

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

As Engrossed: S1/19/17

# A Bill

HOUSE BILL 1026

5 By: Representative House  
6 By: Senator Standridge  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS MEDICAL MARIJUANA  
10 AMENDMENT OF 2016 REGARDING THE DATES FOR RULEMAKING  
11 AND THE DATE TO BEGIN ACCEPTING APPLICATIONS FOR  
12 DISPENSARIES AND CULTIVATION FACILITIES; TO DECLARE  
13 AN EMERGENCY; AND FOR OTHER PURPOSES.  
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## Subtitle

16 TO AMEND THE ARKANSAS MEDICAL MARIJUANA  
17 AMENDMENT OF 2016 REGARDING THE DATES FOR  
18 RULEMAKING AND THE DATE TO BEGIN  
19 ACCEPTING APPLICATIONS FOR DISPENSARIES  
20 AND CULTIVATION FACILITIES; AND TO  
21 DECLARE AN EMERGENCY.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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27 SECTION 1. DO NOT CODIFY. Legislative findings.

28 The General Assembly finds that:

29 (1) Transparency and participation by the public in the  
30 development of rules to implement the Arkansas Medical Marijuana Amendment of  
31 2016 requires sufficient time to publish rules, allow for comment by the  
32 public, and incorporate comments as appropriate;

33 (2) One hundred eighty (180) days from the effective date of the  
34 amendment is a reasonable amount of time to comply with the Arkansas  
35 Administrative Procedure Act, § 25-15-201 et seq.;

36 (3) The fiscal year for the State of Arkansas begins on July 1



1 of each year and ends on June 30 of each year;

2 (4) It is an unwise expenditure of public resources to enact the  
3 necessary appropriations, acts, and establish the necessary fiscal and  
4 regulatory provisions for a one-month period beginning on June 1, 2017; and

5 (5) The date of July 1, 2017, is a better effective date for the  
6 Medical Marijuana Commission to begin accepting applications.

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8 SECTION 2. Pursuant to § 23 of the Arkansas Medical Marijuana  
9 Amendment of 2016, § 4(b) of the Arkansas Medical Marijuana Amendment of  
10 2016, concerning the rules of the Department of Health regarding the registry  
11 identification cards, is amended to read as follows:

12 (b) Not later than ~~one hundred twenty (120) days~~ one hundred eighty  
13 (180) days after the effective date of this amendment, the department shall  
14 adopt rules governing:

15 (1) The manner in which ~~it~~ the department considers applications  
16 for and renewals for registry identification cards;

17 (2) Labeling and testing standards for marijuana distributed to  
18 qualifying patients; and

19 (3) Any other matters necessary for the department's fair,  
20 impartial, stringent, and comprehensive administration of this amendment.

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22 SECTION 3. Pursuant to § 23 of the Arkansas Medical Marijuana  
23 Amendment of 2016, § 4(d) of the Arkansas Medical Marijuana Amendment of  
24 2016, concerning the rules of the Department of Health, is amended to read as  
25 follows:

26 (d) The department shall adopt rules within ~~one hundred twenty (120)~~  
27 ~~days~~ one hundred eighty (180) days of the effective date of this amendment  
28 that govern the manner in which a designated caregiver assists a physically  
29 disabled qualifying patient or a qualifying patient under the age of eighteen  
30 (18) with the medical use of marijuana.

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32 SECTION 4. Pursuant to § 23 of the Arkansas Medical Marijuana  
33 Amendment of 2016, § 8(d) and (e) of the Arkansas Medical Marijuana Amendment  
34 of 2016, concerning the rules of the Medical Marijuana Commission and the  
35 Alcoholic Beverage Control Division of the Department of Finance and  
36 Administration regarding dispensaries and cultivation facilities, is amended

1 to read as follows:

2 (d) Not later than ~~one hundred twenty (120) days~~ one hundred eighty  
3 (180) days after the effective date of this amendment, the commission shall  
4 adopt rules governing:

5 (1) The manner in which the commission considers applications  
6 for and renewals of licenses for dispensaries and cultivation facilities;

7 (2) The form and content of registration and renewal  
8 applications for dispensaries and cultivation facilities; and

9 (3) Any other matters necessary for the commission's fair,  
10 impartial, stringent, and comprehensive administration of this amendment.

11 (e) Not later than ~~one hundred twenty (120) days~~ one hundred eighty  
12 (180) days after the effective date of this amendment, the division shall  
13 adopt rules governing:

14 (1) Oversight requirements for dispensaries and cultivation  
15 facilities;

16 (2) Recordkeeping requirements for dispensaries and cultivation  
17 facilities;

18 (3) Security requirements for dispensaries and cultivation  
19 facilities;

20 (4) Personnel requirements for dispensaries and cultivation  
21 facilities;

22 (5) The manufacture, processing, packaging, and dispensing of  
23 usable marijuana to qualifying patients and designated caregivers;

24 (6) Procedures for suspending or terminating the licenses of  
25 dispensaries and cultivation facilities that violate the provisions of this  
26 amendment or the rules adopted under this amendment, procedures for appealing  
27 penalties, and a schedule of penalties;

28 (7) Procedures for inspections and investigations of  
29 dispensaries and cultivation facilities;

30 (8) Advertising restrictions for dispensaries and cultivation  
31 facilities;

32 (9) Procedures for the disposal or other use of marijuana not  
33 dispensed to a qualifying patient; and

34 (10) Any other matters necessary to the division's fair,  
35 impartial, stringent, and comprehensive administration of its duties under  
36 this amendment.

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SECTION 5. Pursuant to § 23 of the Arkansas Medical Marijuana Amendment of 2016, § 8(f)(1) of the Arkansas Medical Marijuana Amendment of 2016, concerning the rules of the Medical Marijuana Commission regarding dispensaries and cultivation facilities, is amended to read as follows:

(f)(1) Not later than ~~one hundred twenty (120) days~~ one hundred eighty (180) days after the effective date of this amendment, the commission shall adopt rules establishing license application and license renewal fees for dispensary and cultivation facility licenses.

SECTION 6. Pursuant to § 23 of the Arkansas Medical Marijuana Amendment of 2016, § 8(g)(1) of the Arkansas Medical Marijuana Amendment of 2016, concerning the date to begin accepting applications by the Medical Marijuana Commission, is amended to read as follows:

(g)(1) Not later than ~~June 1, 2017~~ July 1, 2017, the commission shall begin accepting applications for licenses to operate a dispensary and cultivation facility.

SECTION 7. Pursuant to § 23 of the Arkansas Medical Marijuana Amendment of 2016, § 9(c) of the Arkansas Medical Marijuana Amendment of 2016, concerning the rules of the Alcoholic Beverage Control Division of the Department of Finance and Administration regarding dispensary agents and cultivation facility agents, is amended to read as follows:

(c) Not later than ~~one hundred twenty (120) days~~ one hundred eighty (180) days after the effective date of this amendment, the division shall adopt rules governing:

(1) The manner in which the division considers applications for and renewals of registry identification cards for dispensary agents and cultivation facility agents;

(2) The form and content of registration and renewal applications for dispensary agents and cultivation facility agents;

(3) Procedures for suspending or terminating the registration of dispensary agents and cultivation facility agents that violate the provisions of this amendment or the rules adopted under this amendment, procedures for appealing penalties, and a schedule of penalties; and

(4) Any other matters necessary to the division's fair,

1 impartial, stringent, and comprehensive administration of its duties under  
2 this amendment.

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4 SECTION 8. RETROACTIVITY. This act is retroactive to the effective  
5 date of the Arkansas Medical Marijuana Amendment of 2016.

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7 SECTION 9. EMERGENCY CLAUSE. It is found and determined by the  
8 General Assembly of the State of Arkansas that the dates set for rulemaking  
9 within the Arkansas Medical Marijuana Amendment of 2016 are impractical to  
10 encompass the magnitude of the medical marijuana program; that the Department  
11 of Health, the Alcoholic Beverage Control Division of the Department of  
12 Finance and Administration, and the Medical Marijuana Commission need  
13 additional time to properly establish a medical marijuana program to fulfill  
14 the policies and purposes of the Arkansas Medical Marijuana Amendment of  
15 2016; and that this act is immediately necessary because the citizens of  
16 Arkansas need certainty about the law and rules creating the medical  
17 marijuana program before fully investing time, funds, personnel, and other  
18 resources into the development of dispensaries and cultivation facilities and  
19 because public participation in and transparency of the rulemaking process  
20 must be ensured. Therefore, an emergency is declared to exist, and this act  
21 being immediately necessary for the preservation of the public peace, health,  
22 and safety shall become effective on:

23 (1) The date of its approval by the Governor;

24 (2) If the bill is neither approved nor vetoed by the Governor,  
25 the expiration of the period of time during which the Governor may veto the  
26 bill; or

27 (3) If the bill is vetoed by the Governor and the veto is  
28 overridden, the date the last house overrides the veto.

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30 /s/House

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33 **APPROVED: 01/23/2017**