



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1024

PRINTERS NO. 1635

PRIME SPONSOR: Schemel

### COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
Medical Marijuana Program Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 1024, Printer's Number 1635, makes omnibus amendments to the Medical Marijuana Act. This legislation is effective in 60 days.

**ANALYSIS:** HB 1024 amends the definition of "caregiver" to allow any natural person or legal business entity to serve as a registered caregiver for a patient. The bill also amends the caregiver provisions to allow a caregiver to care for more than five patients; provides that a caregiver seeking to be registered must submit fingerprints to the Department of Health (DOH) to obtain criminal history checks; and that criminal background information may be provided to DOH via electronic means.

The bill allows criminal background information for an individual associated with a medical marijuana organization to be provided to DOH via electronic means and exempts an owner who holds 5% or less in a privately held medical marijuana organization from the criminal background requirements.

With regard to dispensaries, the bill permits the interchanging of primary, secondary, and tertiary designations by providing written notice to DOH at least 14 days before doing so. The bill also increases product dispensing from a 30-day supply to a 90-day supply and allows for curbside dispensing. Additionally, the bill allows product to be dispensed if the federal government changes marijuana from a Schedule 1 drug.

The bill allows a grower/processor to obtain immature plant material from outside of Pennsylvania; exchange postharvest plant material with other grower/processors according to a process established by DOH; remediate contaminated seed, plant, flower, or product prior to final processing and sell remediated product after independent laboratory testing; use pharmaceutical-grade or food-grade additives, including hemp or hemp-derived ingredients that are obtained from an entity licensed by the Department of Agriculture; use motion activated video surveillance so long as the recordings are retained for at least 90 days; and use pesticide, subject to oversight by the Department of Agriculture.

The bill also provides that a grower/processor may contract with multiple independent laboratories for testing; removes the requirement for testing of every harvest; and establishes a process for stability testing to be conducted every six months for the duration that a product is available.

The bill requires DOH's electronic seed-to-sale tracking system to allow for two-way communication and application-programming interface with a medical marijuana organization's software and requires DOH to develop a system that is capable of securely transmitting data to the Medical Marijuana Advisory Board.

The bill provides that the names of individuals retained by DOH to review grower/process or dispensary permit applications are subject to the Right-to-Know Law.

Finally, the bill provides that only a felony criminal conviction disqualifies an individual from holding a position with a medical marijuana organization.

**FISCAL IMPACT:** The provisions of the bill requiring DOH's electronic seed-to-sale tracking system to be upgraded to allow for two-way communication and application-programming interface with a medical marijuana organization's software, and securely transmit data to the advisory board would likely have a cost. The Medical Marijuana Program Fund currently has a cash balance of more than \$26 million, which is estimated to increase to more than \$55 million in fiscal year 2021-22. Accordingly, any cost associated with software system upgrades could be accommodated with existing resources.

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House Appropriations Committee (R)

**DATE:** June 7, 2021

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*