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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 3 Session of  
2015

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VULAKOVICH, WHITE, SCHWANK, RAFFERTY, STEFANO, WOZNIAK AND  
MCGARRIGLE, JANUARY 26, 2015

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REFERRED TO STATE GOVERNMENT, JANUARY 26, 2015

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AN ACT

1 Providing for the medical use of cannabis in the Commonwealth of  
2 Pennsylvania.

3 TABLE OF CONTENTS

4 CHAPTER 1. PRELIMINARY PROVISIONS

5 Section 101. Short title.

6 Section 102. Definitions.

7 CHAPTER 3. STATE BOARD OF MEDICAL CANNABIS

8 LICENSING AND ADMINISTRATIVE PROCEDURE

9 Section 301. License.

10 Section 302. State Board of Medical Cannabis Licensing.

11 Section 303. Powers and duties of board.

12 Section 304. Subpoena power.

13 Section 305. Hearing examiners.

14 Section 306. Civil penalties.

15 Section 307. Confidentiality.

16 Section 308. Financing.

CHAPTER 5. LICENSING

- 1
- 2 Section 501. Medical cannabis growers.
- 3 Section 502. Medical cannabis processors.
- 4 Section 503. Medical cannabis dispensers.
- 5 Section 504. Applications.
- 6 Section 505. Licensing of owner or operator.
- 7 Section 506. Occupation permit for medical cannabis employees
- 8 and certain patient representatives.
- 9 Section 507. Change in ownership.
- 10 Section 508. Location.
- 11 Section 509. Storage and transportation.
- 12 Section 510. Disposal and donation.
- 13 Section 511. Testing laboratories.
- 14 Section 512. Licensee prohibitions.

CHAPTER 7. MEDICAL CANNABIS ACCESS

- 15
- 16 Section 701. Medical cannabis access card.
- 17 Section 702. Expansion of medical conditions.
- 18 Section 703. Medical use permitted.
- 19 Section 704. Health insurance.
- 20 Section 705. Sovereign immunity.

CHAPTER 9. PROTECTION, PROHIBITIONS,  
ENFORCEMENT AND PENALTIES

- 21
- 22
- 23 Section 901. Civil discrimination protection.
- 24 Section 902. Prohibitions and use.
- 25 Section 903. Unlawful activities.
- 26 Section 904. Criminal penalties and fines.

CHAPTER 11. MEDICAL CANNABIS SURCHARGE

- 27
- 28 Section 1101. Definitions.
- 29 Section 1102. Incidence and rate of surcharge.
- 30 Section 1103. Limitation of surcharge.

- 1 Section 1104. Remittance of surcharge to department.  
2 Section 1105. Procedures for claiming refund.  
3 Section 1106. Sales or possession of medical cannabis when  
4 surcharge not paid.  
5 Section 1107. Assessment.  
6 Section 1108. Failure to file return.  
7 Section 1109. False or fraudulent return.  
8 Section 1110. Extension of limitation period.  
9 Section 1111. Failure to furnish information, returning false  
10 information or failure to permit inspection.  
11 Section 1112. Records of shipments and receipts of medical  
12 cannabis required.  
13 Section 1113. Licensing of medical cannabis purveyors.  
14 Section 1114. License fees and issuance and display of license.  
15 Section 1115. Electronic filing.  
16 Section 1116. Expiration of license.  
17 Section 1117. Administration powers and duties.  
18 Section 1118. Sales without license.  
19 Section 1119. Violations and penalties.  
20 Section 1120. Property rights.  
21 Section 1121. Information exchange.

22 CHAPTER 51. MISCELLANEOUS PROVISIONS

- 23 Section 5101. Regulations.  
24 Section 5102. Appropriations.  
25 Section 5103. Applicability of other statutes.  
26 Section 5104. Repeals.  
27 Section 5105. Effective date.

28 The General Assembly of the Commonwealth of Pennsylvania  
29 hereby enacts as follows:

30 CHAPTER 1

PRELIMINARY PROVISIONS

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Section 101. Short title.

This act shall be known and may be cited as the Medical Cannabis Act.

Section 102. Definitions.

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

"Account." The Professional Licensure Augmentation Account established under and used in accordance with the act of July 1, 1978 (P.L.700, No.124), known as the Bureau of Professional and Occupational Affairs Fee Act.

"Board." The State Board of Medical Cannabis Licensing.

"Change in control." The acquisition by a person or group of persons acting in concert of at least 20% of an interest in a licensed entity.

"Department." The Department of State of the Commonwealth.

"Health care facility." A facility that provides health care to patients. The term includes:

- (1) A hospital, as defined under the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act.
- (2) A clinic operated by the hospital.
- (3) An ambulatory or surgical facility.
- (4) A long-term care nursing facility.
- (5) A cancer treatment center.
- (6) A hospice care facility.

"Health care practitioner." An individual as defined under section 2 of the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985, who is authorized to

1 prescribe Schedule III drugs under the act of April 14, 1972  
2 (P.L.233, No.64), known as The Controlled Substance, Drug,  
3 Device and Cosmetic Act. The term shall not include an  
4 individual licensed under the act of May 1, 1933 (P.L.216,  
5 No.76), known as The Dental Law.

6 "Medical cannabis." Plants containing cannabidiol,  
7 tetrahydrocannabinol or delta-9-tetrahydrocannabinol acid or any  
8 part of a cannabis plant, including cannabis processed by  
9 extracting oil from the plant, intended for medical purposes.  
10 The term includes extracted oil, edible products, ointments and  
11 tinctures.

12 "Medical cannabis access card." A document issued by the  
13 Department of Health to authorize a patient or patient  
14 representative to purchase and possess medical cannabis in this  
15 Commonwealth.

16 "Medical cannabis dispenser." A for-profit or nonprofit  
17 entity licensed under section 503 to dispense medical cannabis.

18 "Medical cannabis employee." An individual who is eligible  
19 to receive an occupation permit by meeting one of the following:

20 (1) An individual who meets all of the following:  
21 (i) Is employed by a medical cannabis grower,  
22 medical cannabis processor, medical cannabis dispenser or  
23 certified laboratory with the authority to make a  
24 discretionary decision relating to the growing,  
25 processing, dispensing or testing of medical cannabis,  
26 including a manager, supervisor or an individual who  
27 directly handles or controls cannabis.

28 (ii) Is responsible for tracking the amount and  
29 transportation of medical cannabis.

30 (2) Any other employee position designated by the board.

1 "Medical cannabis grower." A for-profit or nonprofit entity  
2 licensed under section 501 that grows or cultivates cannabis for  
3 distribution to authorized medical cannabis processors and  
4 medical cannabis dispensers in accordance with this act.

5 "Medical cannabis processor." A for-profit or nonprofit  
6 entity licensed under section 502 authorized to purchase medical  
7 cannabis from a medical cannabis grower for the purpose of  
8 processing the medical cannabis for distribution to a medical  
9 cannabis dispenser in accordance with this act.

10 "Medical cannabis strains." The three types of pure cannabis  
11 utilized for medical purposes. The term includes cannabis  
12 sativa, cannabis indica and the hybrid created by the  
13 combination of both cannabis sativa and cannabis indica.

14 "Medical use." The acquisition, possession or use of medical  
15 cannabis by a registered patient or patient representative. The  
16 term does not include the smoking or vaporization of cannabis.

17 "Occupation permit." A permit issued by the board  
18 authorizing an individual to be employed as a medical cannabis  
19 employee.

20 "Owner or operator." Any of the following:

21 (1) An officer or director of the medical cannabis  
22 grower, processor or dispenser licensed under section 505.

23 (2) A person who directly holds a beneficial interest in  
24 or has a controlling interest in an applicant or licensee.

25 (3) A person who has the ability to elect a majority of  
26 the board of directors of a licensee or to otherwise control  
27 a licensee.

28 "Patient." An individual who has an established  
29 practitioner-patient relationship and has been diagnosed with a  
30 qualified medical condition.

1 "Patient representative." Any of the following:

2 (1) A parent or guardian of a registered patient.

3 (2) An individual who:

4 (i) is at least 18 years of age; and

5 (ii) receives a medical cannabis access card which  
6 authorizes:

7 (A) purchase, possession, transport and transfer  
8 of medical cannabis from a medical cannabis  
9 dispenser; and

10 (B) proper administration of the medical  
11 cannabis to a registered patient in accordance with  
12 the recommendation of the registered patient's health  
13 care practitioner.

14 "Practitioner-patient relationship." The relationship  
15 established between a patient and health care practitioner  
16 following an assessment of the patient's medical history and  
17 current condition and the conduct of a personal examination.

18 "Qualified medical condition." Any of the following,  
19 including treatment:

20 (1) Cancer.

21 (2) Epilepsy and seizures.

22 (3) Amyotrophic lateral sclerosis.

23 (4) Cachexia/wasting syndrome.

24 (5) Parkinson's disease.

25 (6) Traumatic brain injury and postconcussion syndrome.

26 (7) Multiple sclerosis.

27 (8) Spinocerebellara Ataxia (SCA).

28 (9) Posttraumatic stress disorder.

29 (10) Severe fibromyalgia.

30 (11) A condition authorized by the department under

1 section 702.

2 "Testing laboratory." A clinical laboratory or testing  
3 facility located within this Commonwealth, certified by the  
4 board under section 511.

5 CHAPTER 3

6 STATE BOARD OF MEDICAL CANNABIS

7 LICENSING AND ADMINISTRATIVE PROCEDURE

8 Section 301. License.

9 (a) Medical cannabis.--A person may not conduct an activity  
10 related to the growing, processing or dispensing of medical  
11 cannabis or operating a testing laboratory unless the person is  
12 licensed or certified by the board under this act.

13 (b) Employee.--A licensed medical cannabis grower, medical  
14 cannabis processor or a medical cannabis dispenser may not  
15 employ an individual to directly participate in the growing,  
16 processing, delivery or dispensing of medical cannabis unless  
17 the individual receives an occupation permit from the board  
18 under this act.

19 Section 302. State Board of Medical Cannabis Licensing.

20 (a) Establishment.--There is hereby established the State  
21 Board of Medical Cannabis Licensing within the department.

22 (b) Composition.--The board shall consist of the following:

23 (1) The Secretary of Health or a designee who is an  
24 employee of the Department of Health.

25 (2) Commissioner of Professional and Occupational  
26 Affairs or a designee who is an employee of the Bureau of  
27 Professional and Occupational Affairs.

28 (3) The Secretary of Public Welfare or a designee who is  
29 an employee of the Department of Public Welfare.

30 (4) Two public members.

1 (5) One member representing hospitals.

2 (6) Two members who are medical doctors representing  
3 specialties which utilize medical cannabis to treat patients.

4 (7) Two members who are registered nurses.

5 (8) A licensed pharmacist.

6 (c) Meetings.--The board shall meet within 30 days of  
7 confirmation of the members and shall:

8 (1) Establish procedures to operate the board.

9 (2) Develop applications and other forms for licensure  
10 and occupation permits and enforcement of this act and  
11 certifications for testing laboratories.

12 (3) Promulgate regulations, as necessary, to implement  
13 and enforce this act.

14 (d) Appointment and qualifications.--Each professional and  
15 public member shall be appointed by the Governor with the advice  
16 and consent of a majority of the Senate. Each member must comply  
17 with all of the following:

18 (1) Be a citizen of the United States and a resident of  
19 this Commonwealth.

20 (2) Not hold any other public office during the term on  
21 the board.

22 (e) Terms.--

23 (1) A member under subsection (b) (1), (2) or (3) shall  
24 serve ex officio.

25 (2) For a member under subsection (b) (4) through (8),  
26 the following apply:

27 (i) Initial appointments shall be as follows:

28 (A) Three members shall serve for a term of four  
29 years.

30 (B) Three members shall serve for a term of

1 three years.

2 (C) Two members shall serve for a term of two  
3 years.

4 (ii) Each subsequent term shall be for four years or  
5 until a successor has been appointed and qualified, which  
6 may not be longer than six months beyond the four-year  
7 period.

8 (iii) A member may not serve more than two  
9 consecutive terms.

10 (f) Quorum.--A majority of the members of the board shall  
11 constitute a quorum. Each member must be physically in  
12 attendance to be counted as part of a quorum or to vote on an  
13 issue. A majority of the members present shall be necessary for  
14 a vote to be considered binding.

15 (g) Chairperson.--The board shall annually select a  
16 chairperson from the members of the board.

17 (h) Expenses.--With the exception of ex officio members,  
18 each member of the board shall receive \$100 per diem when  
19 attending to the work of the board. A member shall also receive  
20 the amount of reasonable travel, hotel and other necessary  
21 expenses incurred in the performance of the member's duties in  
22 accordance with Commonwealth regulations.

23 (i) Forfeiture.--A member who fails to attend three  
24 consecutive meetings shall forfeit the member's seat unless the  
25 chairman, upon written request from the member, finds that the  
26 member should be excused because of illness or death of a family  
27 member.

28 (j) Frequency of meetings.--The board shall meet at least  
29 once per month for the first 12 months, including and after the  
30 initial meeting required by section 302(c). After the first

1 12months following the establishment of the board, the board  
2 shall meet at least six times a year and may meet at additional  
3 times as necessary to conduct the business of the board.

4 Section 303. Powers and duties of board.

5 The board shall have the following powers and duties:

6 (1) To provide for and regulate the licensing of the  
7 following:

8 (i) A medical cannabis grower under section 501.

9 (ii) A medical cannabis processor under section 502.

10 (iii) A medical cannabis dispenser under section  
11 503.

12 (2) To issue occupation permits to medical cannabis  
13 employees.

14 (3) To issue certifications to testing laboratories  
15 under section 511.

16 (4) To issue, deny, renew, reinstate or refuse to renew,  
17 suspend and revoke licenses, certifications of testing  
18 laboratories and occupation permits in accordance with this  
19 act.

20 (5) To implement procedures to allow the expansion of  
21 qualified medical conditions for which a patient may obtain  
22 medical cannabis under section 702.

23 (6) To administer and enforce the provisions of this  
24 act.

25 (7) To investigate and conduct background checks for  
26 each application for a license or occupation permit to  
27 determine the fitness and eligibility of a person applying  
28 for a license or occupation permit.

29 (8) To establish fees for application and renewal of  
30 licenses and occupation permits and the due dates for all

1 fees.

2 (9) To charge for services related to the inspection and  
3 oversight of this act. Billings shall be submitted at least  
4 quarterly and all charges shall be itemized.

5 (10) To keep minutes and records of each transaction and  
6 proceeding.

7 (11) To provide standards for the appearance of  
8 dispensers to ensure a professional atmosphere.

9 (12) To require utilization of any prescription  
10 monitoring program established by the Commonwealth by a  
11 health care practitioner to review a patient's pharmaceutical  
12 history.

13 (13) To develop a system to ensure medical cannabis  
14 dispensers are able to verify medical cannabis access cards.

15 (14) To establish a medical cannabis registry to ensure  
16 adequate availability of different strains and concentrations  
17 of medical cannabis.

18 (15) To develop regular inspection schedules, unannounced  
19 inspections, procedures and other enforcement measures to  
20 regulate all medical cannabis growers, processors and  
21 dispensers.

22 (16) To inspect, at any time, premises occupied or used  
23 for the production, preparation, testing, packaging,  
24 processing, storage, sale, distribution and transport of  
25 medical cannabis.

26 (17) To develop standards and requirements for the  
27 implementation, use and maintenance of security systems.

28 (18) To submit annually to the department an estimate of  
29 financial requirements of the board, including  
30 administrative, legal and other expenses.

1           (19) To develop a system for mandatory and voluntary  
2 recall of defective products or medical cannabis.

3           (20) To develop an inventory tracking system to be used  
4 by all licensees and certified laboratories.

5           (21) To promulgate regulations to implement this act,  
6 including:

7           (i) The receipt of medical cannabis for study and  
8 research of the health benefits of medical cannabis by  
9 accredited research institutions, universities and  
10 colleges in this Commonwealth.

11           (ii) Determination of required quality and safe  
12 clinical strength of medical cannabis.

13           (iii) Print advertising and marketing of medical  
14 cannabis.

15           (iv) Containers, tracking and testing.

16           (v) Packaging and labeling by licensed growers,  
17 licensed processors and licensed dispensers. Regulations  
18 under this subparagraph shall require labeling to  
19 specify:

20           (A) date of packaging;

21           (B) use-by date;

22           (C) instructions to keep the product in the  
23 package;

24           (D) warnings related to use, including pregnancy  
25 and medical conditions;

26           (E) warnings to keep medical cannabis out of  
27 children's reach;

28           (F) other warnings deemed appropriate by the  
29 board;

30           (G) recommended dosages;

1 (H) appropriate methods to administer medical  
2 cannabis for authorized diseases; and

3 (22) To provide for the form and content of the  
4 authority given to a registered patient by a health care  
5 provider to obtain medical cannabis.

6 (23) To consult information published by the American  
7 Herbal Pharmacopeia, in the promulgation of regulations.

8 (24) To enforce regulations under this act.

9 (25) To submit an annual report to the Secretary of the  
10 Senate and the Chief Clerk of the House of Representatives.

11 Section 304. Subpoena power.

12 The General Counsel of the Commonwealth, or the General  
13 Counsel's designee, shall have the power to issue a subpoena on  
14 behalf of the board in disciplinary and licensing matters before  
15 the board in order to investigate an alleged violation in  
16 accordance with the following:

17 (1) The power shall not apply to patient records without  
18 order of a court of competent jurisdiction showing that the  
19 records are reasonably necessary for the conduct of an  
20 investigation.

21 (2) The court may impose limitations on the scope of a  
22 subpoena as necessary to prevent unnecessary intrusion into  
23 patient confidential information.

24 (3) The attorney representing the Commonwealth in a  
25 disciplinary matter before the board may apply to  
26 Commonwealth Court to enforce the subpoenas.

27 (4) Nothing in this section shall be construed to excuse  
28 a person from producing documents and records as requested by  
29 the board under any other provision of law.

30 Section 305. Hearing examiners.

1 (a) Appointment.--The Commissioner of Professional and  
2 Occupational Affairs, after consultation with the board, shall  
3 appoint hearing examiners as necessary to conduct hearings in  
4 disciplinary matters before the board.

5 (b) Regulation.--Regulations promulgated by the board shall  
6 include the procedural rules to be followed by hearing examiners  
7 under this act. Each proceeding shall be conducted in accordance  
8 with 2 Pa.C.S. (relating to administrative law and procedure).

9 (c) Powers.--A hearing examiner shall have the following  
10 powers:

11 (1) To conduct hearings.

12 (2) To issue subpoenas requiring:

13 (i) The attendance and testimony of individuals.

14 (ii) The production of pertinent records or other  
15 papers by persons whom the examiner believes have  
16 information relevant to matters pending before the  
17 examiner.

18 (3) To issue decisions.

19 Section 306. Civil penalties.

20 (a) Authorization.--The board shall adopt a schedule of  
21 civil penalties for operating without a current, registered,  
22 unsuspended and unrevoked license, certificate or occupation  
23 permit and for violations of this act. The schedule shall be  
24 published in the Pennsylvania Bulletin.

25 (b) Imposition.--An agent of the board may issue citations  
26 and impose penalties for a violation of this chapter. A penalty  
27 may be appealed to a hearing examiner or the board pursuant to  
28 regulations promulgated by the board. If the matter is initially  
29 referred to a hearing examiner, the board shall render a  
30 decision on an exception to the decision of the hearing examiner

1 or on any applications for review under 2 Pa.C.S. (relating to  
2 administrative law and procedure).

3 (c) Board sanction.--

4 (1) In addition to any other penalty authorized by law,  
5 the board may impose the following sanctions:

6 (i) Revocation of the license, permit or certificate  
7 of a person convicted of a criminal offense or violation  
8 of this act or regulations of the board which would  
9 disqualify the holder from growing, processing or  
10 dispensing medical cannabis.

11 (ii) Revocation of the license of a person for  
12 willfully and knowingly violating or attempting to  
13 violate an order of the board directed to the person.

14 (iii) Revocation of an occupation permit or  
15 certificate of a person for willfully and knowingly  
16 violating or attempting to violate an order of the board  
17 directed to the person.

18 (iv) Suspension of the license, permit or  
19 certificate of a person pending the outcome of a hearing  
20 in a case in which a license, occupation permit or  
21 certification revocation could result.

22 (v) Suspension of the license of a licensed grower,  
23 processor or dispenser for a violation or attempt to  
24 violate any provisions of this act.

25 (vi) Assessment of an administrative penalty as  
26 necessary to address misconduct and deter future  
27 violations.

28 (vii) Ordering of restitution of funds or property  
29 unlawfully obtained or retained by a licensee.

30 (viii) Entrance of a cease and desist order which

1 specifies the conduct which is to be discontinued,  
2 altered or implemented by the licensee.

3 (2) If the board refuses to issue or renew a license,  
4 certificate or occupation permit or imposes a penalty under  
5 paragraph (1), the board shall provide the applicant,  
6 licensee, certificate holder or permit holder with written  
7 notification of the decision, including a statement of the  
8 reasons for the decision by certified mail within five  
9 business days of the decision of the board. The applicant,  
10 licensee, certificate holder or permittee shall have the  
11 right to appeal the decision in accordance with 2 Pa.C.S.  
12 Chs. 5 (relating to practice and procedure) and 7 (relating  
13 to judicial review).

14 (3) A person who aids, abets, counsels, induces,  
15 procures or causes another person to violate this act shall  
16 be subject to all sanctions and penalties provided under this  
17 subsection.

18 (d) Additional powers.--In addition to the penalties under  
19 subsections (b) and (c), the board shall have the power to do  
20 the following:

21 (1) Levy a civil penalty of not more than \$25,000 for a  
22 violation of this act.

23 (2) Impose a civil penalty of up to \$15,000 per  
24 violation if a person aids and abets the unlicensed growing,  
25 processing, distribution or dispensing of medical cannabis.  
26 The penalty may not be levied against a person solely as a  
27 consequence of that person being a registered patient of the  
28 unlicensed person.

29 (3) Assess against a respondent determined to be in  
30 violation of this act the costs of investigation underlying

1 that disciplinary action. The cost of investigation shall not  
2 include costs incurred by the board after the filing of  
3 formal actions or disciplinary charges against a respondent.

4 (e) Judgment.--A civil penalty imposed under this section  
5 shall be a judgment in favor of the board upon the person or  
6 property of the person upon whom the civil penalty is imposed.  
7 The Attorney General shall be responsible for enforcing the  
8 judgments in courts of competent jurisdiction in accordance with  
9 the provisions of 42 Pa.C.S. (relating to judiciary and judicial  
10 procedure).

11 Section 307. Confidentiality.

12 (a) General rule.--Investigative records of the board,  
13 including prosecutorial memos and transcripts of deposition on  
14 behalf of the board or concerning a licensure-related complaint  
15 filed with the department, shall be confidential and privileged.  
16 The following shall apply:

17 (1) No person who has investigated or has access to or  
18 custody of documents, materials or information which is  
19 confidential and privileged under this section may be  
20 required to testify in a judicial or administrative  
21 proceeding without the written consent of the board unless  
22 directed to do so by a court of competent jurisdiction.

23 (2) This subsection shall not preclude or limit  
24 introduction of the contents of an investigative file or  
25 related witness testimony in a hearing or proceeding before  
26 the board.

27 (3) This section shall not apply to a letter or other  
28 document to a licensee, occupation permittee or certificate  
29 holder that discloses the final outcome of an investigation  
30 or to a final adjudication or order of the board.

1 (b) Disclosure permitted.--Except as provided in subsection  
2 (a), this section shall not prevent disclosure of documents,  
3 materials or information pertaining to the status of a license,  
4 certificate or occupation permit or the sharing of information  
5 with law enforcement officials or similar regulatory boards in  
6 other jurisdictions. A violation of this section shall subject  
7 an employee or agent of the board to administrative discipline,  
8 including discharge, suspension or other formal or appropriate  
9 disciplinary action.

10 (c) Affidavit.--Each employee or agent of the board must  
11 execute a confidentiality affidavit which provides that  
12 documents, materials or information in subsection (a) obtained  
13 by the employee or agent shall be considered confidential and  
14 may be disclosed only as permitted under this section.

15 (d) Waiver.--The board may not require an applicant to waive  
16 any confidentiality under this section as a condition for the  
17 approval of a license or other action of the board.

18 Section 308. Financing.

19 (a) Setting of fees.--Beginning two years after the  
20 effective date of this subsection, all fees required under this  
21 act shall be fixed by the board by regulation. If revenue raised  
22 by fees, fines and civil penalties imposed under this act are  
23 not sufficient to meet expenditures over a two-year period, the  
24 board shall increase those fees by regulation under section  
25 303(21) so that the projected revenues will meet or exceed  
26 projected expenditures.

27 (b) Renewal fees.--Beginning two years after the effective  
28 date of this subsection, all renewal fees shall be deposited  
29 into the account.

30 (c) Inadequate fees.--If the Bureau of Professional and

1 Occupational Affairs determines that the fees established by the  
2 board under subsection (a) are inadequate to meet the minimum  
3 enforcement efforts required by this act, then the bureau, after  
4 consultation with the board, shall increase the fees by  
5 regulation under section 303(21) in an amount that adequate  
6 revenues are raised to meet the required enforcement effort.

7 (d) Disposition.--Fees, fines and civil penalties imposed  
8 and collected under this act shall be for the exclusive use of  
9 the board in carrying out this act and shall be annually  
10 appropriated from the account for that purpose. This subsection  
11 shall not apply to an initial license fee.

12 (e) Charging of fees.--The board may charge a reasonable  
13 fee, as set by the board by regulation under section 303(21),  
14 for all examinations, registrations, certificates, licensures or  
15 applications permitted by this act or a regulation under this  
16 act.

17 (f) Civil penalties.--All civil penalties shall be deposited  
18 into the account.

19 (g) Reports to department.--The board shall submit annually  
20 to the department an estimate of the financial requirements of  
21 the board for its administrative, investigative, legal and  
22 miscellaneous expenses.

23 (h) Reports to the Appropriations Committee of the Senate  
24 and the Appropriations Committee of the House of  
25 Representatives.--The board shall submit annually to the  
26 Appropriations Committee of the Senate and the Appropriations  
27 Committee of the House of Representatives, 15 days after the  
28 Governor has submitted his budget to the General Assembly, a  
29 copy of the budget request for the upcoming fiscal year which  
30 the board previously submitted to the department.

1 (i) Reports to other legislative committees.--The board  
2 shall submit annually a report to the Consumer Protection and  
3 Professional Licensure Committee of the Senate and to the  
4 Professional Licensure Committee of the House of Representatives  
5 containing a description of the types of complaints received,  
6 status of cases, board action which has been taken and the  
7 length of time from the initial complaint to final board  
8 resolution. The report shall also include a statement of the  
9 numbers and types of licenses granted.

10 CHAPTER 5

11 LICENSING

12 Section 501. Medical cannabis growers.

13 (a) Licensing.--The board shall license not more than 65  
14 medical cannabis growers to supply medical cannabis for  
15 distribution to medical cannabis processors and medical cannabis  
16 dispensers under this act.

17 (b) Imposition.--At the time of license issuance, the board  
18 shall impose a licensing fee in the amount of \$50,000. The board  
19 shall impose an initial \$5,000 annual renewal fee for each year  
20 immediately following the year the license was issued. Renewal  
21 fees shall thereafter be subject to adjustment under section  
22 308.

23 (c) Term.--Upon payment of the fee under subsection (b), a  
24 grower's license shall be in effect unless suspended, revoked or  
25 not renewed by the board for good cause.

26 (d) Update.--A licensee under this section must notify the  
27 board of a change relating to the status of its license or other  
28 information contained in its application and other information  
29 filed with the board.

30 (e) Deposit.--The licensure fee under subsection (b) shall

1 be deposited into the General Fund. Renewal fees under  
2 subsection (b) shall be deposited into the account.

3 (f) Restriction.--There shall be no restriction on specific  
4 strains of medical cannabis that may be grown under this act.  
5 Use of genetically modified organisms or an organism whose  
6 genetic material has been altered using genetic engineering may  
7 not be used in the cultivation of medical cannabis.

8 (g) Requirements.--A medical cannabis grower shall:

9 (1) Only grow medical cannabis using conventional  
10 growing methods approved by the board in consultation with  
11 the Department of Agriculture.

12 (2) Submit to preoperational and postoperational  
13 announced and unannounced inspections by the board or the  
14 department.

15 (3) Grow cannabis only in an indoor, enclosed, secure  
16 facility.

17 (4) Conduct quality testing utilizing a testing  
18 laboratory certified by the board prior to the sale of  
19 medical cannabis and submit to random testing of medical  
20 cannabis conducted by the board.

21 (5) Package and label medical cannabis products in  
22 accordance with regulations of the board.

23 (6) Only sell, transport or deliver medical cannabis to  
24 a medical cannabis processor, certified laboratory or medical  
25 cannabis dispenser.

26 (7) Provide information relating to the enclosed, secure  
27 facility where medical cannabis will be grown, harvested or  
28 stored, including electronic locking systems, limited access  
29 areas, secure storage and disposal procedures, electronic  
30 surveillance and other features required by the board.

1 (8) Provide a cultivation, inventory and packaging plan  
2 and procedures for the oversight of the cultivation area,  
3 including a plant monitoring system, container tracking  
4 system and staffing plan.

5 (9) Maintain daily records of plants, sales and other  
6 activities, as required by the board.

7 (10) Perform a weekly physical inventory of all plants  
8 and containers.

9 (11) Notify law enforcement within 24 hours of any loss  
10 or theft of medical cannabis.

11 (h) Prohibitions.--A medical cannabis grower may not do any  
12 of the following:

13 (1) Be located within 1,000 feet of the property line of  
14 a public, private or parochial school or a day-care center.

15 (2) Be located in a residential dwelling or an area  
16 zoned for residential use.

17 (3) Acquire cannabis from outside this Commonwealth or  
18 otherwise in violation of regulations of the board.

19 (4) Permit an individual to consume cannabis on its  
20 property.

21 (5) Advertise medical cannabis on radio or television.

22 (i) Exchange.--The board shall promulgate regulations for  
23 the exchange of medical cannabis seed and plant materials  
24 between growers.

25 Section 502. Medical cannabis processors.

26 (a) Licensing.--The board shall license not more than 65  
27 medical cannabis processors to process medical cannabis into  
28 oil-based medical cannabis products, including oil, edible  
29 products, ointments and tinctures. The licensees shall be  
30 geographically dispersed throughout this Commonwealth to allow

1 access to processed medical cannabis by medical cannabis  
2 dispensers.

3 (b) Imposition.--At the time of license issuance, the board  
4 shall impose a licensing fee in the amount of \$50,000. The board  
5 shall impose an initial \$5,000 annual renewal fee for each year  
6 immediately following the year the license was issued. Renewal  
7 fees shall be subject to adjustment and deposit under section  
8 308.

9 (c) Term.--Upon payment of the fee under subsection (b), a  
10 processor's license shall be in effect unless suspended, revoked  
11 or not renewed by the board for good cause.

12 (d) Update.--A licensee under this section must notify the  
13 board of a change relating to the status of its license or other  
14 information contained in its application and other information  
15 filed with the board.

16 (e) Deposit.--The license fee under subsection (b) shall be  
17 deposited into the General Fund. Renewal fees shall be deposited  
18 into the account.

19 (f) Requirements.--A medical cannabis processor shall do all  
20 of the following:

21 (1) Only use extraction and processing methods approved  
22 by the board.

23 (2) Submit to preoperational and postoperational  
24 announced and unannounced inspections by the board and the  
25 department.

26 (3) Conduct quality testing utilizing a certified  
27 testing laboratory approved by the board prior to delivery to  
28 a dispenser and submit to random testing conducted by the  
29 board.

30 (4) Only sell, transport or deliver medical cannabis to

1 a testing laboratory or to a medical cannabis dispenser.

2 (5) Conduct processing activity in a board-approved  
3 facility that is indoor, enclosed and secure, and includes an  
4 electronic locking system, a limited access area, secure  
5 storage and disposal procedures, electronic surveillance and  
6 other features required by the board.

7 (6) Provide information relating to the facility and  
8 features under paragraph (5).

9 (7) Provide a processing, inventory and packaging plan  
10 and procedures for the oversight of the processing facility,  
11 including a plant and product monitoring system, container  
12 tracking system and staffing plan.

13 (8) Perform a weekly physical inventory of all plants,  
14 containers and processing materials.

15 (9) Maintain a daily log of access to medical cannabis  
16 received and products shipped.

17 (10) Only sell medical cannabis approved by a certified  
18 laboratory to a licensed medical cannabis dispenser.

19 (11) Notify law enforcement within 24 hours of a loss or  
20 theft of medical cannabis.

21 (12) Maintain daily records of all sales and other  
22 activities as required by the board.

23 (13) Comply with the regulations of the Department of  
24 Agriculture relating to food safety when manufacturing edible  
25 products.

26 (g) Prohibitions.--A medical cannabis processor may not do  
27 any of the following:

28 (1) Be located within 1,000 feet of the property line of  
29 a public, private or parochial school or a day-care center.

30 (2) Be located in a residential dwelling or an area

1 zoned for residential use.

2 (3) Acquire cannabis from anyone other than a licensed  
3 medical cannabis grower.

4 (4) Obtain cannabis from outside this Commonwealth.

5 (5) Process cannabis for any purpose except to provide  
6 medical cannabis to a licensed medical cannabis dispenser.

7 (6) Advertise medical cannabis on radio or television.

8 Section 503. Medical cannabis dispensers.

9 (a) Licensing.--The board shall license not more than 130  
10 medical cannabis dispensers to accept medical cannabis access  
11 cards and dispense medical cannabis to a registered patient or  
12 patient representative in accordance with the instructions of a  
13 health care practitioner. The licensees shall be geographically  
14 dispersed throughout this Commonwealth to allow all registered  
15 patients reasonable proximity and access to medical cannabis by  
16 a medical cannabis dispenser.

17 (b) Imposition.--At the time of license issuance, the board  
18 shall impose a licensing fee in the amount of \$50,000. The board  
19 shall impose an initial \$5,000 annual renewal fee for each year  
20 immediately following the year the license was issued. Renewal  
21 fees shall be subject to adjustment under section 308.

22 (c) Term.--Upon payment of the fee under subsection (b), a  
23 dispenser's license shall be in effect unless suspended, revoked  
24 or not renewed by the board for good cause.

25 (d) Update.--A licensee under this section must notify the  
26 board of a change relating to the status of its license,  
27 operation or other information contained in its application and  
28 other information filed with the board.

29 (e) Deposit.--The license fee under subsection (b) shall be  
30 deposited into the General Fund. Renewal fees shall be deposited

1 into the account.

2 (f) Requirements.--A medical cannabis dispenser shall do all  
3 of the following:

4 (1) Maintain a system to verify medical cannabis access  
5 cards.

6 (2) Submit to preoperational and postoperational  
7 announced and unannounced inspections by the board and the  
8 department.

9 (3) Maintain a daily log of all medical cannabis  
10 purchased and dispensed. The log shall include:

11 (i) The name of the registered patient or a patient  
12 representative that holds the medical cannabis access  
13 card.

14 (ii) The amount of medical cannabis dispensed.

15 (iii) The date of each dispensing to the cardholder.

16 (4) Provide reports as required by the board relating to  
17 amounts dispensed.

18 (5) Maintain an enclosed, secure physical premises that  
19 meets the regulations of the board. Medical cannabis may not  
20 be visible from the entryway to an individual who is not an  
21 occupation-permitted employee, owner or operator of the  
22 licensed premises.

23 (6) Dispense no more than a 30-day supply of the dosage  
24 recommended by the health care practitioner unless the  
25 registered patient receives a waiver from the department  
26 authorizing a larger amount. A new 30-day supply may be  
27 dispensed during the seven days prior to the end of the 30-  
28 day period under this paragraph.

29 (7) Only accept authorizations from a health care  
30 practitioner for no more than the 30-day supply periods.

1       Thereafter, a new authorization from the health care  
2       practitioner shall be required.

3           (8) Comply with recommendations of the health care  
4       practitioner as to strain, dosage and amount of medical  
5       cannabis dispensed.

6           (9) Provide all registered patients and patient  
7       representatives with a safety insert developed by the  
8       Department of Health which includes:

9           (i) Methods for administering medical cannabis.

10          (ii) Potential dangers.

11          (iii) Recognition and correction of problematic  
12       dosage.

13          (iv) Other information required by the department.

14          (10) Sell only medical cannabis that has received  
15       approval from the certified laboratory.

16          (11) Maintain an electronic security system, including  
17       all of the following:

18          (i) Electronic surveillance.

19          (ii) An electronic locking system.

20          (iii) A locked door or barrier between the entry and  
21       a limited access area for patients, storage, disposal and  
22       other processes.

23          (12) Provide for the supervision of the dispensing of  
24       medical cannabis at all times by an individual with  
25       qualifications required by the board.

26          (13) Display appropriate signage as required by the  
27       board.

28          (14) Provide the proposed address of the enclosed,  
29       secure facility where medical cannabis will be dispensed.

30          (15) Provide an inventory and packaging plan and

1 procedures for the oversight of the dispensing facility,  
2 including a plant and product monitoring system, container  
3 tracking system, staffing plan and security plan.

4 (16) Perform a weekly physical inventory of all medical  
5 cannabis and medical cannabis products.

6 (17) Obtain medical cannabis only from a medical  
7 cannabis processor.

8 (18) Notify law enforcement within 24 hours of a loss or  
9 theft of medical cannabis.

10 (g) Prohibitions.--A medical cannabis dispenser may not do  
11 any of the following:

12 (1) Be located within 1,000 feet of the property line of  
13 a public, private or parochial school or a day-care center.

14 (2) Be located in a residential dwelling or an area  
15 zoned for residential use.

16 (3) Obtain cannabis from outside this Commonwealth.

17 (4) Sell medical cannabis for any purpose except to a  
18 registered patient or a patient representative.

19 (5) Permit an individual to consume cannabis on its  
20 property.

21 (6) Sell products which contain nicotine or alcohol.

22 (7) Sell medical cannabis over the Internet or to a  
23 person not physically present at its location.

24 (8) Advertise medical cannabis on radio or television.

25 Section 504. Applications.

26 (a) Application.--An application for a grower, processor or  
27 dispenser license must be submitted on a form and in a manner as  
28 required by the board. In reviewing an application, the board  
29 shall confirm that all applicable fees have been paid.

30 (b) Information.--An applicant for a grower, processor or

1 dispenser license under this act must do all of the following:

2 (1) Disclose the following information:

3 (i) Each arrest and citation for a nontraffic  
4 summary offense of the applicant.

5 (ii) The name, address and photograph of the  
6 applicant and each principal and the principal's position  
7 within the corporation or organization.

8 (iii) Any financial information required by the  
9 board.

10 (iv) The proposed location of the growing,  
11 processing or dispensing operation.

12 (v) The details of each loan obtained to finance the  
13 growing, processing or dispensing operation.

14 (vi) The details of any civil judgment against the  
15 applicant or the applicant's owners or operators relating  
16 to:

17 (A) security regulation laws of the Federal  
18 Government;

19 (B) laws relating to the regulation of  
20 pharmaceuticals; or

21 (C) laws under 15 Pa.C.S. (relating to  
22 corporations and unincorporated associations).

23 (vii) Any other information required by the board.

24 (2) Consent to the conduct of a background investigation  
25 by the board, the scope of which shall be determined by the  
26 board consistent with this act. Consent shall include a  
27 release signed by each person subject to the investigation of  
28 information required to complete the investigation.

29 (c) Refusal.--A refusal to provide the information required  
30 under this section or to consent to a background investigation

1 shall result in the immediate denial of a license.

2 (d) Character requirements.--Each application for a grower,  
3 processor or dispenser license shall include information,  
4 documentation and assurance required to establish by clear and  
5 convincing evidence that the applicant is a person of good  
6 character, honesty and integrity, has appropriate financial  
7 suitability and is eligible and suitable to be an owner or  
8 operator. Information shall include information pertaining to  
9 associates during the 10-year period immediately preceding the  
10 filing date of the application.

11 (e) Privilege.--The issuance or renewal of a license under  
12 this section shall be a revocable privilege.

13 Section 505. Licensing of owner or operator.

14 (a) License required.--Each owner or operator of an  
15 applicant for licensure under this act must obtain an owner or  
16 operator license from the board. An owner or operator may only  
17 have an interest in the activity under this act for which  
18 licensure is sought.

19 (b) Application.--An owner or operator license application  
20 shall be in a form prescribed by the board and shall include the  
21 following:

22 (1) Verification of status as an owner or operator from  
23 a medical cannabis dispenser, grower or processor.

24 (2) A description of responsibilities as an owner or  
25 operator.

26 (3) Each release necessary to obtain information from  
27 governmental agencies, employers and other organizations.

28 (4) Fingerprints, which shall be submitted to the  
29 Pennsylvania State Police. The Pennsylvania State Police  
30 shall submit fingerprint data to and receive national

1 criminal history record information from the Federal Bureau  
2 of Investigation for use in investigating an applicant for an  
3 owner or operator license.

4 (5) A photograph that meets the standards of the  
5 Commonwealth Photo Imaging Network.

6 (6) Details relating to a similar license, permit or  
7 other authorization obtained in another jurisdiction.

8 (7) Any additional information required by the board.

9 (c) Issuance.--Following review of the application and the  
10 background investigation, the board may issue an owner or  
11 operator license if the applicant has proven by clear and  
12 convincing evidence that the applicant is a person of good  
13 character, honesty and integrity and is eligible and suitable to  
14 be licensed as an owner or operator.

15 (d) Nontransferability.--A license issued under this section  
16 shall be nontransferable.

17 (e) Owner or operator.--An individual who receives an owner  
18 or operator license need not obtain an occupation permit.

19 (f) Waiver.--The board may waive licensure requirements for  
20 an owner of securities in a publicly traded corporation if the  
21 board determines that the holder of the securities is not  
22 significantly involved in the activities of the applicant.

23 Section 506. Occupation permit for medical cannabis employees  
24 and certain patient representatives.

25 (a) Permit required.--Each medical cannabis employee, and  
26 each patient representative who is not a parent or guardian of a  
27 patient, shall obtain an occupation permit from the board.

28 (b) Application.--An occupation permit application shall be  
29 in a form prescribed by the board and shall include the  
30 following:

- 1 (1) Verification of one of the following:
- 2 (i) The status as a medical cannabis employee or  
3 potential medical cannabis employer from a medical  
4 cannabis grower, processor or dispenser.
- 5 (ii) From a health care facility that the patient  
6 representative is an employee designated to purchase,  
7 possess, transport, deliver and properly administer  
8 medical cannabis to a patient with a medical cannabis  
9 access card who is unable to obtain the medical cannabis.
- 10 (2) A description of employment responsibilities.
- 11 (3) Each release necessary to obtain information from  
12 governmental agencies, employers and other organizations.
- 13 (4) Fingerprints, which shall be submitted to the  
14 Pennsylvania State Police. The Pennsylvania State Police  
15 shall submit fingerprint data to and receive national  
16 criminal history record information from the Federal Bureau  
17 of Investigation for use in investigating an applicant for an  
18 occupation permit.
- 19 (5) A photograph that meets the standards of the  
20 Commonwealth Photo Imaging Network.
- 21 (6) Details relating to a similar license, permit or  
22 other authorization obtained in another jurisdiction.
- 23 (7) Any additional information required by the board.
- 24 (c) Issuance.--Following review of the application and the  
25 background investigation, the board may issue an occupation  
26 permit if the applicant has proven by clear and convincing  
27 evidence that the applicant is a person of good character,  
28 honesty and integrity and is eligible and suitable to be an  
29 occupation permit holder.
- 30 (d) Nontransferability.--An occupation permit issued under

1 this section shall be nontransferable.

2 (e) Privilege.--The issuance or renewal of a permit under  
3 this section shall be a revocable privilege.

4 Section 507. Change in ownership.

5 The following apply to notification and approval:

6 (1) A medical cannabis grower, processor or dispenser  
7 must notify the board upon becoming aware of a proposed or  
8 contemplated change of ownership or control of the licensee.  
9 The new owner must pay the licensing fee required under this  
10 chapter.

11 (2) The purchaser of the assets of a medical cannabis  
12 grower, processor or dispenser must independently qualify for  
13 a license in accordance with this act and must pay the  
14 license fee required under this chapter.

15 (3) If the ownership of the operation of a licensed  
16 grower, processor or dispenser or its affiliate is changed,  
17 the new owner must pay the annual renewal fee for each  
18 applicable license.

19 Section 508. Location.

20 (a) General rule.--Except as otherwise provided under this  
21 act, each grower, processor and dispenser license shall be valid  
22 for the specific physical location within the municipality and  
23 county for which it was originally granted. A person may not  
24 distribute medical cannabis from a location other than a  
25 licensed facility.

26 (b) Zoning.--The following shall apply:

27 (1) The growing of medical cannabis shall be classified  
28 as a normal agricultural operation as defined under section 2  
29 of the act of June 10, 1982 (P.L.454, No.133), referred to as  
30 the Right-to-Farm Law.

1           (2) Facilities for the manufacturing, preparation and  
2 production of medical cannabis shall meet the same municipal  
3 zoning and land use requirements as other manufacturing,  
4 preparation and production facilities.

5           (3) Facilities for the dispensing of medical cannabis  
6 shall meet the same municipal zoning and land use  
7 requirements as other commercial facilities.

8           (c) Petition.--An applicant or holder of a license under  
9 this act may petition the board to relocate its facility. In  
10 determining whether to grant a petition to relocate, the board  
11 shall do all of the following:

12           (1) Evaluate the proposed new location and the reason  
13 for relocation.

14           (2) Evaluate community support and compliance with local  
15 ordinances.

16           (3) Consider any other information submitted by the  
17 petitioner or required by the board.

18 Section 509. Storage and transportation.

19           The board shall develop regulations relating to the storage  
20 and transportation of medical cannabis among growers,  
21 processors, testing laboratories and medical cannabis dispensers  
22 which ensure adequate security to guard against in-transit  
23 losses. The tracking system developed by the board shall include  
24 all transportation and storage of medical cannabis. The  
25 regulations shall provide for the following:

26           (1) Requirements relating to shipping containers and  
27 packaging.

28           (2) The manner in which trucks, vans, trailers or other  
29 carriers will be secured.

30           (3) Security systems that include a numbered seal on the

1 trailer.

2 (4) Obtaining copies of driver's licenses and  
3 registrations and other information related to security and  
4 tracking.

5 (5) Use of GPS systems.

6 (6) Number of drivers or other security required to  
7 ensure against storage or in-transit losses.

8 (7) Recordkeeping for delivery and receipt of medical  
9 cannabis products.

10 Section 510. Disposal and donation.

11 (a) Disposal.--The board shall promulgate regulations  
12 relating to disposal of medical cannabis by medical cannabis  
13 growers, processors, dispensers and law enforcement.

14 (b) Donation.--A medical cannabis dispenser, grower and  
15 processor may donate medical cannabis that has been purchased or  
16 produced and tested in this Commonwealth in accordance with this  
17 act and is in new and unopened condition and can only be donated  
18 for research purposes to an accredited research institution,  
19 university or college within this Commonwealth and recognized by  
20 the Commonwealth.

21 Section 511. Testing laboratories.

22 (a) Certification.--The board shall certify accredited  
23 laboratories to test medical cannabis in accordance with  
24 regulations of the board.

25 (b) Requirement.--A medical cannabis grower and a medical  
26 cannabis processor must utilize a certified laboratory to test  
27 the quality of medical cannabis before the sale or transport of  
28 medical cannabis is made as required by the board.

29 (c) Duty of board.--The board shall determine the scope and  
30 content of information required to certify laboratories,

1 including security requirements.

2 Section 512. Licensee prohibitions.

3 (a) Inspection.--A licensee or certified laboratory may not  
4 refuse to allow an authorized employee of the department to  
5 inspect a licensed premises at any time.

6 (b) Other prohibitions.--A licensee or certified laboratory  
7 may be cited under this act for:

8 (1) An unlawful act prohibited by State law which occurs  
9 on the licensed premises.

10 (2) An unlawful act which involves a licensee or the  
11 licensee's agent or employee.

12 (3) The sale or purchase of an illegal drug by the  
13 licensee or by the licensee's agent or employee.

14 CHAPTER 7

15 MEDICAL CANNABIS ACCESS

16 Section 701. Medical cannabis access card.

17 (a) Department of Health.--A patient with a qualified  
18 medical condition may register with the Department of Health and  
19 be issued a medical cannabis access card.

20 (b) Enforcement.--The department shall develop regulations  
21 to enforce the provisions of this chapter, including revocation  
22 or suspension of an access card for violations of this act.

23 (c) Application.--An application for a medical cannabis  
24 access card shall be developed by the Department of Health.  
25 Applications for renewal shall be required on an annual basis. A  
26 patient representative may obtain a medical cannabis access card  
27 on behalf of a registered patient.

28 (d) Certification.--Applications and renewals must include  
29 written certification from a health care practitioner under  
30 subsection (1) that the applicant has a qualified medical

1 condition.

2 (e) Verification.--The Department of Health shall verify the  
3 information in the application and renewal form. Verification  
4 shall include verification of the certification under subsection  
5 (d).

6 (f) Time.--The Department of Health must approve or deny an  
7 application within 90 business days.

8 (g) Fee.--The Department of Health shall charge an  
9 application fee of not more than \$100 and an annual renewal fee  
10 of not more than \$50.

11 (h) Residency.--Except as provided in subsection (i), a  
12 patient must reside in this Commonwealth to receive a medical  
13 cannabis access card.

14 (i) Reciprocity.--A patient registered in another state that  
15 authorizes medical cannabis and recognizes medical cannabis  
16 access cards from patients who are residents of this  
17 Commonwealth may submit to the Department of Health the  
18 patient's credentials to utilize medical cannabis. The  
19 department shall develop a system for confirming an out-of-State  
20 patient's status as a medical cannabis user in each state with  
21 legalized medical cannabis and only grant a medical cannabis  
22 access card to a person with a qualified medical condition.  
23 After the Department of Health investigates and approves the  
24 patient's credentials, the Department of Health shall issue the  
25 patient a medical cannabis access card allowing the patient to  
26 utilize medical cannabis in this Commonwealth.

27 (j) Patient representative.--

28 (1) A patient representative must be:

29 (i) at least 18 years of age; and

30 (ii) a resident of this Commonwealth.

1 (2) A patient representative shall do all of the  
2 following:

3 (i) Register with the department in a manner  
4 prescribed by the department.

5 (ii) Present, from the registered patient's health  
6 care practitioner who prescribed the medical cannabis,  
7 certification that the patient is unable to obtain or  
8 administer medical cannabis for a good faith medical or  
9 physical reason.

10 (iii) Notify the department within 10 business days  
11 after:

12 (A) a change to the information that the  
13 provider, registered patient or patient  
14 representative was required to submit to the  
15 department; and

16 (B) the patient representative discovers that  
17 the registry identification has been lost or stolen.

18 (iv) Notify the department by telephone and in  
19 writing within 10 days following the death of the patient  
20 representative's registered patient. The department shall  
21 provide instruction to the patient representative  
22 regarding the duty to dispose of and means by which the  
23 remaining medical cannabis may be disposed.

24 (3) A patient representative may do any of the  
25 following:

26 (i) Transport a registered patient to and from a  
27 licensed medical cannabis dispenser.

28 (ii) Obtain and transport an adequate supply of  
29 medical cannabis from a medical cannabis dispenser on  
30 behalf of a registered patient.

1 (iii) Prepare medical cannabis for consumption by a  
2 registered patient.

3 (iv) Administer medical cannabis to a registered  
4 patient as recommended by the registered patient's health  
5 care practitioner.

6 (4) A patient representative may not do any of the  
7 following:

8 (i) Receive payment or other compensation for  
9 services provided as a patient representative other than  
10 reimbursement for reasonable expenses incurred in the  
11 provision of services as a patient representative. In the  
12 case of an employee of a health care facility serving as  
13 a patient representative, the individual may not receive  
14 payment or compensation above or beyond the individual's  
15 regular wages.

16 (ii) Consume medical cannabis which has been  
17 dispensed on behalf of a registered patient.

18 (iii) Sell, provide or otherwise divert medical  
19 cannabis which has been dispensed to a registered  
20 patient.

21 (iv) Grow or cultivate medical cannabis on behalf of  
22 any individual.

23 (v) Purchase medical cannabis from an unlicensed  
24 source.

25 (vi) Obtain medical cannabis from a registered  
26 patient or a patient representative.

27 (5) If a patient representative previously employed by a  
28 health care facility is no longer employed by the health care  
29 facility, the authority to obtain medical cannabis using a  
30 medical cannabis access card or other form of authorization

1 issued by the department shall be void. A health care  
2 facility that employs a patient representative to pick up,  
3 deliver or administer medical cannabis to registered patients  
4 shall notify the department immediately upon termination of  
5 the patient representative's employment.

6 (6) The department shall promulgate regulations relating  
7 to patient representatives, including the form of  
8 authorization to be utilized.

9 (k) Confidentiality.--The Department of Health shall  
10 maintain a confidential list of each individual who has been  
11 issued a medical cannabis access card or authorized to act as a  
12 patient representative. Other identifying information on the  
13 list shall be confidential and shall not be considered a public  
14 record under the act of February 14, 2008 (P.L.6, No.3), known  
15 as the Right-to-Know Law. The list may not be disclosed except  
16 to any of the following:

17 (1) Authorized employees of the board and the Department  
18 of Health as necessary to perform official duties of the  
19 board and the Department of Health.

20 (2) Authorized employees of the board and the Department  
21 of Health, as necessary to verify that a person who is  
22 engaged in the suspected or alleged medical use of cannabis  
23 is lawfully in possession of a medical cannabis access card.

24 (l) Health care practitioners.--

25 (1) A health care practitioner may recommend the use of  
26 medical cannabis to a patient if the health care practitioner  
27 complies with all of the following:

28 (i) Has a good faith practitioner-patient  
29 relationship with the patient, not limited to a  
30 certification for the patient to use medical cannabis or

1 a consultation simply for that purpose.

2 (ii) Practices within this Commonwealth at an  
3 established place of practice.

4 (iii) Registers with the department if required by  
5 department regulation.

6 (iv) Has responsibility for the ongoing care and  
7 treatment of the patient as long as the ongoing care  
8 treatment is not limited to or for the primary purpose of  
9 certifying a qualifying medical condition.

10 (v) Has completed and documented an in-person full  
11 assessment of the patient's medical history and current  
12 medical condition not more than 90 days prior to making  
13 the certification for medical cannabis. The assessment  
14 shall include a review of medical records from other  
15 treating health care practitioners from the previous 12  
16 months.

17 (vi) Certifies that the patient is under the  
18 physician's care for, and that the physician has  
19 expertise in, the patient's qualifying medical condition.

20 (vii) Certifies that in the physician's professional  
21 opinion, the patient is likely to receive therapeutic or  
22 palliative benefit from the medical use of cannabis to  
23 treat or alleviate the patient's qualifying medical  
24 condition or symptoms associated with the condition.

25 (viii) Bases each authorization to receive medical  
26 cannabis on generally accepted standards of medical  
27 practice.

28 (ix) Has adopted a recordkeeping system for all  
29 patients for whom the physician has recommended the use  
30 of medical cannabis.

1 (2) A health care practitioner may not do any of the  
2 following:

3 (i) Accept, solicit or offer a form of remuneration  
4 from or to:

5 (A) a patient, except normal medical examination  
6 costs, patient representative, licensed grower,  
7 licensed processor or licensed dispenser; or

8 (B) any principal officer, employee or agent of  
9 a person listed in clause (A).

10 (ii) Offer a discount or an item of value to a  
11 patient who uses or agrees to use a particular patient  
12 representative or medical cannabis dispenser to obtain  
13 medical cannabis.

14 (iii) Conduct an examination of a patient for  
15 purposes of diagnosing a qualifying medical condition at  
16 a location where medical cannabis is sold or distributed.

17 (iv) Hold a direct or indirect economic interest in,  
18 or serve on the board of, a licensed medical cannabis  
19 grower, licensed medical cannabis processor or licensed  
20 medical cannabis dispenser.

21 (v) Refer a patient to a particular licensed medical  
22 cannabis grower, licensed medical cannabis processor or  
23 licensed medical cannabis dispenser.

24 (vi) Advertise in a facility of a licensed medical  
25 cannabis grower, licensed medical cannabis processor or  
26 licensed medical cannabis dispenser.

27 (vii) Issue an authorization to receive medical  
28 cannabis to a member of the health care practitioner's  
29 family.

30 Section 702. Expansion of medical conditions.

1 (a) Petition.--Beginning in 2015, the board may accept  
2 petitions from a resident of this Commonwealth to add additional  
3 qualified medical conditions to those conditions for which a  
4 patient may receive medical cannabis.

5 (b) Requirements.--A petition under subsection (a):

6 (1) must be limited to a single proposed qualified  
7 medical condition;

8 (2) must be in a form prescribed by the board;

9 (3) must include a description of the specific medical  
10 condition which is the subject of the petition; and

11 (4) must not request approval for broad categories of  
12 illnesses.

13 (c) Review.--Upon receipt of a petition under subsection  
14 (a), the board shall do all of the following:

15 (1) Review the petition received for the addition of a  
16 qualified medical condition which would benefit from the use  
17 of medical cannabis. The board may consolidate petitions for  
18 the same or similar condition.

19 (2) Review new or current medical and scientific  
20 evidence pertaining to currently approved conditions.

21 (3) Consult medical and scientific experts as necessary  
22 to adequately review the petition.

23 (4) Analyze the following:

24 (i) Information about why conventional medical  
25 therapies are not sufficient to treat or alleviate the  
26 impact of the condition or disease.

27 (ii) The proposed benefits from the use of medical  
28 cannabis.

29 (iii) Evidence from the medical community and other  
30 experts supporting the use of medical cannabis to

1           alleviate suffering caused by the condition or disease or  
2           its treatment.

3           (iv) Letters of support from licensed health care  
4           providers knowledgeable about the condition or disease,  
5           including letters from physicians with whom the  
6           petitioner has a physician-patient relationship.

7           (v) Medical or scientific documentation.

8           (d) Action.--The board shall approve or deny a petition in  
9           accordance with regulations promulgated by the board.

10          Section 703. Medical use permitted.

11          (a) General rule.--The cultivation, possession, acquisition,  
12          use, delivery, processing, dispensing or transportation of  
13          medical cannabis by a person who, at the time the cultivation,  
14          possession, acquisition, use, delivery, processing, dispensing  
15          or transportation occurs, possesses a valid license,  
16          occupational permit, certificate or medical cannabis access card  
17          under this act and is in compliance with all applicable terms  
18          under this act shall not be unlawful under any provision of law.

19          (b) Access card.--

20                  (1) Possession of or application for a medical cannabis  
21          access card may not alone constitute probable cause to search  
22          a person, the person's property or otherwise subject the  
23          person or property to inspection by a governmental agency.

24                  (2) Paragraph (1) does not apply to a patient under 18  
25          years of age unless all of the following have occurred:

26                          (i) The minor's health care practitioner has  
27          explained to the minor and the minor's custodial parent,  
28          guardian or person having legal custody the potential  
29          risks and benefits of medical cannabis.

30                          (ii) The custodial parent, guardian or person having

1 legal custody consents in writing to:

2 (A) Allow the minor's use of medical cannabis.

3 (B) Serve as the minor's patient representative.

4 (C) Control the acquisition, dosage and  
5 frequency of the minor's use of medical cannabis.

6 (c) Restriction.--An individual who has been convicted,  
7 adjudicated delinquent or granted accelerated rehabilitative  
8 disposition or who pleads guilty or nolo contendere for any  
9 offense shall not be disqualified from obtaining or possessing a  
10 valid medical cannabis access card on the basis of the offense.

11 Section 704. Health insurance.

12 Nothing in this act shall be construed to require a State  
13 government medical assistance program or private health insurer  
14 to reimburse a person for costs associated with the medical use  
15 of cannabis or an employer to accommodate the medical use of  
16 cannabis in a workplace.

17 Section 705. Sovereign immunity.

18 The Commonwealth may not be held liable for any deleterious  
19 outcomes resulting from the medical use of cannabis by a  
20 registered patient.

21 CHAPTER 9

22 PROTECTION, PROHIBITIONS,

23 ENFORCEMENT AND PENALTIES

24 Section 901. Civil discrimination protection.

25 The following shall apply:

26 (1) For the purposes of medical care, a patient's  
27 authorized use of medical cannabis under this act shall be  
28 considered the equivalent of the use of other medication  
29 under the direction of a health care practitioner. Medical  
30 cannabis, when used in accordance with this act, may not be

1 considered an illicit substance or otherwise disqualify a  
2 patient from medical care.

3 (2) An individual may not be penalized in any of the  
4 following ways due to the individual's use of medical  
5 cannabis under this act:

6 (i) Denied custody, visitation or parenting time  
7 with a minor child.

8 (ii) Presumed to neglect or endanger a minor child  
9 unless the individual's behavior creates an unreasonable  
10 danger to the safety of the minor by clear and convincing  
11 evidence.

12 (3) A landlord may not refuse to lease or otherwise  
13 penalize a patient solely for having a medical cannabis  
14 access card or using medical cannabis in accordance with this  
15 act unless the landlord would lose a monetary or licensing-  
16 related benefit under Federal law or regulation.

17 (4) A school may not refuse to enroll or otherwise  
18 penalize a patient solely for having a medical cannabis  
19 access card or using medical cannabis in accordance with this  
20 act unless the school would lose a monetary or licensing-  
21 related benefit under Federal law or regulation.

22 (5) An employer may not discriminate against an  
23 individual in the hiring or termination of benefits or  
24 otherwise penalize the individual for being a medical  
25 cannabis access cardholder. The following shall apply:

26 (i) The employer may take an individual's status as  
27 a cardholder into account only if the employer can prove  
28 the employee is abusing or misusing the employee's  
29 medical cannabis on the premises of the place of  
30 employment during ordinary hours of employment or if

1 failure to do so would cause an employer to lose a  
2 licensing benefit under Federal law or regulation.

3 (ii) An individual's positive drug test for cannabis  
4 components or metabolites may not be considered by an  
5 employer unless the individual unlawfully used, possessed  
6 or was impaired by the medical cannabis while on the  
7 premises of the place of employment or during the hours  
8 of employment.

9 Section 902. Prohibitions and use.

10 (a) Prohibitions.--

11 (1) A registered patient may not operate or be in  
12 physical control of any of the following while under the  
13 influence with a blood content of more than 10 nanograms of  
14 active tetrahydrocannabinis per milliliter of blood in serum:

15 (i) A motor vehicle.

16 (ii) An aircraft.

17 (iii) A motor boat.

18 (iv) Heavy machinery.

19 (v) A mode of transportation in a manner that would  
20 constitute an offense under 75 Pa.C.S. Ch. 38 (relating  
21 to driving after imbibing alcohol or utilizing drugs).

22 (2) A registered patient may not undertake any task  
23 under the influence of cannabis when doing so would  
24 constitute negligence or professional malpractice.

25 (3) A person may not allow cannabis obtained by a  
26 registered patient to be used by an individual who is not  
27 authorized to use medical cannabis under this act.

28 (4) An individual may not smoke cannabis or utilize a  
29 vaporizer to ingest or inhale cannabis.

30 (b) Use.--Except as provided under subsection (a), a

1 registered patient may utilize medical cannabis in any public  
2 place, including the following:

3 (i) Public transportation.

4 (ii) On school grounds if the registered patient is  
5 a student or an employee of the school in accordance with  
6 the Department of Education regulations regarding  
7 medication on school grounds.

8 (iii) In a correctional facility in accordance with  
9 Department of Corrections regulations regarding  
10 medications in correctional facilities.

11 (iv) At a public park or public beach.

12 (c) Adulteration.--With the exception of extraction methods  
13 and processing operations approved by the board, a person may  
14 not adulterate, fortify, contaminate or change the character or  
15 purity of medical cannabis from the original sold by a licensed  
16 medical cannabis grower, processor or dispenser.  
17 Section 903. Unlawful activities.

18 In addition to any other applicable provision of law, it  
19 shall be a criminal offense to intentionally or knowingly do any  
20 of the following:

21 (1) Grow, process or dispense medical cannabis without a  
22 license under this act.

23 (2) Transport medical cannabis from or between an  
24 unlicensed grower, processor or dispenser.

25 (3) Participate in the growing, processing, testing or  
26 dispensing of medical cannabis in violation of this act.

27 (4) Fail to report, pay or truthfully account for and  
28 pay any license fee, authorization fee or an assessment  
29 imposed under this act.

30 (5) Violate any regulation of the board.

1 Section 904. Criminal penalties and fines.

2 (a) Offense.--Except as provided under subsections (b) and  
3 (c), a violation of the act shall be graded as a misdemeanor of  
4 the second degree.

5 (b) Unauthorized actions.--A medical cannabis grower,  
6 processor or dispenser that distributes, gives, sells or  
7 provides medical cannabis to a person other than a person  
8 authorized under this act commits a felony of the third degree.

9 (c) Individual.--An individual who falsifies an application  
10 or certification under section 511 commits a misdemeanor of the  
11 first degree.

12 (d) Other violations.--A person that is convicted of a  
13 second or subsequent violation of this act commits a felony of  
14 the third degree.

15 CHAPTER 11

16 MEDICAL CANNABIS SURCHARGE

17 Section 1101. Definitions.

18 The following words and phrases when used in this chapter  
19 shall have the meanings given to them in this section unless the  
20 context clearly indicates otherwise:

21 "Department." The Department of Revenue of the Commonwealth.

22 "Medical cannabis." Plants containing cannabidiol,  
23 tetrahydrocannabinol or delta-9-tetrahydrocannabinol acid or any  
24 part of a cannabis plant, including cannabis processed by  
25 extracting oil from the plant, intended for medical purposes.  
26 The term includes extracted oil, edible products, ointments and  
27 tinctures.

28 "Medical cannabis purveyor." A medical cannabis dispenser,  
29 medical cannabis grower, medical cannabis processor or any other  
30 person licensed under this chapter who, in the usual course of

1 business, sells medical cannabis to a medical cannabis  
2 dispenser.

3 "Person." An individual, unincorporated association,  
4 corporation, limited liability corporation, joint stock company,  
5 group, committee, agency, syndicate, trust or trustee, receiver,  
6 fiduciary, partnership or conservator. Whenever used in this  
7 chapter to establish or impose penalties, the term "person" when  
8 applied to a partnership, unincorporated association or other  
9 joint venture means the partners or members thereof and when  
10 applied to a corporation means all officers and directors  
11 thereof.

12 "Purchase price." The total value of anything paid or  
13 delivered, or promised to be paid or delivered, whether it be  
14 money or otherwise, in complete performance of a sale or  
15 purchase, without a deduction on account of the cost or value of  
16 the property sold, cost or value of transportation, cost or  
17 value of labor or service, interest or discount paid or allowed  
18 after the sale is consummated, other taxes or surcharges imposed  
19 by the Commonwealth or other expense.

20 "Sale." A transfer of ownership, custody or possession of  
21 medical cannabis for consideration; an exchange, barter or gift;  
22 or an offer to sell or transfer the ownership, custody or  
23 possession of medical cannabis for consideration.

24 "Surcharge payer." A person subject to the surcharge under  
25 this chapter.

26 "Unclassified importer." A person in this Commonwealth that  
27 acquires medical cannabis from a source on which the surcharge  
28 imposed by this chapter was not paid and that is not a person  
29 otherwise required to be licensed under the provisions of this  
30 chapter. The term includes a patient who purchases medical

1 cannabis outside this Commonwealth for personal possession or  
2 use in this Commonwealth.

3 Section 1102. Incidence and rate of surcharge.

4 (a) Imposition.--A medical cannabis surcharge is imposed on  
5 a medical cannabis purveyor or other person at the time the  
6 medical cannabis is first sold to a medical cannabis dispenser  
7 in this Commonwealth at the rate of 6% on the purchase price  
8 charged to the medical cannabis dispenser for the purchase of  
9 medical cannabis. The surcharge shall be collected from the  
10 medical cannabis dispenser by the seller of the medical cannabis  
11 to the medical cannabis dispenser and remitted to the  
12 department. A person required to collect this surcharge shall  
13 separately state the amount of surcharge on an invoice or other  
14 sales document.

15 (b) Medical cannabis dispenser.--If the surcharge is not  
16 collected by the seller from the medical cannabis dispenser, the  
17 surcharge is imposed on the medical cannabis dispenser at the  
18 time of purchase at the same rate as in subsection (a) based on  
19 the medical cannabis dispenser's purchase price of the medical  
20 cannabis. The medical cannabis dispenser shall remit the  
21 surcharge to the department.

22 (c) Unclassified importer.--The surcharge is imposed on an  
23 unclassified importer at the time of purchase at the same rate  
24 as in subsection (a) based on the unclassified importer's  
25 purchase price of the medical cannabis. The unclassified  
26 importer shall remit the surcharge to the department.

27 (d) Exceptions.--The surcharge shall not be imposed on  
28 medical cannabis that:

- 29 (1) is exported for sale outside this Commonwealth; or  
30 (2) is not subject to surcharge or taxation by the

1 Commonwealth pursuant to any laws of the United States.

2 (e) Article II.--Unless otherwise specifically noted, the  
3 provisions of Article II of the act of March 4, 1971 (P.L.6,  
4 No.2), known as the Tax Reform Code of 1971, shall apply to the  
5 returns, payment, penalties, enforcement, collections and  
6 appeals of the surcharge imposed on medical cannabis.

7 Section 1103. Limitation of surcharge.

8 Only one sale shall be surcharged and used in computing the  
9 amount of surcharge due under this chapter.

10 Section 1104. Remittance of surcharge to department.

11 Medical cannabis purveyors and unclassified importers shall  
12 file monthly reports on a form prescribed by the department by  
13 the 20th day of the month following the sale or purchase of  
14 medical cannabis from another source on which the surcharge  
15 levied by this chapter has not been paid. The surcharge is due  
16 at the time the report is due. The department may require the  
17 filing of reports and payments of surcharges on a less frequent  
18 basis at its discretion.

19 Section 1105. Procedures for claiming refund.

20 A claim for a refund of the surcharge imposed by this chapter  
21 shall be in accordance with section 3003.1 and Article XXVII of  
22 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform  
23 Code of 1971, and shall be in the form and contain the  
24 information prescribed by the department by regulation.

25 Section 1106. Sales or possession of medical cannabis when  
26 surcharge not paid.

27 (a) Sales or possession.--A person who sells or possesses  
28 medical cannabis for which the proper surcharge has not been  
29 paid commits a summary offense and shall, upon conviction, be  
30 sentenced to pay costs of prosecution and a fine of not less

1 than \$100 nor more than \$1,000 or to imprisonment for not more  
2 than 60 days, or both, at the discretion of the court. Medical  
3 cannabis purchased from a medical cannabis purveyor properly  
4 licensed under this chapter shall be presumed to have the proper  
5 surcharges paid.

6 (b) Surcharge evasion.--A person that falsely or  
7 fraudulently, maliciously, intentionally or willfully, with  
8 intent to evade the payment of the surcharge imposed by this  
9 chapter, sells or possesses medical cannabis for which the  
10 proper surcharge has not been paid commits a misdemeanor of the  
11 third degree and shall, upon conviction, be sentenced to pay  
12 costs of prosecution and a fine of not more than \$5,000 or to  
13 imprisonment for not more than one year, or both, at the  
14 discretion of the court.

15 Section 1107. Assessment.

16 The department is authorized to make the inquiries,  
17 determinations and assessments of the surcharge, including  
18 interest, additions and penalties, imposed by this chapter.

19 Section 1108. Failure to file return.

20 Where no return is filed, the amount of the surcharge due may  
21 be assessed and collected at any time as to chargeable  
22 transactions not reported.

23 Section 1109. False or fraudulent return.

24 Where the surcharge payer willfully files a false or  
25 fraudulent return with intent to evade the surcharge imposed by  
26 this chapter, the amount of surcharge due may be assessed and  
27 collected at any time.

28 Section 1110. Extension of limitation period.

29 Notwithstanding any other provision of this chapter, where,  
30 before the expiration of the period prescribed for the

1 assessment of a surcharge, a surcharge payer has consented, in  
2 writing, that the period be extended, the amount of surcharge  
3 due may be assessed at any time within the extended period. The  
4 period so extended may be extended further by subsequent  
5 consents, in writing, made before the expiration of the extended  
6 period.

7 Section 1111. Failure to furnish information, returning false  
8 information or failure to permit inspection.

9 (a) Penalty.--A surcharge payer who fails to keep or make a  
10 record, return, report, inventory or statement, or keeps or  
11 makes a false or fraudulent record, return, report, inventory or  
12 statement required by this chapter, commits a misdemeanor and  
13 shall, upon conviction, be sentenced to pay costs of prosecution  
14 and a fine of \$500 and to imprisonment for not more than one  
15 year, or both, at the discretion of the court.

16 (b) Examination.--The department is authorized to examine  
17 the books and records, the stock of medical cannabis and the  
18 premises and equipment of a surcharge payer in order to verify  
19 the accuracy of the payment of the surcharge imposed by this  
20 chapter. The person subject to an examination shall give to the  
21 department or its duly authorized representative the means,  
22 facilities and opportunity for the examination. Willful refusal  
23 to cooperate with or permit an examination to the satisfaction  
24 of the department shall be sufficient grounds for suspension or  
25 revocation of a surcharge payer's license issued under this  
26 chapter.

27 (c) Records.--A medical cannabis purveyor shall keep and  
28 maintain for a period of four years records in the form  
29 prescribed by the department. The records shall be maintained at  
30 the location for which the license under this chapter is issued.

1 (d) Reports.--A medical cannabis purveyor shall file reports  
2 at times and in the form prescribed by the department.

3 (e) Medical cannabis purveyor.--A medical cannabis purveyor  
4 located or doing business in this Commonwealth who sells medical  
5 cannabis in this Commonwealth shall keep records showing:

6 (1) The amount and kind of medical cannabis sold.

7 (2) The date the medical cannabis was sold.

8 (3) The name and license number issued under Chapter 5  
9 of the medical cannabis dispenser to which the medical  
10 cannabis was sold.

11 (4) The total price of the medical cannabis sold to the  
12 medical cannabis dispenser.

13 (5) The place where the medical cannabis was shipped.

14 (6) The name of the common carrier.

15 (f) Medical cannabis purveyor.--A medical cannabis purveyor  
16 shall file with the department, on or before the 20th day of  
17 each month, a report showing the information listed in  
18 subsection (e) for the previous month.

19 Section 1112. Records of shipments and receipts of medical  
20 cannabis required.

21 The department may, in its discretion, require reports from a  
22 common or contract carrier who transports medical cannabis to  
23 any point or points within this Commonwealth, and from a bonded  
24 warehouseman or bailee who has in the possession of the  
25 warehouseman or bailee any medical cannabis. The reports shall  
26 contain the information concerning shipments of medical cannabis  
27 that the department determines to be necessary for the  
28 administration of this chapter. All common and contract  
29 carriers, bailees and warehousemen shall permit the examination  
30 by the department or its authorized agents of records relating

1 to the shipment or receipt of medical cannabis.

2 Section 1113. Licensing of medical cannabis purveyors.

3 (a) Prohibition.--No person, unless all sales of medical  
4 cannabis are exempt from the medical cannabis surcharge in this  
5 Commonwealth, shall sell, transfer or deliver medical cannabis  
6 in this Commonwealth without first obtaining the proper license  
7 provided for in this chapter.

8 (b) Application.--An applicant for a medical cannabis  
9 purveyor's license shall complete and file an application with  
10 the department. The application shall be in the form and contain  
11 information prescribed by the department and shall set forth  
12 truthfully and accurately the information required by the  
13 department. If the application is approved, the department shall  
14 license the medical cannabis purveyor for a period of one year  
15 and the license may be renewed annually thereafter.

16 (c) Requirements.--Applicants for a medical cannabis  
17 purveyor's license or renewal of that license shall meet the  
18 following requirements:

19 (1) The premises on which the applicant proposes to  
20 conduct business are adequate to protect the revenue.

21 (2) The applicant is a person of reasonable financial  
22 stability and reasonable business experience.

23 (3) The applicant, or a shareholder controlling more  
24 than 10% of the stock if the applicant is a corporation or an  
25 officer or director if the applicant is a corporation, shall  
26 not have been convicted of a crime involving moral turpitude.

27 (4) The applicant shall not have failed to disclose  
28 material information required by the department, including  
29 information that the applicant has complied with this chapter  
30 by providing a signed statement under penalty of perjury.

1           (5) The applicant shall not have made any material false  
2 statement in the application.

3           (6) The applicant shall not have violated a provision of  
4 this chapter.

5           (7) The applicant shall have filed all required State  
6 tax reports and paid State taxes not subject to a timely  
7 perfected administrative or judicial appeal or subject to a  
8 duly authorized deferred payment plan.

9           (d) Multiple locations.--The medical cannabis purveyor's  
10 license shall be valid for one specific location only. Medical  
11 cannabis purveyors with more than one location shall obtain a  
12 license for each location.

13 Section 1114. License fees and issuance and display of license.

14           (a) Fees.--At the time of making an application or license  
15 renewal application, an applicant for a medical cannabis  
16 purveyor's license shall pay the department a license fee of  
17 \$75.

18           (b) Proration.--Fees shall not be prorated.

19           (c) Issuance and display.--On approval of the application  
20 and payment of the fees, the department shall issue the proper  
21 license which must be conspicuously displayed at the location  
22 for which it has been issued.

23 Section 1115. Electronic filing.

24           The department may, at its discretion, require that any or  
25 all returns, reports or registrations that are required to be  
26 filed under this chapter be filed electronically.

27 Section 1116. Expiration of license.

28           (a) Expiration.--A license shall expire on the last day of  
29 June next succeeding the date upon which it was issued unless  
30 the department at an earlier date suspends, surrenders or

1 revokes the license.

2 (b) Violation.--After the expiration date of the license or  
3 sooner if the license is suspended, surrendered or revoked, it  
4 shall be illegal for a medical cannabis purveyor to engage  
5 directly or indirectly in the business conducted by the medical  
6 cannabis purveyor for which the license was issued. A licensee  
7 who shall, after the expiration date of the license, engage in  
8 the business conducted by the licensee either by way of  
9 purchase, sale, distribution or in any other manner directly or  
10 indirectly engaged in the business of dealing with medical  
11 cannabis shall be in violation of this chapter and be subject to  
12 the penalties provided in this chapter.

13 Section 1117. Administration powers and duties.

14 (a) Department.--The administration of this chapter is  
15 vested in the department. The department shall adopt rules and  
16 regulations for the enforcement of this chapter.

17 (b) Joint administration.--The department is authorized to  
18 jointly administer this chapter with other provisions of the act  
19 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
20 1971, including joint reporting of information, forms, returns,  
21 statements, documents or other information submitted to the  
22 department.

23 Section 1118. Sales without license.

24 (a) Penalty.--A person who shall, without being the holder  
25 of a proper unexpired medical cannabis purveyor's license,  
26 engage in purchasing, selling, distributing or in another manner  
27 directly or indirectly engage in the business of dealing with  
28 medical cannabis commits a summary offense and shall, upon  
29 conviction, be sentenced to pay costs of prosecution and a fine  
30 of not less than \$250 nor more than \$1,000, or to imprisonment

1 for not more than 30 days, or both, at the discretion of the  
2 court.

3 (b) Prima facie evidence.--Open display of medical cannabis  
4 in any manner shall be prima facie evidence that the person  
5 displaying such medical cannabis is directly or indirectly  
6 engaging in the business of dealing medical cannabis.

7 Section 1119. Violations and penalties.

8 (a) Suspension.--The license of a person who violates this  
9 chapter may be suspended after due notice and opportunity for a  
10 hearing for a period of not less than five days nor more than 30  
11 days for a first violation and shall be revoked or suspended for  
12 any subsequent violation.

13 (b) Fine.--In addition to the provisions of subsection (a),  
14 upon adjudication of a first violation, the person shall be  
15 fined not less than \$2,500 nor more than \$5,000. For subsequent  
16 violations, the person shall, upon adjudication, be fined not  
17 less than \$5,000 nor more than \$15,000.

18 Section 1120. Property rights.

19 (a) Incorporation.--Subject to subsection (b), section 1285  
20 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax  
21 Reform Code of 1971, is incorporated by reference into and shall  
22 apply to this chapter.

23 (b) Alterations.--

24 (1) References to cigarettes in section 1285 of the Tax  
25 Reform Code of 1971 shall apply to medical cannabis in this  
26 chapter.

27 (2) References to 2,000 or more unstamped cigarettes in  
28 section 1285 of the Tax Reform Code of 1971 shall apply to  
29 medical cannabis worth at least \$1,000 in this chapter.

30 (3) References to more than 200 unstamped cigarettes in

1 section 1285 of the Tax Reform Code of 1971 shall apply to  
2 medical cannabis worth at least \$100 in this chapter.

3 Section 1121. Information exchange.

4 The department is authorized to exchange information with any  
5 other Federal, State or local enforcement agency for purposes of  
6 enforcing this chapter.

7 CHAPTER 51

8 MISCELLANEOUS PROVISIONS

9 Section 5101. Regulations.

10 (a) Requirement.--The board shall promulgate regulations as  
11 necessary to implement this act.

12 (b) Temporary regulations.--In order to facilitate the  
13 implementation of this act, regulations promulgated by the board  
14 shall be deemed temporary regulations which shall expire not  
15 later than two years following the publication of the temporary  
16 regulation. Temporary regulations shall not be subject to:

17 (1) Sections 201, 202, 203, 204 and 205 of the act of  
18 July 31, 1968 (P.L.769, No.240), referred to as the  
19 Commonwealth Documents Law.

20 (2) The act of June 25, 1982 (P.L.633, No.181), known as  
21 the Regulatory Review Act.

22 (3) Sections 204(b) and 301(10) of the act of October  
23 15, 1980 (P.L.950, No.164), known as the Commonwealth  
24 Attorneys Act.

25 (c) Expiration.--The board's authority to adopt temporary  
26 regulations under subsection (b) shall expire two years after  
27 the effective date of this section. Regulations adopted after  
28 this period shall be promulgated as provided by law.

29 (d) Publication.--The board shall begin publishing temporary  
30 regulations in the Pennsylvania Bulletin no later than six

1 months following the effective date of this section.

2 Section 5102. Appropriation.

3 The sum of \$1.3 million or as much thereof as may be  
4 necessary is appropriated from the General Fund to the Bureau of  
5 Professional and Occupational Affairs within the Department of  
6 State for the start-up and initial operation of the State Board  
7 of Medical Cannabis Licensing.

8 Section 5103. Applicability of other statutes.

9 The following acts shall apply to the board:

10 (1) The act of February 14, 2008 (P.L.6, No.3), known as  
11 the Right-to-Know Law.

12 (2) The act of July 19, 1957 (P.L.1017, No.451), known  
13 as the State Adverse Interest Act.

14 (3) 65 Pa.C.S. Chs. 7 (relating to open meetings) and 11  
15 (relating to ethics standards and financial disclosure).

16 Section 5104. Repeals.

17 The following shall apply:

18 (1) Sections 4 and 13 of the act of April 14, 1972  
19 (P.L.233, No.64), known as The Controlled Substance, Drug,  
20 Device and Cosmetic Act, are repealed insofar as they are  
21 inconsistent with this act.

22 (2) All acts and parts of acts are repealed insofar as  
23 they are inconsistent with this act.

24 Section 5105. Effective date.

25 This act shall take effect in 60 days.