts; licensure requirements; exemption (Rivero)
H.B. 2190 CORP; accidental disability; definition (Payne)
H.B. 2265 defensive driving schools; course requirements (Payne)
H.B. 2275 TPT exemptions; propagative materials (Dunn)
H.B. 2358 landlord tenant; partial payment; assistance (Toma)
H.B. 2360 TPT; estimated payments; liability threshold (Toma)
H.B. 2493 solar energy devices; appraisal methods (Cobb)
H.B. 2532 critical health information; emergency responders (Gabaldon)
H.B. 2547 racing commission; simulcasting; wagering facilities (Finchem)
H.B. 2556 agricultural property; uses; rural activities (Finchem)
H.B. 2646 commerce authority; application review (Teller)
H.B. 2670 study committee; special education; gifted (Bolick)
S.B. 1027 tax credit; charitable organizations; eligibility (Leach)
S.B. 1037 prisoners; parole hearings; recertification procedures (Brophy-McGee)
S.B. 1062 public disclosure; health professionals; address (Carter)
S.B. 1064 court security officers; certification; powers (Borrelli)
S.B. 1087 vehicle liability insurance; minimum limits (Brophy-McGee)
S.B. 1213 ASRS; return to work (Livingston)
S.B. 1236 tax liens; fees; certificate expiration (Mesnard)
S.B. 1241 state parks board; heritage fund (Brophy-McGee)
S.B. 1246 behavioral health; foster children (Brophy-McGee)
S.B. 1248 property taxes; valuation; property modifications (Leach)
S.B. 1259 ADOT; proportional registration; temporary registration (Livingston)
S.B. 1300 low-income housing; tax exemption (Brophy-McGee)
S.B. 1307 DUI; license reinstatement; evaluation requirements (Livingston)
S.B. 1310 earned release credits; drug offenses (E. Farnsworth)

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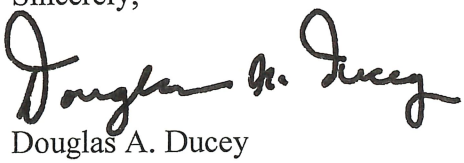
S.B. 1321 health information organizations (Carter)
S.B. 1330 emergency management compact; workers (Borrelli)
S.B. 1332 alternative fuel vehicles; VLT (Livingston)
S.B. 1352 health care directives registry; transfer (Carter)
S.B. 1451 procedures; nomination petitions; registered circulators (Leach)
S.B. 1456 vision screening; schools; appropriation (S. Allen)
S.B. 1482 state agencies; fee increase; limit (Mesnard)
S.B. 1494 marijuana; testing; advisory council; library (Gowan)
S.B. 1528 video service providers; license (Carter)
S.B. 1536 controlled substances; delegation; monitoring (Brophy-McGee)
S.B. 1538 adult protective services (Brophy-McGee)

Sincerely,



Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed Senate Bill

**FILED**
**KATIE HOBBS**
**SECRETARY OF STATE**

State of Arizona
Senate
Fifty-fourth Legislature
First Regular Session
2019

# CHAPTER 318
# SENATE BILL 1494

AN ACT

AMENDING SECTIONS 36-2801 AND 36-2803, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 28.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2803.01; AMENDING SECTIONS 36-2804.01, 36-2804.05 AND 36-2804.06, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 28.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2804.07; AMENDING SECTIONS 36-2806, 36-2810, 36-2816 AND 36-2819, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 28.1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-2820 AND 36-2821; RELATING TO MEDICAL MARIJUANA.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

36-2801. Definitions

In this chapter, unless the context otherwise requires:

1. "Allowable amount of marijuana":

(a) With respect to a qualifying patient, ~~the "allowable amount of marijuana"~~ means:

(i) ~~Two-and-one-half~~ TWO AND ONE-HALF ounces of usable marijuana. ~~; and~~

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

(b) With respect to a designated caregiver, ~~the "allowable amount of marijuana"~~ for each patient assisted by the designated caregiver under this chapter, means:

(i) ~~Two-and-one-half~~ TWO AND ONE-HALF ounces of usable marijuana. ~~; and~~

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

(c) DOES NOT INCLUDE marijuana that is incidental to medical use, but is not usable marijuana ~~as defined in this chapter, shall not be counted toward a qualifying patient's or designated caregiver's allowable amount of marijuana~~.

2. "Cardholder" means a qualifying patient, a designated caregiver, ~~or~~ a nonprofit medical marijuana dispensary agent OR A INDEPENDENT THIRD-PARTY LABORATORY AGENT who has been issued and possesses a valid registry identification card.

3. "Debilitating medical condition" means one or more of the following:

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

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

(i) Cachexia or wasting syndrome. ~~;~~

(ii) Severe and chronic pain. ~~;~~

(iii) Severe nausea. ~~;~~

(iv) Seizures, including those characteristic of epilepsy. ~~; or~~

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

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

4. "Department" means the ~~Arizona~~ department of health services or its successor agency.

5. "Designated caregiver" means a person who:

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

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

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

(d) Assists ~~no~~ NOT more than five qualifying patients with the medical use of marijuana.

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

6. "Enclosed, locked facility" means a closet, room, greenhouse or other enclosed area THAT IS equipped with locks or other security devices that permit access only by a cardholder.

7. "Excluded felony offense" means:

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

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

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

(ii) An offense involving conduct that would be immune from arrest, prosecution or penalty under section 36-2811, except that the conduct occurred before ~~the effective date of this chapter~~ DECEMBER 14, 2010 or was prosecuted by an authority other than the state of Arizona.

8. "INDEPENDENT THIRD-PARTY LABORATORY" MEANS AN ENTITY THAT HAS A NATIONAL OR INTERNATIONAL ACCREDITATION AND THAT IS CERTIFIED BY THE DEPARTMENT TO ANALYZE MARIJUANA CULTIVATED FOR MEDICAL USE.

9. "INDEPENDENT THIRD-PARTY LABORATORY AGENT" MEANS AN OWNER, EMPLOYEE OR VOLUNTEER OF A CERTIFIED INDEPENDENT THIRD-PARTY LABORATORY WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO HAS NOT BEEN CONVICTED OF AN EXCLUDED FELONY OFFENSE.

~~8.~~ 10. "Marijuana" means all parts of any plant of the genus cannabis whether growing or not, and the seeds of such plant.

~~9.~~ 11. "Medical use" means the acquisition, possession, cultivation, manufacture, use, administration, delivery, transfer or transportation of marijuana or paraphernalia relating to the administration of marijuana to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition.

~~11.~~ 12. "Nonprofit medical marijuana dispensary" means a not-for-profit entity that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to cardholders. A nonprofit medical marijuana dispensary may receive payment for all expenses incurred in its operation.

~~10.~~ 13. "Nonprofit medical marijuana dispensary agent" means a principal officer, board member, employee or volunteer of a nonprofit medical marijuana dispensary who is at least twenty-one years of age and has not been convicted of an excluded felony offense.

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

~~13.~~ 15. "Qualifying patient" means a person who has been diagnosed by a physician as having a debilitating medical condition.

~~14.~~ 16. "Registry identification card" means a document issued by the department that identifies a person as a registered qualifying patient, A registered designated caregiver, ~~or~~ a registered nonprofit medical marijuana dispensary agent OR A REGISTERED INDEPENDENT THIRD-PARTY LABORATORY AGENT.

~~15.~~ 17. "Usable marijuana":

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

(b) Does not include:

(i) The seeds, stalks and roots of the plant. ~~and does not include~~

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

~~16.~~ 18. "Verification system" means a secure, password-protected, web-based system THAT IS established and maintained by the department AND that is available to law enforcement personnel and nonprofit medical marijuana dispensary agents on a ~~twenty-four hour~~ TWENTY-FOUR-HOUR basis for ~~verification of~~ VERIFYING registry identification cards.

~~17.~~ 19. "Visiting qualifying patient" means a person:

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

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

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

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

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

Sec. 2. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2803, Arizona Revised Statutes, is amended to read:

36-2803. Rulemaking; notice

A. The department shall adopt rules:

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

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

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

4. Governing nonprofit medical marijuana dispensaries~~, for the purpose of protecting~~ TO PROTECT against diversion and theft without imposing an undue burden on nonprofit medical marijuana dispensaries or compromising the confidentiality of cardholders, including:

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

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

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

(d) Minimum security requirements for nonprofit medical marijuana dispensaries, including requirements ~~for protection of~~ TO PROTECT each registered nonprofit medical marijuana dispensary location by a fully operational security alarm system.

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

5. Establishing application and renewal fees for registry identification cards, ~~and~~ nonprofit medical marijuana dispensary registration certificates AND INDEPENDENT THIRD-PARTY LABORATORY CERTIFICATES, according to the following:

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

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

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

(d) The total amount of revenue GENERATED from nonprofit medical marijuana dispensary application and renewal fees, ~~and~~ registry identification card fees for nonprofit medical marijuana dispensary agents AND INDEPENDENT THIRD-PARTY LABORATORY AGENTS AND APPLICATION AND RENEWAL FEES FOR INDEPENDENT THIRD-PARTY LABORATORIES shall be sufficient to implement and administer ~~the nonprofit medical marijuana dispensary provisions of~~ this chapter, including the verification system, except that the fee revenue may be offset or supplemented by private donations.

(e) The department may establish a sliding scale of patient application and renewal fees based on a qualifying patient's household income.

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

B. The department OF HEALTH SERVICES shall adopt rules that require each nonprofit medical marijuana dispensary to display in a conspicuous location a sign that warns pregnant women about the potential dangers to fetuses caused by smoking or ingesting marijuana while pregnant or to infants while breastfeeding and the risk of being reported to the department of child safety during pregnancy or at the birth of the child by persons who are required to report. The rules shall include the specific warning language that must be included on the sign. The cost and display of the sign required by rule shall be borne by the nonprofit medical marijuana dispensary. The rules shall also require each

certifying physician to attest that the physician has provided information to each qualifying female patient that warns about the potential dangers to fetuses caused by smoking or ingesting marijuana while pregnant or to infants while breastfeeding and the risk of being reported to the department of child safety during pregnancy or at the birth of the child by persons who are required to report.

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

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

E. BEGINNING NOVEMBER 1, 2020, BEFORE SELLING OR DISPENSING MARIJUANA OR MARIJUANA PRODUCTS TO REGISTERED QUALIFIED PATIENTS OR REGISTERED DESIGNATED CAREGIVERS, NONPROFIT MEDICAL MARIJUANA DISPENSARIES SHALL TEST MARIJUANA AND MARIJUANA PRODUCTS FOR MEDICAL USE TO DETERMINE UNSAFE LEVELS OF MICROBIAL CONTAMINATION, HEAVY METALS, PESTICIDES, HERBICIDES, FUNGICIDES, GROWTH REGULATORS AND RESIDUAL SOLVENTS AND CONFIRM THE POTENCY OF THE MARIJUANA TO BE DISPENSED.

F. BEGINNING NOVEMBER 1, 2020, NONPROFIT MEDICAL MARIJUANA DISPENSARIES SHALL:

1. PROVIDE TEST RESULTS TO A REGISTERED QUALIFYING PATIENT OR DESIGNATED CAREGIVER IMMEDIATELY ON REQUEST.

2. DISPLAY IN A CONSPICUOUS LOCATION A SIGN THAT NOTIFIES PATIENTS OF THEIR RIGHT TO RECEIVE THE CERTIFIED INDEPENDENT THIRD-PARTY LABORATORY TEST RESULTS FOR MARIJUANA AND MARIJUANA PRODUCTS FOR MEDICAL USE.

G. THE DEPARTMENT SHALL ADOPT RULES TO CERTIFY AND REGULATE INDEPENDENT THIRD-PARTY LABORATORIES THAT ANALYZE MARIJUANA CULTIVATED FOR MEDICAL USE. THE DEPARTMENT SHALL ESTABLISH CERTIFICATION FEES FOR LABORATORIES PURSUANT TO SUBSECTION A OF THIS SECTION. IN ORDER TO BE CERTIFIED AS AN INDEPENDENT THIRD-PARTY LABORATORY THAT IS ALLOWED TO TEST MARIJUANA AND MARIJUANA PRODUCTS FOR MEDICAL USE PURSUANT TO THIS CHAPTER, AN INDEPENDENT THIRD-PARTY LABORATORY:

1. MUST MEET REQUIREMENTS ESTABLISHED BY THE DEPARTMENT, INCLUDING REPORTING AND HEALTH AND SAFETY REQUIREMENTS.

2. MAY NOT HAVE ANY DIRECT OR INDIRECT FAMILIAL OR FINANCIAL RELATIONSHIP WITH OR INTEREST IN A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR RELATED MEDICAL MARIJUANA BUSINESS ENTITY OR MANAGEMENT COMPANY, OR ANY DIRECT OR INDIRECT FAMILIAL OR FINANCIAL RELATIONSHIP WITH A DESIGNATED CAREGIVER FOR WHOM THE LABORATORY IS TESTING MARIJUANA AND MARIJUANA PRODUCTS FOR MEDICAL USE IN THIS STATE.

3. MUST HAVE A QUALITY ASSURANCE PROGRAM AND STANDARDS.

4. MUST HAVE AN ADEQUATE CHAIN OF CUSTODY AND SAMPLE REQUIREMENT POLICIES.

5. MUST HAVE AN ADEQUATE RECORDS RETENTION PROCESS TO PRESERVE RECORDS.

6. MUST ESTABLISH PROCEDURES TO ENSURE THAT RESULTS ARE ACCURATE, PRECISE AND SCIENTIFICALLY VALID BEFORE REPORTING THE RESULTS.

7. MUST BE ACCREDITED BY A NATIONAL OR INTERNATIONAL ACCREDITATION ASSOCIATION OR OTHER SIMILAR ACCREDITING ENTITY, AS DETERMINED BY THE DEPARTMENT.

8. MUST ESTABLISH POLICIES AND PROCEDURES FOR DISPOSAL AND REVERSE DISTRIBUTION OF SAMPLES THAT ARE COLLECTED BY THE LABORATORY.

H. THE DEPARTMENT MAY CONDUCT PROFICIENCY TESTING AND REMEDIATE PROBLEMS WITH INDEPENDENT THIRD-PARTY LABORATORIES THAT ARE CERTIFIED AND REGULATED PURSUANT TO THIS CHAPTER. REMEDIATION MAY INCLUDE ASSESSING CIVIL PENALTIES AND SUSPENDING OR REVOKING A LABORATORY'S CERTIFICATION.

Sec. 3. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, title 36, chapter 28.1, Arizona Revised Statutes, is amended by adding section 36-2803.01, to read:

36-2803.01. <u>New dispensary registration certificates; issuance; priority; requirements; definition</u>

A. BEGINNING ON APRIL 1, 2020, THE DEPARTMENT SHALL ISSUE ALL NEW NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATES IN THE FOLLOWING ORDER OF PRIORITY BASED ON THE DISPENSARY'S GEOGRAPHIC AREA AS DESCRIBED IN THE REGISTRATION CERTIFICATE APPLICATION:

1. THE GEOGRAPHIC AREA HAD A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY MOVE FROM THE GEOGRAPHIC AREA AND THE GEOGRAPHIC AREA IS AT LEAST TWENTY-FIVE MILES FROM ANOTHER DISPENSARY THAT HAS BEEN ISSUED A DISPENSARY REGISTRATION CERTIFICATE.

2. THE GEOGRAPHIC AREA IS AT LEAST TWENTY-FIVE MILES FROM ANOTHER DISPENSARY THAT HAS BEEN ISSUED A DISPENSARY REGISTRATION CERTIFICATE.

3. ACCORDING TO RULE, IF THERE ARE NO DISPENSARY REGISTRATION CERTIFICATE APPLICATIONS AS DESCRIBED IN PARAGRAPH 1 OR 2 OF THIS SUBSECTION.

B. IF THE DEPARTMENT RECEIVES MULTIPLE APPLICATIONS AS DESCRIBED IN SUBSECTION A, PARAGRAPH 1 OF THIS SECTION FROM PREVIOUSLY APPROVED NONPROFIT MEDICAL MARIJUANA DISPENSARY LOCATIONS, THE DEPARTMENT SHALL APPROVE THE CERTIFICATE FOR THE APPLICATION THAT SERVES THE MOST QUALIFYING PATIENTS WITHIN FIVE MILES OF THE PROPOSED DISPENSARY LOCATION. IF THE DEPARTMENT RECEIVES MULTIPLE APPLICATIONS AS DESCRIBED IN SUBSECTION A, PARAGRAPH 2 OF THIS SECTION OR IF THERE ARE NO APPLICATIONS FROM PREVIOUSLY APPROVED DISPENSARY LOCATIONS, THE DEPARTMENT MAY ISSUE THE REGISTRATION CERTIFICATE BY RANDOM DRAWING.

C. A NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT RECEIVES A REGISTRATION CERTIFICATE PURSUANT TO SUBSECTION A, PARAGRAPH 1 OR 2 OF THIS SECTION ON OR AFTER APRIL 1, 2020 MUST OPEN THE DISPENSARY AT THE APPROVED LOCATION WITHIN EIGHTEEN MONTHS AFTER THE APPLICATION IS APPROVED OR THE REGISTRATION CERTIFICATE BECOMES INVALID.

D. A NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT IS ISSUED A REGISTRATION CERTIFICATE PURSUANT TO SUBSECTION A, PARAGRAPH 1 OR 2 OF THIS SECTION MAY RELOCATE ONLY AS FOLLOWS:

1. IF THE DISPENSARY IS LOCATED WITHIN A CITY OR TOWN, ONLY WITHIN THAT CITY OR TOWN.

2. IF THE DISPENSARY IS LOCATED WITHIN AN UNINCORPORATED AREA, ONLY WITHIN THE UNINCORPORATED AREA OF THE COUNTY WHERE THE DISPENSARY IS LOCATED BUT NOT WITHIN TWENTY-FIVE MILES FROM ANOTHER DISPENSARY THAT HAS BEEN ISSUED A DISPENSARY REGISTRATION CERTIFICATE.

E. FOR THE PURPOSES OF THIS SECTION, "GEOGRAPHIC AREA" MEANS A CITY, TOWN OR UNINCORPORATED AREA OF A COUNTY.

Sec. 4. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2804.01, Arizona Revised Statutes, is amended to read:

36-2804.01. <u>Registration; nonprofit medical marijuana dispensary agents; independent third-party laboratory agents; notices</u>

A. A nonprofit medical marijuana dispensary agent OR AN INDEPENDENT THIRD-PARTY LABORATORY AGENT shall be registered with the department before volunteering or working at a NONPROFIT medical marijuana dispensary OR AN INDEPENDENT THIRD-PARTY LABORATORY.

B. A nonprofit medical marijuana dispensary OR A CERTIFIED INDEPENDENT THIRD-PARTY LABORATORY may apply to the department for a registry identification card for a nonprofit medical marijuana dispensary agent OR AN INDEPENDENT THIRD-PARTY LABORATORY AGENT by submitting:

1. The name, address and date of birth of the PROSPECTIVE nonprofit medical marijuana dispensary agent OR INDEPENDENT THIRD-PARTY LABORATORY AGENT.

2. A nonprofit medical marijuana dispensary agent OR INDEPENDENT THIRD-PARTY LABORATORY AGENT application.

3. A statement signed by EITHER:

(a) The prospective nonprofit medical marijuana dispensary agent pledging not to divert marijuana to anyone who is not allowed to possess marijuana pursuant to this chapter.

(b) THE PROSPECTIVE INDEPENDENT THIRD-PARTY LABORATORY AGENT ACKNOWLEDGING THAT REGISTERED INDEPENDENT THIRD-PARTY LABORATORY AGENTS ARE PROHIBITED FROM DIVERTING MARIJUANA PURSUANT TO THIS CHAPTER.

4. The application fee.

C. A registered nonprofit medical marijuana dispensary OR CERTIFIED INDEPENDENT THIRD-PARTY LABORATORY shall notify the department within ten days after a nonprofit medical marijuana dispensary agent OR INDEPENDENT THIRD-PARTY LABORATORY AGENT ceases to be employed by or volunteer at the registered nonprofit medical marijuana dispensary OR CERTIFIED INDEPENDENT THIRD-PARTY LABORATORY.

D. ~~No~~ A person who has been convicted of an excluded felony offense may NOT be a nonprofit medical marijuana dispensary agent OR AN INDEPENDENT THIRD-PARTY LABORATORY AGENT.

E. The department may conduct a criminal records check in order to carry out this section.

Sec. 5. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2804.05, Arizona Revised Statutes, is amended to read:

36-2804.05. Denial of registry identification card

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

1. Does not meet the requirements of section 36-2801, paragraph ~~13~~ 15.

2. Does not provide the information required.

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

4. Provides false information.

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

1. Does not meet the requirements of section 36-2801, paragraph 5.

2. Does not provide the information required.

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

4. Provides false information.

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

1. The agent applicant does not meet the requirements of section ~~36-2801(10)~~ 36-2801, PARAGRAPH 13.

2. The applicant or ~~dispensary~~ DISPENSARY did not provide the required information.

3. THE AGENT APPLICANT previously had a registry identification card revoked for violating this chapter.

4. The applicant or dispensary provides false information.

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

E. The department shall ~~give written notice to~~ NOTIFY the registered nonprofit medical marijuana dispensary IN WRITING of the reason

for denying a registry identification card to a nonprofit medical marijuana dispensary agent.

F. The department shall ~~give written notice to~~ NOTIFY the qualifying patient IN WRITING of the reason for denying a registry identification card to the qualifying patient's designated caregiver.

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

Sec. 6. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2804.06, Arizona Revised Statutes, is amended to read:

36-2804.06. Expiration and renewal of registry identification cards and registration certificates; replacement

A. All registry identification cards and registration certificates expire ~~one year~~ TWO YEARS after THEIR date of issue.

B. A registry identification card of a nonprofit medical marijuana dispensary agent shall be ~~cancelled~~ CANCELED and ~~his~~ THE AGENT'S access to the verification system shall be deactivated ~~upon~~ ON notification to the department by a registered nonprofit medical marijuana dispensary that the nonprofit medical marijuana dispensary agent is no longer employed by or no longer volunteers at the registered nonprofit medical marijuana dispensary.

C. THE DEPARTMENT SHALL ISSUE a renewal nonprofit medical marijuana dispensary registration certificate ~~shall be issued~~ OR AN INDEPENDENT THIRD-PARTY LABORATORY CERTIFICATE within ten days ~~of~~ AFTER receipt of the prescribed renewal application and renewal fee from a registered nonprofit medical marijuana dispensary OR INDEPENDENT THIRD-PARTY LABORATORY if ~~its~~ THE DISPENSARY'S registration certificate OR THE LABORATORY'S CERTIFICATE is not under suspension and has not been revoked.

D. If a cardholder loses ~~his~~ A registry identification card, ~~he~~ THE CARDHOLDER shall promptly notify the department. Within five days ~~of~~ AFTER the notification~~,~~ and ~~upon~~ ON payment of a ~~ten dollar~~ $10 fee, the department shall issue a new registry identification card with a new random identification number to the cardholder and, if the cardholder is a registered qualifying patient, to the registered qualifying patient's registered designated caregiver, if any.

E. ON OR BEFORE DECEMBER 1, 2019, THE DEPARTMENT SHALL IMPLEMENT AN ELECTRONIC REGISTRY CARD PROGRAM FOR REGISTRY IDENTIFICATION CARDS, REGISTRATION CERTIFICATES, CERTIFICATES AND RENEWALS. THE ELECTRONIC LICENSE PROGRAM SHALL ALLOW FOR THE ELECTRONIC VERIFICATION AND DELIVERY OF REGISTRY IDENTIFICATION CARDS, REGISTRATION CERTIFICATES, CERTIFICATES AND RENEWALS.

Sec. 7. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, title 36, chapter 28.1, Arizona Revised Statutes, is amended by adding section 36-2804.07, to read:

36-2804.07. Independent third-party laboratories; certification; inspection

A. INDEPENDENT THIRD-PARTY LABORATORIES SHALL BE CERTIFIED BY THE DEPARTMENT.

B. AFTER RECEIVING AN APPLICATION FOR AN INDEPENDENT THIRD-PARTY LABORATORY, THE DEPARTMENT SHALL CERTIFY THE INDEPENDENT THIRD-PARTY LABORATORY AND ISSUE A CERTIFICATE AND A RANDOM TWENTY-DIGIT ALPHANUMERIC IDENTIFICATION NUMBER IF:

1. THE PROSPECTIVE INDEPENDENT THIRD-PARTY LABORATORY HAS SUBMITTED ALL OF THE FOLLOWING:

(a) THE APPLICATION FEE.

(b) AN APPLICATION, THAT INCLUDES:

(i) THE LEGAL NAME OF THE INDEPENDENT THIRD-PARTY LABORATORY.

(ii) THE PHYSICAL ADDRESS OF THE INDEPENDENT THIRD-PARTY LABORATORY, WHICH MAY NOT BE WITHIN FIVE HUNDRED FEET OF A PUBLIC OR PRIVATE SCHOOL EXISTING BEFORE THE DATE OF THE INDEPENDENT THIRD-PARTY LABORATORY'S APPLICATION.

(iii) THE NAME, ADDRESS AND DATE OF BIRTH OF THE OWNER OF THE INDEPENDENT THIRD-PARTY LABORATORY.

(iv) THE NAME, ADDRESS AND DATE OF BIRTH OF EACH INDEPENDENT THIRD-PARTY LABORATORY AGENT.

(c) POLICIES AND PROCEDURES CONSISTENT WITH DEPARTMENT RULES AND THE REQUIREMENTS OF SECTION 36-2803.

(d) IF THE CITY, TOWN OR COUNTY IN WHICH THE INDEPENDENT THIRD-PARTY LABORATORY WOULD BE LOCATED HAS ENACTED ZONING RESTRICTIONS, A SWORN STATEMENT CERTIFYING THAT THE INDEPENDENT THIRD-PARTY LABORATORY IS IN COMPLIANCE WITH THE RESTRICTIONS.

2. THE INDEPENDENT THIRD-PARTY LABORATORY'S OWNER AND AGENTS HAVE NOT BEEN CONVICTED OF AN EXCLUDED FELONY OFFENSE.

3. THE INDEPENDENT THIRD-PARTY LABORATORY'S OWNER AND AGENTS ARE AT LEAST TWENTY-ONE YEARS OF AGE.

C. CERTIFIED INDEPENDENT THIRD-PARTY LABORATORIES ARE SUBJECT TO REASONABLE INSPECTION BY THE DEPARTMENT.

D. THE DEPARTMENT MAY CONDUCT A CRIMINAL RECORDS CHECK IN ORDER TO CARRY OUT THIS SECTION.

Sec. 8. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2806, Arizona Revised Statutes, is amended to read:

36-2806. Registered nonprofit medical marijuana dispensaries; requirements; rules; inspections; testing

A. A registered nonprofit medical marijuana dispensary shall be operated on a not-for-profit basis. The bylaws of a registered nonprofit

medical marijuana dispensary shall contain such provisions relative to the disposition of revenues and receipts to establish and maintain its nonprofit character. A registered nonprofit medical marijuana dispensary need not be recognized as tax-exempt by the internal revenue service and is not required to incorporate pursuant to title 10, chapter 19, article 1.

B. The operating documents of a registered nonprofit medical marijuana dispensary shall include procedures for the oversight of the registered nonprofit medical marijuana dispensary and procedures to ensure accurate recordkeeping.

C. A registered nonprofit medical marijuana dispensary shall have a single secure entrance and shall implement appropriate security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

D. A registered nonprofit medical marijuana dispensary is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying or dispensing marijuana for any purpose except to assist registered qualifying patients with the medical use of marijuana directly or through the registered qualifying patients' designated caregivers OR AN INDEPENDENT THIRD-PARTY LABORATORY AGENT OR A CERTIFIED INDEPENDENT THIRD-PARTY LABORATORY FOR THE PURPOSES PRESCRIBED IN THIS CHAPTER AND DEPARTMENT RULE.

E. All cultivation of marijuana must take place in an enclosed, locked facility, at a physical address provided to the department during the registration process, ~~which~~ THAT can ~~only~~ be accessed ONLY by registered nonprofit medical marijuana dispensary agents associated in the registry with the nonprofit medical marijuana dispensary.

F. A registered nonprofit medical marijuana dispensary may acquire usable marijuana or marijuana plants from a registered qualifying patient or a registered designated caregiver only if the registered qualifying patient or registered designated caregiver receives no compensation for the marijuana.

G. A nonprofit medical marijuana dispensary shall not ~~permit~~ ALLOW any person to consume marijuana on the property of ~~a~~ THE nonprofit medical marijuana dispensary.

H. Registered nonprofit medical marijuana dispensaries are subject to reasonable inspection by the department. The department shall give reasonable notice of an inspection under this subsection.

I. BEGINNING NOVEMBER 1, 2020, REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARIES ARE SUBJECT TO PRODUCT TESTING BY CERTIFIED INDEPENDENT THIRD-PARTY LABORATORIES PURSUANT TO THIS CHAPTER AND RULES ADOPTED PURSUANT TO THIS CHAPTER.

J. NOTWITHSTANDING TITLE 13, CHAPTER 34, AN EMPLOYEE OF THE DEPARTMENT OR AN INDEPENDENT THIRD-PARTY LABORATORY AGENT MAY NOT BE CHARGED WITH OR PROSECUTED FOR POSSESSION OF MARIJUANA THAT IS CULTIVATED

FOR MEDICAL USE AS REQUIRED BY THIS CHAPTER AND THE RULES ADOPTED PURSUANT TO THIS CHAPTER.

Sec. 9. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2810, Arizona Revised Statutes, is amended to read:

36-2810. Confidentiality

A. The following information received and records kept by the department for purposes of administering this chapter are confidential, exempt from title 39, chapter 1, article 2, exempt from section 36-105 and not subject to disclosure to any individual or public or private entity, except as necessary for authorized employees of the department to perform official duties of the department pursuant to this chapter:

1. Applications or renewals, their contents and supporting information submitted by qualifying patients and designated caregivers, including information regarding their designated caregivers and physicians.

2. Applications or renewals, their contents and supporting information submitted by or on behalf of nonprofit medical marijuana dispensaries in compliance with this chapter, including the physical addresses of nonprofit medical marijuana dispensaries.

3. The individual names and other information identifying persons to whom the department has issued registry identification cards.

B. Any dispensing information required to be kept under section 36-2806.02, subsection B or department regulation shall identify cardholders by their registry identification numbers and not contain names or other personally identifying information.

C. Any department hard drives or other data recording media that are no longer in use and that contain cardholder information must be destroyed. The department shall retain a signed statement from a department employee confirming the destruction.

D. EXCEPT FOR PUBLIC HEALTH RESEARCH, data subject to this section shall not be combined or linked in any manner with any other list or database and shall not be used for any purpose not provided for in this chapter.

E. This section does not preclude the following notifications:

1. Department employees may notify law enforcement about falsified or fraudulent information submitted to the department if the employee who suspects that falsified or fraudulent information has been submitted has conferred with the employee's supervisor and both agree that the circumstances warrant reporting.

2. The department may notify state or local law enforcement about apparent criminal violations of this chapter if the employee who suspects the offense has conferred with the employee's supervisor and both agree that the circumstances warrant reporting.

3. Nonprofit medical marijuana dispensary agents may notify the department of a suspected violation or attempted violation of this chapter or department rules.

4. The department may notify the Arizona medical board, the Arizona board of osteopathic examiners in medicine and surgery, the naturopathic physicians medical board and the board of homeopathic and integrated medicine examiners if the department believes a physician has committed an act of unprofessional conduct as prescribed by the appropriate board's statutes because of the licensee's failure to comply with the requirements of this chapter or rules adopted pursuant to this chapter.

F. This section does not preclude submission of the section 36-2809 report to the legislature. The annual report submitted to the legislature is subject to title 39, chapter 1, article 2.

Sec. 10. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2816, Arizona Revised Statutes, is amended to read:

36-2816. Violations; civil penalty; classification

A. A registered qualifying patient may not directly, or through ~~his~~ THE PATIENT'S designated caregiver, obtain more than ~~two and one-half~~ TWO AND ONE-HALF ounces of marijuana from registered nonprofit medical marijuana dispensaries in any fourteen-day period.

B. A registered nonprofit medical marijuana dispensary or agent may not dispense, deliver or otherwise transfer marijuana to a person other than:

1. Another registered nonprofit medical marijuana dispensary. ~~,~~

2. A registered qualifying patient. ~~or~~

3. A registered qualifying patient's registered designated caregiver.

4. A CERTIFIED INDEPENDENT THIRD-PARTY LABORATORY OR AN INDEPENDENT THIRD-PARTY LABORATORY AGENT FOR PURPOSES PRESCRIBED IN SECTIONS 36-2803 AND 36-2806 AND DEPARTMENT RULE.

C. A registered nonprofit medical marijuana dispensary may not acquire usable marijuana or mature marijuana plants from any person other than another registered nonprofit medical marijuana dispensary, a registered qualifying patient or a registered designated caregiver. A knowing violation of this subsection is a class 2 felony.

D. It is a class 1 misdemeanor for any person, including an employee or official of the department or another state agency or local government, to breach the confidentiality of information obtained pursuant to this chapter.

E. Making false statements to a law enforcement official about any fact or circumstance relating to the medical use of marijuana to avoid arrest or prosecution is subject to a civil penalty of not more than ~~five hundred dollars~~ $500, which shall be in addition to any other penalties

that may apply for making a false statement or for the use of marijuana other than use undertaken pursuant to this chapter.

F. SUBJECT TO TITLE 41, CHAPTER 6, ARTICLE 10, THE DIRECTOR MAY DENY, SUSPEND OR REVOKE, IN WHOLE OR IN PART, ANY REGISTRATION ISSUED UNDER THIS CHAPTER IF THE REGISTERED PARTY OR AN OFFICER, AGENT OR EMPLOYEE OF THE REGISTERED PARTY IS NOT IN SUBSTANTIAL COMPLIANCE WITH THE PROVISIONS OF THIS CHAPTER OR ANY RULE ADOPTED PURSUANT TO THIS CHAPTER OR IF THE NATURE OR NUMBER OF VIOLATIONS REVEALED BY ANY TYPE OF INSPECTION OR INVESTIGATION CONSTITUTES A THREAT, OR DIRECT RISK, TO THE LIFE, HEALTH OR SAFETY OF A QUALIFYING PATIENT OR THE PUBLIC.

G. IN ADDITION TO ANY OTHER PENALTIES AUTHORIZED BY THIS CHAPTER, THE DIRECTOR MAY ASSESS A CIVIL PENALTY FOR VIOLATIONS OF THIS CHAPTER OR ANY RULE ADOPTED PURSUANT TO THIS CHAPTER IN AN AMOUNT NOT TO EXCEED $1,000 FOR EACH VIOLATION. EACH DAY A VIOLATION OCCURS CONSTITUTES A SEPARATE VIOLATION. THE MAXIMUM AMOUNT OF ANY ASSESSMENT IS $5,000 FOR ANY THIRTY-DAY PERIOD.

H. THE DIRECTOR SHALL ISSUE A NOTICE OF ASSESSMENT THAT INCLUDES THE PROPOSED AMOUNT OF THE ASSESSMENT. IN DETERMINING THE AMOUNT OF A CIVIL PENALTY ASSESSED AGAINST A PERSON UNDER SUBSECTION G OF THIS SECTION, THE DEPARTMENT SHALL CONSIDER ALL OF THE FOLLOWING:

1. REPEATED VIOLATIONS OF THIS CHAPTER OR THE RULES ADOPTED PURSUANT TO THIS CHAPTER.
2. PATTERNS OF NONCOMPLIANCE.
3. THE TYPES OF VIOLATIONS.
4. THE SEVERITY OF THE VIOLATIONS.
5. THE POTENTIAL FOR AND OCCURRENCES OF ACTUAL HARM.
6. THREATS TO HEALTH AND SAFETY.
7. THE NUMBER OF VIOLATIONS.
8. THE NUMBER OF PERSONS AFFECTED BY THE VIOLATIONS.
9. THE LENGTH OF TIME THE VIOLATIONS HAVE BEEN OCCURRING.

Sec. 11. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2819, Arizona Revised Statutes, is amended to read:

36-2819. <u>Fingerprinting requirements</u>

Each person applying as a designated caregiver, a principal officer, agent or employee of a nonprofit medical marijuana dispensary, ~~or~~ a medical marijuana dispensary agent OR AN INDEPENDENT THIRD-PARTY LABORATORY AGENT shall submit a full set of fingerprints to the department for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation without disclosing that the records check is related to the medical marijuana act and acts permitted by it. The department shall destroy each set of fingerprints after the criminal records check is completed.

Sec. 12. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, title 36, chapter 28.1, Arizona Revised Statutes, is amended by adding sections 36-2820 and 36-2821, to read:

36-2820. Use of outside counsel

SUBJECT TO SECTION 41-192, THE DEPARTMENT MAY EMPLOY LEGAL COUNSEL AND MAKE AN EXPENDITURE OR INCUR AN INDEBTEDNESS FOR LEGAL SERVICES FOR THE PURPOSES OF DEFENDING THIS CHAPTER OR THE RULES ADOPTED PURSUANT TO THIS CHAPTER.

36-2821. Medical marijuana testing advisory council; membership; duties; council termination

A. THE DIRECTOR SHALL ESTABLISH A MEDICAL MARIJUANA TESTING ADVISORY COUNCIL TO ASSIST AND MAKE RECOMMENDATIONS TO THE DIRECTOR REGARDING ADMINISTERING AND IMPLEMENTING THIS CHAPTER. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE SHALL SERVE AS THE CHAIRPERSON OF THE ADVISORY COUNCIL AND SHALL APPOINT THE FOLLOWING ADDITIONAL MEMBERS TO THE COUNCIL:

1. THE PRESIDENT OR EXECUTIVE DIRECTOR OF A STATEWIDE NONPROFIT ASSOCIATION REPRESENTING THE MARIJUANA DISPENSARIES, OR THE PERSON'S DESIGNEE.

2. THE PRESIDENT OR EXECUTIVE DIRECTOR OF A STATEWIDE NONPROFIT CANNABIS TESTING ASSOCIATION, OR THE PERSON'S DESIGNEE.

3. THE PRESIDENT OR EXECUTIVE DIRECTOR OF A MEDICAL MARIJUANA TRADE ASSOCIATION THAT DOES NOT PRIMARILY CONSIST OF DISPENSARIES OR CANNABIS LABORATORY TESTING FACILITY OWNERS, OR THE PERSON'S DESIGNEE.

4. A REPRESENTATIVE OF A NONPROFIT MEDICAL MARIJUANA DISPENSARY WHO IS EMPLOYED BY THE DISPENSARY TO CULTIVATE MEDICAL MARIJUANA AND WHO HAS AT LEAST THREE YEARS OF MEDICAL MARIJUANA CULTIVATION EXPERIENCE.

5. A REPRESENTATIVE OF AN ARIZONA-BASED NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT PRODUCES MEDICAL MARIJUANA CONCENTRATES AND THAT HAS BEEN REGULARLY SENDING PRODUCTS FOR TESTING WHO HAS AT LEAST THREE YEARS OF MEDICAL MARIJUANA EXTRACTION EXPERIENCE.

6. A REPRESENTATIVE OF AN ARIZONA-BASED NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT IS PRIMARILY FOCUSED IN PRODUCING MEDICAL MARIJUANA EDIBLES WHO HAS AT LEAST THREE YEARS OF MEDICAL MARIJUANA EDIBLE PRODUCTION EXPERIENCE.

7. AN OWNER OF AN ARIZONA-BASED CANNABIS TESTING LABORATORY.

8. A LABORATORY SCIENTIST WHO HOLDS A DOCTORATE OR A BACHELOR OF SCIENCE DEGREE AND WHO HAS AT LEAST THREE YEARS OF EXPERIENCE IN CANNABIS LABORATORY TESTING.

9. A REGISTERED QUALIFYING PATIENT.

10. A REGISTERED DESIGNATED CAREGIVER.

11. A REPRESENTATIVE OF THE DEPARTMENT OF PUBLIC SAFETY.

12. A LICENSED HEALTH CARE PROVIDER WHO SPECIALIZES IN TREATING SUBSTANCE USE DISORDERS AND WHO HAS AT LEAST FIVE YEARS OF EXPERIENCE.

13. ANY OTHER MEMBERS DEEMED NECESSARY BY THE DIRECTOR.

B. THE MEDICAL MARIJUANA TESTING ADVISORY COUNCIL SHALL MAKE RECOMMENDATIONS AND CONSULT WITH THE DIRECTOR REGARDING:

1. ESTABLISHING A REQUIRED TESTING PROGRAM.

2. TESTING AND POTENCY STANDARDS FOR MEDICAL MARIJUANA.

3. PROCEDURAL REQUIREMENTS FOR COLLECTING, STORING AND TESTING SAMPLES OF MEDICAL MARIJUANA.

4. REPORTING RESULTS TO PATIENTS AND THE DEPARTMENT.

5. REMEDIATION AND DISPOSAL REQUIREMENTS FOR MEDICAL MARIJUANA THAT FAILS TO MEET TESTING STANDARDS.

6. ADDITIONAL ITEMS AS NECESSARY.

C. MEMBERS OF THE ADVISORY COUNCIL ARE NOT ELIGIBLE TO RECEIVE COMPENSATION BUT ARE ELIGIBLE FOR REIMBURSEMENT OF EXPENSES PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.

D. THE COUNCIL ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2027 PURSUANT TO SECTION 41-3103.

Sec. 13. Intent

The legislature intends to prospectively establish prioritization for the nonprofit medical marijuana dispensary registration certificates that may be allocated to applicants and locations. The legislature does not intend to exceed the limit on the number of registration certificates that may be issued as specified in section 36-2804, Arizona Revised Statutes.

Sec. 14. Department of health services; report; delayed repeal

A. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, on or before December 31, 2019, the department of health services shall submit a report to the governor, the speaker of the house of representatives and the president of the senate on the medical marijuana testing advisory council's findings and recommendations for testing medical marijuana in this state and shall provide a copy of the report to the secretary of state.

B. This section is repealed from and after June 30, 2020.

Sec. 15. Department of health services; rulemaking exemption

Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, for the purposes of this act, the department of health services is exempt from the rulemaking requirements of title 41, chapters 6 and 6.1, Arizona Revised Statutes, for eighteen months after the effective date of this act.

Sec. 16. Legislative intent

A. The legislature intends that, if marijuana is legalized in this state for adult recreational use, the laboratory testing requirements prescribed in sections 36-2803 and 36-2806, Arizona Revised Statutes, as amended by this act, apply to marijuana for adult recreational use.

B. The legislature intends for the department of health services to hire sufficient staff as determined by the director to regulate and test the proficiency of certified independent third-party laboratories pursuant to title 36, chapter 28.1, Arizona Revised Statutes.

Sec. 17. Requirements for enactment; three-fourths vote

Pursuant to article IV, part 1, section 1, Constitution of Arizona, this act is effective only on the affirmative vote of at least three-fourths of the members of each house of the legislature.

**APPROVED BY THE GOVERNOR JUNE 7, 2019.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 7, 2019.**

Passed the House May 27, 2019,

by the following vote: 60 Ayes,

0 Nays, 0 Not Voting

with RFEIR

Speaker of the House

Pro tempore

Jim Drake

Chief Clerk of the House

Passed the Senate March 6, 2019

Art. IV, Section 22

by the following vote: 30 Ayes,

Art. IV, Part II, Section 1

0 Nays, 0 Not Voting

Karen Fann

President of the Senate

Susan Aceves

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

_____

Secretary to the Governor

Approved this _____ day of

_____, 20_____,

at _____ o'clock _____ M.

_____

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

_____

Secretary of State

S.B. 1494

**SENATE CONCURS IN HOUSE AMENDMENTS AND FINAL PASSAGE**

Passed the Senate May 27, 2019

by the following vote: 28 Ayes, with Art. IV, Part 1, Sec. 1

0 Nays, 2 Not Voting

President of the Senate

Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA**
**OFFICE OF GOVERNOR**

This Bill received by the Governor this

28th day of May, 2019

at 12:20 o'clock A M.

Secretary to the Governor

Approved this 7th day of

June 2019

at 4:37 o'clock P M.

Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA**
**OFFICE OF SECRETARY OF STATE**

This Bill received by the Secretary of State

this 7 day of June, 2019

at 6:01 o'clock P. M.

Secretary of State

S.B. 1494