

AMENDMENTS TO HOUSE BILL NO. 1024

Sponsor: REPRESENTATIVE SHUSTERMAN

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1 Amend Bill, page 1, line 14, by inserting after "for"

2 program established, for

3 Amend Bill, page 1, line 14, by inserting after "marijuana"

4 and for unlawful use of medical marijuana

5 Amend Bill, page 1, line 17, by inserting after "for" where

6 it occurs the first time

7 medical marijuana organizations, for

8 Amend Bill, page 1, line 17, by striking out "AND" and

9 inserting

10 , for granting of permit, for application and issuance, for fees

11 and other requirements,

12 Amend Bill, page 1, line 18, by inserting after "RELOCATION"

13 and for limitations on permits

14 Amend Bill, page 1, line 19, by inserting after "FOR" where

15 it occurs the first time

16 electronic tracking, for

17 Amend Bill, page 1, line 19, by inserting after

18 "GROWER/PROCESSOR"

19 and for storage and transportation

20 Amend Bill, page 1, lines 21 and 22, by striking out "and, in

21 miscellaneous provisions, further providing" and inserting

22 in tax on medical marijuana, further providing for tax on

23 medical marijuana; in Medical Marijuana Advisory Board,

24 further providing for advisory board; in academic clinical

25 research centers and clinical registrants, further providing

26 for clinical registrants; and, in miscellaneous provisions,

1 further providing for zoning and
2 Amend Bill, page 1, lines 25 and 26, by striking out
3 ""caregiver" and "continuing care"" and inserting
4 "caregiver," "continuing care" and "medical marijuana
5 organization"
6 Amend Bill, page 2, line 1, by striking out "a definition"
7 and inserting
8 definitions

9 Amend Bill, page 2, by inserting between lines 15 and 16
10 "Farmer-grower." A small business as defined in 62 Pa.C.S. §
11 2102 (relating to definitions) that:

12 (1) is a farm engaged in agricultural production,
13 including the cultivation of crops or horticulture products,
14 the production of food and fiber or the raising of livestock
15 or aquaculture and has been in operation in this Commonwealth
16 for no less than two seasons in the past five years and the
17 owner of which has been a resident of this Commonwealth for
18 at least two years;

19 (2) is an agricultural enterprise actively engaged in
20 agricultural production for no less than two season in the
21 past five years and the owner of which has been a resident of
22 this Commonwealth for at least two years; or

23 (3) holds a permit issued by the Department of Health to
24 grow or otherwise cultivate medical marijuana in this
25 Commonwealth.

26 * * *

27 "Medical marijuana organization." A dispensary, farmer-
28 grower or a grower/processor. The term does not include a health
29 care medical marijuana organization under Chapter 19.

30 * * *

31 Amend Bill, page 2, lines 21 through 23, by striking out all
32 of said lines and inserting

33 Section 2. Sections 301(a)(8), 303(b)(4), 304(b)(3), 405,
34 502(b), 601, 602(a) introductory paragraph, (1) and (4), 603(a)
35 and (d) and 606(a) introductory paragraph of the act are amended
36 to read:

37 Section 301. Program established.

38 (a) Establishment.--A medical marijuana program for patients
39 suffering from serious medical conditions is established. The
40 program shall be implemented and administered by the department.
41 The department shall:

42 * * *

43 (8) Develop enforcement procedures, including announced
44 and unannounced inspections of facilities of the

grower/processors, farmer-growers and dispensaries and all records of the medical marijuana organizations.

* * *

Amend Bill, page 3, by inserting between lines 1 and 2

Section 304. Unlawful use of medical marijuana.

* * *

(b) Unlawful use described.--It is unlawful to:

* * *

(3) Grow medical marijuana unless the grower/processor or farmer-grower has received a permit from the department under this act.

* * *

Amend Bill, page 4, by inserting between lines 6 and 7

Section 601. Medical marijuana organizations.

The following entities shall be authorized to receive a permit to operate as a medical marijuana organization to grow, process or dispense medical marijuana:

(1) Grower/processors.

(2) Dispensaries.

(3) Farmer-growers.

Amend Bill, page 4, line 8, by inserting after

"grower/processor"

, farmer-grower

Amend Bill, page 4, by inserting between lines 11 and 12

(1) Verification of all principals, operators, financial backers or employees of a medical marijuana grower/processor, farmer-grower or dispensary.

Amend Bill, page 5, line 6, by inserting after

"organization."

This paragraph shall not apply to an employee of a farmer-grower, if the department determines that the employee is not involved, either directly or indirectly, in the business activities of the farmer-grower or in any activity related to the growth, cultivation or harvesting of medical marijuana. It shall be the duty of the farmer-grower to provide evidence or proof, as the department may require, that the employee is not engaged in business activities or in any activity related to the growth, cultivation or harvesting of medical marijuana conducted by the farmer-grower under this act.

Amend Bill, page 5, by inserting between lines 7 and 8

Section 603. Granting of permit.

1 (a) General rule.--The department may grant or deny a permit
2 to a grower/processor, farmer-grower or dispensary.

3 * * *

4 (d) Regions.--

5 (1) The department shall establish a minimum of three
6 regions within this Commonwealth for the purpose of granting
7 permits to grower/processors, farmer-growers and dispensaries
8 and enforcing this act. The department shall approve permits
9 for grower/processors and dispensaries in a manner which will
10 provide an adequate amount of medical marijuana to patients
11 and caregivers in all areas of this Commonwealth. The
12 department shall consider the following when issuing a
13 permit:

14 [(1) Regional population.

15 (2) The number of patients suffering from serious
16 medical conditions.

17 (3) The types of serious medical conditions.

18 (4) Access to public transportation.

19 (5) Any other factor the department deems relevant.]

20 (i) Regional population.

21 (ii) The number of patients suffering from serious
22 medical conditions.

23 (iii) The types of serious medical conditions.

24 (iv) Access to public transportation.

25 (v) Any other factor the department deems relevant.

26 (2) Notwithstanding paragraph (1), the department shall
27 establish criteria to govern the issuance of permits to
28 farmer-growers, provided that the department may issue a
29 minimum of 75 farmer-grower permits in a manner that ensures
30 participation by farmer-growers in all regions of this
31 Commonwealth.

32 (3) In issuing farmer-grower permits in accordance with
33 paragraph (2), the department shall consider:

34 (i) The percent increase or decrease in patients
35 seeking medical marijuana in this Commonwealth;

36 (ii) The need for additional supply of medical
37 marijuana to satisfy increases in the number of medical
38 marijuana patients;

39 (iii) Patient demand;

40 (iv) The availability and consistency in marijuana
41 products, including the availability of a particular form
42 of medical marijuana, including strains or new strains of
43 medical marijuana and medical marijuana products;

44 (v) Competition, including competition involving
45 illegal markets; and

46 (vi) other criterion that will ensure an adequate
47 supply of medical marijuana for patients and caregivers.

48 Section 606. Application and issuance.

49 (a) Duty to report.--An applicant to be a grower/processor
50 or farmer-grower or to operate a dispensary is under a
51 continuing duty to:

1 * * *
2 Section 3. Section 607 of the act is amended by adding a
3 paragraph to read:
4 Section 607. Fees and other requirements.
5 The following apply:

6 * * *

7 (2.1) For a farmer-grower:

8 (i) An initial application fee in the amount of
9 \$2,500 shall be paid. The fee is nonrefundable.

10 (ii) A fee for a permit as a farmer-grower in the
11 amount of \$2,500 shall be paid. The permit shall be valid
12 for one year. Applicants shall submit the permit fee at
13 the time of submission of the application. The fee shall
14 be returned if the permit is not granted.

15 (iii) A renewal fee for the permit as a
16 grower/processor in the amount of \$2,500 shall be paid
17 and shall cover renewal for all locations. The renewal
18 fee shall be returned if the renewal is not granted.

19 (iv) An application to renew a permit must be filed
20 with the department not more than six months nor less
21 than four months prior to expiration.

22 (v) All fees shall be paid by certified check or
23 money order.

24 (vi) Before issuing an initial permit under this
25 paragraph, the department shall verify that the applicant
26 has enough capital as determined by the department, which
27 must be on deposit with a financial institution.

28 * * *

29 Section 3.1. Section 609 of the act is amended to read:

30 Amend Bill, page 5, by inserting between lines 19 and 20

31 Section 4. Section 616 introductory paragraph of the act is
32 amended and the section is amended by adding paragraphs to read:
33 Section 616. Limitations on permits.

34 The following limitations apply to approval of permits for
35 grower/processors, farmer-growers and dispensaries:

36 * * *

37 (8) Notwithstanding section 603(d)(2), the number of
38 farmer-grower permits issued shall be determined by the
39 department.

40 (9) The department shall determine the maximum number of
41 farmer-grower permits that shall be issued to any natural
42 person, partnership, corporation, association, trust or other
43 entity or combination thereof.

44 (10) A farmer-grower may only provide medical marijuana
45 to a grower/processor holding a valid permit under this act.

46 Section 5. Section 701(d) introductory paragraph of the act
47 is amended, subsections (a) and (d) are amended by adding
48 paragraphs and the section is amended by adding a subsection to
49 read:

1 Section 701. Electronic tracking.

2 (a) Requirement.--A grower/processor or dispensary must
3 implement an electronic inventory tracking system which shall be
4 directly accessible to the department through its electronic
5 database that electronically tracks all medical marijuana on a
6 daily basis. The system shall include tracking of all of the
7 following:

8 * * *

9 (6) For a grower/processor, a purchase-to-sale tracking
10 system that tracks medical marijuana procured from a farmer-
11 grower for processing until the medical marijuana is sold to
12 a dispensary.

13 (a.1) Requirement for farmer-growers.--A farmer-grower must
14 implement an inventory tracking system which shall be accessible
15 to the department. The system shall include tracking of all of
16 the following:

17 (1) The number of medical marijuana plants located on a
18 site used for growing or cultivating medical marijuana.

19 (2) The number of medical marijuana plants located on a
20 site used for growing or cultivating medical marijuana that
21 have been successfully cultivated for sale to a
22 grower/processor.

23 (3) The number of medical marijuana plants located on a
24 site used for growing or cultivating medical marijuana that
25 are unfit for cultivation and marked for disposal as plant
26 waste.

27 (4) A system to track the plant waste resulting from the
28 growth of medical marijuana or other disposal, including the
29 name and address of any disposal service.

30 (5) A weekly log of each week's beginning inventory,
31 acquisitions, amounts sold, disbursements, disposals and
32 ending inventory. The tracking system shall include prices
33 paid and amounts collected from grower/processors.

34 (6) Sites, including farmland, used for growing or
35 cultivating medical marijuana must be certified, inspected
36 and permitted by and registered with the department. The
37 failure to permit inspection by the department shall be a
38 violation of this chapter.

39 * * *

40 (d) Reports.--Within one year of the issuance of the first
41 permit to a grower/processor, farmer-grower or dispensary, and
42 every three months thereafter in a form and manner prescribed by
43 the department, the following information shall be provided to
44 the department, which shall compile the information and post it
45 on the department's publicly accessible Internet website:

46 * * *

47 (2.1) The amount of medical marijuana sold by a farmer-
48 grower during each three-month period.

49 (2.2) The price of amounts of medical marijuana sold by
50 a farmer-grower.

51 * * *

1 Section 6. Section 702 of the act is amended to read:

2 Amend Bill, page 7, by inserting between lines 20 and 21

3 Section 6.1. The act is amended by adding a section to read:

4 Section 702.1. Farmer-growers.

5 (a) Authorization.--Subject to subsection (b), a farmer-
6 grower may obtain seed and plant material from a
7 grower/processor within this Commonwealth to grow medical
8 marijuana in accordance with department regulations.

9 (b) Limitations.--A farmer-grower may only grow, store or
10 harvest medical marijuana in an enclosed, secure area which:

11 (1) is delineated to a single site at the address
12 identified on the permit issued by the department;

13 (2) does not exceed two acres of land;

14 (3) includes locking systems and other security and
15 surveillance features required by the department; and

16 (4) is located within this Commonwealth.

17 (c) Use of farmland.--

18 (1) Notwithstanding any provisions of this act,
19 regulation of the department or any other law to the
20 contrary, a farmer-grower may grow or otherwise cultivate
21 medical marijuana on farmland owned and operated by the
22 grower-farmer. If farmland is jointly owned, each person
23 holding an amount of ownership interest or control over the
24 farmland, including a natural person, partnership,
25 corporation, association, trust or other such entity or
26 combination thereof, shall be subject to section 602.

27 (2) The department, in consultation with the Department
28 of Agriculture, shall adopt and promulgate regulations to
29 govern the use of farmland to grow medical marijuana in
30 accordance with the requirements of this act.

31 Section 7. Section 703 introductory paragraph and (9) of the
32 act are amended to read:

33 Section 703. Storage and transportation.

34 The department shall develop regulations relating to the
35 storage and transportation of medical marijuana among
36 grower/processors and farmer-growers, testing laboratories and
37 dispensaries which ensure adequate security to guard against in-
38 transit losses. The tracking system developed by the department
39 shall include all transportation and storage of medical
40 marijuana. The regulations shall provide for the following:

41 * * *

42 (9) Transporting medical marijuana to a grower/processor
43 or farmer-grower, approved laboratory or dispensary.

44 Section 8. Sections 704, 801(a) and (e), 802(a), 901(a) and
45 (f), 1201(j)(5)(iv), 2002(b)(8), 2107 and 2109(a) of the act are
46 amended to read:

47 Amend Bill, page 8, by inserting between lines 28 and 29

48 Section 901. Tax on medical marijuana.

1 (a) Tax imposed.--A tax is imposed on the gross receipts of
2 a grower/processor received from the sale of medical marijuana
3 by a grower/processor to a dispensary, to be paid by the
4 grower/processor, at the rate of 5%[.], unless the medical
5 marijuana was purchased from a farmer-grower, in which case the
6 tax imposed on the gross receipts shall be at a rate of 1%. The
7 tax shall be charged against and be paid by the grower/processor
8 and shall not be added as a separate charge or line item on any
9 sales slip, invoice, receipt or other statement or memorandum of
10 the price paid by a dispensary, patient or caregiver.

11 * * *

12 (f) Information.--A grower/processor or farmer-grower that
13 sells medical marijuana shall provide to the Department of
14 Revenue information required by the department.
15 Section 1201. Advisory board.

16 * * *

17 (j) Duties.--The advisory board shall have the following
18 duties:

19 * * *

20 (5) The written report under paragraph (4) shall include
21 recommendations and findings as to the following:

22 * * *

23 (iv) Whether to change, add or reduce the number of
24 growers/processors, farmer-growers or dispensaries.

25 * * *

26 Section 2002. Clinical registrants.

27 * * *

28 (b) Requirements.--The following shall apply to clinical
29 registrants:

30 * * *

31 (8) A grower/processor facility owned by a clinical
32 registrant may sell its medical marijuana products only to
33 the clinical registrant's dispensary facilities and the
34 dispensary facilities of other clinical registrants. The
35 facility may sell seeds, medical marijuana plants and medical
36 marijuana products to, or exchange seeds, medical marijuana
37 plants and medical marijuana products with, any other
38 grower/processor facility or farmer-grower holding a permit
39 under Chapter 6 or this chapter.

40 * * *

41 Section 2107. Zoning.

42 The following apply:

43 (1) A grower/processor shall meet the same municipal
44 zoning and land use requirements as other manufacturing,
45 processing and production facilities that are located in the
46 same zoning district.

47 (1.1) A farmer-grower shall meet the same municipal
48 zoning and land use requirements as other normal agricultural
49 operations that are located in the same zoning district.

50 (2) A dispensary shall meet the same municipal zoning
51 and land use requirements as other commercial facilities that

1 are located in the same zoning district.
2 Amend Bill, page 9, line 6, by striking out "3" and inserting
3 9