



AGENDA MATERIAL YOUR BRIGHT DATE 8/2/22 ITEM NO. RA32

The Your Bright Horizon program was created to provide support and infrastructure for qualified applicants to submit a strong Social Equity application. *We strongly support staff's recommended marijuana ordinance.*

Here is why Staff got it right:



Pima County voters sent a decisive message when they overwhelmingly voted to support recreational marijuana and the social equity program. Prop 207 earned most votes in Arizona history. Over 63% of Pima County voters supported Prop 207's efforts to make marijuana legally accessible by adults. *Staff's recommendation aligns with the will of the voters.*



Staff's recommendation will align Pima County code with the City of Tucson's code. The City of Tucson allows dispensaries to locate "by-right"¹ and require "no public hearings."¹ Additionally, the City of Tucson currently has "less setbacks and less uses of which the setbacks are measured from."¹ Staff's recommendation will also bring Pima County in line with Maricopa County which does not require a use permit or public hearings for social equity licenses. *Staff has recommended a modern code that will allow Pima County to be competitive in attracting tax revenue and quality jobs created by voter-approved marijuana uses.*



Over a decade of marijuana land use in Southern Arizona demonstrates that marijuana dispensaries should be treated like any other retail business. Pima County took an understandably cautious approach when becoming the first jurisdiction in Arizona to pass Marijuana Zoning rules in 2010. Since then, "[t]he City of Tucson has reported the negative secondary impacts [Pima County] anticipated were never realized near [Tucson] dispensaries."¹ *Staff's modern recommendation recognizes that previous concerns "may have been overstated."¹*



Removing red tape will level the playing field for social equity winners. DHS requires social equity licenses to open a retail dispensary within 18-months of the April 2022 lottery. Social equity winners must: find a location, sign a lease, complete building updates and be inspected by DHS in this timeframe. Marijuana dispensaries often locate in distressed real estate that require significant improvements to open, and the construction process will likely encounter supply chain issues. Social equity licenses will be revoked if a social equity applicants fail to open a store in this 18-month window. *Staff's recommendation treats marijuana businesses equitably by modernizing land use code and promotes an equal opportunity environment for social equity operators.*



Unnecessary regulation will invite unintended consequences. We do not have to look any farther than Tucson² or Phoenix³ to see that bad actors can use overly burdensome marijuana zoning codes to gain an unfair advantage. Industry rivals have used strawmen to oppose their competitors' zoning applications. Special interest groups could use the zoning process to gain leverage over social equity applicants. *Staff's recommendation will prevent these potential conflicts by treating marijuana land use the same as "other outright permitted uses."⁴*

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¹ Deputy Director Chris Poirier. (2021, June 17) Memorandum: Aligning Pima County Zoning with City of Tucson Zoning regarding Marijuana Land Uses

² Abbott, David. (2022, June 2) Tucson Weekly: *Dispensary Wars: After winning an administrative battle, Downtown Dispensary can expand its operations*

³ Boehm, Jessica. (2018, May 11) AZCentral: *Tactics scrutinized in Phoenix medical-marijuana dispensary cases*

⁴ County Administrator Jan Leshner. (2022, July 14) Memorandum: Proposed New and Revised Marijuana Code Amendments

About the Social Equity Program:



Arizona Department of Health created a model social equity program⁵ to carry out the will of the voters. The ADHS Office of Administrative Counsel and Rules created rules for the social equity program during an 11-month stakeholder process that included 12 requests for public feedback.



Social equity applicants have been thoroughly vetted. To qualify for the social equity program, all applicants must have met at least 3 of the following criteria: 1) previous marijuana conviction, 2) a direct family member with a previous marijuana conviction; 3) low income; or 4) live in a ZIP code identified by DHS as being impacted by the war on drugs. All applicants were required to submit government issued documents to prove their eligibility.

Additionally, applicants must submit a fingerprint clearance card, pass a background check, and complete a 10-hour training course. All social equity applications had to pass an administrative review for completeness, and a substantive review of qualifications to be entered in the lottery.



Criticisms of the social equity program have been rejected by the courts. Two groups competing for social equity licenses filed legal action against DHS' Social Equity Program specific to rules and implementation. The Maricopa County Superior Court ruled⁶ that "the voters left to DHS how the social equity ownership program should work, and the rules DHS developed comply with the law and are reasonably designed to meet its objectives." Those dissatisfied with this result are attempting to use local zoning ordinances and use permit hearings to essentially re-litigate the results of the lottery and the litigation.



DHS requires all licenses awarded under the social equity program to provide benefit to communities affected by previous marijuana laws. Regardless of who owns a social equity license, they must create internal policies to further social equity efforts. AZ Admin Code requires "specific hiring or interning practices; or... [d]onation of a percentage of gross profits to one or more non-profit, community-based organizations... that focus on social or health inequities in a community."⁷

About Arizona's Marijuana Program



Arizona's marijuana industry is highly regulated. Every product is tracked with a barcode from "seed to sale." Marijuana sites are subject to random inspections by DHS. Every visitor to a dispensary must produce valid ID to enter the premises. Every sale is logged in a database that is reported to the DHS. Every inch of marijuana facilities are under 24-hour video surveillance. Our locations have an "open door" policy with law enforcement, and we pride ourselves on being good neighbors and active members of the business community.



Arizona voter support for marijuana has grown over the years:

- 2010: Proposition 203 (medical marijuana) narrowly passes with a 4,000 vote win margin out of 1.67M votes cast.
- 2016: Proposition 205 (recreational marijuana) receives 48.6% of votes and fails.
- 2020: Proposition 207 (recreational marijuana & social equity program) earns over 60% support statewide. Prop. 207 received more votes than any other issue in Arizona history.

⁵ ADHS Interim-Director Don Herrington. (2022, May 10) "[Social Equity Ownership Program rollout sets standard for the nation.](#)"

⁶ Honorable Randall H. Warner. (2022, January 31) "[Superior Court of Arizona Minute Entry: CV2021-017808.](#)"

⁷ Arizona Administrative Code. (2022, July 15) [Section R9-18-308.A.2.d](#)