h) "Mature cannabis plant" means a cannabis plant that is flowering.

i) "Processing facility" means a commercial establishment authorized to prepare, extract and package cannabis flower into cannabis concentrates or edible products containing cannabis and deliver such products to dispensaries for retail sale.

j) "School" means a facility or building operated by a public school district, open-enrollment public charter school, as defined in Ark. Code Ann. § 6-23-103, or a private entity including parochial schools providing preschool, elementary, or secondary education but does not include post-secondary institutions of higher education, community colleges, or the residences of students being homeschooled under Ark. Code Ann. § 6-15-501, et. seq.

§4 Possession; Immediate Retail Sales

a) On December 4, 2020, adults are authorized under state law to possess cannabis, also known as marijuana, for personal use, acknowledge that possession and sale of cannabis is currently illegal under federal law.

b) Adults may possess up to 4 ounces of cannabis flower, 2 ounces of cannabis concentrate and edible products containing cannabis with tetrahydrocannabinol (THC) content of 200 mg or less at any one time.

c) Adults may also cultivate up to six marijuana seedlings and six mature cannabis plants for personal use on residential property that is owned by the adult in possession of the plants or with the written permission of the property owner.

d) Beginning on December 4, 2020, under the provisions of this section dispensaries with a valid license under Amendment 98 shall be authorized to sell cannabis to adults for personal use and cultivation facilities with a valid license under Amendment 98 shall be authorized to sell cannabis to dispensaries for retail sale to adults for personal use.

§5 Effect on Amendment 98

This amendment shall not affect the provisions of Amendment 98 or the regulations implementing the possession and sale of medical marijuana under Amendment 98.

§6 Cultivation Facility, Processing Facility and Dispensary Licensing and Regulation

a) The Alcoholic Beverage Control Division of the Arkansas Department of Finance and Administration is directed to begin issuance of licenses to processing facilities and to provide public notice of the intent to issue cultivation and dispensary licenses within one hundred and twenty (120) days of the effective date of this amendment. Application fees for a dispensary or processor shall initially be no more than $5,000 and annual licensing fees shall initially be no more than $5,000. The Alcoholic Beverage Control Board may authorize an increase in application and licensing fees when warranted, so long as the increased fee is not more than 10% higher on an annual basis.

b) The number of dispensary licenses shall be at least one (1) per county and thirty (30) per Congressional district. The number of cultivation facility licenses shall be limited to one (1) per two hundred fifty thousand (250,000) residents. The population and number of licenses to be issued shall be determined by the Board of the Alcoholic Beverage Control Division of the Arkansas Department of Finance and Administration within ninety (90) days of the effective date of this amendment.

c) All commercial establishments licensed to cultivate, process or sell cannabis to adults for personal use must be located at least one thousand (1000) feet from a pre-existing school or church.

d) Within one hundred and twenty (120) days of the effective date of this amendment, the Alcoholic Beverage Control Division of the Arkansas Department of Finance and Administration shall promulgate rules providing for the issuance of dispensary and cultivation licenses by lottery using procedures substantially similar to those currently provided in Ark. Code Ann. § 3-4-208 for retail sales of alcohol.

e) Within one hundred and twenty (120) days of the effective date of this amendment, the Alcoholic Beverage Control Division of the Arkansas Department of Finance and Administration shall promulgate rules establishing the following:

1. Controlled access requirements for cannabis plants cultivated on residential property;

2. Security requirements for cannabis plants and products on the premises licensed to cultivation facilities, processing facilities and dispensaries;

3. Standards and procedures for laboratory testing of cannabis flower, cannabis concentrates and edible products containing cannabis prior to retail sale;

4. Standards and procedures for the processing of cannabis flower into cannabis concentrates and edible products containing cannabis; and

5. Other rules necessary to effectuate the intent of this amendment.

§7 Local Option Elections

a) Political subdivisions of this State are prohibited from creating or modifying existing zoning ordinances to restrict or impede cultivation facilities, processing facilities, or dispensaries from locating in any area that is not zoned for residential-use only on the date of the passage of this amendment.

b) A political subdivision may prohibit commercial cannabis retail sales by a majority vote in accordance with Article 5, §1 of the Arkansas Constitution.

c) The Alcoholic Beverage Control Division of the Arkansas Department of Finance and Administration may promulgate rules to implement this section.

§8 Tax Revenue

a) The state may levy an additional sales tax on retail sales of cannabis flower, cannabis concentrates and edible products containing cannabis which may not exceed 10%. No excise taxes may be levied on wholesale sales.

b) To fulfill the purposes of this amendment, the Arkansas General Assembly shall from time to time enact laws, and appropriate monies to or for the use of the Alcoholic Beverage Control Division of the Arkansas Department of Finance and Administration. Initial laws and appropriations enacted by the General Assembly pursuant hereto shall be in full force and effect no later than January 1, 2021.

c) All revenues derived from the retail sales tax shall be used first to fund the salaries and operating expenses of the Alcoholic Beverage Control Division of the Arkansas Department of Finance and Administration as necessary to license and regulate cultivation facilities, processing facilities and dispensaries.

d) Excess revenue from the retail sales tax shall be directed as follows: 60% to fund and operate pre-kindergarten and after school programs and 40% to fund operations of the University of Arkansas for Medical Sciences. Funding priority shall be given to pre-kindergarten and after school programs in schools with the highest percentage of children eligible for free and reduced price meals under the guidelines published by the United States Department of Agriculture.

§9 Severability; Inconsistent Provisions Inapplicable

a) If any part or subpart of this amendment or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or application of the amendment that can be given effect without the invalid provisions or applications, and to this end the provisions of this amendment are declared to be severable.

b) All provisions of the Constitution, statutes, and common law of this State, including without limitation laws forbidding the possession, cultivation and use of cannabis, to the extent inconsistent or in conflict with any provision of this amendment are expressly declared null and void as to, and do not apply to, any activities allowed under this amendment.

§10 Legislative Authority to Modify This Amendment

a) The General Assembly may not modify, repeal or otherwise nullify the provisions of this amendment without a vote of three-fourths of each house.

b) Notwithstanding §10(a), the General Assembly may not modify, repeal, or otherwise nullify Sections 2, 4, 6, 8, or 9 of this amendment.