



#### **OFFICIAL TITLE**

#### AN INITIATIVE MEASURE

AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28.1; AMENDING SECTION 43-1201, ARIZONA REVISED STATUTES; RELATING TO THE MEDICAL USE OF MARIJUANA; PROVIDING FOR CONDITIONAL REPEAL.

#### **TEXT OF PROPOSED AMENDMENT**

Be it enacted by the people of the state of Arizona:

Section 1. Title.

This act may be cited as the "Arizona Medical Marijuana Act."

Sec. 2. Findings.

- The People of the State of Arizona find and declare the following:

  A. Marijuana's recorded use as a medicine goes back nearly 5,000 years, and modern medical research has confirmed beneficial uses for marijuana in treating or alleviating the pain, nausea and other symptoms associated with a variety of debilitating medical conditions, including cancer, multiple sclerosis and HIV/AIDS, as found by the National Academy of Sciences' Institute of Medicine in
- Studies published since the 1999 Institute of Medicine report have continued to show the therapeutic value of marijuana in treating a wide array of debilitating medical conditions. These include relief of neuropathic pain caused by multiple sclerosis, HIV/AIDS and other illnesses that often fail to respond to conventional treatments and relief of nausea, vomiting and other side effects of drugs used to treat HIV/AIDS and hepatitis C, increasing the chances of patients continuing on life-saving treatment regimens.
- Marijuana has many currently accepted medical uses in the United States, having been recommended by thousands of licensed physicians to at least 260,000 patients in the states with medical marijuana laws. Marijuana's medical utility has been recognized by a wide range of medical and public health organizations, including the American Academy of HIV Medicine, American College of Physicians, American Nurses Association, American Public Health Association, Leukemia & Lymphoma Society and many others.
- Data from the Federal Bureau of Investigation's Uniform Crime Reports and the Compendium of Federal Justice Statistics show that approximately 99 out of every 100 marijuana arrests in the U.S. are made under state law, rather than under federal law. Consequently, changing state law will have the practical effect of protecting from arrest the vast majority of seriously ill patients who have a medical need to use marijuana.
- Alaska, California, Colorado, Hawaii, Maine, Michigan, Montana, Nevada, New Mexico, Oregon, Vermont, Rhode Island and Washington have removed state-level criminal penalties for the medical use and cultivation of marijuana. Arizona joins in this effort for the health and welfare of its citizens.
- States are not required to enforce federal law or prosecute people for engaging in activities prohibited by federal law. Therefore, compliance with this act does not put the state of Arizona in violation of federal law.
- State law should make a distinction between the medical and nonmedical uses of marijuana. Hence, the purpose of this act is to protect patients with debilitating medical conditions, as well as their physicians and providers, from arrest and prosecution, criminal and other penalties and property forfeiture if such patients engage in the medical use of marijuana.

Title 36, Arizona Revised Statutes, is amended by adding Chapter 28.1 to read: Sec. 3.

CHAPTER 28.1

ARIZONA MEDICAL MARIJUANA ACT

36-2801. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ALLOWABLE AMOUNT OF MARIJUANA"

- WITH RESPECT TO A QUALIFYING PATIENT, THE "ALLOWABLE AMOUNT OF MARIJUANA" MEANS:
- TWO-AND-ONE-HALF OUNCES OF USABLE MARIJUANA; AND
- IF THE QUALIFYING PATIENT'S REGISTRY IDENTIFICATION CARD STATES THAT THE QUALIFYING PATIENT IS AUTHORIZED TO CUL-TIVATE 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.
- WITH RESPECT TO A DESIGNATED CAREGIVER, THE "ALLOWABLE AMOUNT OF MARIJUANA" FOR EACH PATIENT ASSISTED BY THE DÉSIGNATED CAREGIVER UNDER THIS CHAPTER MÉANS:
- TWO-AND-ONE-HALF OUNCES OF USABLE MARIJUANA; AND
- IF THE DESIGNATED CAREGIVER'S REGISTRY IDENTIFICATION CARD PROVIDES THAT THE DESIGNATED CAREGIVER IS AUTHO-RIZED 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.
- MARIJUANA THAT IS INCIDENTAL TO MEDICAL USE, BUT IS NOT USABLE MARIJUANA AS DEFINED IN THIS CHAPTER, SHALL NOT BÉ 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 WHO HAS BEEN ISSUED AND POSSESSES A VALID REGISTRY IDENTIFICATION CARD.
- "DEBILITATING MEDICAL CONDITION" MEANS ONE OR MORE OF THE FOLLOWING:
- HEPATITIS C, AMYOTROPHIC LATERAL SCLEROSIS, CROHN'S DISEASE, AGITATION OF ALZHEIMER'S DISEASE OR THE TREATMENT OF THESE CONDITIONS.
- A CHRONIC OR DEBILITATING DISEASE OR MEDICAL CONDITION OR ITS TREATMENT THAT PRODUCES ONE OR MORE OF THE FOLLOWING: CACHEXIA OR WASTING SYNDROME; SEVERE AND CHRONIC PAIN; SEVERE NAUSEA; SEIZURES, INCLUDING THOSE CHARACTERISTIC OF EPILEPSY; OR SEVERE AND PERSISTENT MUSCLE SPASMS, INCLUDING THOSE CHARACTERISTIC OF MULTIPLE SCLEROSIS.

- ANY OTHER MEDICAL CONDITION OR ITS TREATMENT ADDED BY THE DEPARTMENT PURSUANT TO SECTION 36-2801.01.
- "DEPARTMENT" MEANS THE ARIZONA DEPARTMENT OF HEALTH SERVICES OR ITS SUCCESSOR AGENCY.
- "DESIGNATED CAREGIVER" MEANS A PERSON WHO: 5.
- IS AT LEAST TWENTY-ONE YEARS OF AGE.
- HAS AGREED TO ASSIST WITH A PATIENT'S MEDICAL USE OF MARIJUANA.
- HAS NOT BEEN CONVICTED OF AN EXCLUDED FELONY OFFENSE. (c)
- ASSISTS NO 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 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 EQUIPPED WITH LOCKS OR OTHER SECURITY DEVICES THAT PERMIT ACCESS ONLY BY A CARDHOLDER.
- "EXCLUDED FELONY OFFENSE" MEANS:
  A VIOLENT CRIME AS DEFINED IN SECTION 13-901.03, SUBSECTION B, THAT WAS CLASSIFIED AS A FELONY IN THE JURISDIC-TIÓN WHERE THE PERSON WAS CONVICTED.
- (b) A VIOLATION OF A STATE OR FEDERAL CONTROLLED SUBSTANCE LAW THAT WAS CLASSIFIED AS A FELONY IN THE JURISDIC-TION 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 OR WAS PROSECUTED BY AN AUTHORITY OTHER THAN THE STATE OF ARIZONA.
- "MARIJUANA" MEANS ALL PARTS OF ANY PLANT OF THE GENUS CANNABIS WHETHER GROWING OR NOT, AND THE SEEDS OF SUCH PLANT.
- "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.
- "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.
- "NONPROFIT MEDICAL MARIJUANA DISPENSARY" MEANS A NOT-FOR-PROFIT ENTITY THAT ACQUIRES, POSSESSES, CULTI-VATES, MANUFACTURES, DELIVERS, TRANSFERS, TRANSPORTS, SUPPLIES, SELLS OR DISPENSES MARIJUANA OR RELATED SUP-PLIES AND EDUCATIONAL MATERIALS TO CARDHOLDERS. A NONPROFIT MEDICAL MARIJUANA DISPENSARY MAY RECEIVE PAYMENT FOR ALL EXPENSES INCURRED IN ITS OPERATION.
- "PHYSICIAN" MEANS A DOCTOR OF MEDICINE WHO HOLDS A VALID AND EXISTING LICENSE TO PRACTICE MEDICINE PURSU-ANT 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 PHY-SICIAN 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.
- "OUALIFYING PATIENT" MEANS A PERSON WHO HAS BEEN DIAGNOSED BY A PHYSICIAN AS HAVING A DEBILITATING MEDICAL 13. CONDITION.
- "REGISTRY IDENTIFICATION CARD" MEANS A DOCUMENT ISSUED BY THE DEPARTMENT THAT IDENTIFIES A PERSON AS A REGISTERED QUALIFYING PATIENT. REGISTERED DESIGNATED CAREGIVER OR A REGISTERED NONPROFIT MEDICAL MARIJUANA **DISPENSARY AGENT**
- 15. "USABLE MARIJUANA" MEANS THE DRIED FLOWERS OF THE MARIJUANA PLANT, AND ANY MIXTURE OR PREPARATION THEREOF, BUT DOES NOT INCLUDE THE SEEDS, STALKS AND ROOTS OF THE PLANT AND DOES NOT INCLUDE THE WEIGHT OF ANY NON-MARIJUANA INGREDIENTS COMBINED WITH MARIJUANA AND PREPARED FOR CONSUMPTION AS FOOD OR DRINK.
- 16. "VERIFICATION SYSTEM" MEANS A SECURE, PASSWORD-PROTECTED, WEB-BASED SYSTEM ESTABLISHED AND MAINTAINED BY THE DEPARTMENT THAT IS AVAILABLE TO LAW ENFORCEMENT PERSONNEL AND NONPROFIT MEDICAL MARIJUANA DISPEN-SARY AGENTS ON A TWENTY-FOUR HOUR BASIS FOR VERIFICATION OF REGISTRY IDENTIFICATION CARDS.
- "VISITING QUALIFYING PATIENT" MEANS A PERSON:
- WHO IS NOT A RESIDENT OF ARIZONA OR WHO HAS BEEN A RESIDENT OF ARIZONA LESS THAN THIRTY DAYS. (a)
- 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. "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:
- SPECIFY THE QUALIFYING PATIENT'S DEBILITATING MEDICAL CONDITION IN THE WRITTEN CERTIFICATION.
- SIGN AND DATE THE WRITTEN CERTIFICATION ONLY IN THE COURSE OF A PHYSICIAN-PATIENT RELATIONSHIP AFTER THE PHY-SICIAN HAS COMPLETED A FULL ASSESSMENT OF THE QUALIFYING PATIENT'S MEDICAL HISTORY.

36-2801.01. Addition of debilitating medical conditions THE PUBLIC MAY PETITION THE DEPARTMENT TO ADD DEBILITATING MEDICAL CONDITIONS OR TREATMENTS TO THE LIST OF DEBILITATING MEDICAL CONDITIONS SET FORTH IN SECTION 36-2801, PARAGRAPH -3-. THE DEPARTMENT SHALL CONSIDER PETITIONS IN THE MANNER REQUIRED BY DEPARTMENT RULE, INCLUDING PUBLIC NOTICE AND HEARING. THE DEPARTMENT SHALL APPROVE OR DENY A PETITION WITHIN ONE-HUNDRED-EIGHTY DAYS OF ITS SUBMISSION. THE APPROVAL OR DENIAL OF A PETI-TION IS A FINAL DECISION OF THE DEPARTMENT SUBJECT TO JUDICIAL REVIEW PURSUANT TO TITLE 12, CHAPTER 7, ARTICLE 6. JURISDICTION AND VENUE ARE VESTED IN THE SUPERIOR COURT.

**36-2802.** Arizona Medical Marijuana Act; limitations
THIS CHAPTER DOES NOT AUTHORIZE ANY PERSON TO ENGAGE IN, AND DOES NOT PREVENT THE IMPOSITION OF ANY CIVIL, CRIMI-NAL OR OTHER PENALTIES FOR ENGAGING IN, THE FOLLOWING CONDUCT:

UNDERTAKING ANY TASK UNDER THE INFLUENCE OF MARIJUANA THAT WOULD CONSTITUTE NEGLIGENCE OR PROFESSIONAL MALPRACTICE.

- POSSESSING OR ENGAGING IN THE MEDICAL USE OF MARIJUANA:
- ON A SCHOOL BUS.
- ON THE GROUNDS OF ANY PRESCHOOL OR PRIMARY OR SECONDARY SCHOOL.
- IN ANY CORRECTIONAL FACILITY.
- SMOKING MARIJUANA:
- ON ANY FORM OF PUBLIC TRANSPORTATION.
- IN ANY PUBLIC PLACE.
- OPERATING, NAVIGATING OR BEING IN ACTUAL PHYSICAL CONTROL OF ANY MOTOR VEHICLE, AIRCRAFT OR MOTORBOAT WHILE UNDER THE INFLUENCE OF MARIJUANA, EXCEPT THAT A REGISTERED QUALIFYING PATIENT SHALL NOT BE CONSIDERED TO BE UNDER THE INFLUENCE OF MARIJUANA SOLELY BECAUSE OF THE PRESENCE OF METABOLITES OR COMPONENTS OF MARIJUANA THAT APPEAR IN INSUFFICIENT CONCENTRATION TO CAUSE IMPAIRMENT.
- USING MARIJUANA EXCEPT AS AUTHORIZED UNDER THIS CHAPTER.

#### 36-2803. Rulemaking

- NOT LATER THAN ONE HUNDRED TWENTY DAYS AFTER THE EFFECTIVE DATE OF THIS CHAPTER, THE DEPARTMENT SHALL ADOPT
- GOVERNING THE MANNER IN WHICH THE DEPARTMENT SHALL CONSIDER 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 UPON, PETITIONS.
- ESTABLISHING THE FORM AND CONTENT OF REGISTRATION AND RENEWAL APPLICATIONS SUBMITTED UNDER THIS CHAPTER. GOVERNING THE MANNER IN WHICH IT SHALL CONSIDER APPLICATIONS FOR AND RENEWALS OF REGISTRY IDENTIFICATION CARDS.
- GOVERNING NONPROFIT MEDICAL MARIJUANA DISPENSARIES, FOR THE PURPOSE OF PROTECTING AGAINST DIVERSION AND THEFT WITHOUT IMPOSING AN UNDUE BURDEN ON NONPROFIT MEDICAL MARIJUANA DISPENSARIES OR COMPROMISING THE CON-FIDENTIALITY OF CARDHOLDERS, INCLUDING:
- (a) THE MANNER IN WHICH THE DEPARTMENT SHALL CONSIDER APPLICATIONS FOR AND RENEWALS OF REGISTRATION CERTIFI-CÁTES.
- MINIMUM OVERSIGHT REQUIREMENTS FOR NONPROFIT MEDICAL MARIJUANA DISPENSARIES. (b)
- MINIMUM RECORDKEEPING REQUIREMENTS FOR NONPROFIT MEDICAL MARIJUANA DISPENSARIES. (c)
- MINIMUM SECURITY REQUIREMENTS FOR NONPROFIT MEDICAL MARIJUANA DISPENSARIES, INCLUDING REQUIREMENTS FOR PROTECTION OF EACH REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY LOCATION BY A FULLY OPERATIONAL SECURITY ALARM SYSTEM.
- PROCEDURES FOR SUSPENDING OR REVOKING THE REGISTRATION CERTIFICATE OF NONPROFIT MEDICAL MARIJUANA DISPEN-SÁRIES THAT VIOLATE THE PROVISIONS OF THIS CHAPTER OR THE RULES ADOPTED PURSUANT TO THIS SECTION.
- ESTABLISHING APPLICATION AND RENEWAL FEES FOR REGISTRY IDENTIFICATION CARDS AND NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATES, ACCORDING TO THE FOLLOWING:
- (a) THE TOTAL AMOUNT OF ALL FEES SHALL GENERATE REVENUES SUFFICIENT TO IMPLEMENT AND ADMINISTER THIS CHAPTER EXCEPT THAT FEE REVENUE MAY BE OFFSET OR SUPPLEMENTED BY PRIVATE DONATIONS.
- NONPROFIT MEDICAL MARIJUANA DISPENSARY APPLICATION FEES MAY NOT EXCEED \$5,000.
- NONPROFIT MEDICAL MARIJUANA DISPENSARY RENEWAL FEES MAY NOT EXCEED \$1,000.
- THE TOTAL AMOUNT OF REVENUE FROM NONPROFIT MEDICAL MARIJUANA DISPENSARY APPLICATION AND RENEWAL FEES AND REGISTRY IDENTIFICATION CARD FEES FOR NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENTS SHALL BE SUFFICIENT TO IMPLE-MENT AND ADMINISTER THE NONPROFIT MEDICAL MARIJUANA DISPENSARY PROVISIONS OF THIS CHAPTER, INCLUDING THE VERIFI-CATION 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 UPON A QUALIFYING
- PATIENT'S HOUSEHOLD INCOME.
- THE DEPARTMENT MAY CONSIDER PRIVATE DONATIONS UNDER SECTION 36-2817 TO REDUCE APPLICATION AND RENEWAL
- B. THE DEPARTMENT IS AUTHORIZED TO ADOPT THE RULES SET FORTH IN SUBSECTION A AND SHALL ADOPT THOSE RULES PURSU-ANT TO TITLE 41, CHAPTER 6.
- 36-2804. Registration and certification of nonprofit medical marijuana dispensaries
- NONPROFIT MEDICAL MARIJUANA DISPENSARIES SHALL REGISTER WITH THE DEPARTMENT.
- NOT LATER THAN NINETY DAYS AFTER RECEIVING AN APPLICATION FOR A NONPROFIT MEDICAL MARIJUANA DISPENSARY, THE DEPARTMENT SHALL REGISTER THE NONPROFIT MEDICAL MARIJUANA DISPENSARY AND ISSUE A REGISTRATION CERTIFICATE AND A RANDOM 20-DIGIT ALPHANUMERIC IDENTIFICATION NUMBER IF:
- THE PROSPECTIVE NONPROFIT MEDICAL MARIJUANA DISPENSARY HAS SUBMITTED THE FOLLOWING:
- THE APPLICATION FEE. (a)
- AN APPLICATION, INCLUDING:
- THE LEGAL NAME OF THE NONPROFIT MEDICAL MARIJUANA DISPENSARY.
- THE PHYSICAL ADDRESS OF THE NONPROFIT MEDICAL MARIJUANA DISPENSARY AND THE PHYSICAL ADDRESS OF ONE ADDI-TIONAL LOCATION, IF ANY, WHERE MARIJUANA WILL BE CULTIVATED, NEITHER OF WHICH MAY BE WITHIN FIVE HUNDRED FEET OF A PUBLIC OR PRIVATE SCHOOL EXISTING BEFORE THE DATE OF THE NONPROFIT MEDICAL MARIJUANA DISPENSARY APPLICATION.

  (iii) THE NAME, ADDRESS AND DATE OF BIRTH OF EACH PRINCIPAL OFFICER AND BOARD MEMBER OF THE NONPROFIT MEDICAL
- MÁRIJUANA DIŚPENSARY.
- (iv) THE NAME, ADDRESS AND DATE OF BIRTH OF EACH NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT.
- OPERATING PROCEDURES CONSISTENT WITH DEPARTMENT RULES FOR OVERSIGHT OF THE NONPROFIT MEDICAL MARIJUANA DÍSPENSARY, INCLUDING PROCEDURES TO ENSURE ACCURATE RECORD-KEEPING AND ADEQUATE SECURITY MEASURES
- IF THE CITY, TOWN OR COUNTY IN WHICH THE NONPROFIT MEDICAL MARIJUANA DISPENSARY WOULD BE LOCATED HAS ENACTED ZONING RESTRICTIONS, A SWORN STATEMENT CERTIFYING THAT THE REGISTERED NONPROFIT MEDICAL MARIJUANA DIS-PENSARY IS IN COMPLIANCE WITH THE RESTRICTIONS.
- NONE OF THE PRINCIPAL OFFICERS OR BOARD MEMBERS HAS BEEN CONVICTED OF AN EXCLUDED FELONY OFFENSE.

- NONE OF THE PRINCIPAL OFFICERS OR BOARD MEMBERS HAS SERVED AS A PRINCIPAL OFFICER OR BOARD MEMBER FOR A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT HAS HAD ITS REGISTRATION CERTIFICATE REVOKED.
- NONE OF THE PRINCIPAL OFFICERS OR BOARD MEMBERS IS UNDER TWENTY-ONE YEARS OF AGE.
- C. THE DEPARTMENT MAY NOT ISSUE MORE THAN ONE NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFI-CATE FOR EVERY TEN PHARMACIES THAT HAVE REGISTERED UNDER SECTION 32-1929, HAVE OBTAINED A PHARMACY PERMIT FROM THE ARIZONA BOARD OF PHARMACY AND OPERATE WITHIN THE STATE EXCEPT THAT THE DEPARTMENT MAY ISSUE NON-PROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATES IN EXCESS OF THIS LIMIT IF NECESSARY TO ENSURE THAT THE DEPARTMENT ISSUES AT LEAST ONE NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATE IN EACH COUNTY IN WHICH AN APPLICATION HAS BEEN APPROVED.
- THE DEPARTMENT MAY CONDUCT A CRIMINAL RECORDS CHECK IN ORDER TO CARRY OUT THIS SECTION.

36-2804.01. Registration of nonprofit medical marijuana dispensary agents; notices; civil penalty; classification

- A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT SHALL BE REGISTERED WITH THE DEPARTMENT BEFORE VOLUNTEER-ING OR WORKING AT A MEDICAL MARIJUANA DISPENSARY.
- A NONPROFIT MEDICAL MARIJUANA DISPENSARY MAY APPLY TO THE DEPARTMENT FOR A REGISTRY IDENTIFICATION CARD FOR A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT BY SUBMITTING:
- THE NAME, ADDRESS AND DATE OF BIRTH OF THE NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT.
- A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT APPLICATION.
- A STATEMENT SIGNED BY 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.
- THE APPLICATION FEE.
- A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY SHALL NOTIFY THE DEPARTMENT WITHIN TEN DAYS AFTER A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT CEASES TO BE EMPLOYED BY OR VOLUNTEER AT THE REGISTERED NON-PROFIT MEDICAL MARIJUANA DISPENSARY.
- NO PERSON WHO HAS BEEN CONVICTED OF AN EXCLUDED FELONY OFFENSE MAY BE A NONPROFIT MEDICAL MARIJUANA DIS-PENSARY AGENT.
- THE DEPARTMENT MAY CONDUCT A CRIMINAL RECORDS CHECK IN ORDER TO CARRY OUT THIS SECTION.

- **36-2804.02.** Registration of qualifying patients and designated caregivers

  A. A QUALIFYING PATIENT MAY APPLY TO THE DEPARTMENT FOR A REGISTRY IDENTIFICATION CARD BY SUBMITTING:
- WRITTEN CERTIFICATION ISSUED BY A PHYSICIAN WITHIN THE NINETY DAYS IMMEDIATELY PRECEDING THE DATE OF APPLICA-TION
- THE APPLICATION FEE.
- 2. 3. AN APPLICATION, INCLUDING:
- NAME, MAILING ADDRESS, RESIDENCE ADDRESS AND DATE OF BIRTH OF THE QUALIFYING PATIENT EXCEPT THAT IF THE (a) APPLICANT IS HOMELESS NO ADDRESS IS REQUIRED.
- NAME, ADDRESS AND TELEPHONE NUMBER OF THE QUALIFYING PATIENT'S PHYSICIAN. (b)
- NAME, ADDRESS AND DATE OF BIRTH OF THE QUALIFYING PATIENT'S DESIGNATED CAREGIVER, IF ANY. (c)
- A STATEMENT SIGNED BY THE QUALIFYING PATIENT PLEDGING NOT TO DIVERT MARIJUANA TO ANYONE WHO IS NOT ALLOWED (d)TO POSSESS MARIJUANA PURSUANT TO THIS CHAPTER.
- (e) A SIGNED STATEMENT FROM THE DESIGNATED CAREGIVER, IF ANY, AGREEING TO BE THE PATIENT'S DESIGNATED CAREGIVER ÀŃD PLEDGING NOT TO DIVERT MARIJUANA TO ANYONE WHÓ IS NOT ALLOWED TO POSSESS MARIJUANA PURSUANT TO THIS
- (f) A DESIGNATION AS TO WHO WILL BE ALLOWED TO CULTIVATE MARIJUANA PLANTS FOR THE QUALIFYING PATIENT'S MEDICAL USE IF A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY IS NOT OPERATING WITHIN TWENTY-FIVE MILES OF THE **QUALIFYING PATIENT'S HOME.**
- B. THE APPLICATION FOR A QUALIFYING PATIENT'S REGISTRY IDENTIFICATION CARD SHALL ASK WHETHER THE PATIENT WOULD LIKE THE DEPARTMENT TO NOTIFY HIM OF ANY CLINICAL STUDIES NEEDING HUMAN SUBJECTS FOR RESEARCH ON THE MEDICAL USE OF MARIJUANA. THE DEPARTMENT SHALL NOTIFY INTERESTED PATIENTS IF IT IS NOTIFIED OF STUDIES THAT WILL BE CON-DUCTED IN THE UNITED STATES.

- **36-2804.03.** <u>Issuance of registry identification cards</u>
  A. EXCEPT AS PROVIDED IN SUBSECTION B AND IN SECTION 36-2804.05, THE DEPARTMENT SHALL:
- VERIFY THE INFORMATION CONTAINED IN AN APPLICATION OR RENEWAL SUBMITTED PURSUANT TO THIS CHAPTER AND
- APPROVE OR DENY AN APPLICATION OR RENEWAL WITHIN TEN DAYS OF RECEIVING A COMPLETED APPLICATION OR RENEWAL.

  2. ISSUE A REGISTRY IDENTIFICATION CARD TO A QUALIFYING PATIENT AND HIS DESIGNATED CAREGIVER, IF ANY, WITHIN FIVE DAYS OF APPROVING THE APPLICATION OR RENEWAL. A DESIGNATED CAREGIVER MUST HAVE A REGISTRY IDENTIFICATION CARD FOR EACH OF HIS QUALIFYING PATIENTS
- 3. ISSUE EACH NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT A REGISTRY IDENTIFICATION CARD AND LOG-IN INFORMATION FOR THE VERIFICATION SYSTEM WITHIN FIVE DAYS OF APPROVING THE APPLICATION OR RENEWAL.
- THE DEPARTMENT MAY NOT ISSUE A REGISTRY IDENTIFICATION CARD TO A QUALIFYING PATIENT WHO IS UNDER THE AGE OF EIGHTEEN UNLESS
- THE QUALIFYING PATIENT'S PHYSICIAN HAS EXPLAINED THE POTENTIAL RISKS AND BENEFITS OF THE MEDICAL USE OF MARI-JUANA TO THE CUSTODIAL PARENT OR LEGAL GUARDIAN RESPONSIBLE FOR HEALTH CARE DECISIONS FOR THE OUALIFYING PATIENT.
- A CUSTODIAL PARENT OR LEGAL GUARDIAN RESPONSIBLE FOR HEALTH CARE DECISIONS FOR THE OUALIFYING PATIENT SUB-MITS A WRITTEN CERTIFICATION FROM TWO PHYSICIANS.
- THE CUSTODIAL PARENT OR LEGAL GUARDIAN WITH RESPONSIBILITY FOR HEALTH CARE DECISIONS FOR THE QUALIFYING PATIENT CONSENTS IN WRITING TO:
- ALLOW THE QUALIFYING PATIENT'S MEDICAL USE OF MARIJUANA.
- SERVE AS THE QUALIFYING PATIENT'S DESIGNATED CAREGIVER.
- CONTROL THE ACQUISITION OF THE MARIJUANA, THE DOSAGE AND THE FREQUENCY OF THE MEDICAL USE OF MARIJUANA BY THE QUALIFYING PATIENT
- C. A REGISTRY IDENTIFICATION CARD, OR ITS EQUIVALENT, THAT IS ISSUED UNDER THE LAWS OF ANOTHER STATE, DISTRICT, TERRITORY, COMMONWEALTH OR INSULAR POSSESSION OF THE UNITED STATES THAT ALLOWS A VISITING QUALIFYING PATIENT TO POSSESS OR USE MARIJUANA FOR MEDICAL PURPOSES IN THE JURISDICTION OF ISSUANCE HAS THE SAME FORCE AND EFFECT WHEN HELD BY A VISITING QUALIFYING PATIENT AS A REGISTRY IDENTIFICATION CARD ISSUED BY THE DEPARTMENT,

EXCEPT THAT A VISITING QUALIFYING PATIENT IS NOT AUTHORIZED TO OBTAIN MARIJUANA FROM A NONPROFIT MEDICAL MARIJUANA DISPENSARY.

36-2804.04. Registry identification cards

- REGISTRY IDENTIFICATION CARDS FOR QUALIFYING PATIENTS AND DESIGNATED CAREGIVERS SHALL CONTAIN ALL OF THE FOL-LOWING:
- NAME, ADDRESS AND DATE OF BIRTH OF THE CARDHOLDER.
- A STATEMENT OF WHETHER THE CARDHOLDER IS A QUALIFYING PATIENT OR A DESIGNATED CAREGIVER. THE DATE OF ISSUANCE AND EXPIRATION DATE OF THE REGISTRY IDENTIFICATION CARD.
- 4. A RANDOM 20-DIGIT ALPHANUMERIC IDENTIFICATION NUMBER, CONTAINING AT LEAST FOUR NUMBERS AND AT LEAST FOUR LETTERS, THAT IS UNIQUE TO THE CARDHOLDER.
- IF THE CARDHOLDER IS A DESIGNATED CAREGIVER. THE RANDOM IDENTIFICATION NUMBER OF THE REGISTERED QUALIFYING PATIENT THE DESIGNATED CAREGIVER IS ASSISTING.

6. A PHOTOGRAPH OF THE CARDHOLDER.

- 7. A CLEAR INDICATION OF WHETHER THE CARDHOLDER HAS BEEN AUTHORIZED BY THIS CHAPTER TO CULTIVATE MARIJUANA PLANTS FOR THE QUALIFYING PATIENT'S MEDICAL USE.
- REGISTRY IDENTIFICATION CARDS FOR NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENTS SHALL CONTAIN THE FOLLOW-В. ING:
- THE NAME, ADDRESS AND DATE OF BIRTH OF THE NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT.
- A STATEMENT THAT THE CARDHOLDER IS A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT.

  THE LEGAL NAME OF THE REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY WITH WHICH THE NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT IS AFFILIATED.
- A RANDOM 20-DIGIT ALPHANUMERIC IDENTIFICATION NUMBER THAT IS UNIQUE TO THE CARDHOLDER.
- THE DATE OF ISSUANCE AND EXPIRATION DATE OF THE REGISTRY IDENTIFICATION CARD.
- A PHOTOGRAPH, IF THE DEPARTMENT DECIDES TO REQUIRE ONE.

  IF THE REGISTRY IDENTIFICATION CARD OF EITHER A QUALIFYING PATIENT OR THE PATIENT'S DESIGNATED CAREGIVER DOES NOT STATE THAT THE CARDHOLDER IS AUTHORIZED TO CULTIVATE MARIJUANA PLANTS, THEN THE DEPARTMENT MUST GIVE WRITTEN NOTICE TO THE REGISTERED QUALIFYING PATIENT, WHEN THE QUALIFYING PATIENT'S REGISTRY IDENTIFICATION CARD IS ISSUED, OF THE NAME AND ADDRESS OF ALL REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARIES.

36-2804.05. Denial of registry identification card

- THE DEPARTMENT MAY DENY AN APPLICATION OR RENEWAL OF A QUALIFYING PATIENT'S REGISTRY IDENTIFICATION CARD ONLY IF THE APPLICANT:
- DOES NOT MEET THE REQUIREMENTS OF SECTION 36-2801, PARAGRAPH 13.
- DOES NOT PROVIDE THE INFORMATION REQUIRED.
- PREVIOUSLY HAD A REGISTRY IDENTIFICATION CARD REVOKED FOR VIOLATING THIS CHAPTER. 3.
- PROVIDES FALSE INFORMATION.
- THE DEPARTMENT MAY DENY AN APPLICATION OR RENEWAL OF A DESIGNATED CAREGIVER'S REGISTRY IDENTIFICATION CARD IF THE APPLICANT:
- DOES NOT MEET THE REQUIREMENTS OF SECTION 36-2801, PARAGRAPH 5.
- DOES NOT PROVIDE THE INFORMATION REQUIRED.
- PREVIOUSLY HAD A REGISTRY IDENTIFICATION CARD REVOKED FOR VIOLATING THIS CHAPTER.
- PROVIDES FALSE INFORMATION.
- THE DEPARTMENT MAY DENY A REGISTRY IDENTIFICATION CARD TO A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT IF:
- THE AGENT APPLICANT DOES NOT MEET THE REQUIREMENTS OF SECTION 36-2801(10). 1.
- THE APPLICANT OR DISPENSANRY DID NOT PROVIDE THE REQUIRED INFORMATION.
- PREVIOUSLY HAD A REGISTRY IDENTIFICATION CARD REVOKED FOR VIOLATING THIS CHAPTER.
- 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 THE REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY OF THE REASON FOR DENYING A REGISTRY IDENTIFICATION CARD TO A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT.
- THE DEPARTMENT SHALL GIVE WRITTEN NOTICE TO THE QUALIFYING PATIENT OF THE REASON FOR DENYING A REGISTRY IDENTI-FICATION CARD TO THE QUALIFYING PATIENT'S DESIGNATED CAREGIVER.
- 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.
- 36-2804.06.
- 2804.06. Expiration and renewal of registry identification cards and registration certificates: replacement ALL REGISTRY IDENTIFICATION CARDS AND REGISTRATION CERTIFICATES EXPIRE ONE YEAR AFTER DATE OF ISSUE.
- A REGISTRY IDENTIFICATION CARD OF A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT SHALL BE CANCELLED AND HIS ACCESS TO THE VERIFICATION SYSTEM SHALL BE DEACTIVATED UPON NOTIFICATION TO THE DEPARTMENT BY A REGISTERED NON-PROFIT 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
- A RENEWAL NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATE SHALL BE ISSUED WITHIN TEN DAYS OF RECEIPT OF THE PRESCRIBED RENEWAL APPLICATION AND RENEWAL FEE FROM A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY IF ITS REGISTRATION CERTIFICATE IS NOT UNDER SUSPENSION AND HAS NOT BEEN REVOKED.
- D. IF A CARDHOLDER LOSES HIS REGISTRY IDENTIFICATION CARD, HE SHALL PROMPTLY NOTIFY THE DEPARTMENT. WITHIN FIVE DAYS OF THE NOTIFICATION, AND UPON PAYMENT OF A TEN DOLLAR 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.
- 36-2805. Facility restrictions
- A. ANY NURSING CARE INSTITUTION, HOSPICE, ASSISTED LIVING CENTER, ASSISTED LIVING FACILITY, ASSISTED LIVING HOME, RESIDENTIAL CARE INSTITUTION, ADULT DAY HEALTH CARE FACILITY OR ADULT FOSTER CARE HOME LICENSED UNDER TITLE 36, CHAP-TER 4. MAY ADOPT REASONABLE RESTRICTIONS ON THE USE OF MARIJUANA BY THEIR RESIDENTS OR PERSONS RECEIVING INPATIENT SERVICES, INCLUDING:
- THAT THE FACILITY WILL NOT STORE OR MAINTAIN THE PATIENT'S SUPPLY OF MARIJUANA.
- THAT THE FACILITY, CAREGIVERS OR HOSPICE AGENCIES SERVING THE FACILITY'S RESIDENTS ARE NOT RESPONSIBLE FOR PRO-VIDING THE MARIJUANA FOR QUALIFYING PATIENTS.

- THAT MARIJUANA BE CONSUMED BY A METHOD OTHER THAN SMOKING. THAT MARIJUANA BE CONSUMED ONLY IN A PLACE SPECIFIED BY THE FACILITY.
- NOTHING IN THIS SECTION REQUIRES A FACILITY LISTED IN SUBSECTION A TO ADOPT RESTRICTIONS ON THE MEDICAL USE OF В. MARIJUANA.
- A FACILITY LISTED IN SUBSECTION A MAY NOT UNREASONABLY LIMIT A REGISTERED QUALIFYING PATIENT'S ACCESS TO OR USE OF MARIJUANA AUTHORIZED UNDER THIS CHAPTER UNLESS FAILING TO DO SO WOULD CAUSE FACILITY TO LOSE A MONETARY OR LICENSING-RELATED BENEFIT UNDER FEDERAL LAW OR REGULATIONS.

36-2806. Registered nonprofit medical marijuana dispensaries; requirements

- 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 NON-PROFIT 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 PROCE-DURES FOR THE OVERSIGHT OF THE REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY AND PROCEDURES TO ENSURE ACCURATE RECORDINE
- A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY SHALL HAVE A SINGLE SECURE ENTRANCE AND SHALL IMPLE-MENT APPROPRIATE SECURITY MEASURES TO DETER AND PREVENT THE THEFT OF MARIJUANA AND UNAUTHORIZED ENTRANCE INTO AREAS CONTAINING MARIJUANA.
- 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 REG-ISTERED QUALIFYING PATIENTS' DESIGNATED CAREGIVERS.
- 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 CAN ONLY BE ACCESSED BY REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENTS ASSOCIATED IN THE REGISTRY WITH THE NONPROFIT MEDICAL MARIJUANA DISPENSARY.
- 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.
- A NONPROFIT MEDICAL MARIJUANA DISPENSARY SHALL NOT PERMIT ANY PERSON TO CONSUME MARIJUANA ON THE PROP-ERTY OF A NONPROFIT MEDICAL MARIJUANA DISPENSARY.
- 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.

36-2806.01. Dispensary locations

CITIES, TOWNS AND COUNTIES MAY ENACT REASONABLE ZONING REGULATIONS THAT LIMIT THE USE OF LAND FOR REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARIES TO SPECIFIED AREAS IN THE MANNER PROVIDED IN TITLE 9, CHAPTER 4, ARTI-CLE 6.1, AND TITLE 11, CHAPTER 6, ARTICLE 2.

36-2806.02. Dispensing marijuana for medical use

- BEFORE MARIJUANA MAY BE DISPENSED TO A REGISTERED DESIGNATED CAREGIVER OR A REGISTERED QUALIFYING PATIENT, A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT MUST ACCESS THE VERIFICATION SYSTEM AND DETERMINE FOR THE REGISTERED QUALIFYING PATIENT FOR WHOM THE MARIJUANA IS INTENDED AND ANY REGISTERED DESIGNATED CAREGIVER TRANSPORTING THE MARIJUANA TO THE PATIENT, THAT:
- THE REGISTRY IDENTIFICATION CARD PRESENTED TO THE REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY IS VALID.
- EACH PERSON PRESENTING A REGISTRY IDENTIFICATION CARD IS THE PERSON IDENTIFIED ON THE REGISTRY IDENTIFICA-TION CARD PRESENTED TO THE NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT.
- THE AMOUNT TO BE DISPENSED WOULD NOT CAUSE THE REGISTERED QUALIFYING PATIENT TO EXCEED THE LIMIT ON OBTAINING NO MORE THAN TWO-AND-ONE-HALF OUNCES OF MARIJUANA DURING ANY FOURTEEN-DAY PERIOD.
- B. AFTER MAKING THE DETERMINATIONS REQUIRED IN SUBSECTION A, BUT BEFORE DISPENSING MARIJUANA TO A REGISTERED QUALIFYING PATIENT OR A REGISTERED DESIGNATED CAREGIVER ON A REGISTERED QUALIFYING PATIENT'S BEHALF, A NON-PROFIT MEDICAL MARIJUANA DISPENSARY AGENT MUST ENTER THE FOLLOWING INFORMATION IN THE VERIFICATION SYSTEM:
- HOW MUCH MARIJUANA IS BEING DISPENSED TO THE REGISTERED QUALIFYING PATIENT.
  WHETHER IT WAS DISPENSED DIRECTLY TO THE REGISTERED QUALIFYING PATIENT OR TO THE REGISTERED QUALIFYING PATIENT'S REGISTERED DESIGNATED CAREGIVER.
- THE DATE AND TIME THE MARIJUANA WAS DISPENSED.
- THE REGISTRY IDENTIFICATION CARD NUMBER OF THE NONPROFIT MEDICAL MARIJUANA DISPENSARY AND OF THE NON-PROFIT MEDICAL MARIJUANA DISPENSARY AGENT WHO DISPENSED THE MARIJUANA.

36-2807. Verification system

- A. WITHIN ONE HUNDRED TWENTY DAYS OF THE EFFECTIVE DATE OF THIS CHAPTER, THE DEPARTMENT SHALL ESTABLISH A SECURE, PASSWORD-PROTECTED, WEB-BASED VERIFICATION SYSTEM FOR USE ON A TWENTY-FOUR HOUR BASIS BY LAW ENFORCEMENT PERSONNEL AND NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENTS TO VERIFY REGISTRY IDENTIFICATION **CARDS**
- THE VERIFICATION SYSTEM MUST ALLOW LAW ENFORCEMENT PERSONNEL AND NONPROFIT MEDICAL MARIJUANA DISPEN-SARY AGENTS TO ENTER A REGISTRY IDENTIFICATION NUMBER AND VERIFY WHETHER THE NUMBER CORRESPONDS WITH A CUR-RENT, VALID IDENTIFICATION CARD.
- THE SYSTEM SHALL DISCLOSE:
- THE NAME OF THE CARDHOLDER, BUT MUST NOT DISCLOSE THE CARDHOLDER'S ADDRESS.
- THE AMOUNT OF MARIJUANA THAT EACH REGISTERED QUALIFYING PATIENT RECEIVED FROM NONPROFIT MEDICAL MARI-JUANA DISPENSARIES DURING THE PAST SIXTY DAYS
- THE VERIFICATION SYSTEM MUST INCLUDE THE FOLLOWING DATA SECURITY FEATURES:
- ANY TIME AN AUTHORIZED USER ENTERS FIVE INVALID REGISTRY IDENTIFICATION NUMBERS WITHIN FIVE MINUTES, THAT USER CANNOT LOG IN TO THE SYSTEM AGAIN FOR TEN MINUTES.
- A USERS LOG-IN INFORMATION SHALL BE DEACTIVATED AFTER 5 INCORRECT LOGIN ATTEMPTS UNTIL THE AUTHORIZED USER CONTACTS THE DEPARTMENT AND VERIFIES HIS IDENTITY
- THE SERVER MUST REJECT ANY LOG-IN REQUEST THAT IS NOT OVER AN ENCRYPTED CONNECTION.

36-2808. Notifications to department; civil penalty

- A REGISTERED QUALIFYING PATIENT SHALL NOTIFY THE DEPARTMENT WITHIN TEN DAYS OF ANY CHANGE IN THE REGISTERED QUALIFYING PATIENT'S NAME, ADDRESS, DESIGNATED CAREGIVER OR PREFERENCE REGARDING WHO MAY CULTIVATE MARIJUANA FOR THE REGISTERED QUALIFYING PATIENT OR IF THE REGISTERED QUALIFYING PATIENT CEASES TO HAVE HIS DEBILITATING MEDI-CAL CONDITION.
- A REGISTERED DESIGNATED CAREGIVER OR NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT SHALL NOTIFY THE DEPART-MENT WITHIN TEN DAYS OF ANY CHANGE IN HIS NAME OR ADDRESS.
- WHEN A CARDHOLDER NOTIFIES THE DEPARTMENT OF ANY CHANGES LISTED IN SUBSECTION A BUT REMAINS ELIGIBLE UNDER THIS CHAPTER, THE DEPARTMENT SHALL ISSUE THE CARDHOLDER A NEW REGISTRY IDENTIFICATION CARD WITH NEW RANDOM 20-DIGIT ALPHANUMERIC IDENTIFICATION NUMBERS WITHIN TEN DAYS OF RECEIVING THE UPDATED INFORMATION AND A TEN-DOLLAR FEE. IF THE PERSON NOTIFYING THE DEPARTMENT IS A REGISTERED QUALIFYING PATIENT, THE DEPARTMENT SHALL ALSO ISSUE HIS REGISTERED DESIGNATED CAREGIVER, IF ANY, A NEW REGISTRY IDENTIFICATION CARD WITHIN TEN DAYS OF RECEIVING THE UPDATED INFORMATION.
- D. IF THE REGISTERED QUALIFYING PATIENT'S CERTIFYING PHYSICIAN NOTIFIES THE DEPARTMENT IN WRITING THAT EITHER THE REGISTERED QUALIFYING PATIENT HAS CEASED TO SUFFER FROM A DEBILITATING MEDICAL CONDITION OR THAT THE PHYSICIAN NO LONGER BELIÈVES THE PATIENT WOULD RECEIVE THERAPEUTIC OR PALLIATIVE BENEFIT FROM THE MEDICAL USE OF MARIJUANA, THE CARD IS VOID UPON NOTIFICATION BY THE DEPARTMENT TO THE QUALIFYING PATIENT.
- WHEN A REGISTERED QUALIFYING PATIENT CEASES TO BE A REGISTERED QUALIFYING PATIENT OR CHANGES REGISTERED DES-IGNATED CAREGIVER, THE DEPARTMENT SHALL PROMPTLY NOTIFY THE FORMER DESIGNATED CAREGIVER THAT HIS DUTIES AND RIGHTS UNDER THIS CHAPTER AS TO THAT QUALIFYING PATIENT EXPIRE FIFTEEN DAYS AFTER NOTIFICATION BY THE DEPARTMENT IS SENT.
- A REGISTERED QUALIFYING PATIENT, DESIGNATED CAREGIVER OR NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT WHO FAILS TO COMPLY WITH SUBSECTION A OR B IS SUBJECT TO A CIVIL PENALTY OF NOT MORE THAN ONE HUNDRED FIFTY DOLLARS.

36-2809. Annual report

- THE DEPARTMENT SHALL SUBMIT TO THE LEGISLATURE AN ANNUAL REPORT THAT DOES NOT DISCLOSE ANY IDENTIFYING INFORMA-TION ABOUT CARDHOLDERS, NONPROFIT MEDICAL MARIJUANA DISPENSARIES OR PHYSICIANS BUT CONTAINS AT LEAST ALL OF THE FOLLOWING INFORMATION:
- THE NUMBER OF REGISTRY IDENTIFICATION CARD APPLICATIONS AND RENEWALS.
- THE NUMBER OF QUALIFYING PATIENTS AND DESIGNATED CAREGIVERS APPROVED IN EACH COUNTY.
- THE NATURE OF THE DEBILITATING MEDICAL CONDITIONS OF THE QUALIFYING PATIENTS.
- THE NUMBER OF REGISTRY IDENTIFICATION CARDS REVOKED.
- THE NUMBER OF PHYSICIANS PROVIDING WRITTEN CERTIFICATIONS FOR QUALIFYING PATIENTS.
- THE NUMBER OF REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARIES.
- THE NUMBER OF NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENTS IN EACH COUNTY.

2810. Confidentiality

- 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.
- APPLICATIONS OR RENEWALS, THEIR CONTENTS AND SUPPORTING INFORMATION SUBMITTED BY OR ON BEHALF OF NON-PROFIT MEDICAL MARIJUANA DISPENSARIES IN COMPLIANCE WITH THIS CHAPTER, INCLUDING THE PHYSICAL ADDRESSES OF NON-PROFIT MEDICAL MARIJUANA DISPENSARIES
- THE INDIVIDUAL NAMES AND OTHER INFORMATION IDENTIFYING PERSONS TO WHOM THE DEPARTMENT HAS ISSUED REGISTRY IDENTIFICATION CARDS.
- ANY DISPENSING INFORMATION REQUIRED TO BE KEPT UNDER SECTION 36-2806.02, SUBSECTION B, OR DEPARTMENT REGU-LATION SHALL IDENTIFY CARDHOLDERS BY THEIR REGISTRY IDENTIFICATION NUMBERS AND NOT CONTAIN NAMES OR OTHER PER-SONALLY IDENTIFYING INFORMATION.
- ANY DEPARTMENT HARD DRIVES OR OTHER DATA RECORDING MEDIA THAT ARE NO LONGER IN USE AND THAT CONTAIN CARD-HOLDER INFORMATION MUST BE DESTROYED. THE DEPARTMENT SHALL RETAIN A SIGNED STATEMENT FROM A DEPARTMENT EMPLOYEE CONFIRMING THE DESTRUCTION.
- DATA SUBJECT TO THIS SECTION SHALL NOT BE COMBINED OR LINKED IN ANY MANNER WITH ANY OTHER LIST OR DATABASE AND IT SHALL NOT BE USED FOR ANY PURPOSE NOT PROVIDED FOR IN THIS CHAPTER.
- NOTHING IN THIS SECTION PRECLUDES 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 HIS 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 CHAP-
- TER IF THE EMPLOYEE WHO SUSPECTS THE OFFENSE HAS CONFERRED WITH HIS SUPERVISOR AND BOTH AGREE THAT THE CIRCUM-STANCES WARRANT REPORTING
- NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENTS MAY NOTIFY THE DEPARTMENT OF A SUSPECTED VIOLATION OR ATTEMPTED VIOLATION OF THIS CHAPTER OR DEPARTMENT RULES.
- NOTHING IN THIS SECTION PRECLUDES 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.
- 36-2811. Presumption of medical use of marijuana; protections; civil penalty
- THERE IS A PRESUMPTION THAT A QUALIFYING PATIENT OR DESIGNATED CAREGIVER IS ENGAGED IN THE MEDICAL USE OF MAR-IJUANA PURSUANT TO THIS CHAPTER
- THE PRESUMPTION EXISTS IF THE QUALIFYING PATIENT OR DESIGNATED CAREGIVER:
- IS IN POSSESSION OF A REGISTRY IDENTIFICATION CARD. (a)
- IS IN POSSESSION OF AN AMOUNT OF MARIJUANA THAT DOES NOT EXCEED THE ALLOWABLE AMOUNT OF MARIJUANA.
- THE PRESUMPTION MAY BE REBUTTED BY EVIDENCE THAT CONDUCT RELATED TO MARIJUANA WAS NOT FOR THE PURPOSE OF TREATING OR ALLEVIATING THE QUALIFYING PATIENT'S DEBILITATING MEDICAL CONDITION OR SYMPTOMS ASSOCIATED WITH THE QUALIFYING PATIENT'S DEBILITATING MEDICAL CONDITION PURSUANT TO THIS CHAPTER.
- A REGISTERED QUALIFYING PATIENT OR REGISTERED DESIGNATED CAREGIVER IS NOT SUBJECT TO ARREST, PROSECUTION OR

PENALTY IN ANY MANNER, OR DENIAL OF ANY RIGHT OR PRIVILEGE, INCLUDING ANY CIVIL PENALTY OR DISCIPLINARY ACTION BY A COURT OR OCCUPATIONAL OR PROFESSIONAL LICENSING BOARD OR BUREAU:

- FOR THE REGISTERED QUALIFYING PATIENT'S MEDICAL USE OF MARIJUANA PURSUANT TO THIS CHAPTER, IF THE REGISTERED QUALIFYING PATIENT DOES NOT POSSESS MORE THAN THE ALLOWABLE AMOUNT OF MARIJUANA.
- 2. FOR THE REGISTERED DESIGNATED CAREGIVER ASSISTING A REGISTERED QUALIFYING PATIENT TO WHOM HE IS CONNECTED THROUGH THE DEPARTMENT'S REGISTRATION PROCESS WITH THE REGISTERED QUALIFYING PATIENT'S MEDICAL USE OF MARIJUANA PURSUANT TO THIS CHAPTER IF THE REGISTERED DESIGNATED CAREGIVER DOES NOT POSSESS MORE THAN THE ALLOW-ABLE AMOUNT OF MARIJUANA.
- 3. FOR OFFERING OR PROVIDING MARIJUANA TO A REGISTERED QUALIFYING PATIENT OR A REGISTERED DESIGNATED CARE-GIVER FOR THE REGISTERED QUALIFYING PATIENT'S MEDICAL USE OR TO A REGISTERED NONPROFIT MEDICAL MARIJUANA DIS-PENSARY IF NOTHING OF VALUE IS TRANSFERRED IN RETURN AND THE PERSON GIVING THE MARIJUANA DOES NOT KNOWINGLY
- CAUSE THE RECIPIENT TO POSSESS MORE THAN THE ALLOWABLE AMOUNT OF MARIJUANA.

  C. A PHYSICIAN SHALL NOT BE SUBJECT TO ARREST, PROSECUTION OR PENALTY IN ANY MANNER OR DENIED ANY RIGHT OR PRIVILEGE, INCLUDING BUT NOT LIMITED TO CIVIL PENALTY OR DISCIPLINARY ACTION BY THE ARIZONA BOARD OF MEDICAL EXAM-INERS OR BY ANY OTHER BUSINESS, OCCUPATIONAL OR PROFESSIONAL LICENSING BOARD OR BUREAU, BASED SOLELY ON PROVIDING WRITTEN CERTIFICATIONS OR FOR OTHERWISE STATING THAT, IN THE PHYSICIAN'S PROFESSIONAL OPINION, A 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, BUT NOTHING IN THIS CHAPTER PREVENTS A PROFESSIONAL LICENSING BOARD FROM SANCTIONING A PHYSICIAN FOR FAILING TO PROPERLY EVALUATE A PATIENT'S MEDICAL CONDITION OR OTHERWISE VIOLATING THE STANDARD OF CARE FOR EVALUATING MEDICAL CONDITIONS
- NO PERSON MAY BE SUBJECT TO ARREST, PROSECUTION OR PENALTY IN ANY MANNER, OR DENIED ANY RIGHT OR PRIVILEGE, INCLUDING ANY CIVIL PENALTY OR DISCIPLINARY ACTION BY A COURT OR OCCUPATIONAL OR PROFESSIONAL LICENSING BOARD
- PROVIDING A REGISTERED QUALIFYING PATIENT, A REGISTERED DESIGNATED CAREGIVER OR A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY WITH MARIJUANA PARAPHERNALIA FOR PURPOSES OF A QUALIFYING PATIENT'S MEDICAL USE OF MARIJUANA.
- BEING IN THE PRESENCE OR VICINITY OF THE MEDICAL USE OF MARIJUANA AUTHORIZED UNDER THIS CHAPTER.
- ASSISTING A REGISTERED OUALIFYING PATIENT WITH ADMINISTERING MARIJUANA AS AUTHORIZED BY THIS CHAPTER.
- 3. ASSISTING A REGISTERED QUALIFYING PATIENT WITH ADMINISTERING MARIJUANA AS AUTHORIZED BY THIS CHAPTER.

  E. A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY IS NOT SUBJECT TO PROSECUTION; SEARCH OR INSPECTION, EXCEPT BY THE DEPARTMENT PURSUANT TO SECTION 36-2806, SUBSECTION H; SEIZURE OR PENALTY IN ANY MANNER AND MAY NOT BE DENIED ANY RIGHT OR PRIVILEGE, INCLUDING CIVIL PENALTY OR DISCIPLINARY ACTION BY A COURT OR BUSINESS LICENSING BOARD OR ENTITY, FOR ACTING PURSUANT TO THIS CHAPTER AND DEPARTMENT REGULATIONS TO ACQUIRE, POSSESS, CULTIVATE, MANUFACTURE, DELIVER, TRANSFER, TRANSPORT, SUPPLY, SELL OR DISPENSE MARIJUANA OR RELATED SUPPLIES AND EDUCATIONAL MATERIALS TO REGISTERED QUALIFYING PATIENTS, TO REGISTERED DESIGNATED CAREGIVERS ON BEHALF OF REGISTERED QUALIFYING PATIENTS OR TO OTHER REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARIES.
- F. A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT IS NOT SUBJECT TO ARREST, PROSECUTION, SEARCH, SEIZURE OR PENALTY IN ANY MANNER AND MAY NOT BE DENIED ANY RIGHT OR PRIVILEGE, INCLUDING CIVIL PENALTY OR DISCI-PLINARY ACTION BY A COURT OR OCCUPATIONAL OR PROFESSIONAL LICENSING BOARD OR ENTITY, FOR WORKING OR VOLUN-TEERING FOR A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY PURSUANT TO THIS CHAPTER AND DEPARTMENT REGULATIONS TO ACQUIRE, POSSESS, CULTIVATE, MANUFACTURE, DELIVER, TRANSFER, TRANSPORT, SUPPLY, SELL OR DISPENSE MARIJUANA OR RELATED SUPPLIES AND EDUCATIONAL MATERIALS TO REGISTERED QUALIFYING PATIENTS, TO REGISTERED DESIGNATED CAREGIVERS ON BEHALF OF REGISTERED QUALIFYING PATIENTS OR TO OTHER REGISTERED NONPROFIT MEDICAL MAR-
- G. PROPERTY, INCLUDING ALL INTERESTS IN THE PROPERTY, OTHERWISE SUBJECT TO FORFEITURE UNDER TITLE 13, CHAPTER 39, THAT IS POSSESSED, OWNED OR USED IN CONNECTION WITH THE MEDICAL USE OF MARIJUANA AUTHORIZED UNDER THIS CHAPTER OR ACTS INCIDENTAL TO THE MEDICAL USE OF MARIJUANA AUTHORIZED UNDER THIS CHAPTER, IS NOT SUBJECT TO SEI-ZURE OR FORFEITURE. THIS SUBSECTION DOES NOT PREVENT CIVIL FORFEITURE IF THE BASIS FOR THE FORFEITURE IS UNRE-LATED TO THE MEDICAL USE OF MARIJUANA.
- MERE POSSESSION OF, OR APPLICATION FOR, A REGISTRY IDENTIFICATION CARD MAY NOT CONSTITUTE PROBABLE CAUSE OR REASONABLE SUSPICION, NOR MAY IT BE USED TO SUPPORT THE SEARCH OF THE PERSON OR PROPERTY OF THE PERSON POSSESSING OR APPLICATION FOR THE REGISTRY IDENTIFICATION CARD. THE POSSESSION OF, OR APPLICATION FOR, A REGISTRY IDENTIFICATION CARD DOES NOT PRECLUDE THE EXISTENCE OF PROBABLE CAUSE IF PROBABLE CAUSE EXISTS ON OTHER GROUNDS.

  I. NO SCHOOL, LANDLORD OR EMPLOYER MAY BE PENALIZED OR DENIED ANY BENEFIT UNDER STATE LAW FOR ENROLLING, LEASING TO OR EMPLOYING A REGISTERED QUALIFYING PATIENT OR A REGISTERED DESIGNATED CAREGIVER.

36-2812. Affirmative defense

- A. EXCEPT AS PROVIDED IN SECTION 36-2802, A QUALIFYING PATIENT AND A QUALIFYING PATIENT'S DESIGNATED CAREGIVER, IF ANY, MAY ASSERT THE MEDICAL PURPOSE FOR USING MARIJUANA AS A DEFENSE TO ANY PROSECUTION OF AN OFFENSE INVOLV-ING MARIJUANA INTENDED FOR A QUALIFYING PATIENT'S MEDICAL USE, AND THIS DEFENSE SHALL BE PRESUMED VALID WHERE THE EVIDENCE SHOWS THAT:
- A PHYSICIAN STATES THAT, IN THE PHYSICIAN'S PROFESSIONAL OPINION, AFTER HAVING COMPLETED A FULL ASSESSMENT 1. A PHYSICIAN STATES THAT, IN THE PHYSICIAN'S PROFESSIONAL OPINION, AFTER HAVING COMPLETED A FULL ASSESSMENT OF THE QUALIFYING PATIENT'S MEDICAL HISTORY AND CURRENT MEDICAL CONDITION MADE IN THE COURSE OF A BONA FIDE PHYSICIAN-PATIENT RELATIONSHIP, THE QUALIFYING PATIENT IS LIKELY TO RECEIVE THERAPEUTIC OR PALLIATIVE BENEFIT FROM THE MEDICAL USE OF MARIJUANA TO TREAT OR ALLEVIATE THE QUALIFYING PATIENT'S DEBILITATING MEDICAL CONDITION OR SYMPTOMS ASSOCIATED WITH THE QUALIFYING PATIENT'S DEBILITATING MEDICAL CONDITION.

  2. THE QUALIFYING PATIENT AND THE QUALIFYING PATIENT'S DESIGNATED CAREGIVER, IF ANY, WERE COLLECTIVELY IN POSSESSION OF A QUANTITY OF MARIJUANA THAT WAS NOT MORE THAN WAS REASONABLY NECESSARY TO ENSURE THE UNINTERRUPTED AVAILABILITY OF MARIJUANA FOR THE PURPOSE OF TREATING OR ALLEVIATION OF BEILITATING MEDICAL CONDITION.
- CAL CONDITION OR SYMPTOMS ASSOCIATED WITH THE QUALIFYING PATIENT'S DEBILITATING MEDICAL CONDITION.

  3. ALL MARIJUANA PLANTS WERE CONTAINED IN AN ENCLOSED LOCKED FACILITY.
- 4. THE QUALIFYING PATIENT AND THE QUALIFYING PATIENT'S DESIGNATED CAREGIVER, IF ANY, WERE ENGAGED IN THE ACQUISITION, POSSESSION, CULTIVATION, MANUFACTURE, USE OR TRANSPORTATION OF MARIJUANA, PARAPHERNALIA OR BOTH, RELATING TO THE ADMINISTRATION OF MARIJUANA SOLELY TO TREAT OR ALLEVIATE THE QUALIFYING PATIENT'S DEBILITATING MEDICAL CONDITION OR SYMPTOMS ASSOCIATED WITH THE QUALIFYING PATIENT'S DEBILITATING MEDICAL CONDITION.

- B. A PERSON MAY ASSERT THE MEDICAL PURPOSE FOR USING MARIJUANA IN A MOTION TO DISMISS, AND THE CHARGES SHALL BE DISMISSED FOLLOWING AN EVIDENTIARY HEARING WHERE THE PERSON SHOWS THE ELEMENTS LISTED IN SUBSECTION (A).
- C. IF A QUALIFYING PATIENT OR A QUALIFYING PATIENT'S DESIGNATED CAREGIVER DEMONSTRATE THE QUALIFYING PATIENT'S MEDICAL PURPOSE FOR USING MARIJUANA PURSUANT TO THIS SECTION, THE QUALIFYING PATIENT AND THE QUALIFYING PATIENT'S DESIGNATED CAREGIVER SHALL NOT BE SUBJECT TO THE FOLLOWING FOR THE QUALIFYING PATIENT'S MEDICAL USE OF MARIJUANA:
- 1. DISCIPLINARY ACTION BY A COURT OR OCCUPATIONAL OR PROFESSIONAL LICENSING BOARD OR BUREAU.

2. FORFEITURE OF ANY INTEREST IN OR RIGHT TO NON-MARIJUANA, LICIT PROPERTY.

36-2813. Discrimination prohibited

- A. NO SCHOOL OR LANDLORD MAY REFUSE TO ENROLL OR LEASE TO AND MAY NOT OTHERWISE PENALIZE A PERSON SOLELY FOR HIS STATUS AS A CARDHOLDER, UNLESS FAILING TO DO SO WOULD CAUSE THE SCHOOL OR LANDLORD TO LOSE A MONETARY OR LICENSING RELATED BENEFIT UNDER FEDERAL LAW OR REGULATIONS.
- B. UNLESS A FAILURE TO DO SO WOULD CAUSE AN EMPLOYER TO LOSE A MONETARY OR LICENSING RELATED BENEFIT UNDER FEDERAL LAW OR REGULATIONS, AN EMPLOYER MAY NOT DISCRIMINATE AGAINST A PERSON IN HIRING, TERMINATION OR IMPOSING ANY TERM OR CONDITION OF EMPLOYMENT OR OTHERWISE PENALIZE A PERSON BASED UPON EITHER:

THE PERSON'S STATUS AS A CARDHOLDER.

- A REGISTERED QUALIFYING PATIENT'S POSITIVE DRUG TEST FOR MARIJUANA COMPONENTS OR METABOLITES, UNLESS THE PATIENT USED, POSSESSED OR WAS IMPAIRED BY MARIJUANA ON THE PREMISES OF THE PLACE OF EMPLOYMENT OR DURING THE HOURS OF EMPLOYMENT.
- C. FOR THE PURPOSES OF MEDICAL CARE, INCLUDING ORGAN TRANSPLANTS, A REGISTERED QUALIFYING PATIENT'S AUTHORIZED USE OF MARIJUANA MUST BE CONSIDERED THE EQUIVALENT OF THE USE OF ANY OTHER MEDICATION UNDER THE DIRECTION OF A PHYSICIAN AND DOES NOT CONSTITUTE THE USE OF AN ILLICIT SUBSTANCE OR OTHERWISE DISQUALIFY A REGISTERED QUALIFYING PATIENT FROM MEDICAL CARE.
- D. NO PERSON MAY BE DENIED CUSTODY OF OR VISITATION OR PARENTING TIME WITH A MINOR, AND THERE IS NO PRESUMPTION OF NEGLECT OR CHILD ENDANGERMENT FOR CONDUCT ALLOWED UNDER THIS CHAPTER, UNLESS THE PERSON'S BEHAVIOR CREATES AN UNREASONABLE DANGER TO THE SAFETY OF THE MINOR AS ESTABLISHED BY CLEAR AND CONVINCING EVIDENCE.

**36-2814.** Acts not required; acts not prohibited

- A. NOTHING IN THIS CHAPTER REQUIRES:
- 1. A GOVERNMENT MEDICAL ASSISTANCE PROGRAM OR PRIVATE HEALTH INSURER TO REIMBURSE A PERSON FOR COSTS ASSOCIATED WITH THE MEDICAL USE OF MARIJUANA.
- 2. ANY PERSON OR ESTABLISHMENT IN LAWFUL POSSESSION OF PROPERTY TO ALLOW A GUEST, CLIENT, CUSTOMER OR OTHER VISITOR TO USE MARIJUANA ON OR IN THAT PROPERTY.
- 3. AN EMPLOYER TO ALLOW THE INGESTION OF MARIJUANA IN ANY WORKPLACE OR ANY EMPLOYEE TO WORK WHILE UNDER THE INFLUENCE OF MARIJUANA, EXCEPT THAT A REGISTERED QUALIFYING PATIENT SHALL NOT BE CONSIDERED TO BE UNDER THE INFLUENCE OF MARIJUANA SOLELY BECAUSE OF THE PRESENCE OF METABOLITES OR COMPONENTS OF MARIJUANA THAT APPEAR IN INSUFFICIENT CONCENTRATION TO CAUSE IMPAIRMENT.
- B. NOTHING IN THIS CHAPTER PROHIBITS AN EMPLOYER FROM DISCIPLINING AN EMPLOYEE FOR INGESTING MARIJUANA IN THE WORKPLACE OR WORKING WHILE UNDER THE INFLUENCE OF MARIJUANA.

**36-2815.** Revocation

- A. THE DEPARTMENT SHALL IMMEDIATELY REVOKE THE REGISTRY IDENTIFICATION CARD OF A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT WHO VIOLATES SECTION 36-2804.01, SUBSECTION D, OR SECTION 36-2816, SUBSECTION B. THE DEPARTMENT SHALL SUSPEND OR REVOKE THE REGISTRY IDENTIFICATION CARD OF A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT FOR OTHER VIOLATIONS OF THIS CHAPTER.
- B. THE DEPARTMENT SHALL IMMEDIATELY REVOKE THE REGISTRATION CERTIFICATE OF A REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT VIOLATES SECTION 2816, SUBSECTIONS B OR C, AND ITS BOARD MEMBERS AND PRINCIPAL OFFICERS MAY NOT SERVE AS THE BOARD MEMBERS OR PRINCIPAL OFFICERS FOR ANY OTHER REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY.
- C. ANY CARDHOLDER WHO SELLS MARIJUANA TO A PERSON WHO IS NOT ALLOWED TO POSSESS MARIJUANA FOR MEDICAL PURPOSES UNDER THIS CHAPTER SHALL HAVE HIS REGISTRY IDENTIFICATION CARD REVOKED, AND SHALL BE SUBJECT TO OTHER PENALTIES FOR THE UNAUTHORIZED SALE OF MARIJUANA AND OTHER APPLICABLE OFFENSES.
- D. THE DEPARTMENT MAY REVOKE THE REGISTRY IDENTIFICATION CARD OF ANY CARDHOLDER WHO KNOWINGLY VIOLATES THIS CHAPTER, AND THE CARDHOLDER SHALL BE SUBJECT TO OTHER PENALTIES FOR THE APPLICABLE OFFENSE.
- E. REVOCATION IS A FINAL DECISION OF THE DEPARTMENT SUBJECT TO JUDICIAL REVIEW PURSUANT TO TITLE 12, CHAPTER 7, ARTICLE 6. JURISDICTION AND VENUE ARE VESTED IN THE SUPERIOR COURT.

**36-2816.** <u>Violations; civil penalty; classification</u>

- A. A REGISTERED QUALIFYING PATIENT MAY NOT DIRECTLY, OR THROUGH HIS DESIGNATED CAREGIVER, OBTAIN MORE THAN 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 ANOTHER REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY, A REGISTERED QUALIFYING PATIENT OR A REGISTERED QUALIFYING PATIENT'S REGISTERED DESIGNATED CAREGIVER.
- 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 FEL-
- 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, 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.

36-2817. Medical marijuana fund; private donations

A. THE MEDICAL MARIJUANA FUND IS ESTABLISHED CONSISTING OF FEES COLLECTED, CIVIL PENALTIES IMPOSED AND PRIVATE DONATIONS RECEIVED UNDER THIS CHAPTER. THE DEPARTMENT SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED.

- THE DIRECTOR OF THE DEPARTMENT MAY ACCEPT AND SPEND PRIVATE GRANTS, GIFTS, DONATIONS, CONTRIBUTIONS AND DEVISES TO ASSIST IN CARRYING OUT THE PROVISIONS OF THIS CHAPTER.
- MONIES IN THE MEDICAL MARIJUANA FUND DO NOT REVERT TO THE STATE GENERAL FUND AT THE END OF A FISCAL YEAR.

36-2818. Enforcement of this act; mandamus

A. IF THE DEPARTMENT FAILS TO ADOPT REGULATIONS TO IMPLEMENT THIS CHAPTER WITHIN ONE HUNDRED TWENTY DAYS OF THE EFFECTIVE DATE OF THIS CHAPTER, ANY CITIZEN MAY COMMENCE A MANDAMUS ACTION IN SUPERIOR COURT TO COMPEL THE DEPARTMENT TO PERFORM THE ACTIONS MANDATED UNDER THIS CHAPTER.

B. IF THE DEPARTMENT FAILS TO ISSUE A REGISTRY IDENTIFICATION CARD WITHIN FORTY-FIVE DAYS OF THE SUBMISSION OF A VALID APPLICATION OR RENEWAL, THE REGISTRY IDENTIFICATION CARD SHALL BE DEEMED ISSUED, AND A COPY OF THE REGIS-

TRY IDENTIFICATION CARD APPLICATION OR RENEWAL IS DEEMED A VALID REGISTRY IDENTIFICATION CARD.

C. IF AT ANY TIME AFTER THE ONE HUNDRED FORTY DAYS FOLLOWING THE EFFECTIVE DATE OF THIS CHAPTER THE DEPARTMENT IS NOT ACCEPTING APPLICATIONS OR HAS NOT PROMULGATED RULES ALLOWING QUALIFYING PATIENTS TO SUBMIT APPLI-CATIONS, A NOTARIZED STATEMENT BY A QUALIFYING PATIENT CONTAINING THE INFORMATION REQUIRED IN AN APPLICATION PURSUANT TO SECTION 36-2804.02, SUBSECTION A, PARAGRAPH 3, TOGETHER WITH A WRITTEN CERTIFICATION ISSUED BY A PHYSICIAN WITHIN THE NINETY DAYS IMMEDIATELY PRECEDING THE NOTARIZED STATEMENT, SHALL BE DEEMED A VALID REGIS-TRY IDENTIFICATION CARD.

36-2819. Fingerprinting requirements

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 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. 4. Section 43-1201, Arizona Revised Statutes, is amended to read:

43-1201. Organizations exempt from tax

- Organizations that are exempt from federal income tax under section 501 of the internal revenue code are exempt from the tax imposed under this title. In addition, the following organizations are exempt from the taxes imposed under this title, except as otherwise provided in this chapter:
- Labor, agricultural or horticultural organizations, other than cooperative organizations.

Fraternal beneficiary societies, orders or organizations both:

- Operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system. (a)
- (b) Providing for the payment of life, sick, accident or other benefits to the members of such society, order or organization or their
- Cemetery companies owned and operated exclusively for the benefit of their members or which are not operated for profit or any 3. corporation chartered for burial purposes and not permitted by its charter to engage in any business not necessarily related to that purpose, no part of the net earnings of which inures to the benefit of any private shareholder or individual member thereof.
- Corporations organized and operated exclusively for religious, charitable, scientific, literary or educational purposes or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation.
- 5. Business leagues, chambers of commerce, real estate boards or boards of trade, not organized for profit, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
- Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare or local organizations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, the net earnings of which are devoted exclusively to charitable, educational or recreational purposes.

Clubs organized and operated exclusively for pleasure, recreation and other non-profitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder.

- Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom and turning over the entire amount of such income, less expenses, to an organization which itself is exempt from the tax imposed by this title.
- Voluntary employees' beneficiary organizations providing for the payment of life, sick, accident or other benefits to the members of such organizations or their dependents, if both of the following apply:
- No part of their net earnings inures, other than through such payments, to the benefit of any private shareholder or individual.
- Eighty-five per cent or more of the income consists of amounts collected from members and amounts contributed to the organization by the employer of the members for the sole purpose of making such payments and meeting expenses.
- Teachers' or public employees' retirement fund organizations of a purely local character, if both of the following apply:
- No part of their net earnings inures to the benefit of any private shareholder or individual, other than through payment of retirement (a) benefits.
- The income consists solely of amounts received from public taxation, amounts received from assessments upon the salaries of members and income in respect of investments. For the purposes of this paragraph, "public employees" means employees of the state and its political subdivisions.
- 11. Religious or apostolic organizations or corporations, if such organizations or corporations have a common treasury or community treasury, even if such corporations or organizations engage in business for the common benefit of the members, but only if the members thereof include, at the time of filing their returns, in their Arizona gross income their pro rata shares, whether distributed or not, of the net income of the organizations or corporations for such year. Any amount so included in the Arizona gross income of a member shall be treated as a dividend received.
- 12. Voluntary employees' beneficiary organizations providing for the payment of life, sick, accident or other benefits to the members of such organization, their dependents or their designated beneficiaries, if both of the following apply:
- (a) Admission to membership in such organization is limited to individuals who are officers or employees of the United States government.
- (b) No part of the net earnings of such organization inures, other than through such payments, to the benefit of any private shareholder or individual.
- Corporations classified as diversified management companies under section 5 of the federal investment company act of 1940 and registered as provided in that act.
- Insurance companies paying to the state tax upon premium income derived from sources within this state.
- Mutual ditch, irrigation or water companies or similar nonprofit organizations if eighty-five per cent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

- Workers' compensation pools established pursuant to section 23-961.01
- NONPROFIT MEDICAL MARIJUANA DISPENSARIES UNDER TITLE 36, CHAPTER 28.1, ARE EXEMPT FROM THE TAXES IMPOSED UNDER THIS TITLE.

Sec. 5. Conditional repeal; notice

- Section 36-2812, Arizona Revised Statutes, as added by this act, is repealed as of the date the Arizona department of health services begins to issue registry identification cards to qualifying patients and designated caregivers.
- The Arizona department of health services shall notify, in writing, the director of the Arizona legislative council of this date.

Sec. 6. Exemption from rule making

For the purposes of this act, the Department is exempt from the rule making requirements of Title 41, Chapter 6, Arizona Revised Statutes, for one year after the effective date of this act except that the Department shall provide the public with an opportunity to comment on proposed rules and shall publish otherwise exempted rules.

Sec. 7. Severability

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

#### ANALYSIS BY LEGISLATIVE COUNCIL

Proposition 203 would allow a "qualifying patient" who has a "debilitating medical condition" to obtain an "allowable amount of marijuana" from a "nonprofit medical marijuana dispensary" and to possess and use the marijuana to treat or alleviate the debilitating medical condition or symptoms associated with the condition. The Arizona Department of Health Services (DHS) would be required to adopt and enforce a regulatory system for the distribution of marijuana for medical use, including a system for approving, renewing and revoking the registration of qualifying patients, designated caregivers, nonprofit dispensaries and dispensary agents. The costs of the regulatory system would be paid from application and renewal fees collected, civil penalties imposed and private donations received pursuant to this proposition.

A "qualifying patient" is defined as a person who has been diagnosed by a physician (a doctor of medicine, osteopathy, naturopathic medicine or homeopathy) as having one of the following debilitating medical conditions:

- Cancer.
   Glaucoma.
- Positive status for human immunodeficiency virus.
- Acquired immune deficiency syndrome.
- 5. Hepatitis C.
- Amyotrophic lateral sclerosis.
- Crohn's disease.
- Agitation of Alzheimer's disease.
- A chronic or debilitating disease or medical condition that produces any of the following:
  - a. Cachexia or wasting syndrome.
  - Severe and chronic pain.
  - Severe nausea.
  - d. Seizures (including those characteristic of epilepsy).
  - e. Severe and persistent muscle spasms (including those characteristic of multiple sclerosis).

10. Any other medical condition added by DHS through a public petition process.

In order to register with DHS, a qualifying patient must submit a signed written certification issued by the physician that states the physician's professional opinion that the patient is likely to receive therapeutic or symptom-relieving benefits from the medical use of marijuana to treat or alleviate a debilitating medical condition. The certification must specify the debilitating medical condition and must be made in the course of a physician-patient relationship after the physician has completed a full assessment of the patient's medical history. If the qualifying patient is under 18 years of age, the patient's custodial parent or legal guardian must submit written certifications from two physicians and the custodial parent or legal guardian must consent in writing to control the patient's medical use of the marijuana.

A qualifying patient who is registered with DHS (or a registered designated caregiver on behalf of the qualifying patient) may obtain up to 2.5 ounces of marijuana in a 14-day period from a registered nonprofit medical marijuana dispensary. If the qualifying patient's home is located more than 25 miles from the nearest nonprofit medical marijuana dispensary, the patient or designated car-

egiver may cultivate up to 12 marijuana plants in an enclosed, locked facility.

A registered nonprofit medical marijuana dispensary must be operated on a not-for-profit basis, but may receive payment for all expenses incurred in its operation. DHS may not issue more than one nonprofit medical marijuana dispensary registration certificate for every ten pharmacy permits issued by the Arizona State Board of Pharmacy under current law. The dispensary may cultivate marijuana ónly in an enclósed, locked facility and may acquire marijuana from a registered qualifying patient or designated caregiver if the patient or caregiver is not compensated for the marijuana. This proposition specifies various security, record-keeping and verification requirements relating to the operation of dispensaries.

Proposition 203 would generally provide that any person who acts in conformity with the requirements of the proposition is not subject to any governmentally imposed sanction relating to the medical use of marijuana. This proposition would prohibit certain discriminatory practices, including the following:

1. A school or landlord may not refuse to enroll or lease to a person registered pursuant to this proposition unless failing to do so would cause the school or landlord to lose a monetary or licensing benefit under federal law.

2. An employer may not discriminate against a person registered pursuant to this proposition in hiring, terminating or imposing employment conditions unless failing to do so would cause the employer to lose a monetary or licensing benefit under federal law. Further, an employer may not penalize a qualifying patient registered pursuant to this proposition for a positive drug test for marijuana, unless the patient used, possessed or was impaired by marijuana on the employment premises or during hours of employment.

By its terms, Proposition 203 would not:

- 1. Authorize a person to undertake any task under the influence of marijuana that constitutes negligence or professional malpractice.
- 2. Authorize possessing or using medical marijuana on a school bus, on the grounds of a preschool, primary school or high school or in a correctional facility.
  - 3. Authorize smoking marijuana on public transportation or in a public place.
- Authorize operating, navigating or being in actual physical control of a motor vehicle, aircraft or motorboat while under the influence of marijuana. A registered qualifying patient would not be considered to be under the influence of marijuana solely because of the presence of marijuana in the person's system that appears in a concentration insufficient to cause impairment.

- 5. Require a government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of marijuana.
  - 6. Require an owner of private property to allow the use of marijuana on that property.

7. Require an employer to allow the ingestion of marijuana in the workplace.

8. Prevent a nursing care or other residential or inpatient healthcare facility from adopting reasonable restrictions on the provision, storage and use of marijuana by residents or patients.

#### FISCAL IMPACT STATEMENT

State law requires the Joint Legislative Budget Committee (JLBC) Staff to prepare a summary of the fiscal impact of certain ballot measures. Proposition 203 is projected to cost the state Department of Health Services \$600,000 to operate in the first year and \$1.5 million in the second year. Once fully established in the third year, the projected cost is \$3.1 million. Proposition 203 requires this cost to be funded from application and renewal fees, civil penalties, and private donations.

#### **ARGUMENTS "FOR" PROPOSITION 203**

Medical marijuana saved my life.

This isn't a policy argument in favor of PROP 203; this is what happened to me, a young, outgoing, 26-year-old pursuing her dreams. I am sharing this so that anyone who has any doubt about the need for medical marijuana will understand the difference this medicine can make.

In 2007, I was diagnosed with stage IV brain cancer and given a grim prognosis: I likely had just six months to live. My only chance for survival was a brutal regimen of chemotherapy coupled with radiation. For months I endured muscle weakness, fatigue, loss of appetite, and strong bouts of nausea... I was losing weight, losing my hair and worst of all my strength. The side effects of the treatment were literally killing me and no pharmaceutical drug was alleviating any of my symptoms.

Running out of time and hope, I decided to follow the suggestion of a family member and try something I had never tried before in my life: marijuana.

I tried it and it helped. Almost immediately after using it, the severity of my nausea was diminished. I developed an appetite and was able to eat food. Gradually, I put on some weight and regained my strength.

Three years later, I am alive and feeling good. I continue to undergo monthly maintenance chemotherapy treatments. And when I I use some marijuana both before and after my treatments.

While my story is especially dramatic, there are other patients like me - with MS, HIV/AIDS or other conditions -- who have found relief from marijuana.

We don't deserve to be jailed for using marijuana. And we would benefit from safe and reliable access to our medicine. So on behalf of myself and other patients; please vote YES on PROP 203.

Heather Torgerson, Chair, Arizona Medical Marijuana Policy Project, Phoenix

Paid for by Arizona Medical Marijuana Policy Project

#### WE THE PEOPLE...

With these three words, our founding fathers put together one of the most celebrated documents of our fledging nation. The U.S. Constitution (written on hemp paper) set out the basic rights for citizens to enjoy their freedom which holds true today as much as it did when the Constitution was written in 1789. Today you will have the opportunity to vote for an initiative which was put on the ballot by your fellow citizens.

If Arizona passes this initiative we will become the 15th state to allow seriously ill patients battling diseases like cancer, multiple sclerosis and HIV/AIDS to use medical marijuana, with their doctor's approval, which will relieve their pain and suffering and improve their quality of life.

- Prop 203 is self-funding. What this means is not a dime of taxpayer dollars will be used to implement the initiative if it passes.
  This model bill will tightly regulate the non-profit dispensaries limiting the number to 120 statewide.
- The initiative will require a doctors certification of need before a registry identification card will be issued. The Arizona Department of Health will administer the program and a secure database of patients will be maintained and only people who are seriously ill or dying will have access to medical marijuana.
- Voting yes on this initiative will prevent seriously ill patients from being threatened with arrest for the simple act of taking their doctor-recommended medicine.

By voting YES on this initiative you are fulfilling the dream as set out by Thomas Jefferson (President and hemp farmer). An interesting fact, Thomas Jefferson sufféred from migraine headaches and was known to smoke Indian Hemp for pain relief.

Regardless of how you vote for this initiative, thank you for coming out to vote.

#### Michelle B. Graye, Tucson

Prop. 203 is about compassion, control and commonsense. We hope you will support it.

The purpose of the proposed law is to allow seriously ill patients, whose doctors believe they would benefit from the use of marijuana, to acquire the medicine they need under tightly régulated conditions. Quite simply, if you believe patients with specific qualifying conditions or symptoms should be able to use marijuana, then you can vote YES on this initiative with confidence that these patients - and only these patients - will benefit from the law.

Unlike California, where it's possible to get a doctor's recommendation to use marijuana for almost any condition, only patients with a limited number of serious and debilitating conditions, including cancer, HIV/AIDS, Alzheimer's Disease, glaucoma, Crohn's disease, and multiple sclerosis (MS), will be able to acquire medical marijuana in Arizona. Patients will also have to register with the state and will be entered into a database accessible by all medical marijuana dispensaries to ensure that patients cannot purchase more marijuana than they need.

Unlike Colorado, where state and local laws have made it possible for 500-1000 medical marijuana dispensaries to set up shop, the number of dispensaries in Arizona will be limited to one for every ten pharmacies. Currently, that means only 124 dispensaries will be allowed in the entire state.

Although this proposed law is restrictive, it will accomplish the most important goal of any medical marijuana law: it will protect seriously ill patients using medical marijuana from arrest and imprisonment. It will also free them from the shame, danger and unreliability of having to find the medicine they need on the streets.

There are thousands of patients in Arizona who will benefit from the passage of this initiative. Please help them by voting YES on Prop. 203.

Andrew Myers, Campaign Manager, Arizona Medical Marijuana Policy Project, Phoenix

Paid for by Arizona Medical Marijuana Policy Project

#### ARGUMENTS "AGAINST" PROPOSITION 203

Dear Arizonan:

The ADHS does not support the passage of Proposition 203- the Arizona Medical Marijuana Act.

The FDA doesn't recognize smoking marijuana as a treatment for any medical condition. Despite this fact, the Arizona Medical Marijuana Act would let people apply for and receive registration cards that allow them to purchase and use marijuana for therapeutic purposes.

The medical conditions that qualify for a medical marijuana registration card include *"a chronic or debilitating disease or medical* condition or its treatment that produces severe or chronic pain." Smoking marijuana is not part of the normal medical management of pain, and marijuana hasn't been tested by the FDA for its safety or effectiveness for pain management. There are numerous FDAapproved medications available that are clinically proven to be safe and effective for pain relief and management.

Because pain is a personal experience that's difficult to confirm with diagnostic tests, recreational marijuana users may complain "severe or chronic pain" to their doctors and (with their recommendation) get a marijuana registration card. Many states that have implemented medical marijuana laws have found that most applicants cite "severe or chronic pain" as part of their qualifying medical condition. Severe or chronic pain was a factor for more than 88% of all medical marijuana cardholders in Montana.

The major problems with Proposition 203 are:

- The Act would allow people to apply for and receive registration cards so they can purchase and use marijuana for therapeutic purposes even though the FDA doesn't recognize smoking marijuana as a treatment for any medical condition;
- The majority of cardholders in Arizona will likely qualify because of severe or chronic pain, which has dozens of approved safe and effective treatment alternatives; and
- The law may increase the recreational use & abuse of marijuana.

Will Humble, Director, Arizona Department of Health Services, **Phoenix** 

Laura Nelson, MD, Chief Medical Officer, Arizona Department of Health Services, Phoenix

There are ways to make sure medical marijuana only goes to sick people who really need it. For example, New Mexico's law strictly limits who gets marijuana and who can prescribe it. But Proposition 203 is like laws in California and Montana, where most of the pot goes to drug abusers, and where traffic fatalities involving marijuana have skyrocketed. In California, doctors openly advertise that they prescribe marijuana, and they rarely turn anyone down. See for yourself at www.potdoc.com. In Montana, traveling pot doctors go from town to town, handing out marijuana cards to anyone with \$150. So limiting prescriptions to licensed physicians obviously won't protect against drug abuse. Neither will rules limiting medical marijuana to specific conditions. Prop 203 lists severe pain as a permitted condition, but pain is easy to fake and impossible to disprove. In Colorado, most medical marijuana patients are ages 18 - 35, the most common diagnosis is "severe pain," and the dispensaries are on college campuses. So don't buy the story that it's only for people with serious and terminal illnesses. Prop 203 is designed to encourage drug abuse. And unscrupulous doctors. If a doctor advertised oxycontin for everyone, the licensing board would yank his license. But Prop 203 protects doctors who do nothing but hand out marijuana cards all day long. Potdoc.com's website actually brags that his prescriptions are "bulletproof" and the licensing board can't touch him. I've spent 25 years working with drug addicts. They're amazing con artists. They con doctors, judges and relatives, but please don't let them con the whole state of Arizona. We can have medical marijuana for sick people who truly need it by adopting New Mexico's law. But not Proposition 203. It's a prescription for drug abuse. Find more reasons to vote no at edgogek.com.

#### Ed Gogek, MD, Prescott

Here's 3 reasons to vote no on Proposition 203: 1) Teenagers smoke far more marijuana in states with medical marijuana laws. The pro-marijuana forces claim medical marijuana decreases teenage drug use, but they're twisting statistics. Teenage marijuana use is decreasing in all 50 states, but the decrease is far less in states with medical marijuana. That's because when it's more available, more teenagers try it. California newspapers report how easily teens lie to doctors about pain to get marijuana cards. A Colorado teen boasted on NPR that all her friends have marijuana cards, so it's always available. Research shows teenage marijuana use has a bad affect on learning, schoolwork and later job performance. Yet California's Drug Policy Alliance director says doctors should be allowed to recommend marijuana to children of any age. 2) Highway deaths will increase. Read this from an Associated Press report on Montana's medical marijuana law: "DUI arrests involving marijuana have skyrocketed, as have traffic fatalities where marijuana was found in the system of one of the drivers..." That's because Montana's law, just like Proposition 203, is written so poorly that drug abusers who have nothing wrong with them can get all the pot they want. Marijuana is already the most common illegal drug involved in fatal car wrecks. Proposition 203 will make that worse. 3) Crime and violence will increase. Sure, most pot-smokers are non-violent, but most alcohol users never drive drunk. Research shows that heavy marijuana users commit more crime and more violence, the same thing we see with heavy users of every other addictive drug. By making pot more available to anyone who wants it, Proposition 203 will increase the number of heavy users, and crime, teenage pot-smoking and fatal car crashes will all increase. Please vote no on 203.

Bobby Patton, CEO, Clean Adventures in Sober Living, Prescott

Wes Kitchens, Vice President & Clinical Director, Clean Adventures in Sober Living, Prescott

Paid for by Clean Adventures in Sober Living

We're an addiction recovery program and we treat lots of addicted pot-smokers. Some people just can't believe pot's addictive because they tried it and never got hooked. But addicted pot-smokers are as different from occasional users as gutter drunks are from people who have an occasional glass of wine with dinner. The addicts we see smoke pot all day long and can't stop. They claim it makes them creative, helps them relax and expands their lives. In reality, they have no ambition and no motivation. They avoid people and rarely leave home. They can't hold a job, or not much of one. Far from relaxed, they have terrible anxiety. Marijuana is addictive, and badly designed medical marijuana laws, like Prop 203, make it more available and create more addicts. In our treatment program we're already seeing California teenagers who got addicted to legally prescribed medical marijuana. Some states have good medical marijuana laws, limiting which doctors can prescribe and requiring second opinions to make sure the diagnosis is real. However, the organization behind Prop 203 is the Marijuana Policy Project, a group dedicated to legalizing marijuana. So the way they wrote this proposition, addicts will have no problem getting pot, and helping addicts stay stoned is no favor. Addiction is miserable. Our clients tell us they've been lying to themselves and others for years, pretending they loved smoking pot when it was really ruining their lives. Lots of addicts tell us that getting arrested and forced into treatment was the best thing that ever happened, to them and to their families. For them, strict marijuana laws are a blessing. Medical marijuana laws should help the sick without also increasing addiction. Some state laws do that, but Prop 203 fails that test. Please vote no.

Bob Perrone, CEO, Decision Point Center, Prescott Paid for by Decision Point Center

Tony Myers, Vice President, Decision Point Center, Prescott

Proposition 203's sponsors aren't being honest. They say it's only for people with serious diseases like cancer, but other states have passed similar measures, and what happens is anyone can get marijuana. Teenagers, drug addicts, people who just like to party, they all find doctors who, for a fee, gladly sign a marijuana certificate. So most of the people smoking "medical marijuana" have no health problems at all, and the state is powerless to stop it. Proposition 203 is sponsored by the Marijuana Policy Project, an organization whose goal is to legalize pot. And that's what Prop 203 is really about; it's a back door route to legalization. They could have made Prop 203 like New Mexico's law, with strict checks so marijuana only goes to genuinely sick people. Instead, Prop 203 is more like California, where one of the main medical marijuana supporters now describes their dispensaries as "little more than dope dealers with storefronts." We run a halfway house for drug addicts, so we've seen how crafty they are. They'll lie to anyone to get drugs. Family, friends, doctors; they don't care. We know their scams, and Prop 203 sounds like one big scam with dope fiend written all over it. And once these laws get passed, forget about promises that it's just for people with serious illnesses. Pot-smokers and pot-sellers will organize to fight any changes. When Colorado tried to close loopholes in their law, college students and marijuana sellers took over legislative hearings, screaming at legislators until cops dragged them away. That's not a health care debate; that's angry drug abusers who want their drugs and hate anyone who stands in their way. So to prevent drug abuse, to keep teens off drugs, and to protect Arizona, here's our recommendation: Just vote no.

Barry Cooney, President & CEO, First Step Recovery, Prescott

Bobby Cooney, Vice President, First Step Recovery, Prescott

Paid for by First Step Sober Housing Center

Once again those seeking a way to smoke pot legally are doing so through the guise of "medical marijuana," exploiting truly sick people. The Medical Marijuana Initiative is bad for public safety and we strongly oppose it.

The Initiative creates marijuana dispensaries which can distribute 2.5 ounces of marijuana (approximately 200 joints) every two weeks to individuals. It permits growing and possessing of 12 marijuana plants to those with a doctor's "recommendation," but requires no physician's care or monitoring. It creates "caregivers" who can possess or grow five times that amount.

Parents may also consent to their minor children receiving "recommendations" and using marijuana. It makes these persons, their children, their caregivers and the dispensaries immune from any law enforcement oversight or criminal sanctions. It bars law enforcement from scrutinizing compliance and financial records, and exempts the dispensaries and their suppliers from taxes.

If this proposition passes, a cottage industry of physician recommendations, caregivers and pot shops will spring up overnight in our communities. In towns with medical marijuana, "Cannabis Caravans" visit, handing out recommendations and selling pot, and the number of pot shops and customers have exploded. Los Angeles now has more pot shops than Starbucks. 'Physician exam' storefronts are advertised like discount electronic stores, sign spinners and all, and recommendations are produced in factory fashion for whatever ails you. Marijuana dispensaries take in hundreds of thousands of dollars tax-free and their suppliers get rich.

Increased drug use and availability worsens crime problems, and puts public safety severely at risk. Pot shops are targeted by robbers, and increased crime, drug abuse, marijuana impaired drivers and vehicular fatalities involving marijuana use flourish. This proposition is extremely bad for public safety, for public health and is just plain bad public policy.

We strongly oppose it and urge you to vote "NO."

Barbara LaWall, Pima County Attorney, Tucson

Edward G. Rheinheimer, Cochise County Attorney, Bisbee

Ralph E. Ogden, Yuma County Sheriff, Yuma

James P. Walsh, Pinal County Attorney, Oracle

Clarence W. Dupnik, Pima County Sheriff, Tucson

Tony Estrada, Santa Cruz County Sherriff, Nogales

Steve Waugh, Yavapai County Sherriff, Prescott

Jon R. Smith, Yuma County Attorney, Yuma

Michael B. Whiting, Apache County Attorney, St. Johns

Daisy Flores, Gila County Attorney, Globe

Amelia Craig Cramer, Chief Deputy Pima County Attorney, Tucson Paul Babeu. Pinal County Sherriff. Sheila S. Polk, Yavapai County Attorney, Prescott

Brad Carlyon, Navajo County Attorney, Holbrook

Sam Vederman, La Paz County Attorney, Parker

Jim McCabe, Chief Deputy, Mohave County Sherriff's Office, Kingman Richard Wintory, Assistant Attorney

General, Oro Valley

The American Medical Association rejected pleas to endorse marijuana as medicine and instead urged that it remain a prohibited, Schedule I controlled substance. The American Cancer Society "does not advocate inhaling smoke, nor the legalization of marijuana." The American Academy of Pediatrics opposes marijuana legalization. The National Multiple Sclerosis Society, American Glaucoma Society and American Academy of Ophthalmology have also rejected marijuana as medicine.

This proposition decriminalizes marijuana by creating legal barriers for law enforcement, prosecutors, courts, state licensing boards, and employers. "Medical" Marijuana Card Holders, Caregivers, Dispensaries, and Physicians are all exempt from arrest, search, civil penalties, or disciplinary actions.

Prop 203 allows physicians to issue a "written certification" that patients are likely to benefit from marijuana use. States where "medical" marijuana has passed have seen a growing list of ailments patients and physicians use to justify smoking marijuana including: attention deficit disorder, headaches, anxiety, insomnia, color blindness and various types of pain.

A Cardholder can legally obtain 2.5 ounces every 14 days – equal to 100 marijuana cigarettes. This initiative allows juveniles to obtain "medical" marijuana with the written permission from parents and certifications by two physicians. Adolescent marijuana usage rates are higher than national averages in states that have legalized "medical" marijuana.

Prop 203 provides no legal standard of marijuana metabolites in the bloodstream indicating intoxication. Arizona employers with or without "Drug Free Work Places" cannot discriminate against a person in hiring, or take action against any employee resulting in a positive drug test for "medical" marijuana.

Operating a motor vehicle or motorboat shall not be considered to be "under the influence" solely because of the presence of marijuana metabolites in insufficient concentration to cause impairment.

The Food and Drug Administration (FDA) has not approved smoked marijuana for any condition or disease.

**Florence** 

Carole Groux, Licensed Professional Counselor, Fountain Hills

Prop 203 - Arizona Medical Marijuana Act

Center for Arizona Policy strongly opposes Prop 203 because of its incredible potential to harm Arizona families. Beyond being simply unnecessary, **Prop 203 sends a dangerous message to our children that illegal drugs are not only acceptable, but beneficial.** That message undermines the effort to protect children from exposure to illegal drugs and to educate them about the consequences of destructive behavior like illegal drug use.

Arizonans are smart enough not to be duped into thinking that this effort is about helping those with serious medical conditions. It is about allowing widespread recreational drug use under the guise of medical need. There is nothing "medical" about a drug with no recommended dosage amounts and no recommended means of delivery – not to mention that this proposition does not even require a doctor to examine a patient before signing off that the patient is "likely to benefit" from using marijuana.

Other states that have adopted this sham of "medical" marijuana have encountered repeated instances of abuse and are expending considerable resources to crack down on those who illegitimately obtain and use the drug. In fact, 8 of the 14 states with "medical" marijuana programs have had to pass supplemental laws to close loopholes and address abuses, and Prop 203 suffers from many of the same problems those states have fixed. In Arizona, our Legislature could have its hands tied from dealing with any problems because of our strong protection for voter-approved initiatives.

Drug abuse can occur in any family, and its effects are devastating for that family and the community. Voting for Prop 203 is a slap in the face to those families who have suffered through drug abuse and addiction. Please vote NO on Prop 203.

Cathi Herrod, President, Center for Arizona Policy, Phoenix

Deborah Sheasby, Legal Counsel, Center for Arizona Policy, Phoenix

Paid for by Center for Arizona Policy

Vote No on Prop 203

Weed is a gateway drug. Kids today are told that compared to meth and heroin, marijuana is harmless. They are told that marijuana can open your mind, make you more creative and interesting, and it comes without the dangers of heavier drugs and the lifestyle associated with them. However, with so many harmful drugs so easily available, it is only a matter of time before kids who only used weed are tempted to try something "a little more exciting," i.e. dangerous.

The most destructive thing we could subject our children to is MORE harmful drugs in Arizona, and that is precisely what Prop 203

The most destructive thing we could subject our children to is MORE harmful drugs in Arizona, and that is precisely what Prop 203 aims to do – flood Arizona with illegal drugs. The legalization of "medical" marijuana sends the message to our children that weed is not only acceptable, but GOOD FOR YOU! This is appalling. Now, more than ever, our kids need us to take a stand for their future! We are here to protect our children, reduce crime, and keep drugs off of our streets. We are asking you to join community leaders

We are here to protect our children, reduce crime, and keep drugs off of our streets. We are asking you to join community leaders and valley businessmen like Eric Wnuck, 2006 gubernatorial candidate Len Munsil, former US Attorney Paul Charlton, and attorneys David Kimball and Carolyn Short in getting behind this cause and voting "NO" on Prop 203.

You've probably already seen it on FOX News... Unregulated and out-of-control dispensaries in California, slayings in Los Angeles,

You've probably already seen it on FOX News... Unregulated and out-of-control dispensaries in California, slayings in Los Angeles, doctors doling out marijuana cards to every "patient" with a headache, and "patients" being given enough weed to smoke one joint every 15 minutes. We can only prevent this from happening in Arizona with your help, support, and your "No" vote on November 2nd.

Sean McMaster, Treasurer, Keep AZ Drug Free, Phoenix

Paid for by Keep AZ Drug Free

Vote NO on Prop 203

There is no such thing as "medical" marijuana and the proponents of Prop 203 are not doctors. The FDA must approve medicines in the U.S. Marijuana not only isn't approved by the FDA, it is a Schedule I controlled substance. To subvert our federal laws, proponents of Prop 203 are seeking approval of a dangerous drug by popular vote. An FDA-approved medicine, called Marinol, addresses the true medical needs of patients. Prop 203 is a sham, intended to be a stepping-stone to legalizing marijuana in general.

No medication has ever been approved by popular vote rather than by the FDA. No FDA-approved medicine is smoked. The FDA says that voter initiatives to approve "medical" marijuana "are inconsistent with efforts to ensure that medications undergo the rigorous scientific scrutiny of the FDA approval process and are proven safe and effective under the standards of the FD&C Act. Accordingly, FDA, as the federal agency responsible for reviewing the safety and efficacy of drugs, DEA as the federal agency charged with enforcing the [federal laws], and the Office of National Drug Control Policy, as the federal coordinator of drug control policy, do not support the use of smoked marijuana for medical purposes."

The health and safety of our children is at stake! Just imagine the mixed message being sent when adults tout marijuana as a safe and effective medicine. In fact, marijuana is a dangerous and addictive drug with a high potential for abuse. In 1994, the Office of National Drug Control Policy reported that more people are being admitted to treatment for marijuana use than for heroin addiction. Moreover, marijuana is a gateway drug! Our children deserve our guidance and protection from marijuana and all other drugs. Protect our children: Vote no on 203.

Carolyn Short, Paradise Valley



#### **BALLOT FORMAT**

### **PROPOSITION 203**

# PROPOSED BY INITIATIVE PETITION RELATING TO THE MEDICAL USE OF MARIJUANA

#### **AN INITIATIVE MEASURE**

AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28.1; AMENDING SECTION 43-1201, ARIZONA REVISED STATUTES; RELATING TO THE MEDICAL USE OF MARIJUANA; PROVIDING FOR CONDITIONAL REPEAL.

#### **DESCRIPTIVE TITLE**

ALLOWS THE USE OF MARIJUANA FOR PEOPLE WITH DEBILITATING MEDICAL CONDITIONS WHO OBTAIN A WRITTEN CERTIFICATION FROM A PHYSICIAN AND ESTABLISHES A REGULATORY SYSTEM GOVERNED BY THE ARIZONA DEPARTMENT OF HEALTH SERVICES FOR ESTABLISHING AND LICENSING MEDICAL MARIJUANA DISPENSARIES.

A "yes" vote shall have the effect of authorizing the use of marijuana for people with debilitating medical conditions who obtain a written certification from a physician and establishing a regulatory system governed by the Arizona Department of Health Services for establishing and licensing medical marijuana dispensaries.	YES□
A "no" vote shall have the effect of retaining current law regarding the use of marijuana.	NO

# ARTICLE 1. GENERAL TABLE 1.1

Type of approval	Authority	Overall	Time-frame for	Administrative	Substantive
	(A.R.S. § or	Time-	applicant to	Completeness	Review Time-
	A.A.C.)	frame (in	complete	Time-frame (in	frame (in
***************************************		working	application (in	working days)	working
		days)	working days)		days)
Changing a	36-2808	10	10	5	5
registry					
identification card					
Requesting a	36-2804.06	5	5	2	3
replacement					
registry					
identification card	<u> </u>				
Applying for a	36-	15	30	5	10
registry	2804.02(A)			444	
identification card					
for a qualifying				William Control of the Control of th	
patient or a				·	
designated		***************************************			
caregiver					
Amending a	36-2808	10	10	5	5
registry					
identification card				***	
for a qualifying					
patient or a					
designated					
caregiver					
Renewing a	36-	15	15	5	10
qualifying patient's	2804.02(A)		***************************************		
or designated	and 36-			TTTT-	
caregiver's registry	2804.06				
identification card		***************************************	1		

Applying for a	36-2804	45 <u>30</u>	10	<del>15</del> <u>5</u>	<u>30-25</u>
dispensary					
registration			,		***************************************
certificate					}
Applying for	R9-17-305	45	10	15	30
approval to					
operate a					
dispensary					
Changing a	36-2804 and	90	90	30	60
dispensary	R9-17-307				
location or adding					
or changing a	4-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1				
dispensary's			The state of the s		
cultivation site					
location				it.	
Renewing a	36-2804.06	15	15	5	10
dispensary					Ly-
registration				***************************************	
certificate		A			
Applying for a	36-2804.01	15	30	5	10
dispensary agent	and			-	
registry	36-2804.03				
identification card					
Renewing a	36-2804.06	15	. 15	5	10
dispensary agent's				<b>.</b>	
registry					
identification card					

# ARTICLE 3. DISPENSARIES AND DISPENSARY AGENTS

## R9-17-302. Evaluation of Dispensary Registration Certificate Applications

A. If more than one dispensary registration certificate application, that is complete and in compliance with A.R.S. Title 36, Chapter 28.1 and this Chapter, is received for a single CHAA, the Department shall review the dispensary registration certificate applications for the CHAA to determine if:

- 1. Each applicant, principal officer, or board member associated with a dispensary registration certificate application has submitted Arizona resident personal income tax returns for the previous three years with the dispensary registration certificate application;
- 2. Each applicant, principal officer, or board member associated with a dispensary registration certificate application:
  - a. Is current on paying court-ordered child-support;
  - b. Is not delinquent paying taxes, interest, or penalties due to a governmental agency;
  - e. Does not have an unpaid judgment due to a governmental agency; and
  - d. Is not in default on a government issued student loan;
- 3.1. Each individual who has 20% or more interest in the dispensary is the applicant or a principal officer or board member of the dispensary; and
- 4. Each applicant, principal officer, or board member has never:
  - a. Filed for personal bankruptcy, or
  - b. Been a principal officer of a business entity that filed for bankruptcy; and
- 5.2. Documentation was submitted with the dispensary registration certificate application that:
  - a. Is from an in-state financial institution or an out-of-state financial institution;
  - b. Is dated within 30 <u>calendar</u> days before the date the dispensary registration certificate application was submitted; and
  - c. Demonstrates that the entity applying for the dispensary registration certificate or a principal officer of the entity:
    - i. Has at least \$150,000 under the control of the entity or principal officer to begin operating the dispensary, and
    - ii. Has had control of the \$150,000 in subsection (A)(5)(e)(i) (A)(2)(c)(i) for at least 30 calendar days before the date the dispensary registration certificate application was submitted.
- B. The Department shall process the dispensary registration certificate applications to allocate a dispensary registration certificate in a CHAA for each dispensary registration certificate assigned to the CHAA as follows:
  - 1. The Department shall review all dispensary registration certificate applications received for the CHAA to determine if each application meets the criteria in subsection (A)(1);

- 2. If the Department determines that only one of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(1), the Department shall allocate a dispensary registration certificate to that applicant;
- 3. If the Department determines that none of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(1), the Department shall randomly select one dispensary registration certificate application and allocate a dispensary registration certificate to that applicant;
- 4. If the Department determines that more than one or all of the reviewed dispensary registration certificate applications meet the criteria in subsection (A)(1), the Department shall review those applications that meet the criteria in subsection (A)(1) for the criteria in subsection (A)(2);
- 5. If the Department determines that only one of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(2), the Department shall allocate a dispensary registration certificate to that applicant;
- 6. If the Department determines that none of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(2), the Department shall randomly select one dispensary registration certificate application that meets the criteria in subsection (A)(1) and allocate a dispensary registration certificate to that applicant; and
- 7. If the Department determines that more than one or all of the reviewed dispensary registration certificate applications meet the criteria in subsection (A)(2), the Department shall review those applications that meet the criteria in subsection (A)(2) for the criteria in subsection (A)(3) randomly select one of the dispensary registration certificate applications that meet the criteria in subsection (A)(2) and allocate a dispensary registration certificate to that applicants.
- 8. If the Department determines that only one of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(3), the Department shall allocate a dispensary registration certificate to that applicant;
- 9. If the Department determines that none of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(3), the Department shall randomly select one dispensary registration certificate application that meets the criteria in subsection (A)(2) and allocate a dispensary registration certificate to that applicant;
- 10. If the Department determines that more than one or all of the reviewed dispensary registration certificate applications meet the criteria in subsection (A)(3), the Department

- shall review those applications that meet the criteria in subsection (A)(3) for the criteria in subsection (A)(4);
- 11. If the Department determines that only one of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(4), the Department shall allocate a dispensary registration certificate to that applicant;
- 12. If the Department determines that none of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(4), the Department shall randomly select one dispensary registration certificate application that meets the criteria in subsection (A)(3) and allocate a dispensary registration certificate to that applicant;
- 13. If the Department determines that more than one or all of the reviewed dispensary registration certificate applications meet the criteria in subsection (A)(4), the Department shall review those applications that meet the criteria in subsection (A)(4) for the criteria in subsection (A)(5);
- 14. If the Department determines that only one of the reviewed dispensary registration certificate applications meets the criteria in subsection (A)(5), the Department shall allocate a dispensary registration certificate to that applicant;
- 15. If the Department determines that none of the reviewed dispensary registration certificate applications or all of the dispensary registration certificate applications meet the criteria in subsection (A)(5), the Department shall randomly select one dispensary registration certificate application that meets the criteria in subsection (A)(4) and allocate a dispensary registration certificate to that applicant; and
- 16. If the Department determines that more than one of the reviewed dispensary registration eartificate applications meet the criteria in subsection (A)(5), the Department shall randomly select one of the dispensary registration certificate applications that meet the criteria in subsection (A)(5) and allocate a dispensary registration certificate to that applicant.
- C. If an applicant submits more than one dispensary registration certificate application, the documentation in subsection (A)(5) (A)(2) needs to demonstrate there is at least \$150,000 available for each dispensary registration certificate application submitted.

## R9-17-303. Dispensary Registration Certificate Allocation Process

- A. The Department shall review dispensary registration certificate applications and issue dispensary registration certificates according to the requirements in R9-17-107 and R9-17-302.
- B. Except as provided in subsection (C), the Department shall assign only one dispensary registration certificate allocation for each CHAA.

- C. A city or town that contains more than one CHAA may request the reassignment of a dispensary registration certificate allocation from one CHAA to another CHAA under the jurisdiction of the city or town by submitting a written request to the Department by June 1, 2011 30 calendar days after the posting in subsection (D) that contains:
  - 1. The CHAAs involved in the reassignment,
  - 2. The reassignment requested, and
  - 3. The signature of the individual authorized to submit the request.
- D. The Department shall accept dispensary registration certificate applications for 30 calendar 10 working days beginning June 1, 2011 30 calendar days after the Department posts on the Department's website that the Department will be accepting dispensary registration certificate applications.
- E. If the Department receives:
  - Only one dispensary registration certificate application for a dispensary located in a CHAA that the Department determines is complete and is in compliance with A.R.S.

    Title 36, Chapter 28.1 and this Chapter by 60 ealendar working days after June 1, 2011 the Department begins accepting applications, the Department shall allocate the dispensary registration certificate for the CHAA to that applicant; or
  - 2. More than one dispensary registration certificate application for a dispensary located in a CHAA that the Department determines are complete and are in compliance with A.R.S. Title 36, Chapter 28.1 and this Chapter, by 60 calendar working days after June 1, 2011 the Department begins accepting applications, the Department shall allocate a dispensary registration certificate according to R9-17-302.
- F. In May of each Each calendar year beginning in May 2012 2013, the Department shall review current valid dispensary registration certificates to determine if the Department may issue additional dispensary registration certificates pursuant to A.R.S. § 36-2804(C).
  - 1. If the Department determines that the Department may issue additional dispensary registration certificates, the Department shall post, on the Department's web site, the information that the Department is accepting dispensary registration certificate applications, including the deadline for accepting dispensary registration certificate applications.
    - a. The Department shall post the information in subsection (F)(1) by the last working day of the month at least 30 calendar days before the date the Department begins accepting applications.

- b. The deadline for submission of dispensary registration certificate applications is 30 calendar 10 working days after the date of posting in the Department begins accepting applications in subsection (F)(1)(a).
- c. Sixty ealendar working days after the date of posting in subsection (F)(1)(a) the Department begins accepting applications, the Department shall determine if the Department received more dispensary registration certificate applications that are complete and in compliance with A.R.S. Title 36, Chapter 28.1 and this Chapter than the Department is allowed to issue.
  - i. If the Department received more dispensary registration certificates applications than the Department is allowed to issue, the Department shall allocate any available dispensary registration certificates according to the priorities established in subsection (G).
  - ii. If the Department is allowed to issue a dispensary registration certificate for each dispensary registration certificate application the Department received, the Department shall allocate the dispensary registration certificates to those applicants.
- 2. If the Department determines that the Department is not allowed to issue additional dispensary registration certificates, the Department shall, on the Department's web site:
  - a. Post the information that the Department is not accepting dispensary registration certificate applications, and
  - b. Maintain the information until the next review.
- G. Beginning in May 2012 2013, if the Department receives, by 60 ealendar working days after the date the Department begins accepting applications posted the notice in subsection (F)(1)(a), more dispensary registration certificate applications that are complete and are in compliance with A.R.S. Title 36, Chapter 28.1 and this Chapter than the Department is allowed to issue, the Department shall allocate the dispensary registration certificates according to the following criteria:
  - 1. If dispensary registration certificate applications are received for a county that does not contain a dispensary:
    - a. If only one dispensary registration certificate application for a dispensary located in the county is received, the Department shall allocate the dispensary registration certificate to that applicant; or
    - b. If more than one dispensary registration certificate application for a dispensary located in the county is received, the Department shall prioritize and allocate a

dispensary registration certificate to an applicant whose proposed dispensary location will provide dispensary services to the most qualifying patients based on:

- The number of registry identification cards issued to qualifying patients who reside within 10 miles of the applicant's proposed dispensary location, and
- ii. The number of dispensaries operating within 10 miles of the applicant's proposed dispensary location;
- 2. If there are additional dispensary registration certificates available after dispensary registration certificates are allocated according to subsection (G)(1), and if dispensary registration certificate applications are received for a location in a CHAA that does not contain a dispensary and whose dispensary registration certificate has not been reassigned under subsection (C), the Department shall allocate the dispensary registration certificates as follows:
  - a. If the Department receives dispensary registration certificate applications for a dispensary in more CHAAs, that do not contain a dispensary and whose dispensary registration certificates have not been reassigned under subsection (C), than there are dispensary registration certificates available, the Department shall prioritize and assign a dispensary registration certificate allocation to a CHAA based on which CHAA has the most registry identification cards issued to qualifying patients who reside within the CHAA;
  - If only one dispensary registration certificate application for a dispensary located in the CHAA is received, the Department shall allocate the dispensary registration certificate to that applicant; or
  - c. If the Department receives more than one dispensary registration certificate application for a dispensary located in the CHAA, the Department shall prioritize and allocate dispensary registration certificates to an applicant whose proposed dispensary location will provide dispensary services to the most qualifying patients based on:
    - The number of registry identification cards issued to qualifying patients who reside within 10 miles of the applicant's proposed dispensary location, and
    - The number of dispensaries operating within 10 miles of the applicant's proposed dispensary location;

- 3. If there are additional dispensary registration certificates available after dispensary registration certificates are allocated according to subsections (G)(1) and (2), for all dispensary registration certificate applications not allocated a dispensary registration certificate pursuant to subsections (G)(1) and (2) and any other dispensary registration certificate applications received, the Department shall prioritize and allocate a dispensary registration certificate to an applicant whose proposed dispensary location will provide dispensary services to the most qualifying patients based on:
  - a. The number of registry identification cards issued to qualifying patients who reside within 10 miles of the applicant's proposed dispensary location, and
  - b. The number of dispensaries operating within 10 miles of the applicant's proposed dispensary location; and
  - 4. If there is a tie or a margin of 0.1% or less in the scores generated by applying the criteria in subsection (G), the Department shall randomly select one dispensary registration certificate application and allocate a dispensary registration certificate to that applicant.
- H. For purposes of subsection (G), "10 miles" includes the area contained within a circle that extends for 10 miles in all directions from a specific location.
- I. If the Department does not allocate a dispensary registration certificate to an applicant that had submitted a dispensary registration certificate application that the Department determined was complete and in compliance with A.R.S. Title 36, Chapter 28.1 and this Chapter, the Department shall:
  - Provide a written notice to the applicant that states that, although the applicant's
    dispensary registration certificate application was complete and complied with A.R.S.
    Title 36, Chapter 28.1 and this Chapter, the Department did not allocate the applicant a
    dispensary registration certificate under the processes in R9-17-302 and this Section; and
  - 2. Return \$1,000 of the application fee to the applicant.
  - J. If the Department receives a dispensary registration certificate application at a time other than the time stated in subsection (D) or (F), the Department shall return the dispensary registration certificate application, including the application fee, to the entity that submitted the dispensary registration certificate application.

# R9-17-304. Applying for a Dispensary Registration Certificate

- A. An individual shall not be an applicant, principal officer, or board member on:
  - More than one dispensary registration certificate application for a location in a single CHAA, or

- 2. More than five dispensary registration certificate applications for locations in different CHAAs.
- B. If the Department determines that an individual is an applicant, principal officer, or board member on more than one dispensary registration certificate application for a CHAA or more than five dispensary registration certificate applications, the Department shall review the applications and provide the applicant on each of the dispensary registration certificate applications with a written comprehensive request for more information that includes the specific requirements in A.R.S. Title 36, Chapter 28.1 and this Chapter that the dispensary registration certificate application does not comply with.
  - If an applicant withdraws an application to comply with this Chapter and submits
    information demonstrating compliance with A.R.S. Title 36, Chapter 28.1 and this
    Chapter, the Department shall process the applicant's dispensary registration certificate
    applications according to this Chapter.
  - 2. If an applicant does not withdraw an application or submit information demonstrating compliance with A.R.S. Title 36, Chapter 28.1 and this Chapter, the Department shall issue a denial to the applicant according to R9-17-322.
  - An application fee submitted with a dispensary registration certificate application in subsection (B) that is withdrawn is not refunded.
  - Each principal officer or board member of a dispensary is an Arizona resident and has been an Arizona resident for the three years immediately preceding the date the dispensary submits a dispensary registration certificate application.
  - **D.C.** To apply for a dispensary registration certificate, an entity shall submit to the Department the following:
    - 1. An application in a Department-provided format that includes:
      - a. The legal name of the dispensary;
      - The physical address of the proposed dispensary;
      - c. The following information for the entity applying:
        - i. Name,
        - ii. Type of business organization,
        - iii. Mailing address,
        - iv. Telephone number, and
        - v. E-mail address;
      - d. The name of the individual designated to submit dispensary agent registry identification card applications on behalf of the dispensary;

- e. The name and license number of the dispensary's medical director;
- f. Whether:
  - Any individual who has 20% or more interest in the dispensary is not the applicant or a principal officer or board member of the dispensary; or
  - ii. The applicant has submitted documentation that:
    - (1) Is from an in-state financial institution or an out-of-state financial institution;
    - (2) Is dated within 30 <u>calendar</u> days before the date the dispensary registration certificate application was submitted; and
    - (3) Demonstrates that the entity applying for the dispensary registration certificate or a principal officer of the entity has at least \$150,000 under the control of the entity or principal officer to begin operating the dispensary and has had control of the \$150,000 for at least 30 calendar days before the date the dispensary registration certificate application was submitted;
  - g. The name, residence address, and date of birth of each:
    - i. Principal officer, and
    - ii. Board member;
  - h. For each principal officer or board member, whether the principal officer or board member:
    - Has served as a principal officer or board member for a dispensary that had the dispensary registration certificate revoked;
    - li. Is a physician currently providing written certifications for qualifying patients;
    - iii. Is a law enforcement officer; or
    - iv. Is employed by or a contractor of the Department;
    - Y: Has submitted Arizona resident personal income tax returns for the previous three years with the dispensary registration certificate application;
    - vi. Is current on paying court ordered child support;
    - vii. Is delinquent paying taxes, interest, or penalties due to a governmental agency;
    - viii. Has an unpaid judgment due to a governmental agency;
    - ix. Is in default on a government issued student loan;

- x. Has ever filed for personal bankruptey; or
- xi. Has ever been a principal officer of a business entity that filed for bankruptcy;
- Whether the dispensary agrees to allow the Department to submit supplemental requests for information;
- j. A statement that, if the dispensary is issued a dispensary registration certificate, the dispensary will not operate until the dispensary is inspected and obtains an approval to operate from the Department;
- k. An attestation that the information provided to the Department to apply for a dispensary registration certificate is true and correct; and
- The signatures of the principal officers of the dispensary according to R9-17-301(A) and the date the principal officers signed;
- If the entity applying is one of the business organizations in R9-17-301(A)(2) through
   (7), a copy of the business organization's articles of incorporation, articles of
   organization, or partnership or joint venture documents that include:
  - a. The name of the business organization,
  - b. The type of business organization, and
  - c. The names and titles of the individuals in R9-17-301(A) and (B);
- For each principal officer and board member:
  - a. An attestation signed and dated by the principal officer or board member that the principal officer or board member has not been convicted of an excluded felony offense as defined in A.R.S. § 36-2801; and
  - b. An attestation signed and dated by the principal officer or board member that the principal officer or board member is an Arizona resident and has been an Arizona resident for at least three consecutive years immediately preceding the date the dispensary submitted the dispensary certificate application;
  - e-b. For the Department's criminal records check authorized in A.R.S. § 36-2804.05:
    - i. The principal officer's or board member's fingerprints on a fingerprint card that includes:
      - (1) The principal officer's or board member's first name; middle initial, if applicable; and last name;
      - (2) The principal officer's or board member's signature;

- (3) If different from the principal officer or board member, the signature of the individual physically rolling the principal officer's or board member's fingerprints;
- (4) The principal officer's or board member's <u>residence</u> address;
- (5) If applicable, the principal officer's or board member's surname before marriage and any names previously used by the principal officer or board member;
- (6) The principal officer's or board member's date of birth;
- (7) The principal officer's or board member's Social Security number;
- (8) The principal officer's or board member's citizenship status;
- (9) The principal officer's or board member's gender;
- (10) The principal officer's or board member's race;
- (11) The principal officer's or board member's height;
- (12) The principal officer's or board member's weight;
- (13) The principal officer's or board member's hair color;
- (14) The principal officer's or board member's eye color; and
- (15) The principal officer's or board member's place of birth; or
- ii. If the fingerprints and information required in subsection (D)(3)(e)(i)

  (C)(3)(b)(i) were submitted to the Department as part of an application for a designated caregiver or a dispensary agent registry identification card within the previous six months, the registry identification number on the registry identification card issued to the principal officer or board member as a result of the application; and
- d. A copy of one of the following containing the principal officer's or board member's name and current residence address:
  - i. A non-expired Arizona driver's license;
  - ii. A non expired Arizona identification card;
  - iii. A current lease agreement;
  - iv. A mortgage statement for the most recent tax year;
  - v: A tax statement issued by a governmental agency for the most recent tax year;
  - vi. A utility bill dated within 60 calendar days before the date of the dispensary application;

- vii. A paycheck or statement of direct deposit issued by an employer dated within 60 calendar days before the date of the dispensary application;
- viii. Current motor vehicle, life, or health insurance policy; or
- ix. Any other document that demonstrates that the principal officer or board member is an Arizona resident;
- Policies and procedures that comply with the requirements in this Chapter for;
  - a. Inventory control,
  - b. Qualifying patient recordkeeping,
  - c. Security, and
  - d. Patient education and support;
- 5. As required in A.R.S. § 36-2804(B)(1)(d), a sworn statement signed and dated by the individual or individuals in R9-17-301(A) certifying that the dispensary is in compliance with any local zoning restrictions;
- 6. Documentation from the local jurisdiction where the dispensary's proposed physical address is located that:
  - a. There are no local zoning restrictions for the dispensary's location, or
  - b. The dispensary's location is in compliance with any local zoning restrictions;
- 7. Documentation of:
  - a. Ownership of the physical address of the proposed dispensary, or
  - Permission from the owner of the physical address of the proposed dispensary for the entity applying for a dispensary registration certificate to operate a dispensary at the physical address;
- 8. The dispensary's by-laws including:
  - The names and titles of individuals designated as principal officers and board members of the dispensary;
  - b. Whether the dispensary plans to:
    - i. Cultivate marijuana;
    - Acquire marijuana from qualifying patients, designated caregivers, or other dispensaries;
    - iii. Sell or provide marijuana to other dispensaries;
    - iv. Transport marijuana;
    - v. Prepare, sell, or dispense marijuana-infused edible food products;
    - vi. Prepare, sell, or dispense marijuana-infused non-edible products;

- vii. Sell or provide marijuana paraphernalia or other supplies related to the administration of marijuana to qualifying patients and designated caregivers;
- viii. Deliver medical marijuana to qualifying patients; or
- ix. Provide patient support and related services to qualifying patients;
- Provisions for the disposition of revenues and receipts to ensure that the dispensary operates on a not-for-profit basis; and
- d. Provisions for amending the dispensary's by-laws;
- 9. A business plan demonstrating the on-going viability of the dispensary on a not-for-profit basis that includes:
  - a. A description of and total dollar amount of expenditures already incurred to establish the dispensary or to secure a dispensary registration certificate by the individual or business organization applying for the dispensary registration certificate.
  - b. A description and total dollar amount of monies or tangible assets received for operating the dispensary from entities other than the individual applying for the dispensary registration certificate or a principal officer or board member associated with the dispensary including the entity's name and the interest in the dispensary or the benefit the entity obtained,
  - c. Projected expenditures expected before the dispensary is operational,
  - d. Projected expenditures after the dispensary is operational, and
  - e. Projected revenue; and
- 10. The applicable fee in R9-17-102 for applying for a dispensary registration certificate.
- **E.D.** Before an entity with a dispensary registration certificate begins operating a dispensary, the entity shall apply for and obtain an approval to operate a dispensary from the Department.

#### R9-17-308. Renewing a Dispensary Registration Certificate

- A. An entity with a dispensary registration certificate that has not submitted an application for approval to operate a dispensary to the Department at least 60 calendar days before the expiration date of the dispensary registration certificate or has not obtained approval to operate a dispensary issued by the Department is prohibited from renewing the dispensary registration certificate.
- B. To renew a dispensary registration certificate, a dispensary that has an approval to operate as a dispensary issued by the Department, shall submit to the Department, at least 30 calendar days before the expiration date of the dispensary's current dispensary registration certificate, the following:

- 1. An application in a Department-provided format that includes:
  - a. The legal name of the dispensary;
  - b. The registry identification number for the dispensary;
  - c. The physical address of the dispensary;
  - d. The name of the entity applying;
  - e. The name of the individual designated to submit dispensary agent registry identification card applications on behalf of the dispensary;
  - f. The name and license number of the dispensary's medical director;
  - g. The dispensary's hours of operation during which the dispensary is available to dispense medical marijuana to qualifying patients and designated caregivers;
  - h. The name, address, date of birth, and registry identification number of each:
    - i. Principal officer,
    - ii. Board member, and
    - iii. Dispensary agent;
  - i. For each principal officer or board member, whether the principal officer or board member:
    - i. Has served as a principal officer or board member for a dispensary that had the dispensary registration certificate revoked,
    - ii. Is a physician currently providing written certifications for qualifying patients,
    - iii. Is a law enforcement officer, or
    - iv. Is employed by or a contractor of the Department;
  - j. The dispensary's Transaction Privilege Tax Number issued by the Arizona Department of Revenue;
  - k. Whether the dispensary agrees to allow the Department to submit supplemental requests for information;
  - An attestation that the information provided to the Department to renew the dispensary registration certificate is true and correct; and
  - m. The signature of the individual or individuals in R9-17-301(A) and the date the individual or individuals signed;
  - 2. An attestation from each principal officer and board member, signed and dated by the principal officer or board member, that the principal officer or board member is an Arizona resident and has been an Arizona resident for at least three consecutive years

- immediately preceding the date the dispensary submitted the application to renew the dispensary registration certificate;
- 3.2. If the application is for renewing a dispensary registration certificate that was initially issued within the previous 12 months, a copy of the dispensary's approval to operate a dispensary issued by the Department;
- 4.3. A copy of an annual financial statement for the previous year, or for the portion of the previous year the dispensary was operational, prepared according to generally accepted accounting principles;
- 5.4. A report of an audit by an independent certified public accountant of the annual financial statement required in subsection (B)(4) (B)(3); and
- 6.5. The applicable fee in R9-17-102 for applying to renew a dispensary registration certificate.

# R9-17-311. Submitting an Application for a Dispensary Agent Registry Identification Card Except as provided in R9-17-107(F), to obtain a dispensary agent registry identification card for an individual serving as a principal officer or board member for the dispensary, employed by or contracted with the dispensary, or providing volunteer services at or on behalf of the dispensary, the dispensary shall submit to the Department the following for each dispensary agent:

- 1. An application in a Department-provided format that includes:
  - a. The dispensary agent's first name; middle initial, if applicable; last name; and suffix, if applicable;
  - b. The dispensary agent's residence address and mailing address;
  - c. The county where the dispensary agent resides;
  - d. The dispensary agent's date of birth;
  - e. The identifying number on the applicable card or document in subsection (5)(a) through (e);
  - f. The name and registry identification number of the dispensary; and
  - g. The signature of the individual in R9-17-304(D)(1)(d) R9-17-304(C)(1)(d) designated to submit dispensary agent applications on the dispensary's behalf and the date the individual signed;
- 2. An attestation signed and dated by the dispensary agent that the dispensary agent has not been convicted of an excluded felony offense as defined in A.R.S. § 36-2801;
- 3. One of the following:
  - a. A statement that the dispensary agent does not currently hold a valid registry identification card, or

- b. The assigned registry identification number for the dispensary agent for each valid registry identification card currently held by the dispensary agent;
- 4. A statement in a Department-provided format signed by the dispensary agent pledging not to divert marijuana to any individual who or entity that is not allowed to possess marijuana pursuant to A.R.S. Title 36, Chapter 28.1;
- 5. A copy of the dispensary agent's:
  - a Arizona driver's license issued on or after October 1, 1996;
  - b. Arizona identification card issued on or after October 1, 1996;
  - c. Arizona registry identification card;
  - d. Photograph page in the dispensary agent's U.S. passport; or
  - e. Arizona driver's license or identification card issued before October 1, 1996 and one of the following for the dispensary agent:
    - i. Birth certificate verifying U.S. citizenship,
    - ii. U. S. Certificate of Naturalization, or
    - iii. U. S. Certificate of Citizenship;
- 6. A current photograph of the dispensary agent;
- 7. For the Department's criminal records check authorized in A.R.S. § 36-2804.05:
  - a. The dispensary agent's fingerprints on a fingerprint card that includes:
    - i. The dispensary agent's first name; middle initial, if applicable; and last name;
    - ii. The dispensary agent's signature;
    - iii. If different from the dispensary agent, the signature of the individual physically rolling the dispensary agent's fingerprints;
    - iv. The dispensary agent's address;
    - v. If applicable, the dispensary agent's surname before marriage and any names previously used by the dispensary agent;
    - vi. The dispensary agent's date of birth;
    - vii. The dispensary agent's Social Security number;
    - viii. The dispensary agent's citizenship status;
    - ix. The dispensary agent's gender;
    - x. The dispensary agent's race;
    - xi. The dispensary agent's height;
    - xii. The dispensary agent's weight;
    - xiii. The dispensary agent's hair color;

- xiv. The dispensary agent's eye color; and
- xv. The dispensary agent's place of birth; or
- b. If the dispensary agent's fingerprints and information required in subsection (7)(a) were submitted to the Department within the previous six months as part of an application for a designated caregiver registry identification card or a dispensary agent registry identification card for another dispensary, the registry identification number on the registry identification card issued to the dispensary agent as a result of the application; and
- 8. The applicable fee in R9-17-102 for applying for a dispensary agent registry identification card.

# R9-17-312. Submitting an Application to Renew a Dispensary Agent's Registry Identification Card

To renew a dispensary agent's registry identification card for an individual serving as a principal officer or board member for the dispensary, employed by or contracted with the dispensary, or providing volunteer services at or on behalf of the dispensary, the dispensary shall submit to the Department, at least 30 calendar days before the expiration of the dispensary agent's registry identification card, the following:

- 1. An application in a Department-provided format that includes:
  - a. The dispensary agent's first name; middle initial, if applicable; last name; and suffix, if applicable;
  - b. The dispensary agent's residence address and mailing address;
  - c. The county where the dispensary agent resides;
  - d. The dispensary agent's date of birth;
  - e. The registry identification number on the dispensary agent's current registry identification card;
  - f. The name and registry identification number of the dispensary; and
  - g. The signature of the individual in R9-17-304(D)(1)(d) R9-17-304(C)(1)(d) designated to submit dispensary agent applications on the dispensary's behalf and the date the individual signed;
- 2. If the dispensary agent's name in subsection (1)(a) is not the same name as on the dispensary agent's current registry identification card, one of the following with the dispensary agent's new name:
  - a. An Arizona driver's license,
  - b. An Arizona identification card, or
  - c. The photograph page in the dispensary agent's U.S. passport;

- 3. A statement in a Department-provided format signed by the dispensary agent pledging not to divert marijuana to any individual who or entity that is not allowed to possess marijuana pursuant to A.R.S. Title 36, Chapter 28.1;
- 4. A current photograph of the dispensary agent;
- 5. For the Department's criminal records check authorized in A.R.S. § 36-2804.05:
  - a. The dispensary agent's fingerprints on a fingerprint card that includes:
    - i. The dispensary agent's first name; middle initial, if applicable; and last name:
    - ii. The dispensary agent's signature;
    - iii. If different from the dispensary agent, the signature of the individual physically rolling the dispensary agent's fingerprints;
    - iv. The dispensary agent's address;
    - v. If applicable, the dispensary agent's surname before marriage and any names previously used by the dispensary agent;
    - vi. The dispensary agent's date of birth;
    - vii. The dispensary agent's Social Security number;
    - viii. The dispensary agent's citizenship status;
    - ix. The dispensary agent's gender;
    - x. The dispensary agent's race;
    - xi. The dispensary agent's height;
    - xii. The dispensary agent's weight;
    - xiii. The dispensary agent's hair color;
    - xiv. The dispensary agent's eye color; and
    - xv. The dispensary agent's place of birth; or
  - b. If the dispensary agent's fingerprints and information required in subsection (5)(a) were submitted to the Department within the previous six months as part of an application for a designated caregiver registry identification card or a dispensary agent registry identification card for another dispensary, the registry identification number on the registry identification card issued to the dispensary agent as a result of the application; and
- 6. The applicable fee in R9-17-102 for applying to renew a dispensary agent's registry identification card.

#### R9-17-322. Denial or Revocation of a Dispensary Registration Certificate

A. The Department shall deny an application for a dispensary registration certificate or a renewal if:

- 1. For an application for a dispensary registration certificate, the physical address of the building or, if applicable, the physical address of the dispensary's cultivation site is within 500 feet of a private school or a public school that existed before the date the dispensary submitted the initial dispensary registration certificate application;
- 2. A principal officer or board member:
  - a. Is not a resident of Arizona or has not been a resident of Arizona for at least three consecutive years immediately preceding the date the application for the dispensary registration certificate was submitted;
  - b.a. Has been convicted of an excluded felony offense;
  - e-b. Has served as a principal officer or board member for a dispensary that:
    - i. Had the dispensary registration certificate revoked, or
    - Did not obtain an approval to operate the dispensary within the first year after the dispensary registration certificate was issued;
  - d.c. Is under 21 years of age;
  - e.d. Is a physician currently providing written certifications for medical marijuana for qualifying patients;
  - f.e. Is a law enforcement officer; or
  - g.f. Is an employee or contractor of the Department; or
- The application or the dispensary does not comply with the requirements in A.R.S. Title
   Chapter 28.1 and this Chapter.
- **B.** The Department may deny an application for a dispensary registration certificate if a principal officer or board member of the dispensary provides false or misleading information to the Department.
- C. The Department shall revoke a dispensary's registration certificate if:
  - 1. The dispensary:
    - a. Operates before obtaining approval to operate a dispensary from the Department;
    - b. Dispenses, delivers, or otherwise transfers marijuana to an entity other than another dispensary with a valid dispensary registration certificate issued by the Department, a qualifying patient with a valid registry identification card, or a designated caregiver with a valid registry identification card; or
    - c. Acquires usable marijuana or mature marijuana plants from any entity other than another dispensary with a valid dispensary registration certificate issued by the Department, a qualifying patient with a valid registry identification card, or a designated caregiver with a valid registry identification card; or

- 2. A principal officer or board member has been convicted of an excluded felony offense.
- D. The Department may revoke a dispensary registration certificate if the dispensary does not:
  - 1. Comply with the requirements in A.R.S. Title 36, Chapter 28.1 and this Chapter; or
  - 2. Implement the policies and procedures or comply with the statements provided to the Department with the dispensary's application.
- E. If the Department denies a dispensary registration certificate application, the Department shall provide notice to the applicant that includes:
  - 1. The specific reason or reasons for the denial, and
  - 2. All other information required by A.R.S. § 41-1076.
- F. If the Department revokes a dispensary registration certificate, the Department shall provide notice to the dispensary that includes:
  - 1. The specific reason or reasons for the revocation; and
  - 2. The process for requesting a judicial review of the Department's decision pursuant to A.R.S. Title 12, Chapter 7, Article 6.

State of Arizona Senate Fifty-first Legislature First Regular Session 2013

# **CHAPTER 199**

# **SENATE BILL 1443**

AN ACT

AMENDING SECTION 15-108, ARIZONA REVISED STATUTES; RELATING TO MEDICAL MARIJUANA.

(TEXT OF BILL BEGINS ON NEXT PAGE)

- i -

Be it enacted by the Legislature of the State of Arizona: Section 1. Section 15-108, Arizona Revised Statutes, is amended to read:

15-108. <u>Medical marijuana: school campuses: prohibition:</u> definition

A. In addition to the limitations prescribed in section 36-2802, subsection B, a person, including a cardholder as defined in section 36-2801, may not lawfully possess or use marijuana on the campus of any public university, college, community college or postsecondary educational institution. THIS SUBSECTION DOES NOT PROHIBIT MEDICAL RESEARCH PROJECTS INVOLVING MARIJUANA THAT ARE CONDUCTED ON THE CAMPUS OF ANY PUBLIC UNIVERSITY, COLLEGE, COMMUNITY COLLEGE OR POSTSECONDARY INSTITUTION AS AUTHORIZED BY APPLICABLE FEDERAL APPROVALS, WHICH MAY INCLUDE THE UNITED STATES FOOD AND DRUG ADMINISTRATION, THE UNITED STATES DRUG ENFORCEMENT ADMINISTRATION AND THE NATIONAL INSTITUTES ON DRUG ABUSE, AND ON APPROVAL OF ANY APPLICABLE UNIVERSITY INSTITUTIONAL REVIEW BOARD.

B. A person may not lawfully possess or use marijuana on the campus of any high school, junior high school, middle school, common school or preschool in this state.

APPROVED BY THE GOVERNOR MAY 7, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2013.

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