



ARIZONA STATE SENATE
Fifty-Fifth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1402

rural marijuana establishments; dual licensing

Purpose

Allows a licensed recreational marijuana dispensary in a county with less than two nonprofit medical marijuana dispensaries to become a dual licensee authorized to sell medical marijuana, upon request to the Department of Health Services (DHS). Contains requirements for enactment for initiatives and referendums (Proposition 105).

Background

In 2010, Arizona voters approved the Arizona Medical Marijuana Act to establish a regulatory system, overseen by DHS, that allows a dispensary to dispense a permissible amount of medical marijuana to a qualifying patient or the qualifying patient's designated caregiver ([A.R.S. Title 36, Chapter 28.1](#)). In 2020, Arizona voters approved the Smart and Safe Arizona Act which legalized the sale and use of recreational marijuana to Arizonans who are at least 21 years of age ([A.R.S. Title 36, Chapter 28.2](#)).

Licenses for both medical and recreational marijuana are issued by DHS and are valid for a period of two years. The total number of authorized recreational marijuana dispensaries in the state is limited to 1 for every 10 registered pharmacies. However, DHS may issue up to two recreational marijuana licenses in excess of this limit for each county without an established medical marijuana dispensary or one additional license in each county with only one medical marijuana dispensary. Additionally, medical marijuana dispensaries may seek dual licensure through DHS as a recreational and medical marijuana dispensary. These licensees must comply with the rules outlined for all marijuana establishments ([A.R.S. § 36-2854](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Permits a licensed recreational marijuana dispensary in a county with less than two nonprofit medical marijuana dispensaries to become a dual licensee authorized to sell medical marijuana, upon request to DHS.
2. Specifies that medical marijuana dispensary registration certificates issued to a recreational marijuana dispensary under a dual license do not count toward the total number of authorized medical marijuana dispensaries in the state or in a geographic area.
3. Prohibits a recreational marijuana dispensary that transitions to a dual license from splitting the license for license ownership sales or transfers.

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4. Exempts recreational marijuana dispensaries that transition to a dual license from laws regulating the priority issuance of medical marijuana licenses by DHS.
5. Makes technical changes.
6. Requires for enactment the affirmative vote of at least three-fourths of the members of each house of the Legislature (Proposition 105).
7. Becomes effective on the general effective date.

Prepared by Senate Research

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