

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB2011**

**Amendment Number: H1**

**Bill Subtitle: TO AMEND ARKANSAS CONSTITUTION, AMENDMENT 98, ALSO KNOWN AS THE "ARKANSAS MEDICAL MARIJUANA AMENDMENT OF 2016".**

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### **Basic Change :**

**Sponsor: Representative M. Gray**

Engrossment 03/16/17 --- House Amendment 1 ---The bill would amend the Arkansas Medical Marijuana Amendment of 2016 to provide that the physical location of a marijuana dispensary cannot be located within one thousand five hundred feet (1500') of a private school and a cultivation facility cannot be located within three thousand feet (3,000') of a private school, the same requirements established for locating near public schools, churches and daycare centers.

The bill also establishes specific cultivation facility security requirements to include physical security measures; requirements for the building, greenhouse, or other structure housing the cultivation business; detailed plans of the facility; controlled access to the facility; written policies regarding visitation and visitor logs; and the alarm system for the facility.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

Dispensaries and cultivation facilities will be required to establish certain security measures and physically locate the business within established distances from all schools, churches and daycare centers.

### **Resources Required :**

None.

### **Time Required :**

None.

### **Procedural Changes :**

None.

### **Other Comments :**

None.

### **Legal Analysis :**

HB2011-H1 modifies the Arkansas Medical Marijuana Amendment of 2016 (Amendment) to clarify cultivation facility and dispensary ("marijuana business") security and location requirements. First, the

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bill defines the distance requirement of 1,500 feet for dispensaries and 3,000 feet for cultivation facilities from any public or private school, church, or daycare center. The bill clarifies that this shall be measured from the primary entrance of the marijuana business to the nearest property boundary line of the nearest public or private school, church, or daycare center. The only issue with this modification is that "primary entrance" is not defined. However, that definition will probably fall within the Alcoholic Beverage Control's authority to promulgate rules for further definition. It is unclear whether this would be more permissive than the property line to property line measurements undertaken for the purpose of Alcoholic Beverage Licenses.

Second, the bill sets specific standards for security for marijuana businesses. In addition to the requirements set out explicitly, the bill requires that marijuana businesses follow the same guidelines set for manufacturers, distributors, and dispensers of controlled substances and narcotics per 21 C.F.R. § 1301.72 — 1301.74, as existing on January 1, 2017. This additional language was added to §8 of the Amendment, which dictates the licensing of marijuana businesses. This modification might be more appropriately contained in §10 regarding marijuana business inspections and requirements. As contained in §8, the modification appears to be a requirement for licensure, however, it is unlikely that marijuana business will be able to meet the standards contained in the bill prior to obtaining a license. The bill appears to add "or private" to the language of the Amendment when referencing marijuana business distance from a school. However, the Amendment already encompasses that language.