

REFERENCE TITLE: **medical marijuana; repeal**

State of Arizona  
House of Representatives  
Fifty-first Legislature  
First Regular Session  
2013

# **HCR 2003**

Introduced by  
Representative Kavanagh

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING TO  
THE ARIZONA MEDICAL MARIJUANA ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona, the  
2 Senate concurring:

3 1. Under the power of the referendum, as vested in the Legislature,  
4 the following measure, relating to the Arizona medical marijuana act, is  
5 enacted to become valid as a law if approved by the voters and on  
6 proclamation of the Governor:

7 AN ACT

8 AMENDING SECTIONS 15-108 AND 28-4333, ARIZONA REVISED STATUTES;  
9 REPEALING SECTION 32-3215, ARIZONA REVISED STATUTES; AMENDING  
10 SECTIONS 36-894 AND 36-2602, ARIZONA REVISED STATUTES; REPEALING  
11 TITLE 36, CHAPTER 28.1, ARIZONA REVISED STATUTES; AMENDING  
12 SECTIONS 43-1201 AND 43-1242, ARIZONA REVISED STATUTES; RELATING  
13 TO THE ARIZONA MEDICAL MARIJUANA ACT.

14 Be it enacted by the Legislature of the State of Arizona:

15 Section 1. Section 15-108, Arizona Revised Statutes, is  
16 amended to read:

17 15-108. Marijuana; school campuses; prohibition;  
18 definition

19 ~~A. In addition to the limitations prescribed in section~~  
20 ~~36-2802, subsection B, a person, including a cardholder as~~  
21 ~~defined in section 36-2801, may not lawfully possess or use~~  
22 ~~marijuana on the campus of any public university, college,~~  
23 ~~community college or postsecondary educational institution.~~

24 ~~B.~~ A person may not lawfully possess or use marijuana on  
25 the campus of any high school, junior high school, middle  
26 school, common school or preschool in this state.

27 Sec. 2. Section 28-4333, Arizona Revised Statutes, is  
28 amended to read:

29 28-4333. Licensing requirement; exemptions

30 A. A new motor vehicle shall not be sold in this state  
31 unless either the manufacturer on direct dealerships of domestic  
32 vehicles, the importer of foreign manufactured vehicles on  
33 direct dealerships or the distributor on indirect dealerships of  
34 either domestic or foreign vehicles is licensed as provided in  
35 this chapter. Obtaining the license conclusively establishes  
36 that the manufacturer, distributor or importer is subject to the  
37 laws of this state regulating manufacturers, importers and  
38 distributors.

39 B. An organization that has qualified for an exemption  
40 from taxation of income under section 43-1201, ~~subsection A,~~  
41 paragraph 1, 2, 4, 5, 6, 7, 10 or 11 may sell a donated used  
42 motor vehicle without obtaining a license under this chapter,  
43 subject to the following:

44 1. The nonprofit organization shall maintain the tax  
45 exempt status until any monies received from the sale of the

1 used motor vehicle have been expended and a member, director,  
2 officer, employee or agent of the nonprofit organization shall  
3 not receive any direct or indirect pecuniary benefit from the  
4 sale of the used motor vehicle.

5 2. The nonprofit organization shall sell the used motor  
6 vehicle by assignment using a licensed motor vehicle dealer.

7 3. Notwithstanding section 28-2058, the nonprofit  
8 organization is not required to obtain a new certificate of  
9 title or registration for the donated motor vehicle but shall  
10 assign the certificate of title to the licensed motor vehicle  
11 dealer for ultimate assignment to the retail purchaser of the  
12 motor vehicle.

13 4. The nonprofit organization shall maintain the motor  
14 vehicle financial responsibility requirements prescribed by  
15 chapter 9, article 4 of this title if operating the motor  
16 vehicle including operating the motor vehicle to the place of  
17 assignment.

18 5. The nonprofit organization may operate the donated  
19 motor vehicle to the place of assignment without purchasing the  
20 one trip registration permit required by section 28-2155.

21 C. Notwithstanding any other provision of this chapter, a  
22 person who receives or does not receive consideration for  
23 providing a purchaser the opportunity to purchase a motor  
24 vehicle from a licensed new motor vehicle dealer at a price that  
25 does not exceed a certain amount is not required to be licensed  
26 as a motor vehicle dealer or broker under this chapter if the  
27 person does not participate in the negotiation of the actual  
28 price paid, the delivery terms or any other terms related to the  
29 purchase of the vehicle.

30 Sec. 3. Repeal

31 Section 32-3215, Arizona Revised Statutes, is repealed.

32 Sec. 4. Section 36-894, Arizona Revised Statutes, is  
33 amended to read:

34 36-894. Marijuana; child care facilities; prohibition

35 A person, ~~including a cardholder as defined in section~~  
36 ~~36-2801~~, may not lawfully possess or use marijuana in any child  
37 care facility in this state.

38 Sec. 5. Section 36-2602, Arizona Revised Statutes, is  
39 amended to read:

40 36-2602. Controlled substances prescription monitoring  
41 program; contracts; retention and maintenance  
42 of records

43 A. The board shall adopt rules to establish a controlled  
44 substances prescription monitoring program. The program shall:

1           1. Include a computerized central database tracking  
2 system to track the prescribing, dispensing and consumption of  
3 schedule II, III and IV controlled substances that are dispensed  
4 by a medical practitioner or by a pharmacy that holds a valid  
5 license or permit issued pursuant to title 32. ~~The database  
6 shall include data from the department of health services that  
7 identifies residents of this state who possess a registry  
8 identification card issued pursuant to chapter 28.1 of this  
9 title.~~ The tracking system shall not interfere with the legal  
10 use of a controlled substance for the management of severe or  
11 intractable pain.

12           2. Assist law enforcement to identify illegal activity  
13 related to the prescribing, dispensing and consumption of  
14 schedule II, III and IV controlled substances.

15           3. Provide information to patients, medical practitioners  
16 and pharmacists to help avoid the inappropriate use of schedule  
17 II, III and IV controlled substances.

18           4. Be designed to minimize inconvenience to patients,  
19 prescribing medical practitioners and pharmacies while  
20 effectuating the collection and storage of information.

21           B. The board may enter into private or public contracts,  
22 including intergovernmental agreements pursuant to title 11,  
23 chapter 7, article 3, to ensure the effective operation of the  
24 program. Each contractor must comply with the confidentiality  
25 requirements prescribed in this article and is subject to the  
26 criminal penalties prescribed in section 36-2610.

27           C. The board shall maintain medical records information  
28 in the program pursuant to the standards prescribed in section  
29 12-2297.

30           Sec. 6. Repeal

31           Title 36, chapter 28.1, Arizona Revised Statutes, is  
32 repealed.

33           Sec. 7. Section 43-1201, Arizona Revised Statutes, is  
34 amended to read:

35           43-1201. Organizations exempt from tax

36           ~~A.~~ Organizations that are exempt from federal income tax  
37 under section 501 of the internal revenue code are exempt from  
38 the tax imposed under this title. In addition, the following  
39 organizations are exempt from the taxes imposed under this  
40 title, except as otherwise provided in this chapter:

41           1. Labor, agricultural or horticultural organizations,  
42 other than cooperative organizations.

43           2. Fraternal beneficiary societies, orders or  
44 organizations both:

1 (a) Operating under the lodge system or for the exclusive  
2 benefit of the members of a fraternity itself operating under  
3 the lodge system.

4 (b) Providing for the payment of life, sick, accident or  
5 other benefits to the members of such society, order or  
6 organization or their dependents.

7 3. Cemetery companies owned and operated exclusively for  
8 the benefit of their members or which are not operated for  
9 profit or any corporation chartered for burial purposes and not  
10 permitted by its charter to engage in any business not  
11 necessarily related to that purpose, no part of the net earnings  
12 of which inures to the benefit of any private shareholder or  
13 individual member thereof.

14 4. Corporations organized and operated exclusively for  
15 religious, charitable, scientific, literary or educational  
16 purposes or for the prevention of cruelty to children or  
17 animals, no part of the net earnings of which inures to the  
18 benefit of any private shareholder or individual, and no  
19 substantial part of the activities of which is carrying on  
20 propaganda or otherwise attempting to influence legislation.

21 5. Business leagues, chambers of commerce, real estate  
22 boards or boards of trade, not organized for profit, no part of  
23 the net earnings of which inures to the benefit of any private  
24 shareholder or individual.

25 6. Civic leagues or organizations not organized for  
26 profit but operated exclusively for the promotion of social  
27 welfare or local organizations of employees, the membership of  
28 which is limited to the employees of a designated person or  
29 persons in a particular municipality, the net earnings of which  
30 are devoted exclusively to charitable, educational or  
31 recreational purposes.

32 7. Clubs organized and operated exclusively for pleasure,  
33 recreation and other non-profitable purposes, no part of the net  
34 earnings of which inures to the benefit of any private  
35 shareholder.

36 8. Corporations organized for the exclusive purpose of  
37 holding title to property, collecting income therefrom and  
38 turning over the entire amount of such income, less expenses, to  
39 an organization which itself is exempt from the tax imposed by  
40 this title.

41 9. Voluntary employees' beneficiary organizations  
42 providing for the payment of life, sick, accident or other  
43 benefits to the members of such organizations or their  
44 dependents, if both of the following apply:

1 (a) No part of their net earnings inures, other than  
2 through such payments, to the benefit of any private shareholder  
3 or individual.

4 (b) Eighty-five per cent or more of the income consists  
5 of amounts collected from members and amounts contributed to the  
6 organization by the employer of the members for the sole purpose  
7 of making such payments and meeting expenses.

8 10. Teachers' or public employees' retirement fund  
9 organizations of a purely local character, if both of the  
10 following apply:

11 (a) No part of their net earnings inures to the benefit  
12 of any private shareholder or individual, other than through  
13 payment of retirement benefits.

14 (b) The income consists solely of amounts received from  
15 public taxation, amounts received from assessments upon the  
16 salaries of members and income in respect of investments. For  
17 the purposes of this paragraph, "public employees" means  
18 employees of the state and its political subdivisions.

19 11. Religious or apostolic organizations or corporations,  
20 if such organizations or corporations have a common treasury or  
21 community treasury, even if such corporations or organizations  
22 engage in business for the common benefit of the members, but  
23 only if the members thereof include, at the time of filing their  
24 returns, in their Arizona gross income their pro rata shares,  
25 whether distributed or not, of the net income of the  
26 organizations or corporations for such year. Any amount so  
27 included in the Arizona gross income of a member shall be  
28 treated as a dividend received.

29 12. Voluntary employees' beneficiary organizations  
30 providing for the payment of life, sick, accident or other  
31 benefits to the members of such organization, their dependents  
32 or their designated beneficiaries, if both of the following  
33 apply:

34 (a) Admission to membership in such organization is  
35 limited to individuals who are officers or employees of the  
36 United States government.

37 (b) No part of the net earnings of such organization  
38 inures, other than through such payments, to the benefit of any  
39 private shareholder or individual.

40 13. Corporations classified as diversified management  
41 companies under section 5 of the federal investment company act  
42 of 1940 and registered as provided in that act.

43 14. Insurance companies paying to the state tax upon  
44 premium income derived from sources within this state.

1           15. Mutual ditch, irrigation or water companies or similar  
2 nonprofit organizations if eighty-five per cent or more of the  
3 income consists of amounts collected from members for the sole  
4 purpose of meeting losses and expenses.

5           16. Workers' compensation pools established pursuant to  
6 section 23-961.01.

7           ~~B. Nonprofit medical marijuana dispensaries under title~~  
8 ~~36, chapter 28.1, are exempt from the taxes imposed under this~~  
9 ~~title.~~

10          Sec. 8. Section 43-1242, Arizona Revised Statutes, is  
11 amended to read:

12          43-1242. Information returns of tax exempt organizations;  
13 definition

14          A. Every organization exempt under section 43-1201 shall  
15 file a return except:

16           1. A religious organization exempt under section 43-1201,  
17 ~~subsection A~~, paragraph 4.

18           2. An educational organization exempt under section  
19 43-1201, ~~subsection A~~, paragraph 4, if such organization  
20 normally maintains a regular faculty and students in attendance  
21 at the place where its educational activities are regularly  
22 carried on.

23           3. A charitable organization, or an organization for the  
24 prevention of cruelty to children or animals, exempt under  
25 section 43-1201, ~~subsection A~~, paragraph 4, if such organization  
26 is supported, in whole or in part, by funds contributed by the  
27 United States or any state or political subdivision thereof or  
28 is primarily supported by contributions of the general public.

29           4. An organization exempt under section 43-1201,  
30 ~~subsection A~~, paragraph 4, if such organization is operated,  
31 supervised or controlled by or in connection with a religious  
32 organization described in paragraph 1 of this subsection.

33           5. An organization exempt solely under section 43-1201,  
34 ~~subsection A~~, paragraph 2.

35          B. Such return shall be filed annually, at such time and  
36 in such manner as the department may prescribe by rule, setting  
37 forth:

38           1. Its gross receipts for the year.

39           2. Its expenses attributable to such income and incurred  
40 within the year.

41           3. Its disbursements within the year for the purposes for  
42 which it is exempt.

43           4. Its accumulation of income within the year.

44           5. Its aggregate accumulations of income at the beginning  
45 of the year.

1           6. Its disbursements out of principal in the current and  
2 prior years for the purposes for which it is exempt.

3           7. A balance sheet showing its assets, liabilities and  
4 net worth as of the beginning of such year.

5           8. Such other information as the department may prescribe  
6 by rule.

7           C. An organization otherwise required to file the return  
8 specified in subsection A of this section:

9           1. Need not file it if its gross receipts do not exceed  
10 fifty thousand dollars.

11           2. May comply with this section by filing a copy of the  
12 organization's federal "return of organization exempt from  
13 income tax" with the department.

14           D. For the purposes of this section, "gross receipts"  
15 means the total amount the organization received from all  
16 sources during its annual tax year without subtracting any costs  
17 or expenses.

18           2. The Secretary of State shall submit this proposition to the voters  
19 at the next general election as provided by article IV, part 1, section 1,  
20 Constitution of Arizona.