



QUESTION SUMMARIES DATA TRENDS INDIVIDUAL RESPONSES Respondent #1 > COMPLETE Started: Thursday, December 10, 2020 4:43:02 PM Last Modified: Thursday, December 10, 2020 4:43:17 PM Time Spent: 00:00:14 IP Address: 159.36.3.216 Page 1: What part(s) of the draft rules, do you believe are effective? test Q2 How can the draft rules be improved? test Q3 Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules? test Q4 What questions/comments do you have that were not addressed above? test

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #2 ▼

4

COMPLETE

Started:

Thursday, December 10, 2020 4:43:37 PM

Last Modified:

Thursday, December 10, 2020 4:44:02 PM

Time Spent:

00:00:24

IP Address:

159.36.3.216

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

test 2

Q2

How can the draft rules be improved?

Respondent skipped this question

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #3 ▼

4 | 1

COMPLETE

Started:

Friday, December 11, 2020 10:34:50 AM

Last Modified:

Friday, December 11, 2020 10:40:07 AM

Time Spent:

00:05:17

IP Address:

70.93.62.197

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The draft rules can be improved by putting in language of standards for the physical facilities involved in manufacturing, processing, or cultivation of marijuana to conform to standards such as those in Chapter 38 of the NFPA 1 Fire Code 2018. This will ensure safety, odor, and dust control. Some processes need be done in fire proof rooms, particularly those that involve alcohol, butane, or high pressure CO2. If the Fire Code of the State Fire Marshals Office regulates marijuana like Chapter 38, then reference to those standards would be appropriate.

Q2

How can the draft rules be improved?

See above

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

See above

Q4

What questions/comments do you have that were not addressed above?

See above

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #4 ▼

COMPLETE

Started:

Friday, December 11, 2020 12:58:04 PM

Last Modified:

Friday, December 11, 2020 12:58:57 PM

Time Spent:

00:00:53

IP Address:

72.222.192.151

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Respondent skipped this question

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

The specific packaging requirements for both flower and edibles (California and Colorado are good examples).

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #5 ▼

COMPLETE

Started:

Friday, December 11, 2020 5:13:55 PM

Last Modified:

Friday, December 11, 2020 5:23:29 PM

Time Spent:

00:09:34

IP Address:

174.18.90.180

Page 1:

What part(s) of the draft rules, do you believe are effective?

keeping medical separate

Q2

How can the draft rules be improved?

explain in totality, what regulations will be placed on home grows, and whom can regulate that beside the obvious landowner what governing might be empowered? lic, inspection, reporting declared

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Now that no longer a state issued card for medical. One should be available at an extra cost possibly so authorities outside Arizona wont take a PDF file as a license a paper copy is not a state issued either.

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #6 ▼

4 >

COMPLETE

Started:

Friday, December 11, 2020 11:38:00 PM

Last Modified:

Friday, December 11, 2020 11:48:56 PM

Time Spent:

00:10:55

IP Address:

68.106.59.109

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

They are effective but also somewhat confusing

Q2

How can the draft rules be improved?

To make the language in it easier to understand to someone who isn't a lawyer

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Are there any other licenses in AZ that cost \$25,000? The license fees should be comparable to other like establishment fees issued by the state. Why does the applicant have to have \$500,000 60 days before application date. Are there any other state issued licenses with that requirement? If there isn't then the requirement would prove to be highly discriminatory.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #7 ▼

COMPLETE

Started:

Saturday, December 12, 2020 10:21:15 AM

Last Modified:

Saturday, December 12, 2020 10:29:02 AM

Time Spent:

00:07:46

IP Address:

70.176.212.246

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Legalization of marijuana for recreational use for adults. Ability to grow marijuana legally.

How can the draft rules be improved?

Ensuring that taxes on marijuana are used efficiently and to benefit the public. Ensuring that local city governments do not overstep with unnecessary restrictions on sales and business

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

I think allowing for broader growth of the business of growth and distribution of marijuana will improve tax revenue and allow marijuana to be regulated similar to alcohol. Obviously restrictions must exit, but future drafts could protect small business owners and proprietors from unnecessary local restrictions

Q4

What questions/comments do you have that were not addressed above?

We need to continue to work to regulate marijuana like alcohol. Allocate police resources away from marijuana and continue to find creative and helpful ways to use tax revenue to benefit society

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #8 ▼

COMPLETE

Started:

Saturday, December 12, 2020 11:44:09 AM

Last Modified:

Saturday, December 12, 2020 12:17:37 PM

Time Spent:

00:33:28

IP Address:

98.167.143.48

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

N/A

Q2

How can the draft rules be improved?

N/A

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

What questions/comments do you have that were not addressed above?

The social equity program should be merit-based and limited to residents that:

- grew up and continue to reside in an area in Arizona disproportionately affected by drug enforcement (particularly during the crack era during the 1990s)
- belong to a minority group disproportionately targeted by drug enforcement
- no previous drug conviction

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #9 ▼

COMPLETE

Started:

Saturday, December 12, 2020 12:58:55 PM

Last Modified:

Saturday, December 12, 2020 1:31:25 PM

Time Spent:

00:32:30

IP Address:

174.255.128.194

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

None. The draft rules assure that marijuana establishment licenses consolidate to the highest wealthiest bidder either by flooding the application process or buying up entities that are simply unable to operate profitably in a rural county with fewer than 20,000 residents such as Greenlee or in distantly spaced communities such as in Apache or Graham. The 25,000 application fee and 500k funds requirements assures that only public corporations and greedy attorneys end up with licenses as the risk for local hopeful applicants to compete is unreasonably risky to gamble such funds in competition with those entities intent on hogging all the licenses in order to control cannabis production and distribution for perpetuity. These rules are patently illegal, unfair and assure an uncompetitive market and higher prices for those who cannot afford a regular supply.

Q2

How can the draft rules be improved?

Lower the application fee for fill-in county licenses, and restrict applicants to residents of those counties. Those rural locations should be reserved forthose with a local interest, as opposed to the evident abandonment of those very counties by greedy attorneys and operators. Who only intended to game the system for personal profit.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Start over. Cannabis must be free from government control. Cannabis will forever be controlled by the few winners and the big fish like Harvest and Curaleaf who drafted this to assure they swallow up all licenses sooner than later

04

What questions/comments do you have that were not addressed above?

Free Cannabis from greed and profiteering state licensed cartels.

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #10 ▼

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COMPLETE

Started:

Saturday, December 12, 2020 2:48:42 PM

Last Modified:

Saturday, December 12, 2020 2:53:46 PM

Time Spent:

00:05:04

IP Address:

172.58.16.149

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Public hearings or at let's hearings for people in the industry

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Social equality licence

Q4

What questions/comments do you have that were not addressed above?

19-303 #6 states you need to prove you \$500,000 available...

How can any new company or micro business come up with this kind of capital before the licence is even given?

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Respondent #11
COMPLETE

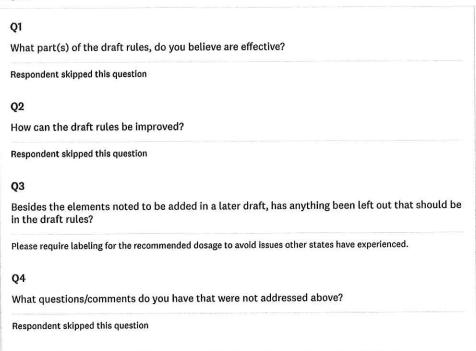
Started: Saturday, December 12, 2020 4:15:41 PM

Last Modified: Saturday, December 12, 2020 4:16:44 PM

Time Spent: 00:01:02

IP Address: 68.104.231.219

Page 1:



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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #12 ▼

COMPLETE

Started:

Saturday, December 12, 2020 5:37:02 PM

Last Modified:

Saturday, December 12, 2020 5:39:35 PM

Time Spent:

00:02:32

IP Address:

216.18.205.182

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Make sure that major corporate cannabis growers don't squeeze out smaller businesses

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

"Marijuana" is the prohibition-era, racist term used to not only demonize a plant, but also demonizes our Mexican friends and neighbors. Please consider using the actual plant name "cannabis". It's the right thing to do.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #13

COMPLETE

Started:

Saturday, December 12, 2020 7:02:01 PM

Last Modified:

Saturday, December 12, 2020 7:03:56 PM

Time Spent:

00:01:55

IP Address:

173.25.58.241

Page 1:

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

How can the draft rules be improved?

Respondent skipped this question

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

What questions/comments do you have that were not addressed above?

Employers should not be allowed to test workers unless they are drivers or operate heavy machinery, and can't fire anyone if they use.



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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #14 ▼

COMPLETE

Started:

Saturday, December 12, 2020 7:43:30 PM

Last Modified:

Saturday, December 12, 2020 7:55:03 PM

Time Spent:

00:11:33

IP Address:

184.101.48.192

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

It's all BS written by conservatives

Q2

How can the draft rules be improved?

The fees are absurd. Startup is the hardest part of owning a business. Shame on you for making it difficult. AZ sucks and the political atmosphere is toxic.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Breaks for minority-owned businesses and for those who may have a past criminal record for distribution or possession of marijuana; they've paid enough.

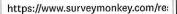
04

What questions/comments do you have that were not addressed above?

Take your heads out of your ass. Make citizens happy by giving us what we voted for and reap the tax benefit; stop being so greedy. Reduce fees so "normals" at least have a chance to achieve the American Dream, whatever that means anymore. My dream is for the political nightmare to end.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #15 ▼

COMPLETE

Started:

Saturday, December 12, 2020 7:55:26 PM

Last Modified:

Saturday, December 12, 2020 8:01:11 PM

Time Spent:

00:05:44

IP Address:

172.58.19.249

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

If two adults living in same house can have six plant for rages peoples

Q2

How can the draft rules be improved?

If out side your house on your steps are you about to smoke marijuana

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

People with heart problems by the doctor's order smoke out side the home

Q4

What questions/comments do you have that were not addressed above?

Why are we not about to smoke outside are homestead

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #16 ▼

4 | 1

COMPLETE

Started:

Saturday, December 12, 2020 10:50:12 PM

Last Modified:

Saturday, December 12, 2020 10:52:28 PM

Time Spent:

00:02:15

IP Address:

207.108.138.254

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

02

How can the draft rules be improved?

Lower the taxes and allow for "lounges" so people have a place to go and smoke safely. Protections for cost and supply for medical patients so they aren't forced to pay high prices for small quantities

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

"Lounges" for people to go and consume the products. That way people can do it legally somewhere safe

Q4

What questions/comments do you have that were not addressed above?

Will there be protections for medical patients? So costs don't become so overwhelming due to the demand of recreational sales?

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #17 ▼

COMPLETE

Started:

Saturday, December 12, 2020 11:08:37 PM

Last Modified:

Saturday, December 12, 2020 11:17:40 PM

Time Spent:

00:09:03

IP Address:

70.171.221.73

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Almost everything.

Q2

How can the draft rules be improved?

More licenses should be allocated. Not significantly increasing the number of allowed retail shops will unnecessarily create bottlenecks and long waits for customers. The people of Arizona have voted to allow the use of marijuana and the state government should not make access difficult by severely limiting the number of shops. With tens of thousands more users, this will overwhelm the existing dispensaries.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #18 ▼

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COMPLETE

Started:

Sunday, December 13, 2020 5:38:37 AM

Last Modified:

Sunday, December 13, 2020 5:48:12 AM

Time Spent:

00:09:35

IP Address:

207.171.233.209

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Structurally, the draft rules cover the necessary touch points to establish the adjacent business use cases and is clear on the step by step process to address them.

Q2

How can the draft rules be improved?

I believe an additional "plain-spoken" list if the rules and terms would be beneficial for public adoption.

Also, a review of the cost of entry should be considered. The current levels are still cost prohibitive to many. The fear is that higher cost of entry will, by it's own function, create (and in some ways necessitate) an enhancement of the current illegitimate market for marijuana and it's unregulated use.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Opinions on the Department's approach to regulation. The marijuana industry has been built in small businesses providing high quality product, education, and customer service. Many of our seniors now depend on this market for medicinal purposes, and a less thoughtful approach could put them at risk for losing that community connection.

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #19 ▼

COMPLETE

Started:

Sunday, December 13, 2020 6:58:49 AM

Last Modified:

Sunday, December 13, 2020 7:01:34 AM

Time Spent:

00:02:45

IP Address:

67.234.238.165

Page 1:

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Change the word Marijuana with the word cannabis, Marijuana seems outdated. But maybe that's just my personal preference.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #20 ▼

COMPLETE

Started:

Sunday, December 13, 2020 8:20:22 AM

Last Modified:

Sunday, December 13, 2020 8:25:35 AM

Time Spent:

00:05:13

IP Address:

172.58.21.220

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Please don't drop the rules in such a way as to drive business to the black or grey Market or to other states

Q2

How can the draft rules be improved?

Why does Arizona have to believe that moral rules are better? Why can't you follow the Oklahoma model which is wildly successful and allows from multiple dispensaries?

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

These rules should not be written by people who did not support proposition 207

Q4

What questions/comments do you have that were not addressed above?

Please please please do not continue with only one testing facility so that by the time the facilities get their flower it's dried out and awful and shops like SAINTS in Tucson (the first facility in Tucson) have to close their doors for days because they have no product!!!

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #21 >

COMPLETE

Started:

Sunday, December 13, 2020 9:25:49 AM

Last Modified:

Sunday, December 13, 2020 9:37:00 AM

Time Spent:

00:11:11

IP Address:

104.238.46.121

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The rules for facility agents issuances.

Q2

How can the draft rules be improved?

- 1. 25,000 an application is 5 times past why is it so much more? It should be affordable for all Arizonans who qualify, not just out of state large corporations.
- 2. 500,000 capital requirement what is the basis for this and why didn't medical licenses have this requirement? Further, Will they have to show this requirement as well? Also again, only a requirement that out of state large corporations will be able to meet not everyday Arizonans.
- 3. The current rules are only to benefit large corporations who can afford \$25k an application, who don't pay taxes here, and not Arizonans.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

I would add that there be a residency requirement to benefit Arizonans as this who the law was passed by.

What questions/comments do you have that were not addressed above?

Please format rules that benefit Arizonans not just Harvest and Curaleaf, who's plan to monopolize the market and force consumers to have no choice leaves Arizonans with unaffordable medicine and poor medicine options. This was passed by Arizonans it may have been funded by them but the People passed it, to benefit the People. Do your jobs for the People who do Pay taxes here not Corporations from Canada.

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #22 ▼

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COMPLETE

Started:

Sunday, December 13, 2020 11:37:16 AM

Last Modified:

Sunday, December 13, 2020 11:48:09 AM

Time Spent:

00:10:52

IP Address:

174.237.7.68

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Security, age verification, licensure, and record-keeping all seem great. The overall rules and regulations seem to be effective and should provide the best experience to the consumer while maintaining safety.

Q2

How can the draft rules be improved?

Expanding hours of operation would be great if feasible. Between say 6am-12:00am would be a good idea to provide the best set of hours to provide for people who may work odd hours and have trouble getting to a dispensary before they close, especially if there is a long line.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

There has absolutely got to be rules for reserving enough product quantities to continue serving medical patients at the same capacity as dispensaries are currently operating. There needs to be priority service given to medical patients at dispensary locations, as we have a medical need for cannabis products rather than a desire for recreational use. A pharmacy doesn't just sell prescriptions on a first-come-first-served basis to whomever wants medication rather than who medication was prescribed for is the mindset I'm coming from. Deference should be given to the dispensaries for implementation, such as having a dedicated set of agents for medical patients only if the dispensary wishes to serve both medical patients and recreational sales. I didn't see this mentioned specifically in the draft, but it would be a good idea to avoid there being a shortage of cannabis products for medical patients. This is a serious concern I have noticed among all current medical patients every time I have visited a dispensary since Prop 207 passed.

Q4

What questions/comments do you have that were not addressed above?

N/A

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #23 ▼

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COMPLETE

Started:

Sunday, December 13, 2020 2:03:17 PM

Last Modified:

Sunday, December 13, 2020 2:05:20 PM

Time Spent:

00:02:02

IP Address:

104.244.209.102

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

\$25,000 Application Fee is too high. Needs to be lowered to \$5,000. \$10,000 max.

\$500,000 reserved funds is too high. Needs to be lowered to \$100,000.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #24 ▼

COMPLETE

Started:

Sunday, December 13, 2020 3:12:06 PM

Last Modified:

Sunday, December 13, 2020 3:13:28 PM

Time Spent:

00:01:21

IP Address:

174.238.17.218

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Stay out of our personal life

Q2

How can the draft rules be improved?

Stay out of our personal life

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Stay out of our personal lives

Q4

What questions/comments do you have that were not addressed above?

Stay out of our personal lives

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #25 ▼

COMPLETE

Started:

Sunday, December 13, 2020 4:36:13 PM

Last Modified:

Sunday, December 13, 2020 4:39:59 PM

Time Spent:

00:03:46

IP Address:

107.181.166.40

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

\$500 for fingerprint cards is ridiculous. That is 20 times more than the cost of the actual card.

Fingerprint cards should be submitted as they were in the medical program. At the normal cost to the applicant.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #26 >

COMPLETE

Started:

Sunday, December 13, 2020 4:42:06 PM

Last Modified:

Sunday, December 13, 2020 4:46:16 PM

Time Spent:

00:04:09

IP Address:

24.119.208.54

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Respondent skipped this question

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

R9-18-310(A)(2)(d) (Product Labeling) should be amended to add (i). "Such weight shall not include the weight of any other ingredient combined with the marijuana or marijuana product to prepare oral or topical administrations, food, drink or other products." This is consistent with the definitions as set forth in ARS 36-2850 (14) and (15) and is imperative for enforcement purposes.

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #27 ▼

4

COMPLETE

Started:

Sunday, December 13, 2020 4:41:39 PM

Last Modified:

Sunday, December 13, 2020 5:12:31 PM

Time Spent:

00:30:52

IP Address:

72.195.221.247

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The rules overall look simple, straight to the point and effective.

Q2

How can the draft rules be improved?

For rule improvement: Home delivery must be allowed immediately for adult use customers. In the middle of a pandemic, it's irresponsible to not allow legal delivery; the lines will be out the door at dispensaries, causing a public health crisis. Also, not legalizing and regulating this service immediately, will welcome in the black market, which is exactly what happened in Colorado. Finally, having the option for home delivery will discourage DUI. It's the responsible thing to do and the Health Department must take action on this for public health and safety.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Home Delivery needs to be regulated immediately

Q4

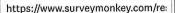
What questions/comments do you have that were not addressed above?

I don't see anything about the social equity program, where can I read about that?

I also don't see anything about seed-to-sale software, are you mandating that?

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #28 >

COMPLETE

Started:

Sunday, December 13, 2020 9:22:51 PM

Last Modified:

Sunday, December 13, 2020 9:48:55 PM

Time Spent:

00:26:04

IP Address:

71.223.169.66

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Effective for what? It should be simple. 21, cheaper fees, product testing, background checks.

Q2

How can the draft rules be improved?

Respondent skipped this question

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

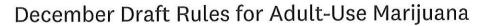
What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES DATA TRENDS INDIVIDUAL RESPONSES

Respondent #29

COMPLETE

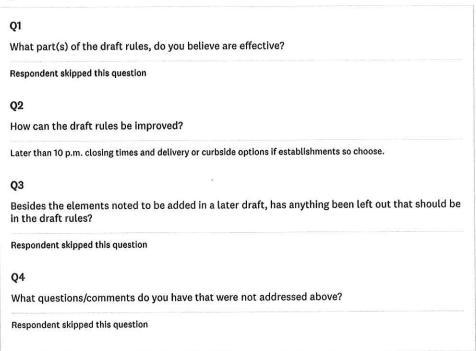
Started: Monday, December 14, 2020 12:53:24 AM

Last Modified: Monday, December 14, 2020 12:55:27 AM

Time Spent: 00:02:02

IP Address: 68.106.240.80

Page 1:



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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #30 ▼

COMPLETE

Started:

Monday, December 14, 2020 2:34:40 AM

Last Modified:

Monday, December 14, 2020 2:42:59 AM

Time Spent:

00:08:18

IP Address:

12.239.220.133

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Its just a bunch of bullshit for the most part just lawyers putting in billable hours

Q2

How can the draft rules be improved?

use blockchain technology instead of all the bullshit you wrote stupid governor

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

If you use blockchain to contol the product from farm to retail then theres no need for this waste of time paper draft rules bullshit

04

What questions/comments do you have that were not addressed above?

Waste of money and time, get it right

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #31 ▼

COMPLETE

Started:

Monday, December 14, 2020 8:57:02 AM

Last Modified:

Monday, December 14, 2020 8:59:31 AM

Time Spent:

00:02:28

IP Address:

24.249.186.117

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

- 1. Reduce the application fee to the original \$5,000.
- 2. What is the basis for a \$500,000 capital requirement and why didn't medical licenses have this requirement?
- 3. The current rules are only to benefit large corporations who can afford \$25k an application and \$500,000k.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #31 ▼

4

COMPLETE

Started:

Monday, December 14, 2020 8:57:02 AM

Last Modified:

Monday, December 14, 2020 8:59:31 AM

Time Spent:

00:02:28

IP Address:

24.249.186.117

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

- 1. Reduce the application fee to the original \$5,000.
- 2. What is the basis for a \$500,000 capital requirement and why didn't medical licenses have this requirement?
- 3. The current rules are only to benefit large corporations who can afford \$25k an application and \$500,000k.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #32 ▼

4

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COMPLETE

Started:

Monday, December 14, 2020 1:35:25 PM

Last Modified:

Monday, December 14, 2020 1:38:12 PM

Time Spent:

00:02:47

IP Address:

172.113.12.168

Page 1:

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What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Initial license fee is too high. It will keep out small business owners.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question









QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #33 ▼

COMPLETE

Started:

Monday, December 14, 2020 2:48:18 PM

Last Modified:

Monday, December 14, 2020 2:53:53 PM

Time Spent:

00:05:35

IP Address:

68.109.187.137

Page 1:

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

R9-18-310. Product Labeling (B)(2) states test results when providing marijuana between dispensaries. However, there are legitimate instances when no test results have been obtained. The law only requires test results for finished products, not wholesale transaction. The rule should be clarified by including "if any" after test results.

Also, this rule should be revised:

Ensure that a marijuana facility agent accompanies any individual other than another marijuana facility agent associated with the marijuana establishment when the individual is present in the marijuana establishment;

This appears to be taken from the medical marijuana rules however, in that case it only applies to cultivations, not the retail establishment. This rule would require essentially handholding of customers as they walk around the marijuana establishment and would limit the ability to browse at your leisure. Given it's now legal it should be no different than any other retail experience and people should be free to walk around public areas as they choose. Of course, this wouldn't apply to limited access areas.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #34 ♥

COMPLETE

Started:

Monday, December 14, 2020 3:46:47 PM

Last Modified:

Monday, December 14, 2020 3:56:16 PM

Time Spent:

00:09:29

IP Address:

69.244.51.64

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Most seems effective except for licensing dispensaries.

How can the draft rules be improved?

Allow already established dispensaries to begin selling to legal adults now. Severely reduce fees for new dispensaries to apply. Cut down on what seems to be an abundance of red tape that appears necessary.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Consequences to the state, counties, and towns that fail to legally permit and uphold this measure.

Q4

What questions/comments do you have that were not addressed above?

These draft rules software to be ways to keep a voted in measure from successfully and timely being implemented. Listen to the people Arizona who by majority voted yes.



Tweet



DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #35 ▼

COMPLETE

Started:

Monday, December 14, 2020 8:44:52 AM

Last Modified:

Monday, December 14, 2020 5:07:02 PM

Time Spent:

08:22:09

IP Address:

47.176.18.126

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The edible food product rules.

Q2

How can the draft rules be improved?

Include a list of allowable pesticides by either product name or active ingredient.

Allow any pesticides registered for hemp.

Allow the use of organic Pyrethrins.

Allow the use of organic Spinosad.

Have a list of pesticides that will be tested for and the the action levels for each active ingredient.

Allow for pesticide remediation of products that test positive for disallowed pesticides.

Improve the proposed seed to sale tracking system by utilizing a company such as METRC for tracking cannabis throughout the system.

Clearly define which state regulators have jurisdiction over pesticide use on recreational adult-use cannabis. Allow people with drivers licenses from other states to apply to be Arizona Marijuana Facility Agents.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

A list of approved pesticides that may be used on Adult-Use Cannabis.

What questions/comments do you have that were not addressed above?

Is Department of Health Services responsible for pesticide use enforcement?

How many Cultivation sites can a single license have?

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #36 🔻

4

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COMPLETE

Started:

Monday, December 14, 2020 5:34:32 PM

Last Modified:

Monday, December 14, 2020 5:41:59 PM

Time Spent:

00:07:26

IP Address:

67.1.234.8

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The most effective provision is the ownership or leasing of facility.

Q2

How can the draft rules be improved?

Too many financial barriers during the application process. The licensing fee should be reduced to \$5000. The capital requirement appears to be unconstitutional, and should be dismissed or reduced significantly. Of particular concern is whether or not this requirement will be added to social equity operators license. That would certainly exclude a large portion of the public who would otherwise qualify

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Yes why is there nothing in here about small business investors. Small business investors should have an opportunity to move into the market.

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #37 ▼

COMPLETE

Started:

Monday, December 14, 2020 5:40:55 PM

Last Modified:

Monday, December 14, 2020 5:44:38 PM

Time Spent:

00:03:43

IP Address:

184.170.247.167

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Growing marijuana plants and having records expunged for people who are eligible.

Q2

How can the draft rules be improved?

The amount that you posses at home from homegrown cannabis. Flower from up to 12 plants is a lot and that seems like it will get people harrassed by police.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

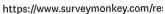
The amount you can posses from a homegrow.

What questions/comments do you have that were not addressed above?

Homegrow possession limits-1 lb or 2lb

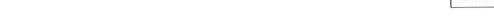
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DATA TRENDS

December Draft Rules for Adult-Use Marijuana

INDIVIDUAL RESPONSES

Respondent #38 🔻

COMPLETE

Started:

Monday, December 14, 2020 6:17:39 PM

Last Modified:

Monday, December 14, 2020 6:21:35 PM

Time Spent:

00:03:56

IP Address:

98.179.106.146

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

I believe they are overall pretty clear

Q2

How can the draft rules be improved?

Is the \$25,000 non refundable fee right? I know under AMMA the application fee was \$5000 with \$4000 refundable. So should the application fee be \$25000 with \$20000 refundable?

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

In regards to zoning, what if a conditional use permit is required? The applicant should have to demonstrate they have a conditional use permit as part of the zoning requirements

Q4

What questions/comments do you have that were not addressed above?

Is there a timeline on how long a licensee gets to have before they must have an ATO and open the facility? They should not get to sit on a paper license forever.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #39 ₹

COMPLETE

Started:

Monday, December 14, 2020 6:19:23 PM

Last Modified:

Monday, December 14, 2020 7:04:33 PM

Time Spent:

00:45:09

IP Address:

68.231.135.165

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

The draft rules are very clear about the licensing and application process. Security requirements seem in line with what is expected.

Q2

How can the draft rules be improved?

The draft rules leave a lot to be desired from a public health standpoint. There is very little guidance around quality and safety or how facilities should be operated.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Operators need to be held to cannabis specific standards within their facilities to assure they are producing safe, consistent, quality products and providing a safe workplace for employees. This is one area of the AZ medical marijuana law that has always been lacking. It would be shame to see the state move forward without these proper requirements in place - as they launch an even bigger program that will impact even more Arizonan's.

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #40 ▼

4

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COMPLETE

Started:

Monday, December 14, 2020 9:26:48 PM

Last Modified:

Monday, December 14, 2020 9:31:46 PM

Time Spent:

00:04:57

IP Address:

96.83.105.229

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The Draft Rules are deficient in their entirety because Social Equity needs to be front and center. Allowing medical marijuana dispensaries to automatically transfer over to recreational/adult use facilities is a blatant disregard for the harm did by the War on Drugs. Allowing 12 licenses out of 120 to go to rural areas without addressing the harm done to urban areas as well as black and brown people who are disproportionately locked up more for marijuana is racist.

Q2

How can the draft rules be improved?

Social Equity Programs with funding is a start.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Yes Social Equity

04

What questions/comments do you have that were not addressed above?

Will there be a cannabis loan fund for so that those harmed by the War on Drugs can get an opportunity to participate in Arizona's adult use program.

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INDIVIDUAL RESPONSES **DATA TRENDS** QUESTION SUMMARIES Respondent #41 ▼ COMPLETE Monday, December 14, 2020 9:40:37 PM Started: **Last Modified:** Monday, December 14, 2020 9:43:29 PM 00:02:52 **Time Spent: IP Address:** 96.83.105.241

Page 1:

Q1 What part(s) of the draft rules, do you believe are effective? N/A Q2 How can the draft rules be improved? Removed Excluded Felony for controlled substance offenses. Anyone with a marijuana conviction no matter how long it has been should be at the front of the line. The same goes for other controlled substance offenses under Adult Use Program. Marijuana arrests occur daily even after legalization for black and brown people in Arizona and other states where it is legal. Q3 Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules? N/a **Q4** What questions/comments do you have that were not addressed above? N/A

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #42 ▼

4

COMPLETE

Started:

Monday, December 14, 2020 10:06:08 PM

Last Modified:

Monday, December 14, 2020 10:18:47 PM

Time Spent:

00:12:39

IP Address:

70.162.98.33

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Random selection for situations where more than the limit apply.

Q2

How can the draft rules be improved?

Still built for the rich. Something to limit MSOs from throwing 100 hats in the ring when they already own so many other licenses. If the small county licenses are meant to support the users, why does the amount need to be \$500k? These will be small shops. I understanding needing to make sure they have capital but for a small county wouldn't \$250k-\$300k be enough for a small business?

Requiring physical address to apply significantly increases cost to many people when only a select few will get the opportunity to have a license. Why couldnt his come later?

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

I dont think there is anything around applying for all counties. Would be nice if this was considered because a county like Yuma will have a lot more applications than somewhere like Santa Cruz.

Q4

What questions/comments do you have that were not addressed above?

When will the random drawing be done?

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #43 ▼

COMPLETE

Started:

Tuesday, December 15, 2020 12:08:50 AM

Last Modified:

Tuesday, December 15, 2020 12:14:01 AM

Time Spent:

00:05:10

IP Address:

71.223.109.43

Page 1:

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Respondent skipped this question

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Medical cardholders should should still be viewed as patients, receive priority over other customers, and a reasonable reserve of each of the various products should be held for their needs.

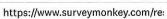
Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #44 ▼

COMPLETE

Started:

Tuesday, December 15, 2020 9:56:26 AM

Last Modified:

Tuesday, December 15, 2020 10:02:57 AM

Time Spent:

00:06:31

IP Address:

24.56.12.12

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

This establishment fee is high and serves only those with capital and those well off financially. Essentially, serving only those already in the MMJ industry. This is a detriment to hopeful small business owners that don't have the establishment fee amount. The social equity licenses should not be the solution for this. It's essentially pricing people out of the business from the get go.

For a marijuana establishment license:

a. For an initial license, \$25,000; and

b. For license renewal, \$5,000;

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

What questions/comments do you have that were not addressed above?

Respondent skipped this question







QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #45 ♥

4

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COMPLETE

Started:

Tuesday, December 15, 2020 10:12:15 AM

Last Modified:

Tuesday, December 15, 2020 10:47:43 AM

Time Spent:

00:35:27

IP Address:

174.22.211.107

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

The who what where and when is in place, but how is what determines public health. How is it grown? How is it stored? How is it processed? How are pesticides applied? How are they stored?

Q2

How can the draft rules be improved?

Prioritize R9-18-310.11.13

The draft is missing rules and regulations for storing and applying pesticides. Monthly inspections of applicators license and records should be conducted upon every harvest by ADHS or a third party.

As this is a public health issue. Clean cultivation methods and IPM should be strictly monitored and top priority before opening. Just this week I purchased "medical" marijuana labeled to be coated with Pyrethrum oil, a potent neuro toxic pesticide. This should not be applied to products for any human consumption if the product can not be rinsed. This and any oil based product need to be removed from medical marijuan ASAP and not be included in recreational laws. People will become seriously ill after a while and if the product is not applied right

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Again please Prioritize R9-18-310,11,13

Organic pesticides can still be poisonous. Often the point of organic pesticides is not that they are safer to humans, just that they were manufactured environmentally friendly, thus if the synthetic chemical version is banned so should the organic version.

Example:

Pyrethate made in a lab

Pyrthethin, extracted from the Japanese funeral flower chrysanthemum (organic)

I have over a decade growing experience and a degree in horticulture, I am not the smartest but I have seen first hand how dumb pot growers are because they are only in it for the money and to get high. They will think oh cool pyrethums are organic sweet I can use alot because it comes from a flower doh. Workers will get sick from fumes and skin contact. So much at play.

Pyrethums already in use at medical facilties.

Q4

What questions/comments do you have that were not addressed above?

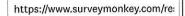






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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #46 ▼

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COMPLETE

Started:

Monday, December 14, 2020 10:48:12 AM

Last Modified:

Tuesday, December 15, 2020 10:48:50 AM

Time Spent:

Over a day

IP Address:

174.26.212.24

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The majority of the regulations should be effective if so adopted.

Q2

How can the draft rules be improved?

The notion that one must possess \$500,000 in cash to even be considered for qualification as a cannabis business is an insurmountable barrier to individuals who are not large industry players and to those of lesser economic means. Many such individuals belong to the historically disadvantaged communities that this bill means to prioritize. The government should not be in the business of picking the winners, and by eliminating 99% of potential contenders with this clause it effectively does so. This clause is counter to those who are discriminated against, as well as a government who does not wish to be seen as needless discriminating against minorities and economically-challenged individuals.

Q3

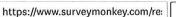
Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question











QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #47 ▼

COMPLETE

Started:

Tuesday, December 15, 2020 10:23:42 AM

Last Modified:

Tuesday, December 15, 2020 10:52:58 AM

Time Spent:

00:29:15

IP Address:

70.171.231.30

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The real estate requirement is effective because it allows organizations to show that they are capable of starting a dispensary.

Q2

How can the draft rules be improved?

The State is not directed to require a capital requirement in the statute. Therefore a capital requirement for rural dispensary owners appears to be exclusively reserved for only persons who have access to extreme amount of capital during an economic downturn. The previous application fee was \$5000, the initial licensing fee of \$25K is excessive and unfair to entrepreneurs in rural communities.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

There are not any preference points for veteran owned enterprise, residency requirements, or women or disadvantaged business owners. Rural communities would be best served if entrepreneurs from the community had preference over out of state interests. Protect Arizona Entrepreneurs.

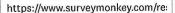
Q4

What questions/comments do you have that were not addressed above?

The real estate requirement is the only measure of a person(s) ability to raise and organize capital to start a dispensary. There should be e a lottery for the available rural licenses rather than contrarian fees that only serve the wealthy but not the average entrepreneurs.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #48 ▼

COMPLETE

Started:

Tuesday, December 15, 2020 11:18:52 AM

Last Modified:

Tuesday, December 15, 2020 11:25:04 AM

Time Spent:

00:06:11

IP Address:

98.179.121.36

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The Social Equity Ownership Program. This will allow local communities to have ownership of this new initiative.

Q2

How can the draft rules be improved?

Article 1. R9-18-102

4(a) \$25K initial license fee should be reduced to \$5K

Article 3. R9-18-303

(A)(6) \$500K Capital Requirement should be removed or reduced

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Not at this time.

What questions/comments do you have that were not addressed above?

None.

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OUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #49 ▼

4

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COMPLETE

Started:

Tuesday, December 15, 2020 11:34:25 AM

Last Modified:

Tuesday, December 15, 2020 12:11:54 PM

Time Spent:

00:37:28

IP Address:

98.179.106.146

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The draft rules match up with the law pretty good in my opinion.

Q2

How can the draft rules be improved?

There are no mention as to how many applications an applicant can put in or how many applications can come in for one site.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

For proof of adhering to local zoning, the jurisdiction should have to comment on any other issues that might keep an applicant from opening. Some cities have licenses that are required by the marijuana establishment. If this is a requirement, then the applicant should be required to provide that business license from the jurisdiction as part of the application.

04

What questions/comments do you have that were not addressed above?

License fees seem extreme, especially the \$25000 non refundable.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #50 ▼

COMPLETE

Started:

Tuesday, December 15, 2020 12:18:04 PM

Last Modified:

Tuesday, December 15, 2020 12:21:03 PM

Time Spent:

00:02:59

IP Address:

68.3.47.78

Page 1:

What part(s) of the draft rules, do you believe are effective?

The rules are straight-forward and understandable.

Q2

How can the draft rules be improved?

The Department should reevaluate the cost of applying for a license.

03

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

The final rules should make clear that an applicant should be in full compliance with local law, including zoning and business licenses as a precondition of filing their license application.

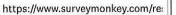
Q4

What questions/comments do you have that were not addressed above?

When will rules on draft rules on the social equity licenses be available?

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #51

COMPLETE

Started:

Tuesday, December 15, 2020 12:59:33 PM

Last Modified:

Tuesday, December 15, 2020 1:01:33 PM

Time Spent:

00:01:59

IP Address:

184.101.31.19

Page 1:

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

How can the draft rules be improved?

Respondent skipped this question

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

all zoning, permit, and licensing requirements should be validated for each application from the applicant's appropriate jurisdiction

Q4

What questions/comments do you have that were not addressed above?

application fees are too high, the \$500,000 funding requirement limits social equity, a list of available licenses should be provided



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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #52 ▼

4

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COMPLETE

Started:

Tuesday, December 15, 2020 2:03:19 PM

Last Modified:

Tuesday, December 15, 2020 2:04:48 PM

Time Spent:

00:01:29

IP Address:

72.222.144.225

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Respondent skipped this question

Q3

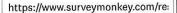
Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

So my primary complaint is that the zoning form should ensure that an applicant meets all requirements for zoning. If there is a conditional use permit required, the applicant should have to present that conditional use permit as part of the application.

Q4

What questions/comments do you have that were not addressed above?

is there a limit to how many applications can be filed for the same property? Is there a limit of how many applications the same person or entity can submit? Social equity is not defined.



90 responses





December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #53 >

COMPLETE

Started:

Tuesday, December 15, 2020 1:03:45 PM

Last Modified:

Tuesday, December 15, 2020 2:28:51 PM

Time Spent:

01:25:05

IP Address:

70.93.20.196

Page 1:

What part(s) of the draft rules, do you believe are effective?

I am glad that you are trying to get the rules in place for the January 19, 2021 offering of establishment licenses.

How can the draft rules be improved?

R9-18-302 contemplates that all medical marijuana dispensaries will be licensed except in counties that have less than two dispensaries in which an establishment license will be set out for random drawing. The proposed rule is off the mark and does not take into consideration the geographical preferences that the Arizona State Legislature enacted for Medical Marijuana Dispensaries in A.R.S. 36-2803.01. Let me explain: The Department may issue additional licenses (in excess of the 10:1 ratio of pharmacies to Dispensaries) pursuant to A.R.S. 36-2854(A)(1)(c). These special licenses are limited to one license for a county that has one dispensary and two licenses for a county that has no dispensaries. These are special licenses that may not be relocated outside of the county. The proposed rule stands silent as to this special county specific license. Suppose that all of the dispensaries equate to the 10:1 pharmacy/dispensary ratio. They can each get a license and the the early applicant in counties with less than two dispensaries can also obtain a special non-transferable license.

The rule does not account for a process for allocation of the total establishment licenses to all early applicants. If no special non-transferable license is going to be offered, then the Department is entitled to offer licenses in excess of one per county with only one dispensary. Suppose there are 129 Establishment Licenses available and only120 dispensaries made early application before March 9, 2021. Nine of the available establishment licenses can be spread over all "other" early applicants. Early applicants in counties with less than two dispensaries includes all other applicants that have proper special use permitting and otherwise qualify under the rules. Potentially you could have fifty applicants for only one establishment license and then you choose "RANDOMLY" from the pool of applicants. What happens in counties where there are numerous dispensaries and they don't timely file the application? Those potential establishment licenses should be spread amongst all early applicants.

Application qualifications for establishment licenses should be in alignment with A.R.S. 36-2803.01. Although this is for medical marijuana dispensaries, the purpose of placing Establishment licenses at dispensary locations (dual licensing) is to serve the most people who benefit from the drug in a certain CHA. In a county where a special non-transferable license is granted the applicant who meets the qualifications 36-2803.01 should be granted preferential treatment in selection for an establishment license. It makes no sense to place a marijuana establishment right next door to another marijuana establishment that has dual license as a medical marijuana dispensary. It is likely that the smart and safe act will reduce the cost of this medicine for patients because of the competition with marijuana establishments. This falls in line with the statute's intent and squarely within the authority of the Department.

R9-18-302 should require all available licenses to be distributed randomly among the existing dispensaries that applied as part of the early application process and early applicants from counties with less than two dispensaries. If after awarding all available licenses there remains a county with less than two dispensaries and no establishment licenses, then the Department should award an additional license pursuant to 36-2854(A)(1)(c) and it should be granted to the early applicant that applies to operate in a geographical area that had a



SIGN UP FREE

0

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Yes

04

What questions/comments do you have that were not addressed above?

Other sections of the draft rules need to be revisited. I will submit a separate comment on each of those. Jeremy Claridge

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #54 ▼

COMPLETE

Started:

Tuesday, December 15, 2020 2:28:41 PM

Last Modified:

Tuesday, December 15, 2020 2:31:58 PM

Time Spent:

00:03:17

IP Address:

72.194.235.21

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Respondent skipped this question

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

do you really need to have 2 cards one for medical and one fOr recreational sales? agentg card and facilty card?







DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #55 COMPLETE

QUESTION SUMMARIES

Last Modified: Time Spent:

Started:

Tuesday, December 15, 2020 2:39:29 PM 00:10:31

Tuesday, December 15, 2020 2:28:58 PM

IP Address:

70.93.20.196

Page 1:

What part(s) of the draft rules, do you believe are effective? some 02 How can the draft rules be improved? R9-18-102(4)(a) requires a fee of \$25,000 for an initial application. A.R.S. 36-2854(f) prohibits the Department from exacting a fee of more than 5 times the amount of the fee for initial licensing of medical marijuana. The Statute requires the Department to charge a fee related to the actual costs of processing applications. If the actual cost is \$10,000 then the fee should be \$10,000. If the actual cost is \$30,000 then the fee should be \$25,000. I doubt that the actual cost is much more than what the Department charges for medical marijuana application processing. This amount should be reduced to comply with the statute as there can be no windfall to the Department from the implementation of an overly-high fee. A more correct estimate of the cost should be reflected in the fee listed in the rule. Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules? Yes Q4 What questions/comments do you have that were not addressed above? More to follow on a different section. Jeremy Claridge

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DATA TRENDS

INDIVIDUAL RESPONSES

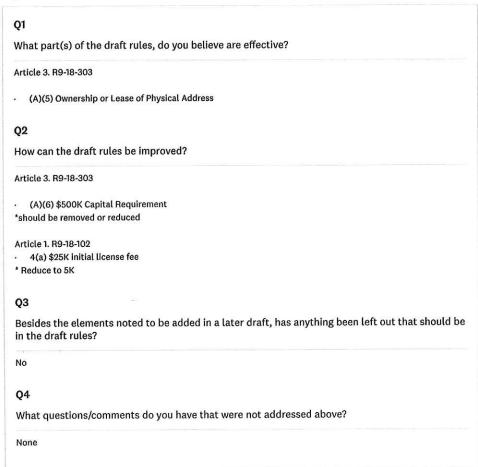
Respondent #56 ▼ COMPLETE Tuesday, December 15, 2020 2:53:49 PM Started: Tuesday, December 15, 2020 2:55:45 PM Last Modified: **Time Spent:** 00:01:56

174.73.165.122

QUESTION SUMMARIES

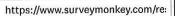
Page 1:

IP Address:



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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #57 ▼

4

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COMPLETE

Started:

Tuesday, December 15, 2020 2:59:20 PM

Last Modified:

Tuesday, December 15, 2020 3:00:17 PM

Time Spent:

00:00:57

IP Address:

70.93.20.196

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Some parts

Q2

How can the draft rules be improved?

R9-18-303 should not have a required \$500,000 cash in the bank, certified as funds available in order to qualify for application of the establishment license. This is an arbitrary and capricious standard. Approval of the license creates value that could then be extracted by the applicant to begin operation. Dispensaries who apply already have the necessary infrastructure. One applicant that I represent has \$2.6 in his IRA that could be used to withdraw \$500,000 to make available in a checking account but he will have to take a tax penalty to do so. Under previous rules it was \$150,000 which he has maintained in his bank account for over one year. It makes no sense to withdrawal or take out a loan just to meet an arbitrary and capricious requirement to show available funds, presumably to operate, when he is not guaranteed to be granted a license. If guaranteed a license, he could sell real estate holdings and cash out his entire 401K for the privilege of operating an Establishment. The rule should require the applicant to demonstrate how they will come up with adequate capital to make the business operable such as a letter of credit from a private investment firm.

03

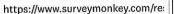
Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Other parts but those will be addressed in separate comment.

Q4

What questions/comments do you have that were not addressed above?

Please re-think all of the Sections. Thanks. Jeremy Claridge







OUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #58



COMPLETE

Started:

Tuesday, December 15, 2020 3:41:15 PM

Last Modified:

Tuesday, December 15, 2020 5:03:44 PM

Time Spent:

01:22:28

IP Address:

98.179.112.191

Page 1:

What part(s) of the draft rules, do you believe are effective?

Most of the initial perfunctory articles are fine

How can the draft rules be improved?

I would suggest the Stat, on behalf of the health and safety of its citizens, contract with health and consumer protection parties versus the industry advocates that have shaped these rules in an entirely self-serving manner.

I would emphasize that the testing laboratories are completely third-party.

The labeling suggests that every product will be individually tested versus some random batch test with vast variability.

There is key information from GMO seeds, to grow, harvest, cure, extraction, etc., methodologies that are not are not specified to be provided to consumers.

There needs to be a meaningful commitment to on-going, third-party research that will quickly pull product or plant from the market without generations of litigation allowing incalculable social cost.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

The WARNING does not begin to capture the gravity of a largely unstudied psychoactive plant that is also having its 500 chemicals isolated, modified, and combined with other chemicals via equally unstudied methodologies to create Frankenstein products with unknown health and safety consequences, and virtually zero meaningful product liability consequences on their producers.

What questions/comments do you have that were not addressed above?

Upon seeing the great white shark in "Jaws", Police Chief Brody said, "Your gonna need a bigger boat." Take a good look at who you are regulating, to date you have only seen the fin with a smiley face and had the backstop of a doctor's oversight on a small part of the population. However, even a cursory listen to cannabis investment pitches clearly denotes the lessons and tactics of Big Pharma and Tobacco are not lost on the new green wave of titans. Like any industry, the cannabis capitalists will emphasize the bottom line at the expense of public health and safety. The corporate stock and trade of obfuscating research, buying political influence, and stymying







experts with the sole focus and necessary breadth of expertise in health, safety and consumer protection for Arizona citizens. This process would have public checkpoints and illuminate concerns, with a final report $recommending\ rules,\ potential\ outcomes,\ etc.\ Only\ then\ can\ an\ informed\ public\ weigh\ in\ on\ rules.$

The failure on proper marijuana regulation here could actually outweigh the cost of the misguided Covid-19 "prescription" that crushed 7.2M people, who would not die from nor be hospitalized for the virus, but rather be plunged into a generation of misery by government imposed undemocratic and unscientific lockdowns and regulations yielding an emerging constellation of economic, health, educational, and general social well-being catastrophes that will easily dwarf the virus.

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90 responses







QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #59 ₹

COMPLETE

Started:

Tuesday, December 15, 2020 6:28:58 PM

Last Modified:

Tuesday, December 15, 2020 6:32:15 PM

Time Spent:

00:03:16

IP Address:

24.252.218.218

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

02

How can the draft rules be improved?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.





QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #60 ▼

COMPLETE

Started:

Tuesday, December 15, 2020 6:38:04 PM

Last Modified:

Tuesday, December 15, 2020 6:41:15 PM

Time Spent:

00:03:10

IP Address:

174.238.148.118

Page 1:

What part(s) of the draft rules, do you believe are effective?

They will make it safe for consumers to get marijuana safely band legally

Q2

How can the draft rules be improved?

The draft rules do NOT include provisions to address the health and safety of dispensary employees

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Employee safety and health measures

What questions/comments do you have that were not addressed above?

Please adhere to covid protocol as well.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #61 >

COMPLETE

Started:

Tuesday, December 15, 2020 7:03:11 PM

Last Modified:

Tuesday, December 15, 2020 7:05:11 PM

Time Spent:

00:02:00

IP Address:

174.26.175.149

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The Arizona Department of Health and Safety is

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

Q2

How can the draft rules be improved?

Respondent skipped this question

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

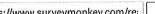
Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #62 >

COMPLETE

Started:

Tuesday, December 15, 2020 8:44:19 PM

Last Modified:

Tuesday, December 15, 2020 8:44:50 PM

Time Spent:

00:00:31

IP Address:

71.223.40.82

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Respondent skipped this question

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

What questions/comments do you have that were not addressed above?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #63 🔻

4

COMPLETE

Started:

Tuesday, December 15, 2020 10:47:44 PM

Last Modified:

Tuesday, December 15, 2020 10:50:43 PM

Time Spent:

00:02:58

IP Address:

174.17.44.110

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

The Arizona Department of Health and Safety is accepting comments from the public regarding draft rules for recreational marijuana businesses. The draft rules DO NOT contain any provisions

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

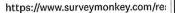
Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #64 ▼

COMPLETE

Started:

Tuesday, December 15, 2020 10:56:15 PM

Last Modified:

Tuesday, December 15, 2020 10:58:13 PM

Time Spent:

00:01:57

IP Address:

72.211.187.93

Page 1:

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

County is a wide area for determining the area of 2 dispensaries. Shouldn't it be broken up into CHAAs? There are rural parts of Arizona that would still not be served under the draft rules.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #65 ▼

COMPLETE

Started:

Wednesday, December 16, 2020 9:23:47 AM

Last Modified:

Wednesday, December 16, 2020 9:38:52 AM

Time Spent:

00:15:05

IP Address:

67.176.64.243

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

The use of "or marijuana establishment" should be removed from R9-18-302(A)(1)(a)-(b) of the Draft Rules. The terms dispensary is already defined to include the definition of "marijuana establishment," so this addition to the language makes it ambuiguous as to how ADHS will count licenses within counties. Per the language of Proposition 207, the license count per county should be based only on Dispensary Certifications. However, by including "or marijuana establishments" it appears that ADHS is counting any retail, cultivation, or manufacturing facility within the county when calculating whether a county has less than two dispensaries. For example, Santa Cruz County has no dispensaries but two cultivation facilities and thus, two new marijuana establishment licenses should be issued there. However, under the "or marijuana establishment" language, it appears that ADHS could count Santa Cruz as having two marijuana establishments, instead of the correct count of zero.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Social Equity Regulations are missing and not noted as "to be added."

What questions/comments do you have that were not addressed above?

What counties will have new licenses available. How exactly will ADHS count current licenses within each County? Will it count a vertically integrated medical Dispensary as one establishment or will it count each facility (i.e. its off-site cultivation facility) under the vertically integrated certificate individually?

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #66 >

COMPLETE

Started:

Wednesday, December 16, 2020 10:11:22 AM

Last Modified:

Wednesday, December 16, 2020 10:16:14 AM

Time Spent:

00:04:51

IP Address:

70.162.98.33

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Random drawing over limit.

Q2

How can the draft rules be improved?

If the application fee is \$25k (currently unclear) than that is amazingly high unless it is refundable if you are not drawn. Total required should be lower. \$200k would be plenty in these llw populated areas. The only reason to make it higher is to benefit the wealthy and keep everyone else out.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Applying to multiple counties.

Q4

What questions/comments do you have that were not addressed above?

Clarity around application fee

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #67 ▼

COMPLETE

Started:

Wednesday, December 16, 2020 10:37:15 AM

Last Modified:

Wednesday, December 16, 2020 10:37:35 AM

Time Spent:

00:00:19

IP Address:

24.252.218.218

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Please add protection for workers.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Protection for workers.

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #68 ▼

4 ▶

COMPLETE

Started:

Wednesday, December 16, 2020 11:44:28 AM

Last Modified:

Wednesday, December 16, 2020 11:45:55 AM

Time Spent:

00:01:27

IP Address:

159.118.243.48

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Lower the price of the initial license To be more in line with the medical license.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #69 🔻

4

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COMPLETE

Started:

Wednesday, December 16, 2020 11:45:59 AM

Last Modified:

Wednesday, December 16, 2020 11:49:28 AM

Time Spent:

00:03:28

IP Address:

75.164.87.43

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

They are effective as they follow the format and operator expectations put forth in the Medical Marijuana Program rules.

Q2

How can the draft rules be improved?

R9-18-303.3 is impossible to comply with as the agent licenses are awarded at the same time as the establishment license. Remove the requirement.

3. For each principal officer and board member listed according to subsection (A)(1)(e) or (f), documentation of the principal officer's or board member's marijuana facility agent license;

Q3

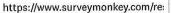
Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

04

What questions/comments do you have that were not addressed above?

Why is the application fee non-refundable?









OUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #70 🔻

COMPLETE

Started:

Wednesday, December 16, 2020 1:10:03 PM

Last Modified:

Wednesday, December 16, 2020 1:10:19 PM

Time Spent:

00:00:15

IP Address:

24.252.218.218

Page 1:

What part(s) of the draft rules, do you believe are effective?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

Q2

How can the draft rules be improved?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

04

What questions/comments do you have that were not addressed above?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.





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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #71 ▼

COMPLETE

Started:

Wednesday, December 16, 2020 12:53:23 PM

Last Modified:

Wednesday, December 16, 2020 1:14:07 PM

Time Spent:

00:20:43

IP Address:

184.183.31.158

Page 1:

What part(s) of the draft rules, do you believe are effective?

R9-18-303 (C) appears to be well designed to quickly open the adult use market.

Q2

How can the draft rules be improved?

R9-18-305 (A) This rule is unconstitutional and ultra vires. It should be deleted to avoid a court challenge.

R9-18-301 it is unclear why these rules are here and whether or not they apply to Dual Licensees

R9-18-331(A)(4)(b) the word acid needs to removed.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

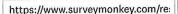
Rules around the "prompt" notification of a conversion to for-profit must be included so businesses can plan

No Rules around childproof exit bags.

Q4

What questions/comments do you have that were not addressed above?

Existing Medical Marijuana Dispensary Agents should be automatically granted a Facility Agent card, OR there should be a grace period where DA's can serve adult use customers. DPS is likely unprepared to receive thousands of these requests in one month and is likely to be unsympathetic to the marijuana industry's concerns.



Tweet





QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #72 ▼

COMPLETE

Started:

Wednesday, December 16, 2020 2:04:29 PM

Last Modified:

Wednesday, December 16, 2020 2:11:14 PM

Time Spent:

00:06:44

IP Address:

70.184.91.218

Page 1:

What part(s) of the draft rules, do you believe are effective?

I believe parts of the draft that are effective are the overall health and safety of the workers. The draft wants to make sure there are leaders with the employees, and if there's any punishment they have a representative by their side.

02

How can the draft rules be improved?

The draft rules can be improved with some kind of 401k match or retirement earning opportunities.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Any kind of 401k match of sorts

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #73 ▼

COMPLETE

Started:

Wednesday, December 16, 2020 3:32:30 PM

Last Modified:

Wednesday, December 16, 2020 3:34:28 PM

Time Spent:

00:01:58

IP Address:

107.77.228.137

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Make the license cost around the same cost as getting a medical marijuana license

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #74 ▼

COMPLETE

Started:

Wednesday, December 16, 2020 3:55:04 PM

Last Modified:

Wednesday, December 16, 2020 3:56:35 PM

Time Spent:

00:01:30

IP Address:

70.184.91.218

Page 1:

What part(s) of the draft rules, do you believe are effective?

More support for the workers

Q2

How can the draft rules be improved?

That they actually implement them and not say they will

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

More benefits like health and safety.

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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OUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #75 ▼

COMPLETE

Started:

Wednesday, December 16, 2020 4:31:17 PM

Last Modified:

Wednesday, December 16, 2020 4:36:58 PM

Time Spent:

00:05:41

IP Address:

70.93.20.196

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

some

Q2

How can the draft rules be improved?

R9-18-303 (A)(3) states that the successful applicant will submit documentation of each board member or LLC member's marijuana facility agent's license. Early applicants include (a) An entity seeking to operate a marijuana establishment in a county with fewer than two registered nonprofit medical marijuana dispensaries. These applicants are not necessarily affiliated with a dispensary and cannot be required to submit an agent's license. The rule needs to be amended to require only early applicants that belong to a non-profit medical marijuana dispensary. Once an entity in a county with fewer than 2 Dispensaries is licensed, the principles can then get their agent's license.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

There are lots of changes. Please fix R9-18-303(A)(3) to require only early applicants that are currently dispensaries to produce agent licenses.

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #76 🔻

4

COMPLETE

Started:

Wednesday, December 16, 2020 9:42:26 PM

Last Modified:

Wednesday, December 16, 2020 9:50:10 PM

Time Spent:

00:07:44

IP Address:

174.18.110.129

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

The price of the application should be a lower price, to be similar to the price of applying for the medical license. Also lower the required availability of capital.

Q3

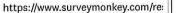
Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question







QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #77 ▼

4

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COMPLETE

Started:

Wednesday, December 16, 2020 10:28:10 PM

Last Modified:

Wednesday, December 16, 2020 11:15:40 PM

Time Spent:

00:47:30

IP Address:

24.56.46.219

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

It's helpful to prioritize the dual license process so that Prop 207 can be implemented almost immediately without significant delay. It's obvious the Department is eliminating barriers the implementation of the dual license process so that current, operating dispensaries can promptly sell marijuana to adults under Prop 207. Thank you for moving so quickly on these rules and for being open to feedback and input.

Q2

How can the draft rules be improved?

Capital Requirements/Proof of Funds:

This should be acceptable if received from a PO/BM and not in just the name of the applying Entity. Banking is NOT simple and it's extremely unlikely any financial institution will open a new account for a new business that plans to sell cannabis without a license in hand. The only proof of funds that will happen in any practical sense would be through the PO/BM, and not through a new entity. Every single financial institution like Wells Fargo or Chase Bank would deny a cannabis business. That leaves just a couple financial institutions, all of which require a cannabis license to open a bank account and very in depth financial background checks to even get to a committee to get a new account. If it's in the name of the Entity only, this would restrict applicants to existing operators that have banking. That's not every existing operator. The proof of funds should be tied to the PO/BM, because, at the end of the day, that's who is funding this, the heartbeat/person in charge. By allowing the capital requirements to come through the PO/BM it would represent a much more practical understanding of current cannabis banking regulations and would increase transparency because the person involved would need to be the person funding the application.

For the amount of the capital requirement, please reduce this \$500K amount to \$150K, like the Department did in earlier years. Moreover, the proof of funds should be only to the extent that the applicant can win the license. If there's one available license, then the proof of funds would be for 1 available license. Using the \$150K as an example, that's proof of funds of \$150K (\$150K times 1). If there's 2 available licenses in a county, and the applicant (heartbeat PO/BM) submits 2 applications, then then the applicant (heartbeat PO/BM) needs proof of funds of \$300K (\$150K times 2). Proof of funds is tied to the number of licenses available for that applicant to win based on that applicant's entries/applications. If the applicant enters 5 applications and can only win 1 license, proof of funds is capped at \$150K. If the applicant enters 5 applications and can win 2 licenses (like in a county with two licenses available or across two unique counties), then the applicant needs \$300K for those 5 applications. This is because the applicant could win up to 2 licenses. Capital requirements should tie to the potential winning applications not each and every application that's submitted. Because it's possible to submit 5 applications in a single county and only win 1 because only 1 is available. In this example / instance, proof of funds of \$150K is required even though there are 5 applications from that Applicant in that county. Because they can only ultimately win 1. If there's not a license cap of 5, for example, (and we would suggest there should be a license cap), then the capital requirements should still only be tied to the total potential wins-not each individual application. An applicant only needs to prove they can fund what's actually available to win/be awarded for that Applicant.

90 responses



than proposed. Further, the cost to operate in a rural county is much less than Maricopa County. \$150K for tenant improvements and start up expenses is more reasonable in a rural county than the \$500K proposed.

R9-18-305(A)We would request that this provision of the Proposed Rules be stricken completely. The language of Proposition 207 makes it clear that changes in ownership of Marijuana Establishments was intended. Specifically, the language of A.R.S. §§ 36-2858(D)(3) and 36-3858(G) addresses this issue.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Aside from the obvious elements that will come at a later date including social equity, operational elements for Prop 207 co-located / dual license retail stores, and more detail about the overlapping roles of FA's and DA's (which, in reality will require some legislative changes), there's not a lot "missing" from this round in the draft rules. It would be most helpful to have the "forms" for the County licensing process, including the jurisdictional / zoning form, the property owner verification form, and the draft application so applicants and local jurisdictions can prepare for this process. A process for remediation, notice of deficiency, and requests for information is missing from the County licensing process as drafted. It's unclear if remediation of an application will be permitted. We'd promote remediation, as some matters are simply clerical and not substantive. To the extent the application can be remediated, it should be available to an applicant. Equal opportunity to remediate is essential to avoid litigation. If one applicant can remediate, the same timelines should apply to all applicants if the application was received before March 9, 2021. Otherwise, the unequal opportunity to remediate is expected to be a topic for litigation based on preliminary industry discussions. By clarifying the definition of "received" in the statute through Rulemaking, the Department has the opportunity to determine when an Applicant is complete and compliant, and, if defined as such, when the application itself is "received."

It's also unclear if there will be a license cap. We recommend a cap on licenses, substantially similar to the 2016 licensing process. The cap should follow with the principal officer and board member of the applicant ("heartbeat" rule) and not be based on the "entity." By limiting the number of applications to five (5) total applications in the entire process, this will create less administrative burden on the Department and ensure an increased fairness in the allocation of licenses through the lottery. Otherwise, it's economic warfare and a pay to play system—something most small to mid-size businesses wouldn't support. Through a license cap, both in the number that could be awarded (5) and in the number of total application (5), a more fair and just system is possible.

Another element that's missing from the draft is an application submittal fee. Today, there's two fees outlined for the County license awards and we think it should look more like this instead for all practical purposes:

- 1. \$5,000 Application Submittal Fee-Non Refundable and due at time of Submittal.
- 2. \$25,000 Application Award Fee—Non Refundable and due upon license Award (If an Applicant wins, they pay this fee within 3 or 5 business days of the lottery). If they don't pay, there's another lottery (or you pull a back up winner at the time of the lottery in case the winner doesn't pay).
- 3. \$50,000 Approval to Operate Fee. This Fee is due at the time the Approval to Operate is issued, and likely includes another (lower) "Renewal Fee" on an annual or two-year basis.
- "Received". We would recommend that this definition be included so there is no question about the status of a submitted application and the obligation of the applicant leading up to the March 9, 2021 deadline. This definition would tie-into the language at R9-18-103(I). e Department define "received" in its rules as Complete and Compliant. Otherwise, the strict reading of the statute is that the award must happen 60 days after the first application is received. This is grounds for a big messy situation and doesn't allow for equal opportunity for remediation by all applicants.

How would a loan from another person work for capital requirements? Does the funding for the capital requirements need to be in the name of that PO/BM or will a lender be accepted (like in Missouri, for example)? There's good and bad around money lenders, and generally we support the idea of a money lender program. In Missouri, they used a form for a statement from a money lender if you need an example. The lender can be a private party and has to show their own, separate proof of funds. If money lenders are permitted and the funds do not need to be in a bank account and in the name of the actual applicant or the PO/BM, then expressly state that.

R9-18-203(B) Include language that the FA must notify the Department immediately if convicted of an excluded felony offense.

R9-18-316(C)We would suggest including the language in Subsection B of this Proposed Rule in Subsection C. Applicants/Licensees should have an ongoing obligation to provide truthful information to the Department. That requirement should not solely attached at the application phase.





We support the Coppersmith Brockelman Memo dated December 16, 2020 submitted by Kathy Steadman and Roopali Desai.

We support the Memo from the Arizona Dispensaries Association through Pele Fisher at Peacock Legal.

There continues to be significant issues and delay with the Labs and the implementation of mandatory testing. The impact of this upon the adult use market and Prop 207 will be, to say the least, noticeable. Some type of additional guidance needs to go to dispensaries so they know how to navigate this backlogged and messy situation, especially with the implementation of Prop 207.

It would be helpful to have a webinar or web-based information session for current operators in early January to learn directly from the Department about the dual license program and obtain some general updates. There are lingering questions about DAs vs FAs and this might be a good place to explain some of the basic Department expectations for the industry as we roll out this dual license program together.

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #78 ▼

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COMPLETE

Started:

Wednesday, December 16, 2020 11:48:47 PM

Last Modified:

Wednesday, December 16, 2020 11:52:33 PM

Time Spent:

00:03:45

IP Address:

24.56.46.219

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

It's really helpful to have a draft of the rules and it's appreciated. Thank you for your work on this.

Q2

How can the draft rules be improved?

- 1. Restructuring the Fees for the County License process. For example, \$5K to apply for an ME license in a rural county, non-refundable, due at application. \$25K when awarded a license in a rural county, non-refundable, due at award. \$50K when ATO issues at inspection, non-refundable, due at ATO. \$10K (or another amount) for annual renewal, non-refundable, due at renewal. There should be an administrative processing fee that's lower to just apply, then a higher amount when the license is awarded.
- 2. Caps are OK. Limit the number of Applications to five or six, similar to the 2016 process. Tie the number to a PO/BM, not the entity, to avoid work-arounds through shell companies. If you limit the number of Applications, then the entire process becomes more manageable.
- 3. Lower the proof of funds/capital requirements and clarify the source can be the PO/BM. Assuming there's a cap on Applications, consider an amount such as \$150K rather than \$500K. The cost to do business in rural Arizona is much lower than the urban centers. Further, the proof of funds should directly tie to the number of eligible applications to win. So if all five Applications go to one county where only one license can be awarded, then only the \$150K is needed. The amount of funds should be directly connected to the number of wins for a particular PO/BM. I go into lots of detail about this in my comment and give examples. Let me know if you need more detail here. Further, the funds should be acceptable if they come from a PO/BM. Banking for a new cannabis entity is going to be extremely rare and isn't practical. No major bank will open a new account and the two banks in Arizona take weeks (sometimes months) to even get before a committee to consider opening a new bank account for cannabis. Without the SAFE BANKING Act passing Congress, it's a hard stop to get banking for a prospective cannabis business in today's market. Allow for the proof of funds from the PO/BM, not just the entity. Make it "or" in the Rules.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Define "received" in the statute to include Complete and Compliant so that remediation of applications is possible. Mistakes happen and there should be room to correct. Plus, an award 60 days from the first application submittal is not humanly possible. If you define "received" to be a "complete and compliant" application, then you have the final say over when an application was "received." Don't mix up an application being "submitted" with one being "received." The Applicant determines if an Application is "submitted." The Department determines if an Application is "received."

9



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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #79 ▼

4

COMPLETE

Started:

Thursday, December 17, 2020 1:26:20 AM

Last Modified:

Thursday, December 17, 2020 1:33:30 AM

Time Spent:

00:07:10

IP Address:

72.200.80.99

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The testing of the flower. But other forms such as concentrates need testing too especially oils.

Q2

How can the draft rules be improved?

Make the same potency available to non card holders too. I plan to grow my own flower...way cheaper.

03

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

no

Q4

What questions/comments do you have that were not addressed above?

About time AZ gets recreational.

Tweet



1

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #80 ▼

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COMPLETE

Started:

Thursday, December 17, 2020 4:44:26 AM

Last Modified:

Thursday, December 17, 2020 4:58:00 AM

Time Spent:

00:13:34

IP Address:

174.195.133.241

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

I am an arizona resident and I own a dispensary in California. I have experience owning and operating a marijuana establishment in California and hope to own one in Arizona one day. The 60 day prior requirement for local jurisdiction approval makes it unfair and near impossible for someone wanting to apply for a marijuana establishment license. This would mean a person or entity applying would have to find the location and get local jurisdiction approval on the location by middle of January, a near impossible task. Also, the \$500k proof of funds requirement is unfair. Perhaps this needs to say that Alternatively, an applicant can demonstrate prior ability to own and operate a marijuana business. The draft requirements seem to be designed to "keep out" the small business owner from early application, which is very unfair.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

The cost of an initial application for a marijuana establishment is not covered - only the cost of the license. What will be the application fee?

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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OUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #81 🔻

COMPLETE

Started:

Thursday, December 17, 2020 8:23:52 AM

Last Modified:

Thursday, December 17, 2020 8:46:42 AM

Time Spent:

00:22:49

IP Address:

72.208.97.127

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

- Agent registration fees seem excessive and may exclude some people from consideration for jobs.
- Non-fundable \$25,000 facility application fee with random selection of qualified applicants essentially turns this into a very expensive lottery.
- I'd recommend either reducing the application fee or, making it refundable for complete applications that are not selected.
- I'd also recommend changing the selection process from random to merit based and define merit. There's an opportunity here for the State to add benefit to it's citizens by careful selecting the licensees. For example, there seems to be a consolidation of MM licenses by large marijuana corporations. There's an opportunity here to favor small business, long-term tax payers and residents of AZ, etc over corporations. Other criteria should be defined to benefit the State and our community.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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OUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #82 🔻

COMPLETE

Started:

Thursday, December 17, 2020 9:13:59 AM

Last Modified:

Thursday, December 17, 2020 9:33:34 AM

Time Spent:

00:19:35

IP Address:

70.166.121.214

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Department provided forms and online submission of applications with the MLMS

Q2

How can the draft rules be improved?

The Application Fees if Reduced to \$5,000.00 for MMJ licensee's converting to be a Duel licensee & Show of Funds Reduced to 250,000.00 and the funds be tied to the applicant or PO / BM not to a Business account in the of the applicant, No cost or fees for the Additions or modifications of approved sites as they have to be granted an establishment license first and paid the price of entry into be licensed, but are still subject to an approval to operate application

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

The Current Licensees opting in to convert to a Duel Licensee will not have to receive an approval to operate if the location is already in operation, and is in good standing with the department

Q4

What questions/comments do you have that were not addressed above?

How many applications does the state intend to grant Licenses in the counties with no Medical Dispensaries? Does the state intend to grant new medical Marijuana Licenses to the counties without one?

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #83 ▼

COMPLETE

Started:

Thursday, December 17, 2020 9:41:54 AM

Last Modified:

Thursday, December 17, 2020 9:47:16 AM

Time Spent:

00:05:22

IP Address:

70.166.121.214

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

I think the Department provided forms are useful and online submission of applications with the MLMS will speed up the conversions to a Duel Licensee

Q2

How can the draft rules be improved?

The rules are using the maximum allowed costs please if the Application Fees are reduced to \$5,000.00 for MMJ licensee's converting to be a Duel licensee & Show of Funds Reduced to 250,000.00 and the funds be tied to the applicant or PO / BM not to a Business account in the of the applicant, make it no cost or fees for the adding a manufacturing location or modifications of approved sites as they have to be granted an establishment license first and paid the price of entry to be licensed, but are still subject to an approval to operate application and inspections

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

When converting to a Duel Licensee will we have to Apply for an approval to operate if the location is already in operation, and is in good standing with the department?

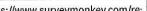
Q4

What questions/comments do you have that were not addressed above?

Does the Department intend to grant more than 2 Licenses in the counties with no Medical Dispensaries? Does the state intend to grant new medical Marijuana Licenses to the counties without a Medical Marijuana Dispensary?

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QUESTION SUMMARIES

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Respondent #84 ▼



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Thursday, December 17, 2020 11:38:30 AM

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Thursday, December 17, 2020 11:39:42 AM

Time Spent:

00:01:12

IP Address:

174.18.39.81

Page 1:

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

A price for the marijuana business license more in line with the medical price would help. Lowering the access to funds would allow for more diversity in applications.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #85 >

QUESTION SUMMARIES

COMPLETE

Started:

Thursday, December 17, 2020 12:04:23 PM

Last Modified:

Thursday, December 17, 2020 12:15:37 PM

Time Spent:

00:11:13

IP Address:

70.176.55.123

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

N/A

Q2

How can the draft rules be improved?

- 1. Arizona residents should have priority over all available licenses.
- 2. Agent Facilitator fee is too high at \$500 and should be more reflective of the cost of the processing fee. More like what a childcare worker pays for their background and fingerprinting.
- 3. \$25,000 application fee should be partially refunded to those not awarded a license due to no fault of their own. A \$5,000 non refundable portion of that \$25,000 held for processing fees is fair.
- 4. Requiring applicants to own or lease a building PRIOR to being awarded a license is ridiculous and should not be required until after a person knows they have the license.
- 5. Requiring \$500,000 is excessive, I think \$300,000 is a more reasonable requirement.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

N/A

Q4

What questions/comments do you have that were not addressed above?

I have many questions regarding the social equity licenses that will be awarded.

I believe that they way the draft is currently written that big corporations and entities that reside outside of Arizona are benefited and that the average person has little chance to compete against them. I would like to see my proposed changes made to even the playing field and keep Arizona money inside Arizona where it benefits Arizonians. Thank youl

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QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #86 >

COMPLETE

Started:

Thursday, December 17, 2020 12:13:22 PM

Last Modified:

Thursday, December 17, 2020 12:16:05 PM

Time Spent:

00:02:42

IP Address:

47.212.193.145

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

This doesn't allow small businesses to access the market, and favors big business in an unacceptable way.

Q2

How can the draft rules be improved?

Add provisions for cultivation only businesses that only sell to other dispensaries.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Allow business to just be cultivators. There's no provisions for people to cultivate and sell to dispensaries and not the general public

Q4

What questions/comments do you have that were not addressed above?

Do not limit the number of licenses available and diversify the types of marijuana establishments that will be allowed

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QUESTION SUMMARIES

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Respondent #87 ▼

COMPLETE

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Thursday, December 17, 2020 12:56:15 PM

Last Modified:

Thursday, December 17, 2020 1:09:55 PM

Time Spent:

00:13:39

IP Address:

4.53.109.190

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The draft rules appear to only deal with licensing (facility or individual), which at this point in the process, is probably all they address.

How can the draft rules be improved?

At this point in time, a broad overview is fine. But I see a lot of work ahead for DHS to promulgate more specific details to the rules.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Residency requirements should be added for Facility Agents License. The citizens of Arizona passed this law for the benefit of the citizens of Arizona. Arizonans should have EXCLUSIVE right to these licenses until the labor market needs are no longer met. At that point should DHS determine that there is a labor shortage then, and only then, should non-residents be allowed to apply for Facility Agent Licenses. I can see where this could be an area subject to litigation if it is not addressed.

Q4

What questions/comments do you have that were not addressed above?

Being familiar with the process of crafting rules for adult-use in Colorado, they formed committees of stakeholders and it was an extensive year long process to develop the first set of rules. It seems like this project has been assigned to a couple people in DHS and that concerns me. I am concerned about the quality and acceptance from our citizens of the final product.

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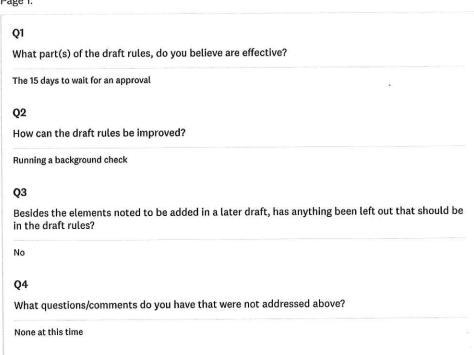






QUESTION SUMMARIES **DATA TRENDS** INDIVIDUAL RESPONSES Respondent #88 🔻 COMPLETE Started: Thursday, December 17, 2020 1:30:20 PM Thursday, December 17, 2020 1:31:05 PM Last Modified: Time Spent: 00:00:44 107.193.59.121 **IP Address:**

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INDIVIDUAL RESPONSES

Respondent #89 🔻

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Started:

Thursday, December 17, 2020 9:26:09 AM

Last Modified:

Thursday, December 17, 2020 1:31:59 PM

Time Spent:

04:05:50

IP Address:

68.110.13.97

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

- 1.) the wholesale rules from one license holder to another should require to pay for any marijuana products at the time of delivery or before... no payment terms should be permitted to avoid fraud and legal battles like we see all over in CA
- ... similar like it is required in the liquor industry for many states ...
- 2.) what is suggested or requested to change a none profit dispensary to a for profit entity
- 3.) does a recreational facility need to have a separate legal entity from the medical dispensary based on the
- 4.) when will the open counties for applications be disclosed by DHS?
- 5.) Marijuana inventory NEED to be combined for a medical and recreational license holder at the same location or it will create a nightmare for the operator logistically and space wise as well...
- the POS system needs to separate each transaction based on how it is sold medical or recreational.
- 6.) the dispensary requirement to have the patient ID printed on EACH single product should be void. It is understood that the amount of possession is different between medical and recreational the medical marijuana patient has a higher amount BUT this can be certified easily by the card holder by providing the Medical Marijuana Patient Card to any law officer as required or needed. Otherwise it would be a logistical nightmare for a dual license holder at the same point of sale.
- 7.) If any person has an active dispensary agent card or facility agent card the card holder should be allowed to work at ANY marijuana facility in AZ the dispensary or facility agent card should belong to the person of the card holder. NO multiple charges for background checks should be requested and are unnecessary!
- 8.) any employee should provide to the employer of the marijuana establishment a Level 1 Fingerprint Clearance card this should be sufficient to be eligible for the DHS agent facially card! The level 1 fingerprint clearance card is sufficient for any person working in a school or in a security company and this should be the same for any marijuana establishment.
- 9.) the facility DHS agent card processing fee should be reduced to \$50 for a 2 year term after providing the Level 1 fingerprint clearance card
- 10.) If a license is not granted to an applicant the application fee of \$25K should be refunded with min \$20K 11.) If in a county no medical dispensary exist anymore can the new applicant apply for a medical and recreational license at the same time?

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?





Q

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Respondent skipped this question

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QUESTION SUMMARIES

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Respondent #90 >

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Started:

Thursday, December 17, 2020 1:29:51 PM

Last Modified:

Thursday, December 17, 2020 1:33:15 PM

Time Spent:

00:03:24

IP Address:

98.172.107.87

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

N/A

Q2

How can the draft rules be improved?

Suggested changes in two sections:

R9-18-303 Applying for an Initial Marijuana Establishment License

Add same language in (A)(4) to subsection (C) – dual licensees must still obtain local permission to operate and some cities and towns prohibit all marijuana establishments, including dual licensees under A.R.S. § 36-2851(A).

R9-18-305 Changes to a Marijuana Establishment License

In subsection B, any change to location requires approval by local jurisdiction (see R-9-18-303)(A)(4). The Act allows localities to regulate zoning and to limit marijuana establishments to specified areas under A.R.S. § 36-2851(A).

Q3

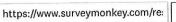
Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

There are no safety standards for manufacturing marijuana.

Q4

What questions/comments do you have that were not addressed above?

N/A







QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #91 ▼

COMPLETE

Started:

Thursday, December 17, 2020 1:58:08 PM

Last Modified:

Thursday, December 17, 2020 2:12:47 PM

Time Spent:

00:14:38

IP Address:

148.167.2.30

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

02

How can the draft rules be improved?

Thank you for the opportunity to provide comments to the Adult-Use Marijuana December Draft Rule ("December Rule"). The City of Phoenix ("Phoenix") is appreciative of the Department of Health Services' willingness to listen to comments and suggestions from Phoenix and other local jurisdictions. The Phoenix is looking forward to be part of the rulemaking process.

The City has following comments regarding the December Rule:

The December Rule does not include a process to determine how many marijuana establishment licenses will be issued.

A.R.S. § 36-2854(A)(1)(b) authorizes the Department to issue no "more than one marijuana establishment for every ten pharmacies ... within the State." Other than this restriction, Prop. 207 does not prohibit the Department from setting a cap on the number of marijuana establishment licenses. Does the Department plan to set a license cap that is less than one marijuana establishment for every ten pharmacies in the State?

2. License should be limited to uses permitted by local zoning ordinance.

A.R.S. § 36-2850(18) defines a "marijuana establishment" as "an entity licensed by the Department to operate ... a single retail location at which the licensee may sell marijuana and marijuana products to consumers, cultivate marijuana and manufacture marijuana products." A marijuana establishment license authorizes the license holder to not only sale, but also grow and process marijuana at the same location. Whether a marijuana establishment license holder can legally engage in all the activities authorized by the license may depend on the local zoning ordinance. For example, in Phoenix, a medical marijuana dispensary use is permitted in both commercial and industrial zoned areas. Marijuana cultivation, on the other hand, is limited to industrial zoned areas. To avoid inadvertently issuing a license for uses that are not permitted by the local zoning ordinance, the Department should consider adopting a rule restricting the license to uses permitted by the local zoning ordinance.

Applicant with A Valid Medical Marijuana Dispensary License should be Required to Include a Local Zoning Verification in the Application.

The Department should also consider adopting a rule requiring an applicant with a medical marijuana dispensary license to include a local zoning verification in its license application. As stated above, a marijuana establishment license holder may engage in the cultivation, production, and sales of marijuana and marijuana products. The location of an existing medical marijuana dispensary, on the other hand, may not have the zoning entitlement to grow marijuana or produce marijuana products. Without adding a local zoning verification requirement in R9-18-303(C), the Department may inadvertently issue a license for uses that are not permitted by the local zoning ordinance. For that reason, Phoenix encourages the Department to add a local zoning verification requirement to R9-19-303(C).

4. Clarifications on the Intent of the Local Zoning Verifications Required by R9-18-303(A)(4) and R9-18-304(2). The December Rule requires the license applicant to submit two separate local zoning verifications - first as a



304(2) seems to differ in two ways. First, the verification for ATO is required only if the marijuana establishment intends to operate a retail location. Second, the verification must indicate the proposed marijuana establishment location has obtained all the necessary building and zoning approvals.

- 5. Proposed Changes to the "Adult Use Marijuana Program -Documentation of Zoning Compliance" Form. Earlier the month, Phoenix received the "Adult Use Marijuana Program – Documentation of Zoning Compliance" form dated November 20, 2020. Phoenix has the following comments and proposed changes to the form:
- A) Under the "Local Jurisdiction Determination" section of the form, the local jurisdiction has no box to check if marijuana establishment use is not permitted at the proposed location. Phoenix recommends adding the following option on the form: "The marijuana establishment use is not permitted in the proposed location."
- B) The proposed marijuana establishment location may only have land use entitlement for some of the uses authorized by the marijuana establishment license. A proposed location may only have land use entitlement for marijuana retail sales only. The form does not allow the local jurisdiction to verify that only certain marijuana establishment uses are permitted at the proposed location.
- C) Phoenix recommends replacing the second option in the "Local Jurisdiction Determination" box with the following:

Subject to complying with the applicable zoning requirements, the location of the proposed marijuana establishment has the land use entitlement to operate [sale/produce/manufacture] marijuana and marijuana products.

This change is critical to local jurisdiction planning to impose special use permit, conditional use permit, or separation requirements on marijuana establishment. Without this modification, a local jurisdiction with these additional requirements will not be able to verify the proposed location "is in compliance with local zoning restriction" until the property owner has obtained all the required permits or zoning variances.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

1. The December Rule does not include Rules Relating to the Social Equity Ownership Program. A.R.S. 36-2854(A)(9) requires the Department to "create and implement social equity ownership program to promote the ownership and operation of marijuana establishment and marijuana testing facilities by individuals from community disproportionately impacted by the enforcement of previous marijuana laws." A.R.S. 36-2854(A)(1)(f) requires the Department to set aside 26 licenses to social equity ownership ("SEO"). Does the Department plans to include rules relating SEOs in the future draft?

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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91 responses





QUESTION SUMMARIES

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Respondent #92 >

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Thursday, December 17, 2020 3:05:31 PM

Last Modified:

Thursday, December 17, 2020 3:16:19 PM

Time Spent:

00:10:47

IP Address:

50.197.226.38

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

I think it's really great that the state actually asked for input from the industry during this draft period. Usually the people most affected by state rules are not consulted.

How can the draft rules be improved?

I'm looking forward to more clarification on several points. The draft rules are currently missing a few sections which I anticipate being very relevant to my work. There are some definitions that are unclear or missing i.e. "concentrate" and the difference between a "marijuana establishment" and a "dispensary"

03

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Concentrate is not defined

What questions/comments do you have that were not addressed above?

Do dispensaries who do not MAKE edibles but do SELL edibles have to be licensed as food establishments? Are edibles that are made with concentrate considered concentrates and included in the 5g limit? If a customer can purchase only an oz and chooses to purchase 5 grams of that oz in concentrate, does that mean they can get 23 grams of flower or other product?

Is the loz purchase limit tracked by day? or is the limit for a single transaction?

Do we have to physically separate medical inventory from recreational inventory?

If we are required to operate as both a medical and recreational dispensary, do we have to have a separate medical inventory?

What is considered a "secure area," just a locking door or case?



QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #93 ▼

COMPLETE

Started:

Thursday, December 17, 2020 3:17:46 PM

Last Modified:

Thursday, December 17, 2020 3:21:08 PM

Time Spent:

00:03:22

IP Address:

50.197.226.38

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

I'm just happy rec will be moving forward.

Q2

How can the draft rules be improved?

Some definitions are confusing, some line items are unclear.

Mostly, I'm unhappy with the cost of staff licensing. for a dual licensed facility, dispos are expected to pay \$1000 per employee? \$500 for DA and \$500 for FAC. It seems to go directly against the phrase "reasonable and related to the actual cost of processing"

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

What is the cost of processing DA cards and why was this application fee doubled?

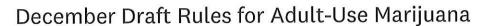
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QUESTION SUMMARIES

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Respondent #94 ▼

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Thursday, December 17, 2020 3:43:30 PM

Time Spent:

00:02:42

IP Address:

69.244.2.73

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

The consistency in verbiage and understanding between the medical rules and adult use expectations .

Q2

How can the draft rules be improved?

A bit more clarity and absolution in verbiage and deadlines

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

- Is there a rubric/format for the initial application?
- If a medical dispensary receives a recreational license, do they receive an additional license number? Or is if just one license number per?
- 3. For dispensaries with both a medical license and an recreational license, is a single dispensary agent employed required to have dual DA Cards? And if so, are they required to pay the \$500 fee twice?
- 4. Who has the responsibility of notifying AZDHS at the beginning and ending of employment, the agent, or the facility?
- 5. Are the application fees refundable if an application is "withdrawn" because it is not completed, or compliant by March 9th,
- 6. Is "concentrate" defined as a concentrate of cannabis, or any product made using concentrate
- 7. Clarify "storage" as according to R9-18-312(A)
- 8. Do edible vendors need food handlers certificates?
- 9. If a medical product can be sold as an adult use product, does it need medical labeling?
- 10. Do dual licensed dispensaries need two separate inventory controls systems if the products can be legally sold to both medical patients and for adult use?
- 11. Do you have to check customer IDs at the store entrance? Or right before beginning sale?
- 12. Are minors allowed in the establishment if accompanied by an adult guardian
- 13. Can a customer purchase maximum one ounce of marijuana, per transaction, or per day?



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December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

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Respondent #95 🔻

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Started:

Thursday, December 17, 2020 11:05:44 AM

Last Modified:

Thursday, December 17, 2020 3:55:48 PM

Time Spent:

04:50:03

IP Address:

174.71.163.58

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Documentation necessary for applicants with valid dispensary registration certificates to apply for an initial marijuana establishment license appears streamlined.

Q2

How can the draft rules be improved?

Amend rules to include additional definitions; bring into congruence with 9 A.A.C. 17 and A.R.S. Title 36, Chapter 28.1 and 28.2 definitions. Several terms are defined in §36-2801, §36-2850 and elsewhere in the Arizona Revised Statutes, but not in program rules. Potentially benefits operators vis-à-vis a central dictionary, despite the redundancy: "Adult use;" "advertise," "advertisement," and "advertising;" "amend" and "amended;" "board member;" "child-resistant;" "consume," "consuming," "consumption," and "consumer;" "cultivate" and "cultivation;" "deliver" and "delivery;" "Department;" "designated caregiver;" "Dispensary Agent;" "dual licensee;" "early applicant;" "employee" and "employer;" "enclosed area" and/or "enclosed, locked facility;" excluded felony offense" (How affected by §36-2862?); "financial institution" (or use in-state and out-of-state" definitions as in med rules); "generally accepted accounting principles;" "good standing;" "health care facility;" "in-state financial institution;" "independent third-party laboratory;" "independent third-party laboratory agent;" "industrial hemp;" "local" and "locality;" "manufacture" and "manufacturing;" "marijuana;" "marijuana concentrate;" "marijuana establishment;" "marijuana facility agent;" "marijuana product" and "marijuana products;" "marijuana testing facility;" "nonprofit medical marijuana dispensary;" "nonprofit medical marijuana dispensary agent;" "open space;" "out-of-state financial institution;" "places of employment;" "Principal Officer;" "process" and "processing;" "Production batch" (A different nomenclature for batch(es) allocated for or produced by a manufacturing process, unique from the harvest batch identifier(s) of the parent cultivar(s). For a shared definition of production batch (from Colorado's marijuana rules): "Production Batch' means (a) any amount of Regulated Marijuana Concentrate of the same category and produced using the same extraction methods, standard operating procedures and an identical group of Harvest Batch(es) of Medical Marijuana or Retail Marijuana; or (b) any amount of Regulated Marijuana Product of the same exact type, produced using the same Ingredients, standard operating procedures, and the same Production Batch(es) of Regulated Marijuana Concentrate." (p. 24: https://www.sos.state.co.us/CCR/GenerateRulePdf.do? ruleVersionId=8439&fileName=1%20CCR%20212-3)); "public place;" "qualifying patient;" "registry identification number" and "registry identification card;" "smoke;" "usable marijuana;" "verification system."

Revise the following definitions:
"Change" – extra space between "agent" and "license" in R9-18-101(9)(a)

R9-18-101(9)(d) refers to R9-18-308, replace "R9-18-XXX"

"Dispensary" in contrast with "nonprofit medical marijuana dispensary" – permission to operate as a for-profit entity afforded by §36-2858(D)(2) and §36-2858(E). Add "except that..." clause to clarify. E.g., "...means the same as 'nonprofit medical marijuana dispensary' in A.R.S. § 36-2801, except that adult use dispensaries and dual licensees may operate as a for-profit entity pursuant to A.R.S. § 36-2858."

R9-18-103(E): deficiency vs. deficiencies. Are notices of deficiency(-ies) (NOD's) the same as written comprehensive requests or supplemental requests for information (RFI's)?

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107 responses

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need to be opaque or translucent, locking, of a certain material or for an explicit purpose (e.g., non-leacning), etc.?

R9-18-201: What if an individual does not have a Social Security number, but still has authorization to work in the country? Are there residency requirements?

R9-18-201(4)(b): What if using fingerprint cards in lieu of level 1 fingerprint clearance card?

Level 1 fingerprint clearance cards will only be acceptable for the adult use program, but will not suffice for the medical program?

R9-18-301, request for clarity: "...individuals identified in the marijuana establishment's by-laws as...." What if no by-laws? Something analogous? Align business entity requirements with existing corporate law requirements vis-à-vis operational documents and licenses. Possibility of a designated representative for communications with the Department? Possibility of singular license number for dual licensees to streamline recordkeeping and labeling?

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December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

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Respondent #96 ▼



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Started:

Thursday, December 17, 2020 4:11:43 PM

Last Modified:

Thursday, December 17, 2020 4:14:26 PM

Time Spent:

00:02:42

IP Address:

63.237.172.70

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

R9-18-310

Q2

How can the draft rules be improved?

- 1. The Department should not license individual employees but should instead require licensees to perform background checks on their own employees, retain documentation, and issue identification cards. However, if state is going to license employees, the fee structure in R9-18-102(1) is too high and will serve as an unnecessary barrier to entry that will harm entry-level employment opportunities and hamper the labor market. These fees should be minimal and reflect the fact that most labor needs within the regulated marijuana industry pay entry-level wages.
- 2. The entirety of license fees for marijuana establishments should not be nonrefundable. If the agency needs to recover its costs of reviewing applications, it could charge a nonrefundable application fee separate and apart from the entirety of the licensing fee. The bulk of the license fee should be refundable to applicants in the event they are denied a license. The current fees proposed in R9-18-102(4) and R9-18-102(8) serve only as an unnecessary barrier to entry that restricts the market to well-endowed applicants.
- 3. Proposed regulations R9-18-103(B), R9-18-302, and R9-18-303(1) require an applicant to have an interest in a fixed address at the time of application. This requirement unnecessarily raises the barrier to entry and raises financial risk for applicants by requiring such applicants to purchase or assume lease obligations for real estate assets that they may not be able to use. The proposed rule set already distinguishes between the issuance of a marijuana entity license and an approval to operate a marijuana location. The Department could lessen the financial risk facing applicants by awarding a provisional license to an applicant without the requirement to name a specific address and allow a recipient of this provisional license to afterward secure a physical address within the county in which the license has been allocated, provided the address meets local zoning requirements and is subject to inspection. Upon inspection of the physical address, the provisional marijuana entity license could be made permanent and issued an approval to operate. This approach has been employed in Nevada to successfully lower the risk facing applicants and ensure greater likelihood of success.
- 4. Proposed regulation R9-18-303(A)(3) requires all principal officers and board members of an applicant to secure a marijuana facility agent license prior to submitting an entity's application for a marijuana entity license. However, all applications for marijuana entity licenses must be received by March 19, 2021. The processing time for marijuana facility agent licenses could slow or impede an otherwise qualified entity from submitting a completed application for a marijuana entity license. The regulation should allow principal officers and board members to apply for marijuana facility agent licenses simultaneous to the entity's application for a marijuana entity license.
- 5. Proposed regulation R9-18-303(A)(6) requires an applicant for a marijuana entity license to demonstrate at least \$500,000 in liquid capital prior to issuance of a license. This creates an unnecessary barrier to entry into the regulated marketplace that restricts the legal market only to well-endowed persons and would systematically exclude persons of modest means, including those from communities that were disproportionately impacted by the war on drugs. Further, an entity's ability to raise capital is highly dependent

107 responses





December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #97 🔻

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COMPLETE

Started:

Thursday, December 17, 2020 4:27:13 PM

Last Modified:

Thursday, December 17, 2020 4:27:23 PM

Time Spent:

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IP Address:

50.197.226.38

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Respondent skipped this question

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

if a medical patient has depleted their state allotment, are they able to purchase recreationally? like could you potentially get 2.5oz medical and buy another oz recreational

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5

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #98 ▼

4

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COMPLETE

Started:

Thursday, December 17, 2020 2:06:15 PM

Last Modified:

Thursday, December 17, 2020 6:12:25 PM

Time Spent:

04:06:10

IP Address:

98.177.251.19

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

Respondent skipped this question

03

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

- Analytes/Testing will these be the same as Medical or lesser in scope?
- Will Patient Education Guides be required for Adult Use patients? If so, can we reuse the same one?
- How many offsite cultivation/manufacturing facilities will be allowed for rec licenses? Will medical licenses have the same amount allowed?
- The Draft Rules references the process for "Initial Application" but does not disclose the process for existing medical dispensaries. The Initial Application process covers an extensive amount of items that seem to already be covered and approved under the medical dispensary license process so unsure if we will be able to have an easier process or if we will still need to provide all docs. After getting the initial license approved it states you have 18 months to submit for an ATO, but if we are already live we should be able to dive right in.
- o Will there be an inspection to go along with the application?
- Can there be clarification on rolling over DA cards to FA cards: is it going to require submitting individually or will we be able to do a bulk submission like we've done on license transfers?

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9

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #99 🔻

4

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COMPLETE

Started:

Thursday, December 17, 2020 3:45:01 PM

Last Modified:

Thursday, December 17, 2020 6:29:19 PM

Time Spent:

02:44:17

IP Address:

184.98.129.247

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Keeping the rules in line with existing Medical Marijuana rules is great and will minimize confusion for dual licensees.

Q2

How can the draft rules be improved?

The marijuana establishment fees are too high. Currently MM dispensaries incur these costs - however, with these being more of a occupational license that stays with the individual - dispensaries will not want to cover this expense moving forward. I'd suggest \$150 annual fee for individuals to obtain an agent license.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Clarification on the number and/or type of ancillary facilities (cultivation/infusion) that a marijuana establishment may operate and whether these facilities need to be operated independently of each other. Can medical product be sold at an adult use facility - Inventory control regulations. Do existing MM Dispensaries need to obtain an ATO once marijuana establishment license is issued?

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #100 ▼

4

COMPLETE

Started:

Thursday, December 17, 2020 8:09:23 PM

Last Modified:

Thursday, December 17, 2020 8:12:02 PM

Time Spent:

00:02:39

IP Address:

174.248.196.105

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

More seop licenses and more allotment for plants and a better understanding of what we can do with our extra marijuana from growing

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

How much flower we can have at home and the selling of clones from person to person

Q4

What questions/comments do you have that were not addressed above?

How much are you allowed to have from the plants you grow

Tweet





December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #101 ▼



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COMPLETE

Started:

Thursday, December 17, 2020 8:11:15 PM

Last Modified:

Thursday, December 17, 2020 8:17:20 PM

Time Spent:

00:06:04

IP Address:

174.237.1.99

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

It's too early to tell.

Q2

How can the draft rules be improved?

See below:

R9-18-101 Definitions:

- 1 Subsection 6/7 Batch/Batch Number has no mention of strain, this leads to multiple strains from the same "Batch" as currently defined in R9/207.
- 2 Subsection 12 Cultivation site only references Marijuana Establishment. Does this mean we get a second off-site location to cultivate?
- 3 Subsection 16/18 Only mentions "Edible Food Products" and "Inhalables." What about definitions of other methods of ingestion? (Topicals/Patches/Suppositories)?
- 4 No definition for "Marijuana Facility".
- 5 We would really appreciate a more complete definition of "Commercial Devices", rather than only referring to referring to another ARS. Otherwise the reader may assume this also references required standards for kitchen equipment, which it does not. Please formally define this term and how/when it may apply.
- 6. Please consider providing a definition of "Serving Size". Relate it back to the Prop 207 statute and any reference dose, if possible.

R9-18-102 Fees:

1.a.b. - We interpret as someone that is not a current DA (new employee)

1.c.d. - We interpret as someone that is a current DA and is applying/renewing for a Facility Agent license. This would be good if true.

R9-18-103 Time Frames:

- 1 Subsection B Inspection date is required to be defined upon submission of application.
- 2 Subsection E 1 Any notice of deficiency related to facility agent applications require a 5 day response otherwise the application will be considered "withdrawn." The entire table 1.1 seems expedited. Could be good, or bad depending how responsive the state is.
- 3 No time frame defined for applying for a "Marijuana Establishment" license? Missing from Table 1.1.... when
- 4 Will we be required to carry both a "Dispensary Agent" and "Facility Agent" card as a dual-licensee?
- 5 Renewal of a "Marijuana Establishment" license has a notice of deficiency response time of 5 days or the renewal is considered withdrawn per Table 1.1.

R9-18-310 Product Labeling:

Another concern is the verbiage "marijuana product" used throughout the draft as an "umbrella" term for a

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document.

R9-18-312 Security:

G. No delivery allowed. Does this include 3rd Party delivery services?

R9-18-313 Edible Food Products:

A.4.c Scored or otherwise delineated into standard survive size. Can "otherwise delineated" include a physical object, card, or package that illustrates this delineation? It can be very hard to delineate some products (like rice treats), but easy to include a to-scale illustration of the product and how to delineate a dose.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Some definitions are missing (see answer to Question 2). There could be some clarification to "Manufacturing Facility" as some folks think that means another cultivation.

Need some clarification of fees for an existing Medical dispensaries to become dual licensees. To ask an current dispensary that applies for a dual license to spend \$500 on a DA card and then another \$500 for an FA card is egregious.

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #102 ▼

COMPLETE

Started:

Thursday, December 17, 2020 8:17:41 AM

Last Modified:

Thursday, December 17, 2020 8:26:49 PM

Time Spent:

12:09:07

IP Address:

72.217.40.109

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

The draft rules are very clear in explaining the process used to determine the allocation of recreational licenses and the documentation that will be needed for submission. The rules are also effective in describing the similarities between the inventory control, labeling, and security between recreational and medical licenses. (From my read 2x through, these sections seem nearly identical).

Q2

How can the draft rules be improved?

The draft rules are not clear in describing how a dual licensee would be treated, and which provisions from which rule set would apply to "governance" of the dispensary (perhaps both rule sets, but then please outline their differences). The rules also do not contemplate physical space issues or specify how the Department may handle adult use. For instance - is an "open shopping" concept allowed? Can customers enter the dispensary at will, and so long as marijuana is stored in a compliant fashion (locked and only accessible to agents) and age is verified before sale, that the store can function like any other retail space?

The draft rules could also use additional clarification of the "split" facilities (retail, cultivation, manufacturing site). For a dual licensee, are these IN ADDITION to an existing retail or offsite cultivation?

I'd also like to comment on the nature of a dual-licensee being required to pay \$1000 per employee for licensure. It could be made clearer if a dual-license must provide a DA card and facility agent card for each employee working at the dispensary. If so, I'd also like to mention that ARS 36-2855 states that fees for agent cards must be reasonable and related to the actual cost of processing applications. \$500 (effectively \$250 per year) seems excessive for a digitally-produced licensing card. This could provide a serious burden for employees, should the dispensary force employees to pay for their own cards (for some, this could equate to \$1000 in order to begin employment).

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Yes! The definition of the term "concentrate." It's clear that a customer may only purchase 1 oz (28 grams) of cannabis, with not more than 5 grams of concentrate. Is a marijuana concentrate considered as edibles, inahlables, etc. (or is it only high-potency concentrates like distillate, shatter, etc.?) Can a facility agent assume that if a customer purchases 5 grams of concentrate, they are able to purchase 23 grams of non-concentrates?

What questions/comments do you have that were not addressed above?



permitted to manufacture edibles? (In other words, if a retail site does not plan to manufacture edibles, but only sell them to customers, must they hold a food license?)

- What is the definition of "storage?" R9-18-312(A) states that at a retail location only authorized facility agents can have access to where marijuana is stored. Can storage be considered a locked container in a large central room where customers are shopping? (Specifically, if all marijuana/marijuana-infused products are stored in a limited access areas, can there be a single sample in a non-limited access area that is secured in a fashion where it cannot be accessed except by an authorized facility agent?) (Or perhaps in other words again, what is the definition of limited-access area? We do not plan to store product where customers can access, but we WOULD like to display product in locked display containers in a large central room.)
- Can you confirm that no customer labeling is required? Products that meet the labeling requirements in R9-18-310 can be sold to qualified customers as-is without additional labeling requirements? (This would be in contrast to medical sales, which DO require customer labeling and submission to the DHS allocation site.)
- If a product can be sold to both medical and adult use customers, do both license numbers need to be present on the product? (A different way of asking: For dual licensees, will the marijuana establishment license number be different than the dispensary registration certificate number?)
- Is the purchase limit of 1 oz per day or per transaction? (And is incumbent upon the customer to not visit more than 1 dispensary per day if they were to purchase their full allocation?)
- Are minors allowed in the building? Specifically, can age verification under A.R.S. § 4-241(K) occur prior to point-of-sale, or does it need to occur in order for the customer to enter the building?
- Are there separate inventory controls required for dual licensees (ie: if a product meets the standards and rules for adult use consumption, can that same product be sold to a medical patient and/or vice versals it the responsibility of the marijuana facility agent to notify the department when they begin or end employment at a marijuana facility, or is it the responsibility of the marijuana facility itself?) It seems to be written disparately in R9-18-203(B) and R9-17-308(A)-9.
- For a dual licensee, can a marijuana establishment's offsite cultivation site be different from it's dispensary's offsite cultivation site?
- For a dual med/rec license, is an employee required to have both a dispensary agent (DA) card and a marijuana facility agent card? (in other words - spending up to \$1k every 2 years on employee licensure?)

(Thank you for reading this novel!)

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December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #103 ▼

COMPLETE

Started:

Thursday, December 17, 2020 8:24:49 PM

Last Modified:

Thursday, December 17, 2020 8:27:58 PM

Time Spent:

00:03:09

IP Address:

64.44.42.163

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

Respondent skipped this question

Q2

How can the draft rules be improved?

A \$25,000 application fee and a cash reserve of \$500k is absolutely ridiculous. Both need to be reduced. If you plan to raise the application fee it should not be more than \$10k. Required reserve should be kept at \$150,000 or \$250k at the highest.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #104 ♥

COMPLETE

Started:

Thursday, December 17, 2020 9:01:29 PM

Last Modified:

Thursday, December 17, 2020 9:13:04 PM

Time Spent:

00:11:35

IP Address:

70.162.98.33

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

Random selection when limit is reached.

Q2

How can the draft rules be improved?

\$25,000 is way too much and really isn't logical. A license fee of \$25,000 is high but possibly acceptable but to charge that for just a chance doesn't make sense. Would you pay it? What is the reasoning for such a astronomical high application fee? These are low population areas. If the goal is to serve the entire state and not just reward the wealthy this fee should be dramatically decreased to \$500 or make the \$25,000 \$10,000 and 90% refundable if not selected. Also, it doesn't cost \$500,000 to open a store in a low cost of living area, so why require such a high liquid amount? My two big items for consideration is to lower application fee and required funds to apply. Please consider the little guy and the communities being served.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

How many counties can someone apply for a license?

Q4

What questions/comments do you have that were not addressed above?

Respondent skipped this question

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December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #105 ▼

COMPLETE

Started:

Thursday, December 17, 2020 9:38:51 PM

Last Modified:

Thursday, December 17, 2020 9:52:22 PM

Time Spent:

00:13:30

IP Address:

70.162.70.163

Page 1:

01

What part(s) of the draft rules, do you believe are effective?

They incorporate large portions of applicable medical marijuana rules, which have largely proven effective.

Q2

How can the draft rules be improved?

The process for allocating rural licenses should be reconsidered. The \$25,000 non-refundable fee is hefty. More importantly, as written, the rules appear to envision that dispensary registration certificates will be issued for underserved counties in addition to the two recreational establishment licenses to be issued. (I reach this conclusion because the random lottery conflicts with the statutorily prescribed process for allocating dispensary registration certificates.) This raises the specter of having disproportionate supply and demand, which would render the operation of marijuana establishments non-cost-effective. Therefore, the Department should issue rural licenses pursuant to the statutory process for dispensary registration certificates and make the successful applicants dual licensees.

Alternatively, it should consider scoring applications instead of resorting to a random lottery. This may cause the Department to expend more resources than for a random lottery, but in light of the \$25,000 non-refundable fee, the Department can afford to expend the resources needed for a reliable process.

Additionally, the rules leave it unclear if dual licensees will be permitted to sell high-potency edibles to registered qualifying patients. Many patients rely on high-potency edibles as a safer alternative to inhaling marijuana concentrates. They were assured during the campaign that the medical program would be left untouched, which is what Prop. 207's drafters intended. If only dispensaries that lack a recreational license can sell these products, there will be few (if any) locations in Arizona where patients can acquire these essential products. Therefore, the rules should clarify that the rules' potency limitations only apply to recreational sales.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

A clear time-frame for processing applications and granting approval to operate, although I understand that Prop. 207 contains requirements for the former.

04

What questions/comments do you have that were not addressed above?

Whether dual licensees will need to, e.g., segregate their medical and recreational operations, or if they may have common lines, products, and check-out systems.





December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #106 ▼

4

COMPLETE

Started:

Thursday, December 17, 2020 10:51:08 PM

Last Modified:

Thursday, December 17, 2020 10:59:09 PM

Time Spent:

00:08:00

IP Address:

72.217.40.109

Page 1:

Q1

What part(s) of the draft rules, do you believe are effective?

various

Q2

How can the draft rules be improved?

various

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

none

Q4

What questions/comments do you have that were not addressed above?

Specifically when will the "Municipality approval" and "owner permission" form for early applicants be available in the department provided form?

Will you verify with municipalities the authenticity of the zoning verification forms for the early applicants? Many of these in the past have been fake.

Can you explain how a \$500 fee for a facility agent card represents a "reasonable fee" and represents the "actual cost of producing" the license? It seems that this fee would be in violation of prop 207.





December Draft Rules for Adult-Use Marijuana

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

Respondent #107 ▼

COMPLETE

Started:

Thursday, December 17, 2020 11:17:50 PM

Last Modified:

Thursday, December 17, 2020 11:35:37 PM

Time Spent:

00:17:47

IP Address:

66.74.10.70

Page 1:

What part(s) of the draft rules, do you believe are effective?

I like that there will be possibly 8 counties that a person or entity can apply for a dispensary license in.

Q2

How can the draft rules be improved?

The \$500k proof of funds requirement should be removed (or significantly reduced). I own a fully licensed dispensary in California, and I starter it on less than \$90k. Also the \$25k application fee is very high.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

What is the purpose of requiring proof of funds, local jurisdiction approval, and proof of right to occupy "60 calendar days before the days of application?" This time restriction makes it seem like this task must be completed by mid January, leaving applicants like myself very little time to find and secure a location, and get local jurisdiction approval (which also takes a lot of time)

Q4

What questions/comments do you have that were not addressed above?

I was a (substantice complete) applicant for a medical dispensary license in Arizona in 2016 (although not lucky enough to get a license). If I use the same local jurisdiction approval from 2016, will that be acceptable? A new form will take longer to get signer and approved. In regards to the \$25k application fee, will that be refundable if a license is not awarded? I think this fee needs to be much smaller and refundable. I think its higher than other

Multi-Page Online Comments on December Draft Rules for Adult-Use Marijuana

Respondent 45:

Q1

What part(s) of the draft rules, do you believe are effective?

The who what where and when is in place, but how is what determines public health. How is it grown? How is it stored? How is it processed? How are pesticides applied? How are they stored? O2

How can the draft rules be improved?

Prioritize R9-18-310,11,13 The draft is missing rules and regulations for storing and applying pesticides. Monthly inspections of applicators license and records should be conducted upon every harvest by ADHS or a third party. As this is a public health issue. Clean cultivation methods and IPM should be strictly monitored and top priority before opening. Just this week I purchased "medical" marijuana labeled to be coated with Pyrethrum oil, a potent neuro toxic pesticide. This should not be applied to products for any human consumption if the product can not be rinsed. This and any oil based product need to be removed from medical marijuan ASAP and not be included in recreational laws. People will become seriously ill after a while and if the product is not applied right .

O3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Again please Prioritize R9-18-310,11,13 Organic pesticides can still be poisonous. Often the point of organic pesticides is not that they are safer to humans, just that they were manufactured environmentally friendly, thus if the synthetic chemical version is banned so should the organic version. Example: Pyrethate made in a lab Pyrthethin, extracted from the Japanese funeral flower chrysanthemum (organic) I have over a decade growing experience and a degree in horticulture, I am not the smartest but I have seen first hand how dumb pot growers are because they are only in it for the money and to get high. They will think oh cool pyrethums are organic sweet I can use alot because it comes from a flower doh. Workers will get sick from fumes and skin contact. So much at play. Pyrethums already in use at medical facilities.

04

What questions/comments do you have that were not addressed above? Again please Prioritize R9-18-310,11,13

Respondent 53:

Ql

What part(s) of the draft rules, do you believe are effective?

I am glad that you are trying to get the rules in place for the January 19, 2021 offering of establishment licenses.

O2

How can the draft rules be improved?

R9-18-302 contemplates that all medical marijuana dispensaries will be licensed except in counties that have less than two dispensaries in which an establishment license will be set out for random drawing. The proposed rule is off the mark and does not take into consideration the geographical preferences that the Arizona State Legislature enacted for Medical Marijuana Dispensaries in A.R.S. 36-2803.01. Let me explain: The Department may issue additional

licenses (in excess of the 10:1 ratio of pharmacies to Dispensaries) pursuant to A.R.S. 36-2854(A)(1)(c). These special licenses are limited to one license for a county that has one dispensary and two licenses for a county that has no dispensaries. These are special licenses that may not be relocated outside of the county. The proposed rule stands silent as to this special county specific license. Suppose that all of the dispensaries equate to the 10:1 pharmacy/dispensary ratio. They can each get a license and the the early applicant in counties with less than two dispensaries can also obtain a special non-transferable license. The rule does not account for a process for allocation of the total establishment licenses to all early applicants. If no special non-transferable license is going to be offered, then the Department is entitled to offer licenses in excess of one per county with only one dispensary. Suppose there are 129 Establishment Licenses available and only 120 dispensaries made early application before March 9, 2021. Nine of the available establishment licenses can be spread over all "other" early applicants. Early applicants in counties with less than two dispensaries includes all other applicants that have proper special use permitting and otherwise qualify under the rules. Potentially you could have fifty applicants for only one establishment license and then you choose "RANDOMLY" from the pool of applicants. What happens in counties where there are numerous dispensaries and they don't timely file the application? Those potential establishment licenses should be spread amongst all early applicants. Application qualifications for establishment licenses should be in alignment with A.R.S. 36-2803.01. Although this is for medical marijuana dispensaries, the purpose of placing Establishment licenses at dispensary locations (dual licensing) is to serve the most people who benefit from the drug in a certain CHA. In a county where a special non-transferable license is granted the applicant who meets the qualifications 36-2803.01 should be granted preferential treatment in selection for an establishment license. It makes no sense to place a marijuana establishment right next door to another marijuana establishment that has dual license as a medical marijuana dispensary. It is likely that the smart and safe act will reduce the cost of this medicine for patients because of the competition with marijuana establishments. This falls in line with the statute's intent and squarely within the authority of the Department. R9-18-302 should require all available licenses to be distributed randomly among the existing dispensaries that applied as part of the early application process and early applicants from counties with less than two dispensaries. If after awarding all available licenses there remains a county with less than two dispensaries and no establishment licenses, then the Department should award an additional license pursuant to 36-2854(A)(1)(c) and it should be granted to the early applicant that applies to operate in a geographical area that had a registered non-profit medical marijuana dispensary move from that area and is at least 25 miles from the nearest dispensary. It only makes sense that the law contemplates awarding the establishment license to an early applicant that meets this criteria.

O3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Yes

O4

What questions/comments do you have that were not addressed above? Other sections of the draft rules need to be revisited. I will submit a separate comment on each of those. Jeremy Claridge

Respondent 58:

O1

What part(s) of the draft rules, do you believe are effective? Most of the initial perfunctory articles are fine

Q2

How can the draft rules be improved?

I would suggest the Stat, on behalf of the health and safety of its citizens, contract with health and consumer protection parties versus the industry advocates that have shaped these rules in an entirely self-serving manner. I would emphasize that the testing laboratories are completely third-party. The labeling suggests that every product will be individually tested versus some random batch test with vast variability. There is key information from GMO seeds, to grow, harvest, cure, extraction, etc., methodologies that are not are not specified to be provided to consumers. There needs to be a meaningful commitment to on-going, third-party research that will quickly pull product or plant from the market without generations of litigation allowing incalculable social cost.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

The WARNING does not begin to capture the gravity of a largely unstudied psychoactive plant that is also having its 500 chemicals isolated, modified, and combined with other chemicals via equally unstudied methodologies to create Frankenstein products with unknown health and safety consequences, and virtually zero meaningful product liability consequences on their producers.

Q4

What questions/comments do you have that were not addressed above?

Upon seeing the great white shark in "Jaws", Police Chief Brody said, "Your gonna need a bigger boat." Take a good look at who you are regulating, to date you have only seen the fin with a smiley face and had the backstop of a doctor's oversight on a small part of the population. However, even a cursory listen to cannabis investment pitches clearly denotes the lessons and tactics of Big Pharma and Tobacco are not lost on the new green wave of titans. Like any industry, the cannabis capitalists will emphasize the bottom line at the expense of public health and safety. The corporate stock and trade of obfuscating research, buying political influence, and stymying concerns through legal stratagem and misinformation will be the best money can buy and dwarf their regulatory or social opponents. ADHS will need a significantly bigger department to adequately address the vast concerns and problems that are inherent in a largely unstudied psychoactive drug(s) unleashed on 7 million people. Your opponent is well-funded, with access to the best attorneys, scientists, and social influencers, but most of all...hungry, always hungry. It is a classic industry bum rush to have the regulator put out vastly inadequate regulations and say the public didn't identify any or all the problems. It is critical for the State to hire third-party experts with the sole focus and necessary breadth of expertise in health, safety and consumer protection for Arizona citizens. This process would have public checkpoints and illuminate concerns, with a final report recommending rules, potential outcomes, etc. Only then can an informed public weigh in on rules. The failure on proper marijuana regulation here could actually outweigh the cost of the misguided Covid-19 "prescription" that crushed 7.2M people, who would not die from nor be hospitalized for the virus, but rather be plunged into a generation of misery by government imposed undemocratic and unscientific lockdowns and regulations

yielding an emerging constellation of economic, health, educational, and general social well-being catastrophes that will easily dwarf the virus.

Respondent 70:

01

What part(s) of the draft rules, do you believe are effective?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

Q2

How can the draft rules be improved?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

O4

What questions/comments do you have that were not addressed above?

The Smart and Safe Act requires DHS adopt rules to ensure the health and safety of Marijuana Establishment License employees. These draft rules do not address employee health and safety. Any Marijuana Establishment License applicant should agree to guidelines created to "ensure the health and safety" of employees and failure to comply should result in civil penalties, suspension or revocation. In order to fulfill the requirements in Smart and Safe, DHS should organize a panel of community members, labor leaders and industry representatives to develop rules relating to the health and safety of employees.

Respondent 77:

O1

What part(s) of the draft rules, do you believe are effective?

It's helpful to prioritize the dual license process so that Prop 207 can be implemented almost immediately without significant delay. It's obvious the Department is eliminating barriers the implementation of the dual license process so that current, operating dispensaries can promptly sell marijuana to adults under Prop 207. Thank you for moving so quickly on these rules and for being open to feedback and input.

Q2

How can the draft rules be improved?

Capital Requirements/Proof of Funds: This should be acceptable if received from a PO/BM and not in just the name of the applying Entity. Banking is NOT simple and it's extremely unlikely any financial institution will open a new account for a new business that plans to sell cannabis without a license in hand. The only proof of funds that will happen in any practical sense would be through the PO/BM, and not through a new entity. Every single financial institution like Wells Fargo or Chase Bank would deny a cannabis business. That leaves just a couple financial institutions, all of which require a cannabis license to open a bank account and very in depth financial background checks to even get to a committee to get a new account. If it's in the name of the Entity only, this would restrict applicants to existing operators that have banking. That's not every existing operator. The proof of funds should be tied to the PO/BM, because, at the end of the day, that's who is funding this, the heartbeat/person in charge. By allowing the capital requirements to come through the PO/BM it would represent a much more practical understanding of current cannabis banking regulations and would increase transparency because the person involved would need to be the person funding the application. For the amount of the capital requirement, please reduce this \$500K amount to \$150K, like the Department did in earlier years. Moreover, the proof of funds should be only to the extent that the applicant can win the license. If there's one available license, then the proof of funds would be for 1 available license. Using the \$150K as an example, that's proof of funds of \$150K (\$150K times 1). If there's 2 available licenses in a county, and the applicant (heartbeat PO/BM) submits 2 applications, then then the applicant (heartbeat PO/BM) needs proof of funds of \$300K (\$150K times 2). Proof of funds is tied to the number of licenses available for that applicant to win based on that applicant's entries/applications. If the applicant enters 5 applications and can only win 1 license, proof of funds is capped at \$150K. If the applicant enters 5 applications and can win 2 licenses (like in a county with two licenses available or across two unique counties), then the applicant needs \$300K for those 5 applications. This is because the applicant could win up to 2 licenses. Capital requirements should tie to the potential winning applications not each and every application that's submitted. Because it's possible to submit 5 applications in a single county and only win 1 because only 1 is available. In this example / instance, proof of funds of \$150K is required even though there are 5 applications from that Applicant in that county. Because they can only ultimately win 1. If there's not a license cap of 5, for example, (and we would suggest there should be a license cap), then the capital requirements should still only be tied to the total potential wins—not each individual application. An applicant only needs to prove they can fund what's actually available to win/be awarded for that Applicant. Connect the Applicant to the human being through the PO/BM role (their "heartbeat"). Follow the 2012 and 2016 licensing system line of thinking. We suggest five applications & five wins per PO/BM heartbeat, total. It will be essential the proof of funds is less, Otherwise, only very, very rich people get to play the lottery. If there's a cap on applications and Applicants, then the capital requirements can be more reasonable and less than proposed. Further, the cost to operate in a rural county is much less than Maricopa County. \$150K for tenant improvements and start up expenses is more reasonable in a

rural county than the \$500K proposed. R9-18-305(A)We would request that this provision of the Proposed Rules be stricken completely. The language of Proposition 207 makes it clear that changes in ownership of Marijuana Establishments was intended. Specifically, the language of A.R.S. §§ 36-2858(D)(3) and 36-3858(G) addresses this issue.

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Aside from the obvious elements that will come at a later date including social equity, operational elements for Prop 207 co-located / dual license retail stores, and more detail about the overlapping roles of FA's and DA's (which, in reality will require some legislative changes), there's not a lot "missing" from this round in the draft rules. It would be most helpful to have the "forms" for the County licensing process, including the jurisdictional / zoning form, the property owner verification form, and the draft application so applicants and local jurisdictions can prepare for this process. A process for remediation, notice of deficiency, and requests for information is missing from the County licensing process as drafted. It's unclear if remediation of an application will be permitted. We'd promote remediation, as some matters are simply clerical and not substantive. To the extent the application can be remediated, it should be available to an applicant. Equal opportunity to remediate is essential to avoid litigation. If one applicant can remediate, the same timelines should apply to all applicants if the application was received before March 9, 2021. Otherwise, the unequal opportunity to remediate is expected to be a topic for litigation based on preliminary industry discussions. By clarifying the definition of "received" in the statute through Rulemaking, the Department has the opportunity to determine when an Applicant is complete and compliant, and, if defined as such, when the application itself is "received." It's also unclear if there will be a license cap. We recommend a cap on licenses, substantially similar to the 2016 licensing process. The cap should follow with the principal officer and board member of the applicant ("heartbeat" rule) and not be based on the "entity." By limiting the number of applications to five (5) total applications in the entire process, this will create less administrative burden on the Department and ensure an increased fairness in the allocation of licenses through the lottery. Otherwise, it's economic warfare and a pay to play system—something most small to mid-size businesses wouldn't support. Through a license cap, both in the number that could be awarded (5) and in the number of total application (5), a more fair and just system is possible. Another element that's missing from the draft is an application submittal fee. Today, there's two fees outlined for the County license awards and we think it should look more like this instead for all practical purposes: 1. \$5,000 Application Submittal Fee—Non Refundable and due at time of Submittal. 2. \$25,000 Application Award Fee—Non Refundable and due upon license Award (If an Applicant wins, they pay this fee within 3 or 5 business days of the lottery). If they don't pay, there's another lottery (or you pull a back up winner at the time of the lottery in case the winner doesn't pay). 3. \$50,000 Approval to Operate Fee. This Fee is due at the time the Approval to Operate is issued, and likely includes another (lower) "Renewal Fee" on an annual or two-year basis. "Received". We would recommend that this definition be included so there is no question about the status of a submitted application and the obligation of the applicant leading up to the March 9, 2021 deadline. This definition would tie-into the language at R9-18-103(I). e Department define "received" in its rules as Complete and Compliant. Otherwise, the strict reading of the statute is that the award must happen 60 days after the first application is received. This is grounds for a big messy situation and doesn't allow for equal opportunity for remediation by all applicants. How would a loan from another person

work for capital requirements? Does the funding for the capital requirements need to be in the name of that PO/BM or will a lender be accepted (like in Missouri, for example)? There's good and bad around money lenders, and generally we support the idea of a money lender program. In Missouri, they used a form for a statement from a money lender if you need an example. The lender can be a private party and has to show their own, separate proof of funds. If money lenders are permitted and the funds do not need to be in a bank account and in the name of the actual applicant or the PO/BM, then expressly state that. R9-18-203(B) Include language that the FA must notify the Department immediately if convicted of an excluded felony offense. R9-18-316(C)We would suggest including the language in Subsection B of this Proposed Rule in Subsection C. Applicants/Licensees should have an ongoing obligation to provide truthful information to the Department. That requirement should not solely attached at the application phase.

Q4

What questions/comments do you have that were not addressed above?

We support the Coppersmith Brockelman Memo dated December 16, 2020 submitted by Kathy Steadman and Roopali Desai. We support the Memo from the Arizona Dispensaries Association through Pele Fisher at Peacock Legal. There continues to be significant issues and delay with the Labs and the implementation of mandatory testing. The impact of this upon the adult use market and Prop 207 will be, to say the least, noticeable. Some type of additional guidance needs to go to dispensaries so they know how to navigate this backlogged and messy situation, especially with the implementation of Prop 207. It would be helpful to have a webinar or web-based information session for current operators in early January to learn directly from the Department about the dual license program and obtain some general updates. There are lingering questions about DAs vs FAs and this might be a good place to explain some of the basic Department expectations for the industry as we roll out this dual license program together.

Respondent 78:

01

What part(s) of the draft rules, do you believe are effective?

It's really helpful to have a draft of the rules and it's appreciated. Thank you for your work on this.

O2

How can the draft rules be improved?

1. Restructuring the Fees for the County License process. For example, \$5K to apply for an ME license in a rural county, non-refundable, due at application. \$25K when awarded a license in a rural county, non-refundable, due at award. \$50K when ATO issues at inspection, non-refundable, due at ATO. \$10K (or another amount) for annual renewal, non-refundable, due at renewal. There should be an administrative processing fee that's lower to just apply, then a higher amount when the license is awarded. 2. Caps are OK. Limit the number of Applications to five or six, similar to the 2016 process. Tie the number to a PO/BM, not the entity, to avoid work-arounds through shell companies. If you limit the number of Applications, then the entire process becomes more manageable. 3. Lower the proof of funds/capital requirements and clarify the source can be the PO/BM. Assuming there's a cap on Applications, consider an amount such as \$150K rather than \$500K. The cost to do business in rural Arizona is much lower than the urban centers. Further, the proof of funds should directly tie to the number of eligible applications to win. So if all five Applications go to one county where only one license can be

awarded, then only the \$150K is needed. The amount of funds should be directly connected to the number of wins for a particular PO/BM. I go into lots of detail about this in my comment and give examples. Let me know if you need more detail here. Further, the funds should be acceptable if they come from a PO/BM. Banking for a new cannabis entity is going to be extremely rare and isn't practical. No major bank will open a new account and the two banks in Arizona take weeks (sometimes months) to even get before a committee to consider opening a new bank account for cannabis. Without the SAFE BANKING Act passing Congress, it's a hard stop to get banking for a prospective cannabis business in today's market. Allow for the proof of funds from the PO/BM, not just the entity. Make it "or" in the Rules.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Define "received" in the statute to include Complete and Compliant so that remediation of applications is possible. Mistakes happen and there should be room to correct. Plus, an award 60 days from the first application submittal is not humanly possible. If you define "received" to be a "complete and compliant" application, then you have the final say over when an application was "received." Don't mix up an application being "submitted" with one being "received." The Applicant determines if an Application is "submitted." The Department determines if an Application is "received."

Q4

What questions/comments do you have that were not addressed above? None.

Respondent 89:

01

What part(s) of the draft rules, do you believe are effective? Respondent skipped this question

O2

How can the draft rules be improved?

1.) the wholesale rules from one license holder to another should require to pay for any marijuana products at the time of delivery or before... no payment terms should be permitted to avoid fraud and legal battles like we see all over in CA ... similar like it is required in the liquor industry for many states ... 2.) what is suggested or requested to change a none profit dispensary to a for profit entity 3.) does a recreational facility need to have a separate legal entity from the medical dispensary based on the dual license holder? 4.) when will the open counties for applications be disclosed by DHS? 5.) Marijuana inventory NEED to be combined for a medical and recreational license holder at the same location or it will create a nightmare for the operator logistically and space wise as well... the POS system needs to separate each transaction based on how it is sold – medical or recreational. 6.) the dispensary requirement to have the patient ID printed on EACH single product should be void. It is understood that the amount of possession is different between medical and recreational – the medical marijuana patient has a higher amount BUT this can be certified easily by the card holder by providing the Medical Marijuana Patient Card to any law officer as required or needed. Otherwise it would be a logistical nightmare for a dual license holder at the same point of sale. 7.) If any person has an active dispensary agent card or facility agent card the card holder should be allowed to work at ANY marijuana facility in AZ - the dispensary or facility agent card should belong to the person of the card holder. NO

multiple charges for background checks should be requested and are unnecessary! 8.) any employee should provide to the employer of the marijuana establishment a Level 1 Fingerprint Clearance card - this should be sufficient to be eligible for the DHS agent facially card! The level 1 fingerprint clearance card is sufficient for any person working in a school or in a security company and this should be the same for any marijuana establishment. 9.) the facility DHS agent card processing fee should be reduced to \$50 for a 2 year term after providing the Level 1 fingerprint clearance card 10.) if a license is not granted to an applicant the application fee of \$25K should be refunded with min \$20K 11.) if in a county no medical dispensary exist anymore can the new applicant apply for a medical and recreational license at the same time?

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

04

What questions/comments do you have that were not addressed above? Respondent skipped this question

Respondent 91:

Q1

What part(s) of the draft rules, do you believe are effective? Respondent skipped this question

 O_2

How can the draft rules be improved?

Thank you for the opportunity to provide comments to the Adult-Use Marijuana December Draft Rule ("December Rule"). The City of Phoenix ("Phoenix") is appreciative of the Department of Health Services' willingness to listen to comments and suggestions from Phoenix and other local jurisdictions. The Phoenix is looking forward to be part of the rulemaking process. The City has following comments regarding the December Rule: 1. The December Rule does not include a process to determine how many marijuana establishment licenses will be issued. A.R.S. § 36-2854(A)(1)(b) authorizes the Department to issue no "more than one marijuana establishment for every ten pharmacies ... within the State." Other than this restriction, Prop. 207 does not prohibit the Department from setting a cap on the number of marijuana establishment licenses. Does the Department plan to set a license cap that is less than one marijuana establishment for every ten pharmacies in the State? 2. License should be limited to uses permitted by local zoning ordinance. A.R.S. § 36-2850(18) defines a "marijuana establishment" as "an entity licensed by the Department to operate ... a single retail location at which the licensee may sell marijuana and marijuana products to consumers, cultivate marijuana and manufacture marijuana products." A marijuana establishment license authorizes the license holder to not only sale, but also grow and process marijuana at the same location. Whether a marijuana establishment license holder can legally engage in all the activities authorized by the license may depend on the local zoning ordinance. For example, in Phoenix, a medical marijuana dispensary use is permitted in both commercial and industrial zoned areas. Marijuana cultivation, on the other hand, is limited to industrial zoned areas. To avoid inadvertently issuing a license for uses that are not permitted by the local zoning ordinance, the Department should consider adopting a rule restricting the license to uses permitted by the local zoning ordinance. 3. Applicant with A Valid Medical Marijuana Dispensary License should be Required to Include a Local Zoning Verification in the

Application. The Department should also consider adopting a rule requiring an applicant with a medical marijuana dispensary license to include a local zoning verification in its license application. As stated above, a marijuana establishment license holder may engage in the cultivation, production, and sales of marijuana and marijuana products. The location of an existing medical marijuana dispensary, on the other hand, may not have the zoning entitlement to grow marijuana or produce marijuana products. Without adding a local zoning verification requirement in R9-18-303(C), the Department may inadvertently issue a license for uses that are not permitted by the local zoning ordinance. For that reason, Phoenix encourages the Department to add a local zoning verification requirement to R9-19-303(C). 4. Clarifications on the Intent of the Local Zoning Verifications Required by R9-18-303(A)(4) and R9-18-304(2). The December Rule requires the license applicant to submit two separate local zoning verifications – first as a part of the license application, and later as a part of the application for approval to operation ("ATO"). Phoenix wishes to understand the Department's expectations regarding these verifications. The verification included in the license application and required by R9-18-303(A)(4) seems to be limited to land use entitlement only - whether the marijuana establishment use is permitted at the proposed location If certain requirements were met. These requirements could include a certificate of occupancy, special use permit, conditional use permit, or other building safety or zoning approval. The verification required as part of the application for ATO and R9-18-304(2) seems to differ in two ways. First, the verification for ATO is required only if the marijuana establishment intends to operate a retail location. Second, the verification must indicate the proposed marijuana establishment location has obtained all the necessary building and zoning approvals. 5. Proposed Changes to the "Adult Use Marijuana Program – Documentation of Zoning Compliance" Form. Earlier the month, Phoenix received the "Adult Use Marijuana Program – Documentation of Zoning Compliance" form dated November 20, 2020. Phoenix has the following comments and proposed changes to the form: A) Under the "Local Jurisdiction Determination" section of the form, the local jurisdiction has no box to check if marijuana establishment use is not permitted at the proposed location. Phoenix recommends adding the following option on the form: "The marijuana establishment use is not permitted in the proposed location." B) The proposed marijuana establishment location may only have land use entitlement for some of the uses authorized by the marijuana establishment license. A proposed location may only have land use entitlement for marijuana retail sales only. The form does not allow the local jurisdiction to verify that only certain marijuana establishment uses are permitted at the proposed location. C) Phoenix recommends replacing the second option in the "Local Jurisdiction Determination" box with the following: Subject to complying with the applicable zoning requirements, the location of the proposed marijuana establishment has the land use entitlement to operate [sale/produce/manufacture] marijuana and marijuana products. This change is critical to local jurisdiction planning to impose special use permit, conditional use permit, or separation requirements on marijuana establishment. Without this modification, a local jurisdiction with these additional requirements will not be able to verify the proposed location "is in compliance with local zoning restriction" until the property owner has obtained all the required permits or zoning variances.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

1. The December Rule does not Include Rules Relating to the Social Equity Ownership Program. A.R.S. 36-2854(A)(9) requires the Department to "create and implement social equity ownership

program to promote the ownership and operation of marijuana establishment and marijuana testing facilities by individuals from community disproportionately impacted by the enforcement of previous marijuana laws." A.R.S. 36-2854(A)(1)(f) requires the Department to set aside 26 licenses to social equity ownership ("SEO"). Does the Department plans to include rules relating SEOs in the future draft?

O4

What questions/comments do you have that were not addressed above? Respondent skipped this question

Respondent 94:

01

What part(s) of the draft rules, do you believe are effective?

The consistency in verbiage and understanding between the medical rules and adult use expectations .

Q2

How can the draft rules be improved?

A bit more clarity and absolution in verbiage and deadlines

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Respondent skipped this question

Q4

What questions/comments do you have that were not addressed above?

1. Is there a rubric/format for the initial application? 2. If a medical dispensary receives a recreational license, do they receive an additional license number? Or is if just one license number per? 3. For dispensaries with both a medical license and an recreational license, is a single dispensary agent employed required to have dual DA Cards? And if so, are they required to pay the \$500 fee twice? 4. Who has the responsibility of notifying AZDHS at the beginning and ending of employment, the agent, or the facility? 5. Are the application fees refundable if an application is "withdrawn" because it is not completed, or compliant by March 9th, 6. Is "concentrate" defined as a concentrate of cannabis, or any product made using concentrate 7. Clarify "storage" as according to R9-18-312(A) 8. Do edible vendors need food handlers certificates? 9. if a medical product can be sold as an adult use product, does it need medical labeling? 10. Do dual licensed dispensaries need two separate inventory controls systems if the products can be legally sold to both medical patients and for adult use? 11. Do you have to check customer IDs at the store entrance? Or right before beginning sale? 12. Are minors allowed in the establishment if accompanied by an adult guardian 13. Can a customer purchase maximum one ounce of marijuana, per transaction, or per day?

Respondent 95:

Q1

What part(s) of the draft rules, do you believe are effective?

Documentation necessary for applicants with valid dispensary registration certificates to apply for an initial marijuana establishment license appears streamlined.

O2

How can the draft rules be improved?

Amend rules to include additional definitions; bring into congruence with 9 A.A.C. 17 and A.R.S. Title 36, Chapter 28.1 and 28.2 definitions. Several terms are defined in §36-2801, §36-2850 and elsewhere in the Arizona Revised Statutes, but not in program rules. Potentially benefits operators vis-à-vis a central dictionary, despite the redundancy: "Adult use;" "advertise," "advertisement," and "advertising;" "amend" and "amended;" "board member;" "child-resistant;" "consume," "consuming," "consumption," and "consumer;" "cultivate" and "cultivation;" "deliver" and "delivery;" "Department;" "designated caregiver;" "Dispensary Agent;" "dual licensee;" "early applicant;" "employee" and "employer;" "enclosed area" and/or "enclosed, locked facility;" "excluded felony offense" (How affected by §36-2862?); "financial institution" (or use in-state and out-of-state definitions as in med rules); "generally accepted accounting principles;" "good standing;" "health care facility;" "in-state financial institution;" "independent third-party laboratory;" "independent third-party laboratory agent;" "industrial hemp;" "local" and "locality;" "manufacture" and "manufacturing;" "marijuana;" "marijuana concentrate;" "marijuana establishment;" "marijuana facility agent;" "marijuana product" and "marijuana products;" "marijuana testing facility;" "nonprofit medical marijuana dispensary;" "nonprofit medical marijuana dispensary agent;" "open space;" "out-of-state financial institution;" "places of employment;" "Principal Officer;" "process" and "processing;" "Production batch" (A different nomenclature for batch(es) allocated for or produced by a manufacturing process, unique from the harvest batch identifier(s) of the parent cultivar(s). For a shared definition of production batch (from Colorado's marijuana rules): "'Production Batch' means (a) any amount of Regulated Marijuana Concentrate of the same category and produced using the same extraction methods, standard operating procedures and an identical group of Harvest Batch(es) of Medical Marijuana or Retail Marijuana; or (b) any amount of Regulated Marijuana Product of the same exact type, produced using the same Ingredients, standard operating procedures, and the same Production Batch(es) of Regulated Marijuana Concentrate." (p. 24:

https://www.sos.state.co.us/CCR/GenerateRulePdf.do?ruleVersionId=8439&fileName=1%20CC R%20212-3)); "public place;" "qualifying patient;" "registry identification number" and "registry identification card;" "smoke;" "usable marijuana;" "verification system." Revise the following definitions: "Change" – extra space between "agent" and "license" in R9-18-101(9)(a) R9-18-101(9)(d) refers to R9-18-308, replace "R9-18-XXX" "Dispensary" in contrast with "nonprofit medical marijuana dispensary" – permission to operate as a for-profit entity afforded by §36-2858(D)(2) and §36-2858(E). Add "except that..." clause to clarify. E.g., "... means the same as 'nonprofit medical marijuana dispensary' in A.R.S. § 36-2801, except that adult use dispensaries and dual licensees may operate as a for-profit entity pursuant to A.R.S. § 36-2858." R9-18-103(E): deficiency vs. deficiencies. Are notices of deficiency(-ies) (NOD's) the same as written comprehensive requests or supplemental requests for information (RFI's)? Are there any exceptions or further guidance for contractors working outside of a controlled-access area or in a room where no marijuana or marijuana product is present? See R9-17-308(A)(7).

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Inventory Control System per §36-2854(A)(5) – What to sell, how to operate once current operators are licensed and have all necessary approvals and registry cards? Expectation(s) for seed-to-sale state traceability software? (Metrc, et al.) Requirements for delineating which inventory is medical, and which is adult-use? Need for inventory to be assigned to medical or

adult-use allocation at time of harvest/manufacture vs. at time of sale/made available for dispensing? Differences for plants (e.g., when greater than six inches tall or wide, as in Colorado) vs. manufactured or infused products (e.g., assigned pre-production based on categorization of input material). Any possibility of one-time transfer or grace period for existing medical inventory to be allocated for initial adult-use sales, like §36-2855(E)? Any possibility of ongoing permission to re-categorize/re-allocate final product based on demand/operational needs? Do dual licensees need separate sales floors for medical and adult use transfers? Must be at "a shared location" per §36-2858(F). Does this mean under one roof? One contiguous property? One registry identification and/or approval to operate? Table 1.1 Time-frames: missing Authority and time-frame for several rows of table: Applying for a marijuana establishment license; applying for approval to operate a marijuana establishment; changing the location of a marijuana establishment's retail location or adding or changing a marijuana establishment's cultivation site or manufacturing site. Table 1.1 Time-frames: missing Authority citation for several rows: Renewing a marijuana establishment license; applying for a marijuana testing facility license; applying for approval for testing; renewing a marijuana testing facility license; applying to add a parameter. Historical Notes on all sections (as applicable) to detail how rules were amended throughout the rulemaking process (i.e., 6-month grace period for testing on mycotoxins) Analogue for R9-17-309, "Inspections." Format rules in way that resembles the phrasing, order, and structure of information as presented in 9 A.A.C 17. Will be conducive to eventual merging of language (if approved by voters) into one set of marijuana program rules as happened in Colorado, Michigan, Washington, et al. Some details about the inspection process are detailed in R9-18-103, other mentions in R9-18-303, R9-18-306 Will marijuana establishments be able to sell plant cuttings ("clones") to customers and other dispensaries? Give them away? If so, how? Per §36-2852, the following act is lawful: "transferring up to six marijuana plants...if the transfer is without remuneration and is not advertised or promoted..." So, cannot be shown via listing service or advertising platform, even if given away? Can the transfer of plants without remuneration occur on the same transfer of other marijuana and/or marijuana products that are exchanged for remuneration? How could an operator accept an electronic request to transfer plants (without remuneration) if the marijuana plants are disallowed from appearing on a listing service or electronic ordering platform (Leafly, Leaflink, etc.)? Will there be a mechanism for electronically converting all Dispensary Agents to Facility Agents for dual licensees (i.e., submitting applications automatically or en masse)? Will there be payment plan options for applicants with valid dispensary registration certificates that are applying for all Dispensary Agents to be converted to dual licensee Facility Agents to mitigate potential cash flow concerns?

04

What questions/comments do you have that were not addressed above?

Where might an operator find a detailed accounting for how each fee is "reasonable and related to the actual cost of processing applications" per §36-2854(A)(2) of the statute? Several sections appear to have phrasing that could be further brought into congruence with the phrasing of rules for the Medical Marijuana Program (see 9 A.A.C. 17). Examples: Table of contents, section headers/phrasing. R9-17-311: "Submitting an Application for a Dispensary Agent Registry Identification Card" vs. R9-18-201: "Initial Application to Register for a Marijuana Facility Agent License." Change R9-18-201 to "Submitting an Application for Registration of a Marijuana Facility Agent." R9-17-312 section title vs. R9-18-202. R9-18-309: "Selling, Dispensing, or Otherwise Transferring..." (a la R9-17-314). Where is the statutory authority or

mandate to require a minimum amount of funds available as presented in R9-18-303(A)(6)? Does the authorized financial institution need to be in-state or are out-of-state financial institutions also acceptable? (How are those terms defined?) Does this requirement not increase the barrier to entry for less-privileged applicants? Were geographical considerations included when determining the minimum amount of funds? More capital is likely needed to operate where cost of living is higher. What other factors were involved in calculating the fund requirements? Will this be a moving target (e.g., pegged to Consumer Price Index to account for potential inflationary pressure, tied to a minimum wage/cost of labor, etc.)? Where is the statutory authority or mandate to require marijuana establishment licenses to be non-transferrable or nonassignable as presented in R9-18-305(A)? Should operators expect a different table of analytes for the required testing of adult use marijuana and marijuana products? Fix R9-18-312(H)(1)(c)(ii) for clarity: "A video printer..." How to print video? Clarify to mean print a still from video by omitting first instance of "video". E.g., "A printer capable of immediately producing a clear still photo from any video camera image;" R9-18-312(H)(2)(c): How to prevent loitering on public sidewalk(s) by marijuana establishments and/or cultivation and/or manufacturing sites? (Open space) R9-18-313(A)(4)(b): How were "reasonable levels" evaluated in "consideration of industry standards"? Denominations more than 100 mg per package and/or 10 mg per serving will be allowed for medical but not adult use? Bifurcation of rules is not conducive to eventual merging of language, should the voters approve such in the future. Subsection (i): remove "of," e.g., "10 mg per serving." Explain "mg" or spell out "milligrams" in full. R9-18-314(A)(7), request for clarity: "...products are securely covered." Any further specifications? Does covering need to be opaque or translucent, locking, of a certain material or for an explicit purpose (e.g., non-leaching), etc.? R9-18-201: What if an individual does not have a Social Security number, but still has authorization to work in the country? Are there residency requirements? R9-18-201(4)(b): What if using fingerprint cards in lieu of level 1 fingerprint clearance card? Level 1 fingerprint clearance cards will only be acceptable for the adult use program, but will not suffice for the medical program? R9-18-301, request for clarity: "...individuals identified in the marijuana establishment's by-laws as...." What if no by-laws? Something analogous? Align business entity requirements with existing corporate law requirements vis-à-vis operational documents and licenses. Possibility of a designated representative for communications with the Department? Possibility of singular license number for dual licensees to streamline recordkeeping and labeling?

Respondent 96:

O1

What part(s) of the draft rules, do you believe are effective? R9-18-310

Q2

How can the draft rules be improved?

1. The Department should not license individual employees but should instead require licensees to perform background checks on their own employees, retain documentation, and issue identification cards. However, if state is going to license employees, the fee structure in R9-18-102(1) is too high and will serve as an unnecessary barrier to entry that will harm entry-level employment opportunities and hamper the labor market. These fees should be minimal and reflect the fact that most labor needs within the regulated marijuana industry pay entry-level wages. 2. The entirety of license fees for marijuana establishments should not be nonrefundable.

If the agency needs to recover its costs of reviewing applications, it could charge a nonrefundable application fee separate and apart from the entirety of the licensing fee. The bulk of the license fee should be refundable to applicants in the event they are denied a license. The current fees proposed in R9-18-102(4) and R9-18-102(8) serve only as an unnecessary barrier to entry that restricts the market to well-endowed applicants. 3. Proposed regulations R9-18-103(B), R9-18-302, and R9-18-303(1) require an applicant to have an interest in a fixed address at the time of application. This requirement unnecessarily raises the barrier to entry and raises financial risk for applicants by requiring such applicants to purchase or assume lease obligations for real estate assets that they may not be able to use. The proposed rule set already distinguishes between the issuance of a marijuana entity license and an approval to operate a marijuana location. The Department could lessen the financial risk facing applicants by awarding a provisional license to an applicant without the requirement to name a specific address and allow a recipient of this provisional license to afterward secure a physical address within the county in which the license has been allocated, provided the address meets local zoning requirements and is subject to inspection. Upon inspection of the physical address, the provisional marijuana entity license could be made permanent and issued an approval to operate. This approach has been employed in Nevada to successfully lower the risk facing applicants and ensure greater likelihood of success. 4. Proposed regulation R9-18-303(A)(3) requires all principal officers and board members of an applicant to secure a marijuana facility agent license prior to submitting an entity's application for a marijuana entity license. However, all applications for marijuana entity licenses must be received by March 19, 2021. The processing time for marijuana facility agent licenses could slow or impede an otherwise qualified entity from submitting a completed application for a marijuana entity license. The regulation should allow principal officers and board members to apply for marijuana facility agent licenses simultaneous to the entity's application for a marijuana entity license. 5. Proposed regulation R9-18-303(A)(6) requires an applicant for a marijuana entity license to demonstrate at least \$500,000 in liquid capital prior to issuance of a license. This creates an unnecessary barrier to entry into the regulated marketplace that restricts the legal market only to well-endowed persons and would systematically exclude persons of modest means, including those from communities that were disproportionately impacted by the war on drugs. Further, an entity's ability to raise capital is highly dependent on its ability to obtain an operating license. The minimum capitalization requirement inverts the normal course of corporate finance and would require financiers to assume inordinate risk without any assurance that a license will be awarded. 6. Marijuana entity licenses are apportioned strictly by county. However, the location of cultivation and manufacturing facilities, which are for wholesale production only, are immaterial to the retail market. If regulators' intent is to geographically apportion retail locations across the state to ensure reasonable access for consumers, then there is no reason to apply similar restrictions to cultivation and manufacturing facilities as well. Indeed, this method of apportionment would create economic inefficiency within the industry to the harm of consumer welfare by requiring licensees to locate wholesale facilities in locations that are more costly or less convenient to operate. 7. Proposed regulation R9-17-308(A)(1)(a) would require a marijuana establishment licensee to open its retail facility to the public a minimum of 30 hours per week. The scale of operation is a business decision that should be reserved to ownership based on forecast profitability analyses and should not fall within the realm of regulatory oversight. Moreover, the proposed rule does not appear to provide any leeway for extenuating circumstances, such as a natural disaster or pandemic that may prevent a licensee from operating for extended periods. 8. Proposed regulations R9-18-312(G)

prohibits a marijuana establishment from delivering products directly to consumers. However, the rule set (and authorizing statute) restrict the number of retail locations to two per county. This lack of availability may limit reasonable access by consumers and encourage consumers to seek black-market alternatives or drive long distances to acquire legal marijuana products and thereby increase the rate of driving under the influence. The Department should re-evaluate the use of delivery services directly to customers as other states have done to address these significant concerns.

Q3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

There are no provisions for advertising or additional license types that might include a marijuana event license or on-site consumption licenses.

Q4

What questions/comments do you have that were not addressed above? Respondent skipped this question

Respondent 101:

01

What part(s) of the draft rules, do you believe are effective? It's too early to tell.

Q2

How can the draft rules be improved?

See below: R9-18-101 Definitions: 1 Subsection 6/7 - Batch/Batch Number has no mention of strain, this leads to multiple strains from the same "Batch" as currently defined in R9/207. 2 Subsection 12 - Cultivation site only references Marijuana Establishment. Does this mean we get a second off-site location to cultivate? 3 Subsection 16/18 - Only mentions "Edible Food Products" and "Inhalables." What about definitions of other methods of ingestion? (Topicals/Patches/Suppositories)? 4 No definition for "Marijuana Facility". 5 We would really appreciate a more complete definition of "Commercial Devices", rather than only referring to referring to another ARS. Otherwise the reader may assume this also references required standards for kitchen equipment, which it does not. Please formally define this term and how/when it may apply. 6. Please consider providing a definition of "Serving Size". Relate it back to the Prop 207 statute and any reference dose, if possible. R9-18-102 Fees: 1.a.b. - We interpret as someone that is not a current DA (new employee) 1.c.d. - We interpret as someone that is a current DA and is applying/renewing for a Facility Agent license. This would be good if true. R9-18-103 Time Frames: 1 Subsection B - Inspection date is required to be defined upon submission of application. 2 Subsection E 1 - Any notice of deficiency related to facility agent applications require a 5 day response otherwise the application will be considered "withdrawn." The entire table 1.1 seems expedited. - Could be good, or bad depending how responsive the state is. 3 No time frame defined for applying for a "Marijuana Establishment" license? Missing from Table 1.1... when will this be added? 4 Will we be required to carry both a "Dispensary Agent" and "Facility Agent" card as a dual-licensee? 5 Renewal of a "Marijuana Establishment" license has a notice of deficiency response time of 5 days or the renewal is considered withdrawn per Table 1.1. R9-18-310 Product Labeling: Another concern is the verbiage "marijuana product" used throughout the draft as an "umbrella" term for a variety of product types, whereas

the word is not defined in the R9-18-101. Definitions section. "Concentrates" are referenced one time in this document, while "Marijuana product" is mentioned 62 times, and has different compliance stipulations than just "marijuana," in the R9-18-310. Product Labeling section. We understand the term is defined in the Proposition, however, we believe the State should define the term "marijuana products" for the sake of clarity due to the frequent and grave use of the term throughout the document. R9-18-312 Security: G. No delivery allowed. Does this include 3rd Party delivery services? R9-18-313 Edible Food Products: A.4.c Scored or otherwise delineated into standard survive size. Can "otherwise delineated" include a physical object, card, or package that illustrates this delineation? It can be very hard to delineate some products (like rice treats), but easy to include a to-scale illustration of the product and how to delineate a dose. O3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Some definitions are missing (see answer to Question 2). There could be some clarification to "Manufacturing Facility" as some folks think that means another cultivation. Need some clarification of fees for an existing Medical dispensaries to become dual licensees. To ask an current dispensary that applies for a dual license to spend \$500 on a DA card and then another \$500 for an FA card is egregious.

04

What questions/comments do you have that were not addressed above? Respondent skipped this question

Respondent 102:

01

What part(s) of the draft rules, do you believe are effective?

The draft rules are very clear in explaining the process used to determine the allocation of recreational licenses and the documentation that will be needed for submission. The rules are also effective in describing the similarities between the inventory control, labeling, and security between recreational and medical licenses. (From my read 2x through, these sections seem nearly identical).

O2

How can the draft rules be improved?

The draft rules are not clear in describing how a dual licensee would be treated, and which provisions from which rule set would apply to "governance" of the dispensary (perhaps both rule sets, but then please outline their differences). The rules also do not contemplate physical space issues or specify how the Department may handle adult use. For instance - is an "open shopping" concept allowed? Can customers enter the dispensary at will, and so long as marijuana is stored in a compliant fashion (locked and only accessible to agents) and age is verified before sale, that the store can function like any other retail space? The draft rules could also use additional clarification of the "split" facilities (retail, cultivation, manufacturing site). For a dual licensee, are these IN ADDITION to an existing retail or offsite cultivation? I'd also like to comment on the nature of a dual-licensee being required to pay \$1000 per employee for licensure. It could be made clearer if a dual-license must provide a DA card and facility agent card for each employee working at the dispensary. If so, I'd also like to mention that ARS 36-2855 states that fees for agent cards must be reasonable and related to the actual cost of processing applications. \$500 (effectively \$250 per year) seems excessive for a digitally-produced licensing card. This could

provide a serious burden for employees, should the dispensary force employees to pay for their own cards (for some, this could equate to \$1000 in order to begin employment).

O3

Besides the elements noted to be added in a later draft, has anything been left out that should be in the draft rules?

Yes! The definition of the term "concentrate." It's clear that a customer may only purchase 1 oz (28 grams) of cannabis, with not more than 5 grams of concentrate. Is a marijuana concentrate considered as edibles, inahlables, etc. (or is it only high-potency concentrates like distillate, shatter, etc.?) Can a facility agent assume that if a customer purchases 5 grams of concentrate, they are able to purchase 23 grams of non-concentrates?

04

What questions/comments do you have that were not addressed above?

I apologize for the length of this question set. It seemed more natural to place down here, as a list, rather than imbedded as comments above: - R9-18-313(A) states that a marijuana establishment that sells edibles must be licensed as a food establishment. Does this pertain to retail locations (selling to the customer) or only to licenses that are permitted to manufacture edibles? (In other words, if a retail site does not plan to manufacture edibles, but only sell them to customers, must they hold a food license?) - What is the definition of "storage?" R9-18-312(A) states that at a retail location only authorized facility agents can have access to where marijuana is stored. Can storage be considered a locked container in a large central room where customers are shopping? (Specifically, if all marijuana/marijuana-infused products are stored in a limited access areas, can there be a single sample in a non-limited access area that is secured in a fashion where it cannot be accessed except by an authorized facility agent?) (Or perhaps in other words again, what is the definition of limited-access area? We do not plan to store product where customers can access, but we WOULD like to display product in locked display containers in a large central room.) - Can you confirm that no customer labeling is required? Products that meet the labeling requirements in R9-18-310 can be sold to qualified customers as-is without additional labeling requirements? (This would be in contrast to medical sales, which DO require customer labeling and submission to the DHS allocation site.) - If a product can be sold to both medical and adult use customers, do both license numbers need to be present on the product? (A different way of asking: For dual licensees, will the marijuana establishment license number be different than the dispensary registration certificate number?) -Is the purchase limit of 1 oz per day or per transaction? (And is incumbent upon the customer to not visit more than 1 dispensary per day if they were to purchase their full allocation?) - Are minors allowed in the building? Specifically, can age verification under A.R.S. § 4-241(K) occur prior to point-of-sale, or does it need to occur in order for the customer to enter the building? -Are there separate inventory controls required for dual licensees (ie: if a product meets the standards and rules for adult use consumption, can that same product be sold to a medical patient and/or vice versals it the responsibility of the marijuana facility agent to notify the department when they begin or end employment at a marijuana facility, or is it the responsibility of the marijuana facility itself?) It seems to be written disparately in R9-18-203(B) and R9-17-308(A)-9. - For a dual licensee, can a marijuana establishment's offsite cultivation site be different from it's dispensary's offsite cultivation site? - For a dual med/rec license, is an employee required to have both a dispensary agent (DA) card and a marijuana facility agent card? (in other words spending up to \$1k every 2 years on employee licensure?) (Thank you for reading this novel!)

To: Thomas Salow, Branch Chief, ADHS, Public Health Licensing Services

From: Pele Peacock Fischer on behalf of the Arizona Dispensaries Association

Re: Adult-Use Marijuana Program December 2020 Proposed Rules

Date: December 17, 2020

Following are specific comments on the Adult-Use Marijuana Program December 2020 Proposed Rules ("Proposed Rules"). These comments follow the order of the Proposed Rules and any explanation is included. I am available for further discussion on any of the issues raised.

Thank you for your consideration and hard work to get the adult-use program up and running.

R9-18-101 Definitions

- For clarity, it would improve general understanding and scope to exclude definitions that are not yet applicable to the draft rules.
- For clarity, it would help to include the following definitions:
 - o Dual Licensee pursuant to ARS 36-2850(9)
 - Early Applicant pursuant to ARS 36-2850(10)
- R9-18-101(12) "Cultivation site" means the MARIJUANA ESTABLISHMENT LICENSE'S single offsite location where marijuana may be cultivated and processed and marijuana products manufactured for a marijuana establishment
 - A dual licensee could legally operate more than one cultivation site available under the combination of Arizona Medical Marijuana Act ("AMMA") and Smart and Safe Act ("SASA"). See A.R.S. §§ 36-2806(E), 36-2804(B)(1)(b)(ii) and A.R.S.§ 36-2850(18)(a), (b) and (c).

R9-18-102 Fees

- R9-18-102 (1): references subsection (B) but there is no subsection(B)
- Fees for Marijuana Facility ("FA") License
 - The FA license is a license to work in the marijuana establishment industry rather than
 for a specific dispensary. The fees should mirror the true cost of the Department's
 expense to process and issue the FA license and not anymore. Furthermore, fees for an
 FA license should not be an undue barrier to licensure for employees.
- Application fee is for a Marijuana Establishment license is not stated and it should be specified if the application fee is refundable or non-refundable.

R9-18-103 Time Frames

- The punctuation in the lists in R9-18-103(A) and (H) need to be remedied. They should have semi-colons.
- Table 1.1 should be complete with all applicable time frames.

- R9-18-103(B) clarity should be provided that approval to operate only applies to Early Applicant for available county licenses and not Dual Licensee.
- R9-18-103(E) states that an application shall be withdrawn if an applicant does not submit missing info pursuant to table 1.1 but Table 1.1 does not provide the time frame. Section (G)(2) requires 10 working days. Should be calendar days per the definitions.

R9-18-201 Initial Application to Register for a Marijuana Facility Agent License

- R9-18-201(2) The lettering needs to be fixed (there are two (d)s). Also, the punctuation should be amended to clarify the specific requirements necessary. Does the picture need to be of a certain quality?
- Documentation should be allowed to be submitted for an interim process for someone that has
 recently located to Arizona from out of state and does not yet have an Arizona driver's license or
 identification card. A temporary driver's license or identification card should suffice the
 requirements.
- R-18-201(2)(d) Someone applying for an initial FA license would not have a FA license to submit. It would be more logical to be required to be submitted in connection with a FA license renewal pursuant to R9-18-202.
- The following should be added and included:
 - R9-18-201 (c) the requirement in ARS 36-2855(B)(2) is deemed satisfied if the applicant has submitted a full set of the applicant's fingerprints for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and public law 92-544 to the Department within the previous 12 months.

R9-18-301

- The requirements in this section should mirror Arizona law governing corporations, partnerships, limited liability companies, associations, etc.
- R9-18-301 (A) and (B) Not all entities are required to have by-laws. Language should be amended
 to mirror entity requirements under Arizona law such as "....by-laws or other organizational
 documents of the entity".
- Officers should align with Arizona law regarding who are legal principal officers.
- Board Members should align with Arizona law regarding who are legal board members.
- The rules should allow for a Marijuana Establishment licenses to designate a representative that
 is appointed and removed in compliance with applicable state law for purposes of communication
 with the Department, in addition to the PO/BM.

R9-18-303 Applying for an Initial Marijuana Establishment License

- R9-18-303(A)(1)(d) The punctuation should be revised, and a period added at the end of the list.
- R9-18-303 (5)(b) should include the same statement as the zoning requirements. "The statement must include the legal name of the marijuana establishment or identify at least one principal officer or board member."
- R9-18-303(6) needs to be further clarified. How is a financial institution defined? The
 confirmation should include the marijuana establishment or at least one principal officer or
 board member of the marijuana establishment / applicant. What expectations or qualifications
 surround "funds available"?

- R9-18-303(7) applicable fee is not referenced in R9-18-102 for applying for a Marijuana Establishment license.
- R9-18-303(C) requirements should include an attestation that the applicant understands and will comply with the requirements in ARS Title 36, Chapter 28.2 and this Chapter.
- The applicable fee is not referenced in R9-18-102 for applying for a Marijuana Establishment license.

R9-18-304 Applying for Approval to Operate a Marijuana Establishment

Applying for approval to operate should be excluded for dual licensee

R9-18-305 Changes to a Marijuana Establishment License

- R9-18-305 (A) should be removed. This restriction is not in alignment with SASA and voter intent.
 SASA makes it clear that changes in ownership of Marijuana Establishments was intended.
 Marijuana Establishment licenses and Dual licenses may operate on a for-profit basis. It was never intended that they could not be transferred or assigned. It is not in alignment with for-profit entities to restrict transfer or assignment of license. See ARS 36-2858.
- R9-18-305(B) "manufacturing site, or cultivation site" should be removed from this provision.
 SASA restricts the ability to move an early applicant county marijuana establishment license retail location out of the county where the original license was issued, no such restriction applies to cultivation and manufacturing related to that early applicant county license.

R9-17-308 Administration (Note the 17 needs to be an 18)

- R9-18-308 (A)(1) should be clarified to not apply to Dual Licenses. The requirement should only apply to an early applicant county Marijuana Establishment license.
- R9-18-308 (A)(7)
 - An FA should not have to accompany an individual in the customer areas. This should apply only to cultivation, manufacturing or secured limited areas of a retail location. The requirement should not apply to customer areas.
 - Also, the rules should allow for proper contractor access, so if the contractor does not have access to marijuana or marijuana products and there are appropriate security measures in place, no FA escort should be required.
- R9-18-308 (A)(8)(a) and (c) Should include the word "To" before the words "serve" and "provide."

R9-18-309 Selling or Otherwise Transferring Marijuana or a Marijuana Product

• R9-18-309(A)(2) citation to R9-18-311 not in the rules

R9-18-310 Product Labeling

- R9-18-310 (A) Dual licenses need a grace period to incorporate their new Marijuana Establishment license number on the label. For some time either the dispensary registry identification number or the Marijuana Establishment license number should suffice. One license number should suffice for a dual licensee.
- R9-18-310(A)(2)(e) Table 3.1 is not in the rules

- R9-18-310(B) Dual licenses need a grace period to label new marijuana establishment license number. For some time either the dispensary registry identification number or the Marijuana Establishment license number should suffice. Both numbers are not necessary
- R9-18-310(B)(2) Product labeling. Should read, "A copy of results of testing, IF ANY, by a marijuana..." The test results are only applicable to final sales to patients. If a cultivation wants to transfer without the test results, they should be able to. It is the ultimate requirement that the marijuana or marijuana product be tested prior to sale.

R9-18-312 Security

- The citation is subsection (A) is inaccurate and should reference R9-18-308(A)(7)
- Also, should allow for proper contractor access, so if the contractor does not have access to marijuana or marijuana products and there are appropriate security measures, no FA escort should be required.

R9-18-313 Edible Food Products

- Need to provide a grace period for dual licenses to obtain a license or permit as a food establishment.
- The requirements for a food establishment license or permit need to match what activity a ME is doing. If a Marijuana Establishment license is only selling or transferring pre-packaged food that are not time/temperature controlled for safety food. In accordance with 9 AAC8, Article 1 they should not be required to obtain a license or permit.
- We do not believe that it makes sense for a Marijuana Establishment to be required to obtain a
 copy of the license or permit of the food establishment where the product was prepared. Rather,
 an Marijuana Establishment should be required to ensure that any edibles are prepared in a
 licensed or permitted food establishment.

R9-18-315 Physical Plant

- R9-18-315(C)(1) the citation to ARS 41-2091 is not correct. In definition section 41-2051
- Subsection (D) should be included as follows: D. County regulations for health and safety supersedes limitations that may be imposed by the department for buildings used as a marijuana establishment's retail location or the location used as a marijuana establishment's cultivation site or manufacturing site.

R9-18-316

R9-18-316(C) a provision should be added that the Department may suspend, revoke, or fine a
marijuana establishment license if principal officer or board member of the marijuana
establishment provided false or misleading information to the Department. The requirement for
truth and accurate information should extend beyond award of the application. If they received
the Marijuana Establishment license based on false or misleading information, it should later be
able to be revoked.

Other Notes:

Packaging standards – guidance should be given for standards for child-resistant packaging such as American Society for Testing and Materials or another industry standard as the department sees fit. This will create bright-line requirements and reduce future compliance issues.

License number issue – interaction of a medical registry certificate number and a Marijuana Establishment license number for dual licensees.



Dual License Holder Operations

In reviewing the draft rules for the recreational marijuana program and in response to numerous calls from clients seeking clarification, we are asking the Department to clarify the intersection of medical facilities and recreational facilities, specifically as it relates to the production and wholesale sale of Marijuana and Marijuana Products.

The following are some of the more significant questions and areas where clarity is requested:

- May a medical marijuana facility sell or transfer Marijuana or Marijuana Product to a recreational facility? For example, may a medical marijuana cultivation sell or transfer marijuana trim to a recreational manufacturing facility?
 - O We are trying to determine the parameters for how Marijuana and Marijuana Products (at all stages of growth/development/production) may be interchanged between medical and recreational facilities.
- If a nonprofit medical marijuana dispensary is accepting Marijuana or Marijuana Products from a Marijuana Establishment, how should the Marijuana or Marijuana Product be entered/tracked by the nonprofit medical marijuana dispensary's inventory tracking and control system? Our clients are requesting more information on this since recreational marijuana facilities are not subject to the same recordkeeping procedures/etc.
- The rules are currently silent on whether Dual Licensees must apply for a new approval to operate (ATO) for a joint-retail location with an existing approval to operate under the AMMA. While we understand local municipalities may impose additional zoning approvals on a Dual-Licensee, will a new ATO for the dispensary (previously approved under the medical program) be required? Any clarification on the ATO requirements for Dual Licensees with existing ATOs under AMMA would be appreciated.



Principal Officers/Board Members/Bylaws

R9-18-301 (p. 17)

Comment 1:

The regulation uses the terms "principal officer" and "board members" in relation to entity types that do not have these positions. It also requires bylaws, which would not apply to entities that do not use bylaws for its operational document. For example, a limited liability company would not be governed by its bylaws, but instead its operating agreement. The incorrect use of these positions and terms has caused significant issues under the medical marijuana regulations, and we anticipate the same or similar issues going forward if entity specific terms are not used.

Suggested Edit:

We recommend refraining from identifying everyone as either a "principal officer" or "board member", and instead make it appropriate for the entity type. For example, a limited liability company, members and managers would be named.

We also recommend refraining from requiring bylaws, and instead require the appropriate operational document for each legal entity as described above.

Comment 2:

The regulation requires each principal officer, also be named a board member. This infringes significantly on the corporation's ability to self-govern because there are instances when a corporation needs to appoint principal officers who do not have the decision-making powers of board members.

Suggested Edit:

We recommend this requirement be removed and allow each corporation the ability to dictate these types of internal decisions.



Marijuana Facility Agent Cards for Dual License Holders

R9-18-201 (p. 12)

Comment 1:

Under the current medical marijuana program, any individual submitting an application that requires fingerprints can use prior fingerprints, if they were submitted to the Department within the previous 6 months.

- Will this also apply to the recreational application program?
- Will there be crossover between the two programs in this respect? Meaning if an individual possesses a DA Card and has submitted fingerprints to the Department within the previous 6 months, may those fingerprints be used for the individual's MFA Card or will the Department require new fingerprints be submitted?

We are requesting the Department allow individual applicants to utilize fingerprints which have been submitted in the previous 6 months, for either the medical or recreational programs it would streamline the application process overall and lessen the administrative time and costs required for appropriate applications.

Selling or Otherwise Transferring Marijuana or Marijuana Products

R9-18-309 (p. 28)

Comment 1:

The term **transfer** (transfer to consumers) is currently undefined in the rules. Since only retail establishments may engage in consumer sales, we are seeking clarification as to whether the term "transfer" is intended to cover the (future) delivery or donation of Marijuana or Marijuana Products under the recreational program.

Suggested Edit:

We are asking the Department to define the term "transfer" (as it relates to transfers to consumers) and provide further direction.



Child Resistant Packaging

ARS § 36-2854(A)(5)(b)

Comment:

We are asking the Department to clarify whether Marijuana and Marijuana Products must be individually packaged in child-resistant packaging, OR, if all Marijuana and Marijuana Products purchased at a dispensary, just need to be placed in a single child-resistant package prior to existing the dispensary.

We are working with clients to determine if this requires an adjustment to all individual product packaging or simply requires the use of a child-proof exit bag.

Fingerprint Requirements and Related Fees

R9-18-102(1) (p. 6) R9-18-201 (p. 12)

Comment 1:

Our clients have expressed some confusion regarding the fingerprint requirement and related fees. Specifically, we are asking the Department to clarify that an applicant may submit fingerprints using a typical fingerprint card OR may submit a Level 1 clearance fingerprint card as part of various application processes.

Suggested Edits:

We suggest modifying and adding "and/or" to R9-18-102(3)(c) as follows (see bold proposed language):

- a. For an initial registration for an applicant submitting the applicant's fingerprints on a fingerprint card, \$500;
- b. For renewal of registration for an applicant submitting the applicant's
- c. fingerprints on a fingerprint card, \$500;
- d. For an initial registration for an applicant submitting a copy of the applicant's current level 1 fingerprint clearance card issued pursuant to A.R.S. § 41-1758.07, \$250; and/or
- e. For renewal of registration for an applicant submitting a copy of the applicant's current level 1 fingerprint clearance card issued pursuant to A.R.S. § 41-1758.07, \$250.

We suggest modifying R9-18-201(4)(b) as follows (see bold proposed language):

• As an alternative to the items provided in subsection (a), an applicant may submit documentation that the applicant has a level 1 fingerprint clearance card issued according to A.R.S. § 41-1758.07;



Definition of "Batch"

R9-18-101(6) (p. 3)

Comment 1:

A "batch" of Marijuana Products is defined as a specific amount of product "infused, manufactured, or prepared for sale from the same set of ingredients at the same time." This definition based on "ingredients" is confusing because ingredients bought in large quantities could be used over a period of weeks and in various Marijuana Products. Are all such products part of the same "batch"? If not, what does the "same set of ingredients" mean?

Comment 2:

It is unclear what period of time the term "at the same time" refers to. In an effort to provide our clients with clear direction on compliance, it would be helpful to have additional clarity on what the Department considers to be "at the same time", especially if Marijuana Products are being produced (using the same oil etc.) over a period of time.

COPPERSMITH BROCKELMAN

LAWYERS

To: Thomas Salow, Branch Chief, ADHS, Public Health Licensing Services

Thomas.Salow@azdhs.gov

From: Roopali Desai and Kathy Steadman

Re: Adult-Use Marijuana Program December 2020 Proposed Rules

Date: 16 December 2020

Following are specific comments on the Adult-Use Marijuana Program December 2020 Proposed Rules ("Proposed Rules"). These comments follow the order of the Proposed Rules and are comments by exception. That is, if there is no comment included in this memorandum, we do not currently have a comment about a specific Proposed Rule.

Article 1. GENERAL

R9-18-101 Definitions.

"Cultivation site". It is important to ensure that this definition comports with our understanding of the allowable Cultivation sites for Dual Licensees. As evidenced by the attached chart, a dual licensee can have an attached cultivation facility, an offsite cultivation facility (from the AMMA provisions), an offsite cultivation location (from the SASA provisions), an offsite manufacturing and packaging location (from the SASA provisions) and an offsite location for manufacturing and packaging shared by 2+ dual licensees (from the SASA provisions. By including the term "single" in the definition of Cultivation site, we believe it lends confusion to the number of Cultivation sites available under the combination of AMMA and SASA. See A.R.S. §§ 36-2806(E), 36-2804(B)(1)(b)(ii) and A.R.S.§ 36-2850(18)(a), (b) and (c).

"Received". We would recommend that this definition be included so there is no question about the status of a submitted application and the obligation of the applicant leading up to the March 9, 2021 deadline. This definition would tie-into the language at R9-18-103(I).

"Revocation". We would recommend removing the term "rescinded" from this definition and replacing it with revoked. Rescission and revocation differ from a legal perspective.

Article 2. MARIJUANA FACILITY AGENTS

R9-18-201 Initial Application to Register for a Marijuana Facility Agent License

R9-18-201(2)(d) We are not sure an applicant would have this license when submitting the documents. This document would more logically be submitted in connection with a renewal under R9-18-202.

R9-18-203 Updating Information for a Marijuana Facility Agent

R9-18-203(B) Include language that the FA must notify the Department immediately if convicted of an excluded felony offense.

Article 3. MARIJUANA ESTABLISHMENTS

R9-18-301 Principal Officers and Board Members

R9-18-301(A) and (B) We would recommend replacing the term "by-laws" with broader entity language. For example, "....by-laws or other organizational documents of the entity". This would account for principal officers and board members for entities such as partnerships, limited liability companies and associations—consistent with the remainder of this Proposed Rule.

R9-18-302(B) We would recommend using the term "complete and compliant" at this section of the Proposed Rule (as opposed to "complete and complied") for consistency.

R9-18-305 Changes to a Marijuana Establishment License

R9-18-305(A) We would request that this provision of the Proposed Rules be stricken completely. The language of Proposition 207 makes it clear that changes in ownership of Marijuana Establishments was intended. Specifically, the language of A.R.S. §§ 36-2858(D)(3) and 36-3858(G) addresses this issue. Those provisions read in pertinent part as follows:

* * *

- D. Notwithstanding any other law, a dual licensee:
- 3. Must continue to hold both its marijuana establishment license and nonprofit medical marijuana dispensary registration, **regardless of any change in ownership of the dual licensee**, unless it terminates it status as a dual licensee and forfeits either its marijuana establishment license or nonprofit medical marijuana dispensary registration by notifying the department of such a termination and forfeiture. (emphasis added).

* * *

G. Notwithstanding Chapter 28.1 of this title or any rule adopted pursuant to Chapter 28.1 of this title, a dual licensee may engage in any act, practice, conduct or transaction allowed for a marijuana establishment by this Chapter.

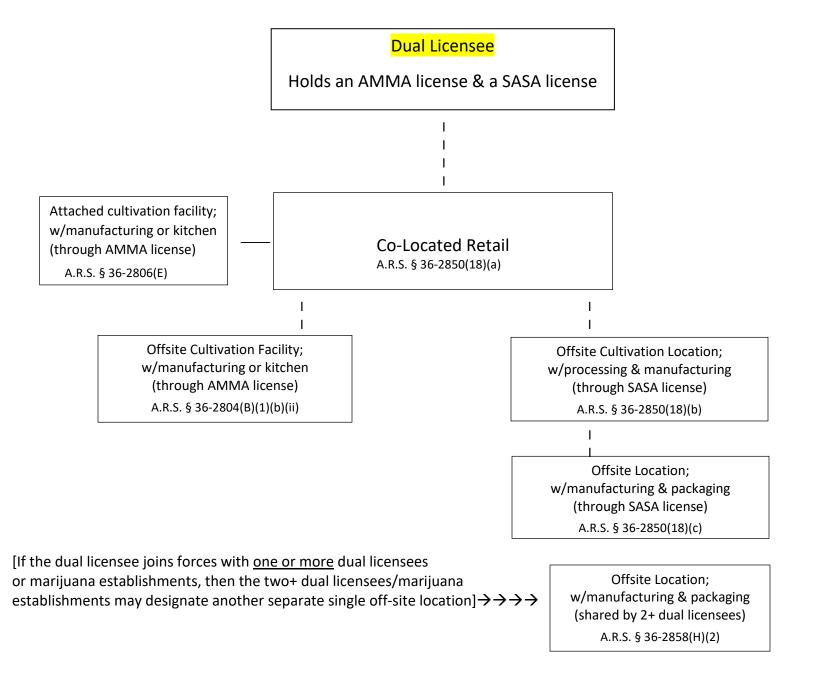
The voter approved language contemplates potential changes in ownership for dual licensees as noted above. Additionally, it would be extremely uncommon to restrict assignment or sale in a for-profit business/operations context. For these reasons we would urge the removal of A.A.C. R9-18-305(A).

R9-18-305(B) The terms "manufacturing site, or cultivation site" need to be removed from this provision. While Proposition 207 restricts the ability to move an early applicant county marijuana establishment license out of the county where the original license was issued, no such restriction applies to cultivation and manufacturing related to that early applicant county license.

R9-17-308 (This reference should be R9-18-308) Administration

R9-18-316 Denial, Suspension, or Revocation of a Marijuana Establishment License

R9-18-316(C) We would suggest including the language in Subsection B of this Proposed Rule in Subsection C. Applicants/Licensees should have an ongoing obligation to provide truthful information to the Department. That requirement should not solely attached at the application phase.





Fwd: Question regarding how ADHS will count eligible counties for new licenses

1 message

Megan Whitby <megan.whitby@azdhs.gov>

Tue, Dec 15, 2020 at 11:24 AM

To: Ruthann Smejkal <ruthann.smejkal@azdhs.gov>, Robert Lane <robert.lane@azdhs.gov>, Tom Salow

<Thomas.Salow@azdhs.gov>

Cc: Kimberly Crawford kim.crawford@azdhs.gov, Darryl Mccray hccray@azdhs.gov, Darryl Mccray hccray@azdhs.gov, Darryl Mccray hccray@azdhs.gov

This came into M2, but should probably be addressed as a comment on the draft rules.

Thank you,

Megan Whitby

Bureau Chief, Special Licensing Arizona Department of Health Services 150 North 18th Avenue, Suite 410, Phoenix, AZ 85007

Direct 602-364-3052 Bureau 602-364-2079

Email megan.whitby@azdhs.gov

Health and Wellness for all Arizonans

----- Forwarded message ------

From: M2Dispensaries - ADHS <m2dispensaries@azdhs.gov>

Date: Tue, Dec 15, 2020 at 11:09 AM

Subject: Fwd: Question regarding how ADHS will count eligible counties for new licenses To: Megan Whitby megan.whitby@azdhs.gov>, Darryl Mccray megan.whitby@azdhs.gov>, Darryl Mccray megan.whitby@azdhs.gov>, Darryl Mccray megan.whitby@azdhs.gov>

Thank you,

Marijuana Program

Arizona Department of Health Services

Direct 602-364-0857

Email m2dispensaries@azdhs.gov Health and Wellness for all Arizonans

----- Forwarded message ------

From: Jason Adelstone <j.adelstone@vicentesederberg.com>

Date: Tue, Dec 15, 2020 at 9:35 AM

Subject: Question regarding how ADHS will count eligible counties for new licenses

To: M2DISPENSARIES@azdhs.gov < M2DISPENSARIES@azdhs.gov >

AZDHS,

After reviewing the medical marijuana laws and regulations, Proposition 207, and the Draft Rules for recreational marijuana that were released last week, I have one primary question. Can you please provide any clarity on how ADHS will determine eligible counties for new licensure. R9-18-302(1) and (2) state that new licenses for counties will be issued if the county has either one dispensary **and** no marijuana establishments or does not contain either a dispensary or marijuana establishment. Since the definition of Dispensary includes the facilities listed in the definition of "marijuana establishment" (as defined in Proposition 207), it appears that ADHS is double counting facilities within counties to limit the number of new licenses that will be issued. For example, under Proposition 207, a county like Santa Cruz should be eligible for two new recreational licenses. However, under the Draft Rules, it appears that it would be eligible for zero

licenses, since there are two cultivation facilities (and zero retail facilities) located within the county. Based on this reading, will ADHS base the county count by including all vertically integrated facilities that fall under one certification as one license, or will ADHS count each facility under the vertically integrated certification as its own marijuana establishment? For example, if a company has a vertically integrated Non-profit Medical Marijuana Dispensary certification with a dispensary in Maricopa County and a cultivation facility in Pima County, will both of those facilities be counted (for purposes of calculating eligible counties for new recreational licenses) as one marijuana establishment/Dispensary located in Maricopa County or two marijuana establishments (one Dispensary located in Maricopa County and one marijuana establishment located in Pima County)?

Have a great day and thank you for any time you are able to take in clearing up my question.

Best,

Jason C. Adelstone, MBA

Associate Attorney

Vicente Sederberg LLP

455 Sherman St., Suite 390

Denver, CO 80203

Main: 303.860.4501

Direct: 720.310.3136

j.adelstone@vicentesederberg.com

VicenteSederberg.com

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Re: Question from stakeholder at Dec 17 Adult Use Marij Mtg

1 message

Lauren Merrett < @gmail.com>

Thu, Dec 17, 2020 at 12:07 PM

To: Shelley Bissell <shelley.bissell@azdhs.gov>
Cc: Ruthann Smejkal <ruthann.smejkal@azdhs.gov>

Thank you Shelley for passing along my question. I would just add that the mandatory Title 4 training is for owners/managers operating the business as part of the licensing process. There is additional training that can be provided to the employees. I feel this could be very helpful to the industry as there will no doubt be similar issues to the sale and consumption of alcohol. If you have any questions or would like additional input I will be more than happy to assist in anyway I can.

Lauren Merrett Mereco Inc. 602-738-1421 736 S Longmore St. Chandler AZ 85224

On Dec 17, 2020, at 12:02 PM, Shelley Bissell <shelley.bissell@azdhs.gov> wrote:

Hi, Ruthann -

About 15 minutes before the meeting started, I was talking with an attendee listed as Lauren Merrett (cc'd on this email). I promised her I would share her question about asking if there would be required training for those employees/people working in the industry of Adult Use Marijuana that is similar to the Liquor Law Training requirements in the alcohol industry?

If I have mis-stated, please correct me.

And this, I do believe, was verbalized during the meeting.

Thank you Shelley

Shelley Bissell
Services Section Administrative Coordinator
Bureau of EMS & Trauma System
Arizona Department of Health Services
150 N. 18th Ave, Suite 540
Phoenix, AZ 85007
mobile - 480-204-7767
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December 17, 2020

Arizona Department of Health Services 150 North 18th Avenue Phoenix, Arizona 85007 Via Email Delivery: m2dispensaries@azdhs.gov

Re: Public Comments re Arizona Department of Health Services' Adult-Use Marijuana Program Proposed Rules

Dear Arizona Department of Health Services:

Thank you for the opportunity to provide comments related to the Arizona Department of Health Services' (the "Department") proposed rules for the Arizona Adult-Use Marijuana Program.

holds a nonprofit medical marijuana dispensary license in the State of Arizona with a retail and cultivation facility in County and a cultivation facility in submits the following comments (proposed new text in blue; proposed deleted text in red), which seek to balance the goals of protecting the interests of adult use customers with those of operators.

<u>Article 1. General – Section R9-18-101. Definitions</u>

6. "Batch" means:

- a. When referring to cultivated marijuana, a specific lot of marijuana grown from one or more seeds or cuttings that are planted and harvested at the same time;
- When referring to marijuana products, a specific amount of a marijuana product infused, manufactured, or prepared for sale from the same set of ingredients at the same time; and
- When referring to testing of marijuana or a marijuana product, a specific set of samples prepared and tested during the same run using the same equipment.
- 7. "Batch number" means a unique numeric or alphanumeric identifier assigned to a batch by a marijuana establishment when:
 - a. The batch of marijuana is planted, or
 - <u>b.</u> <u>The batch of a marijuana product is infused, manufactured, or prepared for sale.</u>
- "Calendar day" a civil day; the time from midnight to midnight. means each day, not including the day of the act, event, or default from which a designated period of time

begins to run, but including the last day of the period unless it is a Saturday, Sunday, statewide furlough day, or legal holiday, in which case the period runs until the end of the next day that is not a Saturday, Sunday, statewide furlough day, or legal holiday.

 $[\ldots]$

- 13. "Current photograph" means an image of an individual, taken no more than 60 calendar days before the submission of the individual's application, in a Department-approved electronic format capable of producing an image that:
 - a. Has a resolution of at least 600 x 600 pixels but not more than 1200 x 1200 pixels;
 - b. Is 2 inches by 2 inches in size;
 - c. <u>Is in natural color;</u>
 - d. <u>Is a front view of the individual's full face, without a hat or headgear</u> that obscures the hair or hairline; and
 - e. Has a plain white or off-white background. ; and
 - <u>f.</u> <u>Has between 1 and 1 3/8 inches from the bottom of the chin to the top of the head.</u>

[...]

16. "Edible food product" means a substance, beverage, or ingredient used or intended for use or for sale in whole or in part for human oral consumption. However, an edible marijuana-infused edible food product is not itself food.

Comment:

respectfully suggests that the definition of "batch" be changed to differentiate between the types of "batches" described above. This can be accomplished by employing terms such as "harvest lot," production batch," and "testing sample," or similar phraseology. Such would serve to avoid industry confusion when using the term "batch," which under the current rule can mean several different things.

Similarly, proposes that the term "batch number" also be redefined such that it does not refer to marijuana at several different phases of production.

further proposes that the definition of "calendar day" be simplified to mean a civil day from midnight to midnight, which would provide increased clarity for operators.

also respectfully requests that the definition of "current photograph" be amended to eliminate the requirement that the image be capable of a reproduction with between 1 and 1 3/8 inches from the bottom of the chin to the top of the subject's head. Such a requirement is unnecessary to achieve the Department's goal of ensuring that photographs are accurate, clear, and identifiable.

Additionally, asks that the Department consider adding to the definition of "edible food product" language, such as suggested above, that marijuana-infused edible food products are not themselves food. Such a change would provide needed clarification that while food-related safety measures are appropriately taken to ensure the quality of marijuana-infused edibles, the end-product is something other than food.

Article 1. General – Section R9-18-102. Fees

An applicant submitting an application to the Department shall submit the following nonrefundable fees:

- 1. Except as provided in subsection (B), for registration of a marijuana facility agent:
 - a. <u>For an initial registration for an applicant submitting the applicant's</u> fingerprints on a fingerprint card, \$500,250;
 - b. <u>For renewal of registration for an applicant submitting the applicant's fingerprints on a fingerprint card, \$500250;</u>
 - c. For an initial registration for an applicant submitting a copy of the applicant's current level 1 fingerprint clearance card issued pursuant to A.R.S. § 41-1758.07,
 \$250; and
 - d. For renewal of registration for an applicant submitting a copy of the applicant's current level 1 fingerprint clearance card issued pursuant to A.R.S. § 41-1758.07, \$250;

Comment:

respectfully requests that the fees for submitting fingerprints on a fingerprint card for agents/agent applicants (\$500) be reduced as excessive. respectfully suggests that fees half as much as indicated (\$250) is appropriate and would more than cover any costs associated with processing fingerprint cards. Additionally, urges the Department to consider refunding any fees paid by an agent whose application—or renewal pursuant to Section R9-18-202(6)—is rejected because it is determined that he or she committed an excluded felony offense.

<u>Article 1. General – Section R9-18-103. Time-Frames</u>

- <u>A.</u> Within the administrative completeness review time-frame for each type of approval in Table 1.1, the Department shall:
 - 1. Issue:
 - <u>a.</u> <u>A marijuana facility agent license,</u>
 - b. An initial marijuana establishment license,
 - <u>c.</u> Renewal of a marijuana establishment license;

- <u>d.</u> <u>An approval to operate a marijuana establishment;</u>
- e. An approval to change the location of a marijuana establishment's retail location,
- <u>An approval to add or change the location of a marijuana establishment's</u>
 <u>cultivation site or manufacturing site;</u>
- g. An approval to add or remove what a licensee may do at the marijuana establishment's retail location, cultivation site, or manufacturing site
- <u>h.</u> An initial marijuana testing facility license,
- i. Renewal of a marijuana testing facility license,
- i. An approval for testing, or
- <u>k.</u> An approval to add a parameter;
- 2. Provide a notice of administrative completeness to an applicant; or
- 3. Provide a notice of deficiencies to an applicant, including a list of the information or documents needed to complete the application.
- 4. If the Department does not act within the time-frame for each type of approval in Table 1.1, as set forth above, a licensee or applicant, as the case may be, shall be entitled to act as if the items listed in subsection (1) have been issued.

respectfully requests that the above language be amended to allow for applicants and licensees to operate as if the items set forth in subsection (1) have been issued if the Department does not act within the time-frames set forth in Table 1.1. Such a change will ensure that applications and other requests for approval are acted on in a timely fashion and provide greater certainty to applicants and licensees relying on the Department to meet those deadlines.

<u>Article 2. Marijuana Facility Agents – Section R9-18-201. Initial Application to Register for a Marijuana Facility Agent License.</u>

To apply for registration as a marijuana facility agent, an applicant who is at least 21 years of age shall submit to the Department in a Department-provided format:

1. The following:

- <u>a.</u> The applicant's first name, middle initial if applicable, last name, and suffix if applicable;
- b. The applicant's date of birth;
- <u>c.</u> The applicant's residence address and Arizona mailing address;

- d. The county where the applicantresides;
- e. The identifying number on the applicable card or document in subsection (2); and
- f. The signature of the individual and the date the individual signed;
- 2. A copy of the applicant's:
 - a. Arizona d Driver's license issued on or after October 1, 1996;
 - b. Arizona i Identification card issued on or after October 1, 1996;
 - <u>c.</u> Arizona registry identification card issued according to 9 A.A.C. 17; d.
 Marijuana facility agentlicense;
 - d. Photograph page in the applicant's U.S. passport, showing the signature; or
 - e. Arizona d Driver's license or identification card issued before October 1,
 1996 and one of the following for the applicant:
 - i. Birth certificate verifying U.S. citizenship,
 - ii. U.S. Certificate of Naturalization, or
 - iii. U.S. Certificate of Citizenship;

respectfully requests that the Department remove the requirement that an agent present proof of Arizona residency, as set forth above. Some licensees, including those that operate in multiple states, will have supervisory employees who may reside out of the state and need access to all aspects of a licensee's facility. Limiting agents only to Arizona residents would unnecessarily burden those operators, does not take into consideration the business realities of certain licensees, and does not further any health or safety concern.

<u>Article 2. Marijuana Facility Agents – Section R9-18-203. Updating Information for a Marijuana Facility Agent.</u>

[...]

- **B.** A marijuana facility agent shall notify the Department within 48 hours after the following:
 - 1. Beginning employment or other association with a marijuana establishment or marijuana testing facility, or
 - 2. Ending employment or other association with a marijuana establishment or marijuana testing facility.

Comment:

seeks clarification as to the individual or entity responsible for notifying the Department within 48 hours of an agent beginning or ending employment with a marijuana establishment or

testing facility. As currently drafted, it is not clear whether the responsibility is that of the incoming or outgoing individual agent or of an agent employed by the relevant marijuana establishment or testing facility.

<u>Article 2. Marijuana Facility Agents – Section R9-18-204. Requesting a Replacement Marijuana Facility Agent License.</u>

To request a replacement marijuana facility agent license for a license that has been lost, stolen, or destroyed, a marijuana facility agent shall submit to the Department, in a Department-provided format and within 10 working days after the marijuana facility agent license was lost, stolen, or destroyed, a request for a replacement marijuana facility agent license that includes:

- 1. The marijuana facility agent's name and date of birth;
- 2. If known, the number on the lost, stolen, or destroyed marijuana facility agent license;
- 3. If the marijuana facility agent cannot provide the license number on the lost, stolen, or destroyed marijuana facility agent license, a copy of one of the following documents that the marijuana facility agent submitted with an application for registration or to renew registration:
 - a. Arizona driver's license,
 - b. Arizona identification card, or
 - c. Photograph page in the marijuana facility agent's U.S. passport; and
- 4. The fee in R9-18-102 for requesting a replacement marijuana facility agent license.
- 5. A marijuana facility agent seeking a replacement license shall be permitted to continue to work as a marijuana facility agent until the new license is received.

Comment:

respectfully requests that the Department add clarifying language, such as above, allowing a marijuana facility agent to continue working while seeking a replacement license. Such would avoid unnecessary disruption to the operation of the marijuana facility and the loss of income for the agent who would otherwise not be able to work.

<u>Article 3. Marijuana Establishments – Section R9-18-303. Applying for an Initial Marijuana Establishment License.</u>

A. Except as specified in subsection (C), to apply for an initial marijuana establishment license, an applicant shall electronically submit to the Department, between January 19, 2021, and March 9, 2021:

1. The following information in a Department-provided format:

 $[\ldots]$

f. For a business organization that is a publicly traded corporation, the name and percentage of ownership interest of each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings., residence address, and date of birth of each principal officer or board member who is entitled to 10% or more of the profits of the proposed marijuanaestablishment;

Comment:

respectfully suggests that the language of this section related to information required to be provided by publicly traded corporations be framed in terms of ownership interest rather than principal officers or board members entitled to 10% of more of profits. The above requirement, as amended, is consistent with the information requested in other adult use markets.

<u>Article 3. Marijuana Establishments – Section R9-18-304. Applying for Approval to Operate a Marijuana Establishment.</u>

To apply for approval to operate a marijuana establishment, a principal officer or board member of the entity holding a marijuana establishment license shall electronically submit to the Department, within 18 months after the marijuana establishment license was issued:

 $[\ldots]$

4. If requesting approval of preparing edible marijuana products, a copy of the marijuana establishment's license or permit of the location as a description as to how the marijuana establishment meets the requirements of a food establishment, issued under 9 A.A.C. 8, Article 1:

Comment:

proposes the above amendments to the rule as currently written as an acknowledgment that while the state has an interest in ensuring marijuana-infused edibles are produced under the conditions of a commercial kitchen, marijuana-infused edibles are not, in fact, food. The rule, as currently drafted, implies otherwise and may result in unintended consequences including that operators are unable to use certain ingredients acceptable in marijuana-infused edibles production in other adult use markets, including hemp-derived products.

<u>Article 3. Marijuana Establishments – Section R9-18-305. Changes to a Marijuana Establishment License.</u>

- A. A marijuana establishment may not transfer or assign the marijuana establishment license.
- <u>B.</u> Except as provided in subsection (C), a marijuana establishment may change the location of the marijuana establishment's retail location, manufacturing site, or cultivation site to another location in the state.
- C. For a marijuana establishment that had received a marijuana establishment license under A.R.S. § 36-2854(A)(1)(eC), the marijuana establishment may change the location of the marijuana establishment's retail location to another location in the same county for which the original marijuana establishment license was issued, unless the proposed county has not yet met the maximum number of licenses allowed.
- <u>A marijuana establishment's retail location, manufacturing site, or cultivation site shall not cultivate, manufacture, distribute, dispense, or sell marijuana or a marijuana product at a new location until the marijuana establishment submits an application for a change in a marijuana establishment location or a change or addition of a manufacturing site or cultivation site in R9- 18-306 and the Department issues to the marijuana establishment an amended marijuana establishment license or an approval for the new location of the marijuana establishment's manufacturing site or cultivation site.</u>

respectfully asks the board to reconsider the regulation set forth in Subsection (A), above, which prohibits the transfer or assignment of a marijuana establishment license. Such a prohibition is not mandated by the Smart and Safe Arizona Act and does not further and legitimate aims of the adult use program. Indeed, restricting the transfer or assignment of businesses only serves to obstruct the free market and development of the industry.

A.R.S. § 36-2854(a)(1)(C) states in pertinent part that "NOTWITHSTANDING THE LIMITATION SET FORTH IN SUBDIVISION B OF THIS PARAGRAPH, THE DEPARTMENT MAY ISSUE A MARIJUANA ESTABLISHMENT LICENSE TO NO MORE THAN TWO MARIJUANA ESTABLISHMENTS PER COUNTY THAT CONTAINS NO REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARIES, OR ONE MARIJUANA ESTABLISHMENT LICENSE PER COUNTY THAT CONTAINS ONE REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY."

submits that a marijuana establishment licensed under A.R.S. § 36-2854(a)(1)(C) should not be permitted to move until the county in which it is located has reached the statutory maximum of allowed dispensaries. Such a change would allow for all of the dispensaries permitted in a certain county to find suitable locations before any operator is permitted to change its location.

Additionally, seeks clarification as to whether current nonprofit medical marijuana dispensaries that receive licenses to cultivate, process, and sell adult use marijuana are considered dually licensed entities by the Department or whether the licenses are mutually exclusive. If the

asks the Department to clarify the practical effects of such a license structure to provide increased transparency and clarity for the industry.

<u>Article 3. Marijuana Establishments – Section R9-18-306. Applying to Change a Marijuana Establishment's Location or Change or Add a Marijuana Establishment's Manufacturing Site or Cultivation Site.</u>

 $[\ldots]$

C. To request any of the changes specified in subsection (A), a marijuana establishment shall submit to the Department, in a Department-provided format:

[...]

- 6. A floor plan drawn to scale of the building of the proposed retail location, cultivation site, or manufacturing site, as applicable, showing the:
 - a. Layout and dimensions of each room,
 - b. Name and function of each
 - c. Location of each hand washing sink,
 - d. Location of each toiletroom,
 - e. Means of egress,

room,

- <u>f.</u> <u>Location of each video camera, and</u>
- g. Location of each panic button, and
- h. Location of natural and artificial lighting sources, as applicable;

Comment:

respectfully asks the Department to consider clarifying that the location of natural and artificial lighting sources is only necessary to be provided for proposed cultivation sites. Lighting diagrams are not a necessary part of a submission package for a proposed dispensary and/or manufacturing location and would already be a requirement of obtaining a certificate of occupancy.

Article 3. Marijuana Establishments – Section R9-17-308. Administration.

A. A marijuana establishment shall:

1. Ensure that the marijuana establishment's retail location is operating and available

to provide marijuana and marijuana products to consumers:

- a. At least 30 hours weekly between the hours of 7:00 a.m. and 10:00 p.m., or fewer hours, as approved by the Department; and
- b. Within 18 months after receiving the marijuana establishment license;

[...]

- 8. Not allow an individual who does not possess a marijuana facility agent license:
 - a. Serve as a principal officer or board member for the marijuana establishment,
 - b. Be employed by the marijuana establishment, or
 - c. Provide volunteer services at or on behalf of the marijuana establishment;

Comment:

respectfully requests the above changes to subsection (A)(1), which would provide the Department flexibility to allow a marijuana establishment to operate less than 30 hours per week. Such flexibility is necessary to account for circumstances in which business may need to operate with modified hours, such as during the coronavirus pandemic due to staffing levels.

Additionally, highlights subsection (A)(8) in the context of section R9-18-201, above, which appears to require that marijuana establishment agents be residents of Arizona. Such a requirement would be problematic for marijuana establishments that have facilities in multiple states and would need to list out of state board members and principal officers on any application for licensure (in addition to needing to have out-of-state supervisory employees have access to facilities). For these additional reasons, the Department should amend these rules to remove any requirement that marijuana establishment agents reside in Arizona or otherwise are required to produce an Arizona-issued identification card of any kind.

<u>Article 3. Marijuana Establishments – Section R9-18-309. Selling or Otherwise</u> <u>Transferring Marijuana or a Marijuana Product.</u>

- A. Before a marijuana facility agent of a marijuana establishment sells or otherwise transfers marijuana or a marijuana product to a consumer, the marijuana facility agent shall:
 - 1. Verify the consumer's age through one of the documents in A.R.S. § 4-241(K);
 - 2. Make available the results of testing of the marijuana or marijuana product required in R9-18-311, if requested by the consumer; and
 - 3. Ensure that the amount of marijuana or marijuana product to be sold or otherwise transferred to the consumer not exceed one ounce of marijuana, with not more than five grams being in the form of a marijuana concentrate.

recognizes that the language set forth in subsection (A)(3) is derived from the Smart and Safe Arizona Act. However, this rule, as written is likely to cause confusion and burden dispensaries, as the rule does not differentiate between, or otherwise define, marijuana versus concentrates. Currently, is unaware of any existing Point of Sale/tracking system that is sophisticated enough to handle a transaction in which a customer, for example, can purchase up to 5 grams of concentrate together with 23 grams of marijuana flower. To avoid confusion and the possibility of dispensaries unintentionally dispensing an amount of marijuana or concentrates that exceed the allowable limits, urges the Department to further clarifying what is meant by this provision, accounting for the realities of current technology available in the industry to track and account for marijuana sales.

Article 3. Marijuana Establishments – Section R9-18-310. Product Labeling

- A marijuana establishment shall ensure that marijuana or a marijuana product provided by the marijuana establishment's retail location to a consumer:
 - 1. Complies with packaging and labeling requirements in A.R.S. § 36-2860(A); and
 - 2. Is labeled with:
 - a. The marijuana establishment license number;
 - b. The amount, strain, and batch number of the marijuana or marijuana product;
 - c. The form of the marijuana or marijuana product;
 - d. As applicable, the weight of the marijuana or marijuana product;

[...]

j. The date of manufacture, harvest, or and sale.

Comment:

asks the Department to define and distinguish marijuana and marijuana product. It is unclear, for example, from subsection (A)(2)(d) whether "marijuana product" includes concentrates, vaporizer products, marijuana-infused edible products, or all of the above. Additionally, suggests the Department provide further clarity to subsection (A)(2)(j) by requiring labels contain the date of manufacture, harvest, and sale, rather than a choice among one of those dates, as the current version of the rule suggests.

Article 3. Marijuana Establishments – Section R9-18-312. Security.

- A. Except as provided in R9-18-308(A)(6), a marijuana establishment shall ensure that access to the marijuana establishment's cultivation site or manufacturing site or to the portion of the marijuana establishment's retail location where marijuana is cultivated, processed or stored is limited to the marijuana establishment's principal officers, board members, and authorized marijuana facility agents. However, vendors, temporary workers such as contractors, and other visitors, as approved by the Department, shall be permitted access to the marijuana establishment's cultivation site or manufacturing site or to the portion of the marijuana establishment's retail location where marijuana is cultivated, processed or stored if accompanied and under the direct supervision of a marijuana establishment agent.
- $[\ldots]$
- C. Before transportation, a marijuana facility agent shall:
 - 1. Complete a trip plan that includes:
 - a. The name of the marijuana facility agent in charge of transporting the marijuana;
 - b. The date and start time of the trip;
 - A description of the marijuana, marijuana plants, marijuana products, or marijuana paraphernalia being transported;
 - d. Any anticipated stops during the trip, including the locations of the stop and arrival and departure time from the location; and
 - e. The anticipated route of transportation; and
 - 2. Provide a copy of the trip plan in subsection (C)(1) to the marijuana establishment.
- [...]
- <u>A marijuana establishment shall not transport marijuana, marijuana plants, marijuana products, or marijuana paraphernalia to a consumer, other than through a home delivery process, as approved by the Department.</u>
- <u>H.</u> To prevent unauthorized access to marijuana at the marijuana establishment's retail location and, if applicable, the marijuana establishment's cultivation site or manufacturing site, the marijuana establishment shall have the following:
 - 1. Security equipment to deter and prevent unauthorized entrance into limited access areas that include:
 - a. Devices or a series of devices to detect unauthorized intrusion, which may
 include a signal system interconnected with a radio frequency method, such as
 cellular, private radio signals, or other mechanical or electronic device;
 - <u>b.</u> Exterior lighting to facilitate surveillance;
 - c. Electronic monitoring including:

- i. At least one 19-inch or greater call-up monitor;
- <u>ii.</u> A video printer capable of immediately producing a clear still photo from any video camera image;
- iii. Video cameras:
 - (1) Providing coverage of all entrances to and exits from limited access areas and all entrances to and exits from the building, capable of identifying any activity occurring 15 feet from all areas of ingress/egress in or adjacent to the building; and
 - (2) Having a recording resolution of at least 704 x 480 or the equivalent;
- iv. A video camera at each point of sale location allowing for the identification of any consumer purchasing marijuana or a marijuana product;
- v. A video camera in each grow room capable of identifying any activity occurring within the grow room in low light conditions;
- vi. Storage of video recordings from the video cameras for at least 30 calendar days;
- vii. A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system; and
- viii. Sufficient battery backup for video cameras and recording equipment to support at least five minutes of recording in the event of a power outage; and
- <u>d.</u> Panic buttons in the interior of each building; and 2.

has several suggested amendments to this section. First, respectfully asks the Department to add the proposed language above to subsection (A) that would permit vendors, temporary workers such as contractors, and other visitors to enter the premises of license marijuana establishments for purposes including conducting business, making repairs, or providing tours of facilities. These are reasonable business-related exceptions permitted in other adult use markets, do not present security concerns, and would only be done with Department approval.

asks the Department to clarify the requirements of subsection (C)(2) as to whether a copy of a trip plan must be provided to the receiving or shipping marijuana establishment. As written, the rule does not specify.

Further, respectfully proposes the above changes to subsection (G), which would allow home delivery upon the authorization of the Department, as allowed by the Smart and Safe Arizona Act (upon rules developed by the Department).

And finally, urges the Department to amend subsection (H)(1)(c)(iii)(1) to require that camera coverage include 15 feet from all areas of ingress/egress. The current rule, requiring coverage in areas "adjacent" to the building, is vague and inconstant with similar requirements in other adult use markets.

Article 3. Marijuana Establishments – Section R9-18-313. Edible Food Products

- <u>A.</u> <u>A marijuana establishment that prepares, sells, or otherwise transfers marijuana-infused edible food products shall:</u>
 - 1. Before preparing, selling, or otherwise transferring a marijuana-infused edible food product establish its operations would be compliant obtain a license or permit as a food establishment under 9 A.A.C. 8, Article 1;
 - 2. If the marijuana establishment prepares the marijuana-infused edible food products, ensure that the marijuana-infused edible food products are prepared according to the applicable requirements in 9 A.A.C. 8, Article 1;
 - 3. If the marijuana-infused edible food products are not prepared at the marijuana establishment, confirm the other marijuana establishment or dispensary that prepared the marijuana-infused edible products is authorized by and in good standing with the Department to do so-obtain and maintain at the marijuana establishment a copy of the eurrent license or permit as a food establishment under 9 A.A.C. 8, Article 1 to prepare marijuana-infused edible food products from the other marijuana establishment or dispensary that prepares the marijuana-infused edible products; and
 - 4. If a marijuana establishment sells or otherwise transfers marijuana-infused edible food products, ensure that the marijuana-infused edible food products:
 - a. Are sold or otherwise transferred according to applicable requirements in 9 A.A.C.8,

 Article 1;
 - b. In compliance with A.R.S § 36-2854(A)(7), contain no more tetrahydrocannabinolic acid-tetrahydrocannabinol than:
 - i. 10 mg of per serving; or ii. 100 mg per package; and
 - c. <u>If packaged as more than one serving, are:</u>
 - i. Scored or otherwise delineated into standard serving size, and

- <u>ii.</u> Of homogeneous consistency to ensure uniform disbursement of tetrahydrocannabinol tetrahydrocannabinolic acid throughout the edible food product.
- **B.** A marijuana establishment is responsible for the content and quality of any edible food product sold or dispensed manufactured by the marijuana establishment.

understands the Department's efforts to ensure that marijuana establishments that produce edible marijuana-infused products abide by the same standards as a commercial food establishment, urges the Department to reconsider the requirement that a marijuana establishment actually be licensed or permitted as a food establishment. Edible marijuana-infused products are not food and should not be regulated in the same way as food. Rather, as set forth in proposes that operators only need to establish the amendments to subsection (A)(1), above, that their operations meet the same standards as a licensed/permitted food establishment (not actually be licensed). also asks the Department to consider the requirements of subsection (A)(3), which ostensibly requires marijuana establishments to the maintain food permit/licenses for all of the marijuana establishments whose edible marijuana-infused products are offered for sale. Such a requirement is overly burdensome and, for the reasons discussed above related to subsection suggests that marijuana establishments (A)(1), unnecessary to safeguard products. Instead, simply be required to confirm the other marijuana establishment or dispensary that prepare the marijuana-infused edible products are authorized by and in good standing with the Department to do so. notes that tetrahydrocannabinolic acid should be In subsections (A)(4)(b) and (A)(4)(c)(ii), reflected as tetrahydrocannabinol. seeks reconsideration of the Department's mandate that a marijuana Additionally, establishment is responsible for the content and quality of any edible marijuana-infused product it agrees that operators should be responsible for sells, as reflected in subsection (B). While the products it manufactures, it is unreasonable to hold operators responsible for products that are received by other marijuana establishments in sealed, opaque containers. For these reasons, proposes that the language of this section be amended as set forth above.

Article 3. Marijuana Establishments – Section R9-18-314. Cleaning and Sanitation.

A. A marijuana establishment shall ensure that:

[. <u>. .]</u>

4. All trucks, trays, buckets, other receptacles, platforms, racks, tables, shelves, knives, saws,

cleavers, other utensils, or the machinery used in moving, handling, cutting, chopping, mixing, canning, packaging, or other processes are cleaned daily, or otherwise at reasonable intervals based on operational considerations;

Comment:

reality that not all of the enumerated items can reasonably be cleaned on a daily basis. appreciates the Department's intention in promulgated this rule and supports the Department's efforts to ensure marijuana establishments maintain clean and sanitary environments. commits to ensuring it maintains the highest of those standards but asks the Department provide some needed flexibility rather than the rigidity of the current rule.

Advertising and Marketing

Comment:

While these proposed rules do not directly address the topics of advertising and marketing, advocates that the Department consider implementing reasonable rules to amplify Sections 36-2859 and 2860 of the Act. For example, while Section 36-2859 requires age-gating for advertising involving "direct, individualized or dialogue," suggests that this language be strengthen to make clear that no advertising should be targeted to minors. Similarly, believes that Section 36-2860, which restricts selling "products with names that resemble or imitate food or drink brands marketed to children" does not go far enough. Marijuana establishments should make every attempt to showcase responsible behavior in all marketing and advertising communications. To that end, the Department rules should clarify that advertising should not portray, encourage, or condone over- or irresponsible consumption. With a similar aim, rules should establish that outdoor media placements should avoid proximity to K-12 schools, playgrounds, or other locations that attract a high concentration of underage persons. seeks the Department's consideration in implementing rules reflecting these principles that will serve to enhance the character and reputation of the adult use industry in Arizona.

Thank you once again for the opportunity to comment on these proposed rules.

Sincerely,