

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

As Engrossed: H1/18/17
A Bill

HOUSE BILL 1051

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; TO ADD A LICENSURE PROCEDURE FOR
11 TRANSPORTERS, DISTRIBUTERS, AND PROCESSERS TO THE
12 ARKANSAS MEDICAL MARIJUANA AMENDMENT OF 2016; AND FOR
13 OTHER PURPOSES.
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Subtitle

16 TO AMEND THE ARKANSAS MEDICAL MARIJUANA
17 AMENDMENT OF 2016; AND TO ADD A LICENSURE
18 PROCEDURE FOR TRANSPORTERS, DISTRIBUTERS,
19 AND PROCESSERS TO THE ARKANSAS MEDICAL
20 MARIJUANA AMENDMENT OF 2016.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Pursuant to § 23 of the Arkansas Medical Marijuana
27 Amendment of 2016, § 8(m) of the Arkansas Medical Marijuana Amendment of
28 2016, concerning licensure of dispensaries and cultivation facilities,
29 amended to read as follows:

30 (m)(1) A dispensary licensed under this section may acquire, possess,
31 manufacture, process, prepare, deliver, transfer, transport, supply, and
32 dispense marijuana, marijuana paraphernalia, and related supplies and
33 educational materials to a qualifying patient or designated caregiver.

34 (2)(A) A dispensary may receive compensation for providing the
35 goods and services allowed by this section.

36 (B) A dispensary may contract with a transporter.



1 distributor, or processor to extent of the license of the transporter,
2 distributor, or processor.

3 (3)(A) A dispensary may grow or possess:

4 (i) Fifty (50) mature marijuana plants at any one
5 (1) time plus seedlings; and

6 (ii) All usable marijuana derived from the plants
7 under subdivision (m)(3)(A)(i) of this section or predecessor plants.

8 (B) A dispensary may contract with a cultivation facility
9 to cultivate one (1) or more mature marijuana plants the dispensary is
10 permitted to grow.

11 (4)(A)(i) A cultivation facility may cultivate and possess
12 usable marijuana in an amount reasonably necessary to meet the demand for the
13 needs of qualifying patients as determined by the commission with the
14 assistance of the Department of Health.

15 (ii) However, a cultivation facility shall not sell
16 marijuana in any form except to a dispensary or other cultivation facility.

17 (B) A cultivation facility may also possess marijuana
18 seeds.

19 (C) The commission with the assistance of the Department
20 of Health shall promulgate rules determining the amount of marijuana
21 reasonably necessary under subdivision (m)(4)(A) of this section.

22 (5)(A) A cultivation facility may receive compensation for
23 providing goods and services allowed by this section.

24 (B) A cultivation facility may contract with a
25 transporter, distributor, or processor to extent of the license of the
26 transporter, distributor, or processor.

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28 SECTION 2. Pursuant to § 23 of the Arkansas Medical Marijuana
29 Amendment of 2016, §§ 11 – 13 of the Arkansas Medical Marijuana Amendment of
30 2016 are amended to read as follows:

31 § 11. Immunity for dispensaries and cultivation facilities.

32 (a) A dispensary, ~~or~~ cultivation facility, transporter, distributor,
33 or processor is not subject to the following:

34 (1) Prosecution for the acquisition, possession, cultivation,
35 processing, preparation, manufacture, delivery, transfer, transport, sale,
36 supply, or dispensing of marijuana and related supplies in accordance with

1 the provisions of this amendment and any rule adopted under this amendment;

2 (2) Inspection, except under § 10 of this amendment or upon a
3 search warrant issued by a court or judicial officer;

4 (3) Seizure of marijuana, except upon any order issued by a
5 court or judicial officer and with due process of law; or

6 (4) Imposition of a penalty or denial of a right or privilege,
7 including without limitation imposition of a civil penalty or disciplinary
8 action by a business, occupational, or professional licensing board or
9 entity, solely for acting in accordance with this amendment.

10 (b)(1) A dispensary agent, ~~or~~ cultivation facility agent, transporter
11 agent, distributor agent, or processor agent shall not be subject to arrest,
12 prosecution, search, seizure, or penalty in any manner or denied any right or
13 privilege, including without limitation civil penalty or disciplinary action
14 by a business, occupational, or professional licensing board or entity,
15 solely for working for or with a dispensary, ~~or~~ cultivation facility,
16 transporter, distributor, or processor to engage in acts permitted by this
17 amendment.

18 (2)(A) A dispensary agent, ~~or~~ cultivation facility agent, or
19 processor agent may possess and manufacture marijuana at the dispensary, ~~or~~
20 cultivation facility, or processor location or locations for which the
21 dispensary agent, ~~or~~ cultivation facility agent, or processor agent is
22 registered or when transferring marijuana under this section.

23 (B)(i) A dispensary agent who is a volunteer may possess
24 and manufacture marijuana at a dispensary location.

25 (ii) A dispensary agent who is a volunteer may not
26 dispense or transport marijuana.

27 (3) A cultivation facility and processor shall label the
28 marijuana that is moved between the cultivation facility or processor and a
29 dispensary, ~~or~~ other cultivation facility, or processor with a trip ticket
30 that identifies the cultivation facility by identification number, the time,
31 date, origin, and destination of the marijuana being transported, and the
32 amount and form of marijuana that is being transported.

33 (4) A transporter agent or distributor agent may possess
34 marijuana at any location while the transporter agent or distributor agent is
35 transferring marijuana from a dispensary, cultivation facility, or processor
36 to another dispensary, cultivation facility, or processor.

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§ 12. Prohibitions for dispensaries.

(a)(1) Except as provided in § 3 of this amendment and subdivision (a)(2) of this section, a dispensary may not dispense, deliver, or otherwise transfer marijuana to a person other than a qualifying patient or designated caregiver.

(2) A dispensary may transfer marijuana to a transporter, distributor, or processor to operate to extent of the license of the transporter, distributor, or processor.

(b)(1) Except as provided in § 3 of this amendment, the Alcoholic Beverage Control Division shall immediately revoke the registry identification card of a dispensary agent who has dispensed, delivered, or otherwise transferred marijuana to a person other than a qualifying patient or designated caregiver, and that dispensary agent shall be disqualified from serving as a dispensary agent.

(2) A dispensary employing a dispensary agent found to violate subdivision (b)(1) of this section is not subject to penalties, including without limitation the revocation of its license, for the actions of a dispensary agent unless the dispensary knowingly aided or facilitated the violation.

§ 13. Prohibitions for cultivation facilities.

(a) A cultivation facility may sell marijuana plants, seeds, and usable marijuana only to a dispensary, ~~or~~ other cultivation facility, or processor.

(b) A cultivation facility may employ a transporter or a distributor to transfer marijuana from the cultivation facility to a dispensary, other cultivation facility, or processor.

SECTION 3. Pursuant to § 23 of the Arkansas Medical Marijuana Amendment of 2016, the Arkansas Medical Marijuana Amendment of 2016 is amended to add new sections to read as follows:

§ 24. Licensure for transporters, distributors, and processors.

(a)(1) The Medical Marijuana Commission shall license transporters, distributors, and processors.

(2) The Alcoholic Beverage Control Division shall administer and

1 enforce the provisions of this section concerning transporters, distributors,
2 and processors.

3 (b) The owners, board members, or officers of a transporter,
4 distributor, or processor shall not:

5 (1) Have been convicted of an excluded felony offense;

6 (2) Have previously been an owner of a dispensary, cultivation
7 facility, transporter, distributor, or processor that has had a license
8 revoked; and

9 (3) Be under twenty-one (21) years of age.

10 (c) The commission may conduct a criminal records check in order to
11 carry out this section.

12 (d)(1) A transporter license, distributor license, and processor
13 license shall expire one (1) year after the date of issuance.

14 (2) The commission shall issue a renewal license within ten (10)
15 days to any entity who complies with the requirements contained in this
16 amendment, including without limitation the payment of a renewal fee.

17 (e) The commission may charge a reasonable fee as established by rule
18 for the issuance of an initial license and a renewal license.

19 (f)(1)(A) A transporter or distributor licensed under this section
20 may:

21 (i) Acquire, possess, deliver, transfer, transport,
22 or distribute marijuana to a dispensary, cultivation facility, or processor;
23 and

24 (ii) Receive compensation for providing services
25 allowed by this section.

26 (B) A transporter or distributor licensed under this
27 section shall not grow, manufacture, process, prepare, supply, or dispense
28 marijuana.

29 (2)(A) A processor licensed under this section may:

30 (i) Acquire, possess, manufacture, process, prepare,
31 deliver, transport, and supply marijuana to a dispensary or cultivation
32 facility; and

33 (ii) Receive compensation for providing services
34 allowed by this section.

35 (B) A processor licensed under this section shall not grow
36 or dispense marijuana.

1 (g) The division may make reasonable inspections on a transporter,
2 distributor, and processor to ensure that the transporter, distributor, and
3 processor:

4 (1) Is an entity incorporated in the State of Arkansas;

5 (2) Has implemented appropriate security measures to deter and
6 prevent unauthorized entrance into areas containing marijuana and the theft
7 of marijuana;

8 (3) Conducts an initial comprehensive inventory of all marijuana
9 and a biannual comprehensive inventory of all marijuana; and

10 (4) Records each transaction between the transporter,
11 distributor, or processor and a dispensary, cultivation facility, or another
12 processor and maintains the records for three (3) years;

13 (5) Has adopted procedures to ensure accurate recordkeeping.

14 (h)(1) The commission shall adopt rules governing the applications for
15 a transporter license, distributor license, or processor license.

16 (2) The division shall adopt rules governing:

17 (A) Oversight requirements for transporters, distributors,
18 and processors;

19 (B) Recordkeeping requirements for transporters,
20 distributors, and processors;

21 (C) Security requirements for transporters, distributors,
22 and processors;

23 (D) Personnel requirements for transporters, distributors,
24 and processors;

25 (E) The manufacture, processing, packaging, and dispensing
26 of usable marijuana to qualifying patients and designated caregivers;

27 (F) Procedures for suspending or terminating the licenses
28 of transporters, distributors, and processors that violate the provisions of
29 this amendment or the rules adopted under this amendment, procedures for
30 appealing penalties, and a schedule of penalties;

31 (G) Procedures for inspections and investigations of
32 transporters, distributors, and processors;

33 (H) Advertising restrictions for transporters,
34 distributors, and processors; and

35 (J) Any other matters necessary to the fair, impartial,
36 stringent, and comprehensive administration of the duties of the division

1 under this section.

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3 § 25. Registration and certification of transporter agents,
4 distributor agents, and processor agents.

5 (a) The Alcoholic Beverage Control Division shall:

6 (1) License transporter agents, distributor agents, and
7 processor agents; and

8 (2) Administer and enforce the provisions of this section
9 concerning transporter agents, distributor agents, and processor agents.

10 (b) The division may conduct criminal records checks in order to carry
11 out this section.

12 (c) Except as prohibited by subdivision (d)(1) of this section, the
13 division shall issue each transporter agent, distributor agent, and processor
14 agent a registry identification card within ten (10) days of receipt of:

15 (1) The person's name, address, and date of birth under this
16 amendment; and

17 (2) A reasonable fee in an amount established by rule for the
18 division.

19 (d)(1) The division shall not issue a registry identification card to
20 a transporter agent, distributor agent, or processor agent who has been
21 convicted of an excluded felony offense.

22 (2) The division may conduct a criminal background check of each
23 transporter agent, distributor agent, and processor agent in order to carry
24 out this provision.

25 (3) The division shall notify the transporter, distributor, or
26 processor in writing of the reason for denying the registry identification
27 card.

28 (e)(1) A registry identification card for a transporter agent,
29 distributor agent, or processor agent shall expire one (1) year after the
30 date of issuance.

31 (2) A registry identification card of a transporter agent,
32 distributor agent, or processor agent expires upon notification to the
33 division by a dispensary or cultivation facility that the person ceases to
34 work at the transporter, distributor, or processor.

35 (f) The division may charge a reasonable fee as established by rule
36 for the issuance of a new, renewal, or replacement registry identification

1 card.

2 (g)(1) The division may revoke the registry identification card of a
3 transporter agent, distributor agent, or processor agent who knowingly
4 violates any provision of this amendment, and the cardholder is subject to
5 any other penalties established by law for the violation.

6 (2) The division may revoke or suspend the transporter license,
7 distributor license, or processor license of a transporter, distributor, or
8 processor that the division determines knowingly aided or facilitated a
9 violation of any provision of this amendment, and the cardholder is subject
10 to any other penalties established in law for the violation.

11 (h) The division shall adopt rules governing:

12 (1) The manner in which the division considers applications for
13 and renewals of registry identification cards for transporter agents,
14 distributor agents, and processor agents;

15 (2) The form and content of registration and renewal
16 applications for transporter agents, distributor agents, and processor
17 agents;

18 (3) Procedures for suspending or terminating the registration of
19 transporter agents, distributor agents, and processor agents who violate the
20 provisions of this section or the rules adopted under this section,
21 procedures for appealing penalties, and a schedule of penalties; and

22 (4) Any other matters necessary for the fair, impartial,
23 stringent, and comprehensive administration of the duties of the division
24 under this section.

25
26 */s/House*

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29 **APPROVED: 03/24/2017**