AN ACT

Amending the act of April 17, 2016 (P.L.84, No.16), entitled "An act establishing a medical marijuana program; providing for patient and caregiver certification and for medical marijuana organization registration; imposing duties on the Department of Health; providing for a tax on medical marijuana organization gross receipts; establishing the Medical Marijuana Program Fund; establishing the Medical Marijuana Advisory Board; establishing a medical marijuana research program; imposing duties on the Department of Corrections, the Department of Education and the Department of Human Services; and providing for academic clinical research centers and for penalties and enforcement," further providing for title of act; providing for general provisions for act; in preliminary provisions, further providing for short title, for declaration of policy and for definitions; in program, further providing for program established, for confidentiality and public disclosure, for lawful use of medical marijuana and for unlawful use of medical marijuana; in practitioners, further providing for practitioner registration, for practitioner restrictions, for issuance of certification and for duration; in patients, further providing for identification cards, for caregivers, for special conditions, for contents of identification card, for suspension and for prohibitions; in medical marijuana organizations, further providing for medical marijuana organizations, for permits, for granting of permit, for application and issuance, for fees and other requirements, for issuance, for relocation, for terms of permit, for permit renewals, for suspension or revocation, for convictions prohibited, for diversity goals and for limitations on permits; in medical marijuana controls, further providing for...
electronic tracking, for grower/processors, for storage and transportation, for laboratory and for prices; in dispensaries, further providing for dispensing to patients and caregivers and for facility requirements; in tax on medical marijuana, further providing for tax on medical marijuana and for Medical Marijuana Program Fund; in administration, further providing for governing practice and procedure, for reports by medical marijuana organizations, for law enforcement notification, for evaluation, for report and for temporary regulations; in Medical Marijuana Advisory Board, further providing for advisory board; in offenses related to medical marijuana, further providing for criminal diversion of medical marijuana by practitioners, for criminal diversion of medical marijuana, for criminal retention of medical marijuana, for criminal diversion of medical marijuana by patient or caregiver, for falsification of identification cards, for adulteration of medical marijuana, for disclosure of information prohibited, for additional penalties and for other restrictions; in research program, further providing for definitions, for establishment of medical marijuana research program, for medical marijuana research program administration, for approval, for requirements, for restrictions, for regulations and for nonentitlement; in academic clinical research centers and clinical registrants, further providing for legislative findings and declaration of policy, for clinical registrants and for research study; in miscellaneous provisions, further providing for conflict, for financial and employment interests, for insurers, for protections for patients and caregivers, for schools, for day-care centers, for notice and for applicability; providing for adult-use cannabis; establishing the Commonwealth Reinvestment Fund, the Student Loan Reimbursement Program, the Mixed Income Housing Program and the After-school Program; imposing duties on the Department of Education, the Pennsylvania Housing Finance Agency and the Bureau of Liquor Control Enforcement; imposing penalties; making appropriations; making repeals; and making editorial changes.

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

Section 1. The title of the act of April 17, 2016 (P.L.84, No.16), known as the Medical Marijuana Act, is amended to read:

AN ACT

Establishing a [medical marijuana] cannabis program; providing for patient and caregiver certification and for [medical marijuana] cannabis organization registration; imposing duties on the Department of Health; providing for a tax on [medical marijuana] cannabis organization gross receipts; establishing the Medical [Marijuana] Cannabis Program Fund;
establishing the Medical [Marijuana] Cannabis Advisory Board;
establishing a medical [marijuana] cannabis research program;
establishing the Commonwealth Reinvestment Fund; imposing
duties on the Department of Corrections, the Department of
Education [and] the Department of Human Services, the
Pennsylvania Housing Finance Agency and the Bureau of Liquor
Control Enforcement; and providing for academic clinical
research centers and for penalties and enforcement.

Section 2. The act is amended by adding a part and a part
heading immediately before section 101 of the act to read:

PART I

GENERAL PROVISIONS

CHAPTER 1

PRELIMINARY PROVISIONS

Section 101. Short title.

This act shall be known and may be cited as the 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:

"Adult-use cannabis." Cannabis ingested for a reason other
than medical purposes.

"Adult-use cannabis organization." A cannabis organization
for the dispensing, growing or processing of adult-use cannabis
or cannabis products and not of medical cannabis.

"Cannabis." With respect to the plant of the genus cannabis,

as follows:

(1) Any of the following:

(i) The parts of the plant, whether growing or not.

(ii) The seeds of the plant.
(iii) The resin extracted from part of the plant.
(iv) Every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin, including cannabis concentrate.

(2) The term does not include industrial hemp or fiber produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination or the weight of another ingredient combined with cannabis to prepare topical or oral administrations, food, drink or other product.

"Cannabis organization." As follows:

(1) A dispensary or grower/processor.
(2) The term includes a medical cannabis organization or an adult-use cannabis organization.
(3) The term does not include:

(i) A health care medical cannabis organization.
(ii) An academic clinical research center or clinical registrant under Chapter 20 as it may pertain to adult-use cannabis or cannabis products.

"Cannabis product." A product that is comprised of cannabis and other ingredients and is intended for use or consumption, including as an edible product, ointment or tincture.

"Department." The Department of Health of the Commonwealth.

"Dispensary." As follows:

(1) A person, including an individual, corporation, partnership, association, trust or other entity, or any combination of these persons, which holds a permit issued by the department to dispense medical cannabis, adult-use cannabis or cannabis products.
(2) The term does not include:
(i) A health care medical cannabis organization.

(ii) An academic clinical research center or clinical registrant under Chapter 20 as it may pertain to adult-use cannabis or cannabis products.

"Grower/processor." As follows:

(1) A person, including an individual, corporation, partnership, association, trust or other entity, or any combination of these persons, which holds a permit from the department under this act to grow and process medical cannabis, adult-use cannabis or cannabis products.

(2) The term does not include:

(i) A health care medical cannabis organization.

(ii) An academic clinical research center or clinical registrant under Chapter 20 as it may pertain to adult-use cannabis or cannabis products.

"Health care medical cannabis organization." A vertically integrated health system approved by the department to dispense medical cannabis or grow and process medical cannabis, or both, in accordance with a research study under Chapter 19.

"Medical cannabis." Cannabis for certified medical use as specified under Part II.

"Medical cannabis organization." A cannabis organization for the dispensing, growing or processing of medical cannabis only and not of adult-use cannabis or cannabis products.

"Pennsylvania farm." An agricultural business incorporated as a sole proprietorship, partnership, limited liability company or Pennsylvania S corporation that operates an area of land and building used for growing crops and rearing animals.

"Permit." An authorization issued by the department to a cannabis organization to conduct activities under this act.
"Secretary." The Secretary of Health of the Commonwealth. "Vertically integrated health system." A health care facility licensed under the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act, in which the complete spectrum of care, including primary and specialty care, hospitalization and pharmaceutical care, is provided within a single organization.

CHAPTER 1-A

COMBINATION PERMITS

Section 101-A. Definitions.

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

"Combination permit." An authorization issued by the department to a cannabis organization to conduct activities under Parts II and III.


Except as otherwise provided in this chapter, Parts II and III shall apply to combination permits and cannabis organizations which seek or have obtained a combination permit.

Section 103-A. Authorization.

The department may grant or deny a combination permit to a cannabis organization which seeks a permit under Chapters 6 and 32.

Section 104-A. Application.

An application for a combination permit shall be in a form and manner prescribed by the department. The following apply:

(1) Subject to paragraph (2), the application shall include the information specified under sections 602(a) and 3202(a).
The department shall make all reasonable efforts to eliminate the production of duplicative information as a result of providing information specified under sections 602(a) and 3202(a).

Section 105-A. Fees and other requirements.

The following apply for a combination permit:

(1) For a cannabis grower/processor:

(i) An initial application fee in the amount of $15,000 shall be paid. The fee is nonrefundable.

(ii) A fee for a permit as a grower/processor in the amount of $300,000 shall be paid. The permit shall be valid for one year. Applicants shall submit the permit fee at the time of submission of the application. The fee shall be returned if the permit is not granted.

(iii) A renewal fee for the permit as a grower/processor in the amount of $15,000 shall be paid and shall cover renewal for all locations. The renewal fee shall be returned if the renewal is not granted.

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

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

(vi) Before issuing an initial permit under this paragraph, the department shall verify that the applicant has at least $2,000,000 in capital, $500,000 of which must be on deposit with a financial institution.

(2) For a cannabis dispensary:

(i) An initial application fee in the amount of $7,500 shall be paid. The fee is nonrefundable.
(ii) A permit fee for a dispensary shall be $45,000 for each location. The permit shall be valid for one year. An applicant shall submit the permit fee at the time of submission of the application. The fee shall be returned if the application is not granted.

(iii) A renewal fee for the permit as a dispensary in the amount of $7,500 shall be paid. The fee shall be returned if the renewal is not granted and shall cover renewal for all locations.

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

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

(vi) Before issuing an initial permit under this paragraph, the department shall verify that the applicant has at least $150,000 in capital, which must be on deposit with a financial institution.

(3) A fee of $250 shall be required when amending the application to indicate relocation within this Commonwealth or the addition or deletion of approved activities by the cannabis organization.

(4) Fees payable under this section shall be deposited into the following in equal amounts:

(i) The Medical Cannabis Program Fund under Part II.

(ii) The Commonwealth Reinvestment Fund under Part III.

Section 106-A. Term of permit.

A combination permit shall be valid for one year from the date of issuance.
Section 107-A. Existing permit.

(a) Authorization.--A medical cannabis organization which holds a permit, as a medical cannabis grower/processor or a medical cannabis dispensary, granted under Part II and valid on the effective date of this subsection may apply for a combination permit to conduct business as:

(1) a medical cannabis grower/processor and adult-use cannabis grower/processor; or

(2) a medical cannabis dispensary and adult-use cannabis dispensary.

(b) Requirements incorporated by reference.--Except as otherwise provided in this section, the requirements under this act regarding permits shall apply to a combination permit under this section.

(c) Term.--A combination permit granted under this section shall expire at the same time as the permit granted under Part II.

(d) Fees.--A fee regarding a combination permit under this section shall be charged on a pro rata basis as determined by the department.

(e) Effect of existing permit.--A permit granted under Part II and valid on the effective date of this subsection shall not create a vested right in a combination permit for the medical cannabis organization.

(f) Priority.--In applying for a combination permit to also conduct business as an adult-use cannabis grower/processor or adult-use cannabis dispensary, a medical cannabis organization which holds a permit granted under Part II and valid on the effective date of this subsection shall be granted priority over another cannabis organization seeking a permit to conduct
business as an adult-use cannabis grower/processor or adult-use cannabis dispensary.

CHAPTER 1-B

ENFORCEMENT

Section 101-B. Definitions. The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Bureau." The Bureau of Liquor Control Enforcement.

Section 102-B. Authority of bureau. The bureau shall be responsible for enforcing this act, including the development of enforcement procedures consistent with this act, and any regulations promulgated under this act. Officers and investigators assigned to the bureau shall have the power and their duty shall be:

(1) To investigate whenever there are reasonable grounds to believe that medical cannabis, adult-use cannabis or cannabis products are being grown, processed, dispensed, sold or used in violation of this act. If the investigation produces evidence of the unlawful conduct under this act, the officer involved in the investigation shall institute criminal proceedings against a person believed to have been criminally liable, as otherwise provided by law or rule of court.

(2) To arrest on view, without warrant, except in private homes, a person actually engaged in unlawful conduct under this act.

(3) Upon reasonable and probable cause, to search for and seize, without warrant or process, except in private homes, medical cannabis, adult-use cannabis or cannabis products which are being grown, processed, dispensed, sold or used in violation of this act.
products grown, processed, dispensed, sold or used in
violation of this act. The seized medical cannabis, adult-use

cannabis or cannabis products shall be disposed of as
provided in this chapter.

(4) To investigate and issue citations for a violation
of this act or another law of this Commonwealth relating to
medical cannabis, adult-use cannabis or cannabis products, or
a regulation adopted under this act or another law of this
Commonwealth or the Federal Government relating to medical

cannabis, adult-use cannabis or cannabis products by a

cannabis organization or other person covered by this act.

(5) To arrest a person who engages in any of the
following offenses when the offense is committed against the
officer or investigator or a person accompanying and
assisting the officer or investigator while the officer or
investigator is performing assigned duties under this act and
any regulation promulgated under this act:

(i) 18 Pa.C.S. § 2701 (relating to simple assault).

(ii) 18 Pa.C.S. § 2702 (relating to aggravated

assault).

(iii) 18 Pa.C.S. § 2705 (relating to recklessly

endangering another person).

(iv) 18 Pa.C.S. § 2706 (relating to terroristic

threats).

(v) 18 Pa.C.S. § 2709 (relating to harassment).

(vi) 18 Pa.C.S. § 5104 (relating to resisting arrest

or other law enforcement).

(vii) 18 Pa.C.S. § 5501 (relating to riot).

(6) To serve and execute warrants issued by the proper

authorities for offenses referred to in this subsection and
Section 103-B. Confiscation.

Any equipment or appurtenance actually used in the commission of the unlawful acts may be confiscated. The confiscation shall not, in any manner, divest or impair the rights or interest of a bona fide lienholder in the equipment or appurtenance.

Section 104-B. Prohibitions based on age.

A prohibition under this act involving an individual who is under 21 years of age shall not apply if all of the following apply:

(1) The individual is at least 18 years of age or older.
(2) The individual is an officer, employee or intern of the bureau.
(3) The individual has completed training specified by the bureau.
(4) The individual is acting within the scope of prescribed duties.
(5) The individual is acting under the direct control or supervision of a bureau officer who is 21 years of age or older.

PART II

MEDICAL CANNABIS

Section 3. Chapter 1 heading, sections 101, 102, 103, 301, 302, 303, 304, 401, 402, 403, 405, 501(a) and (i), 502(b), 504, 508, 509 and 510, Chapter 6 heading, sections 601, 602, 603, 606, 607, 608, 609, 610, 612, 613, 614, 615 and 616, Chapter 7 heading, sections 701, 702, 703, 704, 705, 801 and 802(a), Chapter 9 heading, sections 901, 902, 1101, 1102, 1103, 1104, 1105 and 1107(a) and (c), Chapter 12 heading, section 1201(a) and (j), Chapter 13 heading and sections 1301, 1302, 1303, 1304, 20190HB0050PN0366
1305, 1306, 1307, 1308, 1309, 1901, 1902, 1903, 1904, 1905, 1906, 1907 and 1908 of the act are amended to read:

CHAPTER 2
PRELIMINARY PROVISIONS

Section 101. Short title.
This act shall be known and may be cited as the Medical Marijuana Act.

201. Scope of part.
This part relates to medical cannabis.

Section 102. Declaration of policy.
The General Assembly finds and declares as follows:
(1) Scientific evidence suggests that medical marijuana is one potential therapy that may mitigate suffering in some patients and also enhance quality of life.
(2) The Commonwealth is committed to patient safety. Carefully regulating the program which allows access to medical marijuana will enhance patient safety while research into its effectiveness continues.
(3) It is the intent of the General Assembly to:
   (i) Provide a program of access to medical marijuana cannabis which balances the need of patients to have access to the latest treatments with the need to promote patient safety.
   (ii) Provide a safe and effective method of delivery of medical marijuana cannabis to patients.
   (iii) Promote high quality research into the effectiveness and utility of medical marijuana cannabis.
(4) It is the further intention of the General Assembly that any Commonwealth-based program to provide access to
medical [marijuana] cannabis serve as a temporary measure, pending Federal approval of and access to medical [marijuana] cannabis through traditional medical and pharmaceutical avenues.

Section [103] 203. Definitions.

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

"Advisory board." The advisory board established under section 1201.

"Caregiver." The individual designated by a patient or, if the patient is under 18 years of age, an individual under section 506(2), to deliver medical [marijuana] cannabis.

"Certified medical use." The acquisition, possession, use or transportation of medical [marijuana] cannabis by a patient, or the acquisition, possession, delivery, transportation or administration of medical [marijuana] cannabis by a caregiver, for use as part of the treatment of the patient's serious medical condition, as authorized in a certification under this [act] part, including enabling the patient to tolerate treatment for the serious medical condition.

"Certified registered nurse practitioner." As defined in section 2 of the act of May 22, 1951 (P.L.317, No.69), known as The Professional Nursing Law.

"Change in control." The acquisition by a person or group of persons acting in concert of a controlling interest in an applicant or permittee either all at one time or over the span of a 12-consecutive-month period.

"Continuing care." Treating a patient, in the course of which the practitioner has completed a full assessment of the
patient's medical history and current medical condition, including an in-person consultation with the patient.

"Controlling interest." As follows:

(1) For a publicly traded entity, voting rights that entitle a person to elect or appoint one or more of the members of the board of directors or other governing board or the ownership or beneficial holding of 5% or more of the securities of the publicly traded entity.

(2) For a privately held entity, the ownership of any security in the entity.

["Department." The Department of Health of the Commonwealth.]

"Dispensary." A person, including a natural person, corporation, partnership, association, trust or other entity, or any combination thereof, which holds a permit issued by the department to dispense medical marijuana. The term does not include a health care medical marijuana organization under Chapter 19.]

"Family or household member." As defined in 23 Pa.C.S. § 6102 (relating to definitions).

"Financial backer." An investor, mortgagee, bondholder, note holder or other source of equity, capital or other assets, other than a financial institution.

"Financial institution." A bank, a national banking association, a bank and trust company, a trust company, a savings and loan association, a building and loan association, a mutual savings bank, a credit union or a savings bank.

"Form of medical [marijuana] cannabis." The characteristics of the medical [marijuana] cannabis recommended or limited for a particular patient, including the method of consumption and any particular dosage, strain, variety and quantity or percentage of
medical [marijuana] cannabis or particular active ingredient.


"Grower/processor." A person, including a natural person, corporation, partnership, association, trust or other entity, or any combination thereof, which holds a permit from the department under this act to grow and process medical marijuana. The term does not include a health care medical marijuana organization under Chapter 19.


"Medical marijuana." Marijuana for certified medical use as set forth in this act.

"Medical marijuana organization." A dispensary or a grower/processor. The term does not include a health care medical marijuana organization under Chapter 19.

"Patient." An individual who:

(1) has a serious medical condition;
(2) has met the requirements for certification under this [act] part; and
(3) is a resident of this Commonwealth.

"Permit." An authorization issued by the department to a medical marijuana organization to conduct activities under this act.

"Physician assistant." As defined in section 2 of the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985, and section 2 of the act of October 5,
1978 (P.L.1109, No.261), known as the Osteopathic Medical Practice Act.

"Practitioner." A physician who is registered with the department under section 401.

"Prescription drug monitoring program." The Achieving Better Care by Monitoring All Prescriptions Program (ABC-MAP).

"Principal." An officer, director or person who directly owns a beneficial interest in or ownership of the securities of an applicant or permittee, a person who has a controlling interest in an applicant or permittee or who has the ability to elect the majority of the board of directors of an applicant or permittee or otherwise control an applicant or permittee, other than a financial institution.

"Registry." The registry established by the department for practitioners.


"Serious medical condition." Any of the following:

(1) Cancer.
(2) Positive status for human immunodeficiency virus or acquired immune deficiency syndrome.
(3) Amyotrophic lateral sclerosis.
(4) Parkinson's disease.
(5) Multiple sclerosis.
(6) Damage to the nervous tissue of the spinal cord with objective neurological indication of intractable spasticity.
(7) Epilepsy.
(8) Inflammatory bowel disease.
(9) Neuropathies.
(10) Huntington's disease.
(11) Crohn's disease.
(12) Post-traumatic stress disorder.
(13) Intractable seizures.
(14) Glaucoma.
(15) Sickle cell anemia.
(16) Severe chronic or intractable pain of neuropathic origin or severe chronic or intractable pain in which conventional therapeutic intervention and opiate therapy is contraindicated or ineffective.
(17) Autism.

"Terminally ill." A medical prognosis of life expectancy of approximately one year or less if the illness runs its normal course.

Section 301. Program established.

(a) Establishment.—A medical [marijuana] cannabis program for patients suffering from serious medical conditions is established. The program shall be implemented and administered by the department. The department shall:

(1) Issue permits to medical [marijuana] cannabis organizations to authorize them to grow, process or dispense medical [marijuana] cannabis and ensure their compliance with this [act] part.

(2) Register practitioners and ensure their compliance with this [act] part.

(3) Have regulatory [and enforcement] authority over the growing, processing, sale and use of medical [marijuana] cannabis in this Commonwealth.

(4) Establish and maintain an electronic database to
include activities and information relating to medical [marijuana] cannabis organizations, certifications and identification cards issued, practitioner registration and electronic tracking of all medical [marijuana] cannabis as required under this [act] part to include:

(i) Ensurance that medical [marijuana] cannabis is not diverted or otherwise used for unlawful purposes by a practitioner or medical [marijuana] cannabis organization.

(ii) Ability to establish the authenticity of identification cards.

(iii) Recording recommended forms of medical [marijuana] cannabis provided in a certification filed by the practitioner.

(iv) Monitoring all growth, transfer, possession, processing, testing and dispensing of medical [marijuana] cannabis in this Commonwealth.

(v) The tracking system under section 701 must include information under section 801(a) and any other information required by the department to be used by the department and dispensaries to enable a dispensary to lawfully provide medical [marijuana] cannabis. The tracking system and database shall be capable of providing information in real time. The database shall be capable of receiving information from a dispensary regarding the disbursement of medical [marijuana] cannabis to patients and caregivers. This information shall be immediately accessible to the department and other dispensaries to inhibit diversion and ensure compliance with this [act] part.
(5) Maintain a directory of patients and caregivers approved to use or assist in the administration of medical [marijuana] cannabis within the department's database.

(6) Develop a four-hour training course for physicians, pharmacists, certified registered nurse practitioners and physician assistants regarding the latest scientific research on medical [marijuana] cannabis, including the risks and benefits of medical [marijuana] cannabis, and other information deemed necessary by the department. Successful completion of the course shall be approved as continuing education credits as determined by:

(i) The State Board of Medicine and the State Board of Osteopathic Medicine.
(ii) The State Board of Pharmacy.
(iii) The State Board of Nursing.

(7) Develop a two-hour course for the principals and employees of a medical [marijuana] cannabis organization who either have direct contact with patients or caregivers or who physically handle medical [marijuana] cannabis. Employees must successfully complete the course no later than 90 days after commencing employment. Principals must successfully complete the course prior to commencing initial operation of the medical [marijuana] cannabis organization. The subject matter of the course shall include the following:

(i) Methods to recognize and report unauthorized activity, including diversion of medical [marijuana] cannabis for unlawful purposes and falsification of identification cards.
(ii) Proper handling of medical [marijuana] cannabis and recordkeeping.
(iii) Any other subject required by the department.

(8) Develop enforcement procedures, including announced and unannounced inspections of facilities of the growerprocessors and dispensaries and all records of the medical marijuana organizations. (Reserved).

(9) Establish a program to authorize the use of medical marijuana cannabis to conduct medical research relating to the use of medical marijuana cannabis to treat serious medical conditions, including the collection of data and the provision of research grants.

(10) Establish and maintain public outreach programs about the medical marijuana cannabis program, including:

(i) A dedicated telephone number for patients, caregivers and members of the public to obtain basic information about the dispensing of medical marijuana cannabis under this act part.

(ii) A publicly accessible Internet website with similar information.

(11) Collaborate as necessary with other Commonwealth agencies or contract with third parties as necessary to carry out the provisions of this act part.

(12) Determine the minimum number and type of medical marijuana cannabis products to be produced by a growerprocessor and dispensed by a dispensary.

(13) Develop recordkeeping requirements for all books, papers, any electronic database or tracking system data and other information of a medical marijuana cannabis organization. Information shall be retained for a minimum period of four years unless otherwise provided by the department.
Restrict the advertising and marketing of medical marijuana cannabis, which shall be consistent with the Federal regulations governing prescription drug advertising and marketing.

(b) Regulations.--The department shall promulgate all regulations necessary to carry out the provisions of this act part.

Section 302. Confidentiality and public disclosure.

(a) Patient information.--The department shall maintain a confidential list of patients and caregivers to whom it has issued identification cards. All information obtained by the department relating to patients, caregivers and other applicants shall be confidential and not subject to public disclosure, including disclosure under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law, including:

(1) Individual identifying information about patients and caregivers.
(2) Certifications issued by practitioners.
(3) Information on identification cards.
(4) Information provided by the Pennsylvania State Police under section 502(b).
(5) Information relating to the patient's serious medical condition.

(b) Public information.--The following records are public records and shall be subject to the Right-to-Know Law:

(1) Applications for permits submitted by medical marijuana cannabis organizations.
(2) The names, business addresses and medical credentials of practitioners authorized to provide certifications to patients to enable them to obtain and use
medical marijuana cannabis in this Commonwealth. All other practitioner registration information shall be confidential and exempt from public disclosure under the Right-to-Know Law.

(3) Information relating to penalties or other disciplinary actions taken against a medical marijuana cannabis organization or practitioner by the department for violation of this [act] part.

Section 303. Lawful use of medical marijuana cannabis.

(a) General rule.--Notwithstanding any provision of law to the contrary, use or possession of medical marijuana cannabis as set forth in this [act] part is lawful within this Commonwealth.

(b) Requirements.--The lawful use of medical marijuana cannabis is subject to the following:

(1) Medical marijuana cannabis may only be dispensed to:

   (i) a patient who receives a certification from a practitioner and is in possession of a valid identification card issued by the department; and
   (ii) a caregiver who is in possession of a valid identification card issued by the department.

(2) Subject to regulations promulgated under this [act] part, medical marijuana cannabis may only be dispensed to a patient or caregiver in the following forms:

   (i) pill;
   (ii) oil;
   (iii) topical forms, including gels, creams or ointments;
   (iv) a form medically appropriate for administration
by vaporization or nebulization, excluding dry leaf or plant form until dry leaf or plant forms become acceptable under regulations adopted under section 1202;

(v) tincture; or

(vi) liquid.

(3) Unless otherwise provided in regulations adopted by the department under section 1202, medical [marijuana] cannabis may not be dispensed to a patient or a caregiver in dry leaf or plant form.

(4) An individual may not act as a caregiver for more than five patients.

(5) A patient may designate up to two caregivers at any one time.

(6) Medical [marijuana] cannabis that has not been used by the patient shall be kept in the original package in which it was dispensed.

(7) A patient or caregiver shall possess an identification card whenever the patient or caregiver is in possession of medical [marijuana] cannabis.

(8) Products packaged by a grower/processor or sold by a dispensary shall only be identified by the name of the grower/processor, the name of the dispensary, the form and species of medical [marijuana] cannabis, the percentage of tetrahydrocannabinol and cannabidiol contained in the product and any other labeling required by the department.
of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act.

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

(1) Smoke medical [marijuana] cannabis.

(2) Except as provided under subsection (c), incorporate medical [marijuana] cannabis into edible form.

(3) Grow medical [marijuana] cannabis unless the grower/processor has received a permit from the department under this [act] part.

(4) Grow or dispense medical [marijuana] cannabis unless authorized as a health care medical [marijuana] cannabis organization [under Chapter 19].

(5) Dispense medical [marijuana] cannabis unless the dispensary has received a permit from the department under this [act] part.

(c) Edible medical [marijuana] cannabis.--Nothing in this [act] part shall be construed to preclude the incorporation of medical [marijuana] cannabis into edible form by a patient or a caregiver in order to aid ingestion of the medical [marijuana] cannabis by the patient.

Section 401. Practitioner registration.

(a) Eligibility.--A physician included in the registry is authorized to issue certifications to patients to use medical [marijuana] cannabis. To be eligible for inclusion in the registry:

(1) A physician must apply for registration in the form and manner required by the department.

(2) The department must determine that the physician is, by training or experience, qualified to treat a serious medical condition. The physician shall provide documentation
of credentials, training or experience as required by the
department.

(3) The physician must have successfully completed the
course under section 301(a)(6).

(b) Department action.--

(1) The department shall review an application submitted
by a physician to determine whether to include the physician
in the registry. The review shall include information
maintained by the Department of State regarding whether the
physician has a valid, unexpired, unrevoked, unsuspended
Pennsylvania license to practice medicine and whether the
physician has been subject to discipline.

(2) The inclusion of a physician in the registry shall
be subject to annual review to determine if the physician's
license is no longer valid, has expired or been revoked or
the physician has been subject to discipline. If the license
is no longer valid, the department shall remove the physician
from the registry until the physician holds a valid,
unexpired, unrevoked, unsuspended Pennsylvania license to
practice medicine.

(3) The Department of State shall report to the
department the expiration, suspension or revocation of a
physician's license and any disciplinary actions in a timely
fashion.

(c) Practitioner requirements.--A practitioner included in
the registry shall have an ongoing responsibility to immediately
notify the department in writing if the practitioner knows or
has reason to know that any of the following is true with
respect to a patient for whom the practitioner has issued a
certification:
(1) The patient no longer has the serious medical condition for which the certification was issued.

(2) Medical marijuana cannabis would no longer be therapeutic or palliative.

(3) The patient has died.

Section 402. Practitioner restrictions.

(a) Practices prohibited.--The following apply with respect to practitioners:

(1) A practitioner may not accept, solicit or offer any form of remuneration from or to a prospective patient, patient, prospective caregiver, caregiver or medical marijuana cannabis organization, including an employee, financial backer or principal, to certify a patient, other than accepting a fee for service with respect to the examination of the prospective patient to determine if the prospective patient should be issued a certification to use medical marijuana cannabis.

(2) A practitioner may not hold a direct or economic interest in a medical marijuana cannabis organization.

(3) A practitioner may not advertise the practitioner's services as a practitioner who can certify a patient to receive medical marijuana cannabis.

(b) Unprofessional conduct.--A practitioner who violates subsection (a) shall not be permitted to issue certifications to patients. The practitioner shall be removed from the registry.

(c) Discipline.--In addition to any other penalty that may be imposed under this [act] part, a violation of subsection (a) or section 403(e) shall be deemed unprofessional conduct under section 41(8) of the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985, or section 15(a)(8)
of the act of October 5, 1978 (P.L.1109, No.261), known as the Osteopathic Medical Practice Act, and shall subject the practitioner to discipline by the State Board of Medicine or the State Board of Osteopathic Medicine, as appropriate.

Section 403. Issuance of certification.

(a) Conditions for issuance.--A certification to use medical [marijuana] cannabis may be issued by a practitioner to a patient if all of the following requirements are met:

(1) The practitioner has been approved by the department for inclusion in the registry and has a valid, unexpired, unrevoked, unsuspended Pennsylvania license to practice medicine at the time of the issuance of the certification.

(2) The practitioner has determined that the patient has a serious medical condition and has included the condition in the patient's health care record.

(3) The patient is under the practitioner's continuing care for the serious medical condition.

(4) In the practitioner's professional opinion and review of past treatments, the practitioner determines the patient is likely to receive therapeutic or palliative benefit from the use of medical [marijuana] cannabis.

(b) Contents.--The certification shall include:

(1) The patient's name, date of birth and address.

(2) The specific serious medical condition of the patient.

(3) A statement by the practitioner that the patient has a serious medical condition and the patient is under the practitioner's continuing care for the serious medical condition.

(4) The date of issuance.
(5) The name, address, telephone number and signature of the practitioner.

(6) Any requirement or limitation concerning the appropriate form of medical [marijuana] cannabis and limitation on the duration of use, if applicable, including whether the patient is terminally ill.

(c) Consultation.--A practitioner shall review the prescription drug monitoring program prior to:

(1) Issuing a certification to determine the controlled substance history of a patient.

(2) Recommending a change of amount or form of medical [marijuana] cannabis.

(c.1) Other access by practitioner.--A practitioner may access the prescription drug monitoring program to do any of the following:

(1) Determine whether a patient may be under treatment with a controlled substance by another physician or other person.

(2) Allow the practitioner to review the patient's controlled substance history as deemed necessary by the practitioner.

(3) Provide to the patient, or caregiver on behalf of the patient if authorized by the patient, a copy of the patient's controlled substance history.

(d) Duties of practitioner.--The practitioner shall:

(1) Provide the certification to the patient.

(2) Provide a copy of the certification to the department, which shall place the information in the patient directory within the department's electronic database. The department shall permit electronic submission of the
certification.
(3) File a copy of the certification in the patient's health care record.
(e) Prohibition.--A practitioner may not issue a certification for the practitioner's own use or for the use of a family or household member.

Section 405. Duration.
Receipt of medical cannabis by a patient or caregiver from a dispensary may not exceed a 30-day supply of individual doses. During the last seven days of any 30-day period during the term of the identification card, a patient may obtain and possess a 30-day supply for the subsequent 30-day period. Additional 30-day supplies may be provided in accordance with this section for the duration of the authorized period of the identification card unless a shorter period is indicated on the certification.

Section 501. Identification cards.
(a) Issuance.--The department may issue an identification card to a patient who has a certification approved by the department and to a caregiver designated by the patient. An identification card issued to a patient shall authorize the patient to obtain and use medical cannabis as authorized by this [act] part. An identification card issued to a caregiver shall authorize the caregiver to obtain medical cannabis on behalf of the patient.

* * *
(i) Lost or defaced card.--In the event of a lost, stolen, destroyed or illegible identification card, the patient or caregiver shall apply to the department within 10 business days of discovery of the loss or defacement of the card for a
replacement card. The application for a replacement card shall be on a form furnished by the department and accompanied by a $25 fee. The department may establish higher fees for issuance of second and subsequent replacement identification cards. The department may waive or reduce the fee in cases of demonstrated financial hardship. The department shall issue a replacement identification card as soon as practicable. A patient or caregiver may not obtain medical marijuana until the department issues the replacement card.

Section 502. Caregivers.

* * *

(b) Criminal history.--A caregiver shall submit fingerprints for the purpose of obtaining criminal history record checks, and the Pennsylvania State Police or its authorized agent shall submit the fingerprints to the Federal Bureau of Investigation for the purpose of verifying the identity of the applicant and obtaining a current record of any criminal arrests and convictions. Any criminal history record information relating to a caregiver obtained under this section by the department may be interpreted and used by the department only to determine the applicant's character, fitness and suitability to serve as a caregiver under this [act] part. The department shall also review the prescription drug monitoring program relating to the caregiver. The department shall deny the application of a caregiver who has been convicted of a criminal offense that occurred within the past five years relating to the sale or possession of drugs, narcotics or controlled substances. The department may deny an application if the applicant has a history of drug abuse or of diverting controlled substances or illegal drugs.
Section 504. Special conditions.

The following apply:

(1) If the practitioner states in the certification that, in the practitioner's professional opinion, the patient would benefit from medical marijuana cannabis only until a specified earlier date, then the identification card shall expire on that date.

(2) If the certification so provides, the identification card shall state any requirement or limitation by the practitioner as to the form of medical marijuana cannabis for the patient.

Section 508. Contents of identification card.

An identification card shall contain the following:

(1) The name of the caregiver or the patient, as appropriate. The identification card shall also state whether the individual is designated as a patient or as a caregiver.

(2) The date of issuance and expiration date.

(3) An identification number for the patient or caregiver, as appropriate.

(4) A photograph of the individual to whom the identification card is being issued, whether the individual is a patient or a caregiver. The method of obtaining the photograph shall be specified by the department by regulation. The department shall provide reasonable accommodation for a patient who is confined to the patient's home or is in inpatient care.

(5) Any requirement or limitation set by the practitioner as to the form of medical marijuana cannabis.

(6) Any other requirements determined by the department, except the department may not require that an identification
card disclose the patient's serious medical condition.

Section 509. Suspension.

If a patient or caregiver intentionally, knowingly or recklessly violates any provision of this [act] part as determined by the department, the identification card of the patient or caregiver may be suspended or revoked. The suspension or revocation shall be in addition to any criminal or other penalty that may apply.

Section 510. Prohibitions.

The following prohibitions shall apply:

(1) A patient may not operate or be in physical control of any of the following while under the influence with a blood content of more than 10 nanograms of active tetrahydrocannabis per milliliter of blood in serum:
   (i) Chemicals which require a permit issued by the Federal Government or a state government or an agency of the Federal Government or a state government.
   (ii) High-voltage electricity or any other public utility.

(2) A patient may not perform any employment duties at heights or in confined spaces, including, but not limited to, mining while under the influence of medical [marijuana] cannabis.

(3) A patient may be prohibited by an employer from performing any task which the employer deems life-threatening, to either the employee or any of the employees of the employer, while under the influence of medical [marijuana] cannabis. The prohibition shall not be deemed an adverse employment decision even if the prohibition results in financial harm for the patient.
A patient may be prohibited by an employer from performing any duty which could result in a public health or safety risk while under the influence of medical marijuana. The prohibition shall not be deemed an adverse employment decision even if the prohibition results in financial harm for the patient.

CHAPTER 6

MEDICAL MARIJUANA CANNABIS ORGANIZATIONS

Section 601. Medical marijuana cannabis organizations.

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

(1) Grower/processors.

(2) Dispensaries.

Section 602. Permits.

(a) Application.--An application for a grower/processor or dispensary permit to grow, process or dispense medical marijuana cannabis shall be in a form and manner prescribed by the department and shall include:

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

(2) A description of responsibilities as a principal, operator, financial backer or employee.

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

(4) A criminal history record check. Medical marijuana cannabis organizations applying for a permit shall submit fingerprints of principals, financial backers, operators and employees to the Pennsylvania State Police for the purpose of
obtaining criminal history record checks and the Pennsylvania State Police or its authorized agent shall submit the fingerprints to the Federal Bureau of Investigation for the purpose of verifying the identity of the principals, financial backers, operators and employees and obtaining a current record of any criminal arrests and convictions. Any criminal history record information relating to principals, financial backers, operators and employees obtained under this section by the department may be interpreted and used by the department only to determine the principal's, financial backer's, operator's and employee's character, fitness and suitability to serve as a principal, financial backer, operator and employee under this [act] part. This paragraph shall not apply to an owner of securities in a publicly traded corporation if the department determines that the owner of the securities is not substantially involved in the activities of the medical [marijuana] cannabis organization.

(5) Details relating to a similar license, permit or other authorization obtained in another jurisdiction, including any suspensions, revocations or discipline in that jurisdiction.

(6) A description of the business activities in which it intends to engage as a medical [marijuana] cannabis organization.

(7) A statement that the applicant:

(i) Is of good moral character. For purposes of this subparagraph, an applicant shall include each financial backer, operator, employee and principal of the medical [marijuana] cannabis organization.

(ii) Possesses the ability to obtain in an
expeditious manner the right to use sufficient land, buildings and other premises and equipment to properly carry on the activity described in the application and any proposed location for a facility.

(iii) Is able to maintain effective security and control to prevent diversion, abuse and other illegal conduct relating to medical marijuana cannabis.

(iv) Is able to comply with all applicable Commonwealth laws and regulations relating to the activities in which it intends to engage under this act part.

(8) The name, residential address and title of each financial backer and principal of the applicant. Each individual, or lawful representative of a legal entity, shall submit an affidavit with the application setting forth:

(i) Any position of management or ownership during the preceding 10 years of a controlling interest in any other business, located inside or outside this Commonwealth, manufacturing or distributing controlled substances.

(ii) Whether the person or business has been convicted of a criminal offense graded higher than a summary offense or has had a permit relating to medical marijuana cannabis suspended or revoked in any administrative or judicial proceeding.

(9) Any other information the department may require.

(a.1) Pennsylvania farms.--A grower/processor may contract with a Pennsylvania farm to use the land and buildings of the Pennsylvania farm to grow and process medical cannabis. The applicant for a grower/processor shall include all applicable
information required under subsection (a) for the Pennsylvania farm.

(b) Notice.--An application shall include notice that a false statement made in the application is punishable under the applicable provisions of 18 Pa.C.S. Ch. 49 (relating to falsification and intimidation).

Section 603. Granting of permit.

(a) General rule.--The department may grant or deny a permit to a medical cannabis grower/processor or dispensary.

(a.1) Determination.--In making a decision under subsection (a), the department shall determine that:

(1) The applicant will maintain effective control of and prevent diversion of medical [marijuana] cannabis.

(2) The applicant will comply with all applicable laws of this Commonwealth.

(3) The applicant is ready, willing and able to properly carry on the activity for which a permit is sought.

(4) The applicant possesses the ability to obtain in an expeditious manner sufficient land, buildings and equipment to properly grow, process or dispense medical [marijuana] cannabis.

(5) It is in the public interest to grant the permit.

(6) The applicant, including the financial backer or principal, is of good moral character and has the financial fitness necessary to operate.

(7) The applicant is able to implement and maintain security, tracking, recordkeeping and surveillance systems relating to the acquisition, possession, growth, manufacture, sale, delivery, transportation, distribution or the dispensing of medical [marijuana] cannabis as required by the

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(8) The applicant satisfies any other conditions as
determined by the department.

(b) Nontransferability.--A permit issued under this chapter
shall be nontransferable.

(c) Privilege.--The issuance or renewal of a permit shall be
a revocable privilege.

(d) Regions.--The department shall establish a minimum of
three regions within this Commonwealth for the purpose of
granting permits to grower/processors and dispensaries and
enforcing this [act] part. The department shall approve permits
for grower/processors and dispensaries in a manner which will
provide an adequate amount of medical [marijuana] cannabis to
patients and caregivers in all areas of this Commonwealth. The
department shall consider the following when issuing a permit:

(1) Regional population.

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

(3) The types of serious medical conditions.

(4) Access to public transportation.

(5) Any other factor the department deems relevant.

Section 606. Application and issuance.

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

(1) Report to the department any change in facts or
circumstances reflected in the application or any newly
discovered or occurring fact or circumstance which is
required to be included in the application, including a
change in control of the medical [marijuana] cannabis
organization.
(2) Report to law enforcement, within 24 hours, any loss
or theft of medical marijuana cannabis.

(3) Submit to announced or unannounced inspections by
the department of the facilities for growing, processing,
dispensing or selling medical marijuana cannabis, including
all records of the organization.

(b) Additional information.--If the department is not
satisfied that the applicant should be issued a permit, the
department shall notify the applicant in writing of the factors
for which further documentation is required. Within 30 days of
the receipt of the notification, the applicant may submit
additional material to the department.

Section 607. Fees and other requirements.

The following apply:

(1) For a medical cannabis grower/processor:

(i) An initial application fee in the amount of
$10,000 shall be paid. The fee is nonrefundable.

(ii) A fee for a permit as a grower/processor in the
amount of $200,000 shall be paid. The permit shall be
valid for one year. Applicants shall submit the permit
fee at the time of submission of the application. The fee
shall be returned if the permit is not granted.

(iii) A renewal fee for the permit as a
grower/processor in the amount of $10,000 shall be paid
and shall cover renewal for all locations. The renewal
fee shall be returned if the renewal is not granted.

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

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

(vi) Before issuing an initial permit under this paragraph, the department shall verify that the applicant has at least $2,000,000 in capital, $500,000 of which must be on deposit with a financial institution.

(2) For a medical cannabis dispensary:

(i) An initial application fee in the amount of $5,000 shall be paid. The fee is nonrefundable.

(ii) A permit fee for a dispensary shall be $30,000 for each location. The period of the permit is one year. An applicant shall submit the permit fee at the time of submission of the application. The fee shall be returned if the application is not granted.

(iii) A renewal fee for the permit as a dispensary in the amount of $5,000 shall be paid. The fee shall be returned if the renewal is not granted and shall cover renewal for all locations.

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

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

(vi) Before issuing an initial permit under this paragraph, the department shall verify that the applicant has at least $150,000 in capital, which must be on deposit with a financial institution.

(3) A fee of $250 shall be required when amending the application to indicate relocation within this Commonwealth or the addition or deletion of approved activities by the medical marijuana cannabis organization.
(4) Fees payable under this section shall be deposited into the fund.

Section 608. Issuance.
A permit issued by the department to a medical marijuana cannabis organization shall be effective only for that organization and shall specify the following:
(1) The name and address of the medical marijuana cannabis organization.
(2) The activities of the medical marijuana cannabis organization permitted under this act part.
(3) The land, buildings, facilities or location to be used by the medical marijuana cannabis organization.
(4) Any other information required by the department.

Section 609. Relocation.
The department may approve an application from a medical marijuana cannabis organization to relocate within this Commonwealth or to add or delete activities or facilities.

Section 610. Terms of permit.
A permit issued by the department under this part shall be valid for one year from the date of issuance.

Section 612. Permit renewals.
(a) Renewal.--An application for renewal shall include the following information:
(1) Any material change in the information provided by the medical marijuana cannabis organization in a prior application or renewal of a permit.
(2) Any charge or initiated, pending or concluded investigation, during the period of the permit, by any governmental or administrative agency with respect to:
   (i) any incident involving the theft, loss or
possible diversion of medical [marijuana] cannabis grown, processed or dispensed by the applicant; and

(ii) compliance by the applicant with the laws of this Commonwealth with respect to any substance listed in section 4 of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act.

(b) Approval.--The department shall renew a permit unless the department determines that:

(1) The applicant is unlikely to maintain or be able to maintain effective control against diversion of medical [marijuana] cannabis.

(2) The applicant is unlikely to comply with all laws of this Commonwealth applicable to the activities in which it may engage under the permit.

(c) Nonrenewal decision.--The denial or nonrenewal shall specify in detail how the applicant has not satisfied the department's requirements for renewal. Within 30 days of the department's decision, the applicant may submit additional material to the department or demand a hearing, or both. If a hearing is demanded, the department shall fix a date as soon as practicable.

Section 613. Suspension or revocation.

The department may suspend or revoke a medical [marijuana] cannabis organization permit if:

(1) The department has evidence that the medical [marijuana] cannabis organization has failed to maintain effective control against diversion of medical [marijuana] cannabis.

(2) The medical cannabis organization violates any
provision of this [act] part or a regulation of the department.

(3) The medical cannabis organization has intentionally, knowingly, recklessly or negligently failed to comply with applicable laws of this Commonwealth relating to medical marijuana cannabis.

Section 614. Convictions prohibited.

The following individuals may not hold volunteer positions or positions with remuneration in or be affiliated with a medical marijuana cannabis organization, including a clinical registrant under Chapter 20, in any way if the individual has been convicted of any criminal offense related to the sale or possession of illegal drugs, narcotics or controlled substances:

(1) Financial backers.
(2) Principals.
(3) Employees.

Section 615. Diversity goals.

(a) Goals.--It is the intent and goal of the General Assembly that the department promote diversity and the participation by diverse groups in the activities authorized under this [act] part. In order to further this goal, the department shall adopt and implement policies ensuring the following:

(1) That diverse groups are accorded equal opportunity in the permitting process.
(2) That permittees promote the participation of diverse groups in their operations by affording equal access to employment opportunities.

(b) Duties of department.--To facilitate participation by diverse groups in the activities authorized under this [act]
part, the department shall:

(1) Conduct necessary and appropriate outreach including, if necessary, consulting with other Commonwealth agencies to identify diverse groups who may qualify for participation in activities under this [act] part.

(2) Provide sufficient and continuous notice of the participation opportunities afforded under this [act] part by publishing notice on the department's publicly accessible Internet website.

(3) Include in the applications for permit under this [act] part language to encourage applicants to utilize and give consideration to diverse groups for contracting or professional services opportunities.

(c) Reports.--No later than March 1, 2018, and each March 1 thereafter, the department shall submit a report to the chairperson and minority chairperson of the [Public Health and Welfare] Health and Human Services Committee of the Senate and the chairperson and minority chairperson of the Health Committee of the House of Representatives summarizing the participation and utilization of diverse groups in the activities authorized under this [act] part. The report shall include:

(1) The participation level, by percentage, of diverse groups in the activities authorized under this [act] part.

(2) A summary of how diverse groups are utilized by permittees, including in the provision of goods or services.

(3) Any other information the department deems appropriate.

(d) Definitions.--The following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:
"Disadvantaged business." As defined in 74 Pa.C.S. § 303(b) (relating to diverse business participation).

"Diverse group." A disadvantaged business, minority-owned business, women-owned business, service-disabled veteran-owned small business or veteran-owned small business that has been certified by a third-party certifying organization.

"Minority-owned business." As defined in 74 Pa.C.S. § 303(b).

"Service-disabled veteran-owned small business." As defined in 51 Pa.C.S. § 9601 (relating to definitions).

"Third-party certifying organization." As defined in 74 Pa.C.S. § 303(b).

"Veteran-owned small business." As defined in 51 Pa.C.S. § 9601.

"Women-owned business." As defined in 74 Pa.C.S. § 303(b).

Section 616. Limitations on permits.

The following limitations apply to approval of permits for medical cannabis grower/processors and dispensaries:

(1) The department may not initially issue permits to more than 25 growers/processors.

(2) The department may not initially issue permits to more than 50 dispensaries. Each dispensary may provide medical [marijuana] cannabis at no more than three separate locations.

(3) The department may not issue more than five individual dispensary permits to one person.

(4) The department may not issue more than one individual grower/processor permit to one person.

(5) No more than five grower/processors may be issued permits as dispensaries. If the number of growers/processors
is increased under section 1202, no more than 20% of the
total number of growers/processors may also be issued permits
as dispensaries.

(6) A dispensary may only obtain medical [marijuana]
cannabis from a grower/processor holding a valid permit under
this [act] part.

(7) A grower/processor may only provide medical
[marijuana] cannabis to a dispensary holding a valid permit
under this [act] part.

CHAPTER 7

MEDICAL [MARIJUANA] CANNABIS CONTROLS

Section 701. Electronic tracking.

(a) Requirement.—A grower/processor or dispensary must
implement an electronic inventory tracking system which shall be
directly accessible to the department through its electronic
database that electronically tracks all medical [marijuana]
cannabis on a daily basis. The system shall include tracking of
all of the following:

(1) For a grower/processor, a seed-to-sale tracking
system that tracks the medical [marijuana] cannabis from seed
to plant until the medical [marijuana] cannabis is sold to a
dispensary.

(2) For a dispensary, medical [marijuana] cannabis from
purchase from the grower/processor to sale to a patient or
caregiver and that includes information that verifies the
validity of an identification card presented by the patient
or caregiver.

(3) For a grower/processor and a dispensary, a daily log
of each day's beginning inventory, acquisitions, amounts
purchased and sold, disbursements, disposals and ending
inventory. The tracking system shall include prices paid and amounts collected from patients and caregivers.

(4) For a grower/processor and a dispensary, a system for recall of defective medical marijuana cannabis.

(5) For a grower/processor and a dispensary, a system to track the plant waste resulting from the growth of medical marijuana cannabis or other disposal, including the name and address of any disposal service.

(b) Additional requirements.--In addition to the information under subsection (a), each medical marijuana cannabis organization shall track the following:

(1) Security and surveillance.

(2) Recordkeeping and record retention.

(3) The acquisition, possession, growing and processing of medical marijuana cannabis.

(4) Delivery and transportation, including amounts and method of delivery.

(5) Dispensing, including amounts, pricing and amounts collected from patients and caregivers.

(c) Access.--Information maintained in electronic tracking systems under subsection (a) shall be confidential and not subject to the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

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

(1) The amount of medical marijuana cannabis sold by a
grower/processor during each three-month period.

(2) The price of amounts of medical [marijuana] cannabis sold by grower/processors as determined by the department.

(3) The amount of medical [marijuana] cannabis purchased by each dispensary in this Commonwealth.

(4) The cost of amounts of medical [marijuana] cannabis to each dispensary in amounts as determined by the department.

(5) The total amount and dollar value of medical [marijuana] cannabis sold by each dispensary in the three-month period.

Section 702. Grower/processors.

(a) Authorization.--Subject to subsection (b), a grower/processor may do all of the following in accordance with department regulations:

(1) Obtain seed from outside this Commonwealth to initially grow medical [marijuana] cannabis.

(2) Obtain seed and plant material from another grower/processor within this Commonwealth to grow medical [marijuana] cannabis.

(b) Limitations.--

(1) A grower/processor may only grow, store, harvest or process medical [marijuana] cannabis in an indoor, enclosed, secure facility which:

(i) includes electronic locking systems, electronic surveillance and other features required by the department; and

(ii) is located within this Commonwealth.

(2) (Reserved).}
The department shall develop regulations relating to the storage and transportation of medical [marijuana] cannabis among grower/processors, testing laboratories and dispensaries which ensure adequate security to guard against in-transit losses. The tracking system developed by the department shall include all transportation and storage of medical [marijuana] cannabis. The regulations shall provide for the following:

(1) Requirements relating to shipping containers and packaging.

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

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

(4) Obtaining copies of drivers' licenses and registrations and other information related to security and tracking.

(5) Use of GPS systems.

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


(8) Requirements to utilize any electronic tracking system required by the department.

(9) Transporting medical [marijuana] cannabis to a grower/processor, approved laboratory or dispensary.

Section 704. Laboratory.

A grower/processor shall contract with an independent laboratory to test the medical [marijuana] cannabis produced by the grower/processor. The department shall approve the laboratory and require that the laboratory report testing...
results in a manner as the department shall determine, including
requiring a test at harvest and a test at final processing. The
possession by a laboratory of medical [marijuana] cannabis shall
be a lawful use.

Section 705. Prices.

The department and the Department of Revenue shall monitor
the price of medical [marijuana] cannabis sold by
grower/processors and by dispensaries, including a per-dose
price. If the department and the Department of Revenue determine
that the prices are unreasonable or excessive, the department
may implement a cap on the price of medical [marijuana] cannabis
being sold for a period of six months. The cap may be amended
during the six-month period. If the department and the
Department of Revenue determine that the prices become
unreasonable or excessive following the expiration of a six-
month cap, additional caps may be imposed for periods not to
exceed six months.

Section 801. Dispensing to patients and caregivers.

(a) General rule.--A dispensary that has been issued a
permit under Chapter 6 may lawfully dispense medical [marijuana]
cannabis to a patient or caregiver upon presentation to the
dispensary of a valid identification card for that patient or
caregiver. The dispensary shall provide to the patient or
caregiver a receipt, as appropriate. The receipt shall include
caregiver a receipt, as appropriate. The receipt shall include
all of the following:

(1) The name, address and any identification number
assigned to the dispensary by the department.

(2) The name and address of the patient and caregiver.

(3) The date the medical [marijuana] cannabis was
dispensed.
Any requirement or limitation by the practitioner as to the form of medical marijuana cannabis for the patient.

The form and the quantity of medical marijuana cannabis dispensed.

(b) Requirements.--A dispensary shall have a physician or a pharmacist onsite at all times during the hours the dispensary is open to receive patients and caregivers. If a dispensary has more than one separate location, a physician assistant or a certified registered nurse practitioner may be onsite at each of the other locations in lieu of the physician or pharmacist. A physician, a pharmacist, a physician assistant or a certified registered nurse practitioner shall, prior to assuming duties under this paragraph, successfully complete the course established in section 301(a)(6). A physician may not issue a certification to authorize patients to receive medical marijuana cannabis or otherwise treat patients at the dispensary.

(c) Filing with department.--Prior to dispensing medical marijuana cannabis to a patient or caregiver, the dispensary shall file the receipt information with the department utilizing the electronic tracking system. When filing receipts under this subsection, the dispensary shall dispose of any electronically recorded certification information as provided by regulation.

(d) Limitations.--No dispensary may dispense to a patient or caregiver:

(1) a quantity of medical marijuana cannabis greater than that which the patient or caregiver is permitted to possess under the certification; or

(2) a form of medical marijuana cannabis prohibited by this [act] part.
(e) Supply.--When dispensing medical marijuana cannabis to a patient or caregiver, the dispensary may not dispense an amount greater than a 30-day supply until the patient has exhausted all but a seven-day supply provided pursuant to a previously issued certification until additional certification is presented under section 405.

(f) Verification.--Prior to dispensing medical marijuana cannabis to a patient or caregiver, the dispensary shall verify the information in subsections (e) and (g) by consulting the electronic tracking system included in the department's electronic database established under section 301(a)(4)(v) and the dispensary tracking system under section 701(a)(2).

(g) Form of medical marijuana cannabis.--Medical marijuana cannabis dispensed to a patient or caregiver by a dispensary shall conform to any requirement or limitation set by the practitioner as to the form of medical marijuana cannabis for the patient.

(h) Safety insert.--When a dispensary dispenses medical marijuana cannabis to a patient or caregiver, the dispensary shall provide to that patient or caregiver, as appropriate, a safety insert. The insert shall be developed and approved by the department. The insert shall provide the following information:

1. Lawful methods for administering medical marijuana cannabis in individual doses.
2. Any potential dangers stemming from the use of medical marijuana cannabis.
3. How to recognize what may be problematic usage of medical marijuana cannabis and how to obtain appropriate services or treatment for problematic usage.
4. How to prevent or deter the misuse of medical
marijuana cannabis by minors or others.

(5) Any other information as determined by the department.

(i) Sealed and labeled package.--Medical marijuana cannabis shall be dispensed by a dispensary to a patient or caregiver in a sealed and properly labeled package. The labeling shall contain the following:

(1) The information required to be included in the receipt provided to the patient or caregiver, as appropriate, by the dispensary.

(2) The packaging date.

(3) Any applicable date by which the medical marijuana cannabis should be used.

(4) A warning stating:

"This product is for medicinal use only. Women should not consume during pregnancy or while breastfeeding except on the advice of the practitioner who issued the certification and, in the case of breastfeeding, the infant's pediatrician. This product might impair the ability to drive or operate heavy machinery. Keep out of reach of children."

(5) The amount of individual doses contained within the package and the species and percentage of tetrahydrocannabinol and cannabidiol.

(6) A warning that the medical marijuana cannabis must be kept in the original container in which it was dispensed.

(7) A warning that unauthorized use is unlawful and will subject the person to criminal penalties.

(8) Any other information required by the department.

Section 802. Facility requirements.

(a) General rule.--
(1) A dispensary may only dispense medical marijuana cannabis in an indoor, enclosed, secure facility located within this Commonwealth, as determined by the department.

(2) A dispensary may not operate on the same site as a facility used for growing and processing medical marijuana cannabis.

(3) A dispensary may not be located within 1,000 feet of the property line of a public, private or parochial school or a day-care center.

(4) A dispensary may sell medical devices and instruments which are needed to administer medical marijuana cannabis under this act part.

(5) A dispensary may sell services approved by the department related to the use of medical marijuana cannabis.

* * *

CHAPTER 9

TAX ON MEDICAL [MARIJUANA] CANNABIS

Section 901. Tax on medical marijuana cannabis.

(a) Tax imposed.--A tax is imposed on the gross receipts of a grower/processor received from the sale of medical marijuana cannabis by a grower/processor to a dispensary, to be paid by the grower/processor, at the rate of 5%. The tax shall be charged against and be paid by the grower/processor and shall not be added as a separate charge or line item on any sales slip, invoice, receipt or other statement or memorandum of the price paid by a dispensary, patient or caregiver.

(b) Payment of tax and reports.--The tax imposed under subsection (a) shall be administered in the same manner as the tax imposed under Article XI of the act of March 4, 1971 (P.L.6, 20190HB0050PN0366 - 54 -
No.2), known as the Tax Reform Code of 1971, except that estimated tax payments under section 3003.2 of the Tax Reform Code of 1971 shall not be required. A grower/processor shall make quarterly payments under this section for each calendar quarter at the rate prescribed in subsection (a) on the gross receipts for the calendar quarter. The tax shall be due and payable on the 20th day of January, April, July and October for the preceding calendar quarter on a form prescribed by the Department of Revenue.

(c) (Reserved).

(d) Deposit of proceeds.--All money received from the tax imposed under subsection (a) shall be deposited into the fund.

(e) Exemption.--Medical [marijuana] cannabis shall not be subject to the tax imposed under section 202 of the Tax Reform Code of 1971.

(f) Information.--A grower/processor that sells medical [marijuana] cannabis shall provide to the Department of Revenue information required by the department.


(a) Fund established.--The Medical [Marijuana] Cannabis Program Fund is established as a special fund in the State Treasury. Money in the fund is appropriated as set forth in subsection (c). Any amount unspent at the end of a fiscal year shall be appropriated to the department for its operations.

(b) Source of funds.--Fees and taxes payable under this [act] part shall be deposited into the fund. The money deposited into the fund may only be used for the purposes set forth in this section. Any interest accrued shall be deposited into the fund.

(c) Use of proceeds.--After any repayment made under
subsection (d), money in the fund is appropriated in accordance
with the following percentages:

(1) To the department, 55% of the revenue in the fund. Forty percent of the revenue in the fund shall be expended
for operations of the department, including outreach efforts
and other projects, as required by this [act] part. Fifteen
percent of the amount in the fund shall be used by the
department to establish the following:

(i) a program to assist patients with the cost of
providing medical [marijuana] cannabis to patients who
demonstrate financial hardship or need under this [act]
part, and the department shall develop guidelines and
procedures to ensure maximum availability to individuals
with financial need;

(ii) a program to assist patients and caregivers
with the cost associated with the waiver or reduction of
fees for identification cards under sections 501(c)(5)
and 502(a)(2); and

(iii) a program to reimburse caregivers for the cost
of providing background checks for caregivers.

(2) To the Department of Drug and Alcohol Programs, for
drug abuse prevention and counseling and treatment services,
10% of the revenue in the fund.

(3) To the department, for further research related to
the use of medical [marijuana] cannabis, including the
research program established under Chapter 19, 30% of the
revenue in the fund. Funding shall be provided for research
into the treatment of those serious medical conditions for
which medical [marijuana] cannabis is available for treatment
within this Commonwealth and for research into the use of
medical marijuana cannabis to treat other medical conditions for which medical marijuana cannabis may have legitimate medicinal value. Money shall be used to subsidize the cost of, or provide, medical marijuana cannabis to patients participating in the program. However, money in the fund may not be expended on activity under Chapter 20.

(4) To the Pennsylvania Commission on Crime and Delinquency, for distribution to local police departments which demonstrate a need relating to the enforcement of this [act] part, 5% of the revenue in the fund.

(d) Repayment of initial funding.—The department shall repay from the fees, taxes and investment earnings of the fund to the General Fund any money appropriated for the initial planning, organization and administration by the department with respect to the establishment of the program at the time of the original enactment of this [act] part. Repayment shall take place within a 10-year period commencing one year after the date of publication in the Pennsylvania Bulletin of the final regulations.

Section 1101. Governing practice and procedure.

The provisions of 2 Pa.C.S. (relating to administrative law and procedure) shall apply to all actions of the department under this [act] part constituting an adjudication as defined in 2 Pa.C.S. § 101 (relating to definitions).

Section 1102. Reports by medical marijuana cannabis organizations.

A medical marijuana cannabis organization shall periodically file reports related to its activities. The department shall determine the information required in and the frequency of filing the reports.
Section 1103. Law enforcement notification.

Notwithstanding any provision of this [act] part or any other law to the contrary, the department may notify any appropriate law enforcement agency of information relating to any violation or suspected violation of this [act] part. In addition, the department shall verify to law enforcement personnel in an appropriate case whether a certification, permit, registration or an identification card is valid, including release of the name of the patient.

Section 1104. Evaluation.

The department may provide for an analysis and evaluation of the implementation and effectiveness of this [act] part, including whether the intent and stated policy of the General Assembly have been achieved. The department may enter into agreements with one or more persons for the performance of an evaluation of the implementation and effectiveness of this [act] part.

Section 1105. Report.

(a) Report required.--The department shall submit a written report under subsection (b) every two years, beginning two years after the effective date of this section, to the following:

[(1) The Governor.
(2) The President pro tempore of the Senate.
(3) The Majority Leader and the Minority Leader of the Senate.
(4) The Speaker of the House of Representatives.
(5) The Majority Leader and the Minority Leader of the House of Representatives.
(6) The chairman and minority chairman of the Judiciary Committee of the Senate.}
(7) The chairman and minority chairman of the Public Health and Welfare Committee of the Senate.

(8) The chairman and minority chairman of the Judiciary Committee of the House of Representatives.

(9) The chairman and minority chairman of the Health Committee of the House of Representatives.


(1) The Governor.

(2) The Attorney General.

(3) The President pro tempore of the Senate.

(4) The Majority Leader and the Minority Leader of the Senate.

(5) The Speaker of the House of Representatives.

(6) The Majority Leader and the Minority Leader of the House of Representatives.

(7) The chairperson and minority chairperson of the Judiciary Committee of the Senate.

(8) The chairperson and minority chairperson of the Health and Human Services Committee of the Senate.

(9) The chairperson and minority chairperson of the Judiciary Committee of the House of Representatives.

(10) The chairperson and minority chairperson of the Health Committee of the House of Representatives.

(b) Contents of report.--The following information shall be included in the report:

(1) An assessment of the use of medical [marijuana] cannabis as a result of the enactment of this [act] part.

(2) An assessment of the benefits and risks to patients using medical [marijuana] cannabis under this [act] part, including adverse events.
Recommendations for amendments to this [act] part for reasons of patient safety or to aid the general welfare of the [citizens] residents of this Commonwealth.

Section 1107. Temporary regulations.

(a) Promulgation.--In order to facilitate the prompt implementation of this [act] part, the department may promulgate temporary regulations that shall expire not later than two years following the publication of the temporary regulation. The department may promulgate temporary regulations not subject to:

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


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

* * *

(c) Publication.--The department shall [begin publishing] provide notice of the temporary regulations to the Legislative Reference Bureau, which shall publish the notice in the Pennsylvania Bulletin no later than six months after the effective date of this section.

CHAPTER 12

MEDICAL [MARIJUANA] CANNABIS ADVISORY BOARD

Section 1201. Advisory board.

(a) Establishment.--The Medical [Marijuana] Cannabis Advisory Board is established within the department. The advisory board shall consist of the following members:

(1) The secretary or a designee.
(2) The Commissioner of the Pennsylvania State Police or a designee.

(3) The chairman of the State Board of Pharmacy or a designee.

(4) The Commissioner of Professional and Occupational Affairs or a designee.

(5) The Physician General or a designee.

(6) The president of the Pennsylvania Chiefs of Police Association or a designee.

(7) The president of the Pennsylvania District Attorneys Association or a designee.

(8) One member to be appointed by each of the following, which members shall be knowledgeable and experienced in issues relating to care and treatment of individuals with a serious medical condition, geriatric or pediatric medicine or clinical research:

   (i) The Governor.

   (ii) The President pro tempore of the Senate.

   (iii) The Majority Leader of the Senate.

   (iv) The Minority Leader of the Senate.

   (v) The Speaker of the House of Representatives.

   (vi) The Majority Leader of the House of Representatives.

   (vii) The Minority Leader of the House of Representatives.

(9) One member appointed by the Governor, who shall be a patient, a family or household member of a patient or a patient advocate.

* * *

(j) Duties.--[The] In addition to the duties specified under
section 3701, the advisory board shall have the following duties:

(1) To examine and analyze the statutory and regulatory law relating to medical cannabis within this Commonwealth.

(2) To examine and analyze the law and events in other states and the nation with respect to medical cannabis.

(3) To accept and review written comments from individuals and organizations about medical cannabis.

(4) To issue two years after the effective date of this section a written report to the Governor, the Senate and the House of Representatives.

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

   (i) Whether to change the types of medical professionals who can issue certifications to patients.

   (ii) Whether to change, add or reduce the types of medical conditions which qualify as serious medical conditions under this part.

   (iii) Whether to change the form of medical cannabis permitted under this part.

   (iv) Whether to change, add or reduce the number of growers/processors or dispensaries. (Reserved).

   (v) How to ensure affordable patient access to medical cannabis.

   (vi) Whether to permit medical cannabis to be dispensed in dry leaf or plant form, for administration by vaporization.
(6) The final written report under this section shall be adopted at a public meeting. The report shall be a public record under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

CHAPTER 13

OFFENSES RELATED TO MEDICAL [MARIJUANA] CANNABIS

Section 1301. Criminal diversion of medical [marijuana] cannabis by practitioners.

In addition to any other penalty provided by law, a practitioner commits a misdemeanor of the first degree if the practitioner intentionally, knowingly or recklessly certifies a person as being able to lawfully receive medical [marijuana] cannabis or otherwise provides medical [marijuana] cannabis to a person who is not lawfully permitted to receive medical [marijuana] cannabis.


In addition to any other penalty provided by law, an employee, financial backer, operator or principal of any of the following commits a misdemeanor of the first degree if the person intentionally, knowingly or recklessly sells, dispenses, trades, delivers or otherwise provides medical [marijuana] cannabis to a person who is not lawfully permitted to receive medical [marijuana] cannabis:

(1) A medical [marijuana] cannabis organization.

(2) A health care medical [marijuana] cannabis organization or university participating in a research study under Chapter 19.

(3) A clinical registrant or academic clinical research center under Chapter 20.
(4) A laboratory utilized to test medical cannabis under section 704.

Section 1303. Criminal retention of medical cannabis.

In addition to any other penalty provided by law, a patient or caregiver commits a misdemeanor of the third degree if the patient or caregiver intentionally, knowingly or recklessly possesses, stores or maintains an amount of medical cannabis in excess of the amount legally permitted.

Section 1304. Criminal diversion of medical cannabis by patient or caregiver.

(a) Offense defined.--In addition to any other penalty provided by law, a patient or caregiver commits an offense if the patient or caregiver intentionally, knowingly or recklessly provides medical cannabis to a person who is not lawfully permitted to receive medical cannabis.

(b) Grading.--A first offense under this section constitutes a misdemeanor of the second degree. A second or subsequent offense constitutes a misdemeanor of the first degree.

Section 1305. Falsification of identification cards.

(a) Offense defined.--In addition to any other penalty provided by law, a person commits an offense if, knowing he is not privileged to hold an identification card, the person:

(1) possesses an identification card and either attempts to use the card to obtain medical cannabis or obtains medical cannabis;

(2) possesses an identification card which falsely identifies the person as being lawfully entitled to receive medical cannabis and either attempts to use the card to obtain medical cannabis or obtains...
medical marijuana cannabis; or

(3) possesses an identification card which contains any false information on the card and the person either attempts to use the card to obtain medical marijuana cannabis or obtains medical marijuana cannabis.

(b) Grading.--A first offense under this section constitutes a misdemeanor of the second degree. A second or subsequent offense under this section constitutes a misdemeanor of the first degree.

Section 1306. Adulteration of medical marijuana cannabis.

(a) General rule.--In addition to any other penalty provided by law, a person commits an offense if the person adulterates, fortifies, contaminates or changes the character or purity of medical marijuana cannabis from that set forth on the patient's or caregiver's identification card.

(b) Grading.--A first offense under this section constitutes a misdemeanor of the second degree. A second or subsequent offense under this section constitutes a misdemeanor of the first degree.

Section 1307. Disclosure of information prohibited.

(a) Offense defined.--In addition to any other penalty provided by law, an employee, financial backer, operator or principal of any of the following commits a misdemeanor of the third degree if the person discloses, except to authorized persons for official governmental or health care purposes, any information related to the use of medical marijuana cannabis:

(1) A medical marijuana cannabis organization.

(2) A health care medical marijuana cannabis organization or university participating in a research study under Chapter 19.
(3) A clinical registrant or academic clinical research center under Chapter 20.

(4) An employee of the department.

(b) Exception.—Subsection (a) shall not apply where disclosure is permitted or required by law or by court order.

Section 1308. Additional penalties.

(a) Criminal penalties.—In addition to any other penalty provided by law, a practitioner, caregiver, patient, employee, financial backer, operator or principal of any medical [marijuana] cannabis organization, health care medical organization or university participating in a research study under Chapter 19, and an employee, financial backer, operator or principal of a clinical registrant or academic clinical research center under Chapter 20, who violates any of the provisions of this [act] part, other than those specified in section 1301, 1302, 1303, 1304, 1305, 1306 or 1307, or any regulation promulgated under this [act] part:

(1) For a first offense, commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than $5,000, or to imprisonment for not more than six months.

(2) For a second or subsequent offense, commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than $10,000, or to imprisonment for not less than six months or more than one year, or both.

(b) Civil penalties.—In addition to any other remedy available to the department, the department may assess a civil penalty for a violation of this [act] part, a regulation promulgated under this [act] part or an order issued under this
[act] part or regulation as provided in this subsection. The following shall apply:

(1) The department may assess a penalty of not more than $10,000 for each violation and an additional penalty of not more than $1,000 for each day of a continuing violation. In determining the amount of each penalty, the department shall take the following factors into consideration:

(i) The gravity of the violation.

(ii) The potential harm resulting from the violation to patients, caregivers or the general public.

(iii) The willfulness of the violation.

(iv) Previous violations, if any, by the person being assessed.

(v) The economic benefit to the person being assessed for failing to comply with the requirements of this [act] part, a regulation promulgated under this [act] part or an order issued under this [act] part or regulation.

(2) If the department finds that the violation did not threaten the safety or health of a patient, caregiver or the general public and the violator took immediate action to remedy the violation upon learning of it, the department may issue a written warning in lieu of assessing a civil penalty.

(3) A person who aids, abets, counsels, induces, procures or causes another person to violate this [act] part, a regulation promulgated under this [act] part or an order issued under this [act] part or regulation shall be subject to the civil penalties provided under this subsection.

(c) Sanctions.--

(1) In addition to the penalties provided in subsection
(b) and any other penalty authorized by law, the department may impose the following sanctions:

(i) Revoke or suspend the permit of a person found to be in violation of this part, a regulation promulgated under this part or an order issued under this part or regulation.

(ii) Revoke or suspend the permit of a person for conduct or activity or the occurrence of an event that would have disqualified the person from receiving the permit.

(iii) Revoke or suspend the registration of a practitioner for a violation of this part or a regulation promulgated or an order issued under this part or for conduct or activity which would have disqualified the practitioner from receiving a registration.

(iv) Suspend a permit or registration of a person pending the outcome of a hearing in a case in which the permit or registration could be revoked.

(v) Order restitution of funds or property unlawfully obtained or retained by a permittee or registrant.

(vi) Issue a cease and desist order.

(2) A person who aids, abets, counsels, induces, procures or causes another person to violate this part shall be subject to the sanctions provided under this subsection.

(d) Costs of action.--The department may assess against a person determined to be in violation of this part the costs of investigation of the violation.
(e) Minor violations.--Nothing in this section shall be construed to require the assessment of a civil penalty or the imposition of a sanction for a minor violation of this part if the department determines that the public interest will be adequately served under the circumstances by the issuance of a written warning.

Section 1309. Other restrictions.

This part does not permit any person to engage in and does not prevent the imposition of any civil, criminal or other penalty for the following:

(1) Undertaking any task under the influence of medical marijuana cannabis when doing so would constitute negligence, professional malpractice or professional misconduct.

(2) Possessing or using medical marijuana cannabis in a State or county correctional facility, including a facility owned or operated or under contract with the Department of Corrections or the county which houses inmates serving a portion of their sentences on parole or other community correction program. Nothing in this paragraph shall be construed to apply to employees of the facilities set forth in this paragraph. The Department of Corrections shall adopt a written policy no later than 18 months from the effective date of this section regarding the possession and use of medical marijuana cannabis by employees in State correctional facilities. The governing authority of a county may adopt a resolution no later than 18 months from the effective date of this section regarding the possession and use of medical marijuana cannabis by employees in a county correctional facility.
(3) Possessing or using medical marijuana cannabis in a youth detention center or other facility which houses children adjudicated delinquent, including the separate, secure State-owned facility or unit utilized for sexually violent delinquent children under 42 Pa.C.S. § 6404 (relating to duration of inpatient commitment and review). As used in this paragraph, the term "sexually violent delinquent children" shall have the meaning given to it in 42 Pa.C.S. § 6402 (relating to definitions). Nothing in this paragraph shall be construed to apply to employees of the facilities set forth in this paragraph.

Section 1901. [Definitions.]

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

"Health care medical marijuana organization." A vertically integrated health system approved by the department to dispense medical marijuana or grow and process medical marijuana, or both, in accordance with a research study under this chapter.

"Vertically integrated health system." A health delivery system licensed under the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act, in which the complete spectrum of care, including primary and specialty care, hospitalization and pharmaceutical care, is provided within a single organization.] (Reserved).

Section 1902. Establishment of medical marijuana cannabis research program.

(a) Program to be established.--The department shall establish and develop a research program to study the impact of medical marijuana cannabis on the treatment and symptom
management of serious medical conditions. The program shall not include a clinical registrant or academic clinical research center under Chapter 20.

(b) Department duties.--The department shall:

(1) Review all serious medical conditions which are cited by a practitioner upon the practitioner's certification that a patient be granted an identification card.

(2) Create a database of all serious medical conditions, including comorbidities, which are cited by practitioners in the certifications of patients. The database shall also include the form of medical [marijuana] cannabis certified to treat each serious medical condition.

(3) When the database contains 25 or more patients with the same serious medical condition, petition the United States Food and Drug Administration and the United States Drug Enforcement Administration for approval to study the condition and the impact of medical [marijuana] cannabis on the condition.

(4) Concurrent with the request to the United States Food and Drug Administration and United States Drug Enforcement Administration, publicly announce the formation of a research study to which a vertically integrated health system and a university within this Commonwealth may submit a request to participate.

(5) Upon approval of a research study by the United States Food and Drug Administration and the United States Drug Enforcement Administration, select a vertically integrated health system or systems to conduct the research study and designate the form or forms of medical [marijuana] cannabis which will be used to treat the serious medical
(6) Notify a patient who has been issued an identification card:
   (i) that the patient has been selected to participate, at the patient's option, in a research study to study medical [marijuana] cannabis as a treatment; and
   (ii) where the patient may secure medical [marijuana] cannabis through a health care medical [marijuana] cannabis organization at no cost to the patient in accordance with subsection (c).
(7) If the United States Food and Drug Administration and the United States Drug Enforcement Administration reject the proposal for the research study, take all reasonable steps to collect and collate data on the serious medical condition and the use of medical [marijuana] cannabis as a treatment for the serious medical condition and consider submitting an additional request to the United States Food and Drug Administration and United States Drug Enforcement Administration for a research study on the same condition.
(c) Costs.--The cost of the medical [marijuana] cannabis which is dispensed to patients in accordance with an approved research study shall be paid for by the fund.
(d) Geographic accessibility.--The department shall take into consideration the geographic location of the health care medical [marijuana] cannabis organization when assigning a patient to a health care medical [marijuana] cannabis organization. The department shall make an effort to assign a patient to a health care medical [marijuana] cannabis organization that is located within 50 miles of the patient's residence.
Data.--Data collected by the health care medical marijuana cannabis organization shall be provided to the university participating in the research study for analysis.

Section 1903. Medical marijuana cannabis research program administration.

(a) General rule.--The department shall establish a research study for each serious medical condition. The department shall engage universities within this Commonwealth to participate in the collection, collation, analysis and conclusive findings of the research studies. The department shall, by regulation, establish the procedure to be used by health care medical marijuana cannabis organizations with respect to:

(1) Real time inventory tracking.

(2) Real time tracking of the medical marijuana cannabis dispensed.

(3) Recall of defective medical marijuana cannabis.

(b) Request for distributions.--The department shall establish a form and procedure for universities selected to participate in a research study to request distributions from the fund to conduct research on medical marijuana cannabis, including administrative costs. These distributions shall also be used to pay for the cost of the medical marijuana cannabis so that it is not borne by the patient participating in the research study. The forms shall include, at a minimum, the following:

(1) The form or forms of medical marijuana cannabis to be studied.

(2) The serious medical condition to be studied.

(c) Research reports.--

(1) A vertically integrated health system shall report
on the effectiveness of the use of medical marijuana for the treatment of the serious medical condition studied and all counterindications and noted side effects.

(2) The department shall notify the vertically integrated health system and the university participating in the research study of the data which is required to meet the United States Food and Drug Administration's and the United States Drug Enforcement Administration's approval for the research study.

(3) The first report, including the data required under paragraph (2), shall be submitted to the department and made publicly available within 180 days of the initiation of a research study for a specific serious medical condition.

(4) An annual report of the data required under paragraph (2) shall be submitted to the department beginning one year after the initiation of a research study for a specific serious medical condition and each year thereafter.

Section 1904. Approval.

A vertically integrated health system located in this Commonwealth may petition the department to participate in a research study to study a serious medical condition under section 1903. Approval of the vertically integrated health system as a health care medical marijuana cannabis organization by the department shall authorize access within a region under section 603(d) to medical marijuana cannabis for all patients included in an approved research study.

Section 1905. Requirements.

(a) Dispensing.--A health care medical marijuana cannabis organization that dispenses medical marijuana cannabis shall:

(1) Maintain licensure with the department as required
under the act of July 19, 1979 (P.L.130, No.48), known as the
Health Care Facilities Act.

(2) Secure the medical [marijuana] cannabis within the
associated pharmacies of the health care medical [marijuana]
cannabis organization in a manner and method prescribed by
the department.

(3) Keep a daily log of the medical [marijuana] cannabis
dispensed and the research study with which the patient and
the medical [marijuana] cannabis are associated. Reports
shall be delivered to the department and the university
participating in the research study on a weekly basis.

(4) Report to the Pennsylvania Health Care Cost
Containment Council the utilization rates of those patients
participating in the research of medical [marijuana] cannabis
and treatment options.

(5) Only dispense medical [marijuana] cannabis received
from a grower/processor or a health care medical [marijuana]
cannabis organization that is approved to grow and process
medical [marijuana] cannabis.

(6) Provide all patients or caregivers with the safety
insert, prepared by the department, which includes potential
dangers, recognition and correction of problematic dosage and
any other information required by the department or which the
department deems relevant for patient safety.

(b) Growing and processing.--A health care medical
[marijuana] cannabis organization that grows and processes
medical [marijuana] cannabis shall:

(1) Maintain licensure with the department as required
under the Health Care Facilities Act.

(2) Only make available medical [marijuana] cannabis to

(3) Keep a daily log of medical [marijuana] cannabis intended for ultimate use by patients participating in a research study.

Section 1906. Restrictions.

A health care medical [marijuana] cannabis organization may not participate in a research study of any kind, including the program established under this chapter, or dispense or grow and process medical [marijuana] cannabis if it has violated its licensure requirements under the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act.

Section 1907. Regulations.

The department shall, by regulation, establish the procedure to be used by a health care medical [marijuana] cannabis organization that grows and processes medical [marijuana] cannabis with respect to:

(1) Real time inventory tracking, including a seed-to-dispensing tracking system that tracks medical [marijuana] cannabis from seed or immature plant stage until the medical [marijuana] cannabis is provided to a patient in a research study.

(2) Security, recordkeeping, record retention and surveillance systems relating to every stage of growing and processing medical [marijuana] cannabis.

(3) A daily log of each day's beginning inventory, acquisitions, disbursements, disposals and ending inventory.

(4) A system to recall defective medical [marijuana] cannabis.

(5) A system to track the plant waste resulting from the
growth of medical marijuana cannabis.

(6) Testing of medical marijuana cannabis by an independent laboratory to test the medical marijuana cannabis produced by the health care medical marijuana cannabis organization, including requiring a test at harvest and a test at final processing.

(7) Any other procedure deemed necessary by the department.

Section 1908. Nonentitlement.

Nothing in this chapter shall be construed to create an entitlement or right of a patient to receive medical marijuana cannabis or to participate in a research study.

Section 4. Sections 2000, 2002 and 2003 of the act, amended or added June 22, 2018 (P.L.322, No.43), are amended to read:

Section 2000. Legislative findings and declaration of policy.

(a) Legislative findings.--It is determined and declared as a matter of legislative finding:

(1) Patients suffering from serious medical conditions deserve the benefit of research conducted in conjunction with the Commonwealth's medical schools to determine whether medical marijuana cannabis will improve their conditions or symptoms.

(2) The Commonwealth has an interest in creating a mechanism whereby the Commonwealth's medical schools and hospitals can help develop research programs and studies in compliance with applicable law.

(b) Declaration of policy.--The General Assembly declares as follows:

(1) It is the intention of the General Assembly to create a mechanism whereby this Commonwealth's medical...
schools and hospitals may provide advice to grower/processors and dispensaries in the areas of patient health and safety, medical applications and dispensing and management of controlled substances, among other areas. It is the further intention of the General Assembly to create a mechanism whereby the Commonwealth may encourage research associated with medical [marijuana] cannabis.

(2) It is the policy of the Commonwealth to allow, in addition to the 25 grower/processors and 50 dispensaries initially authorized under section 616, the operation of additional grower/processors and dispensaries which will be approved by the department as clinical registrants. A clinical registrant is a grower/processor and a dispensary which has a contractual relationship with a medical school that operates or partners with a hospital to provide advice about medical [marijuana] cannabis so that patient safety may be enhanced.


(a) Approval.--The department may approve up to eight clinical registrants. Each clinical registrant may provide medical [marijuana] cannabis at not more than six separate locations. The total number of locations authorized to dispense medical [marijuana] cannabis under this section shall not exceed 48. The grower/processor and dispensary permits issued to clinical registrants approved under this section shall be in addition to the 25 grower/processor and 50 dispensary permits issued by the department in accordance with section 616(1) and (2). The limitations relating to number and location in sections 616(1) and (2) and 603(d) do not apply. A clinical registrant may not hold more than one grower/processor and one dispensary
permit. Once the department approves the entity as a clinical registrant, the entity shall comply with this chapter.

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

(1) An entity seeking approval as a clinical registrant shall submit an application to the department in such form and manner as the department prescribes. The department shall ensure that the applicant meets the requirements of this act part before approving the application to become a clinical registrant.

(2) An entity may be issued a permit as a grower/processor or dispensary before seeking approval as a clinical registrant. An entity may also apply for a permit as a grower/processor or a dispensary at the same time the entity seeks approval from the department as a clinical registrant.

(3) An entity seeking approval as a clinical registrant that does not already hold a permit as a grower/processor or a dispensary shall submit the applications required under Chapter 6. In reviewing an application, the department shall ensure that the entity meets all of the requirements for the issuance of a grower/processor permit or a dispensary permit, as applicable.

(4) When the department issues a permit as a grower/processor or a dispensary to an entity seeking approval as a clinical registrant, the issuance shall not be construed to reduce the number of permits for growers/processors and dispensaries authorized under section 616(1) and (2).

(5) Except as provided in section 607(1)(vi) and (2)
(vi), an entity seeking approval as a clinical registrant must pay the fees and meet all other requirements under this part for obtaining a permit as a grower/processor and a dispensary. Upon approval of the department, a clinical registrant shall be issued a grower/processor permit and a dispensary permit and shall be a medical marijuana cannabis organization. As a medical marijuana cannabis organization, a clinical registrant must comply with all the provisions of this part relating to medical marijuana cannabis organizations except as otherwise provided in this chapter.

(6) The clinical registrant must have a minimum of $15,000,000 in capital. The department shall verify the capital requirement.

(7) The clinical registrant must comply with all other requirements of this part regarding growing, processing and dispensing medical marijuana cannabis.

(8) A grower/processor facility owned by a clinical registrant may sell its medical marijuana cannabis products only to the clinical registrant's dispensary facilities and the dispensary facilities of other clinical registrants. The facility may sell seeds, medical marijuana cannabis plants and medical marijuana cannabis products to, or exchange seeds, medical marijuana cannabis plants and medical marijuana cannabis products with, any other grower/processor facility holding a permit under Chapter 6 or this chapter.

(9) A clinical registrant may petition the department, on a form prescribed by the department, for approval to sell certain of the medical marijuana cannabis products grown and processed by its grower/processor facility to other
medical marijuana cannabis organizations holding dispensary permits under Chapter 6. The petition must be accompanied by a written report of the clinical registrant's research findings with respect to the medical marijuana cannabis products which are the subject of the petition. The department shall approve the petition if it has been demonstrated that the medical marijuana cannabis products have a practical effect on patients which changes a recommendation within the medical field as indicated in the report submitted by the clinical registrant.

(10) A dispensary owned by a clinical registrant may dispense medical marijuana cannabis products to a patient or caregiver who presents a valid identification card to an employee who is authorized to dispense medical marijuana cannabis products at a dispensary location operated by the clinical registrant, regardless of whether the patient is a participant in a research study or program.


(a) Applicability.--The provisions of this section shall apply upon publication of the notice under section 2108.

(b) Procedures.--The department may, upon application, approve the dispensing of medical marijuana cannabis by a clinical registrant to the academic clinical research center for the purpose of conducting a research study. The department shall develop the application and standards for approval of such dispensing by the clinical registrant. The following apply to the research study:

(1) The clinical registrant shall disclose the following information to the department in its application:

(i) The reason for the research project, including
the reason for the trial.

(ii) The strain and strength of medical cannabis to be used in the research study.

(iii) The anticipated duration of the study.

(iv) Evidence of approval of the trial by an accredited institutional review board and any other required regulatory approvals.

(v) Other information required by the department, except that the department may not require disclosure of any information that would infringe upon the academic clinical research center's exclusive right to intellectual property or legal obligations for patient confidentiality.

(2) The academic clinical research center shall provide its findings to the department within 365 days of the conclusion of the research study or within 365 days of publication of the results of the research study in a peer-reviewed medical journal, whichever is later.

(3) The department shall allow the exchange of medical cannabis seed between clinical registrants for the conduct of research.

Section 5. Sections 2101, 2101.1, 2102, 2103, 2104, 2105, 2108 and 2109 of the act are amended to read:

Section 2101. Conflict.

The growth, processing, manufacture, acquisition, transportation, sale, dispensing, distribution, possession and consumption of medical cannabis permitted under this part shall not be deemed to be a violation of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act. If a provision of the
Controlled Substance, Drug, Device and Cosmetic Act relating to marijuana cannabis conflicts with a provision of this act part, this act part shall take precedence.

Section 2101.1. Financial and employment interests.

(a) Financial interests.—Except as may be provided for the judiciary by rule or order of the Pennsylvania Supreme Court, an executive-level public employee, public official or party officer, or an immediate family member thereof, shall not intentionally or knowingly hold a financial interest in a medical marijuana cannabis organization or in a holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(b) Employment.—Except as may be provided by rule or order of the Pennsylvania Supreme Court, no executive-level public employee, public official or party officer, or an immediate family member thereof, shall be employed by a medical marijuana cannabis organization or by any holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(c) Grading.—An individual who violates this section commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than $1,000 or to imprisonment for not more than one year, or both.

(d) State Ethics Commission.—The State Ethics Commission
shall do all of the following:

(1) Issue a written determination of whether a person is subject to subsection (a) or (b) upon the written request of the person or any other person that may have liability for an action taken with respect to such person. A person that relies in good faith on a determination made under this paragraph shall not be subject to any penalty for an action taken, provided that all material facts set forth in the request for the determination are correct.

(2) Publish a list of all State, county, municipal and other government positions that meet the definitions of "public official" [or "executive-level public employee"] as defined under 4 Pa.C.S. § 1512(b) (relating to financial and employment interests) and "executive-level public employee" as defined under 4 Pa.C.S. § 1103 (relating to definitions). The Office of Administration shall assist the State Ethics Commission in the development of the list, which shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially and posted by the department on the department's publicly accessible Internet website. Upon request, each public official shall have a duty to provide the State Ethics Commission with adequate information to accurately develop and maintain the list. The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon any individual, including any public official or executive-level public employee, who fails to cooperate with the State Ethics Commission under this subsection. A person that relies in good faith on the list published by the State Ethics Commission shall not be subject to any penalty for a
violation of this section.

(e) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Financial interest." As defined in 4 Pa.C.S. § 1512(b).

"Immediate family." As defined in 4 Pa.C.S. § 1512(b).

"Party officer." As defined in 4 Pa.C.S. § 1512(b).

"Public official." The term shall include the following:

1. The Governor, Lieutenant Governor, a member of the Governor's cabinet, Treasurer, Auditor General and Attorney General of the Commonwealth.

2. A member of the Senate or House of Representatives of the Commonwealth.

3. An individual elected or appointed to any office of a county or municipality that directly receives a distribution of revenue from the fund.

4. An individual elected or appointed to a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) that directly receives a distribution of revenue from the fund.

5. An individual elected or appointed to a department, agency, board, commission, authority, county, municipality or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which may influence or affect the outcome of an action or decision and who is involved in the development of regulation or policy relating to a medical marijuana organization or who is involved in other matters under this [act] part.

The term does not include a member of a school board or an individual who held an uncompensated office with a governmental
body prior to January 1, 2017, and who no longer holds the
office as of January 1, 2017.

Section 2102. Insurers.

Nothing in this [act] part shall be construed to require an
insurer or a health plan, whether paid for by Commonwealth funds
or private funds, to provide coverage for medical [marijuana]
cannabis.

Section 2103. Protections for patients and caregivers.

(a) Licensure.--None of the following shall be subject to
arrest, prosecution or penalty in any manner, or denied any
right or privilege, including civil penalty or disciplinary
action by a Commonwealth licensing board or commission, solely
for lawful use of medical [marijuana] cannabis or manufacture or
sale or dispensing of medical [marijuana] cannabis, or for any
other action taken in accordance with this [act] part:

(1) A patient.
(2) A caregiver.
(3) A practitioner.
(4) A medical [marijuana] cannabis organization.
(5) A health care medical [marijuana] cannabis
organization or university participating in a research study
under Chapter 19.
(6) A clinical registrant or academic clinical research
center under Chapter 20.
(7) An employee, principal or financial backer of a
medical [marijuana] cannabis organization.
(8) An employee of a health care medical [marijuana]
cannabis organization or an employee of a university
participating in a research study under Chapter 19.
(9) An employee of a clinical registrant or an employee
of an academic clinical research center under Chapter 20.

(10) A pharmacist, physician assistant or certified
registered nurse practitioner under section 801(b).

(b) Employment.--

(1) No employer may discharge, threaten, refuse to hire
or otherwise discriminate or retaliate against an employee
regarding an employee's compensation, terms, conditions,
location or privileges solely on the basis of such employee's
status as an individual who is certified to use medical
[marijuana] cannabis.

(2) Nothing in this [act] part shall require an employer
to make any accommodation of the use of medical [marijuana]
cannabis on the property or premises of any place of
employment. This [act] part shall in no way limit an
employer's ability to discipline an employee for being under
the influence of medical [marijuana] cannabis in the
workplace or for working while under the influence of medical
[marijuana] cannabis when the employee's conduct falls below
the standard of care normally accepted for that position.

(3) Nothing in this [act] part shall require an employer
to commit any act that would put the employer or any person
acting on its behalf in violation of Federal law.

(c) Custody determination.--The fact that an individual is
certified to use medical [marijuana] cannabis and acting in
accordance with this [act] part shall not by itself be
considered by a court in a custody proceeding. In determining
the best interest of a child with respect to custody, the
provisions of 23 Pa.C.S. Ch. 53 (relating to child custody)
shall apply.

Section 2104. Schools.
The Department of Education shall promulgate regulations within 18 months of the effective date of this section regarding the following:

(1) Possession and use of medical [marijuana] cannabis by a student on the grounds of a preschool, primary school and a secondary school.

(2) Possession and use of medical [marijuana] cannabis by an employee of a preschool, primary school and a secondary school on the grounds of such school.

Section 2105. Day-care centers.

The Department of Human Services shall promulgate regulations within 18 months of the effective date of this section regarding the following:

(1) Possession and use of medical [marijuana] cannabis by a child under the care of a child-care or social service center licensed or operated by the Department of Human Services.

(2) Possession and use of medical [marijuana] cannabis by an employee of a child-care or social service center licensed or operated by the Department of Human Services.

(3) Possession and use of medical [marijuana] cannabis by employees of a youth development center or other facility which houses children adjudicated delinquent, including the separate, secure State-owned facility or unit for sexually violent children, as set forth in section 1309(3).

Section 2108. Notice.

Upon amendment of the Controlled Substances Act (Public Law 91-513, 84 Stat. 1236) removing [marijuana] cannabis from Schedule I of the Controlled Substances Act, the department shall publish provide notice of the effective date of the
amendment to the Legislative Reference Bureau, which shall publish the notice in the Pennsylvania Bulletin.

Section 2109. Applicability.

(a) Dispensaries.--The provisions of this part with respect to dispensaries shall not apply beginning 1,095 days from the effective date of an amendment to the Controlled Substances Act (Public Law 91-513, 84 Stat. 1236) removing cannabis from Schedule I of the Controlled Substances Act.

(b) Issuance.--The issuance of permits and other authorizations shall begin upon publication of a notice by the department in the Pennsylvania Bulletin that adequate temporary or permanent regulations have been adopted to initiate the program under this part.

Section 6. The act is amended by adding a part to read:

PART III

ADULT-USE CANNABIS

CHAPTER 31

PRELIMINARY PROVISIONS

Section 3101. Scope of part.

This part relates to adult-use cannabis.

Section 3102. Definitions.

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

"Fund." The Commonwealth Reinvestment Fund established in section 3503.

CHAPTER 32

ADULT-USE CANNABIS ORGANIZATIONS

Section 3201. Adult-use cannabis organizations.
The following entities shall be authorized to receive a permit to operate as an adult-use cannabis organization to grow, process or dispense adult-use cannabis and cannabis products:

(1) Grower/processors.

(2) Dispensaries.

Section 3202. Permits.

(a) Application.--An application for a grower/processor or dispensary permit to grow, process or dispense adult-use cannabis and cannabis products shall be in a form and manner prescribed by the department and shall include:

(1) Verification of all principals, operators, financial backers or employees of an adult-use cannabis grower/processor or dispensary.

(2) A description of responsibilities as a principal, operator, financial backer or employee.

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

(4) A criminal history record check. Adult-use cannabis organizations applying for a permit shall submit fingerprints of principals, financial backers, operators and employees to the Pennsylvania State Police for the purpose of obtaining criminal history record checks and the Pennsylvania State Police or its authorized agent shall submit the fingerprints to the Federal Bureau of Investigation for the purpose of verifying the identity of the principals, financial backers, operators and employees and obtaining a current record of any criminal arrests and convictions. Any criminal history record information relating to principals, financial backers, operators and employees obtained under this section by the department may be interpreted and used by the department only
to determine the principal's, financial backer's, operator's
and employee's character, fitness and suitability to serve as
a principal, financial backer, operator and employee under
this part. This paragraph shall not apply to an owner of
securities in a publicly traded corporation if the department
determines that the owner of the securities is not
substantially involved in the activities of the adult-use
cannabis organization.

(5) Details relating to a similar license, permit or
other authorization obtained in another jurisdiction,
including any suspensions, revocations or discipline in that
jurisdiction.

(6) A description of the business activities in which
the applicant intends to engage as an adult-use cannabis
organization.

(7) A statement that the applicant:

(i) Is of good moral character. For purposes of this
subparagraph, an applicant shall include each financial
backer, operator, employee and principal of the adult-use
cannabis organization.

(ii) Possesses the ability to obtain in an
expeditious manner the right to use sufficient land,
buildings and other premises and equipment to properly
carry on the activity described in the application and
any proposed location for a facility.

(iii) Is able to maintain effective security and
control to prevent diversion, abuse and other illegal
conduct relating to adult-use cannabis and cannabis
products.

(iv) Is able to comply with all applicable
Commonwealth laws and regulations relating to the activities in which the applicant intends to engage under this part.

(8) The name, residential address and title of each financial backer and principal of the applicant. Each individual, or lawful representative of a legal entity, shall submit an affidavit with the application setting forth:

(i) Any position of management or ownership during the preceding 10 years of a controlling interest in any other business, located inside or outside this Commonwealth, manufacturing or distributing controlled substances.

(ii) Whether the person or business has been convicted of a criminal offense graded higher than a summary offense or has had a permit relating to adult-use cannabis and cannabis products suspended or revoked in any administrative or judicial proceeding.

(9) Any other information the department may require.

(b) Pennsylvania farms.—A grower/processor may contract with a Pennsylvania farm to use the land and buildings of the Pennsylvania farm to grow and process adult-use cannabis. The applicant for a grower/processor shall include all applicable information required under subsection (a) for the Pennsylvania farm.

(c) Notice.—An application shall include notice that a false statement made in the application is punishable under the applicable provisions of 18 Pa.C.S. Ch. 49 (relating to falsification and intimidation).

Section 3203. Granting of permit.

(a) General rule.—The department may grant or deny a permit
to an adult-use cannabis grower/processor or dispensary.

(b) Determination.--In making a decision under subsection (a), the department shall determine that:

(1) The applicant will maintain effective control of and prevent diversion of adult-use cannabis and cannabis products.

(2) The applicant will comply with all applicable laws of this Commonwealth.

(3) The applicant is ready, willing and able to properly carry on the activity for which a permit is sought.

(4) The applicant possesses the ability to obtain in an expeditious manner sufficient land, buildings and equipment to properly grow, process or dispense adult-use cannabis and cannabis products.

(5) It is in the public interest to grant the permit.

(6) The applicant, including the financial backer or principal, is of good moral character and has the financial fitness necessary to operate.

(7) The applicant is able to implement and maintain security, tracking, recordkeeping and surveillance systems relating to the acquisition, possession, growth, manufacture, sale, delivery, transportation, distribution or the dispensing of adult-use cannabis and cannabis products as required by the department.

(8) The applicant satisfies any other conditions as determined by the department.

(c) Nontransferability.--A permit issued under this chapter shall be nontransferable.

(d) Privilege.--The issuance or renewal of a permit shall be a revocable privilege.
Section 3204. Application and issuance.

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

(1) Report to the department any change in facts or circumstances reflected in the application or any newly discovered or occurring fact or circumstance which is required to be included in the application, including a change in control of the adult-use cannabis organization.

(2) Report to law enforcement, within 24 hours, any loss or theft of adult-use cannabis or cannabis products.

(3) Submit to announced or unannounced inspections by the department of the facilities for growing, processing, dispensing or selling adult-use cannabis or cannabis products, including all records of the organization.

(b) Additional information.--If the department is not satisfied that the applicant should be issued a permit, the department shall notify the applicant in writing of the factors for which further documentation is required. Within 30 days of the receipt of the notification, the applicant may submit additional material to the department.

Section 3205. Fees and other requirements.

The following apply:

(1) For an adult-use cannabis grower/processor:

(i) An initial application fee in the amount of $10,000 shall be paid. The fee is nonrefundable.

(ii) A fee for a permit as a grower/processor in the amount of $200,000 shall be paid. The permit shall be valid for one year. Applicants shall submit the permit fee at the time of submission of the application. The fee shall be returned if the permit is not granted.
(iii) A renewal fee for the permit as a grower/processor in the amount of $10,000 shall be paid and shall cover renewal for all locations. The renewal fee shall be returned if the renewal is not granted.

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

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

(vi) Before issuing an initial permit under this paragraph, the department shall verify that the applicant has at least $2,000,000 in capital, $500,000 of which must be on deposit with a financial institution.

(2) For an adult-use cannabis dispensary:

(i) An initial application fee in the amount of $5,000 shall be paid. The fee is nonrefundable.

(ii) A permit fee for a dispensary shall be $30,000 for each location. The permit shall be valid for one year. An applicant shall submit the permit fee at the time of submission of the application. The fee shall be returned if the application is not granted.

(iii) A renewal fee for the permit as a dispensary in the amount of $5,000 shall be paid. The fee shall be returned if the renewal is not granted and shall cover renewal for all locations.

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

(v) All fees shall be paid by certified check or money order.
Before issuing an initial permit under this paragraph, the department shall verify that the applicant has at least $150,000 in capital, which must be on deposit with a financial institution.

(3) A fee of $250 shall be required when amending the application to indicate relocation within this Commonwealth or the addition or deletion of approved activities by the adult-use cannabis organization.

(4) Fees payable under this section shall be deposited into the fund.

Section 3206. Issuance.

A permit issued by the department to an adult-use cannabis organization shall be effective only for that organization and shall specify the following:

(1) The name and address of the adult-use cannabis organization.

(2) The activities of the adult-use cannabis organization permitted under this part.

(3) The land, buildings, facilities or location to be used by the adult-use cannabis organization.

(4) Any other information required by the department.

Section 3207. Relocation.

The department may approve an application from an adult-use cannabis organization to relocate within this Commonwealth or to add or delete activities or facilities.

Section 3208. Terms of permit.

A permit issued by the department under this part shall be valid for one year from the date of issuance.

Section 3209. Permit renewals.

(a) Renewal.--An application for renewal shall include the
following information:

(1) Any material change in the information provided by the adult-use cannabis organization in a prior application or renewal of a permit.

(2) Any charge or initiated, pending or concluded investigation, during the period of the permit, by any governmental or administrative agency with respect to:

(i) any incident involving the theft, loss or possible diversion of adult-use cannabis or cannabis products grown, processed or dispensed by the applicant; and

(ii) compliance by the applicant with the laws of this Commonwealth with respect to any substance listed in section 4 of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act.

(b) Approval.--The department shall renew a permit unless the department determines that:

(1) The applicant is unlikely to maintain or be able to maintain effective control against diversion of adult-use cannabis or cannabis products.

(2) The applicant is unlikely to comply with all laws of this Commonwealth applicable to the activities in which the applicant may engage under the permit.

(c) Nonrenewal decision.--The denial or nonrenewal shall specify in detail how the applicant has not satisfied the department's requirements for renewal. Within 30 days of the department's decision, the applicant may submit additional material to the department or demand a hearing, or both. If a hearing is demanded, the department shall fix a date as soon as
Section 3210. Suspension or revocation.

The department may suspend or revoke an adult-use cannabis organization permit if:

1. The department has evidence that the adult-use cannabis organization has failed to maintain effective control against diversion of adult-use cannabis or cannabis products.
2. The adult-use cannabis organization violates any provision of this part or a regulation of the department.
3. The adult-use cannabis organization has intentionally, knowingly, recklessly or negligently failed to comply with applicable laws of this Commonwealth relating to adult-use cannabis or cannabis products.

Section 3211. Convictions prohibited.

The following individuals may not hold volunteer positions or positions with remuneration in or be affiliated with an adult-use cannabis organization in any way if the individual has been convicted of any criminal offense related to the sale or possession of illegal drugs, narcotics or controlled substances:

1. Financial backers.
2. Principals.
3. Employees.

Section 3212. Diversity goals.

(a) Goals.--It is the intent and goal of the General Assembly that the department promote diversity and the participation by diverse groups in the activities authorized under this part. In order to further this goal, the department shall adopt and implement policies ensuring the following:

1. That diverse groups are accorded equal opportunity
in the permitting process.

(2) That permittees promote the participation of diverse
groups in their operations by affording equal access to
employment opportunities.

(b) Duties of department.--To facilitate participation by
diverse groups in the activities authorized under this part, the
department shall:

(1) Conduct necessary and appropriate outreach,
including, if necessary, consulting with other Commonwealth
agencies to identify diverse groups who may qualify for
participation in activities under this part.

(2) Provide sufficient and continuous notice of the
participation opportunities afforded under this part by
publishing notice on the department's publicly accessible
Internet website.

(3) Include in the applications for permit under this
part language to encourage applicants to utilize and give
consideration to diverse groups for contracting or
professional services opportunities.

(c) Reports.--No later than March 1, 2020, and each March 1
thereafter, the department shall submit a report to the
chairperson and minority chairperson of the Health and Human
Services Committee of the Senate and the chairperson and
minority chairperson of the Health Committee of the House of
Representatives summarizing the participation and utilization of
diverse groups in the activities authorized under this part. The
report shall include:

(1) The participation level, by percentage, of diverse
groups in the activities authorized under this part.

(2) A summary of how diverse groups are utilized by
permittees, including in the provision of goods or services.

(3) Any other information the department deems appropriate.

(d) Definitions.--The following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Disadvantaged business." As defined in 74 Pa.C.S. § 303(b) (relating to diverse business participation).

"Diverse group." A disadvantaged business, minority-owned business, women-owned business, service-disabled veteran-owned small business or veteran-owned small business that has been certified by a third-party certifying organization.

"Minority-owned business." As defined in 74 Pa.C.S. § 303(b).

"Service-disabled veteran-owned small business." As defined in 51 Pa.C.S. § 9601 (relating to definitions).

"Third-party certifying organization." As defined in 74 Pa.C.S. § 303(b).

"Veteran-owned small business." As defined in 51 Pa.C.S. § 9601.

"Women-owned business." As defined in 74 Pa.C.S. § 303(b).

Section 3213. Limitations on permits.

The following limitations apply to approval of permits for adult-use cannabis grower/processors and dispensaries:

(1) The department may not initially issue permits to more than 50 growers-processors.

(2) The department may not initially issue permits to more than 100 dispensaries. Each dispensary may provide adult-use cannabis at no more than three separate locations.

(3) The department may not issue more than five
individual dispensary permits to one person.

(4) The department may not issue more than one individual grower/processor permit to one person.

(5) A dispensary may only obtain adult-use cannabis from a grower/processor holding a valid permit under this part.

(6) A grower/processor may only provide adult-use cannabis to a dispensary holding a valid permit under this part.

(7) Notwithstanding the other provisions of this section, upon review of market conditions, the department may issue additional permits for growers/processors or dispensaries if the department determines that underserved regions exist in this Commonwealth and a clear demand exists for the issuance of additional permits.

CHAPTER 33
ADULT-USE CANNABIS CONTROLS

Section 3301. Electronic tracking.

(a) Requirement.—An adult-use cannabis grower/processor or dispensary must implement an electronic inventory tracking system which shall be directly accessible to the department through its electronic database that electronically tracks all adult-use cannabis and cannabis products on a daily basis. The system shall include tracking of all of the following:

(1) For a grower/processor, a seed-to-sale tracking system that tracks the adult-use cannabis from seed to plant until the adult-use cannabis is sold to a dispensary.

(2) For a dispensary, adult-use cannabis and cannabis products from purchase from the grower/processor to sale to a client.

(3) For a grower/processor and a dispensary, a daily log
of each day's beginning inventory, acquisitions, amounts purchased and sold, disbursements, disposals and ending inventory. The tracking system shall include prices paid and amounts collected from clients.

(4) For a grower/processor and a dispensary, a system for recall of defective adult-use cannabis and cannabis products.

(5) For a grower/processor and a dispensary, a system to track the plant waste resulting from the growth of adult-use cannabis or other disposal, including the name and address of any disposal service.

(b) Additional requirements.--In addition to the information under subsection (a), each adult-use cannabis organization shall track the following:

(1) Security and surveillance.

(2) Recordkeeping and record retention.

(3) The acquisition, possession, growing and processing of adult-use cannabis and cannabis products.

(4) Delivery and transportation, including amounts and method of delivery.

(5) Dispensing, including amounts, pricing and amounts collected from clients.

(c) Access.--Information maintained in electronic tracking systems under subsection (a) shall be confidential and not subject to the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

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

(1) The amount of adult-use cannabis and cannabis products sold by a grower/processor during each three-month period.

(2) The price of amounts of adult-use cannabis and cannabis products sold by grower/processors as determined by the department.

(3) The amount of adult-use cannabis and cannabis products purchased by each dispensary in this Commonwealth.

(4) The cost of amounts of adult-use cannabis and cannabis products to each dispensary in amounts as determined by the department.

(5) The total amount and dollar value of adult-use cannabis and cannabis products sold by each dispensary in the three-month period.

Section 3302. Grower/processors.

(a) Authorization.--Subject to subsection (b), an adult-use cannabis grower/processor may do all of the following in accordance with department regulations:

(1) Obtain seed from outside this Commonwealth to initially grow adult-use cannabis.

(2) Obtain seed and plant material from another grower/processor within this Commonwealth to grow adult-use cannabis.

(b) Limitations.--A grower/processor may only grow, store, harvest or process adult-use cannabis in an indoor, enclosed, secure facility which:

(1) includes electronic locking systems, electronic
surveillance and other features required by the department;
and
(2) is located within this Commonwealth.

Section 3303. Storage and transportation.
The department shall develop regulations relating to the
storage and transportation of adult-use cannabis and cannabis
products among grower/processors, testing laboratories and
dispensaries which ensure adequate security to guard against in-
transit losses. The tracking system developed by the department
shall include all transportation and storage of adult-use
cannabis and cannabis products. The regulations shall provide
for the following:
(1) Requirements relating to shipping containers and
packaging.
(2) The manner in which trucks, vans, trailers or other
carriers will be secured.
(3) Security systems that include a numbered seal on the
trailer.
(4) Obtaining copies of drivers' licenses and
registrations and other information related to security and
tracking.
(5) Use of GPS systems.
(6) Number of drivers or other security required to
ensure against storage or in-transit losses.
(7) Recordkeeping for delivery and receipt of cannabis
products.
(8) Requirements to utilize any electronic tracking
system required by the department.
(9) Transporting adult-use cannabis and cannabis
products to a grower/processor, approved laboratory or
dispensary.

Section 3304. Laboratory.

A grower/processor shall contract with an independent laboratory to test the adult-use cannabis and cannabis products produced by the grower/processor. The department shall approve the laboratory and require that the laboratory report testing results in a manner as the department shall determine, including requiring a test at harvest and a test at final processing. The possession by a laboratory of adult-use cannabis and cannabis products shall be a lawful use.

Section 3305. Prices.

The department and the Department of Revenue shall monitor the price of adult-use cannabis and cannabis products sold by grower/processors and by dispensaries, including a per-dose price. If the department and the Department of Revenue determine that the prices are unreasonable or excessive, the department may implement a cap on the price of adult-use cannabis and cannabis products being sold for a period of six months. The cap may be amended during the six-month period. If the department and the Department of Revenue determine that the prices become unreasonable or excessive following the expiration of a six-month cap, additional caps may be imposed for periods not to exceed six months.

CHAPTER 34

DISPENSARIES

Section 3401. Dispensing to clients.

(a) Authorization.--A dispensary that has been issued a permit under this part may dispense adult-use cannabis and cannabis products.

(b) Receipt.--The dispensary shall provide to the client a
receipt, as appropriate. The receipt shall include all of the following:

   (1) The name, address and any identification number assigned to the dispensary by the department.

   (2) The date the adult-use cannabis or cannabis product was dispensed.

   (3) The form and the quantity of adult-use cannabis or cannabis product dispensed.

Section 3402. Facility requirements.

   (a) General rule.--

   (1) A dispensary may only dispense adult-use cannabis and cannabis products in an indoor, enclosed, secure facility located within this Commonwealth, as determined by the department.

   (2) A dispensary may not operate on the same site as a facility used for growing and processing adult-use cannabis or cannabis products.

   (3) A dispensary may not be located within 1,000 feet of the property line of a public, private or parochial school or a day-care center.

   (b) Adjustment or waiver of prohibition.--The department may amend a prohibition under subsection (a)(3) if it is shown by clear and convincing evidence that the amendment is necessary to provide adequate access to clients. An amendment may include additional security, physical plant of a facility or other conditions necessary to protect children.

Section 3403. Posting.

   A dispensary shall post a copy of its permit in a location within its facility in a manner that is easily observable by clients, law enforcement officers and agents of the department.
CHAPTER 35
TAX ON ADULT-USE CANNABIS AND CANNABIS PRODUCTS

Section 3501. Definitions.

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

"Annual income." An applicant's annual income as reported on the applicant's W-2 tax form.

"Institution of higher education." Any of the following:


(2) A university within the State System of Higher Education.

(3) The Pennsylvania State University.

(4) The University of Pittsburgh.

(5) Temple University.

(6) Lincoln University.

(7) Another institution that is designated as "State-related" by the Commonwealth.

(8) An accredited private or independent college or university.

(9) A private licensed school as defined in the act of December 15, 1986 (P.L.1585, No.174), known as the Private Licensed Schools Act.

"Municipality." A county, city, borough, incorporated town, township or home rule municipality.

"Previous taxable year." The taxable year immediately prior to the year in which the individual is applying for reimbursement of student loan payments.
Section 3502. Tax on adult-use cannabis and cannabis products.

(a) Tax imposed.--Except as provided in subsection (b), a tax is imposed on the gross receipts of a grower/processor received from the sale of adult-use cannabis or cannabis products by a grower/processor to another grower/processor or dispensary, to be paid by the grower/processor at the rate of 10%. The tax shall be charged against and be paid by the grower/processor and shall not be added as a separate charge or line item on any sales slip, invoice, receipt or other statement or memorandum of the price paid by a dispensary.

(b) Exemption.--The tax under subsection (a) shall not be levied on a grower/processor that partners with a Pennsylvania farm to grow or process cannabis for the grower/processor.

(c) Excise tax.--An excise tax is imposed at the point of sale of adult-use cannabis or cannabis products at the rate of 19%. A person required to collect the tax shall clearly provide notice of the assessment of the tax to the consumer through advertising or separate listing on a sales receipt or invoice.

(d) Additional taxation.--The tax imposed under subsection (c) shall be in addition to the tax imposed under section 202 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

(e) Taxation by county.--In addition to the tax imposed in subsection (c), within 60 days after the effective date of this subsection, the governing body of a county may adopt an ordinance to impose a tax at the point of sale of adult-use cannabis or cannabis products at the rate of 3%. The following apply:

(1) The ordinance imposing the tax shall be clear and in language that is readily understandable by a layperson and
shall be in substantially the following form:

The county of (insert name) hereby imposes a 3% tax
at the point of sale of all adult-use cannabis and
cannabis products.

(2) A person required to collect the tax shall clearly
provide notice of the assessment of the tax to the consumer
through advertising or a separate listing on the sales
receipt or invoice.

(f) Payment of tax and reports.--

(1) The taxes imposed under this section shall be
administered in the same manner as the tax imposed under
Article XI of the Tax Reform Code of 1971, except that
estimated tax payments under section 3003.2 of the Tax Reform
Code of 1971 shall not be required.

(2) A cannabis product manufacturing facility shall make
quarterly payments under this section for each calendar
quarter at the rate prescribed in subsection (a) on the gross
receipts for the calendar quarter. The tax shall be due and
payable on the 20th day of January, April, July and October
for the preceding calendar quarter on a form prescribed by
the Department of Revenue.

(g) Deposit of proceeds.--The Department of Revenue shall
deposit money received under this section in the following
manner:

(1) Money received from the tax imposed under section
202 of the Tax Reform Code of 1971 on the sale of adult-use
cannabis or cannabis products under this section shall be
deposited into the General Fund.

(2) Money received by a county from the tax imposed
under subsection (e) shall be distributed as follows:
(i) One-third of the money shall be distributed to each municipality which is in the county and in which an adult-use cannabis dispensary is located under the following formula:

(A) one-third of the total revenue generated by the tax; divided by

(B) the total number of adult-use cannabis dispensaries in the county; multiplied by

(C) the total number of adult-use dispensaries in the municipality.

The algebraic form of the calculation under this subparagraph is:

\[
\text{Individual municipality distribution} = \left( \frac{\text{total revenue generated by the tax} \times \frac{1}{3}}{\text{total number of adult-use cannabis dispensaries in the county}} \right) \times \left( \frac{\text{total number of adult-use dispensaries in the municipality}}{\text{total number of adult-use dispensaries in the county}} \right).
\]

(ii) The remainder of the money shall be used by the county for costs relating to the following:

(A) The legal representation of indigent criminal defendants.

(B) Services provided by the county children and youth social service agency for family members affected by opioid-related drug use.

(C) Services provided by the office of district attorney of the county.

(D) After-school programs within the county.

The following apply:

(I) The county shall develop procedures and standards for the county and an entity seeking to
provide after-school programs, including, but not limited to, the following:

(a) A grant application form.
(b) The submission of grant applications.
(c) The review of grant applications.
(d) The approval or disapproval of grant applications.

(II) A grant for after-school programs within the county shall be issued based on an after-school program's anticipated or demonstrated ability to provide any of the following:

(a) Improved social, emotional, academic and career readiness competencies of school-age children.
(b) The reduction of negative behaviors, such as violence and crime, adolescent pregnancies, tobacco, alcohol and substance abuse, disengagement from school, school suspension and truancy and health-compromising behaviors.
(c) A safe after-school environment for the children of working families.

(3) Money which is received from taxes imposed under this section and not subject to paragraphs (1) and (2) shall be subject to the following:

(i) The first $5,000,000 shall be distributed to the Department of Corrections for jail diversion services, expungement services, re-entry programs, workforce...
development, technical assistance and mentoring services for economically disadvantaged persons in communities disproportionately impacted by high rates of arrest and incarceration for cannabis offenses. The Department of Corrections shall decide how the money received under this paragraph shall be used in accordance with this paragraph.

(ii) The remainder of the money shall be deposited into the fund.

Section 3503. Commonwealth Reinvestment Fund.

(a) Establishment.--The Commonwealth Reinvestment Fund is established as a restricted account in the State Treasury.

(b) Source of money.--

(1) Money received under section 3502(f)(2) shall be deposited into the fund.

(2) Any interest accrued on money received under section 3502(f)(2) shall be deposited into the fund.

(c) Use of money.--

(1) The money deposited into the fund may only be used for the purposes specified under this chapter.

(2) The State Treasurer shall disburse money from the fund in accordance with the regulations promulgated under this chapter and published in the Pennsylvania Bulletin.

(d) Appropriations.--Money from the fund:

(1) Is hereby appropriated on a continuing basis and shall not lapse at the end of a fiscal year.

(2) Shall be allocated in the following manner:

(i) Fifty percent to the Department of Education for the Student Loan Reimbursement Program under section 3504.
(ii) Forty percent to the Pennsylvania Housing Finance Agency for the Mixed Income Housing Program under section 3505.

(iii) Ten percent to the Department of Education for the After-school Program under section 3506.

Section 3504. Student Loan Reimbursement Program.

(a) Establishment.--The Student Loan Reimbursement Program shall be established within the Department of Education.

(b) Rules and regulations.--No later than January 1, 2020, the Department of Education shall promulgate rules and regulations, including an application form, for the Student Loan Reimbursement Program in accordance with this section.

(c) Applicants.--The following individuals may apply for reimbursement of student loan payments under the Student Loan Reimbursement Program:

(1) A student enrolled in an institution of higher education in this Commonwealth.

(2) A resident of this Commonwealth.

(d) Reimbursement amount.--In accordance with the calculation under subsection (e), the Department of Education shall reimburse no more than $2,000 or the total amount of an applicant's entire student loan amount, whichever is less, in each calendar year.

(e) Calculation.--The Department of Education shall use the following calculation to determine the reimbursement amount for an applicant:

(1) Subtract:

(i) an applicant's total annual income from the preceding taxable year; from

(ii) the total amount of an applicant's student
loans.

(2) Divide the difference under paragraph (1) by 10.

(3) Multiply the quotient under paragraph (2) by the following equation:

(i) the number of days the applicant lived in this Commonwealth during the previous calendar year; divided by

(ii) 365.

(4) Multiply the product under paragraph (3) by the following equation:

(i) an applicant's annual income earned during the previous taxable year while working in Pennsylvania; divided by

(ii) an applicant's total annual income from the previous taxable year.

(f) Maximum amount.--The product under subsection (e)(4) shall be the maximum amount eligible for reimbursement.

(g) Limitations.--

(1) If an applicant's total annual income equals the applicant's total amount of student loans, the Department of Education shall use the amount of $1,000 in place of the difference under subsection (e)(1).

(2) An applicant whose total annual income is greater than the applicant's total student loan amount shall not be eligible to participate in the program.

(h) Frequency of applications.--An individual may apply for student loan reimbursement under the Student Loan Reimbursement Program once each calendar year.

(i) Rolling basis.--Reimbursements under the Student Loan Reimbursement Program shall be provided on a rolling basis based
when an application is approved.

(j) Availability of money.--The Student Loan Reimbursement Program shall cease approving applications or providing reimbursements upon the depletion of the money specified under section 3503(d)(2)(i).

Section 3505. Mixed Income Housing Program.

(a) Establishment.--The Mixed Income Housing Program shall be established within the Pennsylvania Housing Finance Agency.

(b) Rules and regulations.--No later than January 1, 2020, the Pennsylvania Housing Finance Agency shall promulgate rules and regulations for the Mixed Income Housing Program in accordance with this section, which shall include:

(1) A grant application form.

(2) Written standards regarding the submission of grant applications, review of grant applications and approval or disapproval of grant applications.

(3) Criteria used to evaluate whether or not to approve grants.

(4) Specific components of mixed income housing, including the required percentages of lower income and higher income thresholds for occupants of the existing or proposed mixed income housing development.

(c) Purpose.--A municipality may apply for grants administered by the Pennsylvania Housing Finance Agency to develop or renovate mixed income housing units within the municipality.

(d) Considerations.--In reviewing grant applications, the Pennsylvania Housing Finance Agency shall consider the needs of the municipality seeking the grant, geographic diversity and demonstrated or anticipated outcomes achieved as a result of the
approval of the grant.

(e) Availability of money.--The Mixed Income Housing Program shall be dependent on the availability of money specified under section 3503(d)(2)(ii).

(f) Existing resources.--Money distributed through the Mixed Income Housing Program shall not supplant existing resources dedicated to affordable housing activities or other programs administered by the Pennsylvania Housing Finance Agency.

(g) Limitations.--The Pennsylvania Housing Finance Agency may limit the number of grants or the amount of grant money approved for a municipality based on the total number of grant applications submitted or the total amount of grant money requested by municipalities.

Section 3506. After-school Program.

(a) Establishment.--The After-school Program shall be established within the Department of Education.

(b) Rules and regulations.--No later than January 1, 2020, the Department of Education shall promulgate rules and regulations, including an application form, for the After-school Program in accordance with this section, which shall include:

(1) A grant application form.

(2) Written standards regarding the submission of grant applications, review of grant applications and approval or disapproval of grant applications.

(3) Criteria used to evaluate whether or not to approve grants.

(4) Specific components of after-school programs, which shall include evidence-based outcomes and shall relate to one or more of the following:

(i) The improvement of social, emotional, academic
and vocational competencies of school-age children.

(ii) The prevention and reduction of out-of-wedlock adolescent pregnancies.

(iii) The reduction of other negative behaviors such as violence and crime, tobacco, alcohol and substance abuse, disengagement from school, school suspension and truancy and health-compromising behaviors.

(iv) Providing parents with a safe after-school environment for their children.

(c) Applications.--A school district or other entity may apply for grants administered by the Department of Education for after-school programs under this section.

(d) Considerations.--In reviewing grant applications, the Department of Education shall consider the needs of the community, geographic diversity and demonstrated or anticipated outcomes achieved as a result of the approval of the grant.

(e) Availability of money.--The After-school Program shall be dependent on the availability of money specified under section 3503(d)(2)(iii).

(f) Existing resources.--Money distributed through the After-school Program shall not supplant existing resources dedicated to after-school programs or other programs administered by the Department of Education.

(g) Limitations.--The Department of Education may limit the number of grants or the amount of grant money approved based on the total number of grant applications submitted or the total amount of grant money requested.
The provisions of 2 Pa.C.S. (relating to administrative law and procedure) shall apply to all actions of the department under this part constituting an adjudication as defined in 2 Pa.C.S. § 101 (relating to definitions).

Section 3602. Reports by adult-use cannabis organizations.

An adult-use cannabis organization shall periodically file reports related to its activities. The department shall determine the information required in and the frequency of filing the reports.

Section 3603. Law enforcement notification.

Notwithstanding any provision of this part or any other law to the contrary, the department may notify any appropriate law enforcement agency of information relating to a violation or suspected violation of this part. The department shall verify to law enforcement personnel in an appropriate case whether a permit is valid.

Section 3604. Evaluation.

The department may provide for an analysis and evaluation of the implementation and effectiveness of this part. The department may enter into agreements with one or more persons for the performance of an evaluation of the implementation and effectiveness of this part.

Section 3605. Report.

(a) Report required.--The department shall submit a written report under subsection (b) every two years, beginning two years after the effective date of this section, to the following:

(1) The Governor.
(2) The Attorney General.
(3) The President pro tempore of the Senate.
(4) The Majority Leader and the Minority Leader of the
(5) The Speaker of the House of Representatives.

(6) The Majority Leader and the Minority Leader of the House of Representatives.

(7) The chairperson and minority chairperson of the Judiciary Committee of the Senate.

(8) The chairperson and minority chairperson of the Health and Human Services Committee of the Senate.

(9) The chairperson and minority chairperson of the Judiciary Committee of the House of Representatives.

(10) The chairperson and minority chairperson of the Health Committee of the House of Representatives.

(b) Contents of report.—The following information shall be included in the report:

(1) An assessment of the use of adult-use cannabis as a result of the enactment of this part.

(2) An assessment of the benefits and risks to patients using adult-use cannabis under this part, including adverse events.

(3) Recommendations for amendments to this part for reasons of client safety or to aid the general welfare of the residents of this Commonwealth.

Section 3606. Temporary regulations.

(a) Promulgation.—In order to facilitate the prompt implementation of this part, the department may promulgate temporary regulations that shall expire not later than two years following the publication of the temporary regulation. The department may promulgate temporary regulations not subject to:

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


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

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

(c) Publication.--The department shall provide notice of the temporary regulations to the Legislative Reference Bureau, which shall publish the notice in the Pennsylvania Bulletin no later than six months after the effective date of this section.

CHAPTER 37

ADVISORY BOARD

Section 3701. Duties of advisory board.

In addition to the duties specified under section 1201(j), the Medical Cannabis Advisory Board shall:

(1) Examine and analyze the statutory and regulatory law relating to the use of adult-use cannabis and cannabis products within this Commonwealth.

(2) Determine the number of permits the department shall issue for grower/processors and dispensaries.

CHAPTER 38

OFFENSES RELATED TO ADULT-USE CANNABIS AND CANNABIS PRODUCTS

Section 3801. Criminal diversion of adult-use cannabis and cannabis products.
(a) Individual under 21 years of age.--A person commits a misdemeanor of the first degree if the person intentionally, knowingly or recklessly provides adult-use cannabis or cannabis products to an individual under 21 years of age.

(b) Adult-use cannabis organization.--In addition to any other penalty provided by law, an employee, financial backer, operator or principal of an adult-use cannabis organization commits a misdemeanor of the first degree if the person intentionally, knowingly or recklessly sells, dispenses, trades, delivers or otherwise provides adult-use cannabis or cannabis products to a person who is not lawfully permitted to receive adult-use cannabis or cannabis products.

Section 3802. Additional penalties.

(a) Criminal penalties.--In addition to any other penalty provided by law, an employee, financial backer, operator or principal of an adult-use cannabis organization who violates a provision of this part, other than those specified in section 3801, or a regulation promulgated under this part:

(1) For a first offense, commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than $5,000, or to imprisonment for not more than six months.

(2) For a second or subsequent offense, commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than $10,000, or to imprisonment for not less than six months or more than one year, or both.

(b) Civil penalties.--In addition to any other remedy available to the department, the department may assess a civil penalty for a violation of this part, a regulation promulgated
under this part or an order issued under this part or regulation as provided in this subsection. The following shall apply:

(1) The department may assess a penalty of not more than $10,000 for each violation and an additional penalty of not more than $1,000 for each day of a continuing violation. In determining the amount of each penalty, the department shall take the following factors into consideration:

(i) The gravity of the violation.

(ii) The potential harm resulting from the violation to clients or the general public.

(iii) The willfulness of the violation.

(iv) Previous violations, if any, by the person being assessed.

(v) The economic benefit to the person being assessed for failing to comply with the requirements of this part, a regulation promulgated under this part or an order issued under this part or regulation.

(2) If the department finds that the violation did not threaten the safety or health of a client or the general public and the violator took immediate action to remedy the violation upon learning of the violation, the department may issue a written warning in lieu of assessing a civil penalty.

(3) A person who aids, abets, counsels, induces, procures or causes another person to violate this part, a regulation promulgated under this part or an order issued under this part or regulation shall be subject to the civil penalties provided under this subsection.

(c) Sanctions.--

(1) In addition to the penalties provided in subsection (b) and any other penalty authorized by law, the department
may impose the following sanctions:

(i) Revoke or suspend the permit of a person found
to be in violation of this part, a regulation promulgated
under this part or an order issued under this part or
regulation.

(ii) Revoke or suspend the permit of a person for
conduct or activity or the occurrence of an event that
would have disqualified the person from receiving the
permit.

(iii) Suspend a permit of a person pending the
outcome of a hearing in a case in which the permit could
be revoked.

(iv) Order restitution of funds or property
unlawfully obtained or retained by a permittee.

(v) Issue a cease and desist order.

(2) A person who aids, abets, counsels, induces,
procures or causes another person to violate this part shall
be subject to the sanctions provided under this subsection.

(d) Costs of action.—The department may assess against a
person determined to be in violation of this part the costs of
investigation of the violation.

(e) Minor violations.—Nothing in this section shall be
construed to require the assessment of a civil penalty or the
imposition of a sanction for a minor violation of this part if
the department determines that the public interest will be
adequately served under the circumstances by the issuance of a
written warning.
the following:

(1) Undertaking a task under the influence of adult-use cannabis when doing so would constitute negligence, professional malpractice or professional misconduct.

(2) Possessing or using adult-use cannabis in a State or county correctional facility, including a facility owned or operated or under contract with the Department of Corrections or the county which houses inmates serving a portion of their sentences on parole or other community correction program. Nothing in this paragraph shall be construed to apply to employees of the facilities set forth in this paragraph. The Department of Corrections shall adopt a written policy no later than 18 months from the effective date of this section regarding the possession and use of adult-use cannabis by employees in State correctional facilities. The governing authority of a county may adopt a resolution no later than 18 months from the effective date of this section regarding the possession and use of adult-use cannabis by employees in a county correctional facility.

(3) Possessing or using adult-use cannabis in a youth detention center or other facility which houses children adjudicated delinquent, including the separate, secure State-owned facility or unit utilized for sexually violent delinquent children under 42 Pa.C.S. § 6404 (relating to duration of inpatient commitment and review). As used in this paragraph, the term "sexually violent delinquent children" shall have the meaning given to it in 42 Pa.C.S. § 6402 (relating to definitions). Nothing in this paragraph shall be construed to apply to employees of the facilities set forth in this paragraph.
Section 3804. Lawful conduct.

Notwithstanding any other provision of law, the following acts are not unlawful and are not an offense under the laws of this Commonwealth or the law of a locality within this Commonwealth or a basis for seizure or forfeiture of an asset under the laws of this Commonwealth for a person 21 years of age or older:

(1) Possessing, using, displaying, purchasing or transporting cannabis accessories, cannabis or cannabis products.

(2) Either of the following:

   (i) Possessing, growing, processing or transporting not more than six cannabis plants, with not more than three being mature, flowering plants.

   (ii) Possessing the cannabis produced by the plants under subparagraph (i) on the premises where the plants were grown, so long as the growing takes place in an enclosed and locked space and is not conducted openly or publicly and the cannabis is not made available for sale.

(3) Transfer of one ounce or less of cannabis without remuneration to a person who is 21 years of age or older.

(4) Consumption of cannabis or cannabis products, provided that nothing in this section shall permit consumption that is conducted openly and publicly or in a manner that endangers others.

(5) Assisting another person who is 21 years of age or older in an act described under paragraph (1), (2), (3) or (4).
Section 3901. Regulations.

The department shall promulgate all regulations necessary to carry out the provisions of this part.

Section 3902. Financial and employment interests.

(a) Financial interests.--Except as may be provided for the judiciary by rule or order of the Pennsylvania Supreme Court, an executive-level public employee, public official or party officer, or an immediate family member of any of these individuals, shall not intentionally or knowingly hold a financial interest in an adult-use cannabis organization or in a holding company, affiliate, intermediary or subsidiary of an adult-use cannabis organization, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(b) Employment.--Except as may be provided by rule or order of the Pennsylvania Supreme Court, no executive-level public employee, public official or party officer, or an immediate family member of any of these individuals, shall be employed by an adult-use cannabis organization or by a holding company, affiliate, intermediary or subsidiary of an adult-use cannabis organization, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(c) Grading.--An individual who violates this section commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than $1,000 or to imprisonment for not
more than one year, or both.

(d) State Ethics Commission.--The State Ethics Commission
shall do all of the following:

(1) Issue a written determination of whether a person is
subject to subsection (a) or (b) upon the written request of
the person or any other person that may have liability for an
action taken with respect to the person. A person that relies
in good faith on a determination made under this paragraph
shall not be subject to a penalty for an action taken,
provided that all material facts set forth in the request for
the determination are correct.

(2) Publish a list of all State, county, municipal and
other government positions that meet the definitions of
"public official" as defined under 4 Pa.C.S. § 1512(b)
(relating to financial and employment interests) and
"executive-level public employee" as defined under 4 Pa.C.S.
§ 1103 (relating to definitions). The Office of
Administration shall assist the State Ethics Commission in
the development of the list. The State Ethics Commission
shall provide notice of the development of the list to the
Legislative Reference Bureau, which shall publish the list in
the Pennsylvania Bulletin. The list shall be published
biennially in the Pennsylvania Bulletin and posted by the
department on the department's publicly accessible Internet
website. Upon request, each public official shall have a duty
to provide the State Ethics Commission with adequate
information to accurately develop and maintain the list. The
State Ethics Commission may impose a civil penalty under 65
Pa.C.S. § 1109(f) (relating to penalties) upon an individual,
including a public official or executive-level public
employee, who fails to cooperate with the State Ethics Commission under this subsection. A person that relies in good faith on the list published by the State Ethics Commission shall not be subject to a penalty for a violation of this section.

(e) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Financial interest." As defined in 4 Pa.C.S. § 1512(b).

"Immediate family." As defined in 4 Pa.C.S. § 1512(b).

"Party officer." As defined in 4 Pa.C.S. § 1512(b).

"Public official." The term shall include the following:

(1) The Governor, Lieutenant Governor, a member of the Governor's cabinet, Treasurer, Auditor General and Attorney General of the Commonwealth.

(2) A member of the Senate or House of Representatives of the Commonwealth.

(3) An individual elected or appointed to an office of a county or municipality that directly receives a distribution of revenue from the fund.

(4) An individual elected or appointed to a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) that directly receives a distribution of revenue from the fund.

(5) An individual elected or appointed to a department, agency, board, commission, authority, county, municipality or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which may influence or affect the outcome of an action or decision and who is involved in the development of regulation or policy relating to an adult-
use cannabis organization or who is involved in other matters
under this part.

The term does not include a member of a school board or an
individual who held an uncompensated office with a governmental
body prior to January 1, 2020, and who no longer holds the
office as of January 1, 2020.

Section 3903. Employers, minors and control of property.
(a) Employers.--This section is not intended to require an
employer to permit or accommodate the use, consumption,
possession, transfer, display, transportation, sale or growing
of adult-use cannabis or cannabis products in the workplace or
to affect the ability of employers to have policies restricting
the use of adult-use cannabis and cannabis products by employees
in the workplace. A random drug test showing the mere presence
of a nonintoxicating level of cannabis may not be the basis of
the termination of employment or any other disciplinary action
against the employee.

(b) Persons and other entities.--This part does not prohibit
a person, employer, school, hospital, detention facility,
corporation or another entity who occupies, owns or controls a
property from prohibiting or otherwise regulating the
possession, consumption, use, display, transfer, distribution,
sale, transportation or growing of cannabis on or in the
property.

Section 3904. Cannabis clean slate.
(a) General rule.--A person who has been arrested for,
charged with or convicted under section 13(a)(30) and (31) of
the act of April 14, 1972 (P.L.233, No.64), known as The
Controlled Substance, Drug, Device and Cosmetic Act, shall have
the person's criminal history related to the criminal proceeding
expunged in accordance with subsection (b).

(b) Expungement process.--The following shall apply:

(1) The Administrative Office of Pennsylvania Courts shall, within six months of the effective date of this part, transmit to the Pennsylvania State Police central repository all records related to an arrest or conviction under subsection (a) for expungement.

(2) If the Pennsylvania State Police determines a record transmitted under paragraph (1) is not eligible for expungement, it shall notify the Administrative Office of Pennsylvania Courts of the determination within 30 days of receiving the information. Upon expiration of the 30-day period, the Administrative Office of Pennsylvania Courts shall provide to the court of common pleas in which the arrest or adjudication occurred a list of all records eligible for expungement. Within 30 days of receiving the list, the court of common pleas shall order the expungement of all criminal history records received under this section and all administrative records of the Department of Transportation relating to the criminal history records received under this section.

(c) Release of inmates.--A court of common pleas that has received an expungement order for a person currently incarcerated for the crime for which the court received the expungement order shall transmit to the appropriate county correctional facility or State correctional institution, as defined under 61 Pa.C.S. § 102 (relating to definitions), an order for the immediate release or discharge of the person whose record has been ordered to be expunged.

(d) Motor vehicle operation privileges.--The Bureau of Motor
Vehicles shall reinstate a person's suspended or revoked motor vehicle operation privileges that were suspended or revoked as a result of a person's conviction that has been expunged under this section.

(e) Reinstatement of license or registration.--A license or registration that has been suspended or revoked under section 23 of The Controlled Substance, Drug, Device and Cosmetic Act due to an arrest or conviction that has been expunged under this section shall be reinstated.

Section 7. The act is amended by adding a part heading to read:

PART IV

MISCELLANEOUS PROVISIONS

CHAPTER 91

IMPLEMENTATION

Section 8. Section 2110 of the act is renumbered to read:

Section [2110] 9101. Effective date.

This act shall take effect in 30 days.

Section 9. Repeals are as follows:

(1) Section 4(1)(iii)16 and (iv) of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act, are repealed.

(2) Section 13(a)(30) and (31) of The Controlled Substance, Drug, Device and Cosmetic Act are repealed insofar as they are inconsistent with this act.

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

Section 10. The following apply:

(1) Within 10 days of the development of the rules and regulations under section 3504(b) of the act, the Department
of Education shall provide notice of the development of the
rules and regulations to the Legislative Reference Bureau,
which shall publish the notice in the Pennsylvania Bulletin.

(2) Within 10 days of the development of the rules and
regulations under section 3505(b) of the act, the
Pennsylvania Housing Finance Agency shall provide notice of
the development of the rules and regulations to the
Legislative Reference Bureau, which shall publish the notice
in the Pennsylvania Bulletin.

(3) Within 10 days of the development of the rules and
regulations under section 3506(b) of the act, the Department
of Education shall provide notice of the development of the
rules and regulations to the Legislative Reference Bureau,
which shall publish the notice in the Pennsylvania Bulletin.

Section 11. This act shall take effect as follows:

(1) The following shall take effect immediately:

(i) This section.

(ii) Section 10 of this act.

(iii) The addition of sections 3501, 3503, 3504,
3505, 3506 and 3901 of the act.

(2) The remainder of this act shall take effect in 60
days.