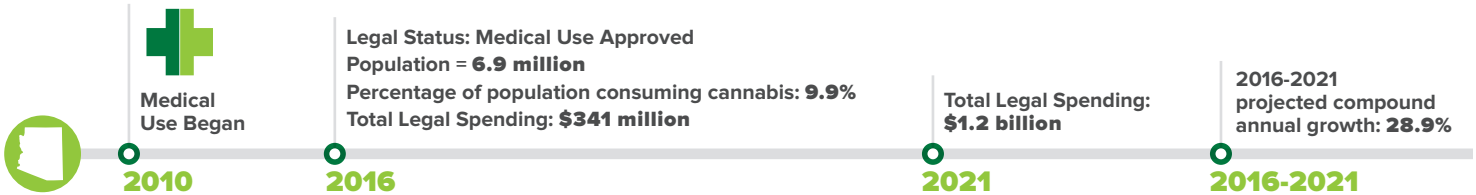




ARIZONA



A SNAPSHOT OF LEGAL CANNABIS IN THE GRAND CANYON STATE



OVERVIEW:

- Arizona legalized medical cannabis in 2010 through the **Arizona Medical Marijuana Act**, and the first legal dispensaries in the state opened in December 2012.
- By the end of 2016, there were more than **114,000** registered patients, and total sales of just over **\$341 million** for the year.
- The introduction of a legal adult-use market was delayed in November 2016 by the failure of Proposition 205 by a margin of 48.68% to 51.32%.

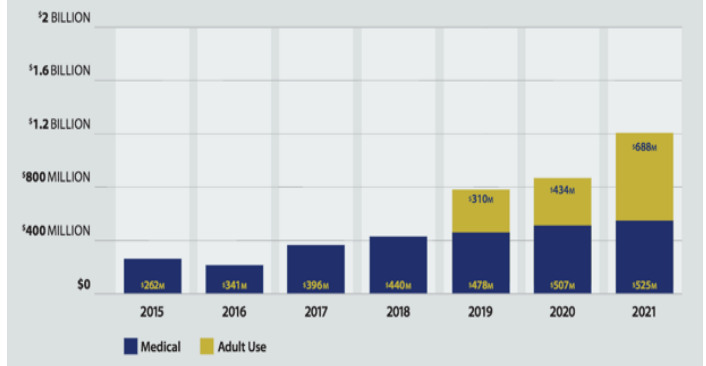
MARKET SIZE:

- Market estimates show that once adult-use cannabis is legalized in Arizona, the legal cannabis market in the state would rise to almost **\$688 million** in spending by 2021.
 - At those levels, assuming current medical tax rates and a 15% rate for adult-use sales, Arizona would see tax revenue from cannabis in excess of **\$132 million** annually.
- The total cannabis market in Arizona is expected to grow at a compound annual growth rate of just under 30% over the next five years to top **\$1.2 billion** from medical and adult-use sales in 2021.
- In the next five years, spending on medical cannabis is expected to rise from slightly more than **\$341 million** to almost **\$525 million**.

REGULATORY ENVIRONMENT:

- The **Arizona Department of Health Services (ADHS)** has the regulatory authority over the state's medical cannabis program.
- Arizona currently has **13 qualifying conditions** for which a patient may receive a medical cannabis recommendation, including chronic pain and PTSD.
- More than **100** dispensaries are currently licensed, and the state has capped the total number at **126**.

► Arizona: Legal Medical and Adult-Use Spending



Data courtesy of The Arcview Group and BDS Analytics.

FOR MORE INFORMATION

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