

Arizona Medical Marijuana Program Frequently Asked Questions

Dispensaries

How will the dispensaries work?

- A medical marijuana dispensary registered with ADHS must be operated on a not-for-profit basis, but will be able to receive payment for expenses incurred in its operation.
- The Department can issue no more than one nonprofit medical marijuana dispensary registration certificate for every ten pharmacy permits issued by the Arizona State Board of Pharmacy under current law.
- A dispensary can cultivate marijuana only in an enclosed, locked facility.
- A dispensary can acquire marijuana from other registered nonprofit dispensaries or from a registered qualifying patient or designated caregiver if the patient or caregiver is not compensated for the marijuana.
- [State law](#) and [rules](#) specify various security, record-keeping, and verification requirements a registered dispensary will have to follow relating to the operation of the dispensary.

When can I apply for a dispensary license?

ADHS will accept applications for dispensaries between June 1st and June 30th, 2011.

Who can open a dispensary?

Only an individual who is at least 21 years of age and has been a resident of Arizona for at least three consecutive years before the date of application may be a [principal officer or board member](#) on an application for a dispensary registration certificate. In addition, each principal officer and board member must also pass a criminal records check for an excluded felony offense. There are [other conditions](#) that may affect the ability to obtain a dispensary registration certificate.

When will you award the dispensary certificates?

ADHS anticipates the allocation process for initial dispensary certificates to be completed in August 2011.

On what basis will dispensary registration certificates be awarded?

The Department will issue dispensary registration certificates using an [evaluation process](#). If only one complete application is received for a dispensary in a particular CHAA, that applicant will be awarded a dispensary registration certificate. If more than one complete application is received for a dispensary in a particular CHAA, the Department will use the evaluation process to allocate the dispensary registry certificate.

Once I apply for a dispensary certificate, can I change the address in my application before I begin operating?

Yes, as long as the new address complies with local zoning and you pay the fee.

Is my \$5,000 application fee refundable?

If a dispensary registration certificate application is complete and the applicant is not allocated a dispensary registration certificate, the applicant will be refunded \$1,000 of the \$5,000 application fee. The application fee is not refundable in other circumstances, including an applicant withdrawing the application.

What if my application is incomplete because I forgot to fill out or submit something, is it refundable then?

If an application for a dispensary registration certificate is incomplete, an applicant will be sent a Notice of Deficiency and will have 10 days to submit the missing items. The application is considered withdrawn if the application remains incomplete after 10 days and the fee is not refundable.

Can I withdraw my application and get my \$5,000 back?

The fee is not refundable if an application is withdrawn.

Do I need a certificate of occupancy from my city in order to apply?

No, applicants do not need to submit a certificate of occupancy in the initial application. However, if awarded a certificate, a copy of the certificate or other documentation issued by the local jurisdiction will be [necessary](#) when requesting approval to operate the dispensary.

When do I need to get a special use permit?

As part of the application requesting approval to operate the dispensary, a dispensary must submit a copy of the certificate or other documentation issued by the local jurisdiction authorizing the dispensary to occupy and use the building as a dispensary. Therefore, if required by the local jurisdiction, a special use permit must be obtained before a dispensary submits an application for approval to operate.

How many dispensary registration certificates will one entity be able to obtain?

A person may be an applicant, principal officer, or board member on only one dispensary registration certificate application for a location in a single CHAA and on no more than five dispensary registration certificate applications for locations in different CHAAs.

How many dispensaries will be allowed to open in AZ?

The [number of dispensaries](#) is based on the number of pharmacies in the State. As of March 2011, the Department anticipates issuing between 120 and 126 dispensary registry certificates.

How will dispensaries be distributed throughout the state?

For the initial issuance of dispensary registration certificates, the Department plans to allocate certificates on the basis of Community Health Analysis Areas (CHAAs).

What is a CHAA and why is the Department using them to allocate dispensaries?

CHAA stands for Community Health Analysis Area, a geographic area based on population established by the Department for use by public health programs. By

requiring dispensaries to apply for a dispensary registration certificate based on a CHAA, the Department is trying to spread dispensaries out across the State, based on population.

In the dispensary application, I have to confirm whether:

- I've been a resident of Arizona for 3 years, whether
- I am delinquent on federal, state and local taxes, child support, or student loans etc., whether
- I've ever been bankrupt, whether
- Everyone with a 20% financial interest in the dispensary is an applicant or board member, and whether
- I have access to \$150K in startup capital.

Are these requirements?

All principal officers, board members and dispensary applicants must have lived in Arizona for the preceding three years before application. According to [rules](#), a delinquency on federal, state, or local taxes, child support, or student loans, an unpaid judgment due to a governmental agency, or a past bankruptcy does not disqualify an applicant from being allocated a dispensary registration certificate. However, ADHS may use those factors as criteria in the selection of who will be allocated a dispensary registration certificate if there is more than one qualified applicant for a given CHAA.

If it isn't all required, is there a priority for the information?

ADHS will evaluate competing applications with the criteria by the order listed in the [rules](#).

Can a dispensary operate in one CHAA and have its cultivation site in another CHAA?

Yes, a dispensary can operate in one CHAA and have its cultivation site in another CHAA. However, the dispensary must operate in the CHAA for which the dispensary registration certificate was issued.

Can a dispensary change the location of the dispensary?

Within the first three years after receiving a dispensary registry certificate, a dispensary [may move](#); the new location must also be within the CHAA for which the dispensary registration certificate was issued. After the first three years, a dispensary may move to a location in another CHAA.

In either case, a dispensary must comply with [A.A.C. R9-17-307](#) to change the dispensary's location. The fee for a change of location is \$2500.

Is a dispensary in a rural area of Arizona required to remain in the CHAA for which the dispensary registration certificate was issued?

A dispensary in a rural CHAA must remain in the CHAA for which the dispensary registration certificate was issued for the first three years. After the first three years, a dispensary in a rural CHAA may move to a location in another CHAA but it must prove the new site complies with local zoning requirements.

If I'm awarded a dispensary certificate, can I start operating right away?

Dispensaries that have a dispensary registration certificate must [apply for approval](#) to at least 60 days before the expiration of the dispensary registration certificate and receive approval to operate before the dispensary registration certificate expires.

What happens if I obtain a dispensary registration certificate and am not able to complete construction and begin operations before my dispensary registration certificate expires?

A person with a dispensary registration certificate who applies for approval to operate the dispensary to the Department less than 60 days before the expiration date of the dispensary registration certificate, or does not apply before the expiration of the certificate, may be permanently disqualified from applying again.

Is a dispensary registration certificate transferable?

A dispensary cannot transfer or assign the [dispensary registration certificate](#).

How will dispensary licenses be awarded in future years?

Beginning in May, 2012, ADHS will evaluate the number of operating dispensaries and the number allowed by statute. The department will follow [specific rules](#) if there are available dispensary licenses.

How should a dispensary obtain its original stock?

According to the Arizona Medical Marijuana Act, a dispensary can acquire marijuana from other registered nonprofit dispensaries or from a registered qualifying patient or designated caregiver if the patient or caregiver is not compensated for the marijuana.

Can I get my inventory from the street?

The [law](#) limits where a dispensary can acquire marijuana to other registered nonprofit dispensaries or from a registered qualifying patient or designated caregiver if the patient or caregiver is not compensated for the marijuana.

Is there a limit to how much medical marijuana a dispensary can have or grow?

Neither the Arizona Medical Marijuana Act nor the Department's rules limit the amount of medical marijuana a dispensary may have or grow. However, a dispensary may want to consult with an attorney about Federal marijuana-related laws and regulations.

If I don't want to have a cultivation site as part of my dispensary, can I buy medical marijuana from another dispensary?

Yes, a dispensary must follow [certain rules](#) acquiring medical marijuana from another dispensary.

What methods will a dispensary have to use to prevent unauthorized distribution of marijuana?

As part of the application for a dispensary registration certificate, a dispensary must provide to the Department [policies and procedures](#) that describe security measures and the [inventory control](#) features the dispensary will employ. Required [security features](#)

include electronic monitoring, restricted access, and intrusion protection. Before [dispensing marijuana](#) to an individual, a designated agent at a dispensary is required to verify that individual has a valid registry identification card.

How will medical marijuana be transported from where it is grown to the dispensary or from the dispensary to qualifying patients who cannot drive?

A dispensary transporting medical marijuana to other dispensaries or to qualifying patients must follow certain [rules](#), including a vehicle with no medical marijuana identification and no visible marijuana or paraphernalia. Before transporting the marijuana, a dispensary agent must complete a trip plan, a description of what is being transported, and the anticipated route. While transporting marijuana, the dispensary agent must carry a copy of the trip plan and have a means of communicating with the dispensary. After completing the trip, the dispensary agent is required to enter the end time of the trip and any changes to the trip plan. If medical marijuana is delivered to a qualifying patient, the dispensary agent also has to comply with [requirements](#) for verification and recordkeeping.

What services must a dispensary provide? What services may a dispensary provide?

A [dispensary is required](#) to be open and available to dispense marijuana to qualifying patients and designated caregivers at least 30 hours per week. The dispensary is also [required to provide educational materials](#) for qualifying patients or designated caregivers and to have materials available for [the assessment](#) of the therapeutic or palliative use of marijuana for the qualifying patient's debilitating medical condition.

In addition, [a dispensary may](#) cultivate marijuana for the dispensary's inventory or to sell to other dispensaries; transport medical marijuana and related paraphernalia; prepare, sell, or dispense marijuana-infused edible food products; prepare, sell, or dispense marijuana-infused non-edible products; sell or provide marijuana paraphernalia or other supplies related to the administration of marijuana to qualifying patients and designated caregivers; deliver medical marijuana to qualifying patients; or provide other patient support and related services to qualifying patients.

Can a dispensary sell candy and brownies that have marijuana in them?

Dispensaries must follow [several rules](#) to sell [edible food](#) products infused with marijuana.

How can a dispensary obtain edible food products containing marijuana?

A dispensary may obtain [edible food](#) products containing marijuana in two ways: it can obtain them from another dispensary or obtain a food establishment permit, issued pursuant to [state rules](#) and the ordinances and requirements of the local health department where the dispensary is located, and prepare the edible food products itself.

Will the Department be inspecting dispensaries?

The Department will conduct a compliance [inspection](#) of a dispensary and, if applicable, the dispensary's cultivation site before issuing an approval to operate and periodically

thereafter to ensure compliance with state law and Department rules. The Department may also conduct an inspection of a dispensary or the dispensary's cultivation site in response to a complaint made to the Department.

Who is a dispensary agent and what do they do?

A principal officer, board member, employee, or volunteer of a dispensary is a [dispensary agent](#). A dispensary agent is anyone who is responsible for performing tasks in or on behalf of the dispensary.

Why does a dispensary agent need to be fingerprinted?

According to [state law](#), people can't be dispensary agents if they've been convicted of an excluded felony. Anyone applying to be a [dispensary agent](#) must submit a full set of fingerprints to the Department as part of an application. The fingerprints may be used by the Department to conduct a [criminal records check](#) on the applicant.

If I already have a fingerprint clearance card from another job, why do I need to submit another fingerprint card to be a dispensary agent?

An applicant needs to submit a fingerprint card to ADHS to allow us to check for specific excluded felonies for this law. The list of [offenses](#) that would prevent a fingerprint clearance card from being issued to a teacher, child care worker, or other [individuals required](#) to obtain these is not the same as the list of "[excluded felony offenses](#)" for which dispensary agents are checked. Therefore, all designated caregivers are required to submit fingerprints in a Department-provided format as part of the applications for registry identification cards unless their fingerprints were submitted within the previous six months as part of another application to the medical marijuana program.

Will there be medical oversight at a dispensary?

Yes, a dispensary has to employ or contract with an Arizona physician to be the medical director for the [dispensary](#). A medical director [may not provide](#) a written certification for medical marijuana to a qualifying patient.

Can someone who is a physician become a medical director if he/she holds an Arizona medical license but also has a medical license and works in another state?

The [requirements for a medical director](#) include that the medical director must be an Arizona-licensed physician who is on-site or able to be contacted.

What will a dispensary's medical director do?

The [duties](#) of a dispensary's medical director include developing information and training for dispensary agents and customers. A medical director is not permitted by the rules to provide written certifications for medical marijuana.

What security will a dispensary have to provide?

A dispensary is required to comply with the specific [security requirements](#). These include having security equipment to deter unauthorized entrance to limited access areas, exterior lighting, and video surveillance cameras. A dispensary must also have policies

and procedures in place for the use of the security equipment to prevent unauthorized access to medical marijuana at the dispensary.

Costs

How much will it cost to apply for a registry identification card or a dispensary registration certificate?

The [fees](#) are listed in rules and include:

- \$150 for an initial or a renewal registry identification card for a qualifying patient. Some qualifying patients may be eligible to pay \$75 for initial and renewal cards if they currently participate in the Supplemental Nutrition Assistance Program.
- \$200 for an initial or a renewal registry identification card for a designated caregiver.
- \$500 for an initial or a renewal registry identification card for a dispensary agent.
- \$5,000 for an initial dispensary registration certificate.
- \$1,000 for a renewal dispensary registration certificate.
- \$2,500 to change the location of a dispensary or cultivation facility.
- \$10 to amend, change, or replace a registry identification card.