



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

House: RA DPA 5-0-1-0

HB 2247: marijuana regulatory board; licensing qualifications

Sponsor: Representative Payne, LD 27

Caucus & COW

Overview

Establishes the Marijuana Regulatory Board (Board) and transfers the administration of state marijuana laws from the Department of Health Services (DHS) to the Board.

History

The sale and use of marijuana is primarily governed by two major propositions enacted by the people of Arizona. Proposition 203~2010, the Arizona Medical Marijuana Act, and Proposition 207~2022, the Safe and Smart Act.

Proposition 203 established a legal marijuana regime for use by qualified patients for medicinal purposes. DHS is 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 ([A.R.S. Title 36, Chapter 28.1](#); [AZSOS publicity pamphlet, prop. 203](#)).

Proposition 207 legalized marijuana for adult personal use. Adults over 21 are permitted to possess, purchase, transport or process 1 ounce or less of marijuana or 5 grams or less of marijuana concentrate. DHS is responsible for licensing and regulating marijuana, marijuana retail sales, marijuana growth and testing facilities in Arizona ([A.R.S. Title 36, Chapter 28.2](#); [ADOR, Adult Use Marijuana](#)).

Provisions

Marijuana Regulatory Board

1. Establishes the Board, with members appointed by the Governor with the consent of the Senate. (Sec. 3)
2. Transfers, from DHS to the Board, the authority and responsibilities for administering Arizona's medical and adult-use marijuana laws. (Sec. 3, 6)
3. Asserts succession and continuity between DHS and the Board and provides for the transfer of all acts, rules, proceedings, licenses, records, personnel and related matters from DHS to the Board. (Sec. 6)
4. Repeals the Board on July 1, 2034. (Sec. 4)
5. Repeals state laws relating to marijuana on January 1, 2035. (Sec. 4)

Board Members and Director

6. Outlines membership requirements for the seven-member Board. (Sec. 3)
7. Specifies initial terms for Board members. (Sec. 5)

8. Requires Board members to:
 - a) comply with confidentiality requirements;
 - b) disclose any potential conflicts of interest;
 - c) not vote on a measure in which the member has a pecuniary interest; and
 - d) not miss more than one meeting every six months. (Sec. 3)
9. Stipulates that the Governor may only remove Board members for cause. (Sec. 3)
10. Entitles Board members to: a) \$200 per day spent in the discharge of duties; and b) all expenses necessarily incurred in attending meetings. (Sec. 3)
11. Instructs the Board to appoint a director to employ personnel, adopt rules and carry out the authorities and responsibilities of administering state marijuana laws. (Sec. 3)
12. Stipulates that the director is to receive a salary according to statutory guidelines. (Sec. 3)

Microbusiness License

13. Authorizes the Board to issue a microbusiness license. (Sec. 3)
14. Prohibits a microbusiness licensee from selling marijuana products processed at the microbusiness location to a nonprofit medical marijuana dispensary or a marijuana establishment. (Sec. 3)
15. Specifies the qualifications for an applicant of a microbusiness license. (Sec. 3)
16. Adds that a microbusiness license is valid for two years. (Sec. 3)
17. Allows the Board to establish fees for the issuance and renewal of a microbusiness license. (Sec. 3)
18. Instructs the Board to adopt any rules necessary to implement this section. (Sec. 3)

Miscellaneous

19. Requires applicants for a nonprofit medical marijuana dispensary registration certificate or a marijuana establishment license to be residents of Arizona and to demonstrate residency by presenting specified documents. (Sec. 1, 2)
20. Directs Legislative Council to prepare conforming legislation for this act. (Sec. 8)
21. Contains a delayed effective date of January 1, 2026, for provisions relating to the Board. (Sec. 9)
22. Contains a Proposition 105 clause. (Sec. 10)
23. Defines pertinent terms. (Sec. 3)
24. Contains a purpose clause. (Sec. 7)

Amendments

Committee on Regulatory Affairs

1. Adds that a board member cannot have any familial relationship with or financial interest in a nonprofit medical marijuana dispensary, a marijuana establishment, or a marijuana testing facility

<input checked="" type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
