

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 120 Session of
2025

INTRODUCED BY LAUGHLIN, STREET, SAVAL, KANE, KEARNEY AND FLYNN,
JULY 10, 2025

REFERRED TO LAW AND JUSTICE, JULY 10, 2025

AN ACT

1 Providing for cannabis; regulating the personal use and
2 possession of cannabis; establishing the Cannabis Control
3 Board; providing for powers and duties of the Cannabis
4 Control Board; establishing the Cannabis Regulation Fund;
5 providing for disproportionately impacted area, for
6 regulation of cannabis business establishments, for
7 enforcement and immunities, for laboratory testing, for
8 advertising, marketing, packaging and labeling and for
9 preparation, destruction and regulation of cannabis, edible
10 and infused products; imposing a sales tax and excise tax on
11 cannabis, edible and infused products; establishing the
12 Cannabis Regulation Fund; providing for cannabis clean slate
13 and for miscellaneous provisions; imposing penalties;
14 consolidating provisions relating to medical use of cannabis;
15 transferring powers and duties of the Department of Health to
16 the Cannabis Control Board; and making repeals.

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

3 CHAPTER 1
4 PRELIMINARY PROVISIONS

5 Section 101. Short title.

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

7 Section 102. Definitions.

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

11 "Adult-use." Purchase and consumption of cannabis by an
12 individual who is at least 21 years of age.

13 "Advertise." To engage in promotional activities, including
14 through newspaper, radio, Internet and electronic media and
15 television advertising. The term includes the distribution of
16 fliers and circulars, billboard advertising and the display of
17 window signs. The term does not include interior dispensary
18 signage or exterior signage displaying the name of the permitted
19 cannabis business establishment.

20 "Agent" or "cannabis business establishment agent." A
21 principal officer, board member, employee or other agent of a
22 cannabis business establishment who is 21 years of age or older.

23 "Applicant." An individual or entity applying for a permit
24 under this act.

25 "Board." The Cannabis Control Board established under
26 Subchapter A of Chapter 2.

27 "Cannabis." As follows:

28 (1) Any of the following:

29 (i) Marijuana, hashish or other substances that are
30 identified as including any parts of the plant Cannabis

1 sativa and including derivatives or subspecies, such as
2 indica, of all strains of cannabis, whether growing or
3 not, including the seeds, resin extracted from any part
4 of the plant and any compound, manufacture, salt,
5 derivative, mixture or preparation of the plant. The term
6 includes THC and all other naturally produced cannabinol
7 derivatives, whether produced directly or indirectly by
8 extraction, including, delta-7 THC, delta-8 THC, delta-9
9 THC or any structural, optical or geometric isomers of
10 tetrahydrocannabinol, cannabis flower, concentrate,
11 edible and infused products.

12 (ii) A product intended for human consumption with a
13 THC concentration, however derived, greater than the
14 allowable THC limit specified in this act.

15 (2) The term does not include the mature stalks of the
16 plant, fiber produced from the stalks, oil or cake made from
17 the seeds of the plant or any other compound, manufacture,
18 salt, derivative, mixture or preparation of the mature
19 stalks, the sterilized seed of the plant that is incapable of
20 germination or industrial hemp as defined in 3 Pa.C.S. § 702
21 (relating to definitions).

22 "Cannabis business establishment." An individual or entity
23 holding a permit issued by the board to cultivate, process,
24 dispense, infuse or transport cannabis, including a dispensing
25 organization, cultivation center, disproportionately impacted
26 area dispensing organization permit holder, small business
27 permit holder or micro cultivation center.

28 "Cannabis business establishment agent identification card"
29 or "agent identification card." An identification card held by
30 an authorized agent of a dispensing organization,

1 disproportionately impacted area dispensing organization permit
2 holder, micro cultivation center, small business or cultivation
3 center.

4 "Cannabis concentrate." A product derived from cannabis that
5 is produced by extracting cannabinoids, including THC, with the
6 intended use of smoking, vaping or making an edible or infused
7 product. The term includes a product derived from cannabis that
8 is produced by means of heat and pressure or mechanical
9 separations.

10 "Cannabis flower." Marijuana, hashish or other substances
11 identified as including any parts of the plant Cannabis sativa
12 and including derivatives or subspecies, such as indica, of all
13 strains of cannabis, including raw kief, leaves and buds. The
14 term does not include resin that has been extracted from any
15 part of the plant or any compound, manufacture, salt,
16 derivative, mixture or preparation of the plant, the plant's
17 seeds or resin.

18 "Cannabis-infused edible product." A product meant to be
19 chewed, dissolved, taken sublingually or buccally or swallowed.
20 The term includes liquids, including beverages, food, oil,
21 tincture, capsule, tablet, gummies or other ingestible forms
22 containing cannabis or cannabis concentrate that are not
23 intended to be smoked or otherwise inhaled.

24 "Cannabis-infused non-edible product." A product meant to be
25 used topically or otherwise not intended to be ingested. The
26 term includes gels, creams, patches or ointments containing
27 cannabis or cannabis concentrate.

28 "Cannabis paraphernalia." Any equipment, product or material
29 of any kind which is primarily intended or designed for any of
30 the following:

1 (1) Use in vaporizing, ingesting, inhaling or otherwise
2 introducing an edible or non-edible infused product into the
3 human body.

4 (2) Preparing, storing or containing cannabis.

5 "Cannabis seed-to-sale tracking system" or "seed-to-sale
6 tracking system." A system designated by the board as the
7 system of record or a secondary electronic tracking system used
8 by a cannabis business establishment or testing laboratory.

9 "Cannabis testing facility." An entity registered by the
10 board to test cannabis for potency and contaminants.

11 "Caregiver." The term includes the following entities
12 designated to deliver medical cannabis:

13 (1) An individual designated by a patient.

14 (2) If the patient is under 18 years of age, an
15 individual under section 337(2).

16 (3) Individuals designated in writing, for purposes of
17 section 332, by an organization that provides hospice,
18 palliative or home health care services and:

19 (i) are employed by an organization that is licensed
20 under the act of July 19, 1979 (P.L.130, No.48), known as
21 the Health Care Facilities Act;

22 (ii) have significant responsibility for managing
23 the health care and well-being of a patient; and

24 (iii) were designated by the organization to provide
25 care to a patient who has provided authorization for the
26 designation.

27 (4) Individuals designated in writing, for purposes of
28 section 332, by a residential facility, including a long-term
29 care nursing facility, skilled nursing facility, assisted
30 living facility, personal care home, independent long-term

1 care facility or intermediate care facility for individuals
2 with intellectual disabilities that:

3 (i) are licensed by the board or the Department of
4 Human Services;

5 (ii) have significant responsibility for managing
6 the health care and well-being of the patient; and

7 (iii) were designated by the residential facility to
8 provide care to a patient who has provided authorization
9 for the designation.

10 "Certified medical use." The acquisition, possession, use or
11 transportation of medical cannabis by a patient, or the
12 acquisition, possession, delivery, transportation or
13 administration of medical cannabis by a caregiver, for use as
14 part of the treatment of the patient's serious medical
15 condition, as authorized in a certification under this act,
16 including enabling the patient to tolerate treatment for the
17 serious medical condition.

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

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

25 "Chief medical officer." The chief medical officer hired
26 under section 207(a)(2).

27 "Clone." A plant section from a female cannabis plant not
28 yet root-bound, growing in a water solution or other propagation
29 matrix, that can develop into a new plant.

30 "Continuing care." Treating a patient, in the course of

1 which the practitioner has completed a full assessment of the
2 patient's medical history and current medical condition,
3 including a consultation with the patient.

4 "Controlling interest." As follows:

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

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

12 "Cultivation center." An organization that cultivates,
13 processes, cures, produces or performs other necessary
14 activities to make cannabis available to patients or purchasers,
15 including a micro cultivation center.

16 "Cultivation center permit." A permit issued by the board
17 that permits an entity to act as a cultivation center under this
18 act or any regulation promulgated in accordance with this act
19 and permits the entity to offer home delivery services where
20 cannabis, edibles and infused products, as approved by the
21 board, are delivered directly to a purchaser or patient.

22 "Curbside." The transfer or dispensing of cannabis or an
23 edible or non-edible infused product by an employee of a
24 cannabis business establishment to a vehicle located in the
25 parking area or to an individual at the entrance of the
26 facility.

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

28 "Dispensary." A person, including a natural person,
29 corporation, partnership, association, trust or other entity, or
30 any combination thereof, which holds a permit issued by the

1 board to dispense medical cannabis.

2 "Dispensing organization." An organization, including a
3 person, that meets all of the following criteria:

4 (1) The organization is permitted by the board to
5 acquire cannabis from a cultivation center or micro
6 cultivation center or other dispensary for the purpose of
7 selling or dispensing cannabis, cannabis concentrates, edible
8 and non-edible infused products, cannabis seeds,
9 paraphernalia or related supplies to purchasers under this
10 chapter or to patients and caregivers under Chapter 3.

11 (2) The organization is a dual-use dispensary.

12 (3) The organization complies with the provisions of
13 Chapter 3.

14 "Dispensing organization permit." A permit issued by the
15 board that allows a person to act as a dispensing organization
16 under this chapter or any regulation promulgated in accordance
17 with this chapter and Chapter 3.

18 "Disproportionately impacted area." A census tract that
19 satisfies the criteria determined by the board and that meets at
20 least one of the following criteria:

21 (1) The area has a poverty rate of at least 20%
22 according to the most recent Federal decennial census.

23 (2) Seventy-five percent or more of the children in the
24 area participate in the National School Lunch Program
25 according to reported statistics from the State Board of
26 Education.

27 (3) At least 20% of the households in the area receive
28 assistance under the Supplemental Nutrition Assistance
29 Program.

30 (4) The area has an average unemployment rate, as

determined by the Department of Labor and Industry, that is more than 120% of the national unemployment average as determined by the United States Department of Labor for a period of at least 12 consecutive calendar months preceding the date of the application for a permit under this act and has a high rate of arrest, conviction and incarceration related to the sale, possession, use, cultivation, manufacture or transport of cannabis.

"Disproportionately impacted area applicant." An applicant that does not generate an annual income of more than \$75,000 or have financial assets exceeding \$250,000 and is composed of at least 75% ownership and control by one or more individuals who have resided for at least five of the preceding 10 years in a disproportionately impacted area in this Commonwealth.

"Enclosed, locked facility." A room, greenhouse, building or other enclosed area equipped with locks or other security devices that permit access only to cannabis business establishment agents working for the permitted cannabis business establishment or acting under this act to cultivate, process, store or distribute cannabis.

"Enclosed, locked space." Space within a facility, building or other enclosed area equipped with locks or other security devices that permit access only to authorized individuals under this act.

"Excipients." Solvents, chemicals or materials reported by a medical cannabis organization and approved by the board for use in the processing of medical cannabis.

"Executive director." The executive director of the board.

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

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

4 "Financial institution." As defined in section 3003.22(r) of
5 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
6 Code of 1971.

7 "Flowering stage." The stage of cultivation where and when a
8 cannabis plant is cultivated to produce plant material for an
9 edible or non-edible infused product. The term includes mature
10 plants if any of the following apply:

11 (1) More than two stigmas are visible at each internode
12 of the plant.

13 (2) The cannabis plant is in an area that has been
14 intentionally deprived of light for a period of time intended
15 to produce flower buds and induce maturation, from the moment
16 the light deprivation began through the remainder of the
17 cannabis plant growth cycle.

18 "Form of medical cannabis." The characteristics of the
19 medical cannabis recommended or limited for a particular
20 patient, including the method of consumption and any particular
21 dosage, strain, variety and quantity or percentage of medical
22 cannabis or particular active ingredient.

23 "Identification card." A document issued under section 331
24 that authorizes access to cannabis for a patient under this
25 chapter.

26 "Individual dose." A single measure of medical cannabis.

27 "Limited access area." A room or other area under the
28 control of a dispensing organization where cannabis sales occur
29 with access limited to individuals who are 21 years of age or
30 older and qualified patients and caregivers or other individuals

1 as determined by the board's regulations.

2 "Medical cannabis." Cannabis for certified medical use as
3 set forth in this act.

4 "Medical cannabis grower/processor." A person, including a
5 natural person, corporation, partnership, association, trust or
6 other entity, or any combination thereof, which holds a permit
7 from the board under this act to grow and process medical
8 cannabis.

9 "Medical cannabis organization." A dispensary or a
10 cultivation center.

11 "Micro cultivation center." A facility operated by an
12 individual or entity that is permitted to cultivate, dry, cure
13 and package cannabis and perform other necessary activities to
14 make cannabis available for sale at a dispensing organization.

15 "Micro cultivation center permit." A permit issued by the
16 board to an individual or entity to conduct activities of a
17 micro cultivation center under this act.

18 "Minority-owned business." As defined in 74 Pa.C.S. § 303(b)
19 (relating to diverse business participation).

20 "Ordinary public view." Within the sight line of a normal
21 visual range of an individual, unassisted by visual aids, from a
22 public street or sidewalk adjacent to real property or from
23 within an adjacent property.

24 "Patient." An individual who:

25 (1) has a serious medical condition;

26 (2) has met the requirements for certification under
27 this act; and

28 (3) is a resident of this Commonwealth.

29 "Permit" or "license." An authorization issued by the board
30 to a cannabis business establishment to conduct activities under

1 this act.

2 "Permittee" or "licensee." An individual or entity granted a
3 permit under this act.

4 "Person." An individual, firm, partnership, association,
5 joint stock company, joint venture, public or private
6 corporation, limited liability company or a receiver, executor,
7 trustee, guardian or other representative appointed by order of
8 a court.

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

14 "Possession limit." The amount of cannabis that a purchaser
15 may possess at any one time, not including an individual who is
16 a patient or caregiver under Chapter 3.

17 "Practitioner." A physician who is registered with the board
18 under section 321.

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

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

28 "Principal officer." Any of the following:

29 (1) An officer, director or person who directly owns
30 more than a 1% beneficial interest or ownership of the

1 securities of a cannabis business establishment applicant or
2 permittee or more than a 10% beneficial interest or ownership
3 of the securities of a cannabis business establishment
4 applicant or permittee that is a publicly traded company.

5 (2) A person who has a controlling interest in a
6 cannabis business establishment applicant or permittee or who
7 has the ability to elect the majority of the board of
8 directors of a cannabis business establishment applicant or
9 permittee.

10 (3) A person who otherwise controls a cannabis business
11 establishment applicant or permittee, not including a
12 financial institution.

13 "Process lot." An amount of a cannabis product of the same
14 type and processed using the same cannabis extract, standard
15 operating procedures and the same or combination of different
16 harvest lots.

17 "Purchaser." An individual 21 years of age or older who
18 acquires cannabis for consideration. The term does not include a
19 cannabis business establishment agent identification card holder
20 as used in accordance with Chapter 3.

21 "Registry." The registry established by the board for
22 practitioners.

23 "Remediation." The reprocessing of a manufactured edible or
24 non-edible infused product batch that has failed laboratory
25 testing conducted by a cannabis testing facility or the
26 processing of a harvest lot that has failed laboratory testing
27 conducted by a cannabis testing facility.

28 "Restricted access area." An area of a permitted cannabis
29 business establishment where only cannabis business
30 establishment agents are allowed, with limited exceptions.

1 "Safety-sensitive position." A position that requires any
2 activity that an employer reasonably believes presents a
3 potential risk of harm to the health or safety of an employee or
4 others while under the influence of medical cannabis, including:

5 (1) Duties performed at heights or in confined spaces,
6 including mining.

7 (2) The operation of a motor vehicle, other vehicle,
8 equipment, machinery or a power tool.

9 (3) Repairing, maintaining or monitoring the performance
10 or operation of any equipment, machinery or manufacturing
11 process, the malfunction or disruption of which could result
12 in injury or property damage.

13 (4) Performing firefighting duties as permitted under
14 Chapter 3.

15 (5) The operation, maintenance or oversight of critical
16 services and infrastructure, including electric, gas and
17 water utilities, power generation or distribution.

18 (6) The extraction, compression, processing,
19 manufacturing, handling, packaging, storage, disposal,
20 treatment or transport of potentially volatile, flammable or
21 combustible materials, elements, chemicals or other highly
22 regulated component.

23 (7) Dispensing pharmaceuticals.

24 (8) A position that requires the employee to carry a
25 firearm.

26 (9) Direct patient care or direct child care.

27 "Secretary." The Secretary of Health of the Commonwealth.

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

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

- 2 (1) Cancer, including remission therapy.
- 3 (2) Positive status for human immunodeficiency virus or
4 acquired immune deficiency syndrome.
- 5 (3) Amyotrophic lateral sclerosis.
- 6 (4) Parkinson's disease.
- 7 (5) Multiple sclerosis.
- 8 (6) Damage to the nervous tissue of the central nervous
9 system (brain-spinal cord) with objective neurological
10 indication of intractable spasticity and other associated
11 neuropathies.
- 12 (7) Epilepsy.
- 13 (8) Inflammatory bowel disease.
- 14 (9) Neuropathies.
- 15 (10) Huntington's disease.
- 16 (11) Crohn's disease.
- 17 (12) Posttraumatic stress disorder.
- 18 (13) Intractable seizures.
- 19 (14) Glaucoma.
- 20 (15) Sickle cell anemia.
- 21 (16) Severe chronic or intractable pain of neuropathic
22 origin or severe chronic or intractable pain.
- 23 (17) Autism.
- 24 (18) Other conditions that a certifying physician
25 determines may benefit a patient under their continuing care.
- 26 (19) Other conditions that are recommended by the chief
27 medical officer and approved by the board under section 207.
- 28 "Small business." An independently owned and operated for-
29 profit business employing 100 or fewer employees and not a
30 subsidiary or affiliate of a corporation.

1 "Smoking." The inhalation of smoke caused by the combustion
2 of cannabis.

3 "Synchronous interaction." A two-way or multiple-way
4 exchange of information between a patient and a health care
5 provider that occurs in real time via audio or video
6 conferencing.

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

10 "THC." A delta-9 tetrahydrocannabinol and any structural,
11 optical or geometric isomers of tetrahydrocannabinol, including
12 delta-7, delta-8 and delta-10 tetrahydrocannabinol,
13 tetrahydrocannabinolic acid, tetrahydrocannabiphorol,
14 hexahydrocannabinol and any other substance, however derived,
15 that has similar effects on the mind or body as determined by
16 the board.

17 "Tincture." A cannabis-infused solution, typically comprised
18 of alcohol, glycerin or vegetable oils derived either directly
19 from the cannabis plant or from a processed cannabis extract.
20 The term does not include an alcoholic liquor as used in the act
21 of April 12, 1951 (P.L.90, No.21), known as the Liquor Code. The
22 term shall include a calibrated dropper or other similar device
23 capable of accurately measuring servings.

24 "Under the influence." One or more of the following:

25 (1) A drug test resulting in:

26 (i) a level of tetrahydrocannabinolic acid in an
27 employee's urine that is equal to or greater than 15
28 nanograms per milliliter; or

29 (ii) an adulterated or substituted testing sample
30 provided by an employee.

1 (2) An employer's good faith determination that an
2 employee is under the influence of cannabis based on
3 observable physical behavior or characteristics, provided
4 that the employee may rebut the determination by immediately
5 submitting to a drug test, the results of which demonstrate
6 that the level of tetrahydrocannabinolic acid in the
7 employee's urine is less than 15 nanograms per milliliter.

8 "Veteran-owned small business." As defined in 51 Pa.C.S. §
9 9601 (relating to definitions).

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

11 CHAPTER 2

12 CANNABIS

13 SUBCHAPTER A

14 CANNABIS CONTROL BOARD

15 Section 201. Establishment of board.

16 (a) Board established.--The Cannabis Control Board is
17 established as an independent board which shall be a body
18 corporate and politic.

19 (b) Membership.--The board shall consist of the following
20 members:

21 (1) Three members appointed by the Governor.

22 (2) One member appointed by each of the following:

23 (i) The President pro tempore of the Senate.

24 (ii) The Speaker of the House of Representatives.

25 (iii) The Minority Leader of the Senate.

26 (iv) The Minority Leader of the House of
27 Representatives.

28 (c) Removal.--A member of the board shall be removed from
29 office by the appointing authority:

30 (1) for misconduct in office, willful neglect of duty or

1 conduct evidencing unfitness for office or incompetence; or

2 (2) upon conviction of an offense graded as a felony, an
3 infamous crime, an offense under Chapter 3 or an equivalent
4 offense under Federal law or the law of another jurisdiction.

5 (d) Initial appointments to board.--

6 (1) Gubernatorial appointees initially appointed under
7 subsection (b)(1) shall serve an initial term of one, two and
8 three years respectively as designated by the Governor at the
9 time of appointment and until their successors are appointed
10 and qualified.

11 (2) Legislative appointees initially appointed under
12 subsection (b)(2) shall serve until the third Tuesday in
13 January 2027 and until their successors are appointed and
14 qualified.

15 (3) An appointment to fill a vacancy created by a member
16 appointed in accordance with paragraph (1) or (2) shall be
17 for the remainder of the unexpired term.

18 (e) Terms of office.--Upon the expiration of a term of a
19 member appointed under subsection (d), the following shall
20 apply:

21 (1) The term of office of a gubernatorial appointee
22 shall be three years and until a successor is appointed and
23 qualified.

24 (2) The term of office of a legislative appointee shall
25 be two years and until a successor is appointed and
26 qualified.

27 (3) A gubernatorial appointee shall serve no more than
28 two full consecutive terms.

29 (4) A legislative appointee shall serve no more than
30 three full consecutive terms.

1 (5) An appointment to fill a vacancy shall be for the
2 remainder of the unexpired term.

3 (6) A member appointed to fill a vacancy under paragraph
4 (3) may serve two full terms following the expiration of the
5 term related to the vacancy.

6 (7) A member appointed to fill a vacancy under paragraph
7 (4) may serve three full terms following the expiration of
8 the term related to the vacancy.

9 (f) Ex officio members.--The Secretary of Agriculture, the
10 Secretary of Health, the Secretary of Community and Economic
11 Development, the Attorney General and the Pennsylvania State
12 Police Commissioner, or their designees, shall serve on the
13 board as nonvoting ex officio members of the board. The designee
14 shall be a deputy secretary or an equivalent position within the
15 agency.

16 (g) Executive director of the board.--Within seven days of
17 the effective date of this subchapter, the Governor shall
18 nominate an interim executive director. The Governor's nominee
19 shall be subject to Senate confirmation and the Senate shall
20 hold the confirmation vote within seven days of the nomination.
21 If the Senate fails to hold the confirmation vote within seven
22 days of nomination, the Senate shall be deemed to have confirmed
23 the nominee. If the Senate rejects the nominee, the Governor
24 shall have five days to nominate a second proposed interim
25 executive director and the Senate shall have five days after the
26 nomination to hold a confirmation vote. If the Senate fails to
27 hold a confirmation vote within five days of the nomination, the
28 Senate shall be deemed to have confirmed the nominee. If the
29 Senate rejects the nominee, the Governor shall have three days
30 to nominate a third proposed interim executive director and the

Senate shall have three days after the nomination to hold a confirmation vote. The process for the third proposed interim director shall continue until an interim executive director is confirmed by the Senate. The following shall apply:

(1) The interim executive director may be the permanent executive director and shall not be prohibited from employment with the board in any other position.

(2) Between the effective date of this subchapter and when the board is fully constituted, staffed and operational, it is the intent of the General Assembly for regulated materials and regulated activities to be administered by the interim executive director on a temporary basis.

(3) The interim executive director and executive director shall be considered employees of the board for compensation purposes.

(h) Background investigation.--Appointees shall be subject to a background investigation conducted by the Pennsylvania State Police in accordance with this subchapter.

(i) Qualifications and restrictions.--

(1) Each member at the time of appointment shall be at least 25 years of age and shall have been a resident of this Commonwealth for a period of at least one year immediately preceding appointment. Each member shall continue to remain a resident of this Commonwealth during the term of membership on the board.

(2) Except for ex officio members, a person may not be appointed a member of the board or be employed by or be an independent contractor of the board if that individual is a public official or party officer, as those terms are defined in 4 Pa.C.S. § 1512 (relating to financial and employment

1 interests), in this Commonwealth or any of its political
2 subdivisions.

3 (3) Each member, employee and independent contractor of
4 the board shall sign an agreement to not disclose
5 confidential information.

6 (4) A member, employee or independent contractor of the
7 board or another agency having regulatory authority over the
8 board or cannabis business establishments may not be
9 employed, hold any office or position or be engaged in any
10 activity which is incompatible with the position, employment
11 or contract.

12 (5) A member may not engage in any business, employment
13 or vocation for which the member receives a salary,
14 compensation or fee for services rendered which is in excess
15 of 15% of the member's gross annual salary as a member of the
16 board. For purposes of this paragraph, the terms "salary,"
17 "compensation" and "fee" do not include any of the following:

18 (i) Passive or unearned income, including interest,
19 dividends or capital gains from the sale of assets or
20 securities held for investment purposes.

21 (ii) Health care benefits or retirement, pension or
22 annuity payments.

23 (iii) Amounts received from a family-controlled
24 trade or business in which both personal services and
25 capital are income-producing factors, provided that the
26 personal services actually rendered by the member do not
27 generate a significant amount of income.

28 (iv) Director's fees attributable to board
29 membership of a corporate or nonprofit body or board or
30 reimbursement for expenses incurred in connection with

1 board membership.

2 (6) A member may not be paid or receive any fee or other
3 compensation for any activity related to the duties or
4 authority of the board other than the salary and expenses
5 provided by law.

6 (7) A member, employee or independent contractor of the
7 board may not participate in a hearing, proceeding or other
8 matter in which the member, employee or independent
9 contractor, or an immediate family member thereof, has a
10 financial interest in the subject matter of the hearing or
11 proceeding or other interest that could be substantially
12 affected by the outcome of the hearing or proceeding without
13 first fully disclosing the nature of the interest to the
14 board and other persons participating in the hearing or
15 proceeding. The board shall determine if the interest is a
16 disqualifying interest that requires the disqualification or
17 nonparticipation of an employee or independent contractor.
18 For the purposes of this paragraph, the term "immediate
19 family" shall mean a spouse, parent, brother, sister or
20 child.

21 (8) At the time of appointment and annually thereafter,
22 each member shall disclose the existence of any financial
23 interest in any applicant, permitted entity, intermediary,
24 subsidiary or holding company thereof held by the member or
25 known to be held by the member's immediate family. The
26 disclosure statement shall be filed with the executive
27 director of the board and with the appointing authority for
28 the member and shall be open to inspection by the public at
29 the office of the board during the normal business hours of
30 the board for the duration of the member's term and for two

1 years after the member leaves office. For the purposes of
2 this paragraph, the term "immediate family" shall mean a
3 spouse, parent, brother, sister or child.

4 (9) Prior to being sworn as a member, an appointee and
5 the appointee's immediate family shall divest any financial
6 interest in any applicant, permitted entity, intermediary,
7 subsidiary or holding company thereof owned or held by the
8 appointee or known to be held by the appointee's immediate
9 family. For the duration of the member's term and for one
10 year thereafter, the member and the member's immediate family
11 may not acquire a financial interest in any applicant,
12 permitted entity, intermediary, subsidiary or holding company
13 thereof. For purposes of this paragraph, the term "immediate
14 family" shall mean a spouse and any minor or unemancipated
15 child.

16 (10) Prior to entering into employment or a contract
17 with the board and annually thereafter, an employee or
18 independent contractor shall disclose the existence of any
19 financial interest in any applicant, permitted entity,
20 intermediary, subsidiary or holding company thereof owned or
21 held by the employee or independent contractor or known to be
22 held by the immediate family of the employee or independent
23 contractor. The disclosure statement shall be filed with the
24 board and shall be open to inspection by the public at the
25 office of the board during the normal business hours of the
26 board and for two years after termination of employment or a
27 contract with the board. For purposes of this paragraph, the
28 term "immediate family" shall mean a spouse, parent, brother,
29 sister or child.

30 (11) Prior to entering into employment or contracting

1 with the board, an employee or independent contractor and the
2 employee's or independent contractor's immediate family shall
3 divest any financial interest in any applicant, permitted
4 entity, intermediary, subsidiary or holding company thereof,
5 owned or held by the employee or independent contractor or
6 known to be held by the immediate family of the employee or
7 independent contractor. For the duration of the employee's
8 employment with the board or the independent contractor's
9 contract with the board and for one year thereafter, the
10 employee or independent contractor and the immediate family
11 thereof shall not acquire, by purchase, gift, exchange or
12 otherwise, any financial interest in any applicant, or
13 permitted entity, intermediary, subsidiary or holding company
14 thereof. For purposes of this paragraph, the term "immediate
15 family" shall mean a spouse and any minor or unemancipated
16 child.

17 (12) A member, employee or independent contractor of the
18 board may not directly or indirectly solicit, request,
19 suggest or recommend to any applicant, permitted entity,
20 intermediary, subsidiary or holding company thereof or to any
21 principal, employee, independent contractor or agent thereof,
22 the appointment or employment of any person in any capacity
23 by the applicant, permitted entity, intermediary, subsidiary
24 or holding company thereof for a period of two years from the
25 termination of term of office, employment or contract with
26 the board.

27 (13) A member may not accept employment with any
28 applicant, permitted entity or an affiliate, intermediary,
29 subsidiary or holding company thereof for a period of two
30 years from the termination of term of office.

1 (14) A former member may not appear before the board in
2 any hearing or proceeding or participate in any other
3 activity on behalf of any applicant, permitted entity or an
4 affiliate, intermediary, subsidiary or holding company of an
5 applicant or permitted entity, or any other permittee, for a
6 period of two years from the termination of term of office.

7 (15) A member who has been convicted during the member's
8 term in any domestic or foreign jurisdiction of a felony
9 criminal offense related to the manufacture, delivery or
10 possession with intent to manufacture or deliver a controlled
11 substance in violation of the act of April 14, 1972 (P.L.233,
12 No.64), known as The Controlled Substance, Drug, Device and
13 Cosmetic Act, shall, upon conviction, be automatically
14 removed from the board and shall be ineligible to become a
15 member in the future. If an ex officio member is convicted
16 during the ex officio member's term in any domestic or
17 foreign jurisdiction of a felony criminal offense related to
18 the manufacture, delivery or possession with intent to
19 manufacture or deliver a controlled substance in violation of
20 the Controlled Substance, Drug, Device and Cosmetic Act, the
21 ex officio member shall, upon conviction, be automatically
22 removed from the board, and a designee shall be designated
23 under subsection (g) to serve the remainder of the ex officio
24 member's term.

25 (16) The following shall apply to an employee of the
26 board whose duties substantially involve licensing,
27 enforcement, development of law, promulgation of regulations
28 or development of policy relating to cannabis or who has
29 other discretionary authority which may affect or influence
30 the outcome of an action, proceeding or decision, including

1 the executive director, bureau directors and attorneys:

2 (i) The individual may not, for a period of two
3 years following termination of employment, accept
4 employment with or be retained by an applicant or
5 permitted entity or by an affiliate, intermediary,
6 subsidiary or holding company of an applicant or
7 permitted entity.

8 (ii) The individual may not, for a period of two
9 years following termination of employment, appear before
10 the board in any hearing or proceeding or participate in
11 any activity on behalf of any applicant, permittee or
12 permitted entity or on behalf of an affiliate,
13 intermediary, subsidiary or holding company of any
14 applicant, permittee or permitted entity.

15 (iii) An applicant or a permitted entity or an
16 affiliate, intermediary, subsidiary or holding company of
17 an applicant or a permitted entity may not, until the
18 expiration of two years following termination of
19 employment, employ or retain the individual. Violation of
20 this subparagraph shall result in termination of the
21 individual's employment and subject the violator to
22 penalties determined by the board.

23 (iv) A prospective employee who, upon employment,
24 would be subject to this paragraph must, as a condition
25 of employment, sign an affidavit that the prospective
26 employee will not violate subparagraph (i) or (ii). If
27 the prospective employee fails to sign the affidavit, the
28 board shall rescind any offer of employment and may not
29 employ the individual.

30 (17) The following shall apply to an independent

1 contractor and to an employee of an independent contractor
2 whose duties substantially involve consultation relating to
3 licensing, enforcement, development of law, promulgation of
4 regulations or development of policy, relating to cannabis:

5 (i) The person may not, for a period of one year
6 following termination of the contract with the board, be
7 retained by an applicant or a permitted entity or by an
8 affiliate, intermediary, subsidiary or holding company of
9 an applicant or a permitted entity.

10 (ii) The person may not, for a period of two years
11 following termination of the contract with the board,
12 appear before the board in a hearing or proceeding or
13 participate in activity on behalf of any applicant,
14 permittee or permitted entity or on behalf of an
15 affiliate, intermediary, subsidiary or holding company of
16 any applicant, permittee or permitted entity.

17 (iii) An applicant or a permitted entity or an
18 affiliate, intermediary, subsidiary or holding company of
19 an applicant or a permittee may not, until the expiration
20 of one year following termination of the contract with
21 the board, employ or retain the person. A knowing
22 violation of this subparagraph shall result in
23 termination of the person's employment and subject the
24 violator to penalties determined by the board.

25 (iv) Each contract between the board and an
26 independent contractor which involves the duties provided
27 under this paragraph shall contain a provision requiring
28 the independent contractor to sign an affidavit that the
29 independent contractor will not violate subparagraph (i)
30 or (ii). If the independent contractor fails to sign the

1 affidavit, the board may not enter into the contract.

2 (v) An independent contractor shall require a
3 prospective employee whose employment would involve the
4 duties provided under this paragraph to sign an affidavit
5 that the prospective employee will not violate
6 subparagraph (i) or (ii). If the prospective employee
7 fails to sign the affidavit, the independent contractor
8 shall rescind any offer of employment and may not employ
9 the individual.

10 (18) Nothing under paragraph (16) or (17) shall prevent
11 a current or former employee of the board, a current or
12 former independent contractor or a current or former employee
13 of an independent contractor from appearing before the board
14 in any hearing or proceeding as a witness or testifying as to
15 any fact or information.

16 (19) The State Ethics Commission shall issue a written
17 determination of whether a person is subject to paragraph
18 (16) or (17) upon the written request of the person or the
19 person's employer or potential employer. A person that relies
20 in good faith on a determination issued under this paragraph
21 shall not be subject to any penalty for an action taken,
22 provided that all material facts provided in the request for
23 the determination are correct.

24 (20) The State Ethics Commission shall publish a list of
25 all employment positions within the board and employment
26 positions within independent contractors whose duties would
27 subject the individuals in those positions to the provisions
28 of paragraphs (16) and (17). The board and each independent
29 contractor shall assist the State Ethics Commission in the
30 development of the list, which shall be transmitted by the

1 State Ethics Commission to the Legislative Reference Bureau
2 for publication in the Pennsylvania Bulletin biennially and
3 posted by the board on the board's publicly accessible
4 Internet website. Upon request, employees of the board and
5 each independent contractor shall have a duty to provide the
6 State Ethics Commission with adequate information to
7 accurately develop and maintain the list. The State Ethics
8 Commission may impose a civil penalty under 65 Pa.C.S. §
9 1109(f) (relating to penalties) upon an individual who fails
10 to cooperate with the State Ethics Commission under this
11 paragraph. An individual who relies in good faith on the list
12 published by the State Ethics Commission shall not be subject
13 to any penalty for a violation of paragraph (16) or (17).

14 (21) If a member of the board violates any provision of
15 this section, the appointing authority may remove the
16 individual from the board. A member removed under this
17 paragraph shall, for a period of five years following
18 removal, be prohibited from future appointment to the board
19 and shall be prohibited from applying for a permit or other
20 authorization under Chapter 3 and from becoming an
21 independent contractor or registering as a permitted entity
22 representative.

23 (j) Fiduciary relationship.--A member or employee of the
24 board shall serve as a fiduciary of the Commonwealth.

25 (k) Standard of care.--Members shall exercise the standard
26 of care required by 20 Pa.C.S. Ch. 73 (relating to
27 municipalities investments) in the performance of their duties
28 under this subchapter.

29 (l) Liability.--Members shall not be personally liable for
30 any of the following:

1 (1) Obligations of the board.

2 (2) Actions which were within the scope of their office
3 and made in good faith.

4 (m) Compensation.--

5 (1) The Executive Board as established in the act of
6 April 9, 1929 (P.L.177, No.175), known as The Administrative
7 Code of 1929, shall establish the compensation of the
8 members.

9 (2) Members shall be reimbursed for all necessary and
10 actual expenses.

11 (3) Members shall be eligible for retirement under the
12 State Employees' Retirement Code and shall, if the member
13 elects to participate, be considered a State employee for the
14 purposes of 71 Pa.C.S. Pt. XXV (relating to retirement for
15 State employees and officers).

16 (n) Chairperson.--The chairperson of the board shall be
17 selected by a majority vote of appointed and qualified members.

18 (o) Appointments.--The appointing authorities shall make
19 their initial appointments within 30 days of the effective date
20 of this subchapter. Appointments to fill a vacancy shall be made
21 within 30 days of the creation of the vacancy. No appointment
22 shall be final until receipt by the appointing authority of the
23 required background investigation of the appointee by the
24 Pennsylvania State Police which shall be completed within 15
25 days. A person who has been convicted in any domestic or foreign
26 jurisdiction of a felony, infamous crime or gaming offense may
27 not be appointed to the board.

28 (p) Prohibition against nepotism.--A member may not solicit,
29 request, suggest or recommend the employment by the board of any
30 individual related within the second degree of consanguinity to

1 the member as provided in 23 Pa.C.S. § 1304(e) (relating to
2 restrictions on issuance of license) or the spouse of the
3 individual.

4 (q) Employment requirements.--

5 (1) Prospective employees shall submit an application
6 and a personal disclosure form to the board which shall
7 include a complete criminal history, including convictions
8 and current charges for all felonies and misdemeanors.

9 (2) Prospective employees shall be required to undergo
10 testing which detects the presence of illegal substances in
11 the body.

12 (3) The board shall obtain fingerprints and photographs
13 for each prospective employee consistent with the standards
14 adopted by the Pennsylvania State Police.

15 (4) The board shall verify the identification,
16 employment and education of each prospective employee,
17 including:

18 (i) Legal name, including any alias.

19 (ii) All educational institutions attended
20 regardless of graduation status.

21 (iii) Places of residence for the past 10 years.

22 (iv) Employment history for the past 15 years.

23 (5) The board may not hire a prospective employee if the
24 prospective employee:

25 (i) has been convicted of a crime that bears a close
26 relationship to the duties and responsibilities of the
27 position for which employment is sought;

28 (ii) has been dismissed from other employment for
29 gross misconduct; or

30 (iii) has intentionally made a false statement

1 concerning a material fact in connection with the
2 application to the board.

3 (6) The board may not employ a person unless the
4 requirements of paragraphs (1), (2), (3) and (4) have been
5 met. This paragraph shall apply only to persons employed
6 after the effective date of this subsection.

7 (7) The board shall:

8 (i) Immediately refer any criminal matter involving
9 an employee to law enforcement.

10 (ii) Develop a disciplinary process for an employee
11 charged with a crime or with gross misconduct.

12 (iii) Immediately suspend from employment any
13 employee charged with a felony.

14 (iv) Develop a process to discipline all other
15 instances of misconduct.

16 (8) Disciplinary action shall be instituted promptly
17 against an employee who, while on or off duty, engages in
18 serious misconduct which may bring the board into disrepute.

19 (r) Budgetary impasse.--If, in the event of a budgetary or
20 other fiscal crisis, the Governor orders the furlough of
21 Commonwealth employees, the board and its employees whose duties
22 involve the regulation and oversight of cannabis shall not be
23 subject to furlough and shall continue to perform their duties
24 of employment.

25 (s) Definitions.--As used in this section, the following
26 words and phrases shall have the meanings given to them in this
27 subsection unless the context clearly indicates otherwise:

28 "Financial interest." An ownership, property, leasehold or
29 other beneficial interest in a cannabis business establishment.

30 The term does not include an interest which is held or deemed to

1 be held in any of the following:

2 (1) Securities that are held in a pension plan, profit-
3 sharing individual retirement account, tax-sheltered annuity,
4 a plan established under 26 U.S.C. § 457 (relating to
5 deferred compensation plans of State and local governments
6 and tax-exempt organizations), deferred compensation plan
7 whether qualified or not qualified under 26 U.S.C. (relating
8 to Internal Revenue Code) or other retirement plan that:

9 (i) is not self-directed by the individual; and

10 (ii) is advised by an independent investment adviser
11 who has sole authority to make investment decisions with
12 respect to contributions made by the individual to these
13 plans.

14 (2) A tuition account plan organized and operated under
15 26 U.S.C. § 529 (relating to qualified tuition programs) that
16 is not self-directed by the individual.

17 (3) A mutual fund where the interest owned by the mutual
18 fund in a cannabis business establishment does not constitute
19 a controlling interest.

20 "Ownership interest." Owning or holding, or being deemed to
21 hold, debt or equity securities or other ownership interest or
22 profit interest.

23 Section 202. Code of conduct.

24 (a) Scope.--The board shall adopt a comprehensive code of
25 conduct prior to the consideration of any permit or registration
26 application. The code of conduct shall supplement all other
27 requirements under Chapter 3 and 65 Pa.C.S. Pt. II (relating to
28 accountability) and shall provide guidelines applicable to
29 members, employees, independent contractors of the board and the
30 immediate families of the members, employees and independent

1 contractors to enable them to avoid any perceived or actual
2 conflict of interest and to promote public confidence in the
3 integrity and impartiality of the board. At a minimum, the code
4 of conduct adopted under this section shall include restrictions
5 under subsection (b).

6 (b) Restrictions.--A member of the board shall:

7 (1) Not accept any discount, gift, gratuity,
8 compensation, travel, lodging or other thing of value,
9 directly or indirectly, from any applicant, permittee or any
10 representative thereof.

11 (2) Disclose and disqualify the member from any
12 proceeding in which the member's objectivity, impartiality,
13 integrity or independence of judgment may be reasonably
14 questioned due to the member's relationship or association
15 with a party connected to any proceeding or a person
16 appearing before the board.

17 (3) Refrain from any financial or business dealing which
18 would tend to reflect adversely on the member's objectivity,
19 impartiality or independence of judgment.

20 (4) Not hold or campaign for public office, hold an
21 office in any political party or political committee,
22 contribute to or solicit contributions to a political
23 campaign, party, committee or candidate, publicly endorse a
24 candidate or actively participate in a political campaign.

25 (5) Not solicit funds for any charitable, educational,
26 religious, health, fraternal, civic or other nonprofit entity
27 from an applicant, cannabis business establishment,
28 subsidiary, intermediary or holding company of a cannabis
29 business establishment, interested party or cannabis business
30 establishment representative.

1 (6) Not meet or engage in discussions with any
2 applicant, permitted entity or a cannabis business
3 establishment representative unless the meeting or discussion
4 occurs on the business premises of the board and is recorded
5 in a log maintained for this purpose. The log shall be
6 available for public inspection during the regular business
7 hours of the board. This paragraph shall not apply to
8 meetings of the board to consider matters requiring the
9 physical inspection of the equipment or premises of an
10 applicant or a cannabis business establishment at their
11 location.

12 (7) Avoid impropriety and the appearance of impropriety
13 at all times and observe standards and conduct that promote
14 public confidence in the oversight of cannabis.

15 (8) Comply with any other laws, rules or regulations
16 relating to the conduct of a member.

17 (c) Ex officio members.--The restrictions under subsection
18 (b)(5) shall not apply to ex officio members.
19 Section 203. Applicability of other statutes.

20 (a) General rule.--The board shall be subject to the
21 following acts:

22 (1) The act of July 19, 1957 (P.L.1017, No.451), known
23 as the State Adverse Interest Act.

24 (2) The act of February 14, 2008 (P.L.6, No.3), known as
25 the Right-to-Know Law.

26 (3) The provisions of 65 Pa.C.S. Chs. 7 (relating to
27 open meetings) and 11 (relating to ethics standards and
28 financial disclosure).

29 (b) Status of board.--

30 (1) The board shall be considered an independent agency

for the purposes of the following:

(i) The act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(ii) 62 Pa.C.S. Pt. I (relating to Commonwealth Procurement Code). The expediting of the payment of revenue to the Commonwealth shall not be grounds for an emergency procurement by the board.

(2) The board shall be considered an agency for the purposes of the following:

(i) The act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

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

Section 204. Board meetings.

(a) Meetings.--

(1) The board shall meet at the call of the chairperson.

(2) The board and each advisory committee or subcommittee of the board shall meet as often as deemed necessary.

(3) Within 30 days of the appointment of the initial members of the board, the board shall conduct its first meeting.

(b) Designees.--In the case of absence of the chairperson during a meeting of the board, the chairperson of the board may designate another member to serve as a substitute chairperson for the meeting.

(c) Quorum.--

(1) A majority of the members of the board shall constitute a quorum of the board for the purpose of organizing the authority and conducting official business.

1 (2) Only members of the board who are physically present
2 at a meeting of the board or able to participate fully in the
3 deliberations by appropriate telecommunications means shall
4 count toward a quorum of the board.

5 (3) If a quorum is not present, a hearing of the board
6 may still take place.

7 (d) Qualified majority vote.--

8 (1) Except as permitted in paragraphs (2) and (3), any
9 action, including the approval, issuance, denial or
10 conditioning of any permit by the board or the making of any
11 order or the ratification of any permissible act done or
12 order made by one or more of the members, shall require a
13 qualified majority vote consisting of at least one
14 gubernatorial appointee and the four legislative appointees.

15 (2) Any action to suspend or revoke, not renew, void or
16 require forfeiture of a permit, to impose any administrative
17 fine or penalty or to issue cease and desist orders or
18 similar enforcement actions shall require a majority vote of
19 all the members appointed to the board.

20 (3) In addition to the provisions of this subchapter or
21 65 Pa.C.S. § 1103(j) (relating to restricted activities), a
22 member shall disclose the nature of the member's
23 disqualifying interest, disqualify the member and abstain
24 from voting in a proceeding under this subchapter in which
25 the member's objectivity, impartiality, integrity or
26 independence of judgment may be reasonably questioned, as
27 provided in section 202(b)(7). If a legislative appointee has
28 disqualified themselves, the qualified majority shall consist
29 of all the remaining legislative appointees and at least two
30 gubernatorial appointees.

1 Section 205. Board records.

2 (a) Record of proceedings.--The board shall cause to be made
3 and kept a record of all proceedings held at public meetings of
4 the board. The verbatim transcript of the proceedings shall be
5 the property of the board and shall be prepared by the board
6 upon the request of any board member or upon the request of any
7 other person and the payment by that person of the costs of
8 preparation.

9 (b) Applicant information delivered to Governor and General
10 Assembly.--

11 (1) The board shall maintain a list of all applicants
12 for permits. The list shall include a record of all actions
13 taken with respect to each applicant. The list shall be open
14 to public inspection during the normal business hours of the
15 board.

16 (2) Information under paragraph (1) regarding any
17 applicant whose permit has been denied, revoked or not
18 renewed shall be removed from the list after seven years from
19 the date of the action.

20 (c) Other files and records.--The board shall maintain other
21 files and records as it may deem appropriate.

22 (d) Confidentiality of information.--All information
23 submitted by an applicant or obtained by the board as part of a
24 background investigation from any source shall be considered
25 confidential. Except as necessary to carry out the criminal
26 history investigation specified under this subchapter, the
27 information shall be withheld from public disclosure in whole or
28 in part, except that any information shall be released upon the
29 lawful order of a court of competent jurisdiction or, with the
30 approval of the Attorney General, to a duly authorized law

1 enforcement agency or shall be released to the public, in whole
2 or in part, to the extent that the release is requested by an
3 applicant and does not otherwise contain confidential
4 information about another person. The board may not require an
5 applicant to waive any confidentiality provided for in this
6 subsection as a condition for the approval of a permit or any
7 other action of the board. Any person who violates this
8 subsection shall be administratively disciplined by discharge,
9 suspension or other formal disciplinary action as the board
10 deems appropriate.

11 (e) Notice.--Notice of the contents of any information,
12 except to a duly authorized law enforcement agency under this
13 section, shall be given to any applicant or permittee in a
14 manner prescribed by the rules and regulations adopted by the
15 board.

16 (f) Information held by department.--Files, records, reports
17 and other information in the possession of the department
18 pertaining to permits shall be made available to the board as
19 may be necessary to the effective administration of this
20 subchapter.

21 Section 206. Regulations.

22 (a) Temporary regulation.--The board shall promulgate
23 temporary regulations no later than 90 days from the effective
24 date of this subsection. The temporary regulations under this
25 subsection shall expire not later than two years after the
26 effective date of this subsection and shall not be subject to
27 any of the following:

28 (1) Section 612 of the act of April 9, 1929 (P.L.177,
29 No.175), known as The Administrative Code of 1929.

30 (2) Sections 201, 202, 203, 204 and 205 of the act of

1 July 31, 1968 (P.L.769, No.240), referred to as the
2 Commonwealth Documents Law.

3 (3) Sections 204(b) and 301(10) of the act of October
4 15, 1980 (P.L.950, No.164), known as the Commonwealth
5 Attorneys Act.

6 (4) The act of June 25, 1982 (P.L.633, No.181), known as
7 the Regulatory Review Act.

8 (a.1) Failure to promulgate regulations.--If the board fails
9 to promulgate regulations under subsection (a), regulations
10 promulgated under Chapter 3 shall apply.

11 (b) Compliance deadline.--A current cannabis business
12 establishment on the effective date of this subsection that is
13 authorized to cultivate, process, dispense or transport cannabis
14 shall have 90 days from the effective date of a new temporary
15 regulation promulgated by the board under subsection (a) to
16 comply with the temporary regulation.

17 (c) Regulations.--The board shall promulgate regulations,
18 with input from stakeholders, to implement the provisions of
19 this subchapter, including all of the following:

20 (1) Regulation of unregulated cannabis products that are
21 sold at unpermitted locations.

22 (2) The types of permits issued by the board, including
23 the following types of permits:

24 (i) Cultivation/processing.

25 (ii) Micro cultivation.

26 (iii) Dispensing.

27 (iv) Testing.

28 (v) Warehouse and distribution.

29 (3) The methods and forms of permit applications,
30 including timeline, fees and minimum requirements.

1 (4) The policies and procedures to prioritize, promote
2 and encourage diversity and full participation by individuals
3 from communities that have been disproportionately harmed by
4 cannabis prohibition and cannabis enforcement prohibition.

5 (5) Procedures to process and competitively score permit
6 applications.

7 (6) Procedures to process administrative requests,
8 including changes of ownership and location.

9 (7) Security procedures for cannabis business
10 establishments.

11 (8) Enforcement procedures, including fines, suspensions
12 and revocations.

13 (9) Ownership and financial disclosure procedures and
14 requirements for cannabis business establishments, including
15 record keeping requirements.

16 (10) Procedures and requirements concerning the
17 divestiture of a beneficial ownership interest by a person
18 found unqualified.

19 (11) Procedures, processes and requirements for
20 transfers of ownership, including the involvement of a
21 publicly traded corporation.

22 (12) Seed-to-sale tracking system procedures. The system
23 shall be the record or a secondary electronic tracking system
24 used by a cannabis business establishment or testing
25 laboratory that meets all of the following criteria:

26 (i) The system shall capture everything that happens
27 to a cannabis plant from seed and cultivation through the
28 growth, harvest and manufacturing of cannabis and
29 cannabis-infused edible products and cannabis-infused
30 nonedible products, including testing and transportation,

1 to final sale.

2 (ii) The system shall use unique plant
3 identification and unique batch identification.

4 (iii) The system shall track the involvement of an
5 agent or permittee with and cannabis-infused edible
6 products and cannabis-infused nonedible products.

7 (iv) The system shall integrate with a secondary
8 system used by a cannabis business establishment or a
9 cannabis testing facility, if applicable, in a form and
10 manner determined by the board.

11 (v) The system shall allow for two-way
12 communication, automation and a secure application-
13 programming interface with a cannabis business
14 establishment's enterprise resource planning, inventory,
15 accounting and point-of-sale software.

16 (vi) The system shall include a secure application
17 program interface capable of accessing all data required
18 to be transmitted to the authority to ensure compliance
19 with the operational reporting requirements specified
20 under this subchapter and any regulations promulgated by
21 the board.

22 (13) Procedures and requirements for curbside pickup
23 services offered by dispensing organizations.

24 (14) Transportation requirements, including:

25 (i) Establishing procedures and requirements for
26 home delivery services by dispensing organizations and
27 micro cultivation centers.

28 (ii) A requirement that transportation between
29 cannabis business establishments occurs in secured
30 vehicles but allowing for transportation in vehicles

1 other than those owned and operated by cannabis business
2 establishments for purchasers to transport cannabis.

3 (iii) Details required on transportation manifests.

4 (iv) Policies encouraging bulk shipment where
5 appropriate.

6 (v) Requirements relating to shipping containers and
7 packaging.

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

10 (vii) Security systems that include a numbered seal
11 on the trailer.

12 (viii) Obtaining copies of drivers' licenses and
13 registrations and other information related to security
14 and tracking.

15 (ix) Use of GPS systems.

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

18 (xi) Recordkeeping for delivery and receipt of
19 medical cannabis products.

20 (xii) Storing of cannabis temporarily at fulfillment
21 centers operated by third-party contractors contracted by
22 cultivation centers for transporting cannabis. A third-
23 party contractor may not hold a permit issued by the
24 board or be otherwise affiliated with a cannabis business
25 establishment or laboratory.

26 (15) Labeling requirements.

27 (16) Cannabis-infused edible or nonedible product
28 requirements, including the following:

29 (i) Ensuring that products are not likely to appeal
30 to minors.

1 (ii) Product safety provisions, including best
2 manufacturing practices and appropriate testing.

3 (iii) Standards for creating clearly delineated
4 individual servings.

5 (17) Advertising and marketing regulations that balance
6 the ability of a cannabis business establishment to engage in
7 reasonable marketing and promotional activities that are not
8 directed at minors to promote the use of cannabis.

9 (18) Product safety regulations, including:

10 (i) Regulations consistent with best practices for
11 food products, except where necessary modifications are
12 required due to the active compounds in the cannabis
13 plant.

14 (ii) Standards for packaging to address freshness,
15 tamper evidence and limiting access to children.

16 (iii) Standard symbols and warnings where the board
17 shall review symbols and warnings from other
18 jurisdictions where cannabis sales are permitted. As
19 national standards are made available, the board shall
20 plan to adopt national standards.

21 (iv) A prohibition on packaging that is likely to
22 appeal to minors.

23 (19) Requirements that cannabis business establishments
24 use standards and practices that align with United States
25 Department of Agriculture and Food and Drug Administration
26 standards, when appropriate for the purposes of this
27 subchapter.

28 (20) Procedures for the investigation and enforcement of
29 unregulated and unpermitted cultivation, processing,
30 manufacturing, sale, dispensing or distribution of cannabis,

1 edible or nonedible infused products or products intended for
2 consumption or inhalation.

3 (21) Registering practitioners and ensuring their
4 compliance with Chapter 3.

5 (22) Establishing and maintaining an electronic database
6 to include activities and information relating to cannabis
7 organizations, certifications and identification cards issued
8 and practitioner registration of all cannabis as required,
9 including:

10 (i) Ensuring that cannabis is not diverted or
11 otherwise used for unlawful purposes by a practitioner or
12 cannabis organization.

13 (ii) The ability to establish the authenticity of
14 identification cards.

15 (iii) Recording recommended forms of medical
16 cannabis provided in a certification filed by the
17 practitioner.

18 (23) Maintaining a directory of patients and caregivers
19 approved to use or assist in the administration of medical
20 cannabis within the board's database.

21 (24) Developing a four-hour training course for
22 physicians, pharmacists, certified registered nurse
23 practitioners and physician assistants regarding the latest
24 scientific research on cannabis for medical use, including
25 the risks and benefits of medical cannabis, and other
26 information deemed necessary by the board. Successful
27 completion of the course shall be approved as continuing
28 education credits as determined by:

29 (i) The State Board of Medicine and the State Board
30 of Osteopathic Medicine.

1 (ii) The State Board of Pharmacy.

2 (iii) The State Board of Nursing.

3 (25) Developing a two-hour course for the principals and
4 employees of a cannabis organization who either have direct
5 contact with patients or caregivers or who physically handle
6 cannabis. Employees must successfully complete the course no
7 later than 90 days after commencing employment. Principals
8 must successfully complete the course prior to commencing
9 initial operation of the cannabis organization. The subject
10 matter of the course shall include the following:

11 (i) Methods to recognize and report unauthorized
12 activity, including diversion of cannabis for unlawful
13 purposes and falsification of identification cards.

14 (ii) Proper handling of cannabis and recordkeeping.

15 (iii) Any other subject required by the board.

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

21 (27) Establishing and maintaining public outreach
22 programs about the medical 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 cannabis
26 under Chapter 3.

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

29 (28) Establishing a minimum of three regions within this
30 Commonwealth for the purpose of granting permits to

grower/processors and dispensaries and enforcing this chapter and Chapter 3. The board shall approve permits for grower/processors and dispensaries in a manner which will provide an adequate amount of cannabis to purchasers, patients and caregivers in all areas of this Commonwealth.

The board shall consider the following when issuing a permit:

(i) Regional population.

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

(iii) The types of serious medical conditions.

(iv) Access to public transportation.

(v) Any other factor the board deems relevant.

(29) Procedures for medical professionals in dispensaries. A dispensary permittee shall have a physician, pharmacist, physician assistant or certified nurse practitioner available, either in person or by synchronous interaction, to verify patient certifications and to consult with patients and caregivers at all times during the hours the dispensary is open to receive patients and caregivers. If a dispensary permittee has more than one separate location, a single physician, pharmacist, physician assistant or a certified registered nurse practitioner may verify patient certifications and consult with patients and caregivers, either in person or by synchronous interaction, at up to three locations if the locations are licensed under one permit. The permittee shall have in place a plan to demonstrate and maintain compliance with the labor laws of the Commonwealth. A physician, a pharmacist, a physician assistant or a certified registered nurse practitioner shall, prior to assuming duties under this paragraph, successfully

complete the course established in section 301(a)(6) of the Medical Marijuana Act. A physician may not issue a certification to authorize patients to receive medical marijuana or otherwise treat patients at the dispensary.

(d) Compliance deadline.--A permittee shall have 180 days from the effective date of a new regulation promulgated by the board under this section to comply with the new regulation.

(e) Review of current regulations.--When promulgating regulations under this section, the board shall review current regulations promulgated under the former Medical Marijuana Act and may implement or revise those regulations.

Section 207. Powers and duties of board.

(a) General powers.--

(1) The board shall have general and sole regulatory authority over the conduct of cannabis business establishments and related activities as described in this subchapter.

(2) The board shall employ individuals, including a chief medical officer and an executive director, as necessary to carry out the powers and duties of the board, who shall serve at the board's pleasure. An employee of the board shall be considered a State employee for purposes of 71 Pa.C.S. Pt. XXV (relating to retirement for State employees and officers). For the purposes of this paragraph, the board shall not be considered an executive or independent agency under the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(3) In addition to employees authorized by the board, each member may employ one special assistant whose classification and compensation shall be established by the

1 board. A special assistant shall be a State employee for
2 purposes of 71 Pa.C.S. Pt. XXV, shall serve at the pleasure
3 of the member and may only be removed by the board for cause.

4 (4) The board shall establish a system of classification
5 and compensation of its employees and shall not be subject to
6 the provisions of the act of April 9, 1929 (P.L.177, No.175),
7 known as The Administrative Code of 1929, as to
8 classification and compensation for its employees and conduct
9 its activities consistent with the practices and procedures
10 of Commonwealth agencies.

11 (5) Within 90 days of the effective date of this
12 paragraph, the board shall transmit to the Legislative
13 Reference Bureau for publication in the next available issue
14 of the Pennsylvania Bulletin and publish on the board's
15 publicly accessible Internet website the classification
16 system for all employees of the board.

17 (6) A request for proposal to conduct investigations of
18 employees and applicants under this subchapter shall include
19 a requirement that an offeror provide the number of employees
20 of the offeror who will be engaged in the conduct of
21 investigations and who are residents of this Commonwealth and
22 annuitants of a Federal, State or local law enforcement
23 agency. Preference shall be given to an offeror with a
24 substantial number of employees who will be engaged in the
25 conduct of investigations and who are residents of this
26 Commonwealth and annuitants of a Federal, State or local law
27 enforcement agency.

28 (b) Specific powers.--The board shall have the specific
29 power and duty:

30 (1) To adopt, use and alter a corporate seal.

1 (2) To pay or satisfy obligations of the board.

2 (3) To sue or be sued, implead and be impleaded or
3 interplead.

4 (4) To contract and execute instruments as necessary to
5 carry out the powers and duties of the board. Contracts for
6 the purchase of supplies, services and construction shall be
7 for a term not to exceed two years.

8 (5) To sell, transfer, convey and dispose of tangible or
9 intangible property owned by the board.

10 (6) To establish, charge and collect fees and fines as
11 authorized by Chapter 3.

12 (7) To administer oaths, examine witnesses and issue
13 subpoenas compelling the attendance of witnesses or the
14 production of documents and records or other evidence. This
15 paragraph shall apply to designated officers and employees.

16 (8) To purchase insurance against a loss related to the
17 board's property or assets.

18 (8.1) To retain attorneys, accountants, auditors and
19 financial and other experts to render services as necessary.
20 For the purposes of this paragraph, the board shall be
21 considered an independent agency for purposes of the
22 Commonwealth Attorneys Act.

23 (9) To require background investigations on applicants,
24 permittees, principals, key employees or permittees under the
25 jurisdiction of the board.

26 (10) To enter into an agreement with the Pennsylvania
27 State Police for the reimbursement of actual costs as
28 approved by the board to the Pennsylvania State Police for
29 the investigations. Investigations shall include information
30 in the possession of the Attorney General.

1 (11) For purposes of enforcement and for purposes of the
2 background investigation, to receive information otherwise
3 protected by 18 Pa.C.S. Ch. 91 (relating to criminal history
4 record information).

5 (12) To require prospective and existing employees,
6 independent contractors, applicants and permittees to submit
7 to fingerprinting by the Pennsylvania State Police. The
8 Pennsylvania State Police shall submit the fingerprints to
9 the Federal Bureau of Investigation for purposes of verifying
10 the identity of the individual and obtaining records of
11 criminal arrests and convictions.

12 (13) To require prospective and existing employees,
13 independent contractors, applicants and permittees to submit
14 photographs consistent with the standards of the Commonwealth
15 Photo Imaging Network.

16 (14) Within six months after the effective date of this
17 subchapter, in a manner that does not impede the immediate
18 implementation of the duties and responsibilities of the
19 board under this subchapter during the immediate two years
20 after the effective date of this act, to develop and
21 implement an affirmative action plan to assure that all
22 persons are accorded equality of opportunity in employment
23 and contracting by the board, its contractors,
24 subcontractors, assignees, lessees, agents, vendors and
25 suppliers.

26 (15) To promulgate regulations pertaining to the
27 operation of the board. The board shall provide the employees
28 necessary for enforcement of this act.

29 (16) To transmit to the Legislative Reference Bureau for
30 publication each January in the Pennsylvania Bulletin and

1 publish on the board's publicly accessible Internet website a
2 complete list of all persons or entities who applied for or
3 held a cannabis business establishment permit during the
4 preceding calendar year and all intermediaries, subsidiaries
5 and holding companies thereof and the status of the
6 application or permit.

7 (17) To prepare and, through the Governor, submit
8 annually to the General Assembly an itemized budget
9 consistent with Article VI of The Administrative Code of 1929
10 consisting of the amounts necessary to be appropriated by the
11 General Assembly out of the accounts established under this
12 act required to meet the obligations accruing during the
13 fiscal period beginning July 1 of the following year.

14 (18) If, in any year, appropriations for the
15 administration of this act are not enacted by June 30, any
16 funds appropriated for the administration of this act which
17 are unexpended, uncommitted and unencumbered at the end of a
18 fiscal year shall remain available for expenditure by the
19 board or other agency to which they were appropriated until
20 the enactment of appropriation for the ensuing fiscal year.

21 (19) To promulgate rules and regulations necessary for
22 the administration and enforcement of this act. Except for
23 temporary regulations authorized under this act, regulations
24 shall be adopted as provided under the act of July 31, 1968
25 (P.L.769, No.240), referred to as the Commonwealth Documents
26 Law, and the act of June 25, 1982 (P.L.633, No.181), known as
27 the Regulatory Review Act.

28 (20) To award, deny, deny the renewal of, revoke,
29 condition or suspend any permit provided for in this act if
30 the board finds in its sole discretion that a permittee, or

1 its officers, employees or agents, have furnished false or
2 misleading information to the board or failed to comply with
3 applicable laws or the rules and regulations of the board and
4 that it would be in the public interest to deny, deny the
5 renewal of, revoke, condition or suspend the permit.

6 (21) Restrict access to confidential information in the
7 possession of the board which has been obtained under this
8 act and ensure that the confidentiality of information is
9 maintained and protected. Records shall be retained by the
10 board for seven years.

11 (22) Prescribe and require periodic financial reporting
12 and internal control requirements for all cannabis business
13 establishments.

14 (23) Require that each cannabis business establishment
15 provide to the board its audited annual financial statements,
16 with additional detail as the board from time to time shall
17 require, which information shall be submitted not later than
18 60 days after the end of the cannabis business
19 establishment's fiscal year.

20 (24) Prescribe the procedures to be followed by cannabis
21 business establishments for any security breach or diversion
22 event that occurs in the operation of cannabis business
23 establishments.

24 (25) Require that each cannabis business establishment
25 prohibit persons under 21 years of age from accessing
26 cannabis business establishments, except for registered
27 patients or caregivers that hold a valid permit under Chapter
28 3.

29 (26) Establish procedures for the inspection and
30 certification of compliance of each cannabis business

1 establishment prior to being deemed operational.

2 (27) Require each cannabis business establishment permit
3 applicant to provide detailed site plans of its proposed
4 facility which shall be reviewed and approved by the board
5 for the purpose of determining the adequacy of the proposed
6 security and surveillance measures inside and outside the
7 facility. Applicants shall cooperate with the board in making
8 changes to the plans suggested by the board and ensure that
9 the plans as modified and approved are implemented.

10 (28) Consult with members of the Pennsylvania State
11 Police, the Office of Attorney General, State agencies and
12 other persons the board deems necessary for advice regarding
13 the various aspects of the powers and duties imposed on it
14 under this subchapter and its jurisdiction over the
15 authorization and operation of cannabis business
16 establishment facilities.

17 (29) Enter into contracts with persons for the purposes
18 of carrying out the powers and duties of the board under this
19 subchapter.

20 (30) Appoint committees and subcommittees as necessary.
21 The following shall apply:

22 (i) The chairperson of the board may appoint
23 advisory committees that may consist of members,
24 nonmembers, outside experts and staff of the board.

25 (ii) Only a board member may be chairperson of an
26 advisory committee.

27 (iii) An advisory committee or subcommittee may be
28 formed to address and make recommendations on subjects
29 determined by the board, including any of the following
30 topics:

- (A) Public health and wellness.
- (B) Community safety and well-being.
- (C) Judicial and carceral systems.
- (D) Education.
- (E) Employment and labor.
- (F) Business and entrepreneurship.
- (G) Agriculture and food systems.
- (H) Medical cannabis program efficiency.

(iv) A department, agency, office or other entity of the Commonwealth may cooperate and provide the board or its advisory committees or subcommittees with staff and expertise to assist the board in carrying out the powers and duties under this subchapter.

(v) Recognized experts in the subject matter of an advisory committee or subcommittee of the board may be appointed to advise and assist the advisory committee or subcommittee by the board.

(31) Create a cannabis business establishment registration. The following shall apply:

(i) A cannabis business establishment representative shall register with the board in a manner prescribed by the board, which shall include the name, employer or firm, address, telephone number and the cannabis business establishment being represented including any and all aliases.

(ii) A cannabis business establishment representative shall have an ongoing duty to update its registration information on an ongoing basis.

(iii) The cannabis business establishment list shall be available for public inspection at the offices of the

board and on the board's publicly accessible Internet website.

Section 208. Confidentiality and public disclosure.

(a) Exempt from access.--All personal information obtained by the board relating to agents, patients or purchasers shall be exempt from access under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(b) Public records.--The following records are public records and shall be accessible for inspection and duplication in accordance with the Right-to-Know Law:

(1) With exceptions for private, security-related and trade secret information, applications for permits submitted by a cannabis business establishment.

(2) Information relating to penalties or other disciplinary actions taken against a cannabis business establishment or agent by the board for violation of this act.

Section 209. Unauthorized activities and civil penalties.

(a) Unauthorized activities.--In addition to any other penalty provided by Federal or State law, a person who cultivates, processes, distributes, sells or offers for sale cannabis, edible or nonedible infused products, cannabis concentrates, cannabis flower or any product intended for consumption or inhalation without a permit issued by the board shall be subject to a civil penalty not to exceed \$10,000 for each offense. Each day a person engages in unpermitted activity under this subsection shall constitute a separate offense.

(b) Enforcement.--The Attorney General, the board, a State or local law enforcement agency or a local government unit may investigate an unpermitted activity under subsection (a) and

engage in enforcement measures, including entering into an intergovernmental agreement to prevent the conduct of an unpermitted activity under subsection (a).

(c) Suspension or revocation.--In addition to any other penalty provided by Federal or State law, upon the conduct of a third or subsequent unpermitted activity under subsection (a), a local government unit may suspend or revoke the permit of the person who engaged in the unpermitted activity.

(d) Violations.--A violation of subsection (a) is an unfair or deceptive act or practice under the act of December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and Consumer Protection Law. All remedies, penalties and authority granted to the Attorney General under that act shall be available for the enforcement of this act.

(e) Actions.--In addition to the authority granted to the Attorney General under this section, an organization or consumer injured by a violation of subsection (a) may bring an action to enjoin an organization retailing, cultivating, manufacturing, distributing or possessing cannabis without a permit and to recover actual damages sustained. A court shall enter judgment in an amount equal to three times actual damages and may award punitive damages in an amount commensurate with actual damages. The court shall award attorney fees and costs to the prevailing party.

Section 210. Cannabis Regulation Fund.

(a) Fund established.--The Cannabis Regulation Fund is established as a separate fund in the State Treasury. Money in the fund is appropriated as specified in subsection (c).

(b) Source of funds.--Fees payable under this act shall be deposited into the fund. The money deposited into the fund may

only be used for the purposes specified in this section. Any interest accrued shall be deposited into the fund.

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

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

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

(ii) a program to assist patients and caregivers with the cost associated with the waiver or reduction of fees for identification cards under sections 331(c)(5) and 332(a)(2); and

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

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

(3) To the Pennsylvania Commission on Crime and Delinquency, for distribution to local police departments which demonstrate a need relating to the enforcement of this act, 10% of the revenue in the fund.

(4) Any other purpose specified under this act.

(5) The remainder shall be transferred to the General Fund to provide economic relief to this Commonwealth.

(d) Repayment of initial funding.--The board shall repay from the fees and investment earnings of the fund to the General Fund any money appropriated for the initial planning, organization and administration by the board with respect to the establishment of the program at the time of the original enactment of this act.

(e) Transfers.--As soon as practical after the effective date of this subsection, the State Treasurer shall transfer the balance of the Medical Marijuana Program Fund into the Cannabis Regulation Fund.

(f) Prohibition.--The Cannabis Regulation Fund shall not be subject to sweeps, administrative charge-backs or any other fiscal or budgetary maneuver that would transfer money from the Cannabis Regulation Fund into any other fund of the Commonwealth.

Section 211. Report of board.

(a) Issuance.--Eighteen months after the effective date of this subchapter and every year on that date thereafter, the board shall issue a report to the Governor and each member of the General Assembly on the general operation of the board and performance of the operations of cannabis entities and permittees, including sales during the previous year, all taxes, fees, fines and other revenues collected and, where appropriate, disbursed, the costs of operation of the board, all hearings conducted and the results of the hearings and other information that the board deems necessary and appropriate.

(b) Reports to General Assembly.--The board shall conduct an ongoing review of the operation of this act and the impact of

1 cannabis in this Commonwealth, including reviews of other
2 jurisdictions, Federal laws and academic research. The board
3 shall submit an annual report to the General Assembly by
4 December 30. The report shall be submitted to the Majority
5 Leader and Minority Leader of the Senate and the Majority Leader
6 and Minority Leader of the House of Representatives and the
7 chairperson and minority chairperson of the standing committees
8 in the Senate and the chairperson and minority chairperson of
9 the standing committees in the House of Representatives with
10 jurisdiction over the board. The report shall be posted by the
11 board on its publicly accessible Internet website.

12 Section 212. Authority.

13 (a) Sole authority.--The board shall have general and sole
14 regulatory authority over the conduct of cannabis or related
15 activities as described in this act and shall administer and
16 enforce the provisions of this act. The board shall have all the
17 powers necessary or convenient to carry out and effectuate its
18 purposes in administering the cannabis program.

19 (b) Granted authority.--An authority granted to a
20 Commonwealth agency or Commonwealth employee or appointee under
21 this act shall be given to the Commonwealth agency or employee
22 or appointee empowered to permit, discipline, revoke, regulate
23 or make regulations under this act.

24 Section 213. Transfer of authority.

25 (a) Department of Health.--The Department of Health's
26 oversight of the medical marijuana program shall be transferred
27 to the board. All authority, permits, information, documents,
28 databases and necessary information of the medical marijuana
29 program shall be transferred to the board.

30 (b) Process.--The transfer under subsection (a) shall begin

1 on the earlier of 14 days after the effective date of this
2 subchapter or the day after an interim executive director is
3 confirmed by the Senate and be completed within 180 days. The
4 following shall apply:

5 (1) The board shall exercise the authority and perform
6 the duties of the Department of Health.

7 (2) The executive director shall exercise the authority
8 and perform the duties of the Secretary of Health.

9 (3) Any reference to the Department of Health which
10 concerns the powers or duties specified shall be deemed a
11 reference to the board.

12 (4) Any reference to the Secretary of Health which
13 concerns the powers or duties specified shall be deemed a
14 reference to the executive director.

15 (5) The following are transferred to the board:

16 (i) All personnel, allocations, appropriations,
17 equipment, files, permits, records, contracts,
18 agreements, obligations and other materials which are
19 used, employed or expended by the Department of Health in
20 connection with the functions transferred under this
21 section to the board and as if the contracts, agreements
22 and obligations had been incurred or entered into by the
23 board.

24 (ii) The personnel, appropriations, equipment and
25 other items and material transferred to the board under
26 this section shall include an appropriate portion of the
27 general administrative, overhead and supporting
28 personnel, appropriations, equipment and other material
29 of the Department of Health and shall include, where
30 applicable, Federal grants and money and other benefits

1 from any Federal program.

2 (iii) All personnel transferred under this section
3 shall retain any civil service employment status assigned
4 to the personnel.

5 (6) To provide an efficient and cost-minimizing
6 transition, licenses, contracts, deeds and other official
7 actions of the board shall not be affected by the use of the
8 designation as the Department of Health. The board may
9 continue to use the name "Department of Health" on badges,
10 licenses, contracts, deeds, stationery and other official
11 documents until existing supplies are exhausted or new
12 materials are produced.

13 (7) To provide an efficient and cost-minimizing
14 transition, licenses, contracts, deeds and other official
15 actions of the executive director shall not be affected by
16 the use of the designation as the Secretary of Health. The
17 executive director may continue to use the name "Secretary of
18 Health" on badges, licenses, contracts, deeds, stationery and
19 other official documents until existing supplies are
20 exhausted.

21 SUBCHAPTER B

22 (Reserved)

23 SUBCHAPTER C

24 LAWFUL USE OF CANNABIS

25 Section 221. Lawful use of cannabis.

26 Beginning 180 days after the effective date of this section,
27 notwithstanding any other provision of law and except as
28 otherwise specified under this chapter or Chapter 3, the
29 following acts shall not be a violation of this chapter and
30 shall not be a criminal or civil offense under State law or an

ordinance of a local government unit of this Commonwealth or be a basis for seizure or forfeiture of assets under State law for an individual other than an individual younger than 21 years of age, unless that individual, and the individual's caregiver, if applicable, is authorized under Chapter 3 to:

(1) possess, consume, use, purchase, obtain or transport cannabis in an amount for personal use that does not exceed the possession limit or requirements;

(2) possess, use, obtain or transport cannabis paraphernalia;

(3) transfer without remuneration, within lawful possession limits, to an individual 21 years of age or older; and

(4) control property if actions that are authorized by this chapter occur on the property in accordance with this chapter.

Section 222. Possession limits.

(a) Limits.--Except as otherwise authorized under this chapter or Chapter 3, for an individual who is 21 years of age or older who is not a patient, the possession limits for cannabis shall be as follows and cumulative:

(1) Thirty grams of cannabis flower.

(2) No more than 1,000 milligrams of THC contained in cannabis-infused edible products or cannabis-infused non-edible products.

(3) Five grams of cannabis concentrate.

(b) Prohibitions.--The following acts are prohibited:

(1) Knowingly obtaining, seeking to obtain or possessing an amount of cannabis from a dispensing organization that would exceed the possession limit under this section,

1 including cannabis that is cultivated by a person under
2 Chapter 3.

3 (2) Possession by an individual 21 years of age or older
4 of more than the possession limit of cannabis.

5 (3) The sale and the possession with intent to sell an
6 amount of cannabis seed, cannabis flower or cannabis product
7 by a person that is not authorized to do so under this act.

8 (4) Cultivation or processing of cannabis or cannabis
9 product by a person that is not authorized to do so under
10 this act.

11 (5) Smoking or otherwise vaping cannabis flower or
12 cannabis products:

13 (i) In a public space.

14 (ii) If prohibited under the act of June 13, 2008
15 (P.L.182, No.27), known as the Clean Indoor Air Act, or
16 any other law enacted or regulation adopted relating to
17 vaping or the use of electronic cigarettes or electronic
18 cannabis smoking devices in public or an indoor public
19 place or portion of the public place, notwithstanding if
20 the smoking of tobacco or vaping is otherwise allowed in
21 the public place or portion of the public place under the
22 Clean Indoor Air Act.

23 (c) Civil penalty.--An individual who violates subsection
24 (b) (5) shall be assessed a civil penalty of not more than:

25 (1) \$250 for a first offense.

26 (2) \$1000 for a second or subsequent offense.

27 (d) Definition.--As used in this section, the term "public
28 space" means a street, alley, park, sidewalk, a vehicle in or
29 upon a street, alley, park or parking area or any other place to
30 which the public is invited.

1 Section 223. Individuals younger than 21 years of age.

2 (a) Prohibition.--An individual younger than 21 years of age
3 may not purchase, possess, use, process, transport, grow or
4 consume cannabis except as authorized under Chapter 3.

5 (b) Penalties for underage cannabis offenses.--

6 (1) An individual who violates subsection (a) may be
7 sentenced to pay a fine of not more than \$250 for the first
8 offense and not more than \$1,000 for a second offense and
9 each subsequent violation by a court of competent
10 jurisdiction.

11 (2) A State or local law enforcement agency shall keep a
12 record of a violation of subsection (a) in a repository or
13 database separate from a repository or database with other
14 law enforcement records. A record of a violation of
15 subsection (a) shall only be used to determine if an
16 individual committed a subsequent violation of subsection
17 (a). A State or local law enforcement agency shall destroy a
18 record of a violation of subsection (a) when the individual
19 who committed the offense attains 21 years of age.

20 (3) A State or local law enforcement agency responsible
21 for enforcing a violation of subsection (a) shall notify the
22 parent or guardian of the individual who committed the
23 offense if the individual is younger than 18 years of age.

24 (4) When an individual is charged for violating
25 subsection (a), the magisterial district judge may admit the
26 offender to the adjudication alternative as authorized under
27 42 Pa.C.S. § 1520 (relating to adjudication alternative
28 program) or any other preadjudication disposition if the
29 individual has not previously received a preadjudication
30 disposition for violating subsection (a).

1 Section 224. Identification.

2 A purchaser must present a valid identification to purchase
3 cannabis under this chapter. A valid identification shall mean
4 an unexpired government-issued identification containing a
5 photograph and the date of birth of the individual.

6 Section 225. Immunities and presumptions related to use of
7 cannabis by purchasers, patients and caregivers.

8 (a) Penalty applicability.--A purchaser, patient or
9 caregiver who is 21 years of age or older shall not be subject
10 to arrest, prosecution, denial of a right or privilege or other
11 punishment, including, a civil penalty or disciplinary action
12 taken by an occupational or professional licensing or permitting
13 board based solely on any of the following:

14 (1) The use or possession of cannabis, if:

15 (i) the purchaser, patient or caregiver possesses an
16 amount of cannabis that does not exceed the possession
17 limit as specified in section 222 or under Chapter 3; and

18 (ii) the use of cannabis does not impair the
19 purchaser or patient when engaged in the practice of the
20 profession for which the purchaser is licensed,
21 permitted, certified or registered.

22 (2) Being in the presence or vicinity of the use of
23 cannabis or cannabis paraphernalia as authorized under this
24 chapter or Chapter 3.

25 (3) Possessing cannabis paraphernalia.

26 (b) Determination of probable cause.--

27 (1) Mere possession of or application for authorization
28 to work as a cannabis business establishment agent or the
29 agent identification card shall not:

30 (i) constitute probable cause or reasonable

suspicion to believe that a crime has been committed; or
(ii) be used as the sole basis to support the search
of the person, property or residence of the individual
authorized to work as a cannabis business establishment
agent, possessing an agent identification card or
applying for authorization to work as an agent.

(2) The possession of or application for authorization
to work as a cannabis business establishment agent or
possession of an agent identification card shall not preclude
the existence of probable cause if probable cause exists
based on other grounds.

(c) Reliance.--An individual employed by the Commonwealth or
a local government unit shall not be subject to criminal or
civil penalties for taking an action in good faith in reliance
on the provisions of this chapter or Chapter 3 when acting
within the scope of employment.

(d) Law enforcement liability.--A law enforcement or
correctional agency, or an employee of a law enforcement or
correctional agency, shall not be subject to criminal or civil
liability, except for willful and wanton misconduct, as a result
of taking an action within the scope of the official duties of
the law enforcement or correctional agency or employee to
prohibit or prevent the possession or use of cannabis by any of
the following:

(1) An individual incarcerated at a correctional
institution, county jail or other facility under the
supervision of the Department of Corrections.

(2) An individual on parole or mandatory supervised
release or otherwise under the lawful jurisdiction of the law
enforcement or correctional agency or employee, except for

any use in accordance with Chapter 3.

Section 226. Discrimination prohibited.

(a) Child welfare.--The presence of cannabinoid component or metabolites in an individual's bodily fluids, possession of cannabis-related paraphernalia, conduct related to the use of cannabis or the participation in cannabis-related activities authorized under this chapter by a custodial or noncustodial parent, grandparent, legal guardian, foster parent or other individual charged with the well-being of a child, may not form the sole, primary basis or supporting basis for an action or proceeding by a child welfare agency or family or juvenile court. Unless the individual's actions in relation to cannabis create an unreasonable danger to the safety of the child or otherwise show the individual is not competent as established by clear and convincing evidence, the prohibition under this subsection shall include any of the following under this chapter or Chapter 3:

(1) An adverse finding, evidence or restriction of a right or privilege in a proceeding related to the adoption of a child.

(2) A fitness determination or a determination related to a foster parent, guardianship, conservatorship or trusteeship.

(3) The execution of a will or the management of an estate.

(b) Child custody.--The purchase or possession of cannabis under this chapter or Chapter 3 shall not be a determining factor in a child custody matter. The record of a legal purchase of cannabis shall not be subject to disclosure solely due to a custody action.

1 (c) Landlords.--A landlord may not be penalized or denied a
2 benefit of leasing to an individual who uses cannabis under this
3 chapter or Chapter 3.

4 (d) Use in private area.--Nothing in this chapter or Chapter
5 3 may be construed to require a person or establishment in
6 lawful possession of property to allow a guest, client, lessee,
7 purchaser or visitor to use cannabis on or in that property,
8 including on land owned in whole or in part or managed in whole
9 or in part by the Commonwealth.

10 (e) Medical care.--For the purpose of receiving medical
11 care, including an organ transplant, an individual's use of
12 cannabis under this chapter or Chapter 3 shall not constitute
13 the use of an illicit substance or otherwise disqualify an
14 individual from medical care.

15 Section 227. Limitations.

16 (a) General limitations.--This chapter shall not permit an
17 individual to engage in and shall not prevent the imposition of
18 a civil, criminal, disqualification from purchasing cannabis as
19 authorized under this chapter and Chapter 3 or other penalty for
20 engaging in any of the following:

21 (1) Undertaking a task under the influence of cannabis
22 when doing so would constitute negligence, professional
23 malpractice or professional misconduct.

24 (2) Possessing cannabis:

25 (i) in a school bus, unless permitted for a patient
26 or caregiver under Chapter 3;

27 (ii) on the grounds of a preschool or primary or
28 secondary school, unless permitted for a patient or
29 caregiver under Chapter 3;

30 (iii) in a correctional institution, unless

permitted for a patient or caregiver under Chapter 3;

(iv) in a vehicle, unless the cannabis is in a cannabis container and reasonably inaccessible while the vehicle is moving; or

(v) in a private residence that is used at any time to provide permitted childcare or other similar social service care on the premises, unless permitted for a patient or caregiver under Chapter 3.

(3) Using cannabis:

(i) in a school bus, unless permitted for a patient or caregiver under Chapter 3;

(ii) on the grounds of a preschool or primary or secondary school, unless permitted for a patient or caregiver under Chapter 3;

(iii) in a correctional institution, unless permitted for a patient or caregiver under Chapter 3;

(iv) in a motor vehicle, unless permitted for a patient or caregiver under Chapter 3;

(v) in a private residence that is used at any time to provide permitted child care or other similar social service care on the premises, unless permitted for a patient or caregiver under Chapter 3; or

(vi) knowingly in close physical proximity to an individual younger than 21 years of age.

(4) Operating, navigating or being in actual physical control of any motor vehicle, aircraft, watercraft or snowmobile while using or under the influence of cannabis.

(5) Facilitating the use of cannabis by an individual who is not authorized to use cannabis under this chapter or Chapter 3.

1 (6) Transferring cannabis to an individual in violation
2 of this chapter or Chapter 3.

3 (7) The use of cannabis by a law enforcement officer,
4 constable, corrections officer, probation officer or
5 firefighter while on duty.

6 (8) The use of cannabis by an individual who has a
7 commercial driver's license while on duty.

8 (b) Supremacy implication.--Nothing in this chapter shall be
9 construed to authorize or otherwise require an individual or
10 business entity to violate Federal law, including the ability to
11 consume cannabis in public housing or on college or university
12 campuses.

13 Section 228. Employment and employer liability.

14 (1) An employer may not discharge, threaten, refuse to
15 hire or otherwise discriminate or retaliate against an
16 employee regarding an employee's compensation, terms,
17 conditions, location or privileges solely on the basis of the
18 employee's status as an individual who is certified to use
19 medical cannabis.

20 (2) Nothing in this act shall require an employer to
21 make any accommodation of the use of medical cannabis on the
22 property or premises of any place of employment.

23 (3) Nothing in this act shall require an employer to
24 commit or refuse to commit any act that would put the
25 employer or any person acting on its behalf in violation of
26 Federal law.

27 (4) An employer may require employees or job applicants
28 who have received a conditional offer of employment to submit
29 to a drug test, including a test for cannabis, for safety-
30 sensitive positions. An employer may make an adverse

1 employment decision against an employee or job applicant who
2 has provided an adulterated or substituted testing sample or
3 has refused to submit to a lawful drug test required by an
4 employer.

5 (5) An employer or entity that provides employment
6 services or information may indicate that a job position is
7 safety sensitive and the job position's application process
8 or the job may require a drug test.

9 (6) An employer may require an employee or job applicant
10 who has received a conditional employment offer to disclose
11 and produce a valid identification card if the employee's
12 position, or the position for which the job applicant is
13 applying, is a safety-sensitive position. An employer may
14 make an adverse employment decision against an employee or
15 job applicant who fails to disclose and produce a valid
16 identification card under this act, and the employer shall
17 not be in violation of paragraph (1).

18 (7) An employer may make an adverse employment decision
19 against an employee or job applicant who discloses and
20 produces a valid identification card or who uses medical
21 cannabis if the employee's position, or the position for
22 which the job applicant is applying, is a safety-sensitive
23 position, and the employer shall not be in violation of
24 paragraph (1), if the employer has engaged in an interactive
25 process with the employee or applicant to evaluate the
26 individual's ability to perform the essential functions of
27 the position with or without reasonable accommodation.

28 (8) An employer may make an adverse employment decision
29 against an employee if the employee's use of medical cannabis
30 decreases or lessens the employee's job performance or

1 ability to perform the employee's job duties, and the
2 employer shall not be in violation of paragraph (1) if the
3 employer has engaged in an interactive process with the
4 employee or applicant to evaluate the individual's ability to
5 perform the essential functions of the position with or
6 without reasonable accommodation.

7 (9) Nothing in this section shall be construed to
8 invalidate or void any rights, benefits or procedures
9 afforded to an employee under an existing collective
10 bargaining agreement.

11 (10) Nothing in this section shall be construed to
12 create or permit a cause of action for an employee or job
13 applicant against an employer for:

14 (i) Any claim that arises following an employee's or
15 job applicant's noncompliance with this section and which
16 the employee or job applicant may have prevented the
17 claim had they complied.

18 (ii) Actions taken pursuant to an employer's lawful
19 workplace drug policy, including subjecting an employee
20 or job applicant to a lawful drug and alcohol test,
21 lawful and nondiscriminatory random drug test and
22 discipline, termination of employment or withdrawal of a
23 job offer after a failure of a drug test.

24 (iii) Actions based on the employer's good faith
25 belief that an employee used or possessed medical
26 cannabis in the employer's workplace or while performing
27 the employee's job duties or while on call in violation
28 of the employer's lawful employment policies.

29 (iv) Actions based on the employer's good faith
30 belief that an employee was impaired as a result of the

1 use of cannabis, under the influence of cannabis while at
2 the employer's workplace, under the influence while
3 performing the employee's job duties or under the
4 influence while on call in violation of the employer's
5 lawful workplace drug policy.

6 (11) If an employer makes an adverse employment decision
7 against an employee or job applicant under this act, the
8 employee or job applicant may not challenge the adverse
9 employment decision under any other State or local law.

10 SUBCHAPTER D

11 (Reserved)

12 SUBCHAPTER E

13 DISPROPORTIONATELY IMPACTED AREA AND SMALL BUSINESS

14 Section 241. Disproportionately impacted area and small
15 business.

16 (a) Partnership.--The board shall partner with the
17 Department of Community and Economic Development in facilitating
18 grants and loans under this chapter.

19 (b) Report.--Beginning the first year after the effective
20 date of this act, the board, with the assistance of the
21 Department of Community and Economic Development as necessary,
22 shall prepare and issue a public report that assesses the extent
23 of diversity in the cannabis industries and methods for reducing
24 or eliminating any identified barriers to entry, including
25 access to capital. The information reported shall include all of
26 the following:

27 (1) The number and percentage of permits provided to
28 disproportionately impacted area applicants, small business
29 applicants and businesses owned by minorities, women,
30 veterans and individuals with disabilities.

1 (2) The total number and percentage of employees in the
2 cannabis industry who meet the definition of a
3 disproportionately impacted area applicant or small business
4 applicant or who are minorities, women, veterans or people
5 with disabilities.

6 (3) The total number and percentage of contractors and
7 subcontractors in the cannabis industry that meet the
8 criteria of disproportionately impacted area applicants or
9 small business applicants or that are owned by minority-owned
10 businesses, women-owned businesses, veteran-owned businesses
11 or owned by individuals with disabilities, if known to the
12 cannabis business establishment.

13 (4) Recommendations on reducing or eliminating any
14 identified barriers to entry, including access to capital, in
15 the cannabis industry.

16 Section 242. Grants and loans to disproportionately impacted
17 area and small business applicants.

18 (a) Grant and loan programs.--The Department of Community
19 and Economic Development shall establish grant and loan
20 programs, subject to appropriations from the Cannabis Regulation
21 Fund, for the purposes of providing financial assistance,
22 grants, loans and technical assistance to disproportionately
23 impacted area and small business applicants. The Department of
24 Community and Economic Development may:

25 (1) provide cannabis disproportionately impacted area
26 grants and loans from appropriations from the Cannabis
27 Regulation Fund to assist qualified disproportionately
28 impacted area applicants and small business applicants in the
29 Commonwealth's regulated cannabis marketplace;

30 (2) enter into agreements that state the terms and

1 conditions of the financial assistance, accept funds or
2 grants and engage in cooperation with private entities and
3 Commonwealth agencies or local government to carry out the
4 purposes of this section;

5 (3) fix, determine, charge and collect any premiums,
6 fees, charges, costs and expenses, including application
7 fees, commitment fees, program fees, financing charges or
8 publication fees, in connection with the Department of
9 Community and Economic Development activities under this
10 section;

11 (4) coordinate assistance under loan programs with
12 activities of the board and other Commonwealth agencies as
13 needed to maximize the effectiveness and efficiency of this
14 chapter;

15 (5) provide staff, administration and related support
16 required to administer this section;

17 (6) take other necessary or appropriate actions to
18 protect the Commonwealth's interest in the event of
19 bankruptcy, default, foreclosure or noncompliance with the
20 terms and conditions of financial assistance provided under
21 this section, including the ability to recapture funds if the
22 recipient is found to be in noncompliance with the terms and
23 conditions of the financial assistance agreement;

24 (7) establish application, notification, contract and
25 other forms, procedures or regulations deemed necessary and
26 appropriate; and

27 (8) utilize vendors or contract work to implement this
28 chapter.

29 (b) Conditions of loans.--Loans made under this section
30 shall meet all of the following criteria:

1 (1) Only be made if, in the judgment of the Department
2 of Community and Economic Development, the project furthers
3 the goals specified under this chapter.

4 (2) Be in a principal amount and form and contain terms
5 and provisions with respect to security, insurance,
6 reporting, delinquency charges, default remedies and other
7 matters as the Department of Community and Economic
8 Development shall determine appropriate to protect the public
9 interest and to be consistent with the purposes of this
10 section.

11 (c) Award of grants.--Grants made under this section shall
12 be awarded on a competitive and annual basis and shall further
13 and promote the goals of this chapter, job training and
14 workforce development and technical assistance to
15 disproportionately impacted area applicants.

16 (d) Annual report.--Beginning January 1, 2027, and each year
17 thereafter, the Department of Community and Economic Development
18 shall annually report to the Governor, the General Assembly and
19 the board on the outcomes and effectiveness of this section,
20 including all of the following:

21 (1) The number of persons or businesses receiving
22 financial assistance under this section.

23 (2) The amount in financial assistance awarded in the
24 aggregate, in addition to the amount of loans made that are
25 outstanding and the amount of grants awarded.

26 (3) The location of the project engaged in by the person
27 or business.

28 (4) If applicable, the number of new jobs and other
29 forms of economic output created as a result of the financial
30 assistance.

Section 243. Transfer of permit awarded to qualified
disproportionately impacted area or small business
applicant.

(a) Transfer, sale or grant of permit.--In the event a
qualified disproportionately impacted area or small business
applicant seeks to transfer, sell or grant a cannabis business
establishment permit to an individual or entity that does not
qualify as a disproportionately impacted area or small business
applicant after one year from the date of operation and within
five years after operation, the transfer agreement shall require
the new permit holder to pay the board an amount equal to all
the following for deposit into the Cannabis Regulation Fund:

(1) Fees that were waived by any Commonwealth agency
based on the applicant's status as a disproportionately
impacted area or small business applicant, if applicable.

(2) The outstanding amount owed by the qualified
disproportionately impacted area or small business applicant
for a loan through the Cannabis Regulation Fund, if
applicable.

(3) The full amount of a grant that the qualified
disproportionately impacted area or small business applicant
received from the Department of Community and Economic
Development, if applicable.

(b) Applicability.--Transfers of a cannabis business
establishment permit awarded to a disproportionately impacted
area or small business applicant shall be subject to all other
provisions of this chapter.

SUBCHAPTER F

REGULATION OF CANNABIS BUSINESS ESTABLISHMENTS

Section 251. Permit required.

1 A person may not operate a cannabis business establishment
2 for the purpose of cultivating, processing, dispensing or
3 transporting cannabis or cannabis-infused edible products or
4 cannabis-infused non-edible products without a permit issued
5 under this chapter. A person may not be an officer, director,
6 manager or agent of a cannabis business establishment without
7 having been authorized by the board.

8 Section 252. Authorization of current medical cannabis
9 organizations to commence dispensing cannabis to
10 purchasers.

11 (a) Dual-use permits.--A medical cannabis organization
12 holding a dispensary permit granted under this chapter on the
13 effective date of this subsection may submit an application for
14 a dual-use permit to commence selling cannabis to purchasers at
15 a dispensary operating under this chapter and Chapter 3.

16 (a.1) Prohibitions.--A current medical cannabis organization
17 and any principal officer of a medical cannabis organization may
18 not hold or be affiliated with more than 24 dispensary
19 storefronts under one or a combination of dispensary permit
20 types.

21 (b) Application requirements.--The application under
22 subsection (a) must be submitted by the same individual or
23 entity that holds the medical cannabis dispensary permit and
24 include the following:

25 (1) Payment of a nonrefundable application fee of
26 \$100,000 per permit to be deposited into the Cannabis
27 Regulation Fund.

28 (2) Proof of registration as a medical cannabis
29 dispensary that is in good standing.

30 (3) Certification that the applicant will comply with

1 the requirements contained under this chapter and Chapter 3,
2 except as provided in this chapter.

3 (4) The legal name of the dispensary permit holder.

4 (5) The physical address of the dispensary at each of
5 its locations.

6 (6) The name, address, Social Security number and date
7 of birth of each principal officer and board member of the
8 dispensary permit holder, each of whom must be at least 21
9 years of age.

10 (c) Delay or inhibit operations.--The failure of the board
11 to be seated or to promulgate regulations shall not delay or
12 inhibit the ability of a medical cannabis organization under
13 subsection (a) from commencing the sale of cannabis to
14 purchasers at a dispensary operating under this chapter. If the
15 board is not seated within 180 days from the effective date of
16 this subsection or if the board otherwise fails to authorize a
17 medical cannabis organization under subsection (a) from
18 commencing the sale of cannabis to purchasers at a dispensary
19 operating under this chapter within 180 days from the effective
20 date of this subsection, the medical cannabis organization
21 shall automatically be authorized to commence cannabis sales to
22 purchasers if the fee and application were submitted.

23 Section 253. Issuance of dispensary permits to qualified
24 applicants in disproportionately impacted area.

25 (a) Disproportionately impacted area dispensary permits.--In
26 addition to the dual-use permits authorized under section 252,
27 the board shall issue dispensary permits to qualified
28 disproportionately impacted area applicants. The permit shall
29 authorize the disproportionately impacted area dispensary permit
30 holder to operate at a single location to serve purchasers and

patients in this Commonwealth. The board may issue up to 15 disproportionately impacted area dispensary permits.

(b) Limitation.--An applicant may file no more than three applications for a disproportionately impacted area dispensary permit in any single application period.

(c) Applications.--A qualified disproportionately impacted area applicant seeking the issuance of a dispensing organization permit shall submit an application on a form provided by the board. The application shall include information in at least the following categories as determined by the board:

(1) A payment of a nonrefundable application fee of \$50,000.

(2) A business plan that complies with the requirements under this chapter.

(3) A security plan.

(4) A seed-to-sale tracking system.

(5) A plan for community engagement.

(6) Written policies and procedures regarding recordkeeping, seed-to-sale tracking system, safety, security, diversion and diversity.

(7) Facility plans, including the proposed physical address, floor plans, security overlay and specifications of the building exterior and interior layout.

(8) Documented ownership or control of the property.

(9) A copy of each relevant local zoning ordinance and documentation, if necessary, of approval from the local zoning office that the proposed dispensary location is in compliance with each local zoning ordinance.

(10) Information regarding each principal officer.

(11) Evidence of the applicant's status as a

disproportionately impacted area applicant.

(d) Deficiency notice.--If the board receives an application that fails to provide the required elements contained in subsection (c), other than information relevant to all of each of the applicant's dispensary locations, the board shall issue a deficiency notice to the applicant. The applicant shall have 30 calendar days from the date of the deficiency notice to submit the complete information.

(e) Review.--

(1) Upon receipt of all of the required information and documents under this section, the board shall review the application of the qualified disproportionately impacted area applicant.

(2) The board may request revisions over retail site features.

(3) The board shall approve the permit, subject to paragraph (4), if satisfied the application is complete.

(4) Final approval for each individual dispensary location shall be contingent on the completion of construction of the dispensary location, board inspections and providing the board with any information relating to the dispensary location that was not provided during the initial application process.

(f) Authorization.--The board may only authorize the sale of cannabis at a disproportionately impacted area dispensary permit holder's dispensary location after the completion of a successful inspection of the location. The board shall inspect the location within 14 days of a written request by a disproportionately impacted area dispensary permit holder.

(g) Successful inspection.--If the permit holder passes the

inspection under this section, the board shall authorize the sale of cannabis at the dispensary within 10 business days.

(h) Notification of opening date.--Once the board has authorized the sale of cannabis at a disproportionately impacted area dispensary location, the disproportionately impacted area dispensary permit holder shall notify the board of the proposed opening date.

(i) Deposit.--All fees collected under this section shall be deposited into the Cannabis Regulation Fund, unless otherwise specified.

Section 253.1. Issuance of small business dispensary permits.

(a) Small business dispensary permits.--In addition to the dual-use permits authorized under sections 252 and 253, the board shall issue dispensary permits to small business applicants. The permit shall authorize the small business dispensary permit holder to operate at a single location to serve purchasers and patients in this Commonwealth. The board may issue up to 15 small business dispensary permits.

(b) Limitation.--An applicant may file no more than three applications for a small business dispensary permit in any single application period.

(c) Applications.--A qualified small business applicant seeking the issuance of a dispensing organization permit shall submit an application on a form provided by the board. The application shall include information in at least the following categories as determined by the board:

(1) A payment of a nonrefundable application fee of \$50,000.

(2) A business plan that complies with the requirements under this chapter.

1 (3) A security plan.

2 (4) A seed-to-sale tracking system.

3 (5) A plan for community engagement.

4 (6) Written policies and procedures regarding
5 recordkeeping, seed-to-sale tracking system, safety,
6 security, diversion and diversity.

7 (7) Facility plans, including the proposed physical
8 address, floor plans, security overlay and specifications of
9 the building exterior and interior layout.

10 (8) Documented ownership or control of the property.

11 (9) A copy of each relevant local zoning ordinance and
12 documentation, if necessary, of approval from the local
13 zoning office that the proposed dispensary location is in
14 compliance with each local zoning ordinance.

15 (10) Information regarding each principal officer.

16 (11) Evidence of the applicant's status as a small
17 business applicant.

18 (d) Deficiency notice.--If the board receives an application
19 that fails to provide the required elements contained in
20 subsection (c), other than information relevant to all of each
21 of the applicant's dispensary locations, the board shall issue a
22 deficiency notice to the applicant. The applicant shall have 30
23 calendar days from the date of the deficiency notice to submit
24 the complete information.

25 (e) Review.--

26 (1) Upon receipt of all of the required information and
27 documents under this section, the board shall review the
28 application of the small business applicant.

29 (2) The board may request revisions over retail site
30 features.

1 (3) The board shall approve the permit, subject to
2 paragraph (4), if satisfied the application is complete.

3 (4) Final approval for each individual dispensary
4 location shall be contingent on the completion of
5 construction of the dispensary location, board inspections
6 and providing the board with any information relating to the
7 dispensary location that was not provided during the initial
8 application process.

9 (f) Authorization.--The board may only authorize the sale of
10 cannabis at a small business dispensary permit holder's
11 dispensary location after the completion of a successful
12 inspection of the location. The board shall inspect the location
13 within 14 days of a written request by a small business
14 dispensary permit holder.

15 (g) Successful inspection.--If the permit holder passes the
16 inspection under this section, the board shall authorize the
17 sale of cannabis at the dispensary within 10 business days.

18 (h) Notification of opening date.--Once the board has
19 authorized the sale of cannabis at a small business dispensary
20 location, the small business dispensary permit holder shall
21 notify the board of the proposed opening date.

22 (i) Deposit.--All fees collected under this section shall be
23 deposited into the Cannabis Regulation Fund, unless otherwise
24 specified.

25 Section 254. New dispensing organization permits.

26 (a) Additional permits.--

27 (1) The board shall be the exclusive entity authorized
28 to issue new dispensing organization permits. Separate and
29 apart from any dispensing organization permits issued to a
30 medical cannabis organization under section 252 or 253, the

1 board shall conduct a comprehensive market analysis annually
2 for the first three years and then at least once every three
3 years thereafter to determine whether a need exists to modify
4 or raise the number of dispensary permits.

5 (2) In determining whether to exercise the authority
6 granted under this subsection, the board shall consider the
7 following factors:

8 (i) Whether there is an adequate supply of cannabis
9 and cannabis-infused edible products and cannabis-infused
10 non-edible products to serve patients under Chapter 3 and
11 purchasers under this chapter.

12 (ii) Population increases or shifts.

13 (iii) The density of dispensaries in any area of
14 this Commonwealth.

15 (iv) Perceived security risks of increasing the
16 number or location of dispensaries.

17 (v) The past safety record of dispensary permittees.

18 (vi) The board's capacity to appropriately regulate
19 additional permittees.

20 (vii) Other criteria the board deems relevant.

21 (b) (Reserved).

22 Section 255. Selection criteria for new dispensing organization
23 permits.

24 (a) Incomplete application.--Failure by an applicant to
25 submit to the board all required information under this act may
26 result in the application being disqualified. If the board
27 receives an application that fails to provide the required
28 elements in a section, that section shall not be scored.

29 (b) Scoring criteria.--An applicant for a new dispensing
30 organization permit shall be awarded points on applications as

1 determined by the board.

2 (c) Anonymity.--Applications for new dispensing organization
3 permits shall be scored by the board anonymously in accordance
4 with regulations promulgated by the board, which shall include
5 tie-breaker language that governs the process through which some
6 applicants are to be awarded permits when multiple applicants
7 receive the same application score and the awarding of permits
8 to all tied applicants would result in awarding more permits
9 than is permissible under this chapter. Any tie-breaking process
10 shall be designed to ensure clarity, transparency and fairness.

11 (d) Review.--Each application for a new dispensing
12 organization permit shall be reviewed and scored by three
13 individuals who score each application independently. An
14 applicant's score in each category under subsection (b) shall be
15 an average of the three scores awarded by each individual score.
16 An applicant may not receive full points simply for providing
17 responsive information on a section of the application.

18 Section 256. Dispensing organization operational requirements
19 and prohibitions.

20 A dispensing organization shall operate in accordance with
21 the representations made in its application and permit
22 materials. A dispensing organization shall be in compliance with
23 this chapter and the regulations promulgated under this chapter.
24 The following shall apply:

25 (1) All cannabis, cannabis concentrates, edible and non-
26 edible infused products and cannabis seeds shall be obtained
27 from a cultivation center, micro cultivation center or
28 another dispensary registered in this Commonwealth.

29 (2) A dispensing organization:

30 (i) Shall include the legal name of the dispensary

1 on the packaging of any edible or non-edible infused
2 product the dispensing organization sells.

3 (ii) Shall inspect and count product received from a
4 micro cultivation center or other dispensing organization
5 before dispensing it.

6 (iii) Shall only accept cannabis deliveries into a
7 restricted access area. Deliveries may not be accepted
8 through the public or limited access areas unless
9 otherwise approved by the board.

10 (iv) Shall maintain compliance with Commonwealth and
11 local building, fire and zoning requirements or
12 regulations.

13 (v) Shall submit a list to the board of the names of
14 all service professional organizations that will work at
15 the dispensary. The list shall include a description of
16 the type of business or service provided. The board shall
17 be promptly notified of any changes to the service
18 professional list. No service professional shall work in
19 the dispensary until the name is provided to the board on
20 the service professional list.

21 (vi) May operate between 8 a.m. and 10 p.m. local
22 time or as determined by the local municipality.

23 (vii) Shall keep all lighting outside and inside the
24 dispensary in good working order and wattage sufficient
25 for security cameras.

26 (viii) Shall keep all air treatment systems that
27 will be installed to reduce odors in good working order.

28 (ix) Shall ensure that any building or equipment
29 used by a dispensing organization for the storage or sale
30 of cannabis is maintained in a clean and sanitary

1 condition.

2 (x) Shall be free from infestation by insects,
3 rodents or pests.

4 (xi) Shall develop a recall policy and procedure as
5 approved by the board.

6 (3) A dispensing organization may not:

7 (i) Cultivate, process or manufacture cannabis.

8 (ii) Accept an edible or non-edible infused product
9 from a cultivation center, micro cultivation center or
10 dispensing organization unless it is prepackaged and
11 labeled in accordance with this chapter and regulations
12 that may be promulgated in accordance with this chapter.

13 (iii) Obtain cannabis, edible or non-edible infused
14 products from outside this Commonwealth.

15 (iv) Sell cannabis, edible or non-edible infused
16 products to a purchaser unless the individual is
17 registered under Chapter 3 or the purchaser has been
18 verified to be 21 years of age or older.

19 (v) Refuse to conduct business with a cultivation
20 center or micro cultivation center that can properly
21 deliver the product and is permitted by the board.

22 (vi) Operate a dispensary if the:

23 (A) Dispensary organization's video surveillance
24 equipment is inoperative.

25 (B) Point-of-sale equipment is inoperative.

26 (C) Cannabis seed-to-seed tracking system is
27 inoperative, unless the dispensing organization has
28 the ability to record transactions to upload to the
29 cannabis seed-to-seed tracking system once the system
30 is operational.

(vii) Have fewer than two individuals working at any time while the dispensary is open.

(viii) Sell clones or any other live plant material, unless otherwise authorized by this chapter.

(ix) Violate any other requirements or prohibitions specified by the board.

Section 257. Dispensing cannabis.

(a) Dispensing criteria.--Prior to a cannabis business establishment agent dispensing cannabis to a purchaser, the agent shall:

(1) Verify the age of the purchaser and validity of the government-issued identification card of the purchaser or patient identification card by use of an electronic reader or electronic scanning device, unless otherwise permitted by the board, to scan a purchaser's government-issued identification, if applicable.

(2) Enter the following information into the seed-to-sale tracking system:

(i) The cannabis business establishment agent identification card and dispensing cannabis business establishment agent's identification number.

(ii) The amount and type, including strain, if applicable, of cannabis, edible or non-edible infused product dispensed.

(iii) The date and time the cannabis, edible or non-edible infused product was dispensed.

(b) Refusal to sell.--A dispensing organization shall refuse to sell cannabis, edible or non-edible infused products under any of the following circumstances:

(1) To an individual unless the individual produces

1 valid identification showing that the individual is 21 years
2 of age or older. However, a dispensing organization under
3 Chapter 3 may sell cannabis, edible and non-edible infused
4 products to an individual who is younger than 21 years of age
5 if the sale complies with the provisions of Chapter 3.

6 (2) To an individual who is disqualified by the board.
7 Section 258. Agent-in-charge.

8 (a) Designation.--A dispensing organization shall designate,
9 at a minimum, one agent-in-charge for each permitted dispensary.
10 The designated agent-in-charge shall hold a cannabis business
11 establishment agent identification card. Maintaining an agent-
12 in-charge shall be a continuing requirement for the dispensary
13 organization permit, except as provided under subsection (e).

14 (b) Requirements.--The agent-in-charge shall be an on-site
15 manager or a full-time agent of the dispensing organization and
16 shall manage the dispensary. Managing the dispensary shall
17 include responsibility for opening and closing the dispensary,
18 delivery acceptance, oversight of sales and cannabis business
19 establishment agents, recordkeeping, inventory, cannabis
20 business establishment agent training and compliance with this
21 chapter, including the responsibility for maintaining all files
22 subject to audit or inspection by the board at the dispensary.
23 Except for a determination that a dispensary employee has
24 diverted cannabis, edible or non-edible infused products or has
25 intentionally dispensed cannabis, edible or non-edible infused
26 products in a manner not consistent with this chapter, which
27 shall be reported to the board within 48 hours, the agent-in-
28 charge shall, within 10 days, notify the board of a change of
29 information required to be reported to the board.

30 (c) Determination.--In determining whether an agent-in-

1 charge manages the dispensary, the board may consider the
2 responsibilities identified in this section, the number of
3 cannabis business establishment agents under the supervision of
4 the agent-in-charge and the employment relationship between the
5 agent-in-charge and the dispensing organization, including the
6 existence of a contract for employment and any other relevant
7 fact or circumstance.

8 (d) Change in status.--The agent-in-charge shall be
9 responsible for notifying the board of a change in the
10 employment status of any cannabis business establishment agent
11 within 10 business days after the change, including notice to
12 the board if the termination of an agent was for diversion of
13 product or theft of currency.

14 (e) Vacancy.--In the event of the separation of an agent-in-
15 charge due to death, incapacity, termination or any other reason
16 and if the dispensary does not have an active agent-in-charge,
17 the dispensing organization shall immediately contact the board
18 and request temporary authority allowing the continuing
19 operation. The request shall include the name of an interim
20 agent-in-charge until a succeeding agent-in-charge is identified
21 or shall include the name of the replacement. The board may not
22 delay in granting the temporary authority, and the dispensing
23 organization shall be permitted to operate while obtaining board
24 approval for an interim agent-in-charge. A temporary authority
25 may not be valid for more than 90 days. The succeeding agent-in-
26 charge shall register with the board in compliance with this
27 section. Once the permanent succeeding agent-in-charge is
28 registered with the board, the temporary authority shall be
29 void.

30 (f) Registration.--The dispensing organization agent-in-

1 charge registration shall expire two years from the date of
2 issuance. The agent-in-charge's registration shall be renewed
3 biannually.

4 (g) Termination.--Upon termination of an agent-in-charge's
5 employment, the dispensing organization shall immediately
6 reclaim the cannabis business establishment agent identification
7 card. The dispensing organization shall promptly return the
8 agent identification card to the board.

9 (h) Application denial.--The board may deny a new
10 application or a renewal or discipline or revoke an agent-in-
11 charge identification card for any of the following reasons:

12 (1) submission of misleading, incorrect, false or
13 fraudulent information in the application or renewal
14 application;

15 (2) violation of the requirements of this chapter or
16 regulations;

17 (3) fraudulent use of an agent identification card;

18 (4) selling, distributing, transferring in any manner or
19 giving cannabis to any unauthorized person;

20 (5) theft of cannabis, currency or any other items from
21 a dispensary;

22 (6) tampering with, falsifying, altering, modifying or
23 duplicating an agent-in-charge identification card;

24 (7) tampering with, falsifying, altering or modifying
25 the surveillance video footage, point-of-sale system,
26 cannabis seed-to-sale tracking system or the Commonwealth's
27 verification system;

28 (8) failure to notify the board immediately upon
29 discovery that the agent-in-charge identification card has
30 been lost, stolen or destroyed;

1 (9) failure to notify the board within 10 business days
2 after a change in the information provided in the application
3 for an agent-in-charge identification card;

4 (10) intentionally dispensing to purchasers in amounts
5 above the limits provided in this chapter;

6 (11) delinquency in filing any required tax returns or
7 paying any amounts owed to the Commonwealth; or

8 (12) failure to notify the board within 48 hours after a
9 determination that a dispensary employee has diverted
10 cannabis, edible or non-edible infused products or has
11 intentionally dispensed cannabis, edible or non-edible
12 infused products in a manner not consistent with this
13 chapter.

14 Section 258.1. Seed-to-sale tracking system.

15 (a) Inventory.--A dispensing organization agent-in-charge
16 shall have primary oversight of the dispensing organization's
17 cannabis seed-to-sale tracking system. The seed-to-sale tracking
18 system shall be real-time, web-based, open API, two-way
19 communication and accessible by the board at any time. The
20 point-of-sale system shall track, at a minimum, the date of
21 sale, amount, price and currency.

22 (b) Account.--A dispensing organization shall establish an
23 account with the board's verification system that documents:

24 (1) Each sales transaction at the time of sale and each
25 day's beginning inventory, acquisitions, sales, disposal and
26 ending inventory.

27 (2) Acquisition of cannabis, edible and non-edible
28 infused products from a permitted cultivation center or micro
29 cultivation center, including:

30 (i) A description of the products, including the

1 quantity, strain, variety and batch number of each
2 product received.

3 (ii) The name and registry identification number of
4 the permitted cultivation center or micro cultivation
5 center providing the cannabis, edible and non-edible
6 infused products.

7 (iii) The name and registry identification number of
8 the permitted cannabis business establishment agent
9 delivering the cannabis.

10 (iv) The name and registry identification number of
11 the cannabis business establishment agent receiving the
12 cannabis.

13 (v) The date of acquisition.

14 (3) The disposal of cannabis, including:

15 (i) A description of the products, including the
16 quantity, strain, variety, batch number and reason for
17 the cannabis disposal.

18 (ii) The method of disposal.

19 (iii) The date and time of disposal.

20 (c) Verification.--Upon cannabis delivery from a cultivation
21 center or a micro cultivation center, a dispensing organization
22 shall confirm that the product's name, strain name, weight and
23 identification number on the manifest matches the information on
24 the edible and non-edible infused product label and package. The
25 product name listed and the weight listed in the Commonwealth's
26 verification system shall match the product packaging.

27 (d) Inventory.--The agent-in-charge shall conduct a daily
28 inventory reconciliation documenting and balancing cannabis
29 inventory by confirming that the board's verification system
30 matches the dispensing organization's point-of-sale system and

1 the amount of physical product at the dispensary. The following
2 shall apply:

3 (1) A dispensing organization shall provide a reason for
4 an inventory adjustment. Inventory adjustment documentation
5 shall be kept at the dispensary or maintained electronically
6 for two years from the date performed.

7 (2) If the dispensing organization identifies an anomaly
8 in the amount of cannabis after the monthly inventory
9 reconciliation due to a mistake, the dispensing organization
10 shall determine how the anomaly occurred and take and
11 document corrective action. The dispensing organization shall
12 work diligently to determine the reason for the anomaly and
13 document steps on how to address the anomaly.

14 (3) If the dispensing organization identifies a
15 discrepancy in the amount of cannabis after the monthly
16 inventory reconciliation or through other means due to theft,
17 criminal activity or suspected criminal activity, the
18 dispensing organization shall determine how the diversion
19 occurred and take and document corrective action. Within 48
20 hours after the first discovery of the diversion due to
21 theft, criminal activity or suspected criminal activity, the
22 dispensing organization shall inform the board and the
23 Pennsylvania State Police in writing.

24 (4) The dispensing organization shall file an annual
25 compilation report with the board, including a financial
26 statement that shall include an income statement, balance
27 sheet, profit and loss statement, statement of cash flow,
28 wholesale costs and sales and any other documentation
29 requested by the board in writing. The financial statement
30 shall include any other information the board deems necessary

1 in order to effectively administer this chapter and all
2 regulations, orders and final decisions promulgated under
3 this chapter. Statements required by this section shall be
4 filed with the board within 60 days after the end of the
5 calendar year. The compilation report shall include a letter
6 authored by a licensed certified public accountant that it
7 has been reviewed and is accurate based on the information
8 provided. The dispensing organization, financial statement
9 and accompanying documents may not be audited unless
10 specifically requested by the board.

11 (e) Documentation.--A dispensing organization shall have all
12 of the following duties:

13 (1) Maintain the documentation required under this
14 section in a secure, locked location at the dispensing
15 organization, an off-site approved office or electronically,
16 for two years from the date on the document.

17 (2) Provide any documentation required to be maintained
18 in this section to the board for review upon request.

19 (3) If maintaining a bank account, retain for a period
20 of two years, electronically or otherwise, a record of each
21 deposit or withdrawal from the bank account.

22 (f) Return policy.--If a dispensing organization chooses to
23 have a return policy for cannabis, edible and non-edible infused
24 products, the dispensing organization shall seek prior approval
25 from the board, including written policies as to how returned
26 cannabis, edible or non-edible infused products will be stored
27 and quarantined from other inventory.

28 Section 258.2. Storage requirements.

29 (a) Authorized on-premises storage.--A dispensing
30 organization shall store inventory on its premises. All

1 inventory stored on the premises shall be secured in a
2 restricted access area and tracked consistently with the
3 inventory tracking regulations. A dispensing organization shall
4 be of suitable size and construction to facilitate cleaning,
5 maintenance and proper operations and shall maintain adequate
6 lighting, ventilation, temperature, humidity control and
7 equipment.

8 (b) Tampered containers.--A cannabis container that has been
9 tampered with, damaged or opened shall be labeled with the date
10 opened, if known, and quarantined from other edible and non-
11 edible infused products in a vault until the edible and non-
12 edible infused products are disposed. Cannabis that was tampered
13 with, expired or damaged may not be stored at the premises for
14 more than 14 calendar days.

15 (c) Storage.--The dispensing organization storage areas
16 shall be maintained in accordance with the security requirements
17 in this chapter and any regulations promulgated by the board.
18 Cannabis shall be stored at appropriate temperatures and under
19 appropriate conditions to help ensure that the packaging,
20 strength, quality and purity are not adversely affected.

21 Section 258.3. Destruction and disposal of cannabis.

22 (a) Destruction.--Cannabis, edible and non-edible infused
23 products shall be destroyed by rendering the cannabis, edible
24 and non-edible infused products unusable using methods approved
25 by the board and promptly disposed in a manner that complies
26 with this chapter and regulations promulgated by the board.
27 Disposal of the cannabis waste rendered unusable may be
28 delivered to a permitted solid waste facility for final
29 disposition. Acceptable permitted solid waste facilities shall
30 include all of the following:

1 (1) Compostable facilities.

2 (2) Noncompostable mixed-waste facilities.

3 (b) Waste inventory.--Waste and unusable cannabis, cannabis
4 concentrate or an edible or non-edible infused product shall be
5 weighed, recorded and entered into the seed-to-sale tracking
6 system prior to rendering it unusable. Verification of waste
7 inventory shall be performed by an employee who is a manager and
8 conducted in an area with video surveillance. Electronic
9 documentation of destruction and disposal shall be maintained
10 for a period of at least two years.

11 Section 258.4. Security measures.

12 (a) Measures.--A dispensing organization shall implement
13 security measures to protect the premises, patients and
14 purchasers and deter and prevent entry into and theft of
15 cannabis or currency in accordance with the regulations
16 promulgated under this chapter as determined by the board.

17 (b) Alternative provisions.--The board may approve
18 alternative security provisions that the board determines are an
19 adequate substitute for a security requirement specified by the
20 board in the regulations promulgated under this chapter.

21 Section 258.5. Recordkeeping.

22 (a) Record retention.--Dispensing organization records shall
23 be maintained electronically for two years and be available for
24 inspection by the board upon request. The required written
25 records shall include all of the following:

26 (1) Operating procedures.

27 (2) Inventory records, policies and procedures.

28 (3) Security records.

29 (4) Audit records.

30 (5) Staff training plans and completion documentation.

1 (6) Staffing plan.

2 (7) Business records, including:

3 (i) Assets and liabilities.

4 (ii) Monetary transactions.

5 (iii) Written or electronic accounts, including bank
6 statements, journals, ledgers and supporting documents,
7 agreements, checks, invoices, receipts and vouchers.

8 (iv) Any other financial accounts reasonably related
9 to the dispensary operations.

10 (b) Storage and transfer of records.--If a dispensing
11 organization closes due to insolvency, revocation, bankruptcy or
12 for any other reason, all records required to be maintained
13 shall be preserved and provided to the board.

14 Section 258.6. Issuance of cultivation center permits.

15 (a) Modifications or changes.--Following the completion of a
16 comprehensive market analysis, the board may, by rule, do any of
17 the following:

18 (1) Modify or change the number of new cultivation
19 center permits available, which shall at no time exceed three
20 permits, other than those permits issued to current
21 grower/processors under this chapter.

22 (2) Modify or change the permitting application process
23 to reduce or eliminate the barriers to permits, particularly
24 for disproportionately impacted area applicants, and shall
25 make modifications to remedy evidence of discrimination.

26 (b) Additional permits.--If the board determines that
27 additional cultivation center permits should be issued other
28 than those permits issued to current cultivation centers,
29 grower/processors, the board shall ensure that micro cultivation
30 center permit holders are provided the first opportunity to

1 apply for and be awarded the additional permits prior to
2 accepting additional applications.
3 Section 258.7. Issuance of cultivation center permits to
4 current medical cannabis grower/processor permit
5 holders.

6 (a) Dual-use cultivation center permits.--A medical cannabis
7 organization shall, within 90 days from the effective date of
8 this subsection, be authorized by the board to commence
9 cultivating cannabis at a grower/processor facility operating
10 under this chapter.

11 (b) Delay or inhibit operations.--The failure of the board
12 to be seated or to promulgate regulations shall not delay or
13 inhibit the ability of a medical cannabis organization under
14 subsection (a) from commencing the sale of cannabis at a
15 grower/processor facility operating under this chapter. If the
16 board is not seated within 90 days from the effective date of
17 this subsection or if the board otherwise fails to authorize a
18 medical cannabis organization under subsection (a) from
19 commencing the sale of cannabis at a grower/processor facility
20 operating under this chapter, the medical cannabis organization
21 shall automatically be authorized to commence cannabis sales to
22 purchasers.

23 (c) Cultivation center permittees.--A cultivation center
24 permittee may operate at up to two locations. The board shall
25 determine the process for opening a second cultivation center
26 location not already operational as a medical cannabis
27 grower/processor on the effective date of this subsection.

28 (d) Submission.--A medical cannabis grower/processor
29 authorized under this section to cultivate and process cannabis
30 shall have the following duties:

(1) Pay a nonrefundable fee of \$250,000 to be deposited into the Cannabis Regulation Fund.

(2) Provide proof of holding a permit as a medical cannabis organization that is in good standing.

(e) Construction.--Nothing in this section shall be construed to prevent or constrain an existing medical cannabis grower/processor that receives a cultivation center permit from relocating its existing facility, before or after receiving its cultivation center permit, in accordance with procedures for relocation in this chapter or any regulations promulgated by the board.

(f) Cultivation centers.--A cultivation center shall be subject to the provisions of this chapter.

Section 258.8. New cultivation center permits.

If the board makes available an additional cultivation center permit in excess of the permits authorized under section 258.7, the board shall determine the requirements of an application for the permit and selection criteria and promulgate regulations as necessary to implement this section.

Section 258.9. Cultivation center requirements and prohibitions.

(a) Requirements.--The operating documents of a cultivation center shall include procedures for the oversight of the cultivation center, tracking cannabis, including a physical inventory recorded weekly, accurate recordkeeping and a staffing plan.

(b) Security plan.--A cultivation center shall implement a security plan that includes facility access controls, perimeter intrusion detection systems, personnel identification systems, a 24-hour motion-activated surveillance system to monitor the

1 interior and exterior of the cultivation center facility and
2 accessibility to authorized law enforcement and the board in
3 real time.

4 (c) Facility.--All cultivation of cannabis by a cultivation
5 center shall take place in an enclosed, locked facility at the
6 physical address provided to the board during the licensing
7 process. The cultivation center location shall only be accessed
8 by the agents working for the cultivation center, the board
9 staff performing inspections and State law enforcement or other
10 emergency personnel, contractors working on jobs unrelated to
11 cannabis, contracted vendors, elected officials or other
12 individuals as provided by rule.

13 (d) Sale prohibited.--A cultivation center may not sell or
14 distribute any cannabis, edible or non-edible infused products
15 to any person other than a dispensing organization or as
16 otherwise authorized by rule of the board, including home
17 delivery to purchasers and patients.

18 (e) Pricing.--A cultivation center may not either directly
19 or indirectly discriminate in price between different dispensing
20 organizations that are purchasing a like grade, strain, brand
21 and quality of cannabis, edible or non-edible infused product.
22 Nothing in this subsection shall prevent cultivation centers
23 from pricing cannabis differently based on differences in
24 cannabinoid content, in the cost of manufacturing or processing,
25 the quantities sold, including volume discounts, or the way the
26 products are delivered.

27 (f) Data collection system.--All cannabis harvested by an
28 cultivation center and intended for distribution to a dispensing
29 organization shall be entered into a data collection system,
30 packaged and labeled and placed into a cannabis container for

1 transport.

2 (g) Random inspection.--A cultivation center shall be
3 subject to random inspections by the board.

4 (h) Loss notification.--A cannabis business establishment
5 agent shall notify local law enforcement, the Pennsylvania State
6 Police and the board within 24 hours of the discovery of any
7 loss or theft. Notification shall be made by phone, in person or
8 by written or electronic communication.

9 (i) Pesticides.--

10 (1) A cultivation center may use a pesticide that is
11 registered by the Department of Agriculture under the act of
12 March 1, 1974 (P.L.90, No.24), known as the Pennsylvania
13 Pesticide Control Act of 1973, and designated by the
14 Secretary of Agriculture in consultation with the secretary
15 for use by a grower/processor.

16 (2) The Secretary of Agriculture shall transmit a list
17 of pesticides which may be used by a cultivation center to
18 the Legislative Reference Bureau for publication in the next
19 available issue of the Pennsylvania Bulletin. The list shall
20 be posted on the board's publicly accessible Internet website
21 and shall be reviewed and updated by the Secretary of
22 Agriculture, in consultation with the secretary, at least
23 once annually and transmitted to the Legislative Reference
24 Bureau for publication in the next available issue of the
25 Pennsylvania Bulletin.

26 (j) Process.--A cultivation center may process cannabis,
27 cannabis concentrates, edible and non-edible infused products,
28 including tinctures, topicals and edibles. A cultivation center
29 may not sell, dispense, manufacture or distribute cannabis,
30 edible or non-edible infused products with a THC content limit

1 higher than 10 milligrams per serving and 1000 milligrams per
2 package.

3 (k) Compliance.--A cultivation center shall comply with any
4 other requirements or prohibitions specified by regulations of
5 the board.

6 Section 258.10. Issuance of micro cultivation center permits.

7 (a) Limitation.--An applicant may file no more than one
8 application in any single application period.

9 (b) Issuance.--The board may issue up to 15 micro
10 cultivation center permits.

11 (c) Space.--A micro cultivation center may not contain more
12 than 3,000 square feet of canopy space for plants in the
13 flowering stage for cultivation of cannabis as provided in this
14 chapter. A micro cultivation center may share a premises with a
15 dispensing organization if each permittee stores currency and
16 cannabis, edible and non-edible infused products in a separate
17 secured vault to which any other permittee does not have access
18 or all permittees sharing a vault share more than 50% of the
19 same ownership.

20 Section 258.11. Micro cultivation center permit applications.

21 (a) Required information.--When applying for a permit, the
22 applicant for a micro cultivation center permit shall
23 electronically include information in at least the following
24 categories as determined by the board:

25 (1) A nonrefundable application fee of \$5,000.

26 (2) A business plan that complies with the requirements
27 under this chapter.

28 (3) A security plan.

29 (4) An inventory control plan.

30 (5) A plan for community engagement.

1 (6) Written policies and procedures regarding
2 recordkeeping, inventory control, safety, security, diversion
3 and diversity.

4 (7) Facility plans, including the proposed physical
5 address, floor plans, security overlay and specifications of
6 the building exterior and interior layout.

7 (8) Documented ownership or control of the property.

8 (9) A copy of each relevant local zoning ordinance and
9 documentation, if necessary, of approval from the local
10 zoning office that the proposed dispensary location is in
11 compliance with each local zoning ordinance.

12 (10) Information regarding each principal officer.

13 (11) Evidence of the applicant's status as a
14 disproportionately impacted area applicant, if applicable.

15 (b) Submission.--An applicant under subsection (a) shall
16 submit all required information to the board. Failure by an
17 applicant to submit all required information may result in the
18 application being disqualified.

19 Section 258.12. Selection criteria for micro cultivation center
20 permits.

21 (a) Incomplete application.--If the board receives an
22 application under section 258.11 that fails to provide the
23 required elements contained in a section, that section may not
24 be scored.

25 (b) Application scoring.--The board shall, by rule, develop
26 a merit-based scoring system in which to award micro cultivation
27 center permits.

28 (c) Scoring criteria.--An applicant for a micro cultivation
29 center permit shall be awarded points on an application as
30 determined by the board.

1 (d) Anonymity.--Applications for micro cultivation center
2 permits shall be scored by the board anonymously in accordance
3 with regulations promulgated by the board, which shall include
4 tie-breaker language that governs the process through which some
5 applicants are to be awarded permits when multiple applicants
6 receive the same application score and the awarding of permits
7 to all tied applicants would result in awarding more permits
8 than is permissible under this chapter. A tie-breaking process
9 shall be designed to ensure clarity, transparency and fairness.

10 (e) Review.--Each application for a micro cultivation center
11 permit shall be reviewed and scored by three individuals who
12 score each application independently. An applicant's score in
13 each category under subsection (c) shall be an average of the
14 three scores awarded by each individual score. An applicant may
15 not receive full points simply for providing responsive
16 information on a section of the application.

17 (f) Award of points.--Except in the case when an applicant
18 for a micro cultivation center permit provides necessary
19 documentation of a status as a disproportionately impacted area,
20 a resident of this Commonwealth or an existing farming
21 operation, the scoring system developed by the board shall be
22 designed to ensure that the applicant does not receive full
23 points merely for providing responsive information on a section
24 of the application.

25 Section 258.13. Issuance of additional micro cultivation
26 permits.

27 (a) Marketing analysis.--Prior to issuing additional
28 permits, the board shall conduct a comprehensive market analysis
29 annually for the first three years, and then at least once every
30 three years thereafter, to determine whether a need exists to

1 modify or raise the number of micro cultivation permits.

2 (b) Factors to consider.--In determining whether to exercise
3 the authority granted under this section, the board shall
4 consider the following factors:

5 (1) Whether there is an adequate supply of cannabis and
6 cannabis-infused edible products and cannabis-infused non-
7 edible products to serve patients under Chapter 3 and
8 purchasers under this chapter.

9 (2) Population increases or shifts.

10 (3) The density of dispensaries in any area of this
11 Commonwealth.

12 (4) Perceived security risks of increasing the number or
13 location of dispensaries.

14 (5) The board's capacity to appropriately regulate
15 additional permittees.

16 (6) Other criteria the board deems relevant.

17 Section 258.14. Micro cultivation center requirements and
18 prohibitions.

19 (a) Operating documents.--The operating documents of a micro
20 cultivation center shall include procedures for the oversight of
21 the micro cultivation center, tracking cannabis, including a
22 physical inventory recorded weekly, accurate recordkeeping and a
23 staffing plan.

24 (b) Security plan.--A micro cultivation center shall
25 implement a security plan that includes facility access
26 controls, perimeter intrusion detection systems, personnel
27 identification systems and a 24-hour motion-activated
28 surveillance system to monitor the interior and exterior of the
29 micro cultivation center that is accessible to authorized law
30 enforcement and the board in real time.

1 (c) Facility requirements.--All cultivation of cannabis by a
2 micro cultivation center shall take place in an enclosed, locked
3 facility at the physical address provided to the board during
4 the permitting process. The micro cultivation center location
5 shall only be accessed by the cannabis business establishment
6 agents working for the micro cultivation center, the board staff
7 performing inspections, Commonwealth and local law enforcement
8 or other emergency personnel, contractors working on jobs
9 unrelated to cannabis, individuals in a mentoring or educational
10 program approved by the State or other individuals as provided
11 by rule. If a micro cultivation center shares a premises with a
12 dispensing organization, agents from those other permittees may
13 access the micro cultivation center portion of the premises if
14 the location point is a common area for access to bathrooms,
15 lunchrooms, locker rooms or other areas of the building where
16 work or cultivation of cannabis is not performed. At no time may
17 a dispensing organization agent perform work at a micro
18 cultivation center without being an employee of the micro
19 cultivation center.

20 (d) Sale and distribution limitation.--A micro cultivation
21 center may not sell or distribute cannabis to any person other
22 than a cannabis business establishment or as otherwise
23 authorized by rule of the board.

24 (e) Location limitation.--A micro cultivation center may not
25 be located in an area zoned for residential use or at, on or
26 adjacent to any other cultivation center, including another
27 micro cultivation center.

28 (f) Price discrimination.--A micro cultivation center may
29 not either directly or indirectly discriminate in price between
30 different cannabis business establishments that are purchasing a

1 like grade, strain, brand and quality of cannabis, edible or
2 non-edible infused product. Nothing in this subsection shall
3 prevent a micro cultivation center from pricing cannabis
4 differently based on cannabinoid content, differences in the
5 cost of manufacturing, processing, quantities sold, such as
6 volume discounts, or the method of product delivery.

7 (g) Data collection system.--All cannabis harvested by a
8 micro cultivation center and intended for distribution to a
9 dispensing organization shall be entered into a data collection
10 system, packaged and labeled in compliance with this chapter and
11 any regulations promulgated by the board and, if the
12 distribution is to a dispensing organization that does not share
13 a premises with the dispensing organization receiving the
14 cannabis, placed into a cannabis container for transport.

15 (h) Random inspection.--A micro cultivation center shall be
16 subject to random inspections by the board.

17 (i) Notification of loss or theft.--A cannabis business
18 establishment agent shall notify local law enforcement, the
19 Pennsylvania State Police and the board within 24 hours of the
20 discovery of any loss or theft. A notification under this
21 subsection shall be made by phone, in person or by written or
22 electronic communication.

23 (j) Pesticides.--A micro cultivation center shall comply
24 with all Federal and State rules and regulations regarding the
25 use of pesticides in addition to any regulations promulgated by
26 the board.

27 (k) Transportation.--A micro cultivation center or cannabis
28 business establishment agent shall be permitted to transport
29 cannabis, edible or non-edible infused products to any other
30 cannabis business establishment. A micro cultivation center may

1 alternatively enter into a contract with a dispensing
2 organization or a laboratory related to the transport of
3 cannabis.

4 (1) Compliance.--A micro cultivation center shall comply
5 with any other requirements or prohibitions specified by
6 regulations of the board.

7 Section 258.15. Cannabis business establishment agent
8 identification cards.

9 (a) Required form.--The board shall promulgate regulations
10 detailing the form required for an initial application or
11 renewal application for a cannabis business establishment agent
12 identification card submitted under this chapter. The form shall
13 include all of the following:

14 (1) A nonrefundable fee to accompany the initial
15 application or renewal application.

16 (2) A fingerprinting and background check requirement.

17 (3) Means to submit the initial application or renewal
18 application via electronic means.

19 (b) Verification.--The board shall verify the information
20 contained in an initial application or renewal application for a
21 cannabis business establishment agent identification card
22 submitted under this chapter and approve or deny the application
23 within 14 days of receiving the completed application and all
24 supporting documentation required by regulations of the board.

25 (c) Duties of establishment.--The cannabis business
26 establishment:

27 (1) shall print and issue a cannabis business
28 establishment agent identification card to a qualifying agent
29 within 14 business days of approving the initial application
30 or renewal application; and

1 (2) may allow a cannabis business establishment agent to
2 work at a cannabis business establishment after the agent's
3 application has been approved but prior to issuance of the
4 cannabis business establishment agent identification card.

5 (d) Identification.--An agent shall keep the cannabis
6 business establishment agent identification card under this
7 section visible at all times when on the property of the
8 cannabis business establishment where the agent is employed,
9 unless the agent is working after being approved as an agent by
10 the board but prior to the receipt of the cannabis business
11 establishment agent's identification card.

12 (e) Identification card requirements.--The cannabis business
13 establishment agent identification card shall contain the
14 following:

15 (1) The name of the cardholder.

16 (2) The date of issuance and expiration date of the
17 cannabis business establishment agent identification card.

18 (3) A random 10-digit alphanumeric identification number
19 containing at least four numbers and at least four letters
20 that is unique to the holder.

21 (4) A photograph of the cardholder.

22 (f) Limitation.--The board may not issue a cannabis business
23 establishment agent identification card if the applicant is
24 delinquent in filing any required tax returns or paying any
25 amounts owed to the Commonwealth.

26 Section 258.16. Background check for cannabis business
27 establishment applicants.

28 (a) Background check.--The board shall require a criminal
29 history record check, through the Pennsylvania State Police, of
30 the prospective principal officers, board members and agents of

1 a cannabis business establishment applying for permits or
2 identification cards under this chapter. The Pennsylvania State
3 Police shall charge a fee set by rule for conducting the
4 criminal history record check and may not exceed the actual cost
5 of the record check. In order to carry out the provisions of
6 this section, each cannabis business establishment's prospective
7 principal officer, board member or agents shall submit a full
8 set of fingerprints to the Pennsylvania State Police for the
9 purpose of obtaining a Federal and State criminal record check.
10 Fingerprints shall be checked against the fingerprint records
11 now and hereafter, to the extent allowed by law, filed in the
12 Pennsylvania State Police and Federal Bureau of Investigation
13 criminal history records databases. The Pennsylvania State
14 Police shall furnish, following positive identification, all
15 conviction information to the board. Background checks for all
16 prospective principal officers, board members and agents shall
17 be completed concurrent with submitting an application to the
18 board. An agent may begin working at a cannabis business
19 establishment while waiting for the result of any background
20 check. For agents affiliated with a medical cannabis
21 organization, the failure of the board to issue guidance for the
22 ability of an employee to also serve as a cannabis business
23 entity may not delay or inhibit the ability of a current medical
24 cannabis organization on the effective date of this subsection
25 from commencing operations.

26 (b) Construction.--Nothing in this section or chapter shall
27 be construed to prevent or otherwise inhibit the ability of an
28 otherwise qualified individual from serving as a principal
29 officer, board member or agent of a cannabis business
30 establishment on the sole basis of a nonviolent criminal

1 conviction related to cannabis.

2 Section 258.17. Renewal of cannabis business establishment
3 permits and cannabis business establishment agent
4 identification cards.

5 (a) Renewal.--A permit or agent identification card issued
6 under this chapter shall be renewed every two years. A cannabis
7 business establishment and agent shall receive written or
8 electronic notice no later than 90 days before the expiration of
9 the permit or card. The board shall grant a renewal within 30
10 days of submission of a renewal application if:

11 (1) the cannabis business establishment submits the
12 required nonrefundable renewal fee;

13 (2) the permit or agent identification card has not been
14 suspended or revoked for violating this chapter or
15 regulations adopted under this chapter;

16 (3) the cannabis business establishment has continued to
17 operate in accordance with all plans submitted as part of its
18 application and approved by the board or any amendments to a
19 submitted plan that have been approved by the board; and

20 (4) the cannabis business establishment has submitted an
21 agent, employee, contracting and subcontracting diversity
22 report as required by the board.

23 (b) Failure to renew license.--If a cannabis business
24 establishment fails to renew the establishment's permit prior to
25 license expiration, the establishment shall cease operations
26 until the permit is renewed, unless otherwise permitted by the
27 board.

28 (c) Failure to renew identification card.--If a cannabis
29 business establishment or cannabis business establishment agent
30 fails to renew a cannabis business establishment permit or the

1 agent identification card prior to expiration, the cannabis
2 business establishment or cannabis business establishment agent
3 shall cease to operate as a cannabis business establishment or
4 work as an agent of a cannabis business establishment, as
5 applicable, until the cannabis business establishment permit or
6 agent identification card is renewed, unless otherwise permitted
7 by the board.

8 (d) Disciplinary action and fines.--A cannabis business
9 establishment that continues to operate, or any cannabis
10 business establishment agent who continues to work as an agent,
11 after the applicable permit or cannabis business establishment
12 agent identification card has expired without renewal, absent
13 board permission, shall be subject to disciplinary action by the
14 board.

15 (e) Collection of fees and fines.--All fees or fines
16 collected from the renewal of a cannabis business establishment
17 permit or agent identification card shall be deposited into the
18 Cannabis Regulation Fund.

19 Section 258.18. Warehousing and distribution permits.

20 (a) Issuance.--The board shall issue warehousing and
21 distribution permits, which authorize the storage, inventory
22 management and transportation of cannabis and cannabis products
23 between cannabis business establishments, to eligible
24 applicants.

25 (b) Scope of permit.--A permit issued under this section
26 shall authorize a permittee to:

27 (1) Store cannabis and cannabis products in secure,
28 compliant facilities.

29 (2) Manage inventory, including tracking and reporting,
30 as required by the board.

1 (3) Transport cannabis and cannabis products between
2 cultivators, manufacturers, retailers and other authorized
3 entities within this Commonwealth.

4 (c) Fees.--

5 (1) A one-time, nonrefundable application fee of \$2,500
6 shall be payable to the board upon submission of the initial
7 application for a permit.

8 (2) An annual renewal fee of \$5,000 shall be payable to
9 the board for a permit.

10 (d) Residency requirement.--At least 51% of the ownership
11 interest in the entity applying for a permit must be held by
12 individuals who have been residents of this Commonwealth for at
13 least two consecutive years immediately prior to the application
14 date.

15 (e) Restriction on other permits.--The holder of a permit,
16 including its owners, principals and operators, may not hold a
17 grower-processor permit or cultivation center permit.

18 (f) Employee background checks.--

19 (1) All employees of a permittee shall undergo a
20 criminal history background check conducted by the
21 Pennsylvania State Police prior to employment.

22 (2) A permittee shall submit employee background check
23 results to the board upon request and maintain records for
24 inspection.

25 (g) Regulatory oversight.--The board shall establish and
26 enforce rules governing the permitting, operation and compliance
27 of warehousing and distribution facilities, including:

28 (1) Security protocols for storage and transportation.

29 (2) Inventory tracking and reporting requirements.

30 (3) Compliance with health and safety standards.

1 (h) Inspections.--The board, or a designee, may conduct
2 regular and unannounced inspections of permitted facilities to
3 ensure compliance.

4 (i) Penalties.--A violation of this section may result in
5 fines or permit suspension or revocation, as determined by the
6 board.

7 (j) Definitions.--As used in this section, the following
8 words and phrases shall have the meanings given to them in this
9 subsection unless the context clearly indicates otherwise:

10 "Permit." A permit issued under subsection (a).

11 "Permittee." The holder of a permit.

12 Section 259. Prices.

13 The board and the Department of Revenue shall monitor the
14 price of cannabis sold by grower/processors and by dispensaries,
15 including a per-dose price. If the board and the Department of
16 Revenue determine that the prices are unreasonable or excessive,
17 the board may implement a cap on the price of cannabis being
18 sold for a period of six months. The cap may be amended during
19 the six-month period. If the board and the Department of Revenue
20 determine that the prices become unreasonable or excessive
21 following the expiration of a six-month cap, additional caps may
22 be imposed for periods not to exceed six months.

23 SUBCHAPTER G

24 ENFORCEMENT AND IMMUNITIES

25 Section 261. Permit discipline.

26 (a) Board actions.--Notwithstanding any other civil or
27 criminal penalties related to the unlawful possession of
28 cannabis, the board may take disciplinary or nondisciplinary
29 action as the board deems proper with regard to a cannabis
30 business establishment or cannabis business establishment agent,

1 including fines not to exceed \$10,000 for each violation of this
2 chapter or regulations promulgated by the board.

3 (b) Determination.--The board shall consider permittee
4 cooperation in any investigation in its determination of
5 penalties imposed under this section. The procedures for
6 disciplining a cannabis business establishment or cannabis
7 business establishment agent and for administrative hearings
8 shall be determined by regulation of the board and shall provide
9 for the review of final decisions under 2 Pa.C.S. (relating to
10 administrative law and procedure).

11 Section 262. Immunities and presumptions relating to handling
12 of cannabis by cannabis business establishments and
13 agents.

14 (a) Immunities and presumptions.--A cannabis business
15 establishment or an agent shall not be subject to the following
16 based solely on conduct that is lawful under this chapter or any
17 regulations promulgated under this chapter:

18 (1) Prosecution.

19 (2) Search or inspection, except by the board or under
20 the authority of the board or a State or local law
21 enforcement agency under this chapter.

22 (3) Seizure.

23 (4) Denial of any right or privilege.

24 (5) Penalty in any manner, or denial of any right or
25 privilege, including civil penalty or disciplinary action by
26 a business permitting or licensing board or entity for
27 working for a cannabis business establishment under this
28 chapter and regulations adopted under this chapter.

29 (b) Prohibition.--Any cannabis, edible or non-edible infused
30 product, cannabis paraphernalia, legal property or interest in

1 legal property that is possessed, owned or used in connection
2 with the use of cannabis as permitted under this chapter, or
3 acts incidental to that use, may not be seized or forfeited.
4 Nothing in this chapter shall be construed to prevent the
5 seizure or forfeiture of cannabis exceeding the amounts
6 permitted under this chapter or prevent seizure or forfeiture if
7 the basis for the action is unrelated to the cannabis that is
8 possessed, manufactured, transferred or used under this chapter.

9 (c) Laws of this Commonwealth.--Nothing in this chapter
10 shall be construed to preclude State or local law enforcement
11 from searching a cultivation center, micro cultivation center or
12 dispensing organization if there is probable cause to believe
13 that the laws of this Commonwealth have been violated and the
14 search is conducted in conformance with law.

15 (d) Attorney General investigation.--Nothing in this chapter
16 shall be construed to preclude the Attorney General or other
17 authorized government agency from investigating or bringing a
18 civil action against a cannabis business establishment or an
19 agent of a cannabis business establishment for a violation of
20 Commonwealth law, including civil rights violations and
21 violations of the act of December 17, 1968 (P.L.1224, No.387),
22 known as the Unfair Trade Practices and Consumer Protection Law.
23 Section 263. Commonwealth standards and requirements.

24 Any standards, requirements and regulations regarding the
25 health and safety, environmental protection, testing, security,
26 food safety and worker protections established by the
27 Commonwealth shall be the minimum standards for all permittees
28 under this chapter, where applicable. Knowing violations of any
29 Commonwealth or local law, ordinance or regulation conferring
30 worker protections or legal rights on the employees of a

1 permittee may be grounds for disciplinary action in addition to
2 applicable penalties under this chapter.

3 Section 264. Violation of tax acts and refusal, revocation or
4 suspension of permit or agent identification card.

5 (a) General rule.--In addition to other grounds specified in
6 this chapter, the board, upon notification by the Department of
7 Revenue, shall refuse the issuance or renewal of a permit or
8 agent identification card or suspend or revoke the permit or
9 agent identification card of any person for any of the
10 following:

11 (1) Failure to file a tax return.

12 (2) The filing of a fraudulent tax return.

13 (3) Failure to pay all or part of any tax or penalty
14 determined to be due.

15 (4) Failure to keep books and records in accordance with
16 this chapter or the regulations promulgated by the board.

17 (5) Failure to secure and display a certificate or
18 related permitted document, if required.

19 (6) The willful violation of any rule or regulation of
20 the Department of Revenue relating to the administration and
21 enforcement of tax liability.

22 (b) Resolution.--The Department of Revenue, after a
23 violation under subsection (a) has been corrected or resolved,
24 shall, upon request of the subject of the violation, notify the
25 board that the violation has been corrected or resolved. Upon
26 receiving notice from the Department of Revenue that a violation
27 under subsection (a) has been corrected or otherwise resolved,
28 the board may issue or renew the permit or agent identification
29 card or vacate an order of suspension or revocation.

30 SUBCHAPTER H

LABORATORY TESTING

Section 271. Laboratory testing requirements and prohibitions.

(a) Legality.--Notwithstanding any other provision of law, the following actions, when performed by a cannabis testing facility with a current, valid registration or an individual 21 years of age or older who is acting in official capacity as an owner, employee or agent of a cannabis testing facility, may not be determined to be unlawful and may not be an offense or be a basis for seizure or forfeiture of assets under the laws of this Commonwealth:

(1) possessing, repackaging, transporting or storing cannabis, edible or non-edible infused products;

(2) receiving or transporting cannabis, edible or non-edible infused products from a cannabis business establishment; and

(3) returning or transporting cannabis, edible or non-edible infused products to a cannabis business establishment.

(b) Prohibition.--A laboratory at a cannabis testing facility may not handle, test or analyze cannabis unless approved by the board in accordance with this section. A laboratory at a cannabis testing facility may not be approved to handle, test or analyze cannabis unless the laboratory:

(1) is accredited by a private laboratory accrediting organization;

(2) does not have a direct or indirect financial, management or other interest in a cultivation center, micro cultivation center, dispensary or medical cannabis grower/processor in this Commonwealth or is affiliated with a certifying physician under Chapter 3;

(3) has employed at least one individual to oversee and

1 be responsible for the laboratory testing who has earned,
2 from a college or university accredited by a national or
3 regional certifying authority, at least:

4 (i) a master's level degree in chemical or
5 biological sciences and a minimum of two years'
6 postdegree laboratory experience; or

7 (ii) a bachelor's degree in chemical or biological
8 sciences and a minimum of four years' postdegree
9 laboratory experience; and

10 (4) provides the board with a copy of the most recent
11 annual inspection report granting accreditation and every
12 annual report thereafter.

13 (c) Testing.--

14 (1) The board shall require all cannabis, edible, non-
15 edible or infused product or packaging cannabis for sale to a
16 dispensing organization, each batch shall be made available
17 by the cultivation center or micro cultivation center for an
18 employee of an approved laboratory at a cannabis testing
19 facility to be tested at harvest and at final processing,
20 which shall be tested by the approved laboratory for:

21 (i) microbiological contaminants;

22 (ii) mycotoxins;

23 (iii) pesticide active ingredients;

24 (iv) heavy metals;

25 (v) residual solvent;

26 (vi) an active ingredient analysis; and

27 (vii) THC potency.

28 (2) A laboratory shall perform stability testing to
29 ensure the cannabis product's potency and purity. A
30 grower/processor shall retain a sample from each cannabis

1 product derived from a harvest batch and request that a
2 sample be identified and collected by a laboratory approved
3 by the board from each process lot to perform stability
4 testing under the following conditions:

5 (i) The cannabis product is still in inventory at a
6 dispensary in this Commonwealth as determined by the
7 seed-to-sale system.

8 (ii) The stability testing is done at six-month
9 intervals for the duration of the expiration date period
10 as listed on the medical cannabis product and once within
11 six months of the expiration date.

12 (d) Board sample.--The board may select a random sample that
13 shall, for the purposes of conducting an active ingredient
14 analysis, be tested by a laboratory chosen by the board for
15 verification of label information.

16 (e) Disposal of sample.--A laboratory at a cannabis testing
17 facility shall immediately return or dispose of any cannabis
18 upon the completion of any testing, use or research. Any
19 cannabis that is disposed of shall be done in accordance with
20 the board's regulations related to cannabis waste.

21 (f) Sample failure.--If a sample of cannabis does not pass
22 testing under subsection (c) based on the standards established
23 by the board, the following shall apply:

24 (1) The sample may be retested, with or without
25 remediation, up to three additional times after a failed
26 test.

27 (2) After a fourth failed test, or at the choosing of
28 the cannabis business establishment, the batch may be used to
29 make a CO2-based or solvent-based extract. After processing,
30 the CO2-based or solvent-based extract shall still pass final

1 form testing.

2 (3) Seeds, immature cannabis plants, cannabis plants,
3 cannabis flowers, edible or non-edible infused products may
4 be remediated at any time prior to cannabis, edible or non-
5 edible infused products being provided to dispensaries for
6 sale to purchasers under this chapter or patients under
7 Chapter 3, including after any failed test performed by an
8 independent laboratory under subsection (c) based on the
9 standards established by the board, as long as the cannabis,
10 edible or non-edible infused products being provided to
11 dispensaries ultimately passes independent laboratory testing
12 under subsection (c) based on the standards established by
13 the board.

14 (g) Board testing standards.--The board shall establish
15 standards for contaminants under subsection (c) and shall
16 develop labeling requirements for contents and potency. The
17 board shall ensure standards under this subsection are
18 comparable to those set by other established cannabis and
19 medical cannabis markets and shall publicly disclose the basis
20 for any standards set. These standards shall be reviewed
21 biannually against other markets and forthcoming Federal
22 standards.

23 (h) Copy of test results.--A laboratory at a cannabis
24 testing facility shall file with the board an electronic copy of
25 each laboratory test result for any batch that does not pass
26 testing under subsection (c) at the same time that it transmits
27 those results to the cultivation center or micro cultivation
28 center. The testing laboratory shall maintain the laboratory
29 test results for at least five years and make test results
30 available at the board's request for the same period.

1 (i) Results.--A cultivation center or micro cultivation
2 center shall provide to a dispensing organization the laboratory
3 test results for each batch of edible or non-edible infused
4 product purchased by the dispensing organization. Each
5 dispensing organization shall have those laboratory results
6 available upon request to purchasers and patients.

7 (j) Additional regulations permitted.--The board shall
8 promulgate regulations relating to testing in furtherance of and
9 consistent with this chapter.

10 SUBCHAPTER I

11 ADVERTISING, MARKETING, PACKAGING AND LABELING

12 Section 281. Advertising and promotions.

13 A cannabis business establishment shall be permitted to
14 advertise and market cannabis, edible and non-edible infused
15 products, including through discounts and promotional programs.
16 A cannabis business establishment may only be restricted in
17 advertising and marketing to the extent that any advertising or
18 marketing contains any statement or image that:

- 19 (1) is false or misleading;
- 20 (2) promotes over-consumption of cannabis, edible and
21 non-edible infused products;
- 22 (3) depicts a person under 21 years of age consuming
23 cannabis;
- 24 (4) makes any unsupported health claims about cannabis,
25 edible or non-edible infused products or cannabis
26 concentrates; or
- 27 (5) includes any image designed or likely to appeal to a
28 minor.

29 Section 282. Edible and non-edible infused product packaging 30 and labeling.

1 (a) Registration.--Each edible and non-edible infused
2 product produced for sale shall be registered with the board in
3 a form and manner provided by the board. Each product
4 registration shall include a label containing all information
5 required by the board.

6 (b) Packaging.--Cannabis, edible or non-edible infused
7 products intended for distribution to a dispensing organization
8 for sale to purchasers or patients shall be packaged in a
9 sealed, child-resistant container or package and labeled in a
10 manner consistent with current standards, including the Consumer
11 Product Safety Commission standards referenced under 15 U.S.C.
12 Ch. 39A (relating to special packaging of household substances
13 for protection of children).

14 (c) Edible and non-edible infused product packaging.--Each
15 edible and non-edible infused product shall be wrapped or
16 packaged at the cultivation center or micro cultivation center.

17 (d) Edible and non-edible infused product labeling.--Each
18 edible and non-edible infused product shall be labeled prior to
19 sale to a dispensary. Each label shall be securely affixed to
20 the package and shall state in legible font the following:

21 (1) the common or usual name of the item and the
22 registered name of the edible and non-edible infused product
23 that was registered with the board under subsection (a);

24 (2) a unique serial number that matches the product with
25 a cultivation center or micro cultivation center batch and
26 lot number to facilitate any warnings or recalls the board or
27 cultivation center or micro cultivation center deems
28 appropriate;

29 (3) the date of final testing and packaging;

30 (4) the identification of the independent cannabis

1 testing facility;

2 (5) the date of harvest for cannabis flower or the date
3 of manufacture for other forms of cannabis;

4 (6) a "use by" date;

5 (7) the quantity, in ounces or grams, of cannabis
6 contained in the product;

7 (8) a content list, including:

8 (i) The minimum and maximum percentage content by
9 weight for:

10 (A) delta-9-tetrahydrocannabinol (THC);

11 (B) tetrahydrocannabinolic acid (THCA);

12 (C) cannabidiol (CBD);

13 (D) cannabidiolic acid (CBDA); and

14 (E) all other ingredients of the item, including
15 any colors, artificial flavors and preservatives
16 listed in descending order by predominance of weight
17 shown with common or usual names.

18 (ii) (Reserved); and

19 (9) the acceptable tolerances for the minimum percentage
20 shall not be below 85% or above 115% of the labeled amount.

21 (e) Prohibition.--Cannabis product packaging may not contain
22 information that:

23 (1) is false or misleading;

24 (2) promotes excessive consumption;

25 (3) depicts a person under 21 years of age consuming
26 cannabis; or

27 (4) includes any image designed or likely to appeal to a
28 minor.

29 (f) Additional requirements.--The following shall apply to
30 an edible and non-edible infused product produced by

concentrating or extracting ingredients from the cannabis plant:

(1) If solvents were used to create the concentrate or extract, a statement that discloses the type of extraction method, including any solvents or gases used to create the concentrate or extract.

(2) Disclosure of any chemicals or compounds used to produce or added to the concentrate or extract.

(3) Cannabis concentrates sold with greater than 70% THC shall indicate the product is a high-THC product on the product label.

(g) Product warning.--All cannabis, edible and infused products and cannabis concentrates shall contain a warning on its label stating: "Cannabis consumption may impair the ability to drive or operate heavy machinery, is for adult use only and should not be used by pregnant or breastfeeding women. Keep out of reach of children."

(h) Servings.--Each edible or non-edible infused product intended for consumption shall include on the packaging the total milligram content of THC and CBD. Each package may not include more than a total of 1,000 milligrams of THC per package with respect to edible and non-edible infused products. A package may contain multiple servings. An edible and non-edible infused product that consists of more than a single serving shall be marked, stamped or otherwise imprinted, by individual single serving, with a symbol or easily recognizable mark approved by the board indicating the package contains cannabis and shall be either:

(1) scored or delineated to indicate one serving, if the edible or non-edible infused product is in solid form. As used in this paragraph, the term "delineated" includes

1 directly marking the product to indicate one serving or
2 providing a means by which a patient or purchaser can
3 accurately identify one serving; or

4 (2) if the edible or non-edible infused product is not
5 in solid form, packaged in a manner so that a single serving
6 is readily identifiable or easily measurable.

7 (i) Delineation.--An edible or non-edible infused product
8 consisting of multiple servings shall be homogenized so that
9 each serving contains the same concentration of THC.

10 (j) Alternation or destruction of packaging.--No individual
11 other than the purchaser shall alter or destroy any labeling
12 affixed to the primary packaging of cannabis, edible or infused
13 products after the cannabis, edible or infused products have
14 been dispensed.

15 SUBCHAPTER J

16 PREPARATION, DESTRUCTION AND REGULATION

17 OF CANNABIS, EDIBLE AND NON-EDIBLE INFUSED PRODUCTS

18 Section 291. Preparation of edible and non-edible infused
19 products.

20 (a) Regulation.--The board may regulate the production of
21 edible and non-edible infused products, including edibles, by a
22 cultivation center or a micro cultivation center and establish
23 regulations related to refrigeration, hot-holding and handling
24 of edible and non-edible infused products. All edible and non-
25 edible infused products shall meet the packaging and labeling
26 requirements specified under this chapter and any regulation
27 promulgated by the board.

28 (b) Approval.--Edible and non-edible infused products for
29 sale or distribution at a dispensing organization shall be
30 prepared by an approved agent of a cultivation center or micro

cultivation center. A dispensing organization may not manufacture, process or produce an edible or infused product.

(c) (Reserved).

(d) Enforcement.--The board shall promulgate regulations for the manufacture and processing of edible and non-edible infused products and may at all times enter every building, room, basement, enclosure or premises occupied or used, or suspected of being occupied or used, for the production, preparation, manufacture for sale, storage, processing, distribution or transportation of edible or non-edible infused products. The board may inspect the premises together with all utensils, fixtures, furniture and machinery used for the preparation of products under this section.

Section 292. Destruction of cannabis.

(a) Destruction.--All cannabis byproduct, scrap and harvested cannabis not intended for distribution to a dispensing organization shall be destroyed and disposed of under regulations adopted by the board under this chapter. Documentation of the destruction and disposal shall be retained at the cultivation center, micro cultivation center or cannabis testing facility as applicable for a period of not less than one year.

(b) Notification prior to destruction.--A cultivation center or micro cultivation center shall, prior to destruction, notify the board. A dispensing organization shall notify the board within 48 hours of any destruction. The cultivation center, micro cultivation center or dispensing organization shall keep a record of the date and quantity of destruction.

(c) Unsold cannabis.--A dispensing organization shall destroy all cannabis, including edible and non-edible infused

products, not sold to purchasers. Documentation of destruction and disposal shall be retained at the dispensing organization for a period of not less than one year.

Section 293. Local ordinances.

Unless otherwise provided by this chapter or law:

(1) A unit of local government, including a home rule unit or any non-home-rule county within the unincorporated territory of the county, may enact reasonable zoning ordinances or resolutions, not in conflict with this chapter or rules adopted pursuant to this chapter, regulating a cannabis business establishment. No unit of local government, including a home rule unit or any non-home-rule county within the unincorporated territory of the county, may unreasonably prohibit the use of cannabis authorized by this chapter.

(2) A unit of local government, including a home rule unit or any non-home-rule county within the unincorporated territory of the county, may enact ordinances or rules not in conflict with this chapter or with rules adopted pursuant to this chapter governing the time, place, manner and number of cannabis business establishment operations, including minimum distance limitations between cannabis business establishments and locations it deems sensitive. A unit of local government, including a home rule unit, may establish civil penalties for violation of an ordinance or rules governing the time, place and manner of operation of a cannabis business establishment in the jurisdiction of the unit of local government. No unit of local government, including a home rule unit or non-home-rule county within an unincorporated territory of the county, may unreasonably restrict the time, place, manner and number of cannabis business establishment operations authorized by

1 this chapter.

2 (3) A unit of local government, including a home rule
3 unit or any non-home-rule county within the unincorporated
4 territory of the county, may not regulate the activities
5 described in paragraph (1), (2) or (3) in a manner more
6 restrictive than the regulation of those activities by the
7 State under this chapter.

8 (4) A unit of local government, including a home rule
9 unit or any non-home-rule county within the unincorporated
10 territory of the county, may not enact ordinances to prohibit
11 a cannabis business establishment from locating within the
12 unit of local government entirely.

13 Section 294. Confidentiality.

14 (a) Disclosure.--Information provided by cannabis business
15 establishment permittees or applicants to the board, the
16 Department of Community and Economic Development, the
17 Pennsylvania State Police or other agency shall be limited to
18 information necessary for the purposes of administering this
19 chapter. The information shall be subject to the provisions and
20 limitations contained in the act of February 14, 2008 (P.L.6,
21 No.3), known as the Right-to-Know Law.

22 (b) Privacy.--The information received and records kept by
23 the board, the Department of Community and Economic Development
24 and the Pennsylvania State Police for purposes of administering
25 this chapter shall be subject to all applicable Federal privacy
26 laws and shall be confidential and exempt from disclosure under
27 5 U.S.C. § 552 (relating to public information; agency rules,
28 opinions, orders, records, and proceedings), except as provided
29 under this chapter. The information received and records kept by
30 the board, the Department of Community and Economic Development

1 and the Pennsylvania State Police for purposes of administering
2 this chapter shall not be subject to disclosure to an individual
3 or a public or private entity, except to the board, the
4 Department of Community and Economic Development, the
5 Pennsylvania State Police and the Attorney General as necessary
6 to perform official duties under this chapter.

7 (c) Name and address.--The name and address of an individual
8 or entity holding each cannabis business establishment permit
9 shall be subject to disclosure under the Right-to-Know Law.

10 (d) Board information.--All information collected by the
11 board in the course of an examination, inspection or
12 investigation of a permittee or applicant, including any
13 complaint against a permittee or applicant filed with the board
14 and information collected to investigate any complaint, shall be
15 maintained for the confidential use of the board and shall not
16 be disclosed, except as otherwise provided under this chapter. A
17 formal complaint against a permittee by the board or any
18 disciplinary order issued by the board against a permittee or
19 applicant shall be public record, except as otherwise provided
20 by law. Complaints from consumers or members of the general
21 public received regarding a specific, named permittee or
22 complaints regarding conduct by entities without permits shall
23 be subject to disclosure under the Right-to-Know Law.

24 (e) Background check information.--The board, the Department
25 of Community and Economic Development and the Pennsylvania State
26 Police may not share or disclose any Pennsylvania or national
27 criminal history record information, or the nonexistence or lack
28 of any information, to any individual or entity not expressly
29 authorized by this chapter.

30 Section 295. Financial institutions.

1 (a) Exemption.--A financial institution that provides
2 financial services customarily provided by financial
3 institutions to a cannabis business establishment authorized
4 under this chapter or to a person that is affiliated with a
5 cannabis business establishment shall be exempt from any
6 criminal law of the Commonwealth as it relates to cannabis-
7 related conduct authorized under State law.

8 (b) Confidentiality.--Information received by a financial
9 institution from a cannabis business establishment shall be
10 confidential. Except as otherwise required or permitted by
11 Federal or State law or regulation, a financial institution may
12 not make the information available to any person other than:

13 (1) the purchaser to whom the information applies;

14 (2) a trustee, conservator, guardian, personal
15 representative or agent of the purchaser to whom the
16 information applies;

17 (3) a Federal or State regulator when requested in
18 connection with an examination of the financial institution
19 or if otherwise necessary for complying with Federal or State
20 law;

21 (4) a Federal or State regulator when requested in
22 connection with an examination of the financial institution
23 or if otherwise necessary for complying with Federal or State
24 law; and

25 (5) a third party performing service for the financial
26 institution, provided the third party is performing services
27 under a written agreement that expressly or by operation of
28 law prohibits the third party's sharing and use of
29 confidential information for any purpose other than as
30 provided in its agreement to provide services to the

financial institution.

Section 296. Contracts enforceable.

Contracts related to the operation of a lawful cannabis business establishment under this chapter shall be enforceable.

No contract entered into by a lawful cannabis business establishment or its agents on behalf of a cannabis business establishment, or by those who allow property to be used by a cannabis business establishment, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, processing, distributing, dispensing, transporting, selling, possessing or using cannabis is prohibited by Federal law.

Section 297. Medical cannabis.

(a) Construction.--Nothing in this chapter shall be construed to limit any privileges or rights of a medical cannabis patient, including minor patients, primary caregivers, medical cannabis grower/processors or medical cannabis dispensaries under Chapter 3. If there is conflict between this chapter and Chapter 3 as they relate to medical cannabis patients, the provisions of this chapter shall prevail.

(b) Sale permitted.--Dispensary locations permitted under this chapter shall be authorized to sell cannabis to purchasers and to qualified patients, and all dispensing organizations shall be subject to the provisions under Chapter 3.

SUBCHAPTER K

TAXES

Section 299.1. Imposition of sales tax and excise tax.

(a) Rate of sales tax.--A sales tax is imposed at the rate of 6% of the sales price for cannabis, edible and infused products sold or otherwise transferred to any person other than a cannabis business establishment.

(b) Rate of excise tax.--In addition to all other applicable taxes, an excise tax is imposed on each dispensary organization at the rate of 8% of the sales price for cannabis sold or otherwise transferred to any person other than a cannabis business establishment. Except as otherwise provided by regulation, a product subject to the tax imposed under this subsection may not be bundled in a single transaction with a product or service that is not subject to the tax imposed under this subsection.

Section 299.2. Administration of taxes and distribution of revenue.

(a) Administration.--The Department of Revenue shall administer the taxes imposed under this chapter and Chapter 3, and may promulgate regulations that prescribe a method and manner for payment of the tax to ensure proper tax collection under this chapter and Chapter 3.

(b) Disbursement.--Revenue from all taxes collected under this chapter and Chapter 3 shall be disbursed as follows:

(1) Ten percent of the revenue shall be disbursed to municipalities in which a cannabis business establishment is located, disbursed in proportion to the number of cannabis business establishments within the municipality;

(2) Ten percent of the revenue shall be disbursed to counties in which a cannabis business establishment is located in an unincorporated part of the county, disbursed in proportion to the number of cannabis business establishments within the unincorporated part of the county; and

(3) Eighty percent of the revenue shall be deposited in the Cannabis Regulation Fund.

Section 299.3. (Reserved).

SUBCHAPTER L

CANNABIS CLEAN SLATE

Section 299.11. Cannabis clean slate.

(a) Individual eligible for expungement.--

(1) An individual who has been arrested for, charged with or convicted under section 13(a)(30) or (31) of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act, as it relates to cannabis shall have the individual's criminal history related to the criminal proceeding expunged in accordance with subsection (b).

(2) This subsection shall only apply to nonviolent offenses.

(b) Expungement process.--

(1) The Administrative Office of Pennsylvania Courts shall, within six months of the effective date of this paragraph, transmit to the Pennsylvania State Police central repository all records related to an arrest or conviction under subsection (a) for expungement.

(2) If the Pennsylvania State Police determines a record transmitted under paragraph (1) is not eligible for expungement, it shall notify the Administrative Office of Pennsylvania Courts of the determination within 30 days of receiving the information. Upon expiration of the 30-day period, the Administrative Office of Pennsylvania Courts shall provide to the court of common pleas in which the arrest or adjudication occurred a list of all records eligible for expungement. Within 30 days of receiving the list, the court of common pleas shall order the expungement of all criminal history records received under this section

1 and all administrative records of the Department of
2 Transportation relating to the criminal history records
3 received under this section.

4 (c) Release of inmates.--A court of common pleas that has
5 received an expungement order for a person currently
6 incarcerated for the crime for which the court received the
7 expungement order shall transmit to the appropriate county
8 correctional institution or State correctional institution, as
9 defined under 61 Pa.C.S. § 102 (relating to definitions), an
10 order for the immediate release or discharge of the individual
11 whose record has been ordered to be expunged.

12 (d) Motor vehicle operation privileges.--The Bureau of Motor
13 Vehicles shall reinstate an individual's suspended or revoked
14 motor vehicle operation privileges that were suspended or
15 revoked as a result of the individual's conviction that has been
16 expunged under this section.

17 (e) Reinstatement of license or registration.--A license or
18 registration that has been suspended or revoked under section 23
19 of The Controlled Substance, Drug, Device and Cosmetic Act due
20 to an arrest or conviction that has been expunged under this
21 section shall be reinstated.

22 SUBCHAPTER M

23 MISCELLANEOUS PROVISIONS

24 Section 299.21. Conflicts.

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

1 Substance, Drug, Device and Cosmetic Act relating to cannabis
2 conflicts with a provision of this chapter, this chapter shall
3 take precedence.

4 Section 299.22. (Reserved).

5 Section 299.23. Implementation.

6 The issuance of licenses and other authorizations specified
7 under this chapter shall begin no later than 180 days after the
8 effective date of this section.

9 CHAPTER 3

10 MEDICAL USE OF CANNABIS

11 SUBCHAPTER A

12 PRELIMINARY PROVISIONS

13 Section 301. Scope of chapter.

14 This chapter relates to the regulation and use of medical
15 cannabis in this Commonwealth.

16 Section 302. Declaration of policy.

17 The General Assembly finds and declares as follows:

18 (1) Scientific evidence suggests that medical cannabis
19 is one potential therapy that may mitigate suffering in some
20 patients and also enhance quality of life.

21 (2) The Commonwealth is committed to patient safety.
22 Carefully regulating the program which allows access to
23 medical cannabis will enhance patient safety while research
24 into its effectiveness continues.

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

26 (i) Provide a program of access to medical cannabis
27 which balances the need of patients to have access to the
28 latest treatments with the need to promote patient
29 safety.

30 (ii) Provide a safe and effective method of delivery

of medical cannabis to patients.

(iii) Promote high quality research into the effectiveness and utility of medical cannabis.

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

Section 303. (Reserved).

SUBCHAPTER B

PROGRAM

Section 311. Program established.

A medical cannabis program for patients suffering from serious medical conditions is established. The program shall be implemented and administered by the board.

Section 312. (Reserved).

Section 313. Lawful use of medical cannabis by patients.

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

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

(1) Medical cannabis may only be dispensed to:

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

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

(2) Subject to regulations promulgated under this chapter, medical cannabis may only be dispensed to a patient

or caregiver in the following forms approved by the board:

(i) Infused products.

(ii) Edible products.

(iii) Forms medically appropriate for administration by vaporization or nebulization, including dry leaf and plant material.

(3) (Reserved).

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

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

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

(7) Products packaged by a grower/processor or sold by a dispensary shall only be identified by the name of the grower/processor, the name of the dispensary, the form and species of medical cannabis, the percentage of tetrahydrocannabinol and cannabinal contained in the product and any other labeling required by the board.

(c) Limitations on cultivating cannabis.--Cultivating cannabis for personal use by a patient shall be subject to the following limitations:

(1) A resident of this Commonwealth 21 years of age or older who is a patient may cultivate cannabis plants, with a limit of two mature cannabis plants and one immature cannabis plant that are more than five inches tall, without a cultivation center or micro cultivation center license. The plant limitation specified under this paragraph shall be

1 cumulative for households in which more than one patient
2 resides. As used in this paragraph, the term "resident" means
3 an individual who has been domiciled in this Commonwealth for
4 a period of 30 days prior to cultivation.

5 (2) Cannabis cultivation by a patient shall take place
6 in an enclosed, locked space.

7 (3) A patient 21 years of age or older shall purchase
8 cannabis seeds or clones from a dispensary for the purpose of
9 home cultivation. Seeds or clones may not be given or resold
10 to any other individual regardless of age.

11 (4) Cannabis plants may not be stored or placed in a
12 location where they are subject to ordinary public view. A
13 patient who cultivates cannabis shall take reasonable
14 precautions to ensure that the plants are secure from
15 unauthorized access, including unauthorized access by an
16 individual who is under 21 years of age.

17 (5) Cannabis cultivation for personal use by a patient
18 may occur only on residential property lawfully in possession
19 of the patient cultivating cannabis for personal use or with
20 the consent of the person in lawful possession of the
21 property. An owner or lessor of residential property may
22 prohibit the cultivation of cannabis by a lessee.

23 (6) Cannabis plants may only be tended by a patient who
24 resides at the residence or an individual authorized by a
25 patient attending to the residence for brief periods.

26 (7) A patient who cultivates more than the allowable
27 number of cannabis plants, or who sells or gives away
28 cannabis plants, cannabis, edible or infused products, shall
29 be liable for penalties as provided by State law in addition
30 to loss of home cultivation privileges as established by

1 regulation by the board.

2 (8) Cannabis cultivated by a patient and cannabis
3 produced by cannabis plants grown, if the amount of cannabis
4 produced is in excess of 30 grams of raw cannabis, shall
5 remain secured within the residence or residential property
6 in which the cannabis is grown.

7 Section 314. (Reserved).

8 SUBCHAPTER C

9 PRACTITIONERS

10 Section 321. Practitioner registration.

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

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

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

20 (3) The physician must have successfully completed the
21 course under section 206(c)(24).

22 (b) Board action.--

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

30 (2) The inclusion of a physician in the registry shall

1 be subject to annual review to determine if the physician's
2 license is no longer valid, has expired or been revoked or
3 the physician has been subject to discipline. If the license
4 is no longer valid, the board shall remove the physician from
5 the registry until the physician holds a valid, unexpired,
6 unrevoked, unsuspended Pennsylvania license to practice
7 medicine.

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

11 (c) Practitioner requirements.--A practitioner included in
12 the registry shall have an ongoing responsibility to immediately
13 notify the board in writing if the practitioner knows or has
14 reason to know that any of the following is true with respect to
15 a patient for whom the practitioner has issued a certification:

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

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

20 (3) The patient has died.

21 Section 322. Practitioner restrictions.

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

24 (1) A practitioner may not accept, solicit or offer any
25 form of remuneration from or to a prospective patient,
26 patient, prospective caregiver, caregiver or medical cannabis
27 organization, including an employee, financial backer or
28 principal, to certify a patient, other than accepting a fee
29 for service with respect to the examination of the
30 prospective patient to determine if the prospective patient

1 should be issued a certification to use medical cannabis.

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

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

7 (c) Discipline.--In addition to any other penalty that may
8 be imposed under this chapter, a violation of subsection (a) or
9 section 323(f) shall be deemed unprofessional conduct under
10 section 41(8) of the act of December 20, 1985 (P.L.457, No.112),
11 known as the Medical Practice Act of 1985, or section 15(a)(8)
12 of the act of October 5, 1978 (P.L.1109, No.261), known as the
13 Osteopathic Medical Practice Act, and shall subject the
14 practitioner to discipline by the State Board of Medicine or the
15 State Board of Osteopathic Medicine, as appropriate.

16 Section 323. Issuance of certification.

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

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

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

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

29 (4) In the practitioner's professional opinion and
30 review of past treatments, the practitioner determines the

1 patient is likely to receive therapeutic or palliative
2 benefit from the use of medical cannabis.

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

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

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

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

11 (4) The date of issuance.

12 (5) The name, address, telephone number and signature of
13 the practitioner.

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

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

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

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

24 (d) Other access by practitioner.--A practitioner may access
25 the prescription drug monitoring program to do any of the
26 following:

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

30 (2) Allow the practitioner to review the patient's

1 controlled substance history as deemed necessary by the
2 practitioner.

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

6 (e) Duties of practitioner.--The practitioner shall:

7 (1) Provide the certification to the patient.

8 (2) Provide a copy of the certification to the board,
9 which shall place the information in the patient directory
10 within the board's electronic database. The board shall
11 permit electronic submission of the certification.

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

14 (f) Prohibition.--A practitioner may not issue a
15 certification for the practitioner's own use or for the use of a
16 family or household member.

17 Section 324. Certification form.

18 The board shall develop a standard certification form, which
19 shall be available to practitioners upon addition to the
20 physician registry. The form shall be available electronically.
21 The form shall include a statement that a false statement made
22 by a practitioner is punishable under the applicable provisions
23 of 18 Pa.C.S. Ch. 49 (relating to falsification and
24 intimidation).

25 Section 325. Duration.

26 Receipt of medical cannabis by a patient or caregiver from a
27 dispensary may not exceed a 90-day supply of individual doses.
28 During the last seven days of any 30-day period during the term
29 of the identification card, a patient may obtain and possess a
30 90-day supply for the subsequent 30-day period. Additional 90-

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

4 SUBCHAPTER D

5 PATIENTS

6 Section 331. Identification cards.

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

14 (b) Procedure for issuance.--The board shall develop and
15 implement procedures for:

16 (1) Review and approval of applications for
17 identification cards.

18 (2) Issuance of identification cards to patients and
19 caregivers.

20 (3) Review of the certification submitted by the
21 practitioner and the patient.

22 (c) Application.--A patient or a caregiver may apply, in a
23 form and manner prescribed by the board, for issuance or renewal
24 of an identification card. A caregiver must submit a separate
25 application for issuance or renewal. Each application must
26 include:

27 (1) The name, address and date of birth of the patient.

28 (2) The name, address and date of birth of a caregiver.

29 (3) The certification issued by the practitioner.

30 (4) The name, address and telephone number of the

1 practitioner and documentation from the practitioner that all
2 of the requirements of section 323(a) have been met.

3 (5) A \$50 processing fee. The board may waive or reduce
4 the fee if the applicant demonstrates financial hardship.

5 (6) The signature of the applicant and date signed.

6 (7) Other information required by the board.

7 (d) Forms.--Application and renewal forms shall be available
8 on the board's publicly accessible Internet website.

9 (e) Expiration.--An identification card of a patient or
10 caregiver shall expire within one year from the date of
11 issuance, upon the death of the patient or as otherwise provided
12 in this section.

13 (f) Separate cards to be issued.--The board shall issue
14 separate identification cards for patients and caregivers as
15 soon as reasonably practicable after receiving completed
16 applications, unless it determines that an application is
17 incomplete or factually inaccurate, in which case it shall
18 promptly notify the applicant.

19 (g) (Reserved).

20 (h) Change in name or address.--A patient or caregiver who
21 has been issued an identification card shall notify the board
22 within 10 days of any change of name or address. In addition,
23 the patient shall notify the board within 10 days if the patient
24 no longer has the serious medical condition noted on the
25 certification.

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

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

9 Section 332. Caregivers.

10 (a) Requirements.--

11 (1) If the patient designates a caregiver, the
12 application shall include the name, address and date of birth
13 of the caregiver, other individual identifying information
14 required by the board and the following:

15 (i) Federal and Commonwealth criminal history record
16 information as set forth in subsection (b).

17 (ii) If the caregiver has an identification card for
18 the caregiver or another patient, the expiration date of
19 the identification card.

20 (iii) Other information required by the board.

21 (2) The application shall be accompanied by a fee of
22 \$50. The board may waive or reduce the fee in cases of
23 demonstrated financial hardship.

24 (3) The board may require additional information for the
25 application.

26 (4) The application shall be signed and dated by the
27 applicant.

28 (b) Criminal history.--A caregiver who has not been
29 previously approved by the board under this section shall submit
30 fingerprints for the purpose of obtaining criminal history

1 record checks, and the Pennsylvania State Police or its
2 authorized agent shall submit the fingerprints to the Federal
3 Bureau of Investigation for the purpose of verifying the
4 identity of the applicant and obtaining a current record of any
5 criminal arrests and convictions. Any criminal history record
6 information relating to a caregiver obtained under this section
7 by the board may be interpreted and used by the board only to
8 determine the applicant's character, fitness and suitability to
9 serve as a caregiver under this chapter. The criminal history
10 record information provided under this subsection may not be
11 subject to the limitations under 18 Pa.C.S. § 9121(b)(2)
12 (relating to general regulations). The board shall also review
13 the prescription drug monitoring program relating to the
14 caregiver. The board shall deny the application of a caregiver
15 who has been convicted of a criminal offense that occurred
16 within the past five years relating to the sale or possession of
17 drugs, narcotics or controlled substances. The board may deny an
18 application if the applicant has a history of drug abuse or of
19 diverting controlled substances or illegal drugs.

20 Section 333. Notice.

21 An application for an identification card shall include
22 notice that a false statement made in the application is
23 punishable under the applicable provisions of 18 Pa.C.S. Ch. 49
24 (relating to falsification and intimidation).

25 Section 334. Verification.

26 The board shall verify the information in a patient or
27 caregiver's application and on any renewal form.

28 Section 335. Special conditions.

29 The following apply:

30 (1) If the practitioner states in the certification

1 that, in the practitioner's professional opinion, the patient
2 would benefit from medical cannabis only until a specified
3 earlier date, then the identification card shall expire on
4 that date.

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

9 Section 336. (Reserved).

10 Section 337. Minors.

11 If a patient is under 18 years of age, the following shall
12 apply:

13 (1) The patient shall have a caregiver.

14 (2) A caregiver must be one of the following:

15 (i) A parent or legal guardian of the patient.

16 (ii) An individual designated by a parent or legal
17 guardian.

18 (iii) An appropriate individual approved by the
19 board upon a sufficient showing that no parent or legal
20 guardian is appropriate or available.

21 Section 338. Caregiver authorization and limitations.

22 (a) Age.--An individual who is under 21 years of age may not
23 be a caregiver unless a sufficient showing, as determined by the
24 board, is made to the board that the individual should be
25 permitted to serve as a caregiver.

26 (b) Changing caregiver.--If a patient wishes to change or
27 terminate the designation of the patient's caregiver, for
28 whatever reason, the patient shall notify the board as soon as
29 practicable. The board shall issue a notification to the
30 caregiver that the caregiver's identification card is invalid

1 and must be promptly returned to the board.

2 (c) Denial in part.--If an application of a patient
3 designates an individual as a caregiver who is not authorized to
4 be a caregiver, that portion of the application shall be denied
5 by the board. The board shall review the balance of the
6 application and may approve that portion of it.

7 Section 339. Contents of identification card.

8 An identification card shall contain the following:

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

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

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

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

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

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

27 Section 339.1. Suspension.

28 If a patient or caregiver intentionally, knowingly or
29 recklessly violates any provision of this chapter as determined
30 by the board, the identification card of the patient or

1 caregiver may be suspended or revoked. The suspension or
2 revocation shall be in addition to any criminal or other penalty
3 that may apply.

4 Section 339.2. Prohibitions.

5 The following prohibitions shall apply:

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

10 (i) Chemicals which require a permit issued by the
11 Federal Government or a state government or an agency of
12 the Federal Government or a state government.

13 (ii) High-voltage electricity or any other public
14 utility.

15 (2) A patient may not perform any employment duties at
16 heights or in confined spaces, including mining, while under
17 the influence of medical cannabis.

18 (3) A patient may be prohibited by an employer from
19 performing any task which the employer deems life-
20 threatening, to either the employee or any of the employees
21 of the employer, while under the influence of medical
22 cannabis. The prohibition shall not be deemed an adverse
23 employment decision even if the prohibition results in
24 financial harm for the patient.

25 (4) A patient may be prohibited by an employer from
26 performing any duty which could result in a public health or
27 safety risk while under the influence of medical cannabis.
28 The prohibition shall not be deemed an adverse employment
29 decision even if the prohibition results in financial harm
30 for the patient.

1 SUBCHAPTER E

2 (Reserved)

3 SUBCHAPTER F

4 (Reserved)

5 SUBCHAPTER G

6 DISPENSARIES

7 Section 361. Dispensing to patients and caregivers.

8 (a) General rule.--A dispensary that has been issued a
9 permit under Chapter 2 may lawfully dispense medical cannabis to
10 a patient or caregiver upon presentation to the dispensary of a
11 valid identification card for that patient or caregiver. The
12 dispensary shall provide to the patient or caregiver a receipt,
13 as appropriate. The receipt shall include all of the following:

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

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

17 (3) The date the medical cannabis was dispensed.

18 (4) Any requirement or limitation by the practitioner as
19 to the form of medical cannabis for the patient.

20 (5) The form and the quantity of medical cannabis
21 dispensed.

22 (b) Requirements.--A dispensary shall have a physician or a
23 pharmacist available, either in person or by synchronous
24 interaction, to verify patient certifications and to consult
25 with patients and caregivers at all times during the hours the
26 dispensary is open to receive patients and caregivers. If a
27 dispensary has more than one separate location, a physician
28 assistant or a certified registered nurse practitioner may
29 verify patient certifications and consult with patients and
30 caregivers, either in person or by synchronous interaction, at

1 each of the other locations in lieu of the physician or
2 pharmacist. A physician, a pharmacist, a physician assistant or
3 a certified registered nurse practitioner shall, prior to
4 assuming duties under this paragraph, successfully complete the
5 course established in section 206(c)(24). A physician may not
6 issue a certification to authorize patients to receive medical
7 cannabis or otherwise treat patients at the dispensary.

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

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

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

19 (2) a form of medical cannabis prohibited by this
20 chapter.

21 (e) Supply.--When dispensing medical cannabis to a patient
22 or caregiver, the dispensary may not dispense an amount greater
23 than a 90-day supply until the patient has exhausted all but a
24 seven-day supply provided under a previously issued
25 certification until additional certification is presented under
26 section 325.

27 (f) Verification.--Prior to dispensing medical cannabis to a
28 patient or caregiver, the dispensary shall verify the
29 information in subsections (e) and (g) by consulting the seed-
30 to-sale tracking system established under section 206(c)(12).

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

5 (h) Safety insert.--When a dispensary dispenses medical
6 cannabis to a patient or caregiver for the first time, the
7 dispensary shall provide to that patient or caregiver, as
8 appropriate, a safety insert. The insert shall be developed and
9 approved by the board. The insert shall provide the following
10 information:

11 (1) Lawful methods for administering medical cannabis in
12 individual doses.

13 (2) Any potential dangers stemming from the use of
14 medical cannabis.

15 (3) How to recognize what may be problematic usage of
16 medical cannabis and how to obtain appropriate services or
17 treatment for problematic usage.

18 (4) How to prevent or deter the misuse of medical
19 cannabis by minors or others.

20 (5) Any other information as determined by the board.

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

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

28 (2) The packaging date.

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

1 (4) A warning stating:

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

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

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

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

16 (8) Any other information required by the board.

17 Section 362. Facility requirements.

18 The following shall apply:

19 (1) A dispensary may dispense medical cannabis in an
20 indoor, enclosed, secure facility located within this
21 Commonwealth or in accordance with a curbside delivery
22 protocol as determined by the board.

23 (2) For the purposes of paragraph (1), a dispensary
24 shall maintain continuous motion-activated video
25 surveillance. The dispensary is required to retain the
26 recordings electronically onsite or offsite for a period of
27 no less than 180 days, unless otherwise required for
28 investigative or litigation purposes.

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

1 (4) A dispensary may not be located within 1,000 feet of
2 the property line of a public, private or parochial school or
3 a day-care center. The board may waive the prohibition under
4 this paragraph if it is shown by clear and convincing
5 evidence that the waiver is necessary to provide adequate
6 access to patients, including additional security, physical
7 plant of a facility or other conditions necessary to protect
8 children.

9 (5) A dispensary may sell medical devices and
10 instruments which are needed to administer medical cannabis
11 under this chapter.

12 (6) A dispensary may sell services approved by the board
13 related to the use of medical cannabis.

14 Section 363. Posting.

15 A dispensary shall post a copy of its permit in a location
16 within its facility in a manner that is easily observable by
17 patients, caregivers, law enforcement officers and agents of the
18 board.

19 SUBCHAPTER H

20 (Reserved)

21 SUBCHAPTER I

22 (Reserved)

23 SUBCHAPTER J

24 (Reserved)

25 SUBCHAPTER K

26 OFFENSES RELATED TO PATIENTS,
27 CAREGIVERS AND PROVIDERS

28 Section 393.1. Criminal diversion of medical cannabis by
29 practitioners.

30 In addition to any other penalty provided by law, a

practitioner commits a misdemeanor of the first degree if the practitioner intentionally, knowingly or recklessly certifies a person as being able to lawfully receive medical cannabis or otherwise provides medical cannabis to a person who is not lawfully permitted to receive medical cannabis.

Section 393.2. (Reserved).

Section 393.3. (Reserved).

Section 393.4. (Reserved).

Section 393.5. Falsification of identification cards.

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

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

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

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

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

Section 393.6. Adulteration of cannabis by patient, caregiver or practitioner.

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

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

10 Section 393.7. Disclosure of information prohibited.

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

18 (1) A medical cannabis organization.

19 (2) A clinical registrant or academic clinical research
20 center under Subchapter M.

21 (3) An employee or contractor of the board.

22 (b) Exception.--Subsection (a) shall not apply where
23 disclosure is permitted or required by law or by court order.
24 The board, including an authorized employee, requesting or
25 obtaining information under this chapter shall not be subject to
26 any criminal liability. The immunity provided by this subsection
27 shall not apply to any employee of the board who knowingly and
28 willfully discloses prohibited information under this chapter.

29 Section 393.8. Additional penalties.

30 (a) Criminal penalties.--In addition to any other penalty

provided by law, a practitioner, caregiver, patient, employee, financial backer, operator or principal of any medical cannabis organization, and an employee, financial backer, operator or principal of a clinical registrant or academic clinical research center under Subchapter M who violates any of the provisions of this chapter, other than those specified in section 393.1, 393.5, 393.6 or 393.7 or any regulation promulgated under this chapter:

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

(2) For a second or subsequent offense, commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than \$10,000 or to imprisonment for not less than six months nor more than one year, or both.

(b) Civil penalties.--

(1) In addition to any other remedy available to the board, the board may assess a civil penalty for a violation of this chapter, a regulation promulgated under this chapter or an order issued under this chapter. The following shall apply:

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

(i) The gravity of the violation.

(ii) The potential harm resulting from the violation

1 to patients, caregivers or the general public.

2 (iii) The willfulness of the violation.

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

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

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

14 (4) A person who aids, abets, counsels, induces,
15 procures or causes another person to violate this chapter, a
16 regulation promulgated under this chapter or an order issued
17 under this chapter shall be subject to the civil penalties
18 provided under this subsection.

19 (c) Sanctions.--

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

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

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

1 (iii) Revoke or suspend the registration of a
2 practitioner for a violation of this chapter or a
3 regulation promulgated or an order issued under this
4 chapter or for conduct or activity which would have
5 disqualified the practitioner from receiving a
6 registration.

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

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

13 (vi) Issue a cease and desist order.

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

18 (d) Costs of action.--The board may assess against a person
19 determined to be in violation of this chapter the costs of
20 investigation of the violation.

21 (e) Minor violations.--Nothing in this section shall be
22 construed to require the assessment of a civil penalty or the
23 imposition of a sanction for a minor violation of this chapter
24 if the board determines that the public interest will be
25 adequately served under the circumstances by the issuance of a
26 written warning.

27 Section 393.9. Other restrictions.

28 Nothing in this chapter may be construed to permit any person
29 to engage in or prevent the imposition of any civil, criminal or
30 other penalty for the following:

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

4 (2) Possessing or using medical cannabis in a State or
5 county correctional facility, including a facility owned or
6 operated or under contract with the Department of Corrections
7 or the county which houses inmates serving a portion of their
8 sentences on parole or other community correction program.
9 Nothing in this paragraph shall be construed to apply to
10 employees of the facilities set forth in this paragraph. The
11 Department of Corrections shall adopt a written policy no
12 later than October 17, 2027, regarding the possession and use
13 of medical cannabis by employees in State correctional
14 facilities. The governing authority of a county may adopt a
15 resolution no later than October 17, 2027, regarding the
16 possession and use of medical cannabis by employees in a
17 county correctional facility.

18 (3) Possessing or using medical cannabis in a youth
19 detention center or other facility which houses children
20 adjudicated delinquent, including the separate, secure State-
21 owned facility or unit utilized for sexually violent
22 delinquent children under 42 Pa.C.S. § 6404 (relating to
23 duration of inpatient commitment and review). As used in this
24 paragraph, the term "sexually violent delinquent child" shall
25 have the meaning given to it in 42 Pa.C.S. § 6402 (relating
26 to definitions). Nothing in this paragraph shall be construed
27 to apply to employees of the facilities set forth in this
28 paragraph.

29 SUBCHAPTER L

30 (Reserved)

1 SUBCHAPTER M

2 ACADEMIC CLINICAL RESEARCH CENTERS

3 AND CLINICAL REGISTRANTS

4 Section 399.21. 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 cannabis will improve their conditions or symptoms.

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

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

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

26 (2) (Reserved).

27 Section 399.22. Definitions.

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

1 "Academic clinical research center." An accredited medical
2 school within this Commonwealth that operates or partners with
3 an acute care hospital licensed within this Commonwealth that
4 has been approved and certified by the board to enter into a
5 contract with a clinical registrant.

6 "Clinical registrant." An entity that:

7 (1) is approved by the board as a clinical registrant;

8 (2) has a contractual relationship with an academic
9 clinical research center under which the academic clinical
10 research center or its affiliate provides advice to the
11 entity, regarding, among other areas, patient health and
12 safety, medical applications and dispensing and management of
13 controlled substances; and

14 (3) is approved by the board to hold a permit as both a
15 grower/processor and a dispensary.

16 Section 399.23. Academic clinical research centers.

17 (a) General rule.--An academic clinical research center must
18 be approved and certified by the board before the academic
19 clinical research center may contract with a clinical
20 registrant. An academic clinical research center shall only
21 contract with one clinical registrant. The accredited medical
22 school that is seeking approval and certification from the board
23 as an academic clinical research center must provide all
24 information required by the board, including information for the
25 individual who will be the primary contact for the academic
26 clinical research center during the board's review of the
27 application. The accredited medical school must also provide all
28 information required by the board for any licensed acute care
29 hospital that the accredited medical school will operate or
30 partner with during the time that it may be approved and

1 certified as an academic clinical research center by the board.

2 (b) Posting and publication of list.--The board shall post a
3 list containing the name and address of each certified academic
4 clinical research center on the board's publicly accessible
5 Internet website and transmit notice to the Legislative
6 Reference Bureau for publication in the next available issue of
7 the Pennsylvania Bulletin.

8 Section 399.24. Clinical registrants.

9 (a) Approval.--The board may approve additional clinical
10 registrants as determined by the board. Each clinical registrant
11 may provide medical cannabis at not more than six separate
12 locations. A clinical registrant may not hold more than one
13 grower/processor and one dispensary permit. Once the board
14 approves an entity as a clinical registrant, the entity shall
15 comply with this subchapter. The following shall apply:

16 (1) The board may:

17 (i) Open applications for the approval of up to two
18 additional academic clinical research centers and issue
19 approvals to qualified academic clinical research centers
20 by July 16, 2028.

21 (ii) Open applications for the approval of up to two
22 additional clinical registrants by August 15, 2028, and
23 issue permits to qualified clinical registrants within
24 180 days from the date when applications are posted.

25 (2) (Reserved).

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

28 (1) An entity seeking approval as a clinical registrant
29 shall submit an application to the board in such form and
30 manner as the board prescribes. The board shall ensure that

1 the applicant meets the requirements of this chapter before
2 approving the application to become a clinical registrant.

3 (2) An entity may be issued a permit as a
4 grower/processor or dispensary before seeking approval as a
5 clinical registrant. An entity may also apply for a permit as
6 a grower/processor or a dispensary at the same time the
7 entity seeks approval from the board as a clinical
8 registrant.

9 (3) An entity seeking approval as a clinical registrant
10 that does not already hold a permit as a grower/processor or
11 a dispensary shall submit the applications required under
12 Chapter 2. In reviewing an application, the board shall
13 ensure that the entity meets all of the requirements for the
14 issuance of a grower/processor permit or a dispensary permit,
15 as applicable.

16 (4) (Reserved).

17 (5) Except as provided in section 206(c)(2), an entity
18 seeking approval as a clinical registrant must pay the fees
19 and meet all other requirements under this chapter for
20 obtaining a permit as a grower/processor and a dispensary.
21 Upon approval of the board, a clinical registrant shall be
22 issued a grower/processor permit and a dispensary permit and
23 shall be a medical cannabis organization. As a medical
24 cannabis organization, a clinical registrant must comply with
25 all the provisions of this chapter relating to medical
26 cannabis organizations except as otherwise provided in this
27 subchapter.

28 (6) The clinical registrant must have a minimum of
29 \$15,000,000 in capital. The board shall verify the capital
30 requirement.

1 (7) The clinical registrant shall have all of the same
2 rights as a grower/processor permittee and must comply with
3 all other requirements of this chapter regarding growing,
4 processing and dispensing medical cannabis.

5 (8) A grower/processor facility owned by a clinical
6 registrant may sell its medical cannabis products to all
7 dispensary facilities. The facility may sell seeds, medical
8 cannabis plants and medical cannabis products to, or exchange
9 seeds, medical cannabis plants and medical cannabis products
10 with, any other grower/processor facility holding a permit
11 under Chapter 2 or this subchapter.

12 (9) A clinical registrant may petition the board, on a
13 form prescribed by the board, for approval to sell certain of
14 the medical cannabis products grown and processed by its
15 grower/processor facility to other medical cannabis
16 organizations holding dispensary permits under Chapter 2. The
17 petition must be accompanied by a written report of the
18 clinical registrant's research findings with respect to the
19 medical cannabis products which are the subject of the
20 petition. The board shall approve the petition if it has been
21 demonstrated that the medical cannabis products have a
22 practical effect on patients which changes a recommendation
23 within the medical field as indicated in the report submitted
24 by the clinical registrant.

25 (10) A dispensary owned by a clinical registrant may
26 dispense medical cannabis products to a patient or caregiver
27 who presents a valid identification card to an employee who
28 is authorized to dispense medical cannabis products at a
29 dispensary location operated by the clinical registrant,
30 regardless of whether the patient is a participant in a

research study or program.

Section 399.25. Research study.

(a) Applicability.--The provisions of this section shall apply upon publication of the notice under section 399.38.

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

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

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

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

(iii) The anticipated duration of the study.

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

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

(2) The academic clinical research center shall provide its findings to the board within 365 days of the conclusion of the research study or within 365 days of publication of the results of the research study in a peer-reviewed medical

1 journal, whichever is later. The board shall make available
2 all published research on the board's publicly accessible
3 Internet website within 180 days of receipt from the academic
4 clinical research center.

5 (3) The board shall allow the exchange of medical
6 cannabis seed between clinical registrants for the conduct of
7 research.

8 SUBCHAPTER N

9 MISCELLANEOUS PROVISIONS

10 Section 399.31. Conflict.

11 The growth, processing, manufacture, acquisition,
12 transportation, sale, dispensing, distribution, possession and
13 consumption of medical cannabis permitted under this chapter
14 shall not be deemed to be a violation of the act of April 14,
15 1972 (P.L.233, No.64), known as The Controlled Substance, Drug,
16 Device and Cosmetic Act. If a provision of the Controlled
17 Substance, Drug, Device and Cosmetic Act relating to cannabis
18 conflicts with a provision of this chapter, this chapter shall
19 take precedence.

20 Section 399.32. (Reserved).

21 Section 399.33. Insurers.

22 Nothing in this chapter shall be construed to require an
23 insurer or a health plan, whether paid for by Commonwealth funds
24 or private funds, to provide coverage for medical cannabis.
25 Notwithstanding any other provision of law, a self-insured
26 employer or other insurer in this Commonwealth may not be
27 required to provide coverage for or otherwise reimburse the cost
28 of medical cannabis.

29 Section 399.34. Protections for patients and caregivers.

30 None of the following shall be subject to arrest, prosecution

or penalty in any manner, or denied any right or privilege,
including civil penalty or disciplinary action by a Commonwealth
licensing board or commission, solely for lawful use of medical
cannabis or manufacture or sale or dispensing of medical
cannabis, or for any other action taken in accordance with this
chapter:

- (1) A patient.
- (2) A caregiver.
- (3) A practitioner.
- (4) A medical cannabis organization.
- (5) A clinical registrant or academic clinical research
center under Subchapter M.
- (6) An employee, principal or financial backer of a
medical cannabis organization.
- (7) An employee of a clinical registrant or an employee
of an academic clinical research center under Subchapter M.
- (8) A pharmacist, physician assistant or certified
registered nurse practitioner under section 361(b).

Section 399.35. (Reserved).

Section 399.36. (Reserved).

Section 399.37. (Reserved).

Section 399.38. Notice.

Upon amendment of the Controlled Substances Act (Public Law
91-513, 84 Stat. 1236) removing cannabis from Schedule I of the
Controlled Substances Act, the board shall transmit notice of
the effective date of the amendment to the Legislative Reference
Bureau for publication in the next available issue of the
Pennsylvania Bulletin.

Section 399.39. (Reserved).

Section 399.40. (Reserved).

Section 399.41. Repeals.

Repeals are as follows:

(1) The General Assembly declares that the repeals under paragraph (2) are necessary to effectuate the addition of Chapter 3.

(2) The following acts and parts of acts are repealed to the extent specified:

(i) Sections 4(1)(iv) and 13(a)(31) of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act.

(ii) 18 Pa.C.S. § 7508(a)(1) and (f).

(3) The General Assembly declares that the repeal under paragraph (4) is necessary to effectuate the addition of Chapter 3.

(4) The act of April 17, 2016 (P.L.84, No.16), known as the Medical Marijuana Act, is repealed.

(5) All other acts and parts of acts are repealed insofar as they are inconsistent with the addition of Chapters 2 and 3.

Section 399.42. Continuation.

The addition of Chapter 3 is a continuation of the act of April 17, 2016 (P.L.84, No.16), known as the Medical Marijuana Act. The following apply:

(1) Except as otherwise provided in Chapter 3, all activities initiated under the Medical Marijuana Act, shall continue and remain in full force and effect and may be completed under Chapter 3. Orders, regulations, rules and decisions which were made under the Medical Marijuana Act and which are in effect on the effective date of section 399.41(4) shall remain in full force and effect until

1 revoked, vacated or modified under Chapter 3. Contracts,
2 obligations and collective bargaining agreements entered into
3 under the Medical Marijuana Act are not affected nor impaired
4 by the repeal of the Medical Marijuana Act.

5 (2) Except as set forth in paragraph (3), any difference
6 in language between Chapter 3 and the Medical Marijuana Act
7 is intended only to conform to the style of the Pennsylvania
8 Consolidated Statutes and is not intended to change or affect
9 the legislative intent, judicial construction or
10 administration and implementation of the Medical Marijuana
11 Act.

12 (3) Paragraph (2) does not apply to the addition of the
13 following provisions:

14 The definitions of "board," "chief medical officer,"
15 "edible product," "executive director," "infused
16 product," "safety-sensitive position," "serious medical
17 condition" and "under the influence" in section 102.

18 Section 311.

19 Section 313(b) (2) and (c) .

20 Section 324.

21 Section 361(f) and (h) .

22 Section 362(a) (2) .

23 Section 393.7(a) .

24 Section 393.9(2) .

25 Section 399.21(a) (2) .

26 Section 399.24.

27 Section 399.25(b) (2) .

28 Section 399.33.

29 Section 399.43. Effective date.

30 This act shall take effect immediately.