
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2050 Session of
2020

INTRODUCED BY WHEATLEY, MADDEN, McNEILL, FRANKEL, KENYATTA,
McCLINTON, BURGOS, GAINNEY, HARRIS, WILLIAMS, LEE, HILL-EVANS,
YOUNGBLOOD AND DALEY, MARCH 4, 2020

REFERRED TO COMMITTEE ON HEALTH, MARCH 4, 2020

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 and imposing duties on the Bureau of Liquor Control
15 Enforcement; in preliminary provisions for medical cannabis,
16 further providing for short title, for declaration of policy
17 and for definitions; in program, further providing for
18 program established, for confidentiality and public
19 disclosure, for lawful use of medical marijuana and for
20 unlawful use of medical marijuana; in practitioners, further
21 providing for practitioner registration, for practitioner
22 restrictions, for issuance of certification and for duration;
23 in patients, further providing for identification cards, for
24 caregivers, for special conditions, for contents of
25 identification card, for suspension and for prohibitions; in
26 medical marijuana organizations, further providing for
27 medical marijuana organizations, for permits, for granting of
28 permit, for application and issuance, for fees and other
29 requirements, for issuance, for relocation, for terms of
30 permit, for permit renewals, for suspension or revocation,
31 for convictions prohibited, for diversity goals and for
32 limitations on permits; in medical marijuana controls,
33 further providing for electronic tracking, for

1 grower/processors, for storage and transportation, for
2 laboratory and for prices; in dispensaries, further providing
3 for dispensing to patients and caregivers and for facility
4 requirements; in tax on medical marijuana, further providing
5 for tax on medical marijuana and for Medical Marijuana
6 Program Fund; in administration, further providing for
7 governing practice and procedure, for reports by medical
8 marijuana organizations, for law enforcement notification,
9 for evaluation, for report and for temporary regulations; in
10 Medical Marijuana Advisory Board, further providing for
11 advisory board; in offenses related to medical marijuana,
12 further providing for criminal diversion of medical marijuana
13 by practitioners, for criminal diversion of medical
14 marijuana, for criminal retention of medical marijuana, for
15 criminal diversion of medical marijuana by patient or
16 caregiver, for falsification of identification cards, for
17 adulteration of medical marijuana, for disclosure of
18 information prohibited, for additional penalties and for
19 other restrictions; in research program, further providing
20 for definitions, for establishment of medical marijuana
21 research program, for medical marijuana research program
22 administration, for approval, for requirements, for
23 restrictions, for regulations and for nonentitlement; in
24 academic clinical research centers and clinical registrants,
25 further providing for legislative findings and declaration of
26 policy, for clinical registrants and for research study; in
27 miscellaneous provisions, further providing for conflict, for
28 financial and employment interests, for insurers, for
29 protections for patients and caregivers, for schools, for
30 day-care centers, for notice and for applicability; providing
31 for adult-use cannabis; establishing the Commonwealth
32 Reinvestment Fund, the Student Loan Reimbursement Program,
33 the Mixed Income Housing Program, the After-school Program
34 and the Minority and Woman Cannabis Grant Program; imposing
35 duties on the Department of Education, the Department of
36 Community and Economic Development, the Pennsylvania Housing
37 Finance Agency; imposing penalties; making appropriations;
38 making repeals; and making 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 Chapter 1 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 dispensary." A dispensary holding a
24 permit from the department under this act to dispense adult-use
25 cannabis or cannabis products but not medical cannabis.

26 "Adult-use cannabis grower." A grower holding a permit from
27 the department under this act to grow adult-use cannabis but not
28 medical cannabis.

29 "Adult-use cannabis organization." A cannabis organization
30 for the dispensing, growing or processing of adult-use cannabis

1 or cannabis products only and not of medical cannabis.

2 "Adult-use cannabis processor." A processor holding a permit
3 from the department under this act to process adult-use cannabis
4 or cannabis products but not medical cannabis.

5 "Cannabis." With respect to the plant of the genus cannabis,
6 as follows:

7 (1) Any of the following:

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

9 (ii) The seeds of the plant.

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

11 (iv) Every compound, manufacture, salt, derivative,
12 mixture or preparation of the plant, its seeds or resin,
13 including cannabis concentrate.

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

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 from the
28 department to dispense medical cannabis, adult-use cannabis
29 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." 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 medical cannabis or adult-
10 use cannabis.

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 "Grower/processor." As follows:

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

22 (2) The term does not include:

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

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

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

3 "Medical cannabis dispensary." A dispensary holding a permit
4 from the department under this act to dispense medical cannabis
5 but not adult-use cannabis or cannabis products.

6 "Medical cannabis grower." A grower holding a permit from
7 the department under this act to grow medical cannabis but not
8 adult-use cannabis.

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

12 "Medical cannabis processor." A processor holding a permit
13 from the department under this act to process medical cannabis
14 but not adult-use cannabis or cannabis products.

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

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

21 "Processor." As follows:

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

27 (2) The term does not include:

28 (i) A health care medical cannabis organization.

29 (ii) An academic clinical research center or
30 clinical registrant under Chapter 20 as it may pertain to

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

4 (3) Upon reasonable and probable cause, to search for
5 and seize, without warrant or process, except in private
6 homes, medical cannabis, adult-use cannabis or cannabis
7 products grown, processed, dispensed, sold or used in
8 violation of this act. The seized medical cannabis, adult-use
9 cannabis or cannabis products shall be disposed of as
10 provided in this chapter.

11 (4) To investigate and issue citations for a violation
12 of this act or another law of this Commonwealth relating to
13 medical cannabis, adult-use cannabis or cannabis products, or
14 a regulation adopted under this act or another law of this
15 Commonwealth or the Federal Government relating to medical
16 cannabis, adult-use cannabis or cannabis products by a
17 cannabis organization or other person covered by this act.

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

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

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

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

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

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

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

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

5 (6) To serve and execute warrants issued by the proper
6 authorities for offenses referred to in this subsection and
7 to serve subpoenas.

8 Section 103-A. Confiscation.

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

13 Section 104-A. Prohibitions based on age.

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

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

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

20 (3) The individual has completed training specified by
21 the bureau.

22 (4) The individual is acting within the scope of
23 prescribed duties.

24 (5) The individual is acting under the direct control or
25 supervision of a bureau officer who is 21 years of age or
26 older.

27 PART II

28 MEDICAL CANNABIS

29 Section 3. Chapter 1 heading, sections 101, 102, 103, 301,
30 302(b), 303, 304, 401(a) introductory paragraph and (c) (2), 402,

1 403(a) introductory paragraph and (4), (b) (6) and (c) (2), 405,
2 501(a) and (i), 502(b), 504, 508(5), 509 and 510, Chapter 6
3 heading, sections 601, 602, 603, 606, 607, 608, 609, 610, 612,
4 613, 614, 615 and 616, Chapter 7 heading, sections 701, 702, 703
5 introductory paragraph, (7) and (9), 704, 705, 801 and 802(a),
6 Chapter 9 heading, sections 901, 902, 1101, 1102, 1103, 1104,
7 1105 and 1107(a) and (c), Chapter 12 heading, section 1201(a)
8 introductory paragraph and (j), Chapter 13 heading and sections
9 1301, 1302, 1303, 1304, 1305(a), 1306(a), 1307(a) introductory
10 paragraph, (1) and (2), 1308, 1309, 1901, 1902, 1903(a), (b) and
11 (c) (1), 1904, 1905, 1906, 1907 and 1908 of the act are amended
12 to read:

13 CHAPTER [1] 2

14 PRELIMINARY PROVISIONS

15 Section [101. Short title.

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

18 This part relates to medical cannabis.

19 Section [102] 202. Declaration of policy.

20 The General Assembly finds and declares as follows:

21 (1) Scientific evidence suggests that medical
22 [marijuana] cannabis is one potential therapy that may
23 mitigate suffering in some patients and also enhance quality
24 of life.

25 (2) The Commonwealth is committed to patient safety.
26 Carefully regulating the program which allows access to
27 medical [marijuana] cannabis will enhance patient safety
28 while research into its effectiveness continues.

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

30 (i) Provide a program of access to medical

1 [marijuana] cannabis which balances the need of patients
2 to have access to the latest treatments with the need to
3 promote patient safety.

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

6 (iii) Promote high quality research into the
7 effectiveness and utility of medical [marijuana]
8 cannabis.

9 (4) It is the further intention of the General Assembly
10 that any Commonwealth-based program to provide access to
11 medical [marijuana] cannabis serve as a temporary measure,
12 pending Federal approval of and access to medical [marijuana]
13 cannabis through traditional medical and pharmaceutical
14 avenues.

15 Section [103] 203. Definitions.

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

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

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

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

1 for the serious medical condition.

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

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

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

13 "Controlling interest." As follows:

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

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

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

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

28 "Family or household member." As defined in 23 Pa.C.S. §
29 6102 (relating to definitions).

30 "Financial backer." An investor, mortgagee, bondholder, note

1 holder or other source of equity, capital or other assets, other
2 than a financial institution.

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

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

12 "Fund." The Medical [Marijuana] Cannabis Program Fund
13 established in section 902.

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

20 "Identification card." A document issued under section 501
21 that authorizes access to medical [marijuana] cannabis under
22 this [act] part.

23 "Individual dose." A single measure of medical [marijuana]
24 cannabis.

25 ["Medical marijuana." Marijuana for certified medical use as
26 set forth in this act.]

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

30 "Patient." An individual who:

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

5 ["Permit." An authorization issued by the department to a
6 medical marijuana organization to conduct activities under this
7 act.]

8 "Physician assistant." As defined in section 2 of the act of
9 December 20, 1985 (P.L.457, No.112), known as the Medical
10 Practice Act of 1985, and section 2 of the act of October 5,
11 1978 (P.L.1109, No.261), known as the Osteopathic Medical
12 Practice Act.

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

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

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

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

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

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

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

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

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

26 Section 301. Program established.

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

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

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

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

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

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

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

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

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

28 (v) The tracking system under section 701 must
29 include information under section 801(a) and any other
30 information required by the department to be used by the

1 department and dispensaries to enable a dispensary to
2 lawfully provide medical [marijuana] cannabis. The
3 tracking system and database shall be capable of
4 providing information in real time. The database shall be
5 capable of receiving information from a dispensary
6 regarding the disbursement of medical [marijuana]
7 cannabis to patients and caregivers. This information
8 shall be immediately accessible to the department and
9 other dispensaries to inhibit diversion and ensure
10 compliance with this [act] part.

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

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

22 (i) The State Board of Medicine and the State Board
23 of Osteopathic Medicine.

24 (ii) The State Board of Pharmacy.

25 (iii) The State Board of Nursing.

26 (7) Develop a two-hour course for the principals and
27 employees of a medical [marijuana] cannabis organization who
28 either have direct contact with patients or caregivers or who
29 physically handle medical [marijuana] cannabis. Employees
30 must successfully complete the course no later than 90 days

1 after commencing employment. Principals must successfully
2 complete the course prior to commencing initial operation of
3 the medical [marijuana] cannabis organization. The subject
4 matter of the course shall include the following:

5 (i) Methods to recognize and report unauthorized
6 activity, including diversion of medical [marijuana]
7 cannabis for unlawful purposes and falsification of
8 identification cards.

9 (ii) Proper handling of medical [marijuana] cannabis
10 and recordkeeping.

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

12 (8) [Develop enforcement procedures, including announced
13 and unannounced inspections of facilities of the
14 grower/processors and dispensaries and all records of the
15 medical marijuana organizations.] (Reserved).

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

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

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

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

29 (11) Collaborate as necessary with other Commonwealth
30 agencies or contract with third parties as necessary to carry

1 out the provisions of this [act] part.

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

5 (13) Develop recordkeeping requirements for all books,
6 papers, any electronic database or tracking system data and
7 other information of a medical [marijuana] cannabis
8 organization. Information shall be retained for a minimum
9 period of four years unless otherwise provided by the
10 department.

11 (14) Restrict the advertising and marketing of medical
12 [marijuana] cannabis, which shall be consistent with the
13 Federal regulations governing prescription drug advertising
14 and marketing.

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

18 Section 302. Confidentiality and public disclosure.

19 * * *

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

22 (1) Applications for permits submitted by medical
23 [marijuana] cannabis organizations.

24 (2) The names, business addresses and medical
25 credentials of practitioners authorized to provide
26 certifications to patients to enable them to obtain and use
27 medical [marijuana] cannabis in this Commonwealth. All other
28 practitioner registration information shall be confidential
29 and exempt from public disclosure under the Right-to-Know
30 Law.

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

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

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

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

12 (1) Medical [marijuana] cannabis may only be dispensed
13 to:

14 (i) a patient who receives a certification from a
15 practitioner and is in possession of a valid
16 identification card issued by the department; and

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

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

22 (i) pill;

23 (ii) oil;

24 (iii) topical forms, including gels, creams or
25 ointments;

26 (iv) a form medically appropriate for administration
27 by vaporization or nebulization, excluding dry leaf or
28 plant form until dry leaf or plant forms become
29 acceptable under regulations adopted under section 1202;

30 (v) tincture; or

1 (vi) liquid.

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

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

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

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

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

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

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

25 (a) General rule.--Except as provided in section 303,
26 section 704, Chapter 19 or Chapter 20, the use of medical
27 [marijuana] cannabis is unlawful and shall, in addition to any
28 other penalty provided by law, be deemed a violation of the act
29 of April 14, 1972 (P.L.233, No.64), known as The Controlled
30 Substance, Drug, Device and Cosmetic Act.

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

2 (1) Smoke medical [marijuana] cannabis.

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

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

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

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

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

19 Section 401. Practitioner registration.

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

24 * * *

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 * * *

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

4 * * *

5 Section 402. Practitioner restrictions.

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

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

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

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

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

25 (c) Discipline.--In addition to any other penalty that may
26 be imposed under this [act] part, a violation of subsection (a)
27 or section 403(e) shall be deemed unprofessional conduct under
28 section 41(8) of the act of December 20, 1985 (P.L.457, No.112),
29 known as the Medical Practice Act of 1985, or section 15(a)(8)
30 of the act of October 5, 1978 (P.L.1109, No.261), known as the

1 Osteopathic Medical Practice Act, and shall subject the
2 practitioner to discipline by the State Board of Medicine or the
3 State Board of Osteopathic Medicine, as appropriate.

4 Section 403. Issuance of certification.

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

8 * * *

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

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

14 * * *

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

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

21 * * *

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

24 * * *

25 Section 405. Duration.

26 Receipt of medical [marijuana] cannabis by a patient or
27 caregiver from a medical cannabis dispensary may not exceed a
28 30-day supply of individual doses. During the last seven days of
29 any 30-day period during the term of the identification card, a
30 patient may obtain and possess a 30-day supply for the

1 subsequent 30-day period. Additional 30-day supplies may be
2 provided in accordance with this section for the duration of the
3 authorized period of the identification card unless a shorter
4 period is indicated on the certification.

5 Section 501. Identification cards.

6 (a) Issuance.--The department may issue an identification
7 card to a patient who has a certification approved by the
8 department and to a caregiver designated by the patient. An
9 identification card issued to a patient shall authorize the
10 patient to obtain and use medical [marijuana] cannabis as
11 authorized by this [act] part. An identification card issued to
12 a caregiver shall authorize the caregiver to obtain medical
13 [marijuana] cannabis on behalf of the patient.

14 * * *

15 (i) Lost or defaced card.--In the event of a lost, stolen,
16 destroyed or illegible identification card, the patient or
17 caregiver shall apply to the department within 10 business days
18 of discovery of the loss or defacement of the card for a
19 replacement card. The application for a replacement card shall
20 be on a form furnished by the department and accompanied by a
21 \$25 fee. The department may establish higher fees for issuance
22 of second and subsequent replacement identification cards. The
23 department may waive or reduce the fee in cases of demonstrated
24 financial hardship. The department shall issue a replacement
25 identification card as soon as practicable. A patient or
26 caregiver may not obtain medical [marijuana] cannabis until the
27 department issues the replacement card.

28 Section 502. Caregivers.

29 * * *

30 (b) Criminal history.--A caregiver shall submit fingerprints

1 for the purpose of obtaining criminal history record checks, and
2 the Pennsylvania State Police or its authorized agent shall
3 submit the fingerprints to the Federal Bureau of Investigation
4 for the purpose of verifying the identity of the applicant and
5 obtaining a current record of any criminal arrests and
6 convictions. Any criminal history record information relating to
7 a caregiver obtained under this section by the department may be
8 interpreted and used by the department only to determine the
9 applicant's character, fitness and suitability to serve as a
10 caregiver under this [act] part. The department shall also
11 review the prescription drug monitoring program relating to the
12 caregiver. The department shall deny the application of a
13 caregiver who has been convicted of a criminal offense that
14 occurred within the past five years relating to the sale or
15 possession of drugs, narcotics or controlled substances. The
16 department may deny an application if the applicant has a
17 history of drug abuse or of diverting controlled substances or
18 illegal drugs.

19 Section 504. Special conditions.

20 The following apply:

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

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

30 Section 508. Contents of identification card.

1 An identification card shall contain the following:

2 * * *

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

5 * * *

6 Section 509. Suspension.

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

13 Section 510. Prohibitions.

14 The following prohibitions shall apply:

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

19 (i) Chemicals which require a permit issued by the
20 Federal Government or a state government or an agency of
21 the Federal Government or a state government.

22 (ii) High-voltage electricity or any other public
23 utility.

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

28 (3) A patient may be prohibited by an employer from
29 performing any task which the employer deems life-
30 threatening, to either the employee or any of the employees

1 of the employer, while under the influence of medical
2 [marijuana] cannabis. The prohibition shall not be deemed an
3 adverse employment decision even if the prohibition results
4 in financial harm for the patient.

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

11 CHAPTER 6

12 MEDICAL [MARIJUANA] CANNABIS ORGANIZATIONS

13 Section 601. Medical [marijuana] cannabis organizations.

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

17 [(1) Grower/processors.

18 (2) Dispensaries.] (1) Medical cannabis growers.

19 (2) Medical cannabis processors.

20 (3) Grower/processors.

21 (4) Medical cannabis dispensaries.

22 Section 602. Permits.

23 (a) Application.--An application for a [grower/processor or
24 dispensary permit] permit as a medical cannabis grower, medical
25 cannabis processor, grower/processor or medical cannabis
26 dispensary to grow, process or dispense medical [marijuana]
27 cannabis shall be in a form and manner prescribed by the
28 department and shall include:

29 (1) Verification of all principals, operators, financial
30 backers or employees of a medical [marijuana] cannabis

1 grower, medical cannabis processor, grower/processor or
2 medical cannabis dispensary.

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

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

7 (4) A criminal history record check. Medical [marijuana]
8 cannabis organizations applying for a permit shall submit
9 fingerprints of principals, financial backers, operators and
10 employees to the Pennsylvania State Police for the purpose of
11 obtaining criminal history record checks and the Pennsylvania
12 State Police or its authorized agent shall submit the
13 fingerprints to the Federal Bureau of Investigation for the
14 purpose of verifying the identity of the principals,
15 financial backers, operators and employees and obtaining a
16 current record of any criminal arrests and convictions. Any
17 criminal history record information relating to principals,
18 financial backers, operators and employees obtained under
19 this section by the department may be interpreted and used by
20 the department only to determine the principal's, financial
21 backer's, operator's and employee's character, fitness and
22 suitability to serve as a principal, financial backer,
23 operator and employee under this [act] part. This paragraph
24 shall not apply to an owner of securities in a publicly
25 traded corporation if the department determines that the
26 owner of the securities is not substantially involved in the
27 activities of the medical [marijuana] cannabis organization.
28 (5) Details relating to a similar license, permit or
29 other authorization obtained in another jurisdiction,
30 including any suspensions, revocations or discipline in that

1 jurisdiction.

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

5 (7) A statement that the applicant:

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

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

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

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

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

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

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

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

7 (a.1) Pennsylvania farms.--

8 (1) A medical cannabis grower may contract with a
9 Pennsylvania farm to use the land and buildings of the
10 Pennsylvania farm to grow medical cannabis. The applicant for
11 a medical cannabis grower shall include all applicable
12 information required under subsection (a) for the
13 Pennsylvania farm.

14 (2) A medical cannabis processor may contract with a
15 Pennsylvania farm to use the land and buildings of the
16 Pennsylvania farm to process medical cannabis. The applicant
17 for a medical cannabis processor shall include all applicable
18 information required under subsection (a) for the
19 Pennsylvania farm.

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

25 (4) Nothing in this subsection shall be construed to
26 classify a medical cannabis grower as a Pennsylvania farm
27 simply because the medical cannabis grower operates an area
28 of land and building used for growing medical cannabis.

29 (b) Notice.--An application shall include notice that a
30 false statement made in the application is punishable under the

1 applicable provisions of 18 Pa.C.S. Ch. 49 (relating to
2 falsification and intimidation).

3 Section 603. Granting of permit.

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

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

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

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

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

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

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

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

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

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

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

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

5 (d) Regions.--The department shall establish a minimum of
6 three regions within this Commonwealth for the purpose of
7 granting permits to medical cannabis growers, medical cannabis
8 processors, grower/processors and medical cannabis dispensaries
9 and enforcing this [act] part. The department shall approve
10 permits for medical cannabis growers, medical cannabis
11 processors, grower/processors and medical cannabis dispensaries
12 in a manner which will provide an adequate amount of medical
13 [marijuana] cannabis to patients and caregivers in all areas of
14 this Commonwealth. The department shall consider the following
15 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 medical cannabis
24 grower, medical cannabis processor, grower/processor or to
25 operate a medical cannabis dispensary is under a continuing duty
26 to:

- 27 (1) Report to the department any change in facts or
28 circumstances reflected in the application or any newly
29 discovered or occurring fact or circumstance which is
30 required to be included in the application, including a

1 change in control of the medical [marijuana] cannabis
2 organization.

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

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

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

15 Section 607. Fees and other requirements.

16 The following apply:

17 (1) For a grower/processor:

18 (i) An initial application fee in the amount of
19 [\$10,000] \$1,500 shall be paid. The fee is nonrefundable.

20 (ii) A fee for a permit as a grower/processor in the
21 amount of [\$200,000] \$10,000 shall be paid. The permit
22 shall be valid for one year. Applicants shall submit the
23 permit fee at the time of submission of the application.
24 The fee shall be returned if the permit is not granted.

25 (iii) A renewal fee for the permit as a
26 grower/processor in the amount of [\$10,000] \$5,000 shall
27 be paid and shall cover renewal for all locations. The
28 renewal fee shall be returned if the renewal is not
29 granted.

30 (iv) An application to renew a permit must be filed

1 with the department not more than six months nor less
2 than four months prior to expiration.

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

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

9 (2) For a medical cannabis dispensary:

10 (i) An initial application fee in the amount of
11 \$5,000 shall be paid. The fee is nonrefundable.

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

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

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

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

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

30 (2.1) For a medical cannabis grower:

1 (i) An initial application fee in the amount of \$750
2 shall be paid. The fee is nonrefundable.

3 (ii) A fee for a permit as a medical cannabis grower
4 in the amount of \$5,000 shall be paid. The permit shall
5 be valid for one year. Applicants shall submit the permit
6 fee at the time of submission of the application. The fee
7 shall be returned if the permit is not granted.

8 (iii) A renewal fee for the permit as a medical
9 cannabis grower in the amount of \$2,500 shall be paid and
10 shall cover renewal for all locations. The renewal fee
11 shall be returned if the renewal is not granted.

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

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

17 (2.2) For a medical cannabis processor:

18 (i) An initial application fee in the amount of \$750
19 shall be paid. The fee is nonrefundable.

20 (ii) A fee for a permit as a medical cannabis
21 processor in the amount of \$5,000 shall be paid. The
22 permit shall be valid for one year. Applicants shall
23 submit the permit fee at the time of submission of the
24 application. The fee shall be returned if the permit is
25 not granted.

26 (iii) A renewal fee for the permit as a medical
27 cannabis processor in the amount of \$2,500 shall be paid
28 and shall cover renewal for all locations. The renewal
29 fee shall be returned if the renewal is not granted.

30 (iv) An application to renew a permit must be filed

1 with the department not more than six months nor less
2 than four months prior to expiration.

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

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 medical [marijuana] cannabis organization.

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

11 Section 608. Issuance.

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

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

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

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

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

22 Section 609. Relocation.

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

26 Section 610. 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 612. 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 medical [marijuana] cannabis organization in a prior
4 application or 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 medical [marijuana] cannabis grown,
10 processed or dispensed by the applicant; and

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

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

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

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

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

1 Section 613. Suspension or revocation.

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

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

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

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

15 Section 614. Convictions prohibited.

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

22 (1) Financial backers.

23 (2) Principals.

24 (3) Employees.

25 Section 615. Diversity goals.

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

1 following:

2 (1) That diverse groups are accorded equal opportunity
3 in the permitting process.

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

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

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

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

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

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

30 (1) The participation level, by percentage, of diverse

1 groups in the activities authorized under this [act] part.

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

4 (3) Any other information the department deems
5 appropriate.

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

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

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

15 "Minority-owned business." As defined in 74 Pa.C.S. §
16 303(b).

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

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

21 "Veteran-owned small business." As defined in 51 Pa.C.S. §
22 9601.

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

25 The following limitations apply to approval of permits for
26 medical cannabis growers, medical cannabis processors,
27 grower/processors and medical cannabis dispensaries:

28 (1) The department may not initially issue permits to
29 more than 25 [growers/processors] grower/processors.

30 (1.1) The department may not initially issue permits to

1 more than 25 medical cannabis growers.

2 (1.2) The department may not initially issue permits to
3 more than 25 medical cannabis processors.

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

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

10 (4) The department may not issue more than one
11 individual [grower/processor] medical cannabis grower permit
12 to one person.

13 (4.1) The department may not issue more than one
14 individual medical cannabis processor permit to one person.

15 (5) No more than five grower/processors may be issued
16 permits as medical cannabis dispensaries. If the number of
17 [growers/processors] grower/processors is increased under
18 section 1202, no more than 20% of the total number of
19 [growers/processors] medical cannabis growers or medical
20 cannabis processors may also be issued permits as medical
21 cannabis dispensaries.

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

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

30 CHAPTER 7

1 MEDICAL [MARIJUANA] CANNABIS CONTROLS

2 Section 701. Electronic tracking.

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

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

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

21 (3) For a medical cannabis grower, medical cannabis
22 processor or grower/processor and a medical cannabis
23 dispensary, a daily log of each day's beginning inventory,
24 acquisitions, amounts purchased and sold, disbursements,
25 disposals and ending inventory. The tracking system shall
26 include prices paid and amounts collected from patients and
27 caregivers.

28 (4) For a medical cannabis grower, medical cannabis
29 processor or grower/processor and a medical cannabis
30 dispensary, a system for recall of defective medical

1 [marijuana] cannabis.

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

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

10 (1) Security and surveillance.

11 (2) Recordkeeping and record retention.

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

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

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

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

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

29 (1) The amount of medical [marijuana] cannabis sold by a
30 medical cannabis grower, medical cannabis processor or

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 medical cannabis dispensary in this Commonwealth.

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

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

12 Section 702. [Grower/processors] Medical cannabis growers,
13 medical cannabis processors or grower/processors.

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

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

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

24 (b) Limitations.--

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

29 [(i)] (1) includes electronic locking systems,
30 electronic surveillance and other features required by the

1 department; and

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

3 [(2) (Reserved).]

4 Section 703. Storage and transportation.

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

14 * * *

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

17 * * *

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

22 Section 704. Laboratory.

23 A medical cannabis grower, medical cannabis processor or
24 grower/processor shall contract with an independent laboratory
25 to test the medical [marijuana] cannabis produced by the medical
26 cannabis grower, medical cannabis processor or grower/processor.
27 The department shall approve the laboratory and require that the
28 laboratory report testing results in a manner as the department
29 shall determine, including requiring a test at harvest and a
30 test at final processing. The possession by a laboratory of

1 medical [marijuana] cannabis shall be a lawful use.

2 Section 705. Prices.

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

16 Section 801. Dispensing to patients and caregivers.

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

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

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

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

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

30 (2) a form of medical [marijuana] cannabis prohibited by

1 this [act] part.

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

8 (f) Verification.--Prior to dispensing medical [marijuana]
9 cannabis to a patient or caregiver, the medical cannabis
10 dispensary shall verify the information in subsections (e) and
11 (g) by consulting the electronic tracking system included in the
12 department's electronic database established under section
13 301(a)(4)(v) and the medical cannabis dispensary tracking system
14 under section 701(a)(2).

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

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

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

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

30 (3) How to recognize what may be problematic usage of

1 medical [marijuana] cannabis and how to obtain appropriate
2 services or treatment for problematic usage.

3 (4) How to prevent or deter the misuse of medical
4 [marijuana] cannabis by minors or others.

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

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

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

14 (2) The packaging date.

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

17 (4) A warning stating:

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

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

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

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

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

2 Section 802. Facility requirements.

3 (a) General rule.--

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

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

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

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

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

20 * * *

21 CHAPTER 9

22 TAX ON MEDICAL [MARIJUANA] CANNABIS

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

24 (a) Tax imposed.--A tax is imposed on the gross receipts of
25 a medical cannabis grower, medical cannabis processor or
26 grower/processor received from the sale of medical [marijuana]
27 cannabis by a medical cannabis grower, medical cannabis
28 processor or grower/processor to a medical cannabis dispensary,
29 to be paid by the medical cannabis grower, medical cannabis
30 processor or grower/processor, at the rate of 5%. The tax shall

1 be charged against and be paid by the medical cannabis grower,
2 medical cannabis processor or grower/processor and shall not be
3 added as a separate charge or line item on any sales slip,
4 invoice, receipt or other statement or memorandum of the price
5 paid by a medical cannabis dispensary, patient or caregiver.

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

19 (c) (Reserved).

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

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

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

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

30 (a) Fund established.--The Medical [Marijuana] Cannabis

1 Program Fund is established as a special fund in the State
2 Treasury. Money in the fund is appropriated as set forth in
3 subsection (c). Any amount unspent at the end of a fiscal year
4 shall be appropriated to the department for its operations.

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

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

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

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

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

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

1 (2) To the Department of Drug and Alcohol Programs, for
2 drug abuse prevention and counseling and treatment services,
3 10% of the revenue in the fund.

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

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

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

30 Section 1101. 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 [act] part constituting an adjudication as defined in
4 2 Pa.C.S. § 101 (relating to definitions).

5 Section 1102. Reports by medical [marijuana] cannabis
6 organizations.

7 A medical [marijuana] cannabis organization shall
8 periodically file reports related to its activities. The
9 department shall determine the information required in and the
10 frequency of filing the reports.

11 Section 1103. Law enforcement notification.

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

20 Section 1104. Evaluation.

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

28 Section 1105. Report.

29 (a) Report required.--The department shall submit a written
30 report under subsection (b) every two years, beginning two years

1 after the effective date of this section, to the following:

2 [(1) The Governor.

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

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

6 (4) The Speaker of the House of Representatives.

7 (5) The Majority Leader and the Minority Leader of the
8 House of Representatives.

9 (6) The chairman and minority chairman of the Judiciary
10 Committee of the Senate.

11 (7) The chairman and minority chairman of the Public
12 Health and Welfare Committee of the Senate.

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

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

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

18 (1) The Governor.

19 (2) The Attorney General.

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

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

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

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

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

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

30 (9) The chairperson and minority chairperson of the

1 Judiciary Committee of the House of Representatives.

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

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

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

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

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

14 Section 1107. Temporary regulations.

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

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

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

25 (3) Sections 204(b) and 301(10) of the act of October
26 15, 1980 (P.L.950, No.164), known as the Commonwealth
27 Attorneys Act.

28 * * *

29 (c) Publication.--The department shall [begin publishing]
30 provide notice of the temporary regulations to the Legislative

1 Reference Bureau, which shall publish the notice in the
2 Pennsylvania Bulletin no later than six months after the
3 effective date of this section.

4 CHAPTER 12

5 MEDICAL [MARIJUANA] CANNABIS ADVISORY BOARD

6 Section 1201. Advisory board.

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

10 * * *

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

14 (1) To examine and analyze the statutory and regulatory
15 law relating to medical [marijuana] cannabis within this
16 Commonwealth.

17 (2) To examine and analyze the law and events in other
18 states and the nation with respect to medical [marijuana]
19 cannabis.

20 (3) To accept and review written comments from
21 individuals and organizations about medical [marijuana]
22 cannabis.

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

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

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

30 (ii) Whether to change, add or reduce the types of

1 medical conditions which qualify as serious medical
2 conditions under this [act] part.

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

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

7 (v) How to ensure affordable patient access to
8 medical [marijuana] cannabis.

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

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

16 CHAPTER 13

17 OFFENSES RELATED TO MEDICAL [MARIJUANA] CANNABIS

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

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

27 Section 1302. Criminal diversion of medical [marijuana]
28 cannabis.

29 In addition to any other penalty provided by law, an
30 employee, financial backer, operator or principal of any of the

1 following commits a misdemeanor of the first degree if the
2 person intentionally, knowingly or recklessly sells, dispenses,
3 trades, delivers or otherwise provides medical [marijuana]
4 cannabis to a person who is not lawfully permitted to receive
5 medical [marijuana] cannabis:

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

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

10 (3) A clinical registrant or academic clinical research
11 center under Chapter 20.

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

14 Section 1303. Criminal retention of medical [marijuana]
15 cannabis.

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

21 Section 1304. Criminal diversion of medical [marijuana]
22 cannabis by patient or caregiver.

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

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

1 Section 1305. Falsification of identification cards.

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

5 (1) possesses an identification card and either attempts
6 to use the card to obtain medical [marijuana] cannabis or
7 obtains medical [marijuana] cannabis;

8 (2) possesses an identification card which falsely
9 identifies the person as being lawfully entitled to receive
10 medical [marijuana] cannabis and either attempts to use the
11 card to obtain medical [marijuana] cannabis or obtains
12 medical [marijuana] cannabis; or

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

17 * * *

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

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

24 * * *

25 Section 1307. Disclosure of information prohibited.

26 (a) Offense defined.--In addition to any other penalty
27 provided by law, an employee, financial backer, operator or
28 principal of any of the following commits a misdemeanor of the
29 third degree if the person discloses, except to authorized
30 persons for official governmental or health care purposes, any

1 information related to the use of medical [marijuana] cannabis:

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

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

6 * * *

7 Section 1308. Additional penalties.

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

1 promulgated under this [act] part or an order issued under this
2 [act] part or regulation as provided in this subsection. The
3 following shall apply:

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

9 (i) The gravity of the violation.

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

12 (iii) The willfulness of the violation.

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

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

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

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

30 (c) Sanctions.--

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

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

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

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

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

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

24 (vi) Issue a cease and desist order.

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

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

1 costs of investigation of the violation.

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

8 Section 1309. Other restrictions.

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

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

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

1 correctional facility.

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

13 Section 1901. [Definitions.]

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

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

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

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

29 (a) Program to be established.--The department shall
30 establish and develop a research program to study the impact of

1 medical [marijuana] cannabis on the treatment and symptom
2 management of serious medical conditions. The program shall not
3 include a clinical registrant or academic clinical research
4 center under Chapter 20.

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

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

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

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

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

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

1 cannabis which will be used to treat the serious medical
2 condition.

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

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

8 (ii) where the patient may secure medical

9 [marijuana] cannabis through a health care medical

10 [marijuana] cannabis organization at no cost to the
11 patient in accordance with subsection (c).

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

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

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

1 residence.

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

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

14 (1) Real time inventory tracking.

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

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

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

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

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

30 (c) Research reports.--

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

5 * * *

6 Section 1904. Approval.

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

15 Section 1905. Requirements.

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

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

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

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

30 (4) Report to the Pennsylvania Health Care Cost

1 Containment Council the utilization rates of those patients
2 participating in the research of medical [marijuana] cannabis
3 and treatment options.

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

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

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

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

18 (2) Only make available medical [marijuana] cannabis to
19 health care medical [marijuana] cannabis organizations that
20 dispense medical [marijuana] cannabis.

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

24 Section 1906. Restrictions.

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

1 Section 1907. Regulations.

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

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

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

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

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

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

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

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

27 Section 1908. Nonentitlement.

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

1 Section 4. Sections 2000, 2002 and 2003(b) introductory
2 paragraph, (1)(ii) and (3) of the act, amended or added June 22,
3 2018 (P.L.322, No.43), are amended to read:

4 Section 2000. Legislative findings and declaration of policy.

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

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

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

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

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

28 (2) It is the policy of the Commonwealth to allow, in
29 addition to the 25 medical cannabis growers, 25 medical
30 cannabis processors, 25 grower/processors and 50 medical

1 cannabis dispensaries initially authorized under section 616,
2 the operation of additional medical cannabis growers, medical
3 cannabis processors, grower/processors and medical cannabis
4 dispensaries which will be approved by the department as
5 clinical registrants. A clinical registrant is a medical
6 cannabis grower, medical cannabis processor or
7 grower/processor and a medical cannabis dispensary which has
8 a contractual relationship with a medical school that
9 operates or partners with a hospital to provide advice about
10 medical [marijuana] cannabis so that patient safety may be
11 enhanced.

12 Section 2002. Clinical registrants.

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

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

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

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

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

27 (4) When the department issues a permit as a medical
28 cannabis grower, medical cannabis processor, grower/processor
29 or a medical cannabis dispensary to an entity seeking
30 approval as a clinical registrant, the issuance shall not be

1 construed to reduce the number of permits for
2 [growers/processors] medical cannabis growers, medical
3 cannabis processors, grower/processors and medical cannabis
4 dispensaries authorized under section 616(1) and (2).

5 (5) [Except as provided in section 607(1)(vi) and (2)
6 (vi), an] An entity seeking approval as a clinical registrant
7 must pay the fees and meet all other requirements under this
8 [act] part for obtaining a permit as a grower/processor and a
9 medical cannabis grower, medical cannabis processor or
10 medical cannabis dispensary. Upon approval of the department,
11 a clinical registrant shall be issued a grower/processor
12 permit and a medical cannabis grower permit, medical cannabis
13 processor permit or medical cannabis dispensary permit and
14 shall be a medical [marijuana] cannabis organization. As a
15 medical [marijuana] cannabis organization, a clinical
16 registrant must comply with all the provisions of this [act]
17 part relating to medical [marijuana] cannabis organizations
18 except as otherwise provided in this chapter.

19 (6) The clinical registrant must have a minimum of
20 \$15,000,000 in capital. The department shall verify the
21 capital requirement.

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

25 (8) A medical cannabis grower, medical cannabis
26 processor or grower/processor facility owned by a clinical
27 registrant may sell its medical [marijuana] cannabis products
28 only to the clinical registrant's medical cannabis dispensary
29 facilities and the medical cannabis dispensary facilities of
30 other clinical registrants. The facility may sell seeds,

1 medical [marijuana] cannabis plants and medical [marijuana]
2 cannabis products to, or exchange seeds, medical [marijuana]
3 cannabis plants and medical [marijuana] cannabis products
4 with, any other medical cannabis grower, medical cannabis
5 processor or grower/processor facility holding a permit under
6 Chapter 6 or this chapter.

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

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

30 Section 2003. Research study.

1 * * *

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

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

11 * * *

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

14 * * *

15 (3) The department shall allow the exchange of medical
16 [marijuana] cannabis seed between clinical registrants for
17 the conduct of research.

18 Section 5. Sections 2101, 2101.1, 2102, 2103, 2104, 2105,
19 2108 and 2109 of the act are amended to read:

20 Section 2101. Conflict.

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

30 Section 2101.1. Financial and employment interests.

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

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

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

26 (d) State Ethics Commission.--The State Ethics Commission
27 shall do all of the following:

28 (1) Issue a written determination of whether a person is
29 subject to subsection (a) or (b) upon the written request of
30 the person or any other person that may have liability for an

1 action taken with respect to such person. A person that
2 relies in good faith on a determination made under this
3 paragraph shall not be subject to any penalty for an action
4 taken, provided that all material facts set forth in the
5 request for the determination are correct.

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

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

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

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

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

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

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

5 (1) The Governor, Lieutenant Governor, a member of the
6 Governor's cabinet, Treasurer, Auditor General and Attorney
7 General of the Commonwealth.

8 (2) A member of the Senate or House of Representatives
9 of the Commonwealth.

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

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

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

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

29 Section 2102. Insurers.

30 Nothing in this [act] part shall be construed to require an

1 insurer or a health plan, whether paid for by Commonwealth funds
2 or private funds, to provide coverage for medical [marijuana]
3 cannabis.

4 Section 2103. Protections for patients and caregivers.

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

12 (1) A patient.

13 (2) A caregiver.

14 (3) A practitioner.

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

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

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

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

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

26 (9) An employee of a clinical registrant or an employee
27 of an academic clinical research center under Chapter 20.

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

30 (b) Employment.--

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

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

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

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

26 Section 2104. Schools.

27 The Department of Education shall promulgate regulations
28 within 18 months of the effective date of this section regarding
29 the following:

30 (1) Possession and use of medical [marijuana] cannabis

1 by a student on the grounds of a preschool, primary school
2 and a secondary school.

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

6 Section 2105. Day-care centers.

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

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

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

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

22 Section 2108. Notice.

23 Upon amendment of the Controlled Substances Act (Public Law
24 91-513, 84 Stat. 1236) removing [marijuana] cannabis from
25 Schedule I of the Controlled Substances Act, the department
26 shall [publish] provide notice of the effective date of the
27 amendment to the Legislative Reference Bureau, which shall
28 publish the notice in the Pennsylvania Bulletin.

29 Section 2109. Applicability.

30 (a) [Dispensaries] Medical cannabis dispensaries.--The

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

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

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

12 PART III

13 ADULT-USE CANNABIS

14 CHAPTER 31

15 PRELIMINARY PROVISIONS

16 Section 3101. Scope of part.

17 This part relates to adult-use cannabis.

18 Section 3102. Definitions.

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

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

24 CHAPTER 32

25 ADULT-USE CANNABIS ORGANIZATIONS

26 Section 3201. Adult-use cannabis organizations.

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

30 (1) Adult-use cannabis growers.

1 (2) Adult-use cannabis processors.

2 (3) Adult-use cannabis dispensaries.

3 Section 3202. Permits.

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

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

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

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

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

1 a principal, financial backer, operator and employee under
2 this part. A criminal history related to the distribution or
3 use of cannabis shall not prevent an individual from
4 obtaining a permit. This paragraph shall not apply to an
5 owner of securities in a publicly traded corporation if the
6 department 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.--

20 (1) An adult-use cannabis grower may contract with a
21 Pennsylvania farm to use the land and buildings of the
22 Pennsylvania farm to grow adult-use cannabis. The applicant
23 for an adult-use cannabis grower shall include all applicable
24 information required under subsection (a) for the
25 Pennsylvania farm.

26 (2) An adult-use cannabis processor may contract with a
27 Pennsylvania farm to use the land and buildings of the
28 Pennsylvania farm to process adult-use cannabis. The
29 applicant for an adult-use cannabis processor shall include
30 all applicable information required under subsection (a) for

1 the Pennsylvania farm.

2 (3) Nothing in this subsection shall be construed to
3 classify an adult-use cannabis grower as a Pennsylvania farm
4 simply because the adult-use cannabis grower operates an area
5 of land and building used for growing adult-use cannabis.

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

10 Section 3203. Granting of permit.

11 (a) General rule.--The department may grant or deny a permit
12 to an adult-use cannabis grower, adult-use cannabis processor or
13 adult-use cannabis dispensary.

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

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

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

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

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

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

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

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

7 (8) Except as provided in section 3205(4) and (5), the
8 applicant has, at the time of the application, the capital
9 requirement of \$100,000 in assets, of which \$50,000 shall be
10 on deposit at a financial institution.

11 (9) The applicant satisfies any other conditions as
12 determined by the department.

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

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

17 Section 3204. Application and issuance.

18 (a) Duty to report.--An applicant to be an adult-use
19 cannabis grower or adult-use cannabis processor or to operate an
20 adult-use cannabis dispensary is under a continuing duty to:

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

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

28 (3) Submit to announced or unannounced inspections by
29 the department of the facilities for growing, processing,
30 dispensing or selling adult-use cannabis or cannabis

1 products, including all records of the organization.

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

8 Section 3205. Fees and other requirements.

9 The following apply:

10 (1) Except as provided in paragraph (4), for an adult-
11 use cannabis grower:

12 (i) An initial application fee in the amount of
13 \$2,500 shall be paid. The fee is nonrefundable.

14 (ii) A fee for a permit as an adult-use cannabis
15 grower in the amount of \$5,000 shall be paid. The permit
16 shall be valid for one year. An applicant shall submit
17 the permit fee at the time of submission of the
18 application. The fee shall be returned if the permit is
19 not granted.

20 (iii) A renewal fee for the permit as an adult-use
21 cannabis grower shall be as follows:

22 (A) If the adult-use cannabis grower has revenue
23 of less than \$250,000 during the previous year as an
24 adult-use cannabis grower, the adult-use cannabis
25 grower must apply for a Grower I permit. The renewal
26 fee for the Grower I permit shall be in the amount of
27 \$1,500 and shall cover renewal for all locations. The
28 renewal fee shall be returned if the renewal is not
29 granted.

30 (B) If the adult-use cannabis grower has revenue

1 of at least \$250,000 but less than \$500,000 during
2 the previous year as an adult-use cannabis grower,
3 the adult-use cannabis grower must apply for a Grower
4 II permit. The renewal fee for the Grower II permit
5 shall be in the amount of \$3,750 and shall cover
6 renewal for all locations. The renewal fee shall be
7 returned if the renewal is not granted.

8 (C) If the adult-use cannabis grower has revenue
9 of at least \$500,000 but less than \$1,000,000 during
10 the previous year as an adult-use cannabis grower,
11 the adult-use cannabis grower must apply for a Grower
12 III permit. The renewal fee for the Grower III permit
13 shall be in the amount of \$7,250 and shall cover
14 renewal for all locations. The renewal fee shall be
15 returned if the renewal is not granted.

16 (D) If the adult-use cannabis grower has revenue
17 of at least \$1,000,000 during the previous year as an
18 adult-use cannabis grower, the adult-use cannabis
19 grower must apply for a Grower IV permit. The renewal
20 fee for the Grower IV permit shall be in the amount
21 of \$9,000 and shall cover renewal for all locations.
22 The renewal fee shall be returned if the renewal is
23 not granted.

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

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

29 (2) Except as provided in paragraph (4), for an adult-
30 use cannabis processor:

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

3 (ii) A fee for a permit as an adult-use cannabis
4 processor in the amount of \$5,000 shall be paid. The
5 permit shall be valid for one year. An applicant shall
6 submit the permit fee at the time of submission of the
7 application. The fee shall be returned if the permit is
8 not granted.

9 (iii) A renewal fee for the permit as an adult-use
10 cannabis processor shall be as follows:

11 (A) If the adult-use cannabis processor has
12 revenue of less than \$250,000 during the previous
13 year as an adult-use cannabis processor, the adult-
14 use cannabis processor must apply for a Processor I
15 permit. The renewal fee for the Processor I permit
16 shall be in the amount of \$1,250 and shall cover
17 renewal for all locations. The renewal fee shall be
18 returned if the renewal is not granted.

19 (B) If the adult-use cannabis processor has
20 revenue of at least \$250,000 but less than \$500,000
21 during the previous year as an adult-use cannabis
22 processor, the adult-use cannabis processor must
23 apply for a Processor II permit. The renewal fee for
24 the Processor II permit shall be in the amount of
25 \$3,250 and shall cover renewal for all locations. The
26 renewal fee shall be returned if the renewal is not
27 granted.

28 (C) If the adult-use cannabis processor has
29 revenue of at least \$500,000 but less than \$1,000,000
30 during the previous year as an adult-use cannabis

1 processor, the adult-use cannabis processor must
2 apply for a Processor III permit. The renewal fee for
3 the Processor III permit shall be in the amount of
4 \$6,750 and shall cover renewal for all locations. The
5 renewal fee shall be returned if the renewal is not
6 granted.

7 (D) If the adult-use cannabis processor has
8 revenue of at least \$1,000,000 during the previous
9 year as an adult-use cannabis processor, the adult-
10 use cannabis processor must apply for a Processor IV
11 permit. The renewal fee for the Processor IV permit
12 shall be in the amount of \$8,500 and shall cover
13 renewal for all locations. The renewal fee shall be
14 returned if the renewal is not granted.

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

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

20 (3) For an adult-use cannabis dispensary:

21 (i) An initial application fee in the amount of
22 \$2,500 shall be paid. The fee is nonrefundable.

23 (ii) A fee for a permit as an adult-use cannabis
24 dispensary shall be \$5,000 for each location. The permit
25 shall be valid for one year. An applicant shall submit
26 the permit fee at the time of submission of the
27 application. The fee shall be returned if the application
28 is not granted.

29 (iii) A renewal fee for the permit as an adult-use
30 cannabis dispensary shall be as follows:

1 (A) If the adult-use cannabis dispensary has
2 revenue of less than \$250,000 during the previous
3 year as an adult-use cannabis dispensary, the adult-
4 use cannabis dispensary must apply for a Dispensary I
5 permit. The renewal fee for the Dispensary I permit
6 shall be in the amount of \$1,500 and shall cover
7 renewal for all locations. The renewal fee shall be
8 returned if the renewal is not granted.

9 (B) If the adult-use cannabis dispensary has
10 revenue of at least \$250,000 but less than \$500,000
11 during the previous year as an adult-use cannabis
12 dispensary, the adult-use cannabis dispensary must
13 apply for a Dispensary II permit. The renewal fee for
14 the Dispensary II permit shall be in the amount of
15 \$3,750 and shall cover renewal for all locations. The
16 renewal fee shall be returned if the renewal is not
17 granted.

18 (C) If the adult-use cannabis dispensary has
19 revenue of at least \$500,000 but less than \$1,000,000
20 during the previous year as an adult-use cannabis
21 dispensary, the adult-use cannabis dispensary must
22 apply for a Dispensary III permit. The renewal fee
23 for the Dispensary III permit shall be in the amount
24 of \$7,500 and shall cover renewal for all locations.
25 The renewal fee shall be returned if the renewal is
26 not granted.

27 (D) If the adult-use cannabis dispensary has
28 revenue of at least \$1,000,000 during the previous
29 year as an adult-use cannabis dispensary, the adult-
30 use cannabis dispensary must apply for a Dispensary

1 IV permit. The renewal fee for the Dispensary IV
2 permit shall be in the amount of \$10,000 and shall
3 cover renewal for all locations. The renewal fee
4 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 (4) A person shall apply for a combination permit under
11 this paragraph if the person seeks to become a multiple
12 permittee in any two or three areas specified under
13 paragraphs (1), (2) and (3). The following apply:

14 (i) An initial application fee in the amount of
15 \$10,000 shall be paid. The fee is nonrefundable.

16 (ii) A fee for a combination permit in the amount of
17 \$75,000 shall be paid. The permit shall be valid for one
18 year. An applicant shall submit the permit fee at the
19 time of submission of the application. The fee shall be
20 returned if the permit is not granted.

21 (iii) No credit toward a combination permit shall be
22 given if a permit has been granted under paragraph (1),
23 (2) or (3) during an overlapping period in which the
24 combination permit is sought.

25 (iv) An applicant for a combination permit under
26 this paragraph shall, at the time of the application,
27 satisfy the capital requirement of \$250,000 in assets, of
28 which \$100,000 shall be on deposit at a financial
29 institution.

30 (v) A renewal fee for a combination permit shall be

1 as follows:

2 (A) If a person has revenue of less than
3 \$1,500,000 during the previous year as a combination
4 permittee, the person must apply for a Combination I
5 permit. The renewal fee for the Combination I permit
6 shall be in the amount of \$5,000 and shall cover
7 renewal for all locations. The renewal fee shall be
8 returned if the renewal is not granted.

9 (B) If a person has revenue of at least
10 \$1,500,000 but less than \$3,000,000 during the
11 previous year as a combination permittee, the person
12 must apply for a Combination II permit. The renewal
13 fee for the Combination II permit shall be in the
14 amount of \$10,000 and shall cover renewal for all
15 locations. The renewal fee shall be returned if the
16 renewal is not granted.

17 (C) If a person has revenue of at least
18 \$3,000,000 but less than \$5,000,000 during the
19 previous year as a combination permittee, the person
20 must apply for a Combination III permit. The renewal
21 fee for the Combination III permit shall be in the
22 amount of \$15,000 and shall cover renewal for all
23 locations. The renewal fee shall be returned if the
24 renewal is not granted.

25 (D) If a person has revenue of at least
26 \$5,000,000 during the previous year as a combination
27 permittee, the person must apply for a Combination IV
28 permit. The renewal fee for the Combination IV permit
29 shall be in the amount of \$20,000 and shall cover
30 renewal for all locations. The renewal fee shall be

1 returned if the renewal is not granted.

2 (vi) No more than 35 combination permits may be
3 issued.

4 (vii) A combination permittee may seek up to three
5 adult-use cannabis grower permits, up to five adult-use
6 cannabis processor permits and up to 10 adult-use
7 cannabis dispensary permits.

8 (viii) If a person seeks to become a permittee in an
9 additional area specified under paragraphs (1), (2) and
10 (3) after becoming a multiple permittee under this
11 paragraph, no further fees shall be collected regarding
12 that additional initial application or permit.

13 (ix) A combination permittee shall satisfy all the
14 requirements under this chapter for each of the two or
15 three permits that comprise the combination permit.

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

20 (6) Fees payable under this section shall be deposited
21 into the fund.

22 Section 3206. Issuance.

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

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

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

30 (3) The land, buildings, facilities or location to be

1 used by the adult-use cannabis organization.

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

3 Section 3207. Relocation.

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

7 Section 3208. Terms of permit.

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

10 Section 3209. Permit renewals.

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

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

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

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

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

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

30 (1) The applicant is unlikely to maintain or be able to

1 maintain effective control against diversion of adult-use
2 cannabis or cannabis products.

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

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

13 Section 3210. Suspension or revocation.

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

16 (1) The department has evidence that the adult-use
17 cannabis organization has failed to maintain effective
18 control against diversion of adult-use cannabis or cannabis
19 products.

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

22 (3) The adult-use cannabis organization has
23 intentionally, knowingly, recklessly or negligently failed to
24 comply with applicable laws of this Commonwealth relating to
25 adult-use cannabis or cannabis products.

26 Section 3211. Convictions prohibited.

27 The following individuals may not hold volunteer positions or
28 positions with remuneration in or be affiliated with an adult-
29 use cannabis organization in any way if the individual has been
30 convicted of any criminal offense related to the sale or

1 possession of illegal drugs, narcotics or controlled substances
2 other than cannabis:

3 (1) Financial backers.

4 (2) Principals.

5 (3) Employees.

6 Section 3212. Diversity goals.

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

12 (1) That diverse groups are accorded equal opportunity
13 in the permitting process.

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

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

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

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

28 (3) Include in an application for a permit under this
29 part language to encourage applicants to utilize and give
30 consideration to diverse groups for contracting or

1 professional services opportunities.

2 (c) Reports.--No later than each March 1 after the effective
3 date of this subsection, the department shall submit a report to
4 the chairperson and minority chairperson of the Health and Human
5 Services Committee of the Senate and the chairperson and
6 minority chairperson of the Health Committee of the House of
7 Representatives summarizing the participation and utilization of
8 diverse groups in the activities authorized under this part. The
9 report shall include:

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

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

14 (3) Any other information the department deems
15 appropriate.

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

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

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

25 "Minority-owned business." As defined in 74 Pa.C.S. §
26 303(b).

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

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

1 "Veteran-owned small business." As defined in 51 Pa.C.S. §
2 9601.

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

5 The following limitations apply to approval of permits for
6 adult-use cannabis growers, adult-use cannabis processors and
7 adult-use cannabis dispensaries:

8 (1) The department may not initially issue permits to
9 more than 50 adult-use cannabis growers.

10 (2) The department may not initially issue permits to
11 more than 50 adult-use cannabis processors.

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

16 (4) The department may not issue more than five
17 individual adult-use cannabis dispensary permits to one
18 person.

19 (5) The department may not issue more than one
20 individual adult-use cannabis grower permit to one person.

21 (6) The department may not issue more than one
22 individual adult-use cannabis processor permit to one person.

23 (7) An adult-use cannabis dispensary may obtain adult-
24 use cannabis only from an adult-use cannabis grower or adult-
25 use cannabis processor holding a valid permit under this
26 part.

27 (8) An adult-use cannabis grower or adult-use cannabis
28 processor may provide adult-use cannabis only to an adult-use
29 cannabis dispensary holding a valid permit under this part.

30 (9) Notwithstanding the other provisions of this

1 section, upon review of market conditions, the department may
2 issue additional permits for adult-use cannabis growers,
3 adult-use cannabis processors or adult-use cannabis
4 dispensaries if the department determines that underserved
5 regions exist in this Commonwealth and a clear demand exists
6 for the issuance of additional permits.

7 CHAPTER 33

8 ADULT-USE CANNABIS CONTROLS

9 Section 3301. Electronic tracking.

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

17 (1) For an adult-use cannabis grower or adult-use
18 cannabis processor, a seed-to-sale tracking system that
19 tracks the adult-use cannabis from seed to plant until the
20 adult-use cannabis is sold to an adult-use cannabis
21 dispensary.

22 (2) For an adult-use cannabis dispensary, adult-use
23 cannabis and cannabis products from purchase from the adult-
24 use cannabis grower or adult-use cannabis processor to sale
25 to a client.

26 (3) For an adult-use cannabis grower or adult-use
27 cannabis processor and an adult-use cannabis dispensary, a
28 daily log of each day's beginning inventory, acquisitions,
29 amounts purchased and sold, disbursements, disposals and
30 ending inventory. The tracking system shall include prices

1 paid and amounts collected from clients.

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

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

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

13 (1) Security and surveillance.

14 (2) Recordkeeping and record retention.

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

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

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

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

25 (d) Reports.--Within one year of the issuance of the first
26 permit to an adult-use cannabis grower, adult-use cannabis
27 processor or adult-use cannabis dispensary, and every three
28 months thereafter in a form and manner prescribed by the
29 department, the following information shall be provided to the
30 department, which shall compile the information and post the

1 information on the department's publicly accessible Internet
2 website:

3 (1) The amount of adult-use cannabis and cannabis
4 products sold by an adult-use cannabis grower or adult-use
5 cannabis processor during each three-month period.

6 (2) The price of amounts of adult-use cannabis and
7 cannabis products sold by adult-use cannabis growers or
8 adult-use cannabis processors as determined by the
9 department.

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

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

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

19 Section 3302. Adult-use cannabis growers and adult-use cannabis
20 processors.

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

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

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

29 (b) Limitations.--An adult-use cannabis grower or adult-use
30 cannabis processor may only grow, store, harvest or process

1 adult-use cannabis in an indoor, enclosed, secure facility

2 which:

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

5 and

6 (2) is located within this Commonwealth.

7 Section 3303. Storage and transportation.

8 The department shall develop regulations relating to the
9 storage and transportation of adult-use cannabis and cannabis
10 products among adult-use cannabis growers, adult-use cannabis
11 processors, testing laboratories and adult-use cannabis
12 dispensaries that ensure adequate security to guard against in-
13 transit losses. The tracking system developed by the department
14 shall include all transportation and storage of adult-use
15 cannabis and cannabis products. The regulations shall provide
16 for the following:

17 (1) Requirements relating to shipping containers and
18 packaging.

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

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

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

26 (5) The use of GPS systems.

27 (6) The number of drivers or other security required to
28 ensure against storage or in-transit losses.

29 (7) Recordkeeping for delivery and receipt of cannabis
30 products.

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

3 (9) Transporting adult-use cannabis and cannabis
4 products to an adult-use cannabis grower, adult-use cannabis
5 processor, approved laboratory or adult-use cannabis
6 dispensary.

7 Section 3304. Laboratory.

8 An adult-use cannabis grower or adult-use cannabis processor
9 shall contract with an independent laboratory to test the adult-
10 use cannabis and cannabis products produced by the adult-use
11 cannabis grower or adult-use cannabis processor. The department
12 shall approve the laboratory and require that the laboratory
13 report testing results in a manner as the department shall
14 determine, including requiring a test at harvest and a test at
15 final processing. The possession by a laboratory of adult-use
16 cannabis and cannabis products shall be a lawful use.

17 Section 3305. Prices.

18 The department and the Department of Revenue shall monitor
19 the price of adult-use cannabis and cannabis products sold by
20 adult-use cannabis growers or adult-use cannabis processors and
21 by adult-use cannabis dispensaries, including a per-dose price
22 and a 30-day average wholesale price. If the department and the
23 Department of Revenue determine that the prices are unreasonable
24 or excessive, the department may implement a cap on the price of
25 adult-use cannabis and cannabis products being sold for a period
26 of six months. The cap may be amended during the six-month
27 period. If the department and the Department of Revenue
28 determine that the prices become unreasonable or excessive
29 following the expiration of a six-month cap, additional caps may
30 be imposed for periods not to exceed six months.

1 CHAPTER 34

2 ADULT-USE CANNABIS DISPENSARIES

3 Section 3401. Dispensing to clients.

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

7 (b) Receipt.--The adult-use cannabis dispensary shall
8 provide to the client a receipt, as appropriate. The receipt
9 shall include all of the following:

10 (1) The name, address and any identification number
11 assigned to the adult-use cannabis dispensary by the
12 department.

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

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

17 Section 3402. Facility requirements.

18 (a) General rule.--

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

23 (2) In the absence of a valid combination permit under
24 this chapter, an adult-use cannabis dispensary may not
25 operate on the same site as a facility used for growing and
26 processing adult-use cannabis or cannabis products.

27 (3) An adult-use cannabis dispensary may not be located
28 within 1,000 feet of the property line of a public, private
29 or parochial school or a day-care center.

30 (b) Adjustment or waiver of prohibition.--The department may

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

6 Section 3403. Posting.

7 An adult-use cannabis dispensary shall post a copy of its
8 permit in a location within its facility in a manner that is
9 easily observable by clients, law enforcement officers and
10 agents of the department.

11 CHAPTER 35

12 TAX ON ADULT-USE CANNABIS AND CANNABIS PRODUCTS

13 Section 3501. Definitions.

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

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

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

20 (1) A community college operating under Article XIX-A of
21 the act of March 10, 1949 (P.L.30, No.14), known as the
22 Public School Code of 1949.

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

25 (3) The Pennsylvania State University.

26 (4) The University of Pittsburgh.

27 (5) Temple University.

28 (6) Lincoln University.

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

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

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

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

8 "Previous taxable year." The taxable year immediately prior
9 to the year in which the individual is applying for
10 reimbursement of student loan payments.

11 Section 3502. Tax on adult-use cannabis and cannabis products.

12 (a) Wholesale tax.--

13 (1) Except as provided in paragraph (3), a tax at the
14 following rates is imposed on an adult-use cannabis grower or
15 adult-use cannabis processor on the sale of adult-use
16 cannabis or cannabis products as follows:

17 (i) Ten percent on the sale of adult-use cannabis by
18 an adult-use cannabis grower to another adult-use
19 cannabis grower or to an adult-use cannabis processor.

20 (ii) Ten percent on the sale of cannabis products by
21 an adult-use cannabis processor to another adult-use
22 cannabis processor or to an adult-use cannabis
23 dispensary.

24 (iii) Ten percent on the value of the transfer of
25 adult-use cannabis by an adult-use cannabis grower
26 operating under a combination permit under section
27 3205(5) to an adult-use cannabis processor operating
28 under that same combination permit based upon the 30-day
29 average wholesale price as monitored under section 3305.

30 (iv) Ten percent on the value of the transfer of

1 cannabis products by an adult-use cannabis processor
2 operating under a combination permit under section
3 3205(5) to an adult-use cannabis dispensary operating
4 under that same combination permit based upon the 30-day
5 average wholesale price as monitored under section 3305.

6 (2) The tax under paragraph (1):

7 (i) Shall be charged against and paid by the adult-
8 use cannabis grower or adult-use cannabis processor that
9 is selling or transferring the adult-use cannabis or
10 cannabis product.

11 (ii) Shall not be added as a separate charge or line
12 item on any sales slip, invoice, receipt or other
13 statement or memorandum of the price paid by an adult-use
14 cannabis dispensary.

15 (3) The tax under paragraph (1) shall not be levied on
16 an adult-use cannabis grower or adult-use cannabis processor
17 that partners with a Pennsylvania farm to grow or process
18 cannabis for the adult-use cannabis grower or adult-use
19 cannabis processor.

20 (4) The tax imposed under paragraph (1) shall be
21 administered in the same manner as the tax imposed under
22 Article II of the act of March 4, 1971 (P.L.6, No.2), known
23 as the Tax Reform Code of 1971.

24 (5) The Department of Revenue shall deposit money
25 received from the tax imposed under paragraph (1) into the
26 fund.

27 (b) Excise tax.--

28 (1) The following rate of excise tax is imposed at the
29 point of sale of adult-use cannabis or cannabis products from
30 an adult-use cannabis dispensary or a person holding a valid

1 combination permit specified under section 3205(5) that
2 involves an adult-use cannabis dispensary:

3 (i) Six percent for the first two years that the
4 adult-use cannabis dispensary or other person is
5 operating under the permit.

6 (ii) Twelve percent for the third and fourth years
7 that the adult-use cannabis dispensary or other person is
8 operating under the permit.

9 (iii) Nineteen percent for the fifth and each
10 subsequent year that the adult-use cannabis dispensary or
11 other person is operating under the permit.

12 (2) A person required to collect the tax imposed under
13 paragraph (1) shall clearly provide notice of the assessment
14 of the tax to the consumer through advertising or separate
15 listing on a sales receipt or invoice.

16 (3) The tax imposed under paragraph (1) shall be in
17 addition to the tax imposed under section 202 of the Tax
18 Reform Code of 1971.

19 (4) The tax imposed under paragraph (1) shall be
20 administered in the same manner as the tax imposed under
21 Article II of the Tax Reform Code of 1971.

22 (5) The Department of Revenue shall deposit money
23 received from the tax imposed under paragraph (1) into the
24 fund.

25 (c) Taxation by municipality.--In addition to the tax
26 imposed in subsection (b), within 60 days after the effective
27 date of this subsection, the governing body of a municipality
28 may adopt an ordinance to impose a tax at the point of sale of
29 adult-use cannabis or cannabis products at the rate of no more
30 than 3%. The following apply:

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

5 The municipality of (insert name) hereby imposes a
6 (insert percentage) tax at the point of sale of all
7 adult-use cannabis and cannabis products.

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

12 (3) The tax under this subsection shall be collected by
13 the municipality in accordance with the ordinance and
14 distributed as follows:

15 (i) Forty-five percent of the money received from
16 the tax under this subsection shall be deposited into the
17 general fund of the municipality.

18 (ii) Forty-five percent of the money received from
19 the tax under this subsection shall be used to support
20 the following in the county in which the municipality is
21 located:

22 (A) The office of public defender for the legal
23 representation of indigent criminal defendants.

24 (B) Services provided by the county children and
25 youth social service agency.

26 (C) After-school programs that are established
27 by the county or recognized by the municipality as
28 having demonstrated the ability to provide any of the
29 following:

30 (I) Improved social, emotional, academic and

1 career readiness competencies of school-age
2 children.

3 (II) The reduction of negative behaviors,
4 such as violence and crime, adolescent
5 pregnancies, tobacco, alcohol and substance
6 abuse, disengagement from school, school
7 suspension and truancy and health-compromising
8 behaviors.

9 (III) A safe after-school environment for
10 children of working families.

11 (iii) Ten percent of the money received from the tax
12 under this subsection shall be used by the municipal
13 police to enforce the adult-use cannabis provisions under
14 this part. For purposes of this subparagraph, the term
15 "municipal police":

16 (A) means a public agency of a municipality
17 having general police powers and charged with making
18 arrests in connection with the enforcement of the
19 criminal or traffic laws; and

20 (B) includes any regional police department from
21 which the municipality receives police services or
22 any police department that provides the municipality
23 with police services pursuant to agreement or
24 contract.

25 Section 3503. Commonwealth Reinvestment Fund.

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

28 (b) Source of money.--

29 (1) Money received under section 3502(a)(5) and (b)(5)
30 shall be deposited into the fund.

1 (2) Any interest accrued on money received under section
2 3502(a)(5) and (b)(5) shall be deposited into the fund.

3 (c) Use of money.--

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

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

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

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

12 (2) Shall be allocated in the following manner:

13 (i) Forty percent to the Department of Education for
14 the Student Loan Reimbursement Program under section
15 3504.

16 (ii) Forty percent to the Pennsylvania Housing
17 Finance Agency for the Mixed Income Housing Program under
18 section 3505.

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

21 (iv) Eight percent to the Department of Community
22 and Economic Development for the Minority and Woman
23 Cannabis Grant Program under section 3507.

24 (v) One percent to the department for a public
25 information and education campaign regarding adult-use
26 cannabis in this Commonwealth and the provisions of this
27 part.

28 (vi) One percent to the advisory board established
29 under section 1201 for its operations.

30 Section 3504. Student Loan Reimbursement Program.

1 (a) Establishment.--The Student Loan Reimbursement Program
2 is established within the Department of Education.

3 (b) Rules and regulations.--No later than six months after
4 the effective date of this section, the Department of Education
5 shall promulgate rules and regulations, including an application
6 form, for the Student Loan Reimbursement Program in accordance
7 with this section.

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

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

13 (2) A resident of this Commonwealth.

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

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

22 (1) Subtract:

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

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

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

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

30 (i) the number of days the applicant lived in this

1 Commonwealth during the previous calendar year; divided
2 by

3 (ii) 365.

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

6 (i) an applicant's annual income earned during the
7 previous taxable year while working in this Commonwealth;
8 divided by

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

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

13 (g) Limitations.--

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

18 (2) An applicant whose total annual income is greater
19 than the applicant's total student loan amount shall not be
20 eligible to participate in the Student Loan Reimbursement
21 Program.

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

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

28 (j) Availability of money.--The Student Loan Reimbursement
29 Program shall cease approving applications or providing
30 reimbursements upon the depletion of the money specified under

1 section 3503(d) (2) (i).

2 Section 3505. Mixed Income Housing Program.

3 (a) Establishment.--The Mixed Income Housing Program is
4 established within the Pennsylvania Housing Finance Agency.

5 (b) Rules and regulations.--No later than six months after
6 the effective date of this section, the Pennsylvania Housing
7 Finance Agency shall promulgate rules and regulations for the
8 Mixed Income Housing Program in accordance with this section,
9 which shall include:

10 (1) A grant application form.

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

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

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

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

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

29 (e) Availability of money.--The Mixed Income Housing Program
30 shall be dependent on the availability of money specified under

1 section 3503(d) (2) (ii).

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

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

11 Section 3506. After-school Program.

12 (a) Establishment.--The After-school Program is established
13 within the Department of Education.

14 (b) Rules and regulations.--No later than six months after
15 the effective date of this section, the Department of Education
16 shall promulgate rules and regulations, including an application
17 form, for the After-school Program in accordance with this
18 section, which shall include:

19 (1) A grant application form.

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

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

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

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

30 (ii) The prevention and reduction of out-of-wedlock

1 adolescent pregnancies.

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

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

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

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

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

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

22 (g) Limitations.--The Department of Education may limit the
23 number of grants or the amount of grant money approved based on
24 the total number of grant applications submitted or the total
25 amount of grant money requested.

26 Section 3507. Minority and Woman Cannabis Grant Program.

27 (a) Establishment.--The Minority and Woman Cannabis Grant
28 Program is established within the Department of Community and
29 Economic Development.

30 (b) Rules and regulations.--No later than six months after

1 the effective date of this section, the Department of Community
2 and Economic Development shall promulgate rules and regulations
3 for the Minority and Woman Cannabis Grant Program in accordance
4 with this section, which shall include:

5 (1) A grant application form.

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

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

11 (c) Purpose.--An individual who is a minority or a woman may
12 apply for grants administered by the Department of Community and
13 Economic Development to create and develop a business related to
14 the cannabis industry.

15 (d) Considerations.--In reviewing a grant application, the
16 Department of Community and Economic Development shall consider
17 the needs of the individual seeking the grant and demonstrated
18 or anticipated outcomes achieved as a result of the approval of
19 the grant.

20 (e) Availability of money.--The Minority and Woman Cannabis
21 Grant Program shall be dependent on the availability of money
22 specified under section 3503(d)(2)(iv).

23 (f) Limitations.--The Department of Community and Economic
24 Development may limit the number of grants or the amount of
25 grant money approved for an individual based on the total number
26 of grant applications submitted or the total amount of grant
27 money requested by individuals.

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

1 "Minority." A citizen or lawful permanent resident of the
2 United States who is an ethnic person of color and who is any of
3 the following:

4 (1) Black, defined as an individual having origins in
5 any of the Black racial groups of Africa.

6 (2) Hispanic, defined as an individual of Mexican,
7 Puerto Rican, Cuban, Central or South American or other
8 Spanish or Portuguese culture or origin, regardless of race.

9 (3) Native American, defined as an American Indian,
10 Eskimo, Aleut or Native Hawaiian.

11 (4) Pacific-Asian, defined as an individual whose
12 origins are from Japan, China, Taiwan, Korea, Vietnam, Laos,
13 Cambodia, the Philippines, Samoa, Guam or the United States
14 Trust Territories of the Pacific, including the Northern
15 Mariana Islands.

16 (5) Asian-Indian, defined as an individual whose origins
17 are from India, Pakistan or Bangladesh.

18 (6) An individual of any other group of natural persons
19 identified as minorities in the respective project
20 specifications of an awarding department or participating
21 local agency.

22 CHAPTER 36

23 ADMINISTRATION

24 Section 3601. Governing practice and procedure.

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

29 Section 3602. Reports by adult-use cannabis organizations.

30 An adult-use cannabis organization shall periodically file

1 reports related to its activities. The department shall
2 determine the information required in and the frequency of
3 filing the reports.

4 Section 3603. Law enforcement notification.

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

11 Section 3604. Evaluation.

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

17 Section 3605. Report.

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

21 (1) The Governor.

22 (2) The Attorney General.

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

24 (4) The Speaker of the House of Representatives.

25 (5) The Majority Leader and the Minority Leader of the
26 Senate.

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

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

1 (8) The chairperson and minority chairperson of the
2 Judiciary Committee of the House of Representatives.

3 (9) The chairperson and minority chairperson of the
4 Health and Human Services Committee of the Senate.

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

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

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

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

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

17 Section 3606. Temporary regulations generally.

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

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

26 (2) Sections 204(b) and 301(10) of the act of October
27 15, 1980 (P.L.950, No.164), known as the Commonwealth
28 Attorneys Act.

29 (3) The act of June 25, 1982 (P.L.633, No.181), known as
30 the Regulatory Review Act.

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

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

11 Section 3607. Special permitting circumstances.

12 Upon the effective date of this section and with the payment
13 by a person holding a valid permit under Part II of applicable
14 fees in accordance with this part, the department shall issue a
15 permit for the person to engage in activities as an adult-use
16 cannabis grower, adult-use cannabis processor or adult-use
17 cannabis dispensary, in accordance with this part.

18 CHAPTER 37

19 ADVISORY BOARD

20 Section 3701. Duties of advisory board.

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

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

26 (2) Determine the number of permits the department shall
27 issue for adult-use cannabis growers, adult-use cannabis
28 processors and adult-use cannabis dispensaries.

29 CHAPTER 38

30 OFFENSES RELATED TO ADULT-USE CANNABIS AND

1 CANNABIS PRODUCTS

2 Section 3801. Criminal diversion of adult-use cannabis and
3 cannabis products.

4 (a) Individual under 21 years of age.--A person commits a
5 misdemeanor of the first degree if the person intentionally,
6 knowingly or recklessly provides adult-use cannabis or cannabis
7 products to an individual under 21 years of age.

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

16 Section 3802. Additional penalties.

17 (a) Criminal penalties.--In addition to any other penalty
18 provided by law, an employee, financial backer, operator or
19 principal of an adult-use cannabis organization who violates a
20 provision of this part, other than those specified in section
21 3801, or a regulation promulgated under this part:

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

26 (2) For a second or subsequent offense, commits a
27 misdemeanor of the third degree and shall, upon conviction,
28 be sentenced to pay a fine of not more than \$10,000, or to
29 imprisonment for not less than six months nor more than one
30 year, or both.

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

7 (1) The department may assess a penalty of not more than
8 \$10,000 for each violation and an additional penalty of not
9 more than \$1,000 for each day of a continuing violation. In
10 determining the amount of each penalty, the department shall
11 take the following factors into consideration:

12 (i) The gravity of the violation.

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

15 (iii) The willfulness of the violation.

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

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

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

27 (3) A person who aids, abets, counsels, induces,
28 procures or causes another person to violate this part, a
29 regulation promulgated under this part or an order issued
30 under this part or the regulation shall be subject to the

1 civil penalties provided under this subsection.

2 (c) Sanctions.--

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

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

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

14 (iii) Suspend a permit of a person pending the
15 outcome of a hearing in a case in which the permit could
16 be revoked.

17 (iv) Order restitution of funds or property
18 unlawfully obtained or retained by a permittee.

19 (v) Issue a cease and desist order.

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

23 (d) Costs of action.--The department may assess against a
24 person determined to be in violation of this part the costs of
25 investigation of the violation.

26 (e) Minor violations.--Nothing in this section shall be
27 construed to require the assessment of a civil penalty or the
28 imposition of a sanction for a minor violation of this part if
29 the department determines that the public interest will be
30 adequately served under the circumstances by the issuance of a

1 written warning.

2 Section 3803. Other restrictions.

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

6 (1) Undertaking a task under the influence of adult-use
7 cannabis, when doing so would constitute negligence,
8 professional malpractice or professional misconduct.

9 (2) Possessing or using adult-use cannabis in a State or
10 county correctional facility, including a facility owned or
11 operated or under contract with the Department of Corrections
12 or the county which houses inmates serving a portion of their
13 sentences on parole or other community correction program.
14 Nothing in this paragraph shall be construed to apply to
15 employees of the facilities specified in this paragraph. The
16 Department of Corrections shall adopt a written policy no
17 later than 18 months from the effective date of this section
18 regarding the possession and use of adult-use cannabis by
19 employees in State correctional facilities. The governing
20 authority of a county may adopt a resolution no later than 18
21 months from the effective date of this section regarding the
22 possession and use of adult-use cannabis by employees in a
23 county correctional facility.

24 (3) Possessing or using adult-use cannabis in a youth
25 detention center or other facility which houses children
26 adjudicated delinquent, including the separate, secure State-
27 owned facility or unit utilized for sexually violent
28 delinquent children under 42 Pa.C.S. § 6404 (relating to
29 duration of inpatient commitment and review). As used in this
30 paragraph, the term "sexually violent delinquent child" shall

1 have the meaning given to it in 42 Pa.C.S. § 6402 (relating
2 to definitions). Nothing in this paragraph shall be construed
3 to apply to employees of the facilities set forth in this
4 paragraph.

5 Section 3804. Lawful conduct.

6 Notwithstanding any other provision of law, the following
7 acts are not unlawful and are not an offense under the laws of
8 this Commonwealth or the law of a locality within this
9 Commonwealth or a basis for seizure or forfeiture of an asset
10 under the laws of this Commonwealth for a person 21 years of age
11 or older:

12 (1) Possessing, using, displaying, purchasing or
13 transporting cannabis accessories, cannabis or cannabis
14 products.

15 (2) Any of the following:

16 (i) Possessing or growing not more than the
17 equivalent of 50 square feet of mature, flowering
18 cannabis plants within a private residence.

19 (ii) Possessing the cannabis produced by the plants
20 under subparagraph (i) on the premises where the plants
21 were grown, so long as the growing takes place in an
22 enclosed and locked space and is not conducted openly or
23 publicly and the cannabis is not made available for sale.

24 (3) Growing cannabis under paragraph (2)(i) and
25 transferring no more than one ounce of the cannabis produced
26 under paragraph (2)(i) without remuneration or other
27 consideration to a person who is 21 years of age or older.

28 (4) Consuming cannabis or cannabis products, provided
29 that nothing in this section shall permit consumption that is
30 conducted openly and publicly or in a manner that endangers

1 others.

2 (5) Assisting another person who is 21 years of age or
3 older in an act described under paragraph (1), (2), (3) or
4 (4).

5 CHAPTER 39

6 MISCELLANEOUS PROVISIONS

7 Section 3901. Regulations.

8 The department shall promulgate all regulations necessary to
9 carry out the provisions of this part.

10 Section 3902. Financial and employment interests.

11 (a) Financial interests.--Except as may be provided for the
12 judiciary by rule or order of the Pennsylvania Supreme Court, an
13 executive-level public employee, public official or party
14 officer, or an immediate family member of any of these
15 individuals, shall not intentionally or knowingly hold a
16 financial interest in an adult-use cannabis organization or in a
17 holding company, affiliate, intermediary or subsidiary of an
18 adult-use cannabis organization while the individual is an
19 executive-level public employee, public official or party
20 officer and for one year following termination of the
21 individual's status as an executive-level public employee,
22 public official or party officer.

23 (b) Employment.--Except as may be provided by rule or order
24 of the Pennsylvania Supreme Court, no executive-level public
25 employee, public official or party officer shall be employed by
26 an adult-use cannabis organization or by a holding company,
27 affiliate, intermediary or subsidiary of an adult-use cannabis
28 organization while the individual is an executive-level public
29 employee, public official or party officer and for one year
30 following termination of the individual's status as an

1 executive-level public employee, public official or party
2 officer.

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

7 (d) State Ethics Commission.--The State Ethics Commission
8 shall do all of the following:

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

17 (2) Publish a list of all State, county, municipal and
18 other government positions that meet the definitions of
19 "public official" as defined under 4 Pa.C.S. § 1512(b)
20 (relating to financial and employment interests) and
21 "executive-level public employee" as defined under 4 Pa.C.S.
22 § 1103 (relating to definitions). The Office of
23 Administration shall assist the State Ethics Commission in
24 the development of the list. The State Ethics Commission
25 shall provide notice of the development of the list to the
26 Legislative Reference Bureau, which shall publish the list in
27 the Pennsylvania Bulletin. The list shall be published
28 biennially in the Pennsylvania Bulletin and posted by the
29 department on the department's publicly accessible Internet
30 website. Upon request, each public official shall have a duty

1 to provide the State Ethics Commission with adequate
2 information to accurately develop and maintain the list. The
3 State Ethics Commission may impose a civil penalty under 65
4 Pa.C.S. § 1109(f) (relating to penalties) upon an individual,
5 including a public official or executive-level public
6 employee, who fails to cooperate with the State Ethics
7 Commission under this subsection. A person that relies in
8 good faith on the list published by the State Ethics
9 Commission shall not be subject to a penalty for a violation
10 of this section.

11 (e) Definitions.--As used in this section, the following
12 words and phrases shall have the meanings given to them in this
13 subsection unless the context clearly indicates otherwise:

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

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

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

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

18 (1) The Governor, Lieutenant Governor, a member of the
19 Governor's cabinet, State Treasurer, Auditor General and
20 Attorney General.

21 (2) A member of the Senate or House of Representatives.

22 (3) An individual elected or appointed to an office of a
23 county or municipality that directly receives a distribution
24 of revenue from the fund.

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

29 (5) An individual elected or appointed to a department,
30 agency, board, commission, authority, county, municipality or

1 other governmental body not included in paragraph (1), (2) or
2 (3) with discretionary power which may influence or affect
3 the outcome of an action or decision and who is involved in
4 the development of regulation or policy relating to an adult-
5 use cannabis organization or who is involved in other matters
6 under this part.

7 The term does not include a member of a school board or an
8 individual who held an uncompensated office with a governmental
9 body prior to the first January 1 after the effective date of
10 this subsection, and who no longer holds the office as of the
11 first January 1 after the effective date of this subsection.

12 Section 3903. Employers and control of property.

13 (a) Employers.--

14 (1) This section is not intended to require an employer
15 to permit or accommodate the use, consumption, possession,
16 transfer, display, transportation, sale or growing of adult-
17 use cannabis or cannabis products in the workplace or to
18 affect the ability of employers to have policies restricting
19 the use of adult-use cannabis and cannabis products by
20 employees in the workplace.

21 (2) The following shall apply to drug screening tests:

22 (i) A random drug screening test showing the mere
23 presence of a nonintoxicating level of cannabis may not
24 be the basis of the termination of employment or any
25 other disciplinary action against the employee.

26 (ii) Except as otherwise specifically provided by
27 law:

28 (A) An employer may not fail or refuse to hire a
29 prospective employee because the prospective employee
30 submitted to a drug screening test and the results of

1 the drug screening test indicate the presence of
2 cannabis.

3 (B) If an employer requires an employee to
4 submit to a drug screening test within the first 30
5 days of employment, the employee shall have the right
6 to submit to an additional drug screening test, at
7 the employee's own expense, to rebut the results of
8 the initial drug screening test. The employer shall
9 accept and give appropriate consideration to the
10 results of the additional drug screening test.

11 (iii) The provisions of subparagraph (ii) shall not
12 apply:

13 (A) to the extent that the provisions are
14 inconsistent or otherwise in conflict with the
15 provisions of an employment contract or collective
16 bargaining agreement regarding the employee;

17 (B) to the extent that the provisions are
18 inconsistent or otherwise in conflict with Federal
19 law; or

20 (C) to a position of employment that is funded
21 by a Federal grant.

22 (iv) As used in this paragraph, the following words
23 and phrases shall have the meanings given to them in this
24 subparagraph unless the context clearly indicates
25 otherwise:

26 "Drug screening test." A test of an individual's
27 blood, urine, hair or saliva to detect the general
28 presence of a controlled substance or any other drug.

29 (b) Persons and other entities.--This part does not prohibit
30 a person, employer, school, hospital, detention facility,

1 corporation or another entity who occupies, owns or controls a
2 property from prohibiting or otherwise regulating the
3 possession, consumption, use, display, transfer, distribution,
4 sale, transportation or growing of cannabis on or in the
5 property.

6 Section 3904. Cannabis clean slate.

7 (a) General rule.--A person who has been arrested for,
8 charged with or convicted under section 13(a) (30), (31), (32) or
9 (33) of the act of April 14, 1972 (P.L.233, No.64), known as The
10 Controlled Substance, Drug, Device and Cosmetic Act, shall have
11 the person's criminal history related to the criminal proceeding
12 expunged in accordance with subsection (b).

13 (b) Expungement process.--The following shall apply:

14 (1) The Administrative Office of Pennsylvania Courts
15 shall, within 10 days of the effective date of this
16 subsection, transmit to the Pennsylvania State Police central
17 repository all records related to an arrest or conviction
18 under subsection (a) for expungement.

19 (2) If the Pennsylvania State Police determines a record
20 transmitted under paragraph (1) is not eligible for
21 expungement, it shall notify the Administrative Office of
22 Pennsylvania Courts of the determination within 20 days of
23 receiving the information. Upon expiration of the 20-day
24 period, the Administrative Office of Pennsylvania Courts
25 shall provide to the court of common pleas in the county in
26 which the arrest or adjudication occurred a list of all
27 records eligible for expungement. Immediately upon receipt of
28 the list, the court of common pleas shall order the
29 expungement of all criminal history records received under
30 this section and all administrative records of the Department

1 of Transportation relating to the criminal history records
2 received under this section.

3 (c) Release of inmates.--A court of common pleas that has
4 received an expungement order for a person currently
5 incarcerated for the crime for which the court received the
6 expungement order shall transmit to the appropriate county
7 correctional institution or State correctional institution, as
8 defined under 61 Pa.C.S. § 102 (relating to definitions), an
9 order for the immediate release or discharge of the person whose
10 record has been ordered to be expunged.

11 (d) Motor vehicle operation privileges.--The Bureau of Motor
12 Vehicles shall reinstate a person's motor vehicle operation
13 privileges that were suspended or revoked as a result of a
14 person's conviction that has been expunged under this section.

15 (e) Reinstatement of license or registration.--A license or
16 registration that has been suspended or revoked under section 23
17 of The Controlled Substance, Drug, Device and Cosmetic Act due
18 to an arrest or conviction that has been expunged under this
19 section shall be reinstated.

20 Section 7. The act is amended by adding a part heading and a
21 chapter heading to read:

22 PART IV

23 MISCELLANEOUS PROVISIONS

24 CHAPTER 91

25 IMPLEMENTATION

26 Section 8. Section 2110 of the act is renumbered to read:
27 Section [2110] 9101. Effective date.

28 This act shall take effect in 30 days.

29 Section 9. Repeals are as follows:

30 (1) Section 4(1)(iii)16 and (iv) of the act of April 14,

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

3 (2) Section 13(a)(30) and (31) of The Controlled
4 Substance, Drug, Device and Cosmetic Act are repealed insofar
5 as they are inconsistent with this act.

6 (3) All acts and parts of acts are repealed insofar as
7 they are inconsistent with this act.

8 Section 10. The following apply:

9 (1) Within 10 days of the development of the rules and
10 regulations under section 3504(b) of the act, the Department
11 of Education shall provide notice of the development of the
12 rules and regulations to the Legislative Reference Bureau,
13 which shall publish the notice in the Pennsylvania Bulletin.

14 (2) Within 10 days of the development of the rules and
15 regulations under section 3505(b) of the act, the
16 Pennsylvania Housing Finance Agency shall provide notice of
17 the development of the rules and regulations to the
18 Legislative Reference Bureau, which shall publish the notice
19 in the Pennsylvania Bulletin.

20 (3) Within 10 days of the development of the rules and
21 regulations under section 3506(b) of the act, the Department
22 of Education shall provide notice of the development of the
23 rules and regulations to the Legislative Reference Bureau,
24 which shall publish the notice in the Pennsylvania Bulletin.

25 Section 11. This act shall take effect as follows:

26 (1) The following shall take effect immediately:

27 (i) This section.

28 (ii) Section 10 of this act.

29 (iii) The addition of sections 3501, 3503, 3504,
30 3505, 3506, 3507 and 3901 of the act.

1 (2) The remainder of this act shall take effect in 60
2 days.