



ARIZONA HOUSE OF REPRESENTATIVES

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Senate: APPROP DPA/SE 6-4-0-0 | 3rd Read 26-2-2-0

SB 1121: marijuana; security

Sponsor: Senator Gowan, LD 14
Committee on Government & Elections

Overview

Outlines requirements for security, packaging and labeling of marijuana and marijuana products.

History

The Arizona Department of Health Services (DHS) is tasked with adopting rules to implement and enforce statute relating to the regulation of marijuana, marijuana products, marijuana establishments and marijuana testing facilities. The rules must include requirements for various regulations such as licensing, including fees and renewals, for marijuana establishments and testing facilities, security of marijuana establishments and testing facilities, the safe cultivation, processing and manufacturing of marijuana and marijuana products and tracking, testing, labeling and packing of marijuana ([A.R.S. § 36-2854](#)).

Provisions

1. Instructs DHS, by December 31, 2022, to procure, develop, acquire and maintain a system for use by licensees to track marijuana and marijuana products at all points of cultivation, manufacturing and sale. (Sec. 2)
2. Stipulates that the tracking must be in a manner in which the data and the secured data identifier are stored in the central database and are subject to security protocols to ensure chain of custody of the information and to foreclose tampering with either the monitoring device data or the paired secure transactional stamp. (Sec. 2)
3. Prohibits the required system from tracking the sale of marijuana and marijuana products by a marijuana establishment to a consumer. (Sec. 2)
4. Requires the system developed and maintained by DHS to:
 - a) Ensure an accurate reporting and accounting of the production, processing and sale of marijuana and marijuana products;
 - b) Ensure compliance with rules adopted by DHS; and
 - c) Be capable of tracking, at a minimum:
 - i. The propagation of immature marijuana plants and the production of marijuana by a marijuana establishment;
 - ii. The processing of marijuana and marijuana products by a marijuana establishment;
 - iii. The sale and purchase of marijuana and marijuana products between licensees;
 - iv. The transfer of marijuana and marijuana products between premises for which licenses have been issued;
 - v. The disposal of marijuana waste; and
 - vi. Any other information that DHS determines is reasonably necessary to accomplish the functions, duties and powers of DHS. (Sec. 2)

5. Directs DHS, prior to adopting any final rules related to social equity ownership, to submit a report to the Joint Legislative Audit Committee on the proposed social equity ownership program. (Sec. 2)
6. Asserts that DHS must adopt rules related to the diversion of marijuana and marijuana products from licensees to people who are not authorized to possess marijuana. (Sec. 2)
7. Stipulates that DHS must adopt rules for the importation and exportation of marijuana and marijuana products from this state. (Sec. 2)
8. Mandates that DHS audit each licensee's compliance with applicable laws and rules at least once every six months. (Sec. 2)
9. States that any marijuana product packaging labeled for sale must include a consumer scannable tetrahydrocannabinol (THC) quick response code linking to a web page that displays all of the following for the specific marijuana product:
 - a) The date of harvest and manufacture of the marijuana;
 - b) The THC strain of the marijuana;
 - c) The THC extraction method used to extract the THC from the marijuana;
 - d) A laboratory report of impurities containing at least heavy metals and agrochemicals;
 - e) The distribution chain, including at least a point of intended sale; and
 - f) A warning that states, *using marijuana during pregnancy could cause birth defects or other health issues to your unborn child.* (Sec. 3)
10. Requires a licensee to submit a label or package intended for use on a marijuana product to DHS.
 - a) If the label or package is determined by DHS to be attractive to minors or contains any inaccurate or misleading information, DHS must require the licensee to revise the label or package. (Sec. 3)
11. Instructs marijuana waste to be disposed of in the same manner as biohazardous medical waste and placed in a safety orange container that has a tamper-resistant seal and reads *marijuana waste product and potentially dangerous.* (Sec. 3)
12. Modifies the definition of *designated caregiver.* (Sec. 1)
13. Defines the following terms:
 - a) *Excluded felony offense;*
 - b) *Independent third-party laboratory;*
 - c) *Licensee;*
 - d) *Nonprofit medical marijuana dispensary;*
 - e) *Nonprofit medical marijuana dispensary agent;*
 - f) *Qualifying patient;*
 - g) *Required information;* and
 - h) *Secured data identifier.* (Sec. 1)
14. Contains a Proposition 105 clause. (Sec. 5)
15. Makes technical and conforming changes. (Sec. 1, 2, 4)

<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
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