

HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **SB 1494**

Friese Floor Amendment

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1. Defines independent third-party laboratory and independent third-party laboratory agent and redefines registry identification card.
 2. Creates laboratory agent cards.
 3. Provides authority to DHS to license, register, certify and inspect laboratories.
 4. Mandates testing by 11/2020 for marijuana and marijuana products.
 5. Requires DHS to implement an electronic registry card program by 12/19.
 6. Requires dispensaries to give testing results to patients upon request as well as to provide a display sign that informs patients of this right.
 7. Requires laboratories to be accredited by a national or international association or similar accrediting entity as determined by DHS.
 7. Makes patient cards valid for two (2) years.
 8. Allows for data sharing for public health research.
 9. Permits DHS to impose civil penalties of up to \$1,000 for each individual offense and up to \$5,000 for repeat offenders; as well as authority to deny, suspend or revoke licenses and/or agent licenses.
 10. Adds laboratory agent to the requirements to submit fingerprints the DHS for background checks.
 11. Creates and advisory council, who will author a report to DHS, which will develop and make recommendations regarding testing standards and variances, remediation and disposal requirements, reporting standards, the establishment of a testing program, and requirements for collection and testing.

Amendment explanation prepared by Tracy Lopes

Phone Number 6-3854

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5/22/2019

12. Permits DHS to employ outside counsel.
13. Exempts DHS from rule making requirements of Title 41 for purposes of this act.
14. Legislative intent for the testing program to apply to adult use if its legalized.
15. Legislature intends for DHS to hire enough staff to regulate and test labs.
16. Makes technical and conforming changes.

FRIESE FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1494
(Reference to Senate engrossed bill)

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

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

5 36-2801. Definitions

6 In this chapter, unless the context otherwise requires:

7 1. "Allowable amount of marijuana":

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

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

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

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

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

22 (ii) If the designated caregiver's registry identification card
23 provides that the designated caregiver is authorized to cultivate

1 marijuana, twelve marijuana plants contained in an enclosed, locked
2 facility, except that the plants are not required to be in an enclosed,
3 locked facility if the plants are being transported because the designated
4 caregiver is moving.

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

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

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

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

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

- 21 (i) Cachexia or wasting syndrome. ~~;~~
- 22 (ii) Severe and chronic pain. ~~;~~
- 23 (iii) Severe nausea. ~~;~~
- 24 (iv) Seizures, including those characteristic of epilepsy. ~~;~~ ~~or~~
- 25 (v) Severe and persistent muscle spasms, including those
26 characteristic of multiple sclerosis.

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

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

31 5. "Designated caregiver" means a person who:

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

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

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

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

5 (e) May receive reimbursement for actual costs incurred in assisting
6 a registered qualifying patient's medical use of marijuana if the
7 registered designated caregiver is connected to the registered qualifying
8 patient through the department's registration process. The designated
9 caregiver may not be paid any fee or compensation for ~~his~~ service as a
10 caregiver. Payment for costs under this subdivision ~~shall~~ DOES not
11 constitute an offense under title 13, chapter 34 or under title 36, chapter
12 27, article 4.

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

16 7. "Excluded felony offense" means:

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

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

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

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

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

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

5 ~~8.~~ 10. "Marijuana" means all parts of any plant of the genus
6 cannabis whether growing or not, and the seeds of such plant.

7 ~~9.~~ 11. "Medical use" means the acquisition, possession,
8 cultivation, manufacture, use, administration, delivery, transfer or
9 transportation of marijuana or paraphernalia relating to the administration
10 of marijuana to treat or alleviate a registered qualifying patient's
11 debilitating medical condition or symptoms associated with the patient's
12 debilitating medical condition.

13 ~~11.~~ 12. "Nonprofit medical marijuana dispensary" means a
14 not-for-profit entity that acquires, possesses, cultivates, manufactures,
15 delivers, transfers, transports, supplies, sells or dispenses marijuana or
16 related supplies and educational materials to cardholders. A nonprofit
17 medical marijuana dispensary may receive payment for all expenses incurred
18 in its operation.

19 ~~10.~~ 13. "Nonprofit medical marijuana dispensary agent" means a
20 principal officer, board member, employee or volunteer of a nonprofit
21 medical marijuana dispensary who is at least twenty-one years of age and
22 has not been convicted of an excluded felony offense.

23 ~~12.~~ 14. "Physician" means a doctor of medicine who holds a valid
24 and existing license to practice medicine pursuant to title 32, chapter 13
25 or its successor, a doctor of osteopathic medicine who holds a valid and
26 existing license to practice osteopathic medicine pursuant to title 32,
27 chapter 17 or its successor, a naturopathic physician who holds a valid and
28 existing license to practice naturopathic medicine pursuant to title 32,
29 chapter 14 or its successor or a homeopathic physician who holds a valid
30 and existing license to practice homeopathic medicine pursuant to title 32,
31 chapter 29 or its successor.

1 ~~13.~~ 15. "Qualifying patient" means a person who has been diagnosed
2 by a physician as having a debilitating medical condition.

3 ~~14.~~ 16. "Registry identification card" means a document issued by
4 the department that identifies a person as a registered qualifying patient,
5 A registered designated caregiver, ~~or~~ a registered nonprofit medical
6 marijuana dispensary agent OR A REGISTERED INDEPENDENT THIRD-PARTY
7 LABORATORY AGENT.

8 ~~15.~~ 17. "Usable marijuana":
9 (a) Means the dried flowers of the marijuana plant, and any mixture
10 or preparation thereof. ~~, but~~

11 (b) Does not include:
12 (i) The seeds, stalks and roots of the plant. ~~and does not include~~
13 (ii) The weight of any non-marijuana ingredients combined with
14 marijuana and prepared for consumption as food or drink.

15 ~~16.~~ 18. "Verification system" means a secure, password-protected,
16 web-based system THAT IS established and maintained by the department AND
17 that is available to law enforcement personnel and nonprofit medical
18 marijuana dispensary agents on a ~~twenty-four hour~~ TWENTY-FOUR-HOUR basis
19 for ~~verification of~~ VERIFYING registry identification cards.

20 ~~17.~~ 19. "Visiting qualifying patient" means a person:
21 (a) Who is not a resident of Arizona or who has been a resident of
22 Arizona less than thirty days.

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

28 ~~18.~~ 20. "Written certification" means a document dated and signed
29 by a physician, stating that in the physician's professional opinion the
30 patient is likely to receive therapeutic or palliative benefit from the
31 medical use of marijuana to treat or alleviate the patient's debilitating

1 medical condition or symptoms associated with the debilitating medical
2 condition. The physician must:

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

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

8 Renumber to conform

9 Page 1, lines 37 and 38, strike "~~shall generate revenues~~ MAY NOT EXCEED AN AMOUNT
10 THAT IS" insert "shall generate revenues THAT ARE"

11 Page 2, strike lines 1 through 4

12 Reletter to conform

13 Strike line 8

14 Line 9, strike "AMOUNT" insert "AND INDEPENDENT THIRD-PARTY LABORATORY AGENTS
15 AND APPLICATION AND RENEWAL FEES FOR INDEPENDENT THIRD-PARTY LABORATORIES
16 shall be"; strike "the nonprofit medical"

17 Line 10, strike "marijuana dispensary provisions of"

18 Lines 18 and 37, after "department" insert "OF HEALTH SERVICES"

19 Line 43, after the period strike remainder of line

20 Line 44, strike "MEDICAL USE FROM" insert "BEGINNING NOVEMBER 1, 2020, BEFORE
21 SELLING OR DISPENSING MARIJUANA OR MARIJUANA PRODUCTS TO REGISTERED
22 QUALIFIED PATIENTS OR REGISTERED DESIGNATED CAREGIVERS,"; strike "BEFORE
23 SELLING"

24 Line 45, strike "OR DISPENSING MARIJUANA TO CARDHOLDERS" insert "SHALL TEST
25 MARIJUANA AND MARIJUANA PRODUCTS FOR MEDICAL USE"

26 Page 3, line 1, after the first comma insert "HEAVY METALS,"

27 Line 2, strike "CONFIRMING" insert "CONFIRM"

28 Line 3, after "DISPENSED" insert a period strike remainder of line

29 Strike lines 4 through 17, insert:

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

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

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

6 Reletter to conform

7 Page 3, line 18, after "CERTIFY" insert "AND REGULATE"

8 Line 22, after "MARIJUANA" insert "AND MARIJUANA PRODUCTS"

9 Line 25, strike "CRITERIA" insert "REQUIREMENTS"; after "DEPARTMENT" insert
10 ", INCLUDING REPORTING AND HEALTH AND SAFETY REQUIREMENTS"

11 Lines 26 and 28, after "ANY" insert "DIRECT OR INDIRECT"

12 Line 29, strike "WHICH" insert "WHOM"

13 Line 30, after "MARIJUANA" insert "AND MARIJUANA PRODUCTS"

14 Between lines 37 and 38, insert:

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

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

20 Line 38, strike "IS RESPONSIBLE FOR" insert "MAY CONDUCT"

21 Line 39, strike "REMEDIATING" insert "REMEDiate"

22 Line 41, strike "IMPOSING FINES" insert "ASSESSING CIVIL PENALTIES"

23 After line 41, insert:

24 "Sec. 3. Subject to the requirements of article IV, part 1,
25 section 1, Constitution of Arizona, section 36-2804.01, Arizona Revised
26 Statutes, is amended to read:

27 36-2804.01. Registration; nonprofit medical marijuana
28 dispensary agents; independent third-party
29 laboratory agents; notices

30 A. A nonprofit medical marijuana dispensary agent OR AN INDEPENDENT
31 THIRD-PARTY LABORATORY AGENT shall be registered with the department before

1 volunteering or working at a NONPROFIT medical marijuana dispensary OR AN
2 INDEPENDENT THIRD-PARTY LABORATORY.

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

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

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

12 3. A statement signed by EITHER:

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

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

19 4. The application fee.

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

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

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

1 Sec. 4. Subject to the requirements of article IV, part 1,
2 section 1, Constitution of Arizona, section 36-2804.05, Arizona Revised
3 Statutes, is amended to read:

4 36-2804.05. Denial of registry identification card

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

7 1. Does not meet the requirements of section 36-2801, paragraph
8 ~~13~~ 15.

9 2. Does not provide the information required.

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

12 4. Provides false information.

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

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

16 2. Does not provide the information required.

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

19 4. Provides false information.

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

22 1. The agent applicant does not meet the requirements of section
23 ~~36-2801(10)~~ 36-2801, PARAGRAPH 13.

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

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

28 4. The applicant or dispensary provides false information.

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

1 E. The department shall ~~give written notice to~~ NOTIFY the registered
2 nonprofit medical marijuana dispensary IN WRITING of the reason for denying
3 a registry identification card to a nonprofit medical marijuana dispensary
4 agent.

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

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

12 Sec. 5. Subject to the requirements of article IV, part 1,
13 section 1, Constitution of Arizona, section 36-2804.06, Arizona Revised
14 Statutes, is amended to read:

15 36-2804.06. Expiration and renewal of registry identification
16 cards and registration certificates; replacement

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

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

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

1 EXISTING BEFORE THE DATE OF THE INDEPENDENT THIRD-PARTY LABORATORY'S
2 APPLICATION.

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

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

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

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

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

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

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

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

21 Renumber to conform

22 Page 4, line 27, after "caregivers" insert "OR AN INDEPENDENT THIRD-PARTY
23 LABORATORY AGENT OR A CERTIFIED INDEPENDENT THIRD-PARTY LABORATORY FOR THE
24 PURPOSES PRESCRIBED IN THIS CHAPTER AND DEPARTMENT RULE"

25 Line 29, after "facility" insert a comma

26 Line 44, strike "JUNE" insert "NOVEMBER"

27 Page 5, line 4, strike "OR AN EMPLOYEE OF ANY CERTIFIED" insert "OR AN"

28 Line 5, after "LABORATORY" insert "AGENT"; strike "OF ANY"

29 Line 6, strike "AMOUNT"; strike "AND THAT THE"

30 Line 7, strike "EMPLOYEE IS USING AS A SAMPLE FOR TESTING"

1 Page 5, between lines 8 and 9, insert:

2 "Sec. 8. Subject to the requirements of article IV, part 1,
3 section 1, Constitution of Arizona, section 36-2810, Arizona Revised
4 Statutes, is amended to read:

5 36-2810. Confidentiality

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

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

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

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

21 B. Any dispensing information required to be kept under section
22 36-2806.02, subsection B or department regulation shall identify
23 cardholders by their registry identification numbers and not contain names
24 or other personally identifying information.

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

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

1 E. This section does not preclude the following notifications:

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

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

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

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

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

24 Renumber to conform

25 Page 5, line 24, after "LABORATORY" insert "OR AN INDEPENDENT THIRD-PARTY
26 LABORATORY AGENT"

27 After line 40, insert:

28 "F. SUBJECT TO TITLE 41, CHAPTER 6, ARTICLE 10, THE DIRECTOR MAY
29 DENY, SUSPEND OR REVOKE, IN WHOLE OR IN PART, ANY REGISTRATION ISSUED UNDER
30 THIS CHAPTER IF THE REGISTERED PARTY OR AN OFFICER, AGENT OR EMPLOYEE OF
31 THE REGISTERED PARTY IS NOT IN SUBSTANTIAL COMPLIANCE WITH THE PROVISIONS
32 OF THIS CHAPTER OR ANY RULE ADOPTED PURSUANT TO THIS CHAPTER OR IF THE

1 NATURE OR NUMBER OF VIOLATIONS REVEALED BY ANY TYPE OF INSPECTION OR
2 INVESTIGATION CONSTITUTES A THREAT, OR DIRECT RISK, TO THE LIFE, HEALTH OR
3 SAFETY OF A QUALIFYING PATIENT OR THE PUBLIC.

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

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

- 14 1. REPEATED VIOLATIONS OF THIS CHAPTER OR THE RULES ADOPTED PURSUANT
15 TO THIS CHAPTER.
- 16 2. PATTERNS OF NONCOMPLIANCE.
- 17 3. THE TYPES OF VIOLATIONS.
- 18 4. THE SEVERITY OF THE VIOLATIONS.
- 19 5. THE POTENTIAL FOR AND OCCURRENCES OF ACTUAL HARM.
- 20 6. THREATS TO HEALTH AND SAFETY.
- 21 7. THE NUMBER OF VIOLATIONS.
- 22 8. THE NUMBER OF PERSONS AFFECTED BY THE VIOLATIONS.
- 23 9. THE LENGTH OF TIME THE VIOLATIONS HAVE BEEN OCCURRING.

24 Sec. 10. Subject to the requirements of article IV, part 1,
25 section 1, Constitution of Arizona, section 36-2819, Arizona Revised
26 Statutes, is amended to read:

27 36-2819. Fingerprinting requirements

28 Each person applying as a designated caregiver, a principal officer,
29 agent or employee of a nonprofit medical marijuana dispensary, ~~or~~ a medical
30 marijuana dispensary agent OR AN INDEPENDENT THIRD-PARTY LABORATORY AGENT
31 shall submit a full set of fingerprints to the department for the purpose
32 of obtaining a state and federal criminal records check pursuant to section

1 41-1750 and Public Law 92-544. The department of public safety may
2 exchange this fingerprint data with the federal bureau of investigation
3 without disclosing that the records check is related to the medical
4 marijuana act and acts permitted by it. The department shall destroy each
5 set of fingerprints after the criminal records check is completed."

6 Renumber to conform

7 Page 6, strike lines 5 through 23, insert:

8 "36-2820. Use of outside counsel

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

13 Line 29, strike "BE MEMBER" insert "SERVE AS THE CHAIRPERSON"

14 Line 30, strike "ELEVEN" insert "THE FOLLOWING ADDITIONAL"; strike
15 ", INCLUDING"

16 Lines 31 and 33, after "STATEWIDE" insert "NONPROFIT"

17 Strike lines 38 through 43, insert:

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

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

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

29 Page 7, line 1, after "OR" insert "A BACHELOR OF SCIENCE DEGREE AND"

30 Strike lines 3 through 5

31 Renumber to conform

1 Page 7, strike lines 7 and 8, insert:

- 2 "10. A REGISTERED DESIGNATED CAREGIVER.
3 11. A REPRESENTATIVE OF THE DEPARTMENT OF PUBLIC SAFETY.
4 12. A LICENSED HEALTH CARE PROVIDER WHO SPECIALIZES IN TREATING
5 SUBSTANCE USE DISORDERS AND WHO HAS AT LEAST FIVE YEARS OF EXPERIENCE.
6 13. ANY OTHER MEMBERS DEEMED NECESSARY BY THE DIRECTOR."

7 Line 9, after "SHALL" insert "MAKE RECOMMENDATIONS AND CONSULT WITH THE
8 DIRECTOR REGARDING"

9 Strike lines 10 through 14, insert:

- 10 "1. ESTABLISHING A REQUIRED TESTING PROGRAM.
11 2. TESTING AND POTENCY STANDARDS FOR MEDICAL MARIJUANA.
12 3. PROCEDURAL REQUIREMENTS FOR COLLECTING, STORING AND TESTING
13 SAMPLES OF MEDICAL MARIJUANA.
14 4. REPORTING RESULTS TO PATIENTS AND THE DEPARTMENT.
15 5. REMEDIATION AND DISPOSAL REQUIREMENTS FOR MEDICAL MARIJUANA THAT
16 FAILS TO MEET TESTING STANDARDS.
17 6. ADDITIONAL ITEMS AS NECESSARY."

18 Strike lines 20 through 26, insert:

19 "Sec. 12. Department of health services; report; delayed
20 repeal

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

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

29 Sec. 13. Department of health services; rulemaking exemption

30 Subject to the requirements of article IV, part 1, section 1,
31 Constitution of Arizona, for the purposes of this act, the department of
32 health services is exempt from the rulemaking requirements of title 41,

1 chapters 6 and 6.1, Arizona Revised Statutes, for eighteen months after the
2 effective date of this act.

3 Sec. 14. Legislative intent

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

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

12 Renumber to conform

13 Page 7, strike lines 29 and 30

14 Line 31, strike "Statutes, as added by this act, are" insert "this act is"

15 Amend title to conform

RANDALL FRIESE

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