

SPONSORED BY: Clair Danner

ARKANSAS CANNABIS INDUSTRY AMENDMENT

INITIATIVE PETITION: To the Honorable John Thurston, Secretary of State, of the State of Arkansas: We, the undersigned legal registered voters of the State of Arkansas, respectfully propose the following amendment to the State Constitution, to wit: Arkansas Cannabis Industry Amendment and our petition, order that the same be submitted to the people of said state, to the end that the same may be adopted, enacted, or rejected by a vote of the people, at the regular general election to be held on the 8th day of November 2022, and each of us for him/herself says: I have signed this petition, I am a legal registered voter of the State of Arkansas, and my printed name, date of birth, residence, city or town of residence, and date of signing this petition are correctly written after my signature.

S. O. S. OFFICE USE ONLY

VALID OF _____

BY _____ DATE _____

VOTERS REGISTERED IN _____ COUNTY

	SIGNATURE	PRINTED NAME	DATE OF BIRTH	ADDRESS	CITY OR TOWN	DATE SIGNED
01.						
02.						
03.		F I L L E D				
04.						
05.		MAY 25 2021				
06.		Arkansas Secretary of State				
07.						
08.						
09.						
10.						

(FOR CANVASSER ONLY)

Indicate one: () Paid Canvasser or () Volunteer/Unpaid Canvasser

I, _____ being first duly sworn, state that the foregoing persons signed this petition, and each of them signed his or her name thereto in my presence. I believe that each has stated his or her name, date of birth, residence or town of residence correctly. I believe that each signer is a registered voter of the State of Arkansas. A complete copy of the Popular Name, Ballot Title, and Text of the Measure was attached to this signature sheet at all times during its circulation.

Signature: _____

Residence: _____

(FOR NOTARY ONLY)

State of Arkansas, County of: _____

On this ____ day of _____, 20____, came, _____ well known to me, (or satisfactorily proven by identification documents provided) to be the person described in the foregoing Canvasser Affidavit and acknowledged that s/he executed the same in the capacity of a Canvasser for the purpose of fulfilling legal requirements of a Canvasser in the State of Arkansas; and that I personally witnessed the signature of the Canvasser.

Signature of Notary: _____

My Commission Expires: _____

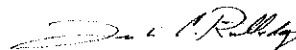
Residence County of Notary: _____

Notary Seal

Instructions to Canvassers and Signers

1. The Arkansas Constitution gives Arkansas citizens the power to (a) initiate legislation by petition of 8% of the legal voters or constitutional amendments by petition of 10% of legal voters, or (b) order the referendum against any general act or any item of an appropriation bill or measure passed by the General Assembly by petition of 6% of legal voters. A proposed measure must be submitted at a regular election. Referendum petitions may be referred at special elections on petition of 15% of the registered voters. Any measure submitted to the people becomes law when approved by a majority of the votes cast on the measure.
 2. Only registered voters may sign. All signatures must be in the signer's own handwriting and in the presence of the person circulating the petition. Each petition part should contain only the signatures of voters residing in a single county.
 3. Printed name, date of birth, residence, city or town of residence, and date of signing must be given. If a petition signer needs assistance with this information due to disability, another person may print the signer's information and that person shall sign and print their name in the margin of the petition.
 4. Pursuant to Ark. Code Ann. §7-9-103, a person commits a Class A misdemeanor, punishable by a fine of up to \$2,500 and confinement of up to one year in jail, if the person knowingly prints a name, address, or birth date other than his or her own to a petition or prints the date of signing for another person unless the signer requires assistance due to disability and the person complies with §7-9-103.
 5. Pursuant to Ark. Code Ann. §5-55-601(b), each of the following activities constitutes "petition fraud," which is a Class D felony and is punishable by a fine of up to \$10,000 and imprisonment for up to six years. Subsection (b) states: "A person commits the offense of petition fraud:
 - (1) If the person knowingly:
 - (a) Signs a name other than his or her name to a petition;
 - (b) Signs his or her name more than one (1) time to a petition; or
 - (c) Signs a petition when he or she is not legally entitled to sign the petition;
 - (2) If the person acting as a canvasser, notary, sponsor as defined under section 7-9-101; or agent of a sponsor:
 - (a) Signs a name other than his or her own to a petition;
 - (b) Prints a name, address, or birth date other than his or her own to a petition unless the signor requires assistance due to disability and the person complies with section §7-9-103;
 - (c) Solicits or obtains a signature to a petition knowing that the person signing is not qualified to sign the petition;
 - (d) Knowingly pays a person any form of compensation in exchange for signing a petition as a Petitioner;
 - (e) Accepts or pays money or anything of value for obtaining signatures on a petition when the person acting as a canvasser, sponsor, or agent of a sponsor knows that the person acting as a canvasser's name or address is not included on the sponsor's list filed with the Secretary of State under section §7-9-601; or
 - (f) Knowingly misrepresents the purpose and effect of the petition or the measure affected for the purpose of causing a person to sign a petition;
 - (3) If the person acting as a canvasser knowingly makes a false statement on a petition verification form; [or]
- * * *
- (5) If the person acting as a sponsor files a petition or a part of a petition with the official charged with verifying the signatures knowing that the petition or part of the petition contains one (1) or more false or fraudulent signatures unless each false or fraudulent signature is clearly stricken by the sponsor before filing."

Arkansas Attorney General



Leslie Rutledge

ARKANSAS CANNABIS INDUSTRY AMENDMENT

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ARKANSAS HEREBY DEFINE AN AMENDMENT TO THE CONSTITUTION MAKING THE CANNABIS INDUSTRY LEGAL UNDER ARKANSAS STATE LAW WHILE ACKNOWLEDGING THAT CANNABIS IS ILLEGAL UNDER FEDERAL LAW; ESTABLISHING A SYSTEM TO LEGALIZE, CONTROL, LICENSE, REGULATE AND TAX FOR THE REGULATION, TAXATION, COMMERCEING, CULTIVATION, ACQUISITION, PERSONAL USE, COMMERCIAL, AND DISTRIBUTION OF THE CANNABIS INDUSTRY THROUGH LICENSED BUSINESSES, DISPENSARIES, AND CULTIVATION FACILITIES AND GRANTING THOSE FACILITIES LIMITED IMMUNITY; PROVIDING THAT QUALIFYING FACILITIES, AGENTS, AND PATIENTS, SHALL NOT BE SUBJECT TO CRIMINAL OR CIVIL PENALTIES OR DISCRIMINATION FOR ENGAGING IN OR ASSISTING BUSINESSES, FACILITIES, AND PATIENTS OF THE CANNABIS INDUSTRY; PROVIDING THE GENERAL ASSEMBLY, AND THE BUREAU OF CANNABIS CONTROL, SHALL ADOPT AND PASS LAWS AND REGULATIONS AND ENACT LEGISLATION AS WILL FOSTER, IMPLEMENT, AND AID TO CREATE PROTECTIONS FOR THE CANNABIS INDUSTRY RELATED BUSINESSES; TO DECRIMINALIZE CANNABIS AT THE LOCAL AND STATE LEVELS; REQUIRING THAT IN ORDER TO BECOME A QUALIFYING BUSINESS, OR FACILITY, A PERSON(S) MUST SUBMIT TO THE STATE AN APPLICATION FOR A LICENSE; AND A PATIENT MUST SUBMIT A WRITTEN CERTIFICATION FROM A PHYSICIAN LICENSED IN THE STATE OF ARKANSAS THAT HE OR SHE IS SUFFERING FROM A QUALIFYING MEDICAL CONDITION; ESTABLISHING THAT THE BUREAU OF CANNABIS CONTROL AND THE CANNABIS CONTROL BOARD SHALL ADMINISTER AND REGULATE THE CANNABIS INDUSTRY REGULATORY STRUCTURE; PROVIDING PROTECTION FOR THE HEALTH AND PUBLIC SAFETY OF CONSUMERS AND SMALL BUSINESSES; IMPOSING ANTI-MONOPOLY RESTRICTIONS IN THE CANNABIS INDUSTRY; PROMOTING THE ECONOMIC AND ECOLOGICAL GROWTH OF INEXHAUSTIBLE POTENTIALS; PROTECTING THE CLEAN ENERGY NATURAL RESOURCE CANNABIS; ALLOWING FOR ENERGY INDEPENDENT BIOMASS TECHNOLOGY AND JOBS; PROVIDING THE DEPARTMENT OF HEALTH TO ESTABLISH RULES RELATED TO THE PROCESSING OF APPLICATIONS FOR REGISTRY IDENTIFICATION CARDS AND THE ADDITION OF QUALIFYING MEDICAL CONDITIONS; DIRECTING THE CANNABIS CONTROL BOARD TO ESTABLISH RULES AND REQUIREMENTS RELATED TO THE REGISTRATION AND OPERATIONS OF BUSINESSES, DISPENSARIES AND CULTIVATION FACILITIES; ESTABLISHING A BUREAU OF CANNABIS CONTROL OF 5 MEMBERS, 2 APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE SENATE, 2 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND 1 BY THE GOVERNOR; PROVIDING THAT THE BUREAU OF CANNABIS CONTROL SHALL ADMINISTER AND REGULATE THE LICENSING OF BUSINESSES, DISPENSARIES AND CULTIVATION FACILITIES; PROVIDING IT SHALL NOT BE LIMITED OR PROHIBITED FOR THE NUMBER OF LAWFUL CANNABIS OPERATIONAL FACILITIES PER PERSON; BUT ONLY ONE CANNABIS LICENSE PER YEAR, PER COUNTY, PER EACH LAWFUL OPERATIONAL FACILITY; EXCEPT THAT IN CONJUNCTION WITH THE AFOREMENTIONED, NO QUALIFIED PERSON SHALL OWN INTEREST IN MORE THAN ONE DISPENSARY FACILITY, OR ONE CULTIVATION FACILITY; AND A LICENSEE SHALL NOT ALSO BE LICENSED OR HOLD INTEREST IN OR AS A RETAILER OF ALCOHOLIC BEVERAGES OR OF TOBACCO PRODUCTS; SETTING INITIAL MAXIMUM APPLICATION AND LICENSE FEES FOR CANNABIS INDUSTRY BUSINESSES, DISPENSARIES, AND CULTIVATION FACILITIES; PROVIDING THAT QUALIFIED PERSON(S), OR FACILITIES ENGAGING IN OR ASSISTING WITH THE CANNABIS INDUSTRY SHALL BE LEGAL; ESTABLISHING QUALIFICATIONS FOR CANNABIS INDUSTRY REGISTRY AND IDENTIFICATION CARDS; ESTABLISHING STANDARDS TO ENSURE CONFIDENTIAL INFORMATION; ESTABLISHING OFFENCES WHICH PRECLUDE THE CERTAIN TYPES OF PARTICIPATION IN THE CANNABIS INDUSTRY; MAKING IT ILLEGAL FOR ANY PERSON(S), AGENCY, ENTITY, OR MEDICAL PHARMACEUTICAL TO CAUSE EXCESSIVE AND UNREASONABLE PRICING OR PRICE GOUGING WITHIN THE CANNABIS INDUSTRY; PROVIDING THAT ANY CANNABIS INDUSTRY SALES ARE SUBJECT TO STATE, AND LOCAL SALES TAXES, SPECIAL TAXES, IMPORT AND EXPORT DUTIES; AND PROVIDING THAT THE TAX REVENUES ON ANY CANNABIS GOODS AND SERVICES SHALL BE DISTRIBUTED AS DEFINED IN §10; AND PROVIDING REGARDING THIS AMENDMENT THAT THE GENERAL ASSEMBLY LEGISLATORS CANNOT AMEND OR REMOVE SECTIONS OF THIS AMENDMENT AND CAN ONLY BE DONE SO BY THE VOTERS APPROVAL.

§ 1. Short Title.

This is an amendment to the Arkansas Constitution that shall be cited as; Arkansas Cannabis Industry Amendment, (ACIA).

§ 2. Effective Date.

This amendment shall be effective on and after November 8, 2022.

§ 3. Purpose, Findings, Declarations, and Intent.

(a) This amendment shall be construed to accomplish its purpose, findings, declarations, and intent; a vital part of life's rights and privileges to freedom and happiness in the cannabis industry for creating or choosing a Job of your choice as pursuant to §3, §9, and §17; that the General Assembly Legislators, and the Bureau of Cannabis Control, shall promulgate and adopt regulations and enact legislation that will pass such laws and regulations as will foster, implement, and aid in the providing governing to decriminalize, license, regulate, tax, prevent government's overreach, and subverting our rights to legalize cannabis voted for on States issues in the agricultural, manufacturing, industrial, commercial, medical, personal, recreational, use, and commerce of the cannabis industry interests of the State; and for promoting the economic and ecological vitality growth, and enhancing revenues; to protect and prevent unreasonable depletion and eradication of a valuable natural resource, the cannabis plant (genus cannabis) of numerous and inexhaustible potentials, and jobs, enhancing revenue for public purposes, individual freedom, and the welfare, health and public safety of the people of the state of Arkansas, and further find and declare:

1. That currently, cannabis commerce growth and sale is not being taxed by the State of Arkansas. The Arkansas Cannabis Industry Amendment (ACIA) will allow for taxing both the growth and sale of cannabis generating revenue for the cost of administering the new law; public health programs that educate to prevent substance abuse; providing for the efficient use of law enforcement resources; invest in communities to reduce the illicit

cannabis market, and create job opportunities.

2. That providing the Arkansas citizenry with a future of opportunity by bringing JOBS in the natural resource clean energy cannabis industry; allowing for energy independent biomass technology as defined in §17(r), including the removal of prohibition on shipping, transportation, import, and export of cannabis; and shall be legal within the state of Arkansas.

3. That the purpose of this amendment is to establish a comprehensive system to legalize, control, regulate, and tax the cannabis industry and growth and sale of cannabis; and governing cannabis businesses set up at State levels and safeguards local control, allowing local governments to regulate cannabis related activities; to subject cannabis businesses to zoning and permitting requirements; and to ban cannabis businesses by a vote of the people within a locality by taking cannabis production and sales out of the hands of the illicit market; and bring them under a regulatory structure that prevents access by minors and protects public health and safety, and the environment.

4. That by legalizing cannabis, this will alleviate pressure on the courts, but continue to allow prosecutors to charge the most serious cannabis related offenses as felonies, while eliminating the penalties for lesser cannabis related offenses, greatly reducing the overall costs of maintaining a prison-police state for the 89% non-violent lesser cannabis violators.

5. That this amendment establishes as defined in §17(b), and §9(a-i), for a comprehensive regulatory structure in which every cannabis business is overseen by a specialized agency with relevant expertise. The Bureau of Cannabis Control, housed within the Department of Consumer Affairs, will oversee the whole system and ensure a smooth transition to the legal market, implementing §17(cc), and §9, with licenses issued beginning March 6, 2024.

6. That this amendment ensures the cannabis industry in Arkansas will be built around small and medium sized businesses by prohibiting large-scale cultivation licenses for the first twenty (20) years; protects consumers and businesses by imposing anti-monopoly restrictions for businesses that participate in the cannabis industry; prohibiting corporate takeover of the cannabis industry; including "Unreasonably impracticable", or "Unreasonable pricing".

(a) In the interest of enacting rational policies for the treatment of all variations of the cannabis plant, that industrial hemp should be grown as an agricultural product, and regulated separately from the strains of cannabis with higher (Delta-9-THC) delta-9 tetrahydrocannabinol concentrations as defined in §17(c)(o).

(b) In the interest of public health and safety of the people of the state of Arkansas the cultivation, acquisition, production, distribution, sale, and use of cannabis should be regulated: individuals will have to show proof of age before purchasing cannabis for personal and or recreational use; cannabis sold by regulated businesses will be labeled and subject to regulations to ensure that consumers are informed and protected; and to create protections for institutions that provide services to cannabis related businesses, and for other purposes as a secure and fair enforcement resolve.

(c) Selling, distributing, purchasing, possession, or transferring cannabis by and to individuals that are considered mentally impaired and or minors in the state of Arkansas under the age of twenty-one (21) years shall remain illegal; unless provided for by official documentation by a physician or the state.

(d) To ensure consistency and fairness in the application of this amendment it shall be illegal for any person(s) to participate in any unreasonably impracticable measures, pursuant to §17(kk) making it affordable to all; that it shall be illegal for any person(s), agency, entity, officer, company, or Legislator, to impede, deny, or abridge any legal citizen(s) right to change a law; or voting rights to wit: forcing registration of any legal citizen(s) before voting when presenting a valid form of photo ID (i.e. Driver's License, or a State ID card); and that where applicable to the rules, regulations, and laws to be amended as to foster, implement, and aid the aforementioned, and following, making these rights of the people available to all legal citizens regardless of race, color, servitude, or means, to have the ability to vote, or change a law. This amendment being necessary for the immediate preservation of the public peace, welfare, health and safety, an emergency is declared to exist, and this amendment takes effect upon its passage.

§ 4. The Regulation of Industrial Hemp.

The General Assembly Legislators, and the Bureau of Cannabis Control, shall adopt regulations and enact legislation that will foster, implement, and aid in the providing governing to decriminalize cannabis/hemp at the state and local levels pursuant to §17(g)(h)(o)(p)(q)(r) (aa); such regulations are subject to the following conditions and shall include:

(a) Regulations shall not prohibit the operation of industrial hemp facilities, either expressly or through regulations that make their operation unreasonably impracticable §17(kk).

(b) The cost of an industrial hemp license to be issued and required by the state to authorize any qualified person who is twenty-one (21) years of age or older for as defined in §17(p)(q)(r)(s)(aa), and retail and non-retail operational premises, the cultivation, acquisition, production, manufacturing, distribution, receiving, harvest, sale, possession, display, transfer, transport, purchase, storing, processing, testing, analyzing, packaging, paraphernalia/accessories, supplying to cannabis facilities, and use, of the cannabis plant (genus cannabis), for recreational, industrial, commercial, commerce, and medical purposes, and all products derived/produced therefrom the cannabis plant including the use of the unprocessed cannabis plant and as defined in §5(h)(11) an agriculture product containing three percent (3%) or less of Delta-9-THC shall:

1. Require initial application fee two-thousand five hundred dollars (\$2500.00), for 10 acres or less; four-thousand five hundred dollars (\$4500.00), for 10 to 50 acres; and one-thousand dollars (\$1000.00) an acre, for 51 to 100 acres or more; refundable fee less three hundred dollars (\$300.00) for administrative fees if denied an industrial hemp license. Annual renewal application fee twenty-thousand dollars (\$20,000.00); and as applicable as defined in §5(h)(19).

2. Initial license fee for gross receipts under ten-thousand dollars (\$10,000.) for 10 acres or less not to exceed one-thousand dollars (\$1000.00) per year of hemp grown; and for 10 to 50 acres three-thousand dollars (\$3000.00) per year; and for 51 to 100 acres six-thousand dollars (\$6000.00) per year of hemp grown; and for 101 acres or more one-thousand dollars (\$1000.00) per year per acre; or as defined in §17(ee) residential home business.. Annual renewal license fee ten-thousand dollars (\$10,000.00).

3. In the event the gross receipts exceeds ten-thousand dollars (\$10,000) for 10 acres or less the cost of the license is two-thousand dollars (\$2000.00) per year of hemp grown; and for 10 to 50 acres six-thousand dollars (\$6000.00) per year; and for 51 to 100 acres twelve-thousand dollars (\$12,000.00) per year of hemp grown; and for 101 acres or more two-thousand fifty dollars (\$2050.00) per year per acre of hemp grown.

4. A cultivator is required to pay an annual cultivation license fee of \$100,000 and a performance bond of \$500,000.

5. And without limit to the number of license(s) issued in this State whether by the Department of Revenue, or its successor agency with respect to whether the license(s) is to be issued by the state or is to be required by the state to be issued by some other authority; but only one industrial hemp license per year, per county, per lawful operational premises is required as defined in §5(g)(2), §17(ee). The licensee shall obtain such a license, providing that he or she has not had such a license permanently revoked by the State. Each industrial hemp license shall display a license account number, facility/premises name, address, issue date, and expiration date, including licensee photo, name, date of birth, and address.

(a) All cannabis facilities, vehicles, and personnel shall have the required issued as defined in §17(cc) track and trace "Unique Identifiers", "RFID tags", "API", a "Security Key Card ID" for entrance into locked areas of usable cannabis; and seed-to-sale database business software applications-showing the activities and sales that are being processed for tracking identification purposes required by the state.

(b) The quantity of cannabis/hemp plants cultivated and products derived/produced therefrom, shall not be limited or prohibited for non-retail and or retail use per qualified person(s) with a valid cannabis/hemp license, and shall be regulated and taxed in like manner as similar products, purpose, and categories, such as any textile, commodity, agricultural, goods and services produced in or out of this state whether by import or export.

(c) The General Assembly shall enact an excise tax to be levied upon wholesale sales of cannabis industrial hemp sold or otherwise transferred by a cannabis cultivation facility to a cannabis product manufacturing facility or to a retail or non-retail cannabis business at a rate of four (4%) percent and not to exceed ten (10%) percent prior to January 1, 2034, as defined in §10(b).

§ 5. The Regulation of Cannabis.

The General Assembly Legislators, and the Bureau of Cannabis Control, shall adopt regulations and enact legislation that will foster, implement, and aid in the providing governing to decriminalize cannabis at the state and local levels pursuant to §16, §17(f)(h)(i)(q)(r)(aa); to leave to the State a power to, in working with the Bureau of Cannabis Control, in establishing a comprehensive regulatory structure and system to legalize, control, regulate, and tax the activities of the cannabis industry; protecting the health and public safety of consumers and small businesses by imposing anti-monopoly restrictions in the cannabis industry; and including, but not limited to, the conflating of the cannabis issues : promoting the economic and ecological vitality growth; enhancing revenues; to protect the clean energy natural resource cannabis of inexhaustible potentials; allowing for energy independent biomass technology and jobs, and all listed activities; and for the licensing of the cannabis facilities, and for retail and non-retail facilities; permitting local government to regulate cannabis facilities and the cannabis plant (genus cannabis); and all products derived/produced therefrom, and including comprised of infused cannabis; shall be lawful in this state with a valid state license, and may be regulated and taxed in like manner as similar products, purpose, and categories such as any other textile, commodity, agricultural, goods and services produced in or out of this state whether by import or export; and imparting equal pay for equal work, fair wages, training, working conditions, regulations, and safety conditions to all employee(s) and personnel; such regulations are subject to the following conditions and shall include:

(a) Regulations shall not prohibit the operation of cannabis facilities, either expressly or through regulations that make their operation unreasonably impracticable as defined in §17(kk).

(b) The supplying to cannabis facilities, and use, of the cannabis plant (genus cannabis), for recreational, industrial, commercial, personal, commerce, and medical purposes, and the use of the unprocessed cannabis plant and as defined in §5(h)(11) ,§17(d)(r)(w)(y)(aa)(mm) shall be prohibited to person(s) under the age of twenty-one (21) years; likewise, medical possession and use shall be prohibited unless such a person is a medical cannabis patient or caregiver with valid proof of a medical recommendation/certification, or cannabis ID card, from any state medical cannabis program.

(c) A required dispensary facility initial application fee to be a maximum of five-thousand dollars (\$5,000.) for estimated gross receipts under twenty-thousand dollars (\$20,000.) per year; and twelve-thousand dollars (\$12,000.) per year in the event the estimated gross receipts exceeds twenty-thousand dollars (\$20,000.); refundable fee less eight-hundred dollars (\$800.) for administrative fees if denied a cannabis license. Annual renewal fees: application \$20,000.; business license \$10,000.; state license \$25,000.

(d) A required cultivation facility initial application fee to be a maximum of twelve-thousand dollars (\$12,000.), for estimated gross receipts under forty-thousand dollars (\$40,000.) per year; and nineteen-thousand dollars (\$19,000.) per year in the event the estimated gross receipts exceeds forty-thousand dollars (\$40,000.); refundable fee less eight-hundred dollars (\$800.) for administrative fees if denied a license. Annual renewal fees: application \$25,000; business license \$15,000; and a cultivator is required to pay an annual cultivation state license fee of \$100,000, and a performance bond of \$500,000.

(e) No later than six (6) months upon passage of this amendment, the General Assembly Legislators, and the Bureau of Cannabis Control shall adopt and pass laws and regulations as will foster, implement, and aid to begin accepting applications for licenses to operate a cannabis facility, dispensary, cultivation, or an industrial hemp facility. Licensing of cannabis facilities, shall be licensed through the Bureau of Cannabis Control by the state designated agency under §5(g)(2)(h)(19), §9(a)(c), and §17(b)(f)(h)(i)(o)(p)(q), of this amendment.

(f) All cannabis facilities locations may not be within ½ mile or 2,640 feet of a school, playground, youth center, or daycare center prior to the date of application of the facility.

(g) The cost and purpose of a retail and or non-retail cannabis facility license or any various taxes on privileges when assessed in the form of a license or fee for a lawful operational cannabis facility for cannabis and the products produced therefrom, including infused cannabis and the use of the unprocessed cannabis, shall be issued through the Bureau of Cannabis Control by the state to authorize to a person(s) twenty-one (21) years of age or older for as defined in §17(q)(r)(aa), and shall not exceed the set pricing scheduled for the designated application of operation or condition; and

1. Without limit to the specified license(s) issued in this state whether by the Bureau of Cannabis Control, or a designated agency, or the Arkansas Department of Revenue or its successor agency.

2. It shall not be limited or prohibited for the number of lawful operational facilities per person; but only one (1) cannabis license per year, per county, per each lawful operational facility; except that in conjunction with the aforementioned, no qualified person shall own interest in more than one (1) dispensary facility, or one (1) cultivation facility; and a licensee shall not also be licensed or hold interest in or as a retailer of alcoholic beverages or of tobacco products; a finding that a person(s) holds, or is a participant in an entity(s) holding more than the allowed licenses issued under this amendment shall be grounds for permanent revocation of all licenses held by such person(s) or entity(s) in which participated.

3. No later than six (6) months upon passage of this amendment, the State and the Bureau of Cannabis Control under §17(b)(q), and §9, of this amendment shall foster, implement, and aid in, to begin accepting

applications for licenses to operate any cannabis facility; and with licenses issued beginning March 6, 2024.

(h) All cannabis facilities, vehicles, and personnel shall have for designated areas the required issued "Unique Identifiers", as defined in §17(cc); and seed-to-sale database business software applications showing tracking identification purposes required by the state.

1. Records and Inspections of the cannabis business facilities shall include: Licensee shall keep accurate records with data points for the different stages of commercial activity, including, but not limited to, cultivation, acquisition, harvest, processing, distribution, inventory, and sale, with a secure application programming interface (API) as defined in §17(cc). All records related to cannabis activity as defined by the licensing authorities shall be maintained for a minimum of seven (7) years. The Bureau may examine the books and records of a licensee and inspect the premises of a licensee as the licensing authority, or designated state, or local agency, deems necessary to perform its duties. All inspections shall be conducted during standard business hours of the licensed facility or at any other reasonable time. Licensee shall keep records identified by the licensing authorities on the premises of the location licensed. The licensing authorities may make any examination of the records of any licensee. Licensee shall also provide and deliver copies of documents to the licensing agency upon requests. Licensee, or its agent or employee that refuses, impedes, obstructs, or interferes with an inspection of the premises or records has engaged in a violation of this amendment. If a licensee, or an agent or employee fails to maintain or provide the records required, the licensee shall be subject to a citation and a fine of up to thirty thousand dollars (\$30,000.) per individual violation.

2. Sales invoices and or receipts of the cannabis business facilities shall include: every transaction from one licensee to another licensee, and or consumer must be recorded on a sales invoice or receipt. Sales invoices and receipts may be maintained electronically and must be filed in such a manner as to be readily accessible for examination by employees of the Bureau of Cannabis Control or designated agency, and shall not be amalgamated with invoices covering other textiles, commodities, agricultural, goods and services.

3. Each sales invoice required by the aforementioned and hereafter, shall include the name and address of the seller and shall include the following information: name and address of the purchaser; date of sale, invoice number, kind, quantity, size, and capacity of packages sold; the cost to the purchaser, any discount applied; the place from which transport of the product was made; any other pertinent information specified by the Bureau or designated licensing authority.

4. A qualified person must be an Arkansas state resident of seven (7) consecutive years or more to be a licensed owner of a cannabis business, dispensary, or a cultivation facility; as defined in §17(aa).

5. Both dispensary and cultivation facilities license shall expire one (1) year after the date of issuance. A license renewal for a dispensary or a cultivation facility will be issued within ten (10) days to any entity who complies with the requirements contained in this amendment before the expiration date on license held, including accompanied payment of the renewal fee.

6. Both a dispensary and a cultivation facility may receive compensation for providing the goods and services aforementioned and following under this amendment.

7. A dispensary may acquire, manufacture, grow, sell, possess, prepare, deliver, transfer, transport, supply and dispense up to three-hundred (300) mature cannabis plants, and all products derived/produced therefrom the cannabis plant including seedlings, seeds, cuttings, the use of the unprocessed cannabis plant, and cannabis paraphernalia as to meet the consumer demands at any time to qualifying person(s), patient(s), designated caregiver(s), personal use, and businesses.

8. A dispensary may contract with a cultivation facility to cultivate, transfer, purchase, and transport the requested number of cannabis plants and products at wholesale & is permitted to grow and sell.

9. A cultivation facility may grow, cultivate, possess, transfer, and transport cannabis and all products derived/produced therefrom the cannabis plant including the use of the unprocessed cannabis plant to meet the demand of the qualifying consumers and the dispensaries.

10. A cultivation facility may sell cannabis to another cultivation facility, a manufacturing facility, an industry or commercial facility, and or a dispensary where deemed necessary by request for an order of product.

11. Any licensed cannabis facility that does all or either process from seed-to-sale, and as defined in §5(b), §17(d)(r)(y)(aa)(mm), to a dispensary, business, person, or entity; including but not limited to, clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis; has an obligation to create a category of biological classifications rankings; determine the DNA species strain name; and THC potency levels of each plant species; for the labeling, ensuring that the public health and safety of consumers are informed and protected; including "Testing services" in a laboratory, facility, or entity in the state, that offers or performs tests of cannabis and products therefrom; including the equipment provided by such laboratory, facility, or entity, and is "Accredited" by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and "Registered" with the Department of Public Health. And industrial hemp is considered an agriculture product containing three percent (3%) or less and not as a cultivation facility with strains of 3% or higher of Delta-9-THC.

12. A consumer, upon showing proof of age, who purchases cannabis or cannabis products produced therefrom can purchase from a dispensary or a cultivation facility for recreational and or personal use, but not for resale to others and can do so without a cannabis license.

13. All in or out of state confirmed valid medical cannabis ID cards or its equivalent are valid at any cannabis dispensary or cultivation facility within the state of Arkansas.

14. Both dispensary and cultivation facilities are subject to random nonscheduled reasonable inspections appointed by the Bureau of Cannabis Control to a designated agency(s) for the health and public safety of the people as deemed necessary.

15. All cannabis facilities, vehicles, and personnel shall have issued for designated areas a track and trace "Unique Identifier"; a 'Security Key Card ID'; an API, & RFID tag as defined in §17(cc).

16. Commencing January 1, 2024, and by January 1st of each year thereafter, the Bureau of State Audits shall conduct a performance audit of the Bureau of Cannabis Control's activities under this amendment, and shall report its findings to the Bureau of Cannabis Control, and the Legislature by July 1st of that same year. The report shall include, but not limited to, the following: the annual costs of the program; the overall effectiveness of enforcement programs; any report submitted pursuant to this section shall be submitted in compliance with the Arkansas Government and Business Code.

17. Annual Reports and Performance Audits beginning on March 1, 2026, and on or before March 1st of each year thereafter, each licensing authority shall prepare and submit to the Legislature and Bureau an annual report on the authority's activities concerning commercial cannabis activities and post the report on the authority's website. The report shall include, but not limited to, the same type of information specified in similar reports with

similar business, and a detailed list of petitions for regulatory relief or rulemaking changes for resolve received by the office from licensees requesting modifications of the enforcement of rules under this amendment.

18. The Legislature shall provide sufficient funds to the Bureau of State Audits to conduct the annual audits required by this section.

19. Each licensing authority shall establish a scale of application, licensing, licensure, and renewal fees, and calculated based upon that will fairly and proportionately generate sufficient revenue to fully cover the costs of enforcing and administering this section as follows: each licensee shall be charged a licensure and renewal fees, as applicable. The licensure fee may vary depending upon the costs administering the regulatory requirements as they relate to the nature and scope of the different licensure activities, including, but not limited to, the track and trace as defined in §17(cc) required pursuant to this amendment, but shall not exceed the reasonable regulatory costs to the licensing authority. All license fees shall be set on a scaled basis by the licensing authority, dependent on the size of the business. The licensing authority shall transfer all fees collected in a fee account specific to that licensing authority, to be established in the Bureau of Cannabis Control Fund. Moneys in the licensing authority fee accounts shall be used, upon appropriation by the designated licensing authority for the administration of this section.

(i) The quantity, quality, and size, of the cannabis plants cultivated and products produced therefrom, shall not be limited or prohibited for recreational, industrial, commercial, commerce, non-retail, retail, or personal use per qualified person(s) with a valid cannabis license; as defined in §17(q)(aa) when purchased; and shall be regulated and taxed in like manner as similar products, purpose, and categories such as any other textile, commodity, agricultural, goods and services produced in or out of this state.

(j) Cannabis plants shall be cultivated in a location where the plants are not subject to public access.

(k) For the personal, recreational, and home cultivation use of cannabis or hemp there is no required license or cost for the resident within their private domestic domain and property.

(l) For the resident within their private domestic domain and property the quantity, quality, size, and products produced therefrom the cannabis or hemp plants shall not be for sale, limited or prohibited, and are not subject to public access.

(m) And at any time a person while undertaking any task under the influence of medical cannabis senses obvious influence impairment is prominent and paramount when doing so would impede his or her ability, and to continue the task would be compromised, and when reported a person shall not be subject to as defined in §17(s)(mm) any penalty.

(n) In addition to the sales tax imposed by both the local and state upon the sale of any cannabis and products produced therefrom, including cannabis infused products, and goods and services the state shall impose an excise tax of five (5%) percent.

(o) Such excise tax shall be levied upon medical cannabis pursuant to §7(d), §9(i) and §10(e); and shall not be tax exempt.

(p) That current cannabis laws shall adhere, foster, implement, aid, and give support to this amendment, to abrogate, or to propose a law, whether by revision or deletion.

(q) The General Assembly Legislators, and the Bureau of Cannabis Control shall pass such laws as will foster and aid the agricultural, manufacturing, industrial, commercial, recreational, personal use, medical, and regulations of cannabis interests of this State.

(r) The General Assembly may, by general law, exempt from taxation for a term of seven (7) years from the ratification of the Arkansas Constitution, the capital invested in any cannabis industry non-retail, retail, commercial, industrial, and manufacturing business in this State, under such regulations and restrictions as may be prescribed by law.

(s) To decriminalize and end the state and local levels of failed drug policy on the prohibition on cannabis pursuant to §3.

(t) To amend Arkansas codes, regulations, statutes, and laws, where applicable, to prohibit funding for the purposes of any of the cannabis suppression and eradication programs of the use of, the restriction on use of, and or the authority to transfer property for the use of, amounts from including but not limited to, the Asset Forfeiture Fund for the Domestic Cannabis Suppression/Eradication Program of the Drug Enforcement Administration, the Department of Justice system's Equitable Sharing Program, the Comprehensive Crime Control Act to federal, state, and or local agencies, and for other substantially similar programs or purposes.

(u) No Arkansas law enforcement agency shall have the right to confiscate or seize property or apply the Comprehensive Crime Control Act or the Equitable Sharing Program regarding civil forfeiture in cannabis assets including but not limited to, cars, cash, valuables, real estate, and other property permanently taken on suspicion of involvement with crime or illegal activity in cannabis whether prior to, during, or after passage of this amendment.

(v) In a medical cannabis State approved program no funds made available to the Department of Veterans Affairs (DVA) may be used to prohibit, limit, or interfere with: the ability of a veteran to participate or be denied any services from the DVA to a veteran who is participating in such a program; or prohibit, limit, or interfere with the ability of a healthcare provider of the DVA to make appropriate recommendations, fill out forms, or take steps to comply with such a program.

(w) For Arkansas Legislators, to foster, implement, and aid in the deregulation and removal of cannabis prohibition where applicable; the Attorney General shall, no later than 60 days after the date of passage of this amendment, issue a final order that removes cannabis where applicable from state and local codes, regulations, statutes, and laws, preventing unreasonable depletion of a natural agriculture heritage and eradication of a valuable and natural resource; (i.e. genus Cannabis is a natural resource); and shall be legal in the state of Arkansas.

(x) That Arkansas Legislators shall foster, implement, and aid in creating protections for providing access to traditional services by cannabis-related businesses, and for other purposes, and to operate in like manner as any other business as a secure and fair enforcement resolve; and that any institute shall be able to engage in transactions and shall have immunity from disciplinary action, as defined in §17(mm). And that no funds made available to the Arkansas Department of Justice may be used to pay, to fail, or to prevent the state from complying with this amendment, or delay the approval of an application for a cannabis business; and that cannabis shall not be an offense or illegal, or be a basis for seizure or forfeiture of assets; the Arkansas Legislature may by majority two-thirds (2/3) vote to amend, add, or repeal any provisions to further reduce the penalties for any of the offenses addressed except as otherwise provided, the provisions will foster, implement, and aid in, provided that such are consistent with and further the purpose and intent of this Amendment; and providing that no legislators can abrogate, or remove the law, and can only be done so by the voters as defined in this section §5(x), that enact protections for workers of licensee(s) and are in addition to the protections pursuant to §17(mm).

(y) Safe harbor for institutions: an officary may not in any form cause hardship, or usurpation, to undermine, retaliate, terminate, limit, prohibit, penalize, or discourage any business or person(s) from providing or affiliation

regarding reciprocal services or transactions to or from any cannabis business or its employee(s); before and or after the passage date of this amendment.

1. Protections under state law; or political subdivision of the State, that has jurisdiction over their areas, that allows cannabis pursuant to law or regulation of the State, an institution, the officers, director, and employees that provides services to a cannabis business may not be held liable for providing the services; or for further investing any income derived from the services complying with this amendment.
2. Forfeiture : An institution that has a legal interest in the collateral, real estate, equipment, leased or sold, made to an owner or operator of a cannabis business, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any law for providing the services because the collateral is owned by a cannabis business.
3. Rule of construction: Nothing in this amendment shall require an institution to provide services to a cannabis-related legitimate business.
4. Reporting of suspicious transactions: An institution or any staff or agent that reports a suspicious activity related to a transaction by a cannabis business shall comply with appropriate guidance. The Secretary shall ensure that the guidance is consistent with the purpose and intent of the 'Arkansas Cannabis Industry Amendment' (ACIA) as a secure and fair enforcement resolve; and does not inhibit the provision of services to a cannabis business in the State or political subdivision of the State; or any other conduct relating to cannabis, pursuant to Arkansas law, or regulation.

(z) Be it enacted by the people of the state of Arkansas further find and declare that this amendment cited as the 'Arkansas Cannabis Industry Amendment' (ACIA) provides for the General Assembly Legislators, and the State of Arkansas to foster, implement, and aid in the amending of the Arkansas Controlled Substances Act to provide for a new statute regarding the application of the amendment to the cannabis industry, and for other purposes.

1. Ineligibility for Certain Funds in general for any fiscal year beginning after the date of enactment of this amendment in which the Attorney General, acting through the Director of the Bureau of Justice Assistance, determines that Arkansas has a disproportionate arrest rate or a disproportionate incarceration rate for cannabis offenses, the State shall not be eligible to receive any funds for the staffing or construction of a prison or jail; and shall be subject to not more than a ten (10%) percent reduction of the funds that would otherwise be allocated for that fiscal year to Arkansas State under subpart 1 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3750 et seq.), whether characterized including but not limited to as the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs, the Local Government Law Enforcement Block Grants Program, the Edward Byrne Memorial Justice Assistance Grant Program, or otherwise.

(a) Funds for Certain Programming.— For purposes of §5(z)(1)(a)(b), funds for the staffing or construction of a prison or jail shall not include funds used by a prison or jail to carry out recidivism reduction programming or drug addiction treatment.

(b) Reallocation.— Any amounts not awarded to Arkansas State because of a determination under §5(z)(1)(a)(b) shall be transferred to the Community Reinvestment Fund established under §5(z)(5)(a-d).

2. Expungement of Cannabis Offense Convictions each court shall issue an order expunging each conviction for a cannabis use or possession offense entered by the court prior to, during, and or after the effective date as defined in §11 of this amendment.
3. Sentencing Review in general for any individual who was sentenced to a term of imprisonment for a criminal offense involving cannabis before the date of enactment of this Amendment and is still serving such term of imprisonment, the court that imposed the sentence, shall, on motion of the individual, the Director of the Bureau of Prisons, the attorney for the Government, or the court, conduct a sentencing hearing. A potential reduced resentencing after a sentencing hearing, a court may impose a sentence on the individual as if this amendment, and the amendments made by this amendment, were in effect at the time the offense was committed.
4. Right of Action in general an individual who is aggrieved by a disproportionate arrest rate or a disproportionate incarceration rate of Arkansas State may bring a civil action in an appropriate U.S. District Court of the State of Arkansas.

(a) Relief.— In a civil action brought under this subsection in which the plaintiff prevails, the court shall grant all necessary equitable and legal relief, including declaratory relief; and issue an order requiring the Attorney General, acting through the Director of the Bureau of Justice Assistance, to — (i) declare Arkansas State to be ineligible to receive any funds for the staffing or construction of a prison or jail in accordance with subsection §5(z)(1)(a)(b); and (ii) reduce grant funding of the State in accordance with subsection §5(z)(1)(a)(b).

5. Community Reinvestment Fund Establishment: there is established in the Treasury of the State of Arkansas a fund, to be known as the "Community Reinvestment Fund" (referred to in this section as the "Fund").

(a) Transfers. — The Fund shall consist of— (1) any amounts not awarded to Arkansas because of a determination under §5(z)(1)(a)(b); and (2) any amounts otherwise appropriated to the Fund.

(b) Use of Fund Amounts. — Amounts in the Fund shall be available to the Secretary of Housing and Urban Development to establish a grant program to reinvest in communities most affected by the war on drugs, which shall include providing grants to impacted communities for programs such as: job training; reentry services; expenses related to the expungement of convictions; public libraries; community centers; programs and opportunities dedicated to youth; the special purpose fund discussed below; and health education programs.

(c) Availability of Fund Amounts. — Amounts in the Fund shall be available without fiscal year limitation.

(d) Authorization of Appropriations. — There are authorized to be appropriated to the Fund \$300,000,000 for each of fiscal years 2024 through 2034.

§ 6. Cannabis Control Board.

No later than six (6) months, the Legislature shall create a Cannabis Control Board in the Department of Commerce, Community, and Economic Development or its successor agency to assume the power, duties, and responsibilities delegated to the Alcoholic Beverage Control Board under this amendment.

§ 7. Medical cannabis.

Within six (6) months of the effective date of this amendment, Arkansas State shall foster, aid, implement, and adopt as defined in §17(b)(e) and §6, a Cannabis Control Board, and Bureau of Cannabis Control, for a cannabis industry and a medical cannabis program to ensure that all person(s) including those under the age of twenty-one (21) years who are suffering from as defined in §17(bb) a qualifying medical condition, have safe and affordable

access to cannabis for medical purposes are lawful:

(a) Any parent or guardian listed as the designated caregiver may provide medical cannabis to a patient, including that is mentally challenged and or impaired, from any licensed physician in or out of this state authorizing the use thereof.

(b) Any physician, a licensed medical doctor in or out of this state may authorize the use of medical cannabis to a patient by written recommendation/certification for the purpose of treating pursuant to §17(bb); all in or out of state confirmed medical cannabis ID cards are valid at any cannabis dispensary within the state of Arkansas; a physician shall not be subject to any penalty, or suffer any retribution from any person, or entity for providing a certification applicable to the physician-patient relationship thereof.

(c) Person(s) eighteen (18) years of age or older may purchase, possess, and use medical cannabis providing that they have authorizing use from any licensed physician, whether in or out of this state.

(d) There shall be local and state taxes, and or special taxes, and an excise tax of (5%) imposed on medical cannabis, it shall not be tax exempt.

§ 8. Failure to adopt amendment for cannabis industry business licenses

(a) If the Department of Public Health, Bureau of Cannabis Control, housed in the Department of Consumer Affairs, or Alcoholic Beverage Control Board fails to adopt, foster, aid, and implement this amendment within the time prescribed or fails to issue cannabis industry business licenses, or impedes an individual(s) freedom, health and public safety by doing so, any qualified person(s) under this amendment may commence a mandamus action in Pulaski County Circuit Court to compel the department, bureau, or board to perform the actions mandated under the provisions of this amendment.

(b) No later than six (6) months upon passage of this amendment, the Arkansas General Assembly Legislators, as defined in §17(b)(e)(bb), §6, and §9, shall create a Cannabis Control Board, and a Cannabis Control Appeals Panel with as defined in §17(b) through the Bureau of Cannabis Control, to designated agencies, shall adopt, foster, aid, and implement this amendment for a cannabis industry and a medical cannabis program to ensure that all person(s) individual freedom, health and public safety is secured by doing so; and if failed to do so, then §8(a) applies to any qualified person(s) under this amendment.

§ 9. Bureau of Cannabis Control – Established

(a) There is established within thirty (30) days upon passage of this amendment by the Legislature under §17(b), a Bureau of Cannabis Control, housed within the Department of Consumer Affairs, that shall establish, administer, regulate, tax, and create an opportunity for a comprehensive Regulatory structure in which every cannabis industry business is overseen by a specialized agency with relevant expertise; and will oversee the whole system and ensure a smooth transition to the legal market implementing §3, §17(cc), and §9(a-i); and within (120) days, the Bureau shall adopt rules establishing: license application, license renewal fees, and issuance of temporary licenses, and to create protections for institutions that provides services to cannabis-related businesses, and for other purposes as a secure and fair enforcement resolve; and no later than six (6) months the General Assembly Legislators, and the Bureau of Cannabis Control shall foster, aid, and implement, to begin accepting applications for licenses to operate a cannabis industry facility; and with licenses issued beginning on March 6, 2024. A license issued pursuant to this section shall be valid for 12 months from the date of issuance. The license may be renewed annually. Each licensing authority shall establish procedures for the issuance and renewal of licenses. A licensing authority may issue a temporary license for a period of less than 12 months.

(b) No later than six (6) months upon passage of this amendment, the Legislature in collaboration and synonymously with as defined in §17(b) through the Bureau of Cannabis Control, to designated agencies, shall foster, aid, and implement, for a cannabis industry and a medical cannabis program in this state; and shall create and establish a Cannabis Control Board within the Department of Commerce, Community, and Economic Development or its successor agency to assume the power, duties, and responsibilities delegated to the Alcoholic Beverage Control Board to ensure that all person(s) individual freedom, health and public safety is secured.

(c) The Bureau of Cannabis Control, which shall consist of five (5) members to serve a term of four (4) years, as follows: Two (2) members appointed by the President Pro Tempore of the Senate, with one (1) member to serve (2) years by draw of lots, and one (1) member to serve (4) years. Two (2) members appointed by the Speaker of the House of Representatives, with one (1) member to serve (2) years by draw of lots, and one (1) member to serve (4) years. One (1) member appointed by the Governor shall serve (4) years. The Bureau shall select one (1) of its members as chair; an affirmative vote of a majority of a quorum present shall be necessary to transact business.

(d) The Bureau of Cannabis Control or designated agency shall administer and collect the cannabis industry taxes imposed; and may prescribe, adopt, and enforce regulations relating to the administration and enforcement, including, but not limited to, collections, reporting, refunds, and appeals; and shall adopt necessary rules and regulations to administer the taxes including methods to tag defined in §17(cc), cannabis and cannabis products and packaging thereof, to designate prior tax payment; and may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer, and enforce its duties under this amendment; the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare.

(e) Any person who fails to pay the taxes imposed under this amendment shall be subject to a penalty of at least one-half (½) the amount of the taxes not paid; and legal actions as are necessary to collect any deficiency in the tax required to be paid, and upon the Bureau's request the Attorney General shall bring the actions.

(f) The Department of Food and Agriculture will license and oversee cannabis cultivation, and dispensaries ensuring environmental safety; the Department of Public Health will license and oversee manufacturing and testing, ensuring consumers receive a safe and labeled product; the State Board of Equalization will collect the cannabis taxes; the Controller will allocate the revenue to administer the new law and provide the funds to critical investments; the Bureau of State Audits shall conduct an annual performance audit of the Bureau of Cannabis Control activities; and the Department of Consumer Affairs will also license and oversee cannabis retailers, distributors, and microbusinesses.

(g) The Cannabis Control Appeals Panel which shall consist of three (3) members and each to serve for a term of (4) years, appointed by the Governor and subject to confirmation by a majority vote of all the members elected to the Senate; and shall be a resident of a different county from the one in which either of the other members resides; panel members shall receive an annual salary; the panel shall adopt procedures used in the Arkansas

Business and Professions Code; and in accordance with the Arkansas Administrative Procedure Act; the Cannabis Control Appeals Panel, Bureau of Cannabis Control, and the Cannabis Control Board members may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all Congress members elected to each the House of Representatives, and Senate to remove any member from office for dereliction of duty, corruption or incompetency; or a concurrent resolution for the removal of any member of the panel may be introduced in the Legislature only if five (5) Members of the Senate, or ten (10) Members of the General Assembly, join as authors.

(h) The Bureau shall devise protocols that each licensing authority shall implement to ensure compliance with state law and regulations related to environmental impacts, natural resource protection, water quality, water supply, hazardous materials, and pesticide use, including but not limited to, the Environmental Quality Act, the Endangered Species Act, lake or streambed alteration agreements, the Clean Water Act, the timber protection zones, wastewater discharge requirements, and any permit or right necessary to divert water; with licenses issued beginning on March 6, 2024.

(i) An excise tax of (5%) shall be levied upon medical cannabis intended for sale pursuant to §5(o), §7(d), and §10(e) of this amendment; there shall be local, state, and or special taxes imposed on medical cannabis; and shall not be tax exempt.

§ 10. Taxation and Distribution of proceeds from revenues of the cannabis industry.

(a) Estimate – On an annual basis, the Arkansas Secretary of the Treasury shall make a reasonable estimate of total tax revenue generated by the cannabis industry for the previous 12-month period for the following: All sales of cannabis/hemp defined in §17(c)(m)(o)(y); are subject to local and state sales taxes, excise tax, special taxes, excise duty on inland/import, or customs duties on border/export at the same rate as other commerce similar products, purpose, and categories; textiles, commodities, agricultural, goods and services that are produced in or out of this state; including revenues generated from fees, penalties, and other assessments of the cannabis industry entities under this amendment, including, but not limited to, and without limitation dispensary and cultivation facilities application, licensing, licensure, and renewal fees; private donations, and other appropriations by the General Assembly when such funds are available.

(b) Transfer – The Secretary of the Treasury shall transfer from the general fund of Treasury to the trust fund established under subsection §10(c) the greater of: an amount equal to 10% of the amount estimated under §10(a); and including: the General Assembly shall enact as defined in §4(c) an excise tax to be levied upon wholesale sales of industrial hemp which includes infused with cannabis, at a rate of four (4%) percent and not to exceed ten (10%) percent; prior to January 1, 2034, and at a rate to be determined by the General Assembly thereafter; and shall direct the Bureau to establish and promulgate procedures for the collection of all taxes levied requiring the first thirty (\$30 million) dollars in revenue raised annually by such tax be credited to the Arkansas Department of Education Public Schools Capital Construction Assistance General Revenue Fund created or its successor.

(c) Trust Fund – In general, there is established in the Treasury of the state of Arkansas a trust fund to be known as the Arkansas Cannabis Industry Trust Fund, which shall consist of amounts transferred under §10(b).

(d) Use of Amounts – Amounts in the trust fund established under §10(a)(b) shall be made available to the Administrator of the Arkansas Small Business Administration to provide including but not limited to loans under section 7(m) of the Small Business Act (15 U.S.C. 636(m)) to assist: the Arkansas Department of Finance and Administration Sales Tax Division with the cannabis industry tax revenues received; and levied upon wholesale sales of hemp an excise tax of four (4%) which the first (\$30 million) in revenue raised annually by such tax be credited to the public schools; and providing that the various tax revenues collected on the sales of the cannabis industry is subject to the aforementioned taxes, and shall be distributed as follows and at a future rate to be determined by Retinue thereafter: (1) Two and a half percent (2.5%) to the Small business concerns owned and controlled by women, as defined in section 3 of that Act (15 U.S.C. 632), to operate in the cannabis industry; and (2) Two and a half percent (2.5%) to the Small business concerns owned and controlled by socially and economically disadvantaged individuals, as defined in section 8(d)(3)(C) of that Act (15 U.S.C. 637(d)(3)(C)), to operate in the cannabis industry; (3) Ten percent (10%) to the Bureau of Cannabis Control General Revenue Fund or its successor; (4) Five percent (5%) to the Cannabis Control Board General Revenue Fund or its successor; (5) Fifteen percent (15%) to the Arkansas Dept. of Education Public Schools General Revenue Fund or its successor; (6) Ten percent (10%) to the Arkansas Dept. of Human Services Parks and Tourism Dept. General Revenue Fund or its successor; (7) Ten percent (10%) to the Arkansas Dept of Human Services Aging and Adult Services General Revenue Fund or its successor; (8) Twenty percent (20%) to the Retinue Corporation General Revenue Fund or its successor; (9) Fifteen percent (15%) to the Arkansas Agriculture Dept. General Revenue Fund or its successor; (10) Ten percent (10%) to the Arkansas Highway and Transportation Dept. General Revenue Fund or its successor; and (11) To the Community Reinvestment Fund §5(z)(5)(a-d) \$300,000,000., without fiscal year limitations.

(e) There shall be local and state sales taxes, and or special taxes, and an excise tax of five (5%) percent imposed on medical cannabis and it shall not be tax exempt.

§ 11. Cannabis related offenses exonerated and offenders released.

Due to the fact that Cannabis' Schedule I listing is disingenuous given the fact that the federal government void of any research or evidence justifying its classification -- The State shall, excluding violent felony offenses; exonerate, discharge and dismiss all person(s) serving incarceration, probation, parole, and or pending conviction(s) in this state whose conviction(s) and or charge(s) including driving while under the influence of cannabis a controlled substance were non-violent due to use or possession offense crimes against state law regarding whose crime(s) and or violation(s), including violating the terms of their parole or probation, supervised or not, it shall not include those persons if their initial charge or conviction was not pertaining to the aforementioned cannabis related crimes, violations, or offenses; as defined in §5(z)(2)(3)(4)(a), §17(r), that occurred prior to, during, and or after the effective date of this amendment. An offense that has been sealed by a court or a pardon granted is not considered an excluded felony offense(s). Within six (6) months after the effective date of this amendment, the State shall make available an application process for which persons in this state with such cannabis conviction(s) on their records may apply to have such conviction(s) of crime(s) expunged, and or violation(s) dismissed from their records at no cost to them.

(a) Grants for expungement of cannabis convictions. There is authorized to be appropriated to the Attorney General to award grants to Arkansas for state and local government for the purpose of administering, expanding, or developing expungement or sealing programs for convictions of possession of cannabis \$20,000,000 for each of fiscal years 2023 through 2026 with not less than fifty (50%) percent of those funds being directed to cover the cost of public defenders or legal aid providers.

§ 12. Employers, driving, minors, and control of property.

Nothing in this amendment proposes or intends to require an employer's policy to permit, restrict, or accommodate the illegal use of the listed activities as defined in §17(r), of cannabis in the workplace by employees; or is intended to allow driving under the influence of cannabis or to supersede any related laws; or shall prohibit a person, employer, school, hospital, recreation or youth center, correction facility, corporation or any other entity who occupies, owns or controls private property from prohibiting or otherwise regulating the as defined in §17(r) of cannabis on or in that property; or is intended to permit the illegal use of the as defined in §17(r) of cannabis or products containing or infused with cannabis in public; or proposes or intends to require any individual or entity to engage in any conduct that violates, or exempt any individual or entity from any requirement of, or pose any obstacle to federal law.

§ 13. Construction and interpretation.

The provisions of this amendment shall be liberally construed to effectuate the purposes, declarations, findings, and intent to control, regulate, and tax the cannabis industry within the Arkansas Cannabis Industry Amendment; provided, no provision(s) of this amendment shall be interpreted or construed to create conflict with federal law upon passage.

§ 14. Severable clause.

The provisions of this amendment are hereby declared independent and severable and except where otherwise indicated in the text, shall supersede all conflicting statutes, charters, regulations, ordinances, resolutions, or provisions. If any provision of this amendment or the application thereof to any person or circumstance is found to be invalid or unconstitutional by a court, the remainder shall not be affected and shall remain in its entirety, therefore the provisions of this amendment are declared severable.

§ 15. Conflicting Initiatives.

In the event that preexisting or other initiative, act, measure, or amendment concerning the control, regulation, and taxation of cannabis, medical marijuana, or industrial hemp appear/appeared on a statewide election ballot, the provisions of the other measure(s) shall be deemed to be in conflict with this amendment. In the event that this amendment receives a greater number of affirmative votes, the provisions shall prevail in their entirety, and the provisions of preexisting or other initiative(s) shall be null and void.

§ 16. Rule of Construction.

Nothing in this Amendment, or an act made by this Amendment, may be construed to modify the authority of the Federal Government; or to prevent cannabis trafficking from States that have legalized cannabis to those that have not; or shall require an institution to provide services to any cannabis-related legitimate business or organized activity including retirement plans or exchange traded funds, sale or lease of any property or services or any other ancillary cannabis-related services; or proposes or intends to require any individual or entity to engage in any conduct that violates, or exempt any individual or entity from any requirement of, or pose any obstacle to federal law. We the People have the sovereign power in making laws for the State. The federal government shall not have jurisdiction to subvert, supersede, pervert, corrupt or undermine the citizen(s) sovereignty in making laws for the betterment of the citizenry in the cities, counties and for the State. As per U.S. Constitution 10th Amendment: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

§ 17. Definitions.

The following terms are defined for the purposes of this amendment and includes that a person shall not be subject to any penalty or suffer any retribution for the use of cannabis as defined in §17(mm).

- (a) **Board or Bureau** means the Alcoholic Beverage Control Board; or the Bureau of Cannabis Control, or the Cannabis Control Board, or the State Board of Equalization.
- (b) **Bureau of Cannabis Control** defined under §9(a-i), will oversee the whole system ensuring transition to the legal market.
- (c) **Cannabis** means the cannabis plant (genus *Cannabis*), living or not, in any form, as defined in §17(y) containing three percent (3%) or greater; and hemp three percent (3%) or less by dry weight, Delta-9-Tetrahydrocannabinol (Delta-9-THC). Any person(s) that come into contact with cannabis in any capacity that engage in acts permitted by this amendment has immunity from disciplinary action.
- (d) **Cannabis/Accessories/Paraphernalia** means any equipment, products, or materials which are comprised of cannabis used, intended for use, for person(s) twenty-one (21) years of age or older; and notwithstanding any other provision of law, the aforementioned, and following, to plant, propagate, cultivate, grow, harvest, compost, manufacture, compound, convert, produce, possess, process, prepare, test, analyze, package, repackage, store, vaporize, smoke, conceal, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body, or cannabis products therefrom, including cannabis infused products, purchase, distribute, transfer, transport, display, and or sell; and with, can possess on their person or in close proximity to, up to three (3) ounces or less of cannabis, and or for personal use, and or for being in the presence or vicinity of the use of cannabis as defined in §5(b)(h)(11), §17(r)(w)(y)(aa),(mm).
- (e) **Cannabis Control Board and Cannabis Control Appeals Panel** means as defined under §8(b), and §9(c)(g), for the cannabis industry that the Legislature shall create within six (6) months a Cannabis Control Board within the Department of Commerce, Community, and Economic Development or its successor agency to assume the power, duties, and responsibilities delegated to the Alcoholic Beverage Control Board; and a Cannabis Control Appeals Panel.

(f) **Cannabis Dispensary and Cultivation Facility** are defined as being licensed by the Bureau of Cannabis Control under §5(b)(c)(d)(e)(g)(2)(h)(4-15), §9(a-i), §17(b)(f)(h)(q)(r)(aa)(cc), for a cannabis facility imparting equal pay for equal work, fair wages, training, working conditions, regulations, and safety conditions to all employee(s) and personnel; such regulations are subject to the following conditions and shall include all the aforementioned and hereafter: maintain a database that enables verification of all transactions from seed-to-sale that are to be recorded with any activity involving the purchase of cannabis, and cannabis products produced therefrom, as defined in §5(h)(1-15), §17(f)(g)(q)(r)(s)(z). A person twenty-one (21) years or older can purchase cannabis at any valid state licensed dispensary of their choice with a valid medical cannabis ID card or its equivalent, or a cannabis and or a hemp license.

(g) **Cannabis or Hemp License** means a valid license issued by the state to the licensee, any qualified agency, business, entity, or person twenty-one (21) years of age or older as defined in §17(g)(o)(p)(q)(r)(aa), for the recreational, industrial, commercial, personal, and medical purposes, and all products derived/produced therefrom the cannabis plant including the use of the unprocessed cannabis plant are lawful within the state of Arkansas. Any cannabis license holder or medical cannabis ID holder can purchase cannabis or hemp for whatever reasons needed. Each license shall display a license account number, facility/premises name, address, and expiration date, including licensee photo, name, date of birth, and address. A license annual renewal for an agency, business, or entity will be issued within ten (10) days to any entity who complies with the requirements contained in this amendment before the expiration date on license held, including accompanied payment of renewal fee.

(h) **Cannabis Related Facility and Personnel** means any valid licensed cannabis operational facility and or a valid licensee, imparting equal pay for equal work, fair wages, training, working conditions, regulations, and safety conditions to all employee(s) and personnel; to lawfully as defined in §17(c)(q)(r)(y)(aa) purchase and sell consumer goods and services from and to cannabis facilities, cultivation, dispensary and manufacturing facilities, and to cultivate, acquire, produce, and distribute cannabis and products produced therefrom including the unprocessed cannabis plant and infused with cannabis to consumers, whether through non-retail selling of goods and services outside the confines of a retail facility; or retail through multiple channels of distribution; when performing in capacity as an owner, employee, or agent of the facility, and or to lease or otherwise allow the use of property owned, occupied or controlled by any qualified person(s), corporation, or other entity for any of the activities conducted lawfully in accordance with the aforementioned and following, for recreational, industrial, commercial, personal, commerce, and medical purposes. All cannabis and cannabis infused products produced therefrom shall be subject to quality assurance, inspection, and testing to ensure that consumers are informed and protected. Any cannabis industry related personnel, facilitator, facility, provider, owner, agent, employee, patient, or consumer, shall be prohibited from, and shall not cause self or others to accept, solicit, or offer any form of pecuniary remuneration to undermine the cannabis industry. All cannabis facilities, vehicles, and personnel shall be issued for designated areas as defined in §17(cc) a track and trace "Unique Identifier", a 'Security Key Card ID' for entrance.

(i) **Commercial Cannabis Facility** means an entity, a company licensed to and engaged in commerce for the exchange or buying and selling of commodities on a small or large scale involving transportation from place to place for production or service of goods and services as a cannabis facility, as defined in §17(c)(q)(r)(y)(aa), imparting equal pay for equal work, fair wages, training, working conditions, regulations, and safety conditions to all employee(s) and personnel.

(j) **Consumer** means a person twenty-one (21) years of age or older who purchases cannabis or cannabis products produced therefrom for including, but not limited to, recreational and or personal use but not for resale to others and can do so without a cannabis license.

(k) **Controlled Substance** means a drug that requires permission from a doctor to prescribe for use for the treatment of a disease, illness, injury or ailment; to wit: the cannabis plant (genus *Cannabis*) an intoxicant; a substance (as a drug) whose use and possession is regulated by law.

(l) **Department** means Department agency where applicable i.e., the Bureau of Cannabis Control, the Department of Consumer Affairs, the Department of Finance and Administration; the Department of Revenue or its successor agency.

(m) **Excise tax** means a cannabis excise tax at a rate of five (5%) percent shall be imposed on all sales of cannabis and products produced therefrom, including cannabis infused products, and goods and services from any cannabis industry business, retail, microbusiness, non-retail, nonprofit, property, and county taxes, and by an entity or other person(s) required to be licensed to sell cannabis or hemp directly to a purchaser; excise duty on inland/import, and custom duties on border/export; and levied upon wholesale sales of cannabis industrial hemp an excise tax at a rate of four (4%) percent and not to exceed ten (10%) percent; prior to January 1, 2032, of which the first \$30 million in revenue raised annually by such tax be credited to the public schools.

(n) **General Revenue Fund or Fund** means an account for receiving monies for the designated entity general revenue fund account; funds received from the state and local levels of government that may be utilized for any purposes within the designated entity. These unallocated funds are acquired through business and property taxation. Since the funds are not governed by law, a designated entity may use the funds to engage in a variety of activities within their own designated entity departments, for but not limited to: administration, costs, improvements, labor, new hires, employees, and technology.

(o) **Industrial Hemp** means (hemp) any part of the cannabis plant (genus *Cannabis*), living or not, containing three percent (3%) or less, by dry weight, Delta-9-Tetrahydrocannabinol (Delta-9-THC); is considered an agriculture product, and not as a cannabis cultivation facility with strains of three percent (3%) or higher of THC.

(p) **Industrial Hemp Facility** means an entity, licensed to engage in industrial hemp production or service as a licensed operational cannabis/hemp facility imparting equal pay for equal work, fair wages, training, working and safety conditions, and regulations, to all employee(s) and personnel; such regulations shall include all the aforementioned and hereafter when performed by a licensee, any qualified person(s) twenty-one (21) years of age or older performing in capacity as an owner, employee, or agent of the facility as defined in §17(q)(r)(y)(aa), and or to lease or otherwise allow the use of property owned, occupied or controlled by any qualified person(s), corporation or other entity for any of the activities conducted lawful in accordance with the aforementioned, for recreational, industrial, commercial, medical purposes, and products produced therefrom the cannabis plant including the use of the unprocessed cannabis plant; and any person(s) that come into contact with cannabis/hemp in any capacity, has immunity from disciplinary action. All cannabis/hemp and products produced therefrom shall be subject to quality assurance, inspection, and testing to ensure that consumers are informed and protected. And including that industrial hemp be grown as an agricultural product containing three percent (3%) or less, and for agricultural or academic research, and regulated separately from the strains of cannabis with three percent (3%) or higher delta-9-tetrahydrocannabinol concentrations (Delta-9-THC).

(q) **License, Licensee, Licensure, and Renewal Fees** means any qualified person(s), agency, business, or entity receiving from the state a valid license and or a valid medical cannabis registration ID card, for the

designated application of operation or condition as defined in §4(b)(2)(4), §5(g)(1-3)(h)(5), §9(a), and §17(f)(g)(i)(p)(q)(r)(u)(y)(aa)(ee)(ff). Each licensing authority shall charge each licensee a licensure and renewal fees as applicable. Within one hundred twenty (120) days after the effective date of this amendment, the Bureau shall adopt rules establishing license application, licensure, renewal fees, and issuance of temporary licenses for less than twelve (12) months, for a cannabis business facility; and with licenses issued beginning March 6, 2024. A licensee's annual license renewal for any cannabis industry facility will be issued within ten (10) days to any entity who complies with the requirements contained in this amendment before the expiration date on license held, including accompanied payment of the renewal fee. A license or a medical cannabis ID card may be revoked or suspended if either facilitated a crime and or a violation of any provision of this amendment, or any other penalties established in law for the crime or violation. A finding that a person holds, or is a participant in an entity holding more than the allowed licenses issued under this amendment shall be grounds for revocation of all licenses held by such person or any entity in which he participated.

(r) Listed Activities of Qualified Person(s) regarding the Cannabis Industry means an entity or any qualified person(s) twenty-one (21) years of age or older can possess and have on their person or in close proximity to, up to three (3) ounces or less of cannabis; and or for being in the presence or vicinity of the use of cannabis, for performing in the capacity as an owner, employee, or agent of the cannabis facility for the lawful including but not limited to as defined in §5(b)(h)(11), §17(d)(w)(y)(aa)(mm), cultivation, acquisition, production, planting, manufacturing, acquire, distribution, receiving, harvest, sale, possession, display, transport, labeling, transfer, purchase, storing, processing, testing, analyzing, packaging, repackaging, immature plants, grows, prepares, dries, cures, grades, trims, tests, propagation, cloning, seeds, comprised of cannabis, paraphernalia/accessories, compost, compound, convert, produce, vaporize, smoke, conceal, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body, supplying to cannabis facilities, and use of the cannabis plant for recreational, industrial, commercial, personal, commerce, medical purposes, and all products produced therefrom including the use of the unprocessed cannabis plant; and infused with cannabis, to consumers, whether through non-retail selling of goods and services outside the confines of a retail facility; or retail through multiple channels of distribution selling of goods and services; and all medical cannabis ID cards confirmed in or out of state are valid at any cannabis dispensary in or out of the state of Arkansas; including, but not limited to, the licensee(s) owned residential, and or other owned properties; and or to lease or otherwise allow the use of property owned, occupied or controlled by any qualified person(s), corporation or other entity for any of the activities conducted lawful in accordance with, the aforementioned and following: including the use of, whether or not, combined with or comprised of other legal ingredients; concentrated cannabis, or intended for use by consumption: edibles, drink products; and energy products, and not limited to cannabis infused ointments, body-care, tinctures, textiles, building materials, industrial products, paper, environmental, and technical products allowing for energy independent biomass technology; and the conflating of the cannabis issues; and all cannabis facilities and cannabis products produced therefrom shall be subject to from seed-to-sale processes, quality control assurance, inspection, and testing.

(s) Medical Cannabis means a qualifying patient with a qualifying medical condition, as defined in §17(v)(bb), including but not limited to the acquisition, possession, use, delivery, transfer, or transport of cannabis or paraphernalia relating to the administration of cannabis to treat or alleviate the aforementioned; or the cannabis and products produced therefrom, including cannabis infused products, and the use of the unprocessed cannabis plant that is used for the treatment of a disease, illness, injury or ailment; and at any time a person while undertaking any task under the influence of medical cannabis senses obvious influence impairment is prominent and paramount when doing so would impede his or her ability, and to continue, the task would be compromised, and when reported a person shall not be subject to pursuant to §17(mm) any penalty, instead will be given an alternative place to rest until the medication levels out and he or she can return to the task; all medical cannabis ID cards or equivalent confirmed are valid at any cannabis dispensary in or out of the state of Arkansas; and shall disclose a qualifying patient's prescribed medication labeled to show the name of the physician, patient, pharmacy name, address, and phone number, RX number, date issued, dosage use, and frequency, description, refill and expiration date, quantity amount, designated quality type and medication name, and designated caregiver if any; and established by a sliding scale based upon income, a medical cannabis ID shall be renewable annually; a license or a medical cannabis ID card may be revoked or suspended if either facilitated a crime and or a violation of any provision of this amendment, or any other penalties established in law for the crime or violation.

(t) Medical Cannabis Recommendation/Certification means a document signed by a licensed medical physician in this state, authorizing the use of medical cannabis to a qualified patient; stating in his or her professional opinion that after full assessment of medical history and current medical condition of the patient that the cannabis use potential benefits outweigh the health risks. The medical record shall be noted and disclose showing both the document and prescription and shall contain a qualifying patient's prescribed medication labeled to show the name of the physician, patient, pharmacy name, address, and phone number, RX number, date issued, dosage use and frequency, description, refill and expiration date, quantity amount, designated quality type and medication name, and designated caregiver if any; and if necessary, referring to physician and parent protection clause in the interest of health and public safety of our patients, a caregiver an adult or relative twenty-one (21) years of age or older in possession of a cannabis ID card who may purchase the medication for the patient that is mentally challenged and or impaired, validated by a physician; the caregiver may receive compensation for providing the goods and services of the aforementioned; both the qualifying patient or designated caregiver each can possess and have on their person or be in close proximity to, not more than three ounces (3 oz) of cannabis.

(u) Non-Retail Cannabis License means a valid license registration issued by the state to the licensee, any person twenty-one (21) years of age or older as defined in §17(r)(aa), for the cannabis plant. Each license shall display a license account number, facility/premises name, address, date issued, and expiration date, including licensee photo, name, date of birth, and residential address.

(v) Patient means an individual, a qualified patient, that has been diagnosed, and issued a cannabis ID card, and under the medical care and treatment of a licensed medical physician of medicine or osteopathic medicine with a valid license to practice and prescribe controlled substances including medical cannabis for a qualifying medical condition as defined in §17(bb); the patient or caregiver is allowed to possess on their person or in close proximity to, up to three (3) ounces of medical cannabis for the prescribed medical use.

(w) Personal Use Of Cannabis means as defined in §5(k)(l), and §17(d)(r)(ee)(mm) there is no required license or cost for the personal recreational use of cannabis or hemp for the resident within their private domestic domain and property; and for any person(s) twenty-one (21) years of age or older can possess and have on their person or in close proximity to, up to three (3) ounces or less of cannabis and or for being in the presence or vicinity of the use of cannabis; and or including plant (genus *Cannabis*) products derived/produced therefrom the cannabis plant; and the use thereof, and therefrom, means concentrated, and or combined with or comprised of cannabis and other legal ingredients, including cannabis infused products intended for use of consumption, such as, but not limited to, smoking, inhaling, edible or drink, topical, body-care, and ointments; building materials, industrial, tinctures, textiles, paper, energy, environmental, and technical products; and including, but not limited to, the conflating of the cannabis issues – which is the full legalization of the cannabis industry; including the personal, recreational, acquisition, transport, and commercial cultivation of the cannabis plants propagation, possession, and use; a person shall not be subject to penalty or suffer any retribution from any person for the use of cannabis.

(x) **Physician** means any Arkansas physician with a DEA license to prescribe narcotics to authorize cannabis for patients; that is a licensed medical doctor of medicine or osteopathic medicine who has a valid license to practice and has been issued a registration from the United States Drug Enforcement Administration (DEA) to prescribe controlled substances including medical cannabis. A qualifying patient's prescribed medication shall be labeled to show the name of the physician, patient, pharmacy name address and phone number, RX number, date issued, use dosage and description, refill and expiration date, quantity amount, designated quality type and medication name, and designated caregiver if any, ensuring consumers receive a safe and labeled product. A physician shall not be subject to penalty, or suffer any retribution from any person, or entity for providing a written certification/recommendation applicable to the physician-patient relationship and care for medical cannabis.

(y) **Products Produced** means that cannabis, or hemp that has undergone a process whereby the plant material has been transformed into products derived/produced therefrom, including cannabis infused products, consisting of, including, but not limited to, any items or substances manufactured from or with the cannabis plant (genus *Cannabis*) for recreational, industrial, commercial, medical, commerce, and personal use, and all variations of the cannabis plant, including seeds and resin, whether or not, combined with or comprised of other legal ingredients, as an ingredient or component, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant including variations of concentrated intended for consumption and the use thereof; edible or drink; body-care, and topical ointments; building materials, industrial, tinctures, textiles, paper, energy, environmental, and technical products of the cannabis plant Delta-9-Tetrahydrocannabinol (Delta-9-THC), which constitutes a legal process; whereas cannabis products contain greater than three percent (3%) (Delta-9-THC); and hemp products contain less than three percent (3%) Delta-9-THC.

(z) **Products Tracking Code – UPC** is defined as a bar-coded universal product code label for tracking purposes of the products for inventory, ordering, and sales.

(aa) **Qualified Person(s)** means any individual twenty-one (21) years of age or older, of parents with legal U.S. citizenship status that is a natural born U.S. citizen; or a documented naturalized U.S. citizen; and an Arkansas State resident of seven (7) consecutive years or more; qualifies for a licensed cannabis facility; including a person(s) having an aggregate ownership interest in §17(r), in any firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular, can own and or operate a cannabis facility; except that as defined in §5(g)(2). And any person(s) being appointed to hold an office in the Bureau or Board shall be a citizen of the United States; have residency in Arkansas at least ten (10) consecutive years preceding his or her appointment as a member; be at least twenty-five (25) years of age; and have conflating interest in the cannabis industry issues— which is the full legalization of cannabis; including but not limited to, the personal, recreational, industrial, medical, commercial, commerce, and cultivation of the cannabis plants, propagation, possession, and use. A member may receive authorized payment of a stipend not to exceed seventy-five dollars (\$75.00) per day per meeting attended or for any day while performing any proper business of the Bureau or Board; and members shall not receive any other compensation, expense reimbursement, or in-lieu-of payments. The Bureau and Board may employ necessary staff to assist in the performance of its duties under this amendment; and if no staff is available for that purpose, then the Alcoholic Beverage Control Division shall provide the needed staff. Within thirty (30) days of the effective date of this amendment the initial members of the Bureau of Cannabis Control, and within six (6) months the Cannabis Control Board shall be appointed. Within nine (9) months of the effective date of this amendment the President Pro Tempore of the Senate shall call the first meeting of the Bureau and Board.

(bb) **Qualifying Medical Conditions** means as hereafter; that has been diagnosed by a qualified licensed medical physician as any qualified chronic ailment, or debilitating illness, injury, disease or medical condition or its treatment that produces one (1) or more including but not limited to the following: Anorexia; Anxiety disorders; Arachnoiditis; Arnold-Chiari malformation; Asthma, Attention deficit disorder (ADD); Attention deficit hyperactivity disorder (ADHD); Autism; Amyotrophic lateral sclerosis (ALS); Alzheimer's disease; Bipolar disorder; Bulimia; Cachexia or wasting syndrome; Cancer; Causalgia; Chronic inflammatory demyelinating polyneuropathy (CIDP); Chronic insomnia; Chronic obstructive pulmonary disease (COPD); Chronic Pain, Chronic Spinal Disorders; Complex regional pain syndrome (CRPS)- types I and II; Crohn's disease; Depression Disorders; Dercum's disease (Adiposis dolorosa); Diabetes, Dystonia; Emphysema; Epilepsy; Fetal Alcohol Syndrome (FAS); Fibromyalgia; Fibrous dysplasia; GI Disorders, Glaucoma; Gliomas, Hepatitis C; HIV/AIDS Human immunodeficiency virus/immune deficiency syndrome; Huntington's Disease, Hydrocephalus; Hydromyelia; Hypertension, Incontinence, Interstitial cystitis; Intractable pain (unresponsive to ordinary treatments); Lupus; MRSA, Mental disorders, Migraines; Multiple Sclerosis, Myasthenia gravis; Myoclonus; Nail-patella syndrome; Neurofibromatosis; Neuropathy nerve disease; Osteoporosis, Paranoia; Parkinson's disease; Peripheral neuropathy; Posterior lateral sclerosis (PLS); Post-concussion syndrome; Post-traumatic stress disorder (PTSD); Pruritus, Reflex Sympathetic Dystrophy (RSD) stages I, II, and III; Residual limb and phantom pain; Restless Leg Syndrome (RLS); Rheumatoid Arthritis, Severe arthritis, multiple sclerosis; muscle spasms, nausea, and, seizures; Sjogren's syndrome; Sciatica; Sleep Apnea, Spinocerebellar Ataxia (SCA); Spinal cord injury and/or disease; Stress disorders; Syringomyelia; Tarlov cysts; Tourette's syndrome; and Traumatic brain injury; Traumatic trimmers; and Ulcerative colitis.

(cc) **RFID tag, API, Unique Identifier** means for track and trace a required alphanumeric code or designation used for reference to a specific plant or product sold on a licensed premises; the RFID is identified as a tag embedded, implanted, or secured in or on an object containing the electronically stored information that consists of the cannabis facilities name, address, license number, and expiration date, including licensee photo, name, date of birth, and address; that collects energy from a nearby RFID reader's interrogating radio frequency ID (RFID) for tracking purposes that need not be within the line of sight of the reader; which is a method for Automatic Identification and Data Capture (AIDC). And in collaboration and synonymously with the Bureau of Cannabis Control, and departmental agencies, the API shall ensure that licensees are allowed to use third-party applications, programs and information technology systems to comply with the requirements of the expanded track and trace program to report the movement of cannabis and products therefrom, and to communicate such information to licensing agencies as required by law throughout the distribution chain and provide, at a minimum, the same level of information for cannabis and products therefrom, as required to be reported for medical cannabis and medical cannabis products in or out of this state. Any software records from seed-to-sale database or other information technology system utilized to implement the expanded track and trace program shall support interoperability with third-party cannabis business software applications and allow all licensee-facing system activities to be performed through a secure "Application Programming Interface" (API) or comparable technology which is well documented, bi-directional, and accessible to any third-party application that has been validated and has appropriate credentials. The API or comparable technology shall have version control and provide adequate notice of updates to third-party applications. The system should provide a test environment for third-party applications to access that mirrors the production environment. All cannabis facilities, vehicles, and personnel shall have issued a track and trace "Unique Identifier"; a 'Security Key Card ID' into designated areas; and showing the activities and sales that are being processed, and seed-to-sale database business software applications for tracking identification purposes required by the state.

(dd) **Recreational Cannabis** means including but not limited to as defined in §5(k)(l), and §17(c)(d)(r)(w)(y), for the recreational and personal use, including the unprocessed cannabis plant, used by adults twenty-one

(21) years of age or older as an intoxicant.

(ee) Residential Home Business Cannabis License means as a qualified person(s), an adult resident of twenty-one (21) years of age or older having a valid residential cannabis license for a retail or non-retail home business, and or including as defined for in §4 industrial hemp issued by the state for their premises of private domain and property for purposes as defined in §17(r); the cost of a residential home business cannabis license shall not exceed fifty dollars (\$50.00) per year for gross receipts under ten-thousand dollars (\$10,000.); in the event gross receipts for a home business exceeds ten-thousand dollars (\$10,000) the cost of the residential cannabis license is two-hundred and fifty dollars (\$250.00) per year. There is no required license or cost for personal recreational use of cannabis or hemp for the resident of their private domestic domain and property defined in §5(k)(l), & §17(w).

(ff) Retail Cannabis License means a valid license registration issued by the state to the licensee, any person twenty-one (21) years of age or older as defined in §17(q)(r)(aa), of the cannabis plant for recreational, industrial, commercial, commerce, personal, and medical purposes, and all products derived/produced containing cannabis therefrom, including infused cannabis, and the unprocessed cannabis plant for retail purposes, the process of selling consumer goods and or services to customers through multiple channels of distribution. Each license shall display a license account number, facility/premises name, address, date issued, and expiration date, including licensee photo, name, date of birth, and residential address.

(gg) Royalty/Special Tax/Interest Fee/Compensation means a permanent quarterly royalty/special tax/interest fee/compensation payment of twenty percent (20%) to the Retinue Corporation, or its successor; based on all sales of cannabis goods and services from any entity based on the total, including but not limited to, package price per unit/item/service/goods/product; as defined in §17(r)(ii)(ll), on cannabis or infused with cannabis sold, made possible by the founder and author of this (ACIA) amendment; and at a future rate to be determined by Retinue Corporation thereafter. The royalty/special tax/interest fee/compensation shall be a special tax that can be used for more than one purpose without losing its status as a special tax. The special tax share shall be paid to the writer/author/founder/composer for the work of this amendment out of the proceeds resulting from all sales on cannabis products, goods and services. The royalty payments receiver has the right of audit to inspect the business entity(s) books. The frequency of royalty audits, and who pays for the audits, what copies can be made, confidentiality agreements, and other terms and conditions on points of negotiations regarding the contracts are to be paid by the business entity(s) paying the royalty.

(hh) Seizure Or Forfeiture Of Assets means to prohibit the seizure or forfeiture by law enforcement of a person(s) assets of items of value, to wit: including but not limited to, the personal, and or real estate property(s), bank account(s), business(s) equipment, supplies or inventory, and vehicle(s), for any of the aforementioned and hereafter within this amendment, and as defined in §17(r).

(ii) Special Taxes means the term "royalty/special tax/interest fee/compensation" shall be a special tax which are taxes levied that can be used for more than one purpose without losing its status as a special tax, rather than a levy placed in the general fund to be utilized for general business purposes.

(jj) Unreasonable Pricing means to subject any person or entity to extortion or undue exaction, overcharge, and or excessive and unreasonable pricing or price gouging.

(kk) Unreasonably Impracticable or Pay-to-Play means that the measures necessary to comply with the regulations require such a high investment and or risk, money, time, or any other resource or asset that the operation of a cannabis facility or changing a law is not worthy of being carried out in practice by a reasonably prudent business person; any legal citizen(s) desiring to change an Arkansas law shall not be impeded, denied, or abridged in doing so regardless of status or insufficient resources, or inability to pay prior to or upon certification of this amendment, and shall not be charged for amendment-to-ballot-processes, including but not limited to, printing, publishing, obtaining signatures, traveling, etc., eliminating the exorbitant pay-to-play costs and excessive burden on the Sponsor(s) of lessor means; making it affordable to all; any individual(s), entity(s) that engage in the processes by the people, for the people, and of the people, shall be cost prohibitive and those entity(s) are to be cost exempt, and for entity(s) rendering services to the cost exempt processes shall be tax deductible for services rendered.

(ll) Various Cannabis-Related Legitimate Businesses means any cannabis business including but not limited to: commerce the exchange and or buying or selling of commodities involving transport from place to place; that provide any goods and services, including retirement plans, or exchange traded funds relating to cannabis; or any business services, including the sale or lease of real or any other property, legal or other licensed services, or any other ancillary service, relating to cannabis.

(mm) Violations and Penalties means a punishment imposed or incurred for a violation of law or rule of cannabis as set forth in this amendment being punishable listed by the implemented set scheduled and adopted rules and regulations by the Bureau of Cannabis Control and or the Cannabis Control Board; included but not limited to, by person(s), school, landlord, employer, agency, business, or entity shall not discriminate against, refuse enrollment, admittance, lease to, or cause any suffering, retribution, or repercussion; and shall not cause or be subject to detainment, arrest, penalty in any capacity or denied any right or privilege or suffer any retribution due to the status as a qualifying patient, designated caregiver, a cannabis facility owner, personnel, or for the personal use of cannabis; and shall be lawful whether in or out of the state of Arkansas or transferring to states that have legalized cannabis; and shall not be an offense or illegal; or be a basis for seizure or forfeiture of assets under Arkansas law; and regulated and taxed in like manner as similar products, purpose, and categories such as any other textile, commodity, agricultural, goods and services produced in or out of this state for person(s) twenty-one (21) years of age or older upon passage of this amendment; any person(s) that come into contact with cannabis in any capacity that engage in acts permitted by this amendment has immunity from disciplinary action. And any official, agent or employee of the government who enforces or attempts to enforce any act, order, law, statute, rule or regulation of the government upon a person(s) rights to cannabis, any cannabis accessory or paraphernalia that is owned or manufactured commercially or privately whether in or out of the state of Arkansas; shall be guilty of a felony and, upon conviction, shall be subject to imprisonment for not less than one (1) year and one (1) day, or more than five (5) years and void of release for good behavior, a fine of not more than five thousand dollars (\$5,000.00) or both upon passage of this amendment.

