

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 50 Session of 2019

INTRODUCED BY WHEATLEY, HILL-EVANS, A. DAVIS, ISAACSON, YOUNGBLOOD, SOLOMON, BOYLE, GAINNEY, McNEILL, MADDEN, BULLOCK, DALEY, SIMS, BURGOS, KINSEY, KENYATTA, McCLINTON, RABB, HARRIS, KIRKLAND, BIZZARRO, WILLIAMS, ROZZI, FRANKEL, CIRESI, LEE AND BRIGGS, FEBRUARY 6, 2019

REFERRED TO COMMITTEE ON HEALTH, FEBRUARY 6, 2019

AN ACT

1 Amending the act of April 17, 2016 (P.L.84, No.16), entitled "An
 2 act establishing a medical marijuana program; providing for
 3 patient and caregiver certification and for medical marijuana
 4 organization registration; imposing duties on the Department
 5 of Health; providing for a tax on medical marijuana
 6 organization gross receipts; establishing the Medical
 7 Marijuana Program Fund; establishing the Medical Marijuana
 8 Advisory Board; establishing a medical marijuana research
 9 program; imposing duties on the Department of Corrections,
 10 the Department of Education and the Department of Human
 11 Services; and providing for academic clinical research
 12 centers and for penalties and enforcement," further providing
 13 for title of act; providing for general provisions for act;
 14 in preliminary provisions, further providing for short title,
 15 for declaration of policy and for definitions; in program,
 16 further providing for program established, for
 17 confidentiality and public disclosure, for lawful use of
 18 medical marijuana and for unlawful use of medical marijuana;
 19 in practitioners, further providing for practitioner
 20 registration, for practitioner restrictions, for issuance of
 21 certification and for duration; in patients, further
 22 providing for identification cards, for caregivers, for
 23 special conditions, for contents of identification card, for
 24 suspension and for prohibitions; in medical marijuana
 25 organizations, further providing for medical marijuana
 26 organizations, for permits, for granting of permit, for
 27 application and issuance, for fees and other requirements,
 28 for issuance, for relocation, for terms of permit, for permit
 29 renewals, for suspension or revocation, for convictions
 30 prohibited, for diversity goals and for limitations on
 31 permits; in medical marijuana controls, further providing for

1 electronic tracking, for grower/processors, for storage and
2 transportation, for laboratory and for prices; in
3 dispensaries, further providing for dispensing to patients
4 and caregivers and for facility requirements; in tax on
5 medical marijuana, further providing for tax on medical
6 marijuana and for Medical Marijuana Program Fund; in
7 administration, further providing for governing practice and
8 procedure, for reports by medical marijuana organizations,
9 for law enforcement notification, for evaluation, for report
10 and for temporary regulations; in Medical Marijuana Advisory
11 Board, further providing for advisory board; in offenses
12 related to medical marijuana, further providing for criminal
13 diversion of medical marijuana by practitioners, for criminal
14 diversion of medical marijuana, for criminal retention of
15 medical marijuana, for criminal diversion of medical
16 marijuana by patient or caregiver, for falsification of
17 identification cards, for adulteration of medical marijuana,
18 for disclosure of information prohibited, for additional
19 penalties and for other restrictions; in research program,
20 further providing for definitions, for establishment of
21 medical marijuana research program, for medical marijuana
22 research program administration, for approval, for
23 requirements, for restrictions, for regulations and for
24 nonentitlement; in academic clinical research centers and
25 clinical registrants, further providing for legislative
26 findings and declaration of policy, for clinical registrants
27 and for research study; in miscellaneous provisions, further
28 providing for conflict, for financial and employment
29 interests, for insurers, for protections for patients and
30 caregivers, for schools, for day-care centers, for notice and
31 for applicability; providing for adult-use cannabis;
32 establishing the Commonwealth Reinvestment Fund, the Student
33 Loan Reimbursement Program, the Mixed Income Housing Program
34 and the After-school Program; imposing duties on the
35 Department of Education, the Pennsylvania Housing Finance
36 Agency and the Bureau of Liquor Control Enforcement; imposing
37 penalties; making appropriations; making repeals; and making
38 editorial changes.

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

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

43 AN ACT

44 Establishing a [medical marijuana] cannabis program; providing
45 for patient and caregiver certification and for [medical
46 marijuana] cannabis organization registration; imposing
47 duties on the Department of Health; providing for a tax on
48 [medical marijuana] cannabis organization gross receipts;
49 establishing the Medical [Marijuana] Cannabis Program Fund;

1 establishing the Medical [Marijuana] Cannabis Advisory Board;
2 establishing a medical [marijuana] cannabis research program;
3 establishing the Commonwealth Reinvestment Fund; imposing
4 duties on the Department of Corrections, the Department of
5 Education [and], the Department of Human Services, the
6 Pennsylvania Housing Finance Agency and the Bureau of Liquor
7 Control Enforcement; and providing for academic clinical
8 research centers and for penalties and enforcement.

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

11 PART I

12 GENERAL PROVISIONS

13 CHAPTER 1

14 PRELIMINARY PROVISIONS

15 Section 101. Short title.

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

17 Section 102. Definitions.

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

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

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

26 "Cannabis." With respect to the plant of the genus cannabis,
27 as follows:

28 (1) Any of the following:

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

30 (ii) The seeds of the plant.

1 (iii) The resin extracted from part of the plant.

2 (iv) Every compound, manufacture, salt, derivative,
3 mixture or preparation of the plant, its seeds or resin,
4 including cannabis concentrate.

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

11 "Cannabis organization." As follows:

12 (1) A dispensary or grower/processor.

13 (2) The term includes a medical cannabis organization or
14 an adult-use cannabis organization.

15 (3) The term does not include:

16 (i) A health care medical cannabis organization.

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

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

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

24 "Dispensary." As follows:

25 (1) A person, including an individual, corporation,
26 partnership, association, trust or other entity, or any
27 combination of these persons, which holds a permit issued by
28 the department to dispense medical cannabis, adult-use
29 cannabis or cannabis products.

30 (2) The term does not include:

1 (i) A health care medical cannabis organization.

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

5 "Grower/processor." As follows:

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

11 (2) The term does not include:

12 (i) A health care medical cannabis organization.

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

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

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

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

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

29 "Permit." An authorization issued by the department to a
30 cannabis organization to conduct activities under this act.

1 "Secretary." The Secretary of Health of the Commonwealth.
2 "Vertically integrated health system." A health care
3 facility licensed under the act of July 19, 1979 (P.L.130,
4 No.48), known as the Health Care Facilities Act, in which the
5 complete spectrum of care, including primary and specialty care,
6 hospitalization and pharmaceutical care, is provided within a
7 single organization.

8 CHAPTER 1-A

9 COMBINATION PERMITS

10 Section 101-A. Definitions.

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

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

17 Section 102-A. Procedures incorporated by reference.

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

21 Section 103-A. Authorization.

22 The department may grant or deny a combination permit to a
23 cannabis organization which seeks a permit under Chapters 6 and
24 32.

25 Section 104-A. Application.

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

28 (1) Subject to paragraph (2), the application shall
29 include the information specified under sections 602(a) and
30 3202(a).

1 (2) The department shall make all reasonable efforts to
2 eliminate the production of duplicative information as a
3 result of providing information specified under sections
4 602(a) and 3202(a).

5 Section 105-A. Fees and other requirements.

6 The following apply for a combination permit:

7 (1) For a cannabis grower/processor:

8 (i) An initial application fee in the amount of
9 \$15,000 shall be paid. The fee is nonrefundable.

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

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

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

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

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

28 (2) For a cannabis dispensary:

29 (i) An initial application fee in the amount of
30 \$7,500 shall be paid. The fee is nonrefundable.

1 (ii) A permit fee for a dispensary shall be \$45,000
2 for each location. The permit shall be valid for one
3 year. An applicant shall submit the permit fee at the
4 time of submission of the application. The fee shall be
5 returned if the application is not granted.

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

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

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

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

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

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

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

26 (ii) The Commonwealth Reinvestment Fund under Part
27 III.

28 Section 106-A. Term of permit.

29 A combination permit shall be valid for one year from the
30 date of issuance.

1 Section 107-A. Existing permit.

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

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

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

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

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

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

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

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

1 business as an adult-use cannabis grower/processor or adult-use
2 cannabis dispensary.

3 CHAPTER 1-B

4 ENFORCEMENT

5 Section 101-B. Definitions.

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

9 "Bureau." The Bureau of Liquor Control Enforcement.

10 Section 102-B. Authority of bureau.

11 The bureau shall be responsible for enforcing this act,
12 including the development of enforcement procedures consistent
13 with this act, and any regulations promulgated under this act.
14 Officers and investigators assigned to the bureau shall have the
15 power and their duty shall be:

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

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

28 (3) Upon reasonable and probable cause, to search for
29 and seize, without warrant or process, except in private
30 homes, medical cannabis, adult-use cannabis or cannabis

1 products grown, processed, dispensed, sold or used in
2 violation of this act. The seized medical cannabis, adult-use
3 cannabis or cannabis products shall be disposed of as
4 provided in this chapter.

5 (4) To investigate and issue citations for a violation
6 of this act or another law of this Commonwealth relating to
7 medical cannabis, adult-use cannabis or cannabis products, or
8 a regulation adopted under this act or another law of this
9 Commonwealth or the Federal Government relating to medical
10 cannabis, adult-use cannabis or cannabis products by a
11 cannabis organization or other person covered by this act.

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

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

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

21 (iii) 18 Pa.C.S. § 2705 (relating to recklessly
22 endangering another person).

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

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

26 (vi) 18 Pa.C.S. § 5104 (relating to resisting arrest
27 or other law enforcement).

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

29 (6) To serve and execute warrants issued by the proper
30 authorities for offenses referred to in this subsection and

1 to serve subpoenas.

2 Section 103-B. Confiscation.

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

7 Section 104-B. Prohibitions based on age.

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

11 (1) The individual is at least 18 years of age or older.

12 (2) The individual is an officer, employee or intern of
13 the bureau.

14 (3) The individual has completed training specified by
15 the bureau.

16 (4) The individual is acting within the scope of
17 prescribed duties.

18 (5) The individual is acting under the direct control or
19 supervision of a bureau officer who is 21 years of age or
20 older.

21 PART II

22 MEDICAL CANNABIS

23 Section 3. Chapter 1 heading, sections 101, 102, 103, 301,
24 302, 303, 304, 401, 402, 403, 405, 501(a) and (i), 502(b), 504,
25 508, 509 and 510, Chapter 6 heading, sections 601, 602, 603,
26 606, 607, 608, 609, 610, 612, 613, 614, 615 and 616, Chapter 7
27 heading, sections 701, 702, 703, 704, 705, 801 and 802(a),
28 Chapter 9 heading, sections 901, 902, 1101, 1102, 1103, 1104,
29 1105 and 1107(a) and (c), Chapter 12 heading, section 1201(a)
30 and (j), Chapter 13 heading and sections 1301, 1302, 1303, 1304,

1 1305, 1306, 1307, 1308, 1309, 1901, 1902, 1903, 1904, 1905,
2 1906, 1907 and 1908 of the act are amended to read:

3 CHAPTER [1] 2

4 PRELIMINARY PROVISIONS

5 Section [101. Short title.

6 This act shall be known and may be cited as the Medical
7 Marijuana Act.] 201. Scope of part.

8 This part relates to medical cannabis.

9 Section [102] 202. Declaration of policy.

10 The General Assembly finds and declares as follows:

11 (1) Scientific evidence suggests that medical
12 [marijuana] cannabis is one potential therapy that may
13 mitigate suffering in some patients and also enhance quality
14 of life.

15 (2) The Commonwealth is committed to patient safety.
16 Carefully regulating the program which allows access to
17 medical [marijuana] cannabis will enhance patient safety
18 while research into its effectiveness continues.

19 (3) It is the intent of the General Assembly to:

20 (i) Provide a program of access to medical
21 [marijuana] cannabis which balances the need of patients
22 to have access to the latest treatments with the need to
23 promote patient safety.

24 (ii) Provide a safe and effective method of delivery
25 of medical [marijuana] cannabis to patients.

26 (iii) Promote high quality research into the
27 effectiveness and utility of medical [marijuana]
28 cannabis.

29 (4) It is the further intention of the General Assembly
30 that any Commonwealth-based program to provide access to

1 medical [marijuana] cannabis serve as a temporary measure,
2 pending Federal approval of and access to medical [marijuana]
3 cannabis through traditional medical and pharmaceutical
4 avenues.

5 Section [103] 203. Definitions.

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

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

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

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

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

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

29 "Continuing care." Treating a patient, in the course of
30 which the practitioner has completed a full assessment of the

1 patient's medical history and current medical condition,
2 including an in-person consultation with the patient.

3 "Controlling interest." As follows:

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

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

11 ["Department." The Department of Health of the Commonwealth.
12 "Dispensary." A person, including a natural person,
13 corporation, partnership, association, trust or other entity, or
14 any combination thereof, which holds a permit issued by the
15 department to dispense medical marijuana. The term does not
16 include a health care medical marijuana organization under
17 Chapter 19.]

18 "Family or household member." As defined in 23 Pa.C.S. §
19 6102 (relating to definitions).

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

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

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

1 medical [marijuana] cannabis or particular active ingredient.

2 "Fund." The Medical [Marijuana] Cannabis Program Fund
3 established in section 902.

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

10 "Identification card." A document issued under section 501
11 that authorizes access to medical [marijuana] cannabis under
12 this [act] part.

13 "Individual dose." A single measure of medical [marijuana]
14 cannabis.

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

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

20 "Patient." An individual who:

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

25 ["Permit." An authorization issued by the department to a
26 medical marijuana organization to conduct activities under this
27 act.]

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

1 1978 (P.L.1109, No.261), known as the Osteopathic Medical
2 Practice Act.

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

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

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

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

16 ["Secretary." The Secretary of Health of the Commonwealth.]

17 "Security." As defined in section 102(t) of the act of
18 December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania
19 Securities Act of 1972.

20 "Serious medical condition." Any of the following:

21 (1) Cancer.

22 (2) Positive status for human immunodeficiency virus or
23 acquired immune deficiency syndrome.

24 (3) Amyotrophic lateral sclerosis.

25 (4) Parkinson's disease.

26 (5) Multiple sclerosis.

27 (6) Damage to the nervous tissue of the spinal cord with
28 objective neurological indication of intractable spasticity.

29 (7) Epilepsy.

30 (8) Inflammatory bowel disease.

- 1 (9) Neuropathies.
- 2 (10) Huntington's disease.
- 3 (11) Crohn's disease.
- 4 (12) Post-traumatic stress disorder.
- 5 (13) Intractable seizures.
- 6 (14) Glaucoma.
- 7 (15) Sickle cell anemia.
- 8 (16) Severe chronic or intractable pain of neuropathic
- 9 origin or severe chronic or intractable pain in which
- 10 conventional therapeutic intervention and opiate therapy is
- 11 contraindicated or ineffective.
- 12 (17) Autism.

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

16 Section 301. Program established.

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

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

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

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

30 (4) Establish and maintain an electronic database to

1 include activities and information relating to medical
2 [marijuana] cannabis organizations, certifications and
3 identification cards issued, practitioner registration and
4 electronic tracking of all medical [marijuana] cannabis as
5 required under this [act] part to include:

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

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

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

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

18 (v) The tracking system under section 701 must
19 include information under section 801(a) and any other
20 information required by the department to be used by the
21 department and dispensaries to enable a dispensary to
22 lawfully provide medical [marijuana] cannabis. The
23 tracking system and database shall be capable of
24 providing information in real time. The database shall be
25 capable of receiving information from a dispensary
26 regarding the disbursement of medical [marijuana]
27 cannabis to patients and caregivers. This information
28 shall be immediately accessible to the department and
29 other dispensaries to inhibit diversion and ensure
30 compliance with this [act] part.

1 (5) Maintain a directory of patients and caregivers
2 approved to use or assist in the administration of medical
3 [marijuana] cannabis within the department's database.

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

12 (i) The State Board of Medicine and the State Board
13 of Osteopathic Medicine.

14 (ii) The State Board of Pharmacy.

15 (iii) The State Board of Nursing.

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

25 (i) Methods to recognize and report unauthorized
26 activity, including diversion of medical [marijuana]
27 cannabis for unlawful purposes and falsification of
28 identification cards.

29 (ii) Proper handling of medical [marijuana] cannabis
30 and recordkeeping.

1 (iii) Any other subject required by the department.

2 (8) [Develop enforcement procedures, including announced
3 and unannounced inspections of facilities of the
4 grower/processors and dispensaries and all records of the
5 medical marijuana organizations.] (Reserved).

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

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

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

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

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

22 (12) Determine the minimum number and type of medical
23 [marijuana] cannabis products to be produced by a
24 grower/processor and dispensed by a dispensary.

25 (13) Develop recordkeeping requirements for all books,
26 papers, any electronic database or tracking system data and
27 other information of a medical [marijuana] cannabis
28 organization. Information shall be retained for a minimum
29 period of four years unless otherwise provided by the
30 department.

1 (14) Restrict the advertising and marketing of medical
2 [marijuana] cannabis, which shall be consistent with the
3 Federal regulations governing prescription drug advertising
4 and marketing.

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

8 Section 302. Confidentiality and public disclosure.

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

16 (1) Individual identifying information about patients
17 and caregivers.

18 (2) Certifications issued by practitioners.

19 (3) Information on identification cards.

20 (4) Information provided by the Pennsylvania State
21 Police under section 502(b).

22 (5) Information relating to the patient's serious
23 medical condition.

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

26 (1) Applications for permits submitted by medical
27 [marijuana] cannabis organizations.

28 (2) The names, business addresses and medical
29 credentials of practitioners authorized to provide
30 certifications to patients to enable them to obtain and use

1 medical [marijuana] cannabis in this Commonwealth. All other
2 practitioner registration information shall be confidential
3 and exempt from public disclosure under the Right-to-Know
4 Law.

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

9 Section 303. Lawful use of medical [marijuana] cannabis.

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

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

16 (1) Medical [marijuana] cannabis may only be dispensed
17 to:

18 (i) a patient who receives a certification from a
19 practitioner and is in possession of a valid
20 identification card issued by the department; and

21 (ii) a caregiver who is in possession of a valid
22 identification card issued by the department.

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

26 (i) pill;

27 (ii) oil;

28 (iii) topical forms, including gels, creams or
29 ointments;

30 (iv) a form medically appropriate for administration

1 by vaporization or nebulization, excluding dry leaf or
2 plant form until dry leaf or plant forms become
3 acceptable under regulations adopted under section 1202;

4 (v) tincture; or

5 (vi) liquid.

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

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

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

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

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

20 (8) Products packaged by a grower/processor or sold by a
21 dispensary shall only be identified by the name of the
22 grower/processor, the name of the dispensary, the form and
23 species of medical [marijuana] cannabis, the percentage of
24 tetrahydrocannabinol and cannabinal contained in the product
25 and any other labeling required by the department.

26 Section 304. Unlawful use of medical [marijuana] cannabis.

27 (a) General rule.--Except as provided in section 303,
28 section 704, Chapter 19 or Chapter 20, the use of medical
29 [marijuana] cannabis is unlawful and shall, in addition to any
30 other penalty provided by law, be deemed a violation of the act

1 of April 14, 1972 (P.L.233, No.64), known as The Controlled
2 Substance, Drug, Device and Cosmetic Act.

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

4 (1) Smoke medical [marijuana] cannabis.

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

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

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

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

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

21 Section 401. Practitioner registration.

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

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

28 (2) The department must determine that the physician is,
29 by training or experience, qualified to treat a serious
30 medical condition. The physician shall provide documentation

1 of credentials, training or experience as required by the
2 department.

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

5 (b) Department action.--

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

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

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

25 (c) Practitioner requirements.--A practitioner included in
26 the registry shall have an ongoing responsibility to immediately
27 notify the department in writing if the practitioner knows or
28 has reason to know that any of the following is true with
29 respect to a patient for whom the practitioner has issued a
30 certification:

1 (1) The patient no longer has the serious medical
2 condition for which the certification was issued.

3 (2) Medical [marijuana] cannabis would no longer be
4 therapeutic or palliative.

5 (3) The patient has died.

6 Section 402. Practitioner restrictions.

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

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

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

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

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

26 (c) Discipline.--In addition to any other penalty that may
27 be imposed under this [act] part, a violation of subsection (a)
28 or section 403(e) shall be deemed unprofessional conduct under
29 section 41(8) of the act of December 20, 1985 (P.L.457, No.112),
30 known as the Medical Practice Act of 1985, or section 15(a) (8)

1 of the act of October 5, 1978 (P.L.1109, No.261), known as the
2 Osteopathic Medical Practice Act, and shall subject the
3 practitioner to discipline by the State Board of Medicine or the
4 State Board of Osteopathic Medicine, as appropriate.

5 Section 403. Issuance of certification.

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

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

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

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

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

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

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

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

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

30 (4) The date of issuance.

1 (5) The name, address, telephone number and signature of
2 the practitioner.

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

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

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

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

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

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

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

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

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

26 (1) Provide the certification to the patient.

27 (2) Provide a copy of the certification to the
28 department, which shall place the information in the patient
29 directory within the department's electronic database. The
30 department shall permit electronic submission of the

1 certification.

2 (3) File a copy of the certification in the patient's
3 health care record.

4 (e) Prohibition.--A practitioner may not issue a
5 certification for the practitioner's own use or for the use of a
6 family or household member.

7 Section 405. Duration.

8 Receipt of medical [marijuana] cannabis by a patient or
9 caregiver from a dispensary may not exceed a 30-day supply of
10 individual doses. During the last seven days of any 30-day
11 period during the term of the identification card, a patient may
12 obtain and possess a 30-day supply for the subsequent 30-day
13 period. Additional 30-day supplies may be provided in accordance
14 with this section for the duration of the authorized period of
15 the identification card unless a shorter period is indicated on
16 the certification.

17 Section 501. Identification cards.

18 (a) Issuance.--The department may issue an identification
19 card to a patient who has a certification approved by the
20 department and to a caregiver designated by the patient. An
21 identification card issued to a patient shall authorize the
22 patient to obtain and use medical [marijuana] cannabis as
23 authorized by this [act] part. An identification card issued to
24 a caregiver shall authorize the caregiver to obtain medical
25 [marijuana] cannabis on behalf of the patient.

26 * * *

27 (i) Lost or defaced card.--In the event of a lost, stolen,
28 destroyed or illegible identification card, the patient or
29 caregiver shall apply to the department within 10 business days
30 of discovery of the loss or defacement of the card for a

1 replacement card. The application for a replacement card shall
2 be on a form furnished by the department and accompanied by a
3 \$25 fee. The department may establish higher fees for issuance
4 of second and subsequent replacement identification cards. The
5 department may waive or reduce the fee in cases of demonstrated
6 financial hardship. The department shall issue a replacement
7 identification card as soon as practicable. A patient or
8 caregiver may not obtain medical [marijuana] cannabis until the
9 department issues the replacement card.

10 Section 502. Caregivers.

11 * * *

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

1 Section 504. Special conditions.

2 The following apply:

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

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

12 Section 508. Contents of identification card.

13 An identification card shall contain the following:

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

17 (2) The date of issuance and expiration date.

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

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

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

29 (6) Any other requirements determined by the department,
30 except the department may not require that an identification

1 card disclose the patient's serious medical condition.

2 Section 509. Suspension.

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

9 Section 510. Prohibitions.

10 The following prohibitions shall apply:

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

15 (i) Chemicals which require a permit issued by the
16 Federal Government or a state government or an agency of
17 the Federal Government or a state government.

18 (ii) High-voltage electricity or any other public
19 utility.

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

24 (3) A patient may be prohibited by an employer from
25 performing any task which the employer deems life-
26 threatening, to either the employee or any of the employees
27 of the employer, while under the influence of medical
28 [marijuana] cannabis. The prohibition shall not be deemed an
29 adverse employment decision even if the prohibition results
30 in financial harm for the patient.

1 (4) A patient may be prohibited by an employer from
2 performing any duty which could result in a public health or
3 safety risk while under the influence of medical [marijuana]
4 cannabis. The prohibition shall not be deemed an adverse
5 employment decision even if the prohibition results in
6 financial harm for the patient.

7 CHAPTER 6

8 MEDICAL [MARIJUANA] CANNABIS ORGANIZATIONS

9 Section 601. Medical [marijuana] cannabis organizations.

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

13 (1) Grower/processors.

14 (2) Dispensaries.

15 Section 602. Permits.

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

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

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

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

27 (4) A criminal history record check. Medical [marijuana]
28 cannabis organizations applying for a permit shall submit
29 fingerprints of principals, financial backers, operators and
30 employees to the Pennsylvania State Police for the purpose of

1 obtaining criminal history record checks and the Pennsylvania
2 State Police or its authorized agent shall submit the
3 fingerprints to the Federal Bureau of Investigation for the
4 purpose of verifying the identity of the principals,
5 financial backers, operators and employees and obtaining a
6 current record of any criminal arrests and convictions. Any
7 criminal history record information relating to principals,
8 financial backers, operators and employees obtained under
9 this section by the department may be interpreted and used by
10 the department only to determine the principal's, financial
11 backer's, operator's and employee's character, fitness and
12 suitability to serve as a principal, financial backer,
13 operator and employee under this [act] part. This paragraph
14 shall not apply to an owner of securities in a publicly
15 traded corporation if the department determines that the
16 owner of the securities is not substantially involved in the
17 activities of the medical [marijuana] cannabis organization.

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

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

25 (7) A statement that the applicant:

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

30 (ii) Possesses the ability to obtain in an

1 expeditious manner the right to use sufficient land,
2 buildings and other premises and equipment to properly
3 carry on the activity described in the application and
4 any proposed location for a facility.

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

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

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

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

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

26 (9) Any other information the department may require.

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

1 information required under subsection (a) for the Pennsylvania
2 farm.

3 (b) Notice.--An application shall include notice that a
4 false statement made in the application is punishable under the
5 applicable provisions of 18 Pa.C.S. Ch. 49 (relating to
6 falsification and intimidation).
7 Section 603. Granting of permit.

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

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

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

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

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

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

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

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

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

1 department.

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

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

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

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

16 (1) Regional population.

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

19 (3) The types of serious medical conditions.

20 (4) Access to public transportation.

21 (5) Any other factor the department deems relevant.

22 Section 606. Application and issuance.

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

25 (1) Report to the department any change in facts or
26 circumstances reflected in the application or any newly
27 discovered or occurring fact or circumstance which is
28 required to be included in the application, including a
29 change in control of the medical [marijuana] cannabis
30 organization.

1 (2) Report to law enforcement, within 24 hours, any loss
2 or theft of medical [marijuana] cannabis.

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

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

13 Section 607. Fees and other requirements.

14 The following apply:

15 (1) For a medical cannabis grower/processor:

16 (i) An initial application fee in the amount of
17 \$10,000 shall be paid. The fee is nonrefundable.

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

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

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

30 (v) All fees shall be paid by certified check or

1 money order.

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

6 (2) For a medical cannabis dispensary:

7 (i) An initial application fee in the amount of
8 \$5,000 shall be paid. The fee is nonrefundable.

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

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

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

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

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

27 (3) A fee of \$250 shall be required when amending the
28 application to indicate relocation within this Commonwealth
29 or the addition or deletion of approved activities by the
30 medical [marijuana] cannabis organization.

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

3 Section 608. Issuance.

4 A permit issued by the department to a medical [marijuana]
5 cannabis organization shall be effective only for that
6 organization and shall specify the following:

7 (1) The name and address of the medical [marijuana]
8 cannabis organization.

9 (2) The activities of the medical [marijuana] cannabis
10 organization permitted under this [act] part.

11 (3) The land, buildings, facilities or location to be
12 used by the medical [marijuana] cannabis organization.

13 (4) Any other information required by the department.

14 Section 609. Relocation.

15 The department may approve an application from a medical
16 [marijuana] cannabis organization to relocate within this
17 Commonwealth or to add or delete activities or facilities.

18 Section 610. Terms of permit.

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

21 Section 612. Permit renewals.

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

24 (1) Any material change in the information provided by
25 the medical [marijuana] cannabis organization in a prior
26 application or renewal of a permit.

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

30 (i) any incident involving the theft, loss or

1 possible diversion of medical [marijuana] cannabis grown,
2 processed or dispensed by the applicant; and

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

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

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

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

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

23 Section 613. Suspension or revocation.

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

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

30 (2) The medical cannabis organization violates any

1 provision of this [act] part or a regulation of the
2 department.

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

7 Section 614. Convictions prohibited.

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

14 (1) Financial backers.

15 (2) Principals.

16 (3) Employees.

17 Section 615. Diversity goals.

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

24 (1) That diverse groups are accorded equal opportunity
25 in the permitting process.

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

29 (b) Duties of department.--To facilitate participation by
30 diverse groups in the activities authorized under this [act]

1 part, the department shall:

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

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

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

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

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

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

26 (3) Any other information the department deems
27 appropriate.

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

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

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

7 "Minority-owned business." As defined in 74 Pa.C.S. §
8 303(b).

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

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

13 "Veteran-owned small business." As defined in 51 Pa.C.S. §
14 9601.

15 "Women-owned business." As defined in 74 Pa.C.S. § 303(b).
16 Section 616. Limitations on permits.

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

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

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

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

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

29 (5) No more than five grower/processors may be issued
30 permits as dispensaries. If the number of growers/processors

1 is increased under section 1202, no more than 20% of the
2 total number of growers/processors may also be issued permits
3 as dispensaries.

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

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

10 CHAPTER 7

11 MEDICAL [MARIJUANA] CANNABIS CONTROLS

12 Section 701. Electronic tracking.

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

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

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

28 (3) For a grower/processor and a dispensary, a daily log
29 of each day's beginning inventory, acquisitions, amounts
30 purchased and sold, disbursements, disposals and ending

1 inventory. The tracking system shall include prices paid and
2 amounts collected from patients and caregivers.

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

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

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

12 (1) Security and surveillance.

13 (2) Recordkeeping and record retention.

14 (3) The acquisition, possession, growing and processing
15 of medical [marijuana] cannabis.

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

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

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

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

30 (1) The amount of medical [marijuana] cannabis sold by a

1 grower/processor during each three-month period.

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

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

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

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

12 Section 702. Grower/processors.

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

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

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

21 (b) Limitations.--

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

25 [(i)] (1) includes electronic locking systems,
26 electronic surveillance and other features required by the
27 department; and

28 [(ii)] (2) is located within this Commonwealth.

29 [(2) (Reserved).]

30 Section 703. Storage and transportation.

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

8 (1) Requirements relating to shipping containers and
9 packaging.

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

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

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

17 (5) Use of GPS systems.

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

20 (7) Recordkeeping for delivery and receipt of medical
21 [marijuana] cannabis products.

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

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

26 Section 704. Laboratory.

27 A grower/processor shall contract with an independent
28 laboratory to test the medical [marijuana] cannabis produced by
29 the grower/processor. The department shall approve the
30 laboratory and require that the laboratory report testing

1 results in a manner as the department shall determine, including
2 requiring a test at harvest and a test at final processing. The
3 possession by a laboratory of medical [marijuana] cannabis shall
4 be a lawful use.

5 Section 705. Prices.

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

18 Section 801. Dispensing to patients and caregivers.

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

- 26 (1) The name, address and any identification number
27 assigned to the dispensary by the department.
- 28 (2) The name and address of the patient and caregiver.
- 29 (3) The date the medical [marijuana] cannabis was
30 dispensed.

1 (4) Any requirement or limitation by the practitioner as
2 to the form of medical [marijuana] cannabis for the patient.

3 (5) The form and the quantity of medical [marijuana]
4 cannabis dispensed.

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

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

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

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

29 (2) a form of medical [marijuana] cannabis prohibited by
30 this [act] part.

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

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

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

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

23 (1) Lawful methods for administering medical [marijuana]
24 cannabis in individual doses.

25 (2) Any potential dangers stemming from the use of
26 medical [marijuana] cannabis.

27 (3) How to recognize what may be problematic usage of
28 medical [marijuana] cannabis and how to obtain appropriate
29 services or treatment for problematic usage.

30 (4) How to prevent or deter the misuse of medical

1 [marijuana] cannabis by minors or others.

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

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

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

11 (2) The packaging date.

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

14 (4) A warning stating:

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

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

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

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

28 (8) Any other information required by the department.

29 Section 802. Facility requirements.

30 (a) General rule.--

1 (1) A dispensary may only dispense medical [marijuana]
2 cannabis in an indoor, enclosed, secure facility located
3 within this Commonwealth, as determined by the department.

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

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

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

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

16 * * *

17 CHAPTER 9

18 TAX ON MEDICAL [MARIJUANA] CANNABIS

19 Section 901. Tax on medical [marijuana] cannabis.

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

28 (b) Payment of tax and reports.--The tax imposed under
29 subsection (a) shall be administered in the same manner as the
30 tax imposed under Article XI of the act of March 4, 1971 (P.L.6,

1 No.2), known as the Tax Reform Code of 1971, except that
2 estimated tax payments under section 3003.2 of the Tax Reform
3 Code of 1971 shall not be required. A grower/processor shall
4 make quarterly payments under this section for each calendar
5 quarter at the rate prescribed in subsection (a) on the gross
6 receipts for the calendar quarter. The tax shall be due and
7 payable on the 20th day of January, April, July and October for
8 the preceding calendar quarter on a form prescribed by the
9 Department of Revenue.

10 (c) (Reserved).

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

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

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

19 Section 902. Medical [Marijuana] Cannabis Program Fund.

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

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

30 (c) Use of proceeds.--After any repayment made under

1 subsection (d), money in the fund is appropriated in accordance
2 with the following percentages:

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

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

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

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

21 (2) To the Department of Drug and Alcohol Programs, for
22 drug abuse prevention and counseling and treatment services,
23 10% of the revenue in the fund.

24 (3) To the department, for further research related to
25 the use of medical [marijuana] cannabis, including the
26 research program established under Chapter 19, 30% of the
27 revenue in the fund. Funding shall be provided for research
28 into the treatment of those serious medical conditions for
29 which medical [marijuana] cannabis is available for treatment
30 within this Commonwealth and for research into the use of

1 medical [marijuana] cannabis to treat other medical
2 conditions for which medical [marijuana] cannabis may have
3 legitimate medicinal value. Money shall be used to subsidize
4 the cost of, or provide, medical [marijuana] cannabis to
5 patients participating in the program. However, money in the
6 fund may not be expended on activity under Chapter 20.

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

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

20 Section 1101. Governing practice and procedure.

21 The provisions of 2 Pa.C.S. (relating to administrative law
22 and procedure) shall apply to all actions of the department
23 under this [act] part constituting an adjudication as defined in
24 2 Pa.C.S. § 101 (relating to definitions).

25 Section 1102. Reports by medical [marijuana] cannabis
26 organizations.

27 A medical [marijuana] cannabis organization shall
28 periodically file reports related to its activities. The
29 department shall determine the information required in and the
30 frequency of filing the reports.

1 Section 1103. Law enforcement notification.

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

10 Section 1104. Evaluation.

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

18 Section 1105. Report.

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

22 [(1) The Governor.]

23 [(2) The President pro tempore of the Senate.]

24 [(3) The Majority Leader and the Minority Leader of the
25 Senate.]

26 [(4) The Speaker of the House of Representatives.]

27 [(5) The Majority Leader and the Minority Leader of the
28 House of Representatives.]

29 [(6) The chairman and minority chairman of the Judiciary
30 Committee of the Senate.]

1 (7) The chairman and minority chairman of the Public
2 Health and Welfare Committee of the Senate.

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

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

7 (10) The Attorney General of the Commonwealth.]

8 (1) The Governor.

9 (2) The Attorney General.

10 (3) The President pro tempore of the Senate.

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

13 (5) The Speaker of the House of Representatives.

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

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

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

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

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

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

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

28 (2) An assessment of the benefits and risks to patients
29 using medical [marijuana] cannabis under this [act] part,
30 including adverse events.

1 (3) Recommendations for amendments to this [act] part
2 for reasons of patient safety or to aid the general welfare
3 of the [citizens] residents of this Commonwealth.

4 Section 1107. Temporary regulations.

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

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

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

15 (3) Sections 204(b) and 301(10) of the act of October
16 15, 1980 (P.L.950, No.164), known as the Commonwealth
17 Attorneys Act.

18 * * *

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

24 CHAPTER 12

25 MEDICAL [MARIJUANA] CANNABIS ADVISORY BOARD

26 Section 1201. Advisory board.

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

30 (1) The secretary or a designee.

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

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

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

7 (5) The Physician General or a designee.

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

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

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

17 (i) The Governor.

18 (ii) The President pro tempore of the Senate.

19 (iii) The Majority Leader of the Senate.

20 (iv) The Minority Leader of the Senate.

21 (v) The Speaker of the House of Representatives.

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

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

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

29 * * *

30 (j) Duties.--[The] In addition to the duties specified under

1 section 3701, the advisory board shall have the following
2 duties:

3 (1) To examine and analyze the statutory and regulatory
4 law relating to medical [marijuana] cannabis within this
5 Commonwealth.

6 (2) To examine and analyze the law and events in other
7 states and the nation with respect to medical [marijuana]
8 cannabis.

9 (3) To accept and review written comments from
10 individuals and organizations about medical [marijuana]
11 cannabis.

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

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

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

19 (ii) Whether to change, add or reduce the types of
20 medical conditions which qualify as serious medical
21 conditions under this [act] part.

22 (iii) Whether to change the form of medical
23 [marijuana] cannabis permitted under this [act] part.

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

26 (v) How to ensure affordable patient access to
27 medical [marijuana] cannabis.

28 (vi) Whether to permit medical [marijuana] cannabis
29 to be dispensed in dry leaf or plant form, for
30 administration by vaporization.

1 (6) The final written report under this section shall be
2 adopted at a public meeting. The report shall be a public
3 record under the act of February 14, 2008 (P.L.6, No.3),
4 known as the Right-to-Know Law.

5 CHAPTER 13

6 OFFENSES RELATED TO MEDICAL [MARIJUANA] CANNABIS

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

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

16 Section 1302. Criminal diversion of medical [marijuana]
17 cannabis.

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

25 (1) A medical [marijuana] cannabis organization.

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

29 (3) A clinical registrant or academic clinical research
30 center under Chapter 20.

1 (4) A laboratory utilized to test medical [marijuana]
2 cannabis under section 704.

3 Section 1303. Criminal retention of medical [marijuana]
4 cannabis.

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

10 Section 1304. Criminal diversion of medical [marijuana]
11 cannabis by patient or caregiver.

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

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

20 Section 1305. Falsification of identification cards.

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

24 (1) possesses an identification card and either attempts
25 to use the card to obtain medical [marijuana] cannabis or
26 obtains medical [marijuana] cannabis;

27 (2) possesses an identification card which falsely
28 identifies the person as being lawfully entitled to receive
29 medical [marijuana] cannabis and either attempts to use the
30 card to obtain medical [marijuana] cannabis or obtains

1 medical [marijuana] cannabis; or

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

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

10 Section 1306. Adulteration of medical [marijuana] cannabis.

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

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

20 Section 1307. Disclosure of information prohibited.

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

27 (1) A medical [marijuana] cannabis organization.

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

1 (3) A clinical registrant or academic clinical research
2 center under Chapter 20.

3 (4) An employee of the department.

4 (b) Exception.--Subsection (a) shall not apply where
5 disclosure is permitted or required by law or by court order.
6 Section 1308. Additional penalties.

7 (a) Criminal penalties.--In addition to any other penalty
8 provided by law, a practitioner, caregiver, patient, employee,
9 financial backer, operator or principal of any medical
10 [marijuana] cannabis organization, health care medical
11 organization or university participating in a research study
12 under Chapter 19, and an employee, financial backer, operator or
13 principal of a clinical registrant or academic clinical research
14 center under Chapter 20, who violates any of the provisions of
15 this [act] part, other than those specified in section 1301,
16 1302, 1303, 1304, 1305, 1306 or 1307, or any regulation
17 promulgated under this [act] part:

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

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

27 (b) Civil penalties.--In addition to any other remedy
28 available to the department, the department may assess a civil
29 penalty for a violation of this [act] part, a regulation
30 promulgated under this [act] part or an order issued under this

1 [act] part or regulation as provided in this subsection. The
2 following shall apply:

3 (1) The department may assess a penalty of not more than
4 \$10,000 for each violation and an additional penalty of not
5 more than \$1,000 for each day of a continuing violation. In
6 determining the amount of each penalty, the department shall
7 take the following factors into consideration:

8 (i) The gravity of the violation.

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

11 (iii) The willfulness of the violation.

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

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

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

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

29 (c) Sanctions.--

30 (1) In addition to the penalties provided in subsection

1 (b) and any other penalty authorized by law, the department
2 may impose the following sanctions:

3 (i) Revoke or suspend the permit of a person found
4 to be in violation of this [act] part, a regulation
5 promulgated under this [act] part or an order issued
6 under this [act] part or regulation.

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

11 (iii) Revoke or suspend the registration of a
12 practitioner for a violation of this [act] part or a
13 regulation promulgated or an order issued under this
14 [act] part or for conduct or activity which would have
15 disqualified the practitioner from receiving a
16 registration.

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

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

23 (vi) Issue a cease and desist order.

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

28 (d) Costs of action.--The department may assess against a
29 person determined to be in violation of this [act] part the
30 costs of investigation of the violation.

1 (e) Minor violations.--Nothing in this section shall be
2 construed to require the assessment of a civil penalty or the
3 imposition of a sanction for a minor violation of this [act]
4 part if the department determines that the public interest will
5 be adequately served under the circumstances by the issuance of
6 a written warning.

7 Section 1309. Other restrictions.

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

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

15 (2) Possessing or using medical [marijuana] cannabis in
16 a State or county correctional facility, including a facility
17 owned or operated or under contract with the Department of
18 Corrections or the county which houses inmates serving a
19 portion of their sentences on parole or other community
20 correction program. Nothing in this paragraph shall be
21 construed to apply to employees of the facilities set forth
22 in this paragraph. The Department of Corrections shall adopt
23 a written policy no later than 18 months from the effective
24 date of this section regarding the possession and use of
25 medical [marijuana] cannabis by employees in State
26 correctional facilities. The governing authority of a county
27 may adopt a resolution no later than 18 months from the
28 effective date of this section regarding the possession and
29 use of medical [marijuana] cannabis by employees in a county
30 correctional facility.

1 (3) Possessing or using medical [marijuana] cannabis in
2 a youth detention center or other facility which houses
3 children adjudicated delinquent, including the separate,
4 secure State-owned facility or unit utilized for sexually
5 violent delinquent children under 42 Pa.C.S. § 6404 (relating
6 to duration of inpatient commitment and review). As used in
7 this paragraph, the term "sexually violent delinquent
8 children" shall have the meaning given to it in 42 Pa.C.S. §
9 6402 (relating to definitions). Nothing in this paragraph
10 shall be construed to apply to employees of the facilities
11 set forth in this paragraph.

12 Section 1901. [Definitions.]

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

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

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

26 Section 1902. Establishment of medical [marijuana] cannabis
27 research program.

28 (a) Program to be established.--The department shall
29 establish and develop a research program to study the impact of
30 medical [marijuana] cannabis on the treatment and symptom

1 management of serious medical conditions. The program shall not
2 include a clinical registrant or academic clinical research
3 center under Chapter 20.

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

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

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

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

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

25 (5) Upon approval of a research study by the United
26 States Food and Drug Administration and the United States
27 Drug Enforcement Administration, select a vertically
28 integrated health system or systems to conduct the research
29 study and designate the form or forms of medical [marijuana]
30 cannabis which will be used to treat the serious medical

1 condition.

2 (6) Notify a patient who has been issued an
3 identification card:

4 (i) that the patient has been selected to
5 participate, at the patient's option, in a research study
6 to study medical [marijuana] cannabis as a treatment; and

7 (ii) where the patient may secure medical
8 [marijuana] cannabis through a health care medical
9 [marijuana] cannabis organization at no cost to the
10 patient in accordance with subsection (c).

11 (7) If the United States Food and Drug Administration
12 and the United States Drug Enforcement Administration reject
13 the proposal for the research study, take all reasonable
14 steps to collect and collate data on the serious medical
15 condition and the use of medical [marijuana] cannabis as a
16 treatment for the serious medical condition and consider
17 submitting an additional request to the United States Food
18 and Drug Administration and United States Drug Enforcement
19 Administration for a research study on the same condition.

20 (c) Costs.--The cost of the medical [marijuana] cannabis
21 which is dispensed to patients in accordance with an approved
22 research study shall be paid for by the fund.

23 (d) Geographic accessibility.--The department shall take
24 into consideration the geographic location of the health care
25 medical [marijuana] cannabis organization when assigning a
26 patient to a health care medical [marijuana] cannabis
27 organization. The department shall make an effort to assign a
28 patient to a health care medical [marijuana] cannabis
29 organization that is located within 50 miles of the patient's
30 residence.

1 (e) Data.--Data collected by the health care medical
2 [marijuana] cannabis organization shall be provided to the
3 university participating in the research study for analysis.
4 Section 1903. Medical [marijuana] cannabis research program
5 administration.

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

13 (1) Real time inventory tracking.

14 (2) Real time tracking of the medical [marijuana]
15 cannabis dispensed.

16 (3) Recall of defective medical [marijuana] cannabis.

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

26 (1) The form or forms of medical [marijuana] cannabis to
27 be studied.

28 (2) The serious medical condition to be studied.

29 (c) Research reports.--

30 (1) A vertically integrated health system shall report

1 on the effectiveness of the use of medical [marijuana]
2 cannabis for the treatment of the serious medical condition
3 studied and all counterindications and noted side effects.

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

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

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

18 Section 1904. Approval.

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

27 Section 1905. Requirements.

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

30 (1) Maintain licensure with the department as required

1 under the act of July 19, 1979 (P.L.130, No.48), known as the
2 Health Care Facilities Act.

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

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

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

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

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

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

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

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

1 health care medical [marijuana] cannabis organizations that
2 dispense medical [marijuana] cannabis.

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

6 Section 1906. Restrictions.

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

13 Section 1907. Regulations.

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

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

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

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

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

30 (5) A system to track the plant waste resulting from the

1 growth of medical [marijuana] cannabis.

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

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

9 Section 1908. Nonentitlement.

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

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

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

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

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

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

29 (1) It is the intention of the General Assembly to
30 create a mechanism whereby this Commonwealth's medical

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

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

18 Section 2002. Clinical registrants.

19 (a) Approval.--The department may approve up to eight
20 clinical registrants. Each clinical registrant may provide
21 medical [marijuana] cannabis at not more than six separate
22 locations. The total number of locations authorized to dispense
23 medical [marijuana] cannabis under this section shall not exceed
24 48. The grower/processor and dispensary permits issued to
25 clinical registrants approved under this section shall be in
26 addition to the 25 grower/processor and 50 dispensary permits
27 issued by the department in accordance with section 616(1) and
28 (2). The limitations relating to number and location in sections
29 616(1) and (2) and 603(d) do not apply. A clinical registrant
30 may not hold more than one grower/processor and one dispensary

1 permit. Once the department approves the entity as a clinical
2 registrant, the entity shall comply with this chapter.

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

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

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

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

24 (4) When the department issues a permit as a
25 grower/processor or a dispensary to an entity seeking
26 approval as a clinical registrant, the issuance shall not be
27 construed to reduce the number of permits for
28 growers/processors and dispensaries authorized under section
29 616(1) and (2).

30 (5) Except as provided in section 607(1)(vi) and (2)

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

11 (6) The clinical registrant must have a minimum of
12 \$15,000,000 in capital. The department shall verify the
13 capital requirement.

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

17 (8) A grower/processor facility owned by a clinical
18 registrant may sell its medical [marijuana] cannabis products
19 only to the clinical registrant's dispensary facilities and
20 the dispensary facilities of other clinical registrants. The
21 facility may sell seeds, medical [marijuana] cannabis plants
22 and medical [marijuana] cannabis products to, or exchange
23 seeds, medical [marijuana] cannabis plants and medical
24 [marijuana] cannabis products with, any other
25 grower/processor facility holding a permit under Chapter 6 or
26 this chapter.

27 (9) A clinical registrant may petition the department,
28 on a form prescribed by the department, for approval to sell
29 certain of the medical [marijuana] cannabis products grown
30 and processed by its grower/processor facility to other

1 medical [marijuana] cannabis organizations holding dispensary
2 permits under Chapter 6. The petition must be accompanied by
3 a written report of the clinical registrant's research
4 findings with respect to the medical [marijuana] cannabis
5 products which are the subject of the petition. The
6 department shall approve the petition if it has been
7 demonstrated that the medical [marijuana] cannabis products
8 have a practical effect on patients which changes a
9 recommendation within the medical field as indicated in the
10 report submitted by the clinical registrant.

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

18 Section 2003. Research study.

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

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

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

30 (i) The reason for the research project, including

1 the reason for the trial.

2 (ii) The strain and strength of medical [marijuana]
3 cannabis to be used in the research study.

4 (iii) The anticipated duration of the study.

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

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

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

19 (3) The department shall allow the exchange of medical
20 [marijuana] cannabis seed between clinical registrants for
21 the conduct of research.

22 Section 5. Sections 2101, 2101.1, 2102, 2103, 2104, 2105,
23 2108 and 2109 of the act are amended to read:

24 Section 2101. Conflict.

25 The growth, processing, manufacture, acquisition,
26 transportation, sale, dispensing, distribution, possession and
27 consumption of medical [marijuana] cannabis permitted under this
28 [act] part shall not be deemed to be a violation of the act of
29 April 14, 1972 (P.L.233, No.64), known as The Controlled
30 Substance, Drug, Device and Cosmetic Act. If a provision of the

1 Controlled Substance, Drug, Device and Cosmetic Act relating to
2 [marijuana] cannabis conflicts with a provision of this [act]
3 part, this [act] part shall take precedence.

4 Section 2101.1. Financial and employment interests.

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

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

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

30 (d) State Ethics Commission.--The State Ethics Commission

1 shall do all of the following:

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

10 (2) Publish a list of all State, county, municipal and
11 other government positions that meet the definitions of
12 "public official" [or "executive-level public employee"] as
13 defined under 4 Pa.C.S. § 1512(b) (relating to financial and
14 employment interests) and "executive-level public employee"
15 as defined under 4 Pa.C.S. § 1103 (relating to definitions).

16 The Office of Administration shall assist the State Ethics
17 Commission in the development of the list, which shall be
18 published by the State Ethics Commission in the Pennsylvania
19 Bulletin biennially and posted by the department on the
20 department's publicly accessible Internet website. Upon
21 request, each public official shall have a duty to provide
22 the State Ethics Commission with adequate information to
23 accurately develop and maintain the list. The State Ethics
24 Commission may impose a civil penalty under 65 Pa.C.S. §
25 1109(f) (relating to penalties) upon any individual,
26 including any public official or executive-level public
27 employee, who fails to cooperate with the State Ethics
28 Commission under this subsection. A person that relies in
29 good faith on the list published by the State Ethics
30 Commission shall not be subject to any penalty for a

1 violation of this section.

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

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

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

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

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

9 (1) The Governor, Lieutenant Governor, a member of the
10 Governor's cabinet, Treasurer, Auditor General and Attorney
11 General of the Commonwealth.

12 (2) A member of the Senate or House of Representatives
13 of the Commonwealth.

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

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

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

29 The term does not include a member of a school board or an
30 individual who held an uncompensated office with a governmental

1 body prior to January 1, 2017, and who no longer holds the
2 office as of January 1, 2017.

3 Section 2102. Insurers.

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

8 Section 2103. Protections for patients and caregivers.

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

16 (1) A patient.

17 (2) A caregiver.

18 (3) A practitioner.

19 (4) A medical [marijuana] cannabis organization.

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

23 (6) A clinical registrant or academic clinical research
24 center under Chapter 20.

25 (7) An employee, principal or financial backer of a
26 medical [marijuana] cannabis organization.

27 (8) An employee of a health care medical [marijuana]
28 cannabis organization or an employee of a university
29 participating in a research study under Chapter 19.

30 (9) An employee of a clinical registrant or an employee

1 of an academic clinical research center under Chapter 20.

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

4 (b) Employment.--

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

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

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

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

30 Section 2104. Schools.

1 The Department of Education shall promulgate regulations
2 within 18 months of the effective date of this section regarding
3 the following:

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

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

10 Section 2105. Day-care centers.

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

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

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

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

26 Section 2108. Notice.

27 Upon amendment of the Controlled Substances Act (Public Law
28 91-513, 84 Stat. 1236) removing [marijuana] cannabis from
29 Schedule I of the Controlled Substances Act, the department
30 shall [publish] provide notice of the effective date of the

1 amendment to the Legislative Reference Bureau, which shall
2 publish the notice in the Pennsylvania Bulletin.

3 Section 2109. Applicability.

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

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

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

16 PART III

17 ADULT-USE CANNABIS

18 CHAPTER 31

19 PRELIMINARY PROVISIONS

20 Section 3101. Scope of part.

21 This part relates to adult-use cannabis.

22 Section 3102. Definitions.

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

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

28 CHAPTER 32

29 ADULT-USE CANNABIS ORGANIZATIONS

30 Section 3201. Adult-use cannabis organizations.

1 The following entities shall be authorized to receive a
2 permit to operate as an adult-use cannabis organization to grow,
3 process or dispense adult-use cannabis and cannabis products:

4 (1) Grower/processors.

5 (2) Dispensaries.

6 Section 3202. Permits.

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

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

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

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

18 (4) A criminal history record check. Adult-use cannabis
19 organizations applying for a permit shall submit fingerprints
20 of principals, financial backers, operators and employees to
21 the Pennsylvania State Police for the purpose of obtaining
22 criminal history record checks and the Pennsylvania State
23 Police or its authorized agent shall submit the fingerprints
24 to the Federal Bureau of Investigation for the purpose of
25 verifying the identity of the principals, financial backers,
26 operators and employees and obtaining a current record of any
27 criminal arrests and convictions. Any criminal history record
28 information relating to principals, financial backers,
29 operators and employees obtained under this section by the
30 department may be interpreted and used by the department only

1 to determine the principal's, financial backer's, operator's
2 and employee's character, fitness and suitability to serve as
3 a principal, financial backer, operator and employee under
4 this part. This paragraph shall not apply to an owner of
5 securities in a publicly traded corporation if the department
6 determines that the owner of the securities is not
7 substantially involved in the activities of the adult-use
8 cannabis organization.

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

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

16 (7) A statement that the applicant:

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

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

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

30 (iv) Is able to comply with all applicable

1 Commonwealth laws and regulations relating to the
2 activities in which the applicant intends to engage under
3 this part.

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

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

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

18 (9) Any other information the department may require.

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

25 (c) Notice.--An application shall include notice that a
26 false statement made in the application is punishable under the
27 applicable provisions of 18 Pa.C.S. Ch. 49 (relating to
28 falsification and intimidation).
29 Section 3203. Granting of permit.

30 (a) General rule.--The department may grant or deny a permit

1 to an adult-use cannabis grower/processor or dispensary.

2 (b) Determination.--In making a decision under subsection

3 (a), the department shall determine that:

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

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

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

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

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

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

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

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

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

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

1 Section 3204. Application and issuance.

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

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

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

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

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

21 Section 3205. Fees and other requirements.

22 The following apply:

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

24 (i) An initial application fee in the amount of
25 \$10,000 shall be paid. The fee is nonrefundable.

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

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

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

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

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

14 (2) For an adult-use cannabis dispensary:

15 (i) An initial application fee in the amount of
16 \$5,000 shall be paid. The fee is nonrefundable.

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

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

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

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

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

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

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

11 Section 3206. Issuance.

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

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

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

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

21 (4) Any other information required by the department.

22 Section 3207. Relocation.

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

26 Section 3208. Terms of permit.

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

29 Section 3209. Permit renewals.

30 (a) Renewal.--An application for renewal shall include the

1 following information:

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

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

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

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

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

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

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

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

1 practicable.

2 Section 3210. Suspension or revocation.

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

5 (1) The department has evidence that the adult-use
6 cannabis organization has failed to maintain effective
7 control against diversion of adult-use cannabis or cannabis
8 products.

9 (2) The adult-use cannabis organization violates any
10 provision of this part or a regulation of the department.

11 (3) The adult-use cannabis organization has
12 intentionally, knowingly, recklessly or negligently failed to
13 comply with applicable laws of this Commonwealth relating to
14 adult-use cannabis or cannabis products.

15 Section 3211. Convictions prohibited.

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

21 (1) Financial backers.

22 (2) Principals.

23 (3) Employees.

24 Section 3212. Diversity goals.

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

30 (1) That diverse groups are accorded equal opportunity

1 in the permitting process.

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

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

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

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

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

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

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

30 (2) A summary of how diverse groups are utilized by

1 permittees, including in the provision of goods or services.

2 (3) Any other information the department deems
3 appropriate.

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

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

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

13 "Minority-owned business." As defined in 74 Pa.C.S. §
14 303(b).

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

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

19 "Veteran-owned small business." As defined in 51 Pa.C.S. §
20 9601.

21 "Women-owned business." As defined in 74 Pa.C.S. § 303(b).
22 Section 3213. Limitations on permits.

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

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

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

30 (3) The department may not issue more than five

1 individual dispensary permits to one person.

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

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

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

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

15 CHAPTER 33

16 ADULT-USE CANNABIS CONTROLS

17 Section 3301. Electronic tracking.

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

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

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

30 (3) For a grower/processor and a dispensary, a daily log

1 of each day's beginning inventory, acquisitions, amounts
2 purchased and sold, disbursements, disposals and ending
3 inventory. The tracking system shall include prices paid and
4 amounts collected from clients.

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

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

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

15 (1) Security and surveillance.

16 (2) Recordkeeping and record retention.

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

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

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

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

27 (d) Reports.--Within one year of the issuance of the first
28 permit to a grower/processor or dispensary, and every three
29 months thereafter in a form and manner prescribed by the
30 department, the following information shall be provided to the

1 department, which shall compile the information and post the
2 information on the department's publicly accessible Internet
3 website:

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

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

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

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

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

18 Section 3302. Grower/processors.

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

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

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

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

30 (1) includes electronic locking systems, electronic

1 surveillance and other features required by the department;
2 and

3 (2) is located within this Commonwealth.

4 Section 3303. Storage and transportation.

5 The department shall develop regulations relating to the
6 storage and transportation of adult-use cannabis and cannabis
7 products among grower/processors, testing laboratories and
8 dispensaries which ensure adequate security to guard against in-
9 transit losses. The tracking system developed by the department
10 shall include all transportation and storage of adult-use
11 cannabis and cannabis products. The regulations shall provide
12 for the following:

13 (1) Requirements relating to shipping containers and
14 packaging.

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

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

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

22 (5) Use of GPS systems.

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

25 (7) Recordkeeping for delivery and receipt of cannabis
26 products.

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

29 (9) Transporting adult-use cannabis and cannabis
30 products to a grower/processor, approved laboratory or

1 dispensary.

2 Section 3304. Laboratory.

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

11 Section 3305. Prices.

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

24 CHAPTER 34

25 DISPENSARIES

26 Section 3401. Dispensing to clients.

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

30 (b) Receipt.--The dispensary shall provide to the client a

1 receipt, as appropriate. The receipt shall include all of the
2 following:

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

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

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

9 Section 3402. Facility requirements.

10 (a) General rule.--

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

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

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

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

27 Section 3403. Posting.

28 A dispensary shall post a copy of its permit in a location
29 within its facility in a manner that is easily observable by
30 clients, law enforcement officers and agents of the department.

1 Section 3502. Tax on adult-use cannabis and cannabis products.

2 (a) Tax imposed.--Except as provided in subsection (b), a
3 tax is imposed on the gross receipts of a grower/processor
4 received from the sale of adult-use cannabis or cannabis
5 products by a grower/processor to another grower/processor or
6 dispensary, to be paid by the grower/processor at the rate of
7 10%. The tax shall be charged against and be paid by the
8 grower/processor and shall not be added as a separate charge or
9 line item on any sales slip, invoice, receipt or other statement
10 or memorandum of the price paid by a dispensary.

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

14 (c) Excise tax.--An excise tax is imposed at the point of
15 sale of adult-use cannabis or cannabis products at the rate of
16 19%. A person required to collect the tax shall clearly provide
17 notice of the assessment of the tax to the consumer through
18 advertising or separate listing on a sales receipt or invoice.

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

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

29 (1) The ordinance imposing the tax shall be clear and in
30 language that is readily understandable by a layperson and

1 shall be in substantially the following form:

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

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

9 (f) Payment of tax and reports.--

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

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

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

25 (1) Money received from the tax imposed under section
26 202 of the Tax Reform Code of 1971 on the sale of adult-use
27 cannabis or cannabis products under this section shall be
28 deposited into the General Fund.

29 (2) Money received by a county from the tax imposed
30 under subsection (e) shall be distributed as follows:

1 (i) One-third of the money shall be distributed to
2 each municipality which is in the county and in which an
3 adult-use cannabis dispensary is located under the
4 following formula:

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

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

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

11 The algebraic form of the calculation under this
12 subparagraph is:

13 Individual municipality distribution = (total revenue
14 generated by the tax x 1/3) / (total number of
15 adult-use cannabis dispensaries in the county) x
16 (total number of adult-use dispensaries in the
17 municipality).

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

20 (A) The legal representation of indigent
21 criminal defendants.

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

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

27 (D) After-school programs within the county.

28 The following apply:

29 (I) The county shall develop procedures and
30 standards for the county and an entity seeking to

1 provide after-school programs, including, but not
2 limited to, the following:

3 (a) A grant application form.

4 (b) The submission of grant
5 applications.

6 (c) The review of grant applications.

7 (d) The approval or disapproval of grant
8 applications.

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

14 (a) Improved social, emotional, academic
15 and career readiness competencies of school-
16 age children.

17 (b) The reduction of negative behaviors,
18 such as violence and crime, adolescent
19 pregnancies, tobacco, alcohol and substance
20 abuse, disengagement from school, school
21 suspension and truancy and health-
22 compromising behaviors.

23 (c) A safe after-school environment for
24 the children of working families.

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

28 (i) The first \$5,000,000 shall be distributed to the
29 Department of Corrections for jail diversion services,
30 expungement services, re-entry programs, workforce

1 development, technical assistance and mentoring services
2 for economically disadvantaged persons in communities
3 disproportionately impacted by high rates of arrest and
4 incarceration for cannabis offenses. The Department of
5 Corrections shall decide how the money received under
6 this paragraph shall be used in accordance with this
7 paragraph.

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

10 Section 3503. Commonwealth Reinvestment Fund.

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

13 (b) Source of money.--

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

16 (2) Any interest accrued on money received under section
17 3502(f)(2) shall be deposited into the fund.

18 (c) Use of money.--

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

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

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

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

27 (2) Shall be allocated in the following manner:

28 (i) Fifty percent to the Department of Education for
29 the Student Loan Reimbursement Program under section
30 3504.

1 (ii) Forty percent to the Pennsylvania Housing
2 Finance Agency for the Mixed Income Housing Program under
3 section 3505.

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

6 Section 3504. Student Loan Reimbursement Program.

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

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

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

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

18 (2) A resident of this Commonwealth.

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

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

27 (1) Subtract:

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

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

1 loans.

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

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

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

8 (ii) 365.

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

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

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

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

18 (g) Limitations.--

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

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

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

29 (i) Rolling basis.--Reimbursements under the Student Loan
30 Reimbursement Program shall be provided on a rolling basis based

1 on when an application is approved.

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

6 Section 3505. Mixed Income Housing Program.

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

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

13 (1) A grant application form.

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

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

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

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

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

1 approval of the grant.

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

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

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

14 Section 3506. After-school Program.

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

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

21 (1) A grant application form.

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

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

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

30 (i) The improvement of social, emotional, academic

1 and vocational competencies of school-age children.

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

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

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

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

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

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

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

24 (g) Limitations.--The Department of Education may limit the
25 number of grants or the amount of grant money approved based on
26 the total number of grant applications submitted or the total
27 amount of grant money requested.

28 CHAPTER 36

29 ADMINISTRATION

30 Section 3601. Governing practice and procedure.

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

5 Section 3602. Reports by adult-use cannabis organizations.

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

10 Section 3603. Law enforcement notification.

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

17 Section 3604. Evaluation.

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

23 Section 3605. Report.

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

27 (1) The Governor.

28 (2) The Attorney General.

29 (3) The President pro tempore of the Senate.

30 (4) The Majority Leader and the Minority Leader of the

1 Senate.

2 (5) The Speaker of the House of Representatives.

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

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

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

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

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

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

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

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

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

23 Section 3606. Temporary regulations.

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

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

1 Commonwealth Documents Law.

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

4 (3) Sections 204(b) and 301(10) of the act of October
5 15, 1980 (P.L.950, No.164), known as the Commonwealth
6 Attorneys Act.

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

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

16 CHAPTER 37

17 ADVISORY BOARD

18 Section 3701. Duties of advisory board.

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

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

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

26 CHAPTER 38

27 OFFENSES RELATED TO ADULT-USE CANNABIS AND

28 CANNABIS PRODUCTS

29 Section 3801. Criminal diversion of adult-use cannabis and
30 cannabis products.

1 (a) Individual under 21 years of age.--A person commits a
2 misdemeanor of the first degree if the person intentionally,
3 knowingly or recklessly provides adult-use cannabis or cannabis
4 products to an individual under 21 years of age.

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

13 Section 3802. Additional penalties.

14 (a) Criminal penalties.--In addition to any other penalty
15 provided by law, an employee, financial backer, operator or
16 principal of an adult-use cannabis organization who violates a
17 provision of this part, other than those specified in section
18 3801, or a regulation promulgated under this part:

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

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

28 (b) Civil penalties.--In addition to any other remedy
29 available to the department, the department may assess a civil
30 penalty for a violation of this part, a regulation promulgated

1 under this part or an order issued under this part or regulation
2 as provided in this subsection. The following shall apply:

3 (1) The department may assess a penalty of not more than
4 \$10,000 for each violation and an additional penalty of not
5 more than \$1,000 for each day of a continuing violation. In
6 determining the amount of each penalty, the department shall
7 take the following factors into consideration:

8 (i) The gravity of the violation.

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

11 (iii) The willfulness of the violation.

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

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

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

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

28 (c) Sanctions.--

29 (1) In addition to the penalties provided in subsection
30 (b) and any other penalty authorized by law, the department

1 may impose the following sanctions:

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

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

10 (iii) Suspend a permit of a person pending the
11 outcome of a hearing in a case in which the permit could
12 be revoked.

13 (iv) Order restitution of funds or property
14 unlawfully obtained or retained by a permittee.

15 (v) Issue a cease and desist order.

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

19 (d) Costs of action.--The department may assess against a
20 person determined to be in violation of this part the costs of
21 investigation of the violation.

22 (e) Minor violations.--Nothing in this section shall be
23 construed to require the assessment of a civil penalty or the
24 imposition of a sanction for a minor violation of this part if
25 the department determines that the public interest will be
26 adequately served under the circumstances by the issuance of a
27 written warning.

28 Section 3803. Other restrictions.

29 This part does not permit a person to engage in and does not
30 prevent the imposition of a civil, criminal or other penalty for

1 the following:

2 (1) Undertaking a task under the influence of adult-use
3 cannabis when doing so would constitute negligence,
4 professional malpractice or professional misconduct.

5 (2) Possessing or using adult-use cannabis in a State or
6 county correctional facility, including a facility owned or
7 operated or under contract with the Department of Corrections
8 or the county which houses inmates serving a portion of their
9 sentences on parole or other community correction program.
10 Nothing in this paragraph shall be construed to apply to
11 employees of the facilities set forth in this paragraph. The
12 Department of Corrections shall adopt a written policy no
13 later than 18 months from the effective date of this section
14 regarding the possession and use of adult-use cannabis by
15 employees in State correctional facilities. The governing
16 authority of a county may adopt a resolution no later than 18
17 months from the effective date of this section regarding the
18 possession and use of adult-use cannabis by employees in a
19 county correctional facility.

20 (3) Possessing or using adult-use cannabis in a youth
21 detention center or other facility which houses children
22 adjudicated delinquent, including the separate, secure State-
23 owned facility or unit utilized for sexually violent
24 delinquent children under 42 Pa.C.S. § 6404 (relating to
25 duration of inpatient commitment and review). As used in this
26 paragraph, the term "sexually violent delinquent children"
27 shall have the meaning given to it in 42 Pa.C.S. § 6402
28 (relating to definitions). Nothing in this paragraph shall be
29 construed to apply to employees of the facilities set forth
30 in this paragraph.

1 Section 3804. Lawful conduct.

2 Notwithstanding any other provision of law, the following
3 acts are not unlawful and are not an offense under the laws of
4 this Commonwealth or the law of a locality within this
5 Commonwealth or a basis for seizure or forfeiture of an asset
6 under the laws of this Commonwealth for a person 21 years of age
7 or older:

8 (1) Possessing, using, displaying, purchasing or
9 transporting cannabis accessories, cannabis or cannabis
10 products.

11 (2) Either of the following:

12 (i) Possessing, growing, processing or transporting
13 not more than six cannabis plants, with not more than
14 three being mature, flowering plants.

15 (ii) Possessing the cannabis produced by the plants
16 under subparagraph (i) on the premises where the plants
17 were grown, so long as the growing takes place in an
18 enclosed and locked space and is not conducted openly or
19 publicly and the cannabis is not made available for sale.

20 (3) Transfer of one ounce or less of cannabis without
21 remuneration to a person who is 21 years of age or older.

22 (4) Consumption of cannabis or cannabis products,
23 provided that nothing in this section shall permit
24 consumption that is conducted openly and publicly or in a
25 manner that endangers others.

26 (5) Assisting another person who is 21 years of age or
27 older in an act described under paragraph (1), (2), (3) or
28 (4).

29 CHAPTER 39

30 MISCELLANEOUS PROVISIONS

1 Section 3901. Regulations.

2 The department shall promulgate all regulations necessary to
3 carry out the provisions of this part.

4 Section 3902. Financial and employment interests.

5 (a) Financial interests.--Except as may be provided for the
6 judiciary by rule or order of the Pennsylvania Supreme Court, an
7 executive-level public employee, public official or party
8 officer, or an immediate family member of any of these
9 individuals, shall not intentionally or knowingly hold a
10 financial interest in an adult-use cannabis organization or in a
11 holding company, affiliate, intermediary or subsidiary of an
12 adult-use cannabis organization, while the individual is an
13 executive-level public employee, public official or party
14 officer and for one year following termination of the
15 individual's status as an executive-level public employee,
16 public official or party officer.

17 (b) Employment.--Except as may be provided by rule or order
18 of the Pennsylvania Supreme Court, no executive-level public
19 employee, public official or party officer, or an immediate
20 family member of any of these individuals, shall be employed by
21 an adult-use cannabis organization or by a holding company,
22 affiliate, intermediary or subsidiary of an adult-use cannabis
23 organization, while the individual is an executive-level public
24 employee, public official or party officer and for one year
25 following termination of the individual's status as an
26 executive-level public employee, public official or party
27 officer.

28 (c) Grading.--An individual who violates this section
29 commits a misdemeanor and shall, upon conviction, be sentenced
30 to pay a fine of not more than \$1,000 or to imprisonment for not

1 more than one year, or both.

2 (d) State Ethics Commission.--The State Ethics Commission
3 shall do all of the following:

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

12 (2) Publish a list of all State, county, municipal and
13 other government positions that meet the definitions of
14 "public official" as defined under 4 Pa.C.S. § 1512(b)
15 (relating to financial and employment interests) and
16 "executive-level public employee" as defined under 4 Pa.C.S.
17 § 1103 (relating to definitions). The Office of
18 Administration shall assist the State Ethics Commission in
19 the development of the list. The State Ethics Commission
20 shall provide notice of the development of the list to the
21 Legislative Reference Bureau, which shall publish the list in
22 the Pennsylvania Bulletin. The list shall be published
23 biennially in the Pennsylvania Bulletin and posted by the
24 department on the department's publicly accessible Internet
25 website. Upon request, each public official shall have a duty
26 to provide the State Ethics Commission with adequate
27 information to accurately develop and maintain the list. The
28 State Ethics Commission may impose a civil penalty under 65
29 Pa.C.S. § 1109(f) (relating to penalties) upon an individual,
30 including a public official or executive-level public

1 employee, who fails to cooperate with the State Ethics
2 Commission under this subsection. A person that relies in
3 good faith on the list published by the State Ethics
4 Commission shall not be subject to a penalty for a violation
5 of this section.

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

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

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

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

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

13 (1) The Governor, Lieutenant Governor, a member of the
14 Governor's cabinet, Treasurer, Auditor General and Attorney
15 General of the Commonwealth.

16 (2) A member of the Senate or House of Representatives
17 of the Commonwealth.

18 (3) An individual elected or appointed to an office of a
19 county or municipality that directly receives a distribution
20 of revenue from the fund.

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

25 (5) An individual elected or appointed to a department,
26 agency, board, commission, authority, county, municipality or
27 other governmental body not included in paragraph (1), (2) or
28 (3) with discretionary power which may influence or affect
29 the outcome of an action or decision and who is involved in
30 the development of regulation or policy relating to an adult-

1 use cannabis organization or who is involved in other matters
2 under this part.

3 The term does not include a member of a school board or an
4 individual who held an uncompensated office with a governmental
5 body prior to January 1, 2020, and who no longer holds the
6 office as of January 1, 2020.

7 Section 3903. Employers, minors and control of property.

8 (a) Employers.--This section is not intended to require an
9 employer to permit or accommodate the use, consumption,
10 possession, transfer, display, transportation, sale or growing
11 of adult-use cannabis or cannabis products in the workplace or
12 to affect the ability of employers to have policies restricting
13 the use of adult-use cannabis and cannabis products by employees
14 in the workplace. A random drug test showing the mere presence
15 of a nonintoxicating level of cannabis may not be the basis of
16 the termination of employment or any other disciplinary action
17 against the employee.

18 (b) Persons and other entities.--This part does not prohibit
19 a person, employer, school, hospital, detention facility,
20 corporation or another entity who occupies, owns or controls a
21 property from prohibiting or otherwise regulating the
22 possession, consumption, use, display, transfer, distribution,
23 sale, transportation or growing of cannabis on or in the
24 property.

25 Section 3904. Cannabis clean slate.

26 (a) General rule.--A person who has been arrested for,
27 charged with or convicted under section 13(a)(30) and (31) of
28 the act of April 14, 1972 (P.L.233, No.64), known as The
29 Controlled Substance, Drug, Device and Cosmetic Act, shall have
30 the person's criminal history related to the criminal proceeding

1 expunged in accordance with subsection (b).

2 (b) Expungement process.--The following shall apply:

3 (1) The Administrative Office of Pennsylvania Courts
4 shall, within six months of the effective date of this part,
5 transmit to the Pennsylvania State Police central repository
6 all records related to an arrest or conviction under
7 subsection (a) for expungement.

8 (2) If the Pennsylvania State Police determines a record
9 transmitted under paragraph (1) is not eligible for
10 expungement, it shall notify the Administrative Office of
11 Pennsylvania Courts of the determination within 30 days of
12 receiving the information. Upon expiration of the 30-day
13 period, the Administrative Office of Pennsylvania Courts
14 shall provide to the court of common pleas in which the
15 arrest or adjudication occurred a list of all records
16 eligible for expungement. Within 30 days of receiving the
17 list, the court of common pleas shall order the expungement
18 of all criminal history records received under this section
19 and all administrative records of the Department of
20 Transportation relating to the criminal history records
21 received under this section.

22 (c) Release of inmates.--A court of common pleas that has
23 received an expungement order for a person currently
24 incarcerated for the crime for which the court received the
25 expungement order shall transmit to the appropriate county
26 correctional facility or State correctional institution, as
27 defined under 61 Pa.C.S. § 102 (relating to definitions), an
28 order for the immediate release or discharge of the person whose
29 record has been ordered to be expunged.

30 (d) Motor vehicle operation privileges.--The Bureau of Motor

1 Vehicles shall reinstate a person's suspended or revoked motor
2 vehicle operation privileges that were suspended or revoked as a
3 result of a person's conviction that has been expunged under
4 this section.

5 (e) Reinstatement of license or registration.--A license or
6 registration that has been suspended or revoked under section 23
7 of The Controlled Substance, Drug, Device and Cosmetic Act due
8 to an arrest or conviction that has been expunged under this
9 section shall be reinstated.

10 Section 7. The act is amended by adding a part heading to
11 read:

12 PART IV

13 MISCELLANEOUS PROVISIONS

14 CHAPTER 91

15 IMPLEMENTATION

16 Section 8. Section 2110 of the act is renumbered to read:
17 Section [2110] 9101. Effective date.

18 This act shall take effect in 30 days.

19 Section 9. Repeals are as follows:

20 (1) Section 4(1)(iii)16 and (iv) of the act of April 14,
21 1972 (P.L.233, No.64), known as The Controlled Substance,
22 Drug, Device and Cosmetic Act, are repealed.

23 (2) Section 13(a)(30) and (31) of The Controlled
24 Substance, Drug, Device and Cosmetic Act are repealed insofar
25 as they are inconsistent with this act.

26 (3) All acts and parts of acts are repealed insofar as
27 they are inconsistent with this act.

28 Section 10. The following apply:

29 (1) Within 10 days of the development of the rules and
30 regulations under section 3504(b) of the act, the Department

1 of Education shall provide notice of the development of the
2 rules and regulations to the Legislative Reference Bureau,
3 which shall publish the notice in the Pennsylvania Bulletin.

4 (2) Within 10 days of the development of the rules and
5 regulations under section 3505(b) of the act, the
6 Pennsylvania Housing Finance Agency shall provide notice of
7 the development of the rules and regulations to the
8 Legislative Reference Bureau, which shall publish the notice
9 in the Pennsylvania Bulletin.

10 (3) Within 10 days of the development of the rules and
11 regulations under section 3506(b) of the act, the Department
12 of Education shall provide notice of the development of the
13 rules and regulations to the Legislative Reference Bureau,
14 which shall publish the notice in the Pennsylvania Bulletin.
15 Section 11. This act shall take effect as follows:

16 (1) The following shall take effect immediately:

17 (i) This section.

18 (ii) Section 10 of this act.

19 (iii) The addition of sections 3501, 3503, 3504,
20 3505, 3506 and 3901 of the act.

21 (2) The remainder of this act shall take effect in 60
22 days.