



**ARIZONA SUPREME COURT  
ORAL ARGUMENT CASE SUMMARY**



**SAGUARO HEALING LLC v. STATE OF ARIZONA et al.  
CV-19-0129-PR**

**PARTIES:**

*Petitioner/Appellant:* Saguaro Healing LLC

*Respondent/Appellee:* State of Arizona, et al.

**FACTS:**

Arizona voters enacted the Arizona Medical Marijuana Act (AMMA). A certificate from the Arizona Department of Health Services (ADHS) is required to operate a dispensary in the state.

The AMMA states that there can only be one dispensary for every ten pharmacies in the state, but that ADHS may exceed this limit “if necessary to ensure that [ADHS] issues at least one . . . certificate in each county in which an application has been approved.” *See* A.R.S. § 36-2804(C).

Under its agency regulations, ADHS conducted an annual review to determine if it could issue new dispensary certificates. At the time of the review, there was a dispensary in La Paz County in CHAA 36. (CHAA, short for “Community Health Analysis Area,” is a designation ADHS uses to represent geographic regions throughout the state). However, the dispensary moved out of La Paz County sometime before ADHS allocated new certificates.

Saguaro was a qualified applicant for CHAA 36 at the time of allocation but ADHS did not issue a certificate for a dispensary in La Paz County. Saguro filed a complaint against ADHS that the superior court dismissed. The Court of Appeals affirmed.

**ISSUE AS PRESENTED BY PETITIONER:**

Whether ADHS’ interpretation of dispensary regulations violates A.R.S. § 36-2804(C) by denying or delaying issuance of a dispensary certificate for La Paz County?

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