



# ARIZONA HOUSE OF REPRESENTATIVES

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First Regular Session

Senate: JUD DPA/SE 5-3-0-0 | 3<sup>rd</sup> Read 16-14-0-0-0

House: HHS W/D | APPROP DPA/SE 9-4-0-0

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**SB 1408: legislative subpoena; records; privilege**  
**S/E medical marijuana; research; mental health**  
**Sponsor: Senator Petersen, LD 12**  
**Caucus & COW**

## **Summary of the Strike-Everything Amendment to SB 1408**

### **Overview**

Requires DHS to provide grant monies from the Medical Marijuana Fund (Fund) for meta-analyses on the correlation of marijuana use and mental illness. Transfers monies from the Fund in FY 22 for specified purposes. Requires the Department of Health Services (DHS) to develop warning labels to be affixed to the packaging of medical marijuana. Contains a proposition 105 clause. Contains an emergency clause.

### **History**

In 2010, the Arizona Medical Marijuana Act (AMMA) was established through [Proposition 203](#), a voter-approved initiative measure. Statute requires DHS to regulate the AMMA through rulemaking, registration and certification of medical marijuana dispensaries, registration of qualifying patients and designated caregivers, issuing or denying registry identification cards and establishing a verification system. Statute also outlines limitations of the AMMA, requirements for dispensaries, definitions of terms relating to the AMMA, guidelines on the dispensing of marijuana and the administration of the Medical Marijuana Fund (Fund). ([A.R.S. Title 36, Chapter 28.1](#))

Beginning November 1, 2020, medical marijuana dispensaries must test medical marijuana and medical marijuana products to confirm the potency of the marijuana and determine unsafe levels of microbial contamination, heavy metals, pesticides, herbicides, fungicides, growth regulators and residual solvents ([A.R.S. § 36-2803](#)).

In 2020, Arizona voters approved [Proposition 207](#), to establish a regulatory system for adult recreational use of marijuana. Proposition 207 included a one-time transfer of \$45,000,000 from the Fund to specified state agencies, funds and grants.

### **Provisions**

1. Requires that patient application and renewal fees established by DHS be reasonable and related to the actual costs of processing applications and renewals. (Sec. 1)
2. Allows DHS to determine the date that dispensaries shall begin testing marijuana for medical use and to confirm potency, instead of beginning on November 1, 2020. (Sec. 1)
3. Exempts the dried flowers of the marijuana plant from residual solvent testing requirements. (Sec. 1)

4. Removes the November 1, 2020 start date and allows DHS to determine the date that nonprofit medical dispensaries are required to begin to:
  - a) Provide test results to a registered qualifying patient or designated caregiver immediately on request; and
  - b) Display in a conspicuous location a sign that notifies patients of their right to receive the certified independent third-party laboratory test results for marijuana and marijuana products for medical use. (Sec. 1)
5. Mandates that DHS develop warning labels that are based on the United States Department of Health and Human Services office of the surgeon general's warnings on marijuana. (Sec. 2)
6. Requires the labels to be affixed to the packaging of any medical marijuana that is dispensed by a registered nonprofit medical marijuana dispensary to a qualified patient or designated caregiver. (Sec. 2)
7. Removes the requirement that a medical marijuana dispensary have a single, secure entrance. (Sec. 3)
8. Allows DHS to visit and inspect a nonprofit medical marijuana dispensary at any time during regular hours of operation as necessary to determine whether the dispensary complies with statutory requirements and DHS rules, instead of requiring reasonable notice of an inspection. (Sec. 3)
9. States that DHS may determine the date that registered nonprofit medical marijuana dispensaries are subject to product testing by certified independent third-party laboratories, instead of beginning on November 1, 2020. (Sec. 3)
10. States that DHS shall provide research grants from monies in the Fund for meta-analyses on the correlation between marijuana use and mental illness, including psychosis and violent behavior. (Sec. 4)
11. Requires the Director to transfer \$2,000,000 from the Fund for research grants. (Sec. 5)
12. Exempts grants from statutory requirements relating to solicitation and award of grants as listed in A.R.S. Title 41, Chapter 24. (Sec. 4)
13. Requires DHS to post all research conducted pursuant to the grants on its public website. (Sec. 4)
14. Allows the director of DHS to transfer sums from the fund on November 30, 2020. (Sec. 5)
15. Requires DHS, after paying all FY 2022 administration and enforcement costs, to transfer the following amounts from the medical marijuana fund and states that these monies do not revert to the GF:
  - a) \$1,250,000 to DHS for suicide prevention;
  - b) \$1,250,000 to the Arizona Health Care Cost Containment System for suicide prevention;
  - c) \$2,000,000 to the Arizona Mental Health Research Institution for research to improve mental health services, research and education in Arizona;
  - d) \$2,000,000 to DHS for the primary care provider loan repayment program and the rural private primary care provider loan repayment program;
    - i. Requires DHS to prioritize rural providers in the areas of mental health care and behavioral health care if feasible and appropriate.
  - e) \$2,000,000 to the board of medical student loans;

<input checked="" type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input checked="" type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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- i. Directs the board to prioritize students who intend to practice in the area of psychiatry or other areas of practice that treat mental illness if feasible and appropriate.
  - f) \$5,000,000 to the county public health departments, in proportion to the population of each county, for the purposes of addressing important public health issues and communities affected by drug addiction and incarceration; and
  - g) \$1,000,000 to DHS for the health care directives registry. (Sec. 5)
- 16. Allows DHS to employ legal counsel to implement, advise or defend on the AMMA and rules and exempts DHS from requirements to utilize the Attorney General as counsel. (Sec. 6)
- 17. Exempts DHS from rulemaking for 36 months after effective date and requires DHS to provide the public with a reasonable opportunity to comment on proposed rules. (Sec. 7)
- 18. Contains a Proposition 105 clause. (Sec. 8)
- 19. Contains an emergency clause. (Sec. 9)
- 20. Makes technical and clarifying changes. (Sec. 3,5)