
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1042 Session of
2023

INTRODUCED BY RIGBY AND SOLOMON, APRIL 28, 2023

REFERRED TO COMMITTEE ON HEALTH, APRIL 28, 2023

AN ACT

1 Amending the act of April 17, 2016 (P.L.84, No.16), entitled "An
2 act establishing a medical marijuana program; providing for
3 patient and caregiver certification and for medical marijuana
4 organization registration; imposing duties on the Department
5 of Health; providing for a tax on medical marijuana
6 organization gross receipts; establishing the Medical
7 Marijuana Program Fund; establishing the Medical Marijuana
8 Advisory Board; establishing a medical marijuana research
9 program; imposing duties on the Department of Corrections,
10 the Department of Education and the Department of Human
11 Services; and providing for academic clinical research
12 centers and for penalties and enforcement," in preliminary
13 provisions, further providing for definitions; and, in
14 medical marijuana organizations, further providing for
15 limitations on permits and providing for additional
16 dispensary permits and for application and issuance of
17 additional dispensary permits.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 Section 1. Section 103 of the act of April 17, 2016 (P.L.84,
21 No.16), known as the Medical Marijuana Act, is amended by adding
22 a definition to read:

23 Section 103. Definitions.

24 The following words and phrases when used in this act shall
25 have the meanings given to them in this section unless the
26 context clearly indicates otherwise:

1 * * *

2 "Materially the same." As follows:

3 (1) A person who shares any of the following with
4 another person:

5 (i) In profit or loss.

6 (ii) A common valuation in the case of a publicly
7 traded company.

8 (iii) A common ownership of 5% or greater, including
9 subsidiaries.

10 (2) As used in this definition, the term "person" means
11 any natural person, corporation, foundation, organization,
12 business trust, estate, limited liability company, licensed
13 corporation, trust, partnership, limited liability
14 partnership, association or other form of legal business
15 entity.

16 * * *

17 Section 2. Section 616 introductory paragraph and (5) of the
18 act are amended and the section is amended by adding a
19 subsection to read:

20 Section 616. Limitations on permits.

21 [The] (a) Limitations.--Except as provided under subsection
22 (b), the following limitations apply to approval of permits for
23 grower/processors and dispensaries:

24 * * *

25 (5) No more than five grower/processors may be issued
26 permits as dispensaries. If the number of growers/processors
27 is increased under section 1202, no more than 20% of the
28 total number of growers/processors may also be issued permits
29 as dispensaries, excluding the additional dispensary permits
30 issued under section 617.

1 * * *

2 (b) Exception.--Notwithstanding the provisions of subsection
3 (a), the department may issue additional dispensary permits in
4 accordance with section 617.

5 Section 3. The act is amended by adding sections to read:
6 Section 617. Additional dispensary permits.

7 (a) Authorization.--An eligible grower/processor under
8 subsection (b) may submit an application to the department for
9 an additional dispensary permit in accordance with section 618
10 in a form and manner prescribed by the department.

11 (b) Eligibility.--A person who holds a grower/processor
12 permit under section 603 may be eligible for additional
13 dispensary permits in accordance with this section.

14 (c) Limitations on additional permits.--The department may
15 not issue more than two dispensary permits to a person who is
16 materially the same to another person in accordance with this
17 section. The department may not issue the following:

18 (1) More than two dispensary permits to a person who is
19 materially the same to another person who holds a
20 grower/processor permit and does not hold a dispensary
21 permit.

22 (2) More than one additional dispensary permit to a
23 person who is materially the same to another person who holds
24 a grower/processor permit and one dispensary permit.

25 (3) An additional dispensary permit to a person who is
26 materially the same to another person who:

27 (i) holds a grower/processor permit and two or more
28 dispensary permits; or

29 (ii) is a clinical registrant under Chapter 20.

30 (d) Reissuance.--The issuance or acquisition of a permit

1 under this act, including by court order, after the effective
2 date of this section shall not affect the issuance of additional
3 dispensary permits under this section.

4 Section 618. Application and issuance of additional dispensary
5 permits.

6 (a) Review and issuance.--No later than 14 days after the
7 effective date of this section, the department shall commence
8 the following:

9 (1) Accept and review applications for additional
10 dispensary permits under section 617 within 30 days of
11 receipt from eligible grower/processors.

12 (2) Issue additional dispensary permits to
13 grower/processors that meet the requirements under section
14 617 within 15 days of completion of the review under
15 paragraph (1).

16 (b) Denials.--

17 (1) If the department denies an application for an
18 additional dispensary permit under section 617, no later than
19 15 days after completing the review under subsection (a)(1),
20 the department shall notify the applicant of the denial in
21 writing by the contact information provided on the
22 application. The notice shall include each deficiency in the
23 application that does not meet the requirements under this
24 act.

25 (2) The applicant may, without limitation, resubmit the
26 application for review to correct the deficiencies specified
27 in the notice under paragraph (1).

28 (c) Inspections.--Upon request for inspection or
29 reinspection of a site or facility by an applicant for the
30 purpose of acquiring an additional dispensary permit under

1 section 617, the department shall inspect or reinspect the
2 dispensary location within 30 days of the request. If the
3 department denies an application for an additional dispensary
4 permit, upon request by the applicant, the department shall
5 conduct a subsequent inspection within 30 days of the request.

6 (d) Fees.--Except as provided under subsection (e) (4), a
7 grower/processor that submits an application for an additional
8 dispensary permit under section 617 shall pay the applicable
9 fees specified under section 607(1).

10 (e) Regions.--A grower/processor may submit an application
11 for an additional dispensary permit under section 617 in any
12 region. The following shall apply:

13 (1) The department may limit the number of additional
14 dispensary permits in any region to ensure that no more than
15 30% of the additional dispensary permits that are issued are
16 in any one region. If an application is denied based on the
17 limitation under this paragraph, the department shall notify
18 the applicant of the denial in writing by the contact
19 information provided on the application within 15 days of the
20 denial. The notice shall include each region available for
21 additional dispensary permits.

22 (2) If the department determines that multiple
23 applications for additional dispensary permits have been
24 submitted for a single region and the limitation under
25 paragraph (1) is required, the date of mailing as determined
26 by the certified mail receipt shall determine the order of
27 the issuance of the additional dispensary permits.

28 (3) If multiple applications for additional dispensary
29 permits under paragraph (2) have the same date of mailing,
30 the department shall issue the additional dispensary permits

1 to the highest scoring applicants among the pool of
2 applicants. The grading criteria for additional dispensary
3 permits under this paragraph shall be the same as used by the
4 department to issue permits under this act before the
5 effective date of this section. If an application is denied
6 based on the grading criteria under this paragraph, no later
7 than 15 days after completing the review under subsection (a)
8 (1), the department shall notify the applicant of the denial
9 in writing by the contact information provided on the
10 application. The notice shall include each region available
11 for additional dispensary permits.

12 (4) The applicant may resubmit, without limitation, the
13 application without paying the applicable fees required under
14 subsection (d).

15 Section 4. This act shall take effect in 14 days.