

2 State of Arkansas
3 91st General Assembly
4 Third Extraordinary Session, 2018

A Bill

JMB/JMB
SENATE BILL

5
6 By: Senator B. Sample

7 Filed with: Arkansas Legislative Council
8 pursuant to A.C.A. §10-3-217.

9 For An Act To Be Entitled

10 AN ACT TO AMEND ARKANSAS CONSTITUTION, AMENDMENT 98,
11 ALSO KNOWN AS THE "ARKANSAS MEDICAL MARIJUANA
12 AMENDMENT OF 2016"; TO AUDIT APPLICANTS TO ENSURE
13 COMPLIANCE WITH THE RESIDENCY REQUIREMENTS FOR
14 OWNERSHIP INTEREST IN A DISPENSARY OR CULTIVATION
15 FACILITY; AND FOR OTHER PURPOSES.

16 17 18 Subtitle

19 TO AMEND THE ARKANSAS MEDICAL MARIJUANA
20 AMENDMENT OF 2016; AND TO AUDIT
21 APPLICANTS TO ENSURE COMPLIANCE WITH THE
22 RESIDENCY REQUIREMENTS FOR OWNERSHIP
23 INTEREST.

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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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28 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

29 (a) The General Assembly finds that:

30 (1) Under Arkansas Constitution, Amendment 98, also known as the
31 "Arkansas Medical Marijuana Amendment of 2016", sixty percent (60%) of the
32 individuals owning an interest in a dispensary or cultivation facility shall
33 be current residents of Arkansas who have resided in the state for the
34 previous seven (7) consecutive years;

35 (2) The Medical Marijuana Commission adopted final rules
36 requiring that:

1 (A) An individual applying on behalf of an entity
2 for a license to operate a dispensary or cultivation facility shall submit
3 sufficient proof that sixty percent (60%) of the equity ownership interests
4 in the entity are held by individuals who have been residents of the state
5 for the previous seven (7) consecutive years prior to the application date;
6 and

7 (B) At least two (2) of the following documents would
8 satisfy the requirements described in subdivision (a)(2)(A) of this section:

9 (i) Arkansas tax return Form AR1000 for each of the
10 seven (7) years preceding the application without schedules, worksheets, or
11 attachments, and redacted to remove all financial information and all but the
12 last four (4) digits of the individual's Social Security number;

13 (ii) Evidence of voter registration for the seven
14 (7) years preceding the application;

15 (iii) Ownership, lease, or rental documents for
16 place of primary domicile for the seven (7) years preceding the application;

17 (iv) Billing statements, including utility bills for
18 the seven (7) years preceding the application; or

19 (v) Vehicle registration for the seven (7) years
20 preceding the application;

21 (3) The Arkansas Constitution does not contain specific
22 dispensary or cultivation facility ownership requirements or disclosures to
23 ensure that the residence requirement is met for individuals with ownership
24 interests; and

25 (4) The requirements and disclosures adopted by the Medical
26 Marijuana Commission are insufficient to ensure that the residency
27 requirement for individuals with an ownership interest is met.

28 (b) It is the intent of the General Assembly to specify the residence
29 requirements and disclosures required by individuals with an ownership
30 interest seeking to become dispensaries or cultivation facilities.

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32 SECTION 2. Pursuant to § 23 of Arkansas Constitution, Amendment 98,
33 also known as the "Arkansas Medical Marijuana Amendment of 2016", Arkansas
34 Constitution, Amendment 98, § 8(c), concerning the licensing of dispensaries
35 and cultivation facilities, is amended to read as follows:

1 (c)(1) The following individuals associated with a dispensary or
2 cultivation facility shall be current residents of Arkansas who have resided
3 in the state for the previous seven (7) consecutive years:

4 ~~(1)(A)~~ The ~~individual(s)~~ individual or individuals submitting an
5 application to license a dispensary or cultivation facility; and,

6 ~~(2)(B)~~ Sixty percent (60%) of the individuals owning an interest
7 in a dispensary or cultivation facility.

8 (2)(A) Before the issuance of a license to operate a dispensary
9 or cultivation facility, the Department of Finance and Administration shall
10 audit applicants selected for licensing to ensure compliance with subdivision
11 (c)(1) of this section.

12 (B)(i) An applicant who does not comply with subdivision
13 (c)(1) of this section is disqualified.

14 (ii) If an applicant selected for licensing is
15 disqualified, the next-highest scoring applicant shall be audited as
16 described in subdivision (c)(2)(A) of this section.

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19 Referred by Senator B. Sample

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