

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1200 Session of 2025

INTRODUCED BY KRAJEWSKI, FRANKEL, SANCHEZ, GIRAL, HILL-EVANS, MADDEN, DONAHUE, HOHENSTEIN, KHAN, SMITH-WADE-EL, FIEDLER, FLEMING, GREEN, O'MARA, WAXMAN, ABNEY, SHUSTERMAN, PIELLI, WEBSTER, MAYES, KAZEEM, SCHWEYER, KOSIEROWSKI, DALEY, INGLIS AND D. WILLIAMS, MAY 4, 2025

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, MAY 6, 2025

AN ACT

1 Providing for the regulation and treatment of cannabis, for
2 exemption from criminal or civil penalties, for effect on
3 cannabis convictions and expungements and for membership and
4 duties of the Liquor Control Board; establishing Pennsylvania
5 Cannabis Stores; providing for social and economic equity,
6 for license, permit or other authorization, for packaging,
7 labeling, advertising and testing, for recordkeeping and
8 inspection, for prohibitions and penalties and for tax and
9 tax administration; establishing the Cannabis Revenue Fund,
10 the Communities Reimagined and Reinvestment Restricted
11 Account and the Substance Use Disorder Prevention, Treatment
12 and Education Restricted Account; providing for the issuance
13 of bonds; imposing duties on the Department of Agriculture
14 and the Department of Revenue; and making repeals.

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

21 CHAPTER 1

22 PRELIMINARY PROVISIONS

23 Section 101. Short title.

24 This act shall be known and may be cited as the Cannabis
25 Health and Safety Act.

26 Section 102. Definitions.

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

30 "Advertising." To engage in marketing and promotional

1 activities, including, but not limited to, billboard, newspaper,
2 radio, Internet and electronic media, social media and
3 television advertising, the distribution of fliers and circulars
4 and the display of window and interior signs.

5 "Affiliate" or "affiliated." A person that, directly or
6 indirectly, through one or more intermediaries, controls, is
7 controlled by or is under common control with a specified
8 person.

9 "Applicant." The following apply:

10 (1) An individual who is a citizen of the United States
11 or an individual lawfully admitted for permanent residency in
12 the United States, who is 21 years of age or older and who is
13 applying for a license, permit or other authorization to
14 engage in a regulated activity under this act.

15 (2) In the case of an applicant that is a person other
16 than an individual, the affiliated persons whose
17 qualifications may be subject to review and approval by the
18 board as a precondition to authorizing the person to engage
19 in a regulated activity.

20 "Background investigation." A security, criminal, financial,
21 credit and suitability investigation of an applicant. The term
22 shall include an investigation into the status of taxes owed to
23 the United States, the Commonwealth and any political
24 subdivision of the Commonwealth.

25 "Board." The Liquor Control Board established under the act
26 of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.

27 "Bona fide labor organization." A labor organization, as
28 defined by 29 U.S.C. § 402(i) (relating to definitions), that
29 the board has determined under section 403(b)(36) is a bona fide
30 labor organization.

1 "Cannabis." As follows:

2 (1) Any of the following:

3 (i) Marijuana, hashish and other substances that are
4 identified as including any parts of the cannabis plant
5 and derivatives or subspecies of all strains of cannabis,
6 whether growing or not, including the seeds, the resin
7 extracted from any part of the plant and any compound,
8 manufacture, salt, derivative or mixture or preparation
9 of the plant, seeds or resin.

10 (ii) THC and all other naturally or synthetically
11 produced cannabinol derivatives, whether produced
12 directly or indirectly by extraction.

13 (iii) Processed hemp.

14 (2) The term does not include:

15 (i) The mature stalks of the plant, fiber produced
16 from the stalks, oil or cake made from the seeds of the
17 plant or any other compound, salt, derivative, mixture,
18 the sterilized seed of the plant that is incapable of
19 germination or industrial hemp.

20 (ii) Medical marijuana as defined by the act of
21 April 17, 2016 (P.L.84, No.16), known as the Medical
22 Marijuana Act.

23 "Cannabis arrest." As defined in section 301.

24 "Cannabis concentrate." A product derived from cannabis that
25 is produced by extracting cannabinoids, including THC, hashish
26 and resin, from the plant through the use of solvents, carbon
27 dioxide, heat, screens, presses or steam distillation or other
28 methods expressly designated by the board.

29 "Cannabis consumer." An individual 21 years of age or older
30 who possesses a personal amount of cannabis purchased from a

1 cannabis store.

2 "Cannabis conviction." As defined in section 301.

3 "Cannabis cultivator." A person licensed by the board under
4 section 707 to cultivate cannabis in this Commonwealth as a
5 Category 1 cannabis cultivator or a Category 2 microcultivator.

6 "Cannabis entity."

7 (1) A cannabis cultivator.

8 (2) A cannabis processor.

9 (3) A cannabis microbusiness.

10 (4) A cannabis transporter.

11 (5) An on-site consumption licensee.

12 "Cannabis establishment." The physical location specified in
13 an application of a cannabis entity licensee and where the
14 licensee has been granted authorization to cultivate, process,
15 transport or sell cannabis, cannabis flower or cannabis products
16 as provided under this act and regulations of the board. The
17 term includes:

18 (1) Public and private areas of the cannabis
19 establishment.

20 (2) The entire lot or parcel that a cannabis cultivator
21 owns, leases or has a right to occupy.

22 "Cannabis flower." The flower of a cannabis plant. The term
23 does not include cannabis trim.

24 "Cannabis flowering stage." The stage of cultivation when a
25 cannabis plant is cultivated to produce cannabis flower and
26 plant material for a cannabis product. The term includes mature
27 plants if any of the following apply:

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

30 (2) The cannabis plant is in an area that has been

1 intentionally deprived of light for a period of time intended
2 to produce flower buds and induce maturation, from the moment
3 the light deprivation began through the remainder of the
4 cannabis plant growth cycle.

5 "Cannabis grow canopy." The area of a cannabis establishment
6 of a cannabis cultivator that is dedicated to live cannabis
7 plant cultivation. The term does not include areas of a the
8 cannabis establishment of a cannabis cultivator that is used for
9 storage of fertilizers, pesticides, herbicides or other
10 products, tools or equipment used in the cultivation of
11 cannabis, quarantine areas, office space, walkways, work areas
12 or similar areas not dedicated to live cannabis plant
13 cultivation.

14 "Cannabis microbusiness." A person licensed as a Category 2
15 cannabis microcultivator under section 707 or a Category 2
16 cannabis microprocessor under section 708.

17 "Cannabis offense." As defined in section 301.

18 "Cannabis paraphernalia." Any device or material which is
19 used, intended for use or designed for use for ingesting,
20 inhaling or otherwise introducing cannabis flower or cannabis
21 products into the human body.

22 "Cannabis paraphernalia permittee." A person permitted by
23 the board to display, offer for sale and sell cannabis
24 paraphernalia to individuals 21 years of age or older.

25 "Cannabis plant" or "plant." A plant of the genus cannabis
26 at any stage of growth with a total THC concentration of more
27 than 0.3% on a dry weight basis.

28 "Cannabis processor." A person licensed to process cannabis
29 in this Commonwealth under section 708 as a Category 1 cannabis
30 processor or Category 2 cannabis microprocessor.

1 "Cannabis product." A product that has been processed and is
2 composed of cannabis and other ingredients that are intended for
3 consumption or use, including the following:

- 4 (1) cannabis concentrates;
- 5 (2) edible products;
- 6 (3) beverages;
- 7 (4) topical products; and
- 8 (5) ointments, oils and tinctures.

9 "Cannabis store." A retail location established under
10 Chapter 5 or collocated with an existing Pennsylvania Liquor
11 Store that is operated and maintained by the board for the sale
12 of cannabis seeds, cannabis flower, cannabis products and
13 cannabis paraphernalia as provided under this act.

14 "Cannabis testing laboratory." A person issued a cannabis
15 testing laboratory permit under section 803(a) to test cannabis,
16 cannabis flower and cannabis product.

17 "Cannabis trim." All parts, including abnormal or immature
18 parts, of a cannabis plant, other than cannabis flower, and
19 prior to any processing whereby the plant material is
20 transformed into a cannabis product.

21 "Cannabis workers' cooperative." A for-profit corporation
22 incorporated in accordance with the requirements of 15 Pa.C.S.
23 Ch.77 (relating to workers' cooperative corporation).

24 "Certified social and economic equity applicant." An
25 applicant that applied as a social and economic equity applicant
26 that has been certified as meeting the criteria of a social and
27 economic equity applicant by the board.

28 "Certified social and economic equity licensee." A cannabis
29 entity that applied as a social and economic equity applicant,
30 was certified as a social and economic equity applicant by the

1 board and has been issued a cannabis entity license, permit or
2 other authorization to engage in a regulated activity under this
3 act.

4 "Commonwealth agency." A department, board, commission or
5 any other agency or office of the Commonwealth under the
6 jurisdiction of the Governor.

7 "Consumption." The act of ingesting, inhaling, absorbing or
8 otherwise introducing cannabis flower or cannabis products into
9 the human body.

10 "Controlled Substance Act." The act of April 14, 1972
11 (P.L.233, No.64), known as The Controlled Substance, Drug,
12 Device and Cosmetic Act.

13 "Controlling interest." Either of the following:

14 (1) For a publicly traded domestic or foreign
15 corporation, partnership, limited liability company or other
16 form of publicly traded legal entity, a controlling interest
17 is an interest if a person's sole voting rights under State
18 law or corporate articles or bylaws entitle the person to
19 elect or appoint one or more of the members of the board of
20 directors or other governing board or the ownership or
21 beneficial holding of 5% or more of the securities of the
22 publicly traded corporation, partnership, limited liability
23 company or other form of publicly traded legal entity, unless
24 this presumption of control or ability to elect is rebutted
25 by clear and convincing evidence.

26 (2) For a privately held domestic or foreign
27 corporation, partnership, limited liability company or other
28 form of privately held legal entity, a controlling interest
29 is the holding of securities of 15% or more in the legal
30 entity, unless this presumption of control is rebutted by

1 clear and convincing evidence.

2 "Cultivation." The growing, cloning, harvesting, drying,
3 curing, grading and trimming of cannabis plants.

4 "Electronic cannabis smoking device." An electronic device
5 that delivers cannabis flower or cannabis products through
6 vaporization and inhalation. The term does not include a device
7 designed to inhale nicotine or an "electronic cigarette" as
8 defined in 18 Pa.C.S. § 6305(k) (relating to sale of tobacco
9 products).

10 "Essential employee." The term includes, but is not limited
11 to, an individual employed by a cannabis entity applicant,
12 licensee, permittee or other person authorized to engage in a
13 regulated activity under this act, and determined by the board
14 to be an officer, director, manager or supervisor or an
15 individual otherwise empowered to make discretionary decisions
16 related to the operations and conduct of a cannabis entity
17 license and whose duties are essential to the effective and
18 continual operation of a cannabis entity license as provided
19 under this act and regulations of the board.

20 "Historically impacted community." A census tract,
21 comparable geographic area or demographic established by the
22 board that has among the highest rates of arrest, conviction and
23 incarceration related to cannabis or has historical economic
24 disinvestment, poverty and negative health outcomes caused by
25 cannabis use and enforcement.

26 "Immature cannabis plant." A cannabis plant that is not in
27 the cannabis flowering stage.

28 "Indirect cannabis business." A business that is not a
29 cannabis entity that provides goods or services ancillary to the
30 cultivating, processing, transporting or selling of cannabis,

1 cannabis flower or cannabis products.

2 "Industrial hemp." As defined in 3 Pa.C.S. § 702 (relating
3 to definitions).

4 "Justice-involved individual." An individual who has a
5 cannabis arrest or a cannabis conviction that is eligible for
6 expungement or a vacated sentence under this act.

7 "Labor peace agreement." An agreement between a cannabis
8 entity and a bona fide labor organization that seeks to
9 represent employees which:

10 (1) Requires that the cannabis entity and the bona fide
11 labor organization and its members agree to the uninterrupted
12 delivery of services and to refrain from actions intended to
13 or having the effect of interrupting such services; and

14 (2) Includes any other terms agreed to by the parties,
15 which may relate to, but need not be limited to:

16 (i) alternate procedures related to recognizing the
17 bona fide labor organization for bargaining purposes;

18 (ii) public statements;

19 (iii) workplace access; and

20 (iv) the provision of employee contract information.

21 (3) Begins at the time of invocation by a bona fide
22 labor organization and not at the point of ratification.

23 "Low-dose cannabis." Cannabis flower with no more than 10%
24 total THC or a cannabis product in food or beverage form that is
25 a single serving with no more than 2.5 milligrams of total THC
26 per serving.

27 "Medical Marijuana Act." The act of April 17, 2016 (P.L.84,
28 No.16), known as the Medical Marijuana Act.

29 "Member of an impacted family." A parent, legal guardian,
30 legal ward, child, spouse or dependent of a justice-involved

1 individual.

2 "Municipality." A city, borough, incorporated town or
3 township.

4 "On-site consumption premises." The area of on-site
5 consumption licensee approved by the board for on-site
6 consumption by individuals 21 years of age or older of cannabis
7 flower and cannabis products.

8 "Other paraphernalia." Any device, equipment, product or
9 materials which is used, intended for use or designed for use in
10 planting, propagating, cultivating, growing, harvesting,
11 composting, compounding, converting, producing, processing,
12 preparing, testing, analyzing, packaging, repackaging or storing
13 cannabis.

14 "Permittee." A person that holds a permit approved by the
15 board to engage in a regulated activity under this act.

16 "Person." A natural person, corporation, foundation,
17 organization, business trust, estate, limited liability company,
18 partnership, limited liability partnership, association or any
19 other form of legal business entity as defined under 42 Pa.C.S.
20 § 8368.2 (relating to definitions).

21 "Personal amount of cannabis." The following:

22 (1) The equivalent of 42.524 grams or less of cannabis
23 flower.

24 (2) 5 grams or less of cannabis concentrate.

25 (3) any amount of cannabis product other than cannabis
26 concentrate that contains, in the aggregate, no more than 500
27 milligrams of total THC.

28 (4) An equivalent amount of a combination of cannabis
29 flower, cannabis concentrate and cannabis product.

30 "Personal use." The acquisition or possession of cannabis

1 flower or a cannabis product for use by an individual if there
2 is no evidence of an intent to:

3 (1) sell or facilitate the sale of the cannabis flower
4 or cannabis product; or

5 (2) distribute, transfer or facilitate the distribution
6 or transfer of the cannabis flower or cannabis product to an
7 individual not lawfully permitted to possess cannabis
8 product.

9 "Pesticide." The following apply:

10 (1) A substance or mixture of substances intended for
11 preventing, destroying, repelling or mitigating any pest, and
12 a substance or mixture of substances intended for use as a
13 plant regulator, defoliant or desiccant.

14 (2) The term shall not include any substance that is a
15 "new animal drug" under section 201(v) of the Federal Food,
16 Drug and Cosmetic Act (52 Stat. 1040, 21 U.S.C. § 301 et
17 seq.), or that has been determined by the United States
18 Secretary of Health and Human Services not to be a new animal
19 drug by a regulation establishing conditions of use.

20 (3) The term shall not include "animal feed" under
21 section 201(w) of the Federal Food, Drug and Cosmetic Act.

22 "Principal."

23 (1) An officer, director or other person who directly
24 holds a beneficial interest in or ownership of the securities
25 of an applicant for a cannabis entity license.

26 (2) A person who has a controlling interest in an
27 applicant for a cannabis entity license or a cannabis entity
28 licensee or has the ability to elect a majority of the board
29 of directors of an a cannabis entity licensee or to otherwise
30 control a cannabis entity licensee, lender or other licensed

1 financial institution of an applicant for a cannabis entity
2 license or a cannabis entity licensee, other than a bank or
3 lending institution, which makes a loan or holds a mortgage
4 or other lien acquired in the ordinary course of business,
5 underwriter of an applicant for a cannabis entity license or
6 a cannabis entity licensee or other person or employee of an
7 applicant for a cannabis entity license or a cannabis entity
8 licensee deemed to be a principal by the board.

9 "Private residence." A home or dwelling that is owned,
10 rented or occupied by an individual, family or group as a
11 personal domicile.

12 "Process." The processing, extracting, compounding,
13 conversion or any other necessary activity to make cannabis into
14 cannabis products.

15 "Processed hemp." Industrial hemp that has been processed to
16 a total THC concentration greater than:

17 (1) 0.3%; or

18 (2) one half milligram per serving or individual product
19 unit, and 2 milligrams per package for products sold in
20 multiple servings or units.

21 "Regulated activity." An activity authorized under this act
22 or by the board related to the cultivation, processing,
23 transportation, testing or sale of cannabis, cannabis flower,
24 cannabis products or cannabis paraphernalia for which a person
25 would be required to obtain a license, permit, registration,
26 certification or other authorization from the board as provided
27 under this act and regulations of the board.

28 "Secure facility or area." A room, greenhouse, building or
29 other enclosed area or outdoor space used to cultivate, process,
30 store, transport, deliver or sell cannabis, cannabis flower and

1 cannabis products which is equipped with locks or other security
2 devices and which is accessible only by the board, the bureau,
3 the Department of Revenue, the Department of Agriculture or
4 designated employees and by principles and employees of a
5 cannabis entity or other persons authorized under this act or by
6 the board.

7 "Social and economic equity applicant." An applicant for a
8 license, permit or other authorization to engage in a regulated
9 activity under this act that has a household annual income below
10 200% of the Area Median Income in their county of residence and
11 meets either of the following criteria:

12 (1) Is comprised of at least 65% ownership and control
13 by one or more individuals who:

14 (i) are justice-involved individuals; or

15 (ii) are members of an impacted family.

16 (2) Is comprised of at least 65% ownership and control
17 by one or more individuals who for at least 5 of the
18 preceding 10 years resided in or otherwise was a member of a
19 historically impacted community.

20 "THC." A delta-9 tetrahydrocannabinol and any structural,
21 optical or geometric isomers of tetrahydrocannabinol, including
22 delta-7, delta-8 and delta-10 tetrahydrocannabinol,
23 tetrahydrocannabinolic acid, tetrahydrocannabiphorol,
24 hexaydrocannabinol and any other substance that the board
25 determines has hallucinogenic or intoxicating effects on the
26 mind or body, however derived or manufactured, including
27 substances derived or manufactured synthetically or from
28 industrial hemp or industrial hemp materials. The board shall
29 determine, in consultation with the Department of Agriculture
30 and the Attorney General, the other substances having similar

1 effects.

2 "Total THC." The sum, after the application of any necessary
3 conversion factor, of the percentage by weight of THC.

4 CHAPTER 2

5 REGULATION OF CANNABIS

6 Section 201. Regulation and treatment of cannabis.

7 Subject to the provisions of this act, the following acts,
8 devices and products are deemed lawful:

9 (1) The regulation of cannabis by the board as provided
10 in this act.

11 (2) The cultivation of cannabis by cannabis cultivators.

12 (3) The processing of cannabis by cannabis processors.

13 (4) The sale to cannabis consumers of cannabis flower,
14 cannabis products and cannabis paraphernalia by cannabis
15 stores.

16 (5) The sale to home cultivation permittees of cannabis
17 seeds by cannabis stores.

18 (6) The sale of cannabis paraphernalia by a cannabis
19 paraphernalia permittee.

20 (7) The purchase, possession, consumption, display or
21 transport of a personal amount of cannabis by a cannabis
22 consumer.

23 (8) The purchase, possession and use of cannabis
24 paraphernalia by an individual 21 years of age or older.

25 (9) The purchase, possession and use of other
26 paraphernalia by a person in a manner authorized by this act.

27 (10) The home cultivation of two immature cannabis
28 plants and two mature cannabis plants by a home cultivation
29 permittee.

30 (11) Leasing or otherwise allowing the use of property

1 owned, occupied or controlled by any person engaging in a
2 regulated activity as authorized under this act.

3 Section 202. Exemption from criminal or civil penalties in
4 other acts.

5 The following acts shall not be an offense under the
6 Controlled Substance Act, 18 Pa.C.S. (relating to crimes and
7 offenses) or any other provision of law or regulation, including
8 any ordinance, law or regulation of a municipality, and may not
9 be used as a basis for the seizure or forfeiture of assets under
10 42 Pa.C.S. §§ 5803 (relating to asset forfeiture), 5805
11 (relating to forfeiture procedure), 5806 (relating to motion for
12 return of property), 5807 (relating to restrictions on use),
13 5807.1 (relating to prohibition on adoptive seizures) and 5808
14 (relating to exceptions):

15 (1) The acts deemed lawful under section 201.

16 (2) The possession of a personal amount of cannabis.

17 (3) The sharing for immediate use or transfer of a
18 personal amount of cannabis between cannabis consumers, but
19 not sale or exchange for any pecuniary gain or material
20 benefit.

21 (4) The cultivation, processing, delivery, transport,
22 display, sale or testing of cannabis, cannabis flower or
23 cannabis products or sale of cannabis paraphernalia by a
24 person licensed, permitted, registered or certified under
25 this act to engage in one or more of these activities in a
26 manner allowed by this act.

27 Section 202.1. Discrimination prohibited.

28 (a) Employment.--

29 (1) An individual may not be subject to penalty in any
30 manner, or be denied any right or privilege, including, but

1 not limited to, disciplinary action by an occupational or
2 professional licensing board or bureau solely for conduct
3 allowed under this chapter when conducted outside of the
4 workplace and work hours.

5 (2) It is unlawful for an employer to discriminate
6 against an individual in hiring, terminating or any term or
7 condition of employment, or otherwise penalizing an
8 individual, if the discrimination is based upon any of the
9 following:

10 (i) The individual's use of cannabis flower or
11 cannabis products outside of the workplace and work
12 hours.

13 (ii) An employer-required drug screening test that
14 has found the person to have cannabis metabolites in
15 their hair, blood, urine or other bodily fluids.

16 (3) This subsection shall not preempt Federal laws
17 requiring applicants or employees to be tested for controlled
18 substances, including Federal laws and regulations requiring
19 applicants or employees to be tested or the manner in which
20 they are tested, as a condition of employment, receiving
21 Federal funding or Federal licensing-related benefits or
22 entering into a Federal contract.

23 (4) Nothing in this subsection shall:

24 (i) Be construed to:

25 (A) Prohibit an employer from adopting
26 reasonable drug-free workplace policies or employment
27 policies prohibiting smoking, consuming, storing or
28 using cannabis flower or cannabis products in the
29 workplace or while on call if the policies are
30 applied in a nondiscriminatory manner and are

1 disclosed to employees.

2 (B) Require an employer to permit an employee to
3 be under the influence of cannabis or use of cannabis
4 flower or cannabis products in the employer's
5 workplace or while performing the employee's job
6 duties or while on call.

7 (ii) Limit or prevent an employer from disciplining
8 an employee or terminating employment of an employee for
9 violating an employer's employment policies or workplace
10 drug policy if the policies were disclosed to the
11 employee.

12 (b) General protections.--

13 (1) Except as provided in this section, the Commonwealth
14 or any political subdivision may not impose a penalty or deny
15 a benefit or entitlement for conduct allowed under this
16 chapter.

17 (2) Except as provided in subsection (a) (3) and (4), the
18 Commonwealth or any political subdivisions may not deny a
19 driver's license, an occupational or professional license,
20 housing assistance, social services or other benefits based
21 on cannabis use allowed under this act.

22 (c) Custody.--An individual's lawful purchase, possession or
23 consumption of cannabis flower or a cannabis product shall not
24 be the sole basis for denying custody of or visitation with a
25 minor, unless the individual's behavior as a result of the
26 purchase, possession or consumption of the cannabis flower or
27 cannabis products creates an unreasonable danger to the minor
28 that can be clearly articulated and substantiated.

29 (d) Condition of parole and probation.--The Department of
30 Corrections and county offices of probation may not prohibit an

1 individual's use of cannabis flower or cannabis products or any
2 other conduct allowed under this act unless, after
3 individualized consideration, it has been shown by clear and
4 convincing evidence that inclusion of the prohibition as a
5 condition of supervision is reasonably related to the underlying
6 crime. An individual under parole or probation shall not be
7 punished or otherwise penalized for lawful conduct under this
8 act unless the terms and conditions of the parole or probation
9 prohibit an individual's cannabis use or any other conduct
10 otherwise allowed under this act.

11 (e) Child welfare.--The presence of a cannabinoid or
12 cannabis metabolites in an individual's hair, blood, urine or
13 other bodily fluids, possession of cannabis paraphernalia,
14 conduct related to the use of cannabis flower or cannabis
15 products or the participation in cannabis-related activities
16 authorized under this act by a custodial or noncustodial parent,
17 grandparent, legal guardian, foster parent or other individual
18 charged with the well-being of a child, may be considered but
19 not form the sole, primary or supporting basis for an action or
20 proceeding by a child welfare agency or juvenile court. Unless
21 the individual's actions in relation to cannabis create an
22 unreasonable danger to the health or safety of the child or
23 otherwise show the individual is not competent as established by
24 clear and convincing evidence, the prohibition under this
25 subsection shall include any of the following:

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

29 (2) A fitness determination or a determination related
30 to a foster parent, guardianship, conservatorship or

1 trusteeship.

2 (f) Medical care.--For the purpose of receiving medical
3 care, including an organ transplant, an individual's use of
4 cannabis flower or cannabis products under this chapter shall
5 not constitute the use of an illicit substance or otherwise
6 disqualify an individual from receiving medical care.

7 (g) Firearms possession.--An individual may not be
8 prohibited or otherwise restricted from lawful firearm ownership
9 solely for using cannabis flower or cannabis products or
10 engaging in a regulated activity. The Pennsylvania State Police
11 shall take measures to revise firearms applications or take
12 other necessary actions to ensure compliance with this
13 subsection.

14 Section 203. Home cultivation.

15 (a) Permit.--Notwithstanding any provision of the Medical
16 Marijuana Act, the Controlled Substance Act, or any other law or
17 regulation to the contrary, if granted a home cultivation permit
18 under subsection (c), an individual who is a resident of this
19 Commonwealth and 21 years of age or older may cultivate,
20 process or otherwise possess up to two mature cannabis plants
21 and two immature cannabis plants for use by the home cultivation
22 permit holder without holding a cannabis cultivator license or
23 cannabis processor license under this act.

24 (b) Limitations and prohibitions.--

25 (1) Home cultivation of cannabis authorized under this
26 section:

27 (i) Must take place in an enclosed and secure space,
28 room or area within the individual's private residence or
29 on the grounds of the individual's private residence.

30 (ii) Must be cultivated from cannabis seeds

1 purchased from a cannabis store, which may not be given
2 or sold to any other person.

3 (iii) May not be stored or placed in a location or
4 otherwise positioned inside or on the grounds of the
5 individual's private residence in a manner which would
6 subject the cannabis plants to ordinary public view.

7 (iv) May be prohibited by an owner, lessee or other
8 person in lawful possession of the private residence.

9 (2) An individual holding a home cultivation permit
10 shall take reasonable precautions to ensure that the cannabis
11 plants are secure from unauthorized access, including
12 unauthorized access by an individual under 21 years of age.

13 (3) Home cultivation under this section may only occur
14 in a residential property or on the grounds of a residential
15 property with the consent of the owner, lessee or other
16 person in lawful possession of the residential property.

17 (4) A private residence, including a private home, unit
18 in a tenement building, apartment or condominium unit, which
19 is not divided into multiple dwelling units may not contain
20 more than two mature cannabis plants and two immature
21 cannabis plants at any one time.

22 (5) Cannabis plants may only be maintained, tended and
23 used by an individual who holds a valid home cultivation
24 permit issued by the board under this section and may not be
25 given or transferred to any other person.

26 (c) Home cultivation permit.--

27 (1) An individual under this subsection may apply to the
28 board for a home cultivation permit in the form and manner as
29 the board shall prescribe in regulation.

30 (2) An application for a home cultivation permit may be

1 submitted to the board electronically. The following apply:

2 (i) An application for a home cultivation permit
3 shall be accompanied by a \$100 fee.

4 (ii) A home cultivation permit shall be renewed
5 annually upon approval of the board and payment of a \$100
6 renewal fee.

7 (d) Penalties.--An individual who violates this section
8 shall:

9 (1) Be assessed a civil penalty of:

10 (i) Not more than \$500 for a first offense.

11 (ii) Not more than \$1,000 for a second offense.

12 (iii) Not more than \$5,000 for a third or subsequent
13 offense and be subject to revocation of the individual's
14 home cultivation permit.

15 (2) Be subject to the applicable provisions of the
16 Controlled Substance Act related to possession, possession
17 with intent to deliver or possession with intent to
18 distribute.

19 Section 204. Unauthorized acts.

20 (a) Prohibitions.--The following acts are prohibited:

21 (1) The purchase, possession or consumption or attempt
22 thereto of any amount of cannabis seeds, cannabis flower or
23 cannabis products by an individual under 21 years of age.

24 (2) An individual under 21 years of age knowingly and
25 falsely representing themselves to be at least 21 years of
26 age to a person for the purpose of purchasing or receiving
27 cannabis seeds, cannabis flower or cannabis products.

28 (3) Possession by an individual 21 years of age or older
29 of more than a personal amount of cannabis at any one time or
30 possession of cannabis seeds without a valid home cultivation

1 permit.

2 (a.1) Continuation of possession offenses.--

3 (1) Prior to the date noticed by the board under section
4 405(b)(1), no person shall:

5 (i) possess a small amount of marihuana for personal
6 use;

7 (ii) possess a small amount of marihuana with the
8 intent to distribute it but not to sell it; or

9 (iii) distribute a small amount of marihuana but not
10 for sale.

11 (2) For purposes of this subsection:

12 (i) Thirty grams of marihuana or eight grams of
13 hashish shall be considered a small amount of marihuana.

14 (ii) The term "marihuana" shall have the same
15 meaning as defined in section 2 of the Controlled
16 Substances Act.

17 (b) Penalties.--

18 (1) An individual under 21 years of age who violates
19 subsection (a)(1) or (2) commits a summary offense and upon
20 conviction shall:

21 (i) for a first offense receive any or all of the
22 following: a written warning, a maximum fine of \$25 or be
23 referred to a diversionary program;

24 (ii) for a second offense receive a fine of not more
25 than \$100 and be referred to a diversionary program; or

26 (iii) for third and any subsequent offense receive a
27 fine of not more than \$250 and be referred to a
28 diversionary program.

29 (2) An offense under subsection (a)(1) or (2) or (a.1)
30 shall not be a criminal offense of record, shall not be

1 reportable as a criminal act and shall not be placed on the
2 criminal record of the offender and, if the offender is a
3 minor, shall not constitute a delinquent act under 42 Pa.C.S.
4 Ch. 63 (relating to juvenile matters). However, a record of
5 participation in a diversionary program under subsection (b)
6 shall be maintained by the court, not for public view, for
7 the purposes of imposing penalties for subsequent offenses.

8 (3) If an individual is charged with violating
9 subsection (a) (1) or (2), the court may admit the offender to
10 the adjudication alternative program as authorized in 42
11 Pa.C.S. § 1520 (relating to adjudication alternative program)
12 or any other preadjudication disposition.

13 (4) The following shall apply to an individual who
14 violates a provision of subsection (a) (3):

15 (i) If the amount possessed is more than a personal
16 amount of cannabis but not more than two times that
17 amount, the individual may be assessed a civil penalty of
18 not more than \$250 per incident.

19 (ii) If the amount possessed is more than two times
20 a personal amount of cannabis but not more than three
21 times that amount, the individual may be assessed a civil
22 penalty of not more than \$500 per incident.

23 (iii) If the amount possessed is more than three
24 times a personal amount of cannabis, but not more than
25 ten times that amount, the individual commits a
26 misdemeanor of the third degree.

27 (iv) If the amount possessed is more than ten times
28 a personal amount of cannabis, commits a misdemeanor of
29 the second degree.

30 (5) An individual that violates subsection (a.1) commits

1 a summary offense and shall pay a fine of \$250.

2 (c) Sale of cannabis offenses.--The sale and the possession
3 with intent to sell an amount of cannabis seed, cannabis flower
4 or cannabis product by a person that is not authorized to do so
5 under this act is prohibited. A person not authorized to sell or
6 possess with intent to distribute or sell:

7 (1) Cannabis seeds commits a misdemeanor of the third
8 degree.

9 (2) A personal amount of cannabis flower or cannabis
10 product commits misdemeanor of the third degree.

11 (3) An amount of cannabis flower or cannabis product
12 exceeding a personal amount but less than the amounts
13 punishable under 18 Pa.C.S. § 7508 (relating to drug
14 trafficking sentencing and penalties), commits a misdemeanor
15 of the second degree.

16 (4) For purposes of this subsection, the term "sell"
17 shall mean the transfer from one person to another for
18 pecuniary gain or material benefit.

19 (d) Cultivation and processing offenses.--The cultivation or
20 processing of cannabis or cannabis product by a person that is
21 not authorized to do so under this act is prohibited. The
22 following apply:

23 (1) A person not authorized to cultivate:

24 (i) That cultivates fewer than five cannabis plants
25 commits a misdemeanor of the third degree.

26 (ii) That cultivates at least five cannabis plants
27 but less than 10 commits a misdemeanor of the second
28 degree.

29 (2) A person that processes cannabis into a cannabis
30 product commits a misdemeanor of the second degree.

1 (e) Smoking or consumption.--

2 (1) An individual may not smoke or otherwise consume
3 cannabis flower or cannabis products:

4 (i) In a public space.

5 (ii) If prohibited under the act of June 13, 2008
6 (P.L.182, No.27), known as the Clean Indoor Air Act, or
7 any other law enacted or regulation adopted relating to
8 vaping or the use of electronic cigarettes or electronic
9 cannabis smoking devices in public or an indoor public
10 place or portion of the public place, notwithstanding if
11 the smoking of tobacco or vaping is otherwise allowed in
12 the public place or portion of the public place under the
13 Clean Indoor Air Act.

14 (2) Notwithstanding 68 Pa.C.S. (relating to real and
15 personal property) or any other provision of law or
16 regulation, the consumption of cannabis flower or cannabis
17 products may be allowed by a person that owns or controls a
18 lodging establishment as defined in 48 Pa.C.S. § 1311(g)
19 (relating to hotelkeepers and campground owners) in up to 20%
20 of the lodging establishment's guest rooms.

21 (3) The smoking of cannabis flower or cannabis products
22 may be prohibited or otherwise regulated in a tenement
23 building, apartment or multiple dwelling premises as those
24 terms are defined in the act of April 6, 1951 (P.L.69,
25 No.20), known as The Landlord and Tenant Act of 1951, if the
26 prohibition to smoke cannabis flower or use cannabis products
27 is included in the lease agreement between the lessee and the
28 person that owns or controls the tenement building, apartment
29 or multiple dwelling premises.

30 (4) An individual who violates paragraph (1) shall be

1 assessed a civil penalty of not more than:

2 (i) \$100 for a first offense.

3 (ii) \$200 for a second or subsequent offense.

4 (5) As used in this subsection, the term "public space"
5 means a street, alley, park, sidewalk, a vehicle in or upon a
6 street, alley, park or parking area or any other place to
7 which the public is invited.

8 (f) Violations of the Controlled Substance Act.--The sale,
9 distribution, manufacture or possession with intent to
10 distribute an amount of cannabis flower or a cannabis product
11 punishable under 18 Pa.C.S. § 7508 or other provision of law
12 providing for a mandatory minimum term of imprisonment or
13 subject to a sentence enhancement shall be a violation of the
14 Controlled Substance Act and subject the person to prosecution
15 as if the person sold or distributed the cannabis flower or
16 cannabis product in violation of the Controlled Substance Act.

17 (g) Additional unauthorized activities and civil
18 penalties.--

19 (1) In addition to any other penalty provided by Federal
20 or State law, a person not authorized by the board that
21 cultivates, processes, delivers, transports, sells or
22 displays for sale cannabis, cannabis flower, cannabis
23 products or cannabis paraphernalia shall be subject to a
24 civil penalty not to exceed \$10,000 for each offense. Each
25 day a person engages in unauthorized activity under this
26 paragraph shall constitute a separate offense.

27 (2) The Attorney General, the board, a State or local
28 law enforcement agency or a local government unit may
29 investigate an unauthorized activity under paragraph (1) and
30 engage in enforcement measures, including entering into an

1 intergovernmental agreement to prevent the conduct of an
2 unauthorized activity under paragraph (1).

3 (3) In addition to any other penalty provided by Federal
4 or State law, upon the conduct of a third or subsequent
5 unauthorized activity under paragraph (1), a local government
6 unit may suspend or revoke the business license of the person
7 who engaged in the unauthorized activity.

8 (4) A violation of paragraph (1) is an unfair or
9 deceptive act or practice under the act of December 17, 1968
10 (P.L.1224, No.387), known as the Unfair Trade Practices and
11 Consumer Protection Law. Remedies, penalties and authority
12 granted to the Attorney General under the Unfair Trade
13 Practices and Consumer Protection Law shall be available for
14 the enforcement of this act.

15 (5) In addition to the authority granted to the Attorney
16 General under this subsection, any business or consumer
17 injured by a violation of paragraph (1) may bring an action
18 to enjoin a business selling, cultivating, manufacturing,
19 distributing or possessing cannabis, cannabis flower,
20 cannabis products or cannabis paraphernalia without a license
21 or permit and to recover actual damages sustained. A court
22 shall enter judgment in an amount equal to three times actual
23 damages and shall have discretion to award punitive damages
24 in an amount commensurate with actual damages. The court
25 shall award attorney fees and costs to the prevailing party.

26 (h) Payment of civil penalties and fines.--For a civil
27 penalty, penalty, cost or fine issued under this chapter, if the
28 board or the court, as defined in 42 Pa.C.S. § 102 (relating to
29 definitions), determines that the person violating Chapter 2 is
30 without the financial means to pay the civil penalties,

1 penalties, costs or fines immediately or in a single remittance,
2 the board or the court may provide for payment in installments
3 or, in the case of civil penalties, penalties, costs or fines,
4 reduce or waive the civil penalties, penalties, costs or fines.
5 In determining the appropriate installments, reduction or
6 waiver, the court shall consider the person's financial
7 resources, the person's ability to make restitution and
8 reparations and the nature of the burden the payment will impose
9 on the person violating Chapter 2.

10 Section 205. Presumption.

11 (a) No violation.--Except as provided under subsection (b),
12 the presence of cannabis in an individual's blood or a
13 metabolite of cannabis in an individual's blood without proof of
14 impairment to the individual's ability to safely drive, operate
15 or be in actual physical control of the movement of a vehicle
16 shall not constitute a violation under 75 Pa.C.S. Ch. 38
17 (relating to driving after imbibing alcohol or utilizing drugs).

18 (b) Commercial license.--Subsection (a) does not apply to an
19 individual holding a commercial driver's license.

20 (C) DEFINITION.--FOR THE PURPOSES OF THIS SECTION, THE TERM <--
21 "CANNABIS" SHALL INCLUDE "MEDICAL MARIJUANA" AS THAT TERM IS
22 DEFINED IN SECTION 103 OF THE MEDICAL MARIJUANA ACT.

23 Section 206. Charges pending on effective date.

24 (a) Notice.--If, upon the effective date of this section,
25 charges are pending alleging a violation of the Controlled
26 Substance Act for which the controlled substance is cannabis and
27 no notice of mandatory minimum has been filed, the attorney for
28 the Commonwealth shall within 30 days provide notice of the
29 Commonwealth's intention to seek a mandatory minimum period of
30 incarceration or aver that the Commonwealth has probable cause

1 to believe the alleged conduct will be subject to a sentencing
2 enhancement, and if no notice is provided or averment made, the
3 charge alleging the violation shall be withdrawn or dismissed.

4 (b) Dismissal.--Unless the prosecution of the matter is
5 disposed of by plea or by an available alternative disposition
6 program, if the finder of fact fails to find the facts necessary
7 to support the imposition of a mandatory minimum sentence or
8 sentencing enhancement were proven beyond a reasonable doubt,
9 the corresponding charge shall be dismissed and no sentence may
10 be imposed for the offense.

11 Section 207. Charges brought under the Controlled Substances
12 Act.

13 (a) Sentence enhancement.--Notwithstanding any other
14 provision of law or court rule or regulation to the contrary, no
15 violation of the Controlled Substance Act where the controlled
16 substance is cannabis shall be charged unless, prior to filing,
17 an attorney for the Commonwealth in the county where the offense
18 allegedly occurred avers it is the intention of the Commonwealth
19 to pursue a mandatory minimum period of incarceration under
20 State law for the offense or that the attorney believes probable
21 cause exists to believe that the conduct alleged to be a
22 violation of the Controlled Substance Act may, upon conviction,
23 subject the person charged to a sentencing enhancement at the
24 time of sentence.

25 (b) Withdrawal.--If, at the time of formal arraignment, the
26 attorney for the Commonwealth does not file notice of the
27 Commonwealth's intent to seek a mandatory minimum sentence along
28 with the information or the maximum penalty under law listed on
29 the information does not allow for the sentencing enhancement,
30 the corresponding charge alleging a violation of the Controlled

1 Substance Act shall be withdraw by the Commonwealth or dismissed
2 by the court.

3 (c) Dismissal.--Unless the prosecution of the matter is
4 disposed of by plea or by an available alternative disposition
5 program, if the finder of fact fails to find the facts necessary
6 to support the imposition of a mandatory minimum sentence or
7 sentencing enhancement were proven beyond a reasonable doubt,
8 the corresponding charge shall be dismissed and no sentence may
9 be imposed for the offense.

10 CHAPTER 3

11 EFFECT ON CERTAIN CANNABIS CONVICTIONS

12 AND EXPUNGEMENTS

13 Section 301. Definitions.

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

17 "AOPC." The Administrative Office of Pennsylvania Courts.

18 "Cannabis arrest." The commencement of a criminal proceeding
19 where an individual was charged with a cannabis offense for
20 which there has been no conviction or for which there is no
21 final disposition listed for the charge at the associated OTN.

22 "Cannabis conviction." A conviction for a cannabis offense
23 for which no mandatory minimum term of imprisonment has been or
24 will be imposed by the sentencing court.

25 "Cannabis offense." As follows:

26 (1) An offense under section 13 of the Controlled
27 Substance Act where the controlled substance was cannabis or
28 where the offense involved cannabis paraphernalia.

29 (2) The term includes the attempt, conspiracy or
30 solicitation to commit an offense under paragraph (1).

1 "Cannabis offense vacated by this act." A cannabis arrest or
2 cannabis conviction.

3 "Charged." The arrest, charge or indictment of an individual
4 for an alleged violation of the law.

5 "Commissioner." The Commissioner of the Pennsylvania State
6 Police.

7 "Controlled Substance Act." The act of April 14, 1972
8 (P.L.233, No.64), known as The Controlled Substance, Drug,
9 Device and Cosmetic Act.

10 "Conviction." Any of the following when an individual has
11 been charged, notwithstanding whether or not a sentence has been
12 imposed and whether or not under or subject to appeal:

13 (1) The individual entered a plea of guilty or nolo
14 contendere.

15 (2) The individual was found guilty following trial.

16 (3) The individual was accepted for participation in an
17 authorized diversion program, including probation without
18 verdict under section 17 of the Controlled Substance Act or
19 disposition in lieu of trial or criminal punishment under
20 section 18 of the Controlled Substance Act.

21 (4) The charge being resolved by any other than final
22 disposition, other than a disposition subject to section 19
23 of the Controlled Substance Act.

24 "Drug identification lab." The Allegheny County,
25 Philadelphia County, Cumberland County or Pennsylvania State
26 Police drug identification labs or any other lab that provides
27 drug identification services upon the request of a Pennsylvania
28 law enforcement agency or officer.

29 "Expunge." As follows:

30 (1) the removal of information to the degree necessary

1 as to ensure no trace or indication the information existed;
2 and

3 (2) the elimination of all identifiers which may be used
4 to trace the identity of an individual, allowing remaining
5 data to be used for statistical purposes.

6 "Offense Tracking Number" or "OTN." A unique identifying
7 number assigned to an entire set of criminal charges by the
8 AOPC. The term includes offense tracking numbers assigned by any
9 other State agency pursuant to a practice used before the
10 effective date of this definition.

11 Section 302. Identification of cannabis offenses.

12 (a) Report.--

13 (1) Drug identification labs shall prepare a report
14 listing each item and each substance submitted for
15 identification by a Pennsylvania law enforcement agency or
16 officer and tested by the lab when the test of the item or
17 substance detected the presence of cannabis. The report shall
18 include:

19 (i) the name and date of birth of each individual
20 identified by the submitting agency or officer as the
21 suspected owners of the item or substance;

22 (ii) the date of the suspected offense;

23 (iii) the name of the law enforcement agency that
24 submitted the item or substance for testing;

25 (iv) the submitting law enforcement agency's
26 incident, case or complaint number, if known;

27 (v) the item or substance tested;

28 (vi) whether the test on the item or substance
29 identified the presence of any other controlled
30 substance;

1 (vii) other information which could reasonably
2 assist in matching the item or substance to a filed
3 criminal charge, complaint, information or offense
4 tracking number; and

5 (viii) any other information known to the lab and
6 requested by the AOPC or the commissioner which is
7 reasonably likely to assist the AOPC or the commissioner
8 in conducting the case record identification under
9 subsection (b).

10 (2) The director of the drug identification lab shall
11 provide the report under paragraph (1) to the AOPC and to the
12 commissioner in writing, and in any other form or format
13 requested, no later than 30 days after the effective date of
14 this paragraph. Updates to the report shall be made weekly if
15 a drug identification lab test on any item or substance
16 detects the presence of cannabis after an initial report was
17 submitted.

18 (b) Case record identification.--Upon receipt of a report or
19 updated report prepared under subsection (a), the AOPC and the
20 commissioner shall cause the report to be compared to the
21 criminal history record information in their respective criminal
22 record systems to identify every cannabis offense vacated by
23 this act. The AOPC and the commissioner shall assist one another
24 and utilize the most efficient and cost-effective methods to
25 accurately identify the cases and the assigned offense tracking
26 number, including performing the following:

27 (1) The AOPC shall transmit to the Pennsylvania State
28 Police central repository the record of each charged cannabis
29 offense and cannabis conviction believed to have been vacated
30 or required to be expunged under this chapter.

1 (2) If the Pennsylvania State Police central repository
2 determines through a validation process that a record
3 transmitted under paragraph (1) is not a cannabis offense
4 vacated by this act, required to be expunged under this act
5 or does not match data held in the repository, the
6 Pennsylvania State Police shall notify the AOPC of the
7 determination within 30 days of receiving the information
8 transmitted under paragraph (1).

9 (3) The AOPC shall remove from the list of eligible
10 records any record for which the AOPC received a notification
11 of ineligibility or nonmatch with repository data.

12 Section 303. Updates to and expungement of records.

13 (a) List.--The AOPC shall provide to the courts of common
14 pleas a list of each eligible record compiled under section
15 302(b) which were commenced within their judicial district and
16 the action required to be taken on each record.

17 (b) Required action.--Within 30 days of receiving the list
18 under subsection (a) from the AOPC, the court of common pleas
19 shall order the required action, including the vacating of
20 cannabis convictions and sentences and the expungement of
21 criminal history records, under this chapter and notify the AOPC
22 that the required action has been ordered. After the court of
23 common pleas has ordered the required action, the AOPC and the
24 Pennsylvania State Police shall expunge the eligible cases from
25 their criminal history record databases using an automated
26 process.

27 (c) Records.--The AOPC shall maintain records of the
28 cannabis convictions ordered to be vacated or expunged under
29 subsection (b).

30 (d) Request of orders or records.--An individual with a

1 cannabis arrest whose record has been ordered expunged or a
2 cannabis conviction ordered vacated under this section shall be
3 provided an individualized copy of the applicable order upon
4 request by the individual or the individual's legal
5 representative. The individual shall make the request to the
6 court of common pleas of the county where the conviction
7 occurred or the record was created, except if the AOPC provides
8 and makes known an alternative method to obtain the order. The
9 order shall include a list of the charges ordered vacated or
10 expunged and the dispositions of the charges.

11 (e) Timeline and progress reports.--

12 (1) The automated updates to criminal history records
13 and expungements required this section shall be completed
14 within two years of the effective date of this section.

15 (2) Progress reports shall be submitted to the people
16 who will receive the final report required under paragraph

17 (3). Progress reports shall be submitted 12 months and 18
18 months after the effective date of this section and shall
19 provide the recipients with a status report of the progress
20 being made, difficulties being encountered and success
21 achieved.

22 (3) Upon completion of the updates to and the automatic
23 expungement of records in their respective databases, the
24 AOPC and the commissioner shall each prepare and submit a
25 report to the President Pro Tempore of the Senate, the
26 Speaker of the House of Representatives, the Majority Chair
27 and Minority Chair of the Senate Judiciary Committee and the
28 Majority Chair and Minority Chair of the House Judiciary
29 Committee reporting the completion. The report shall include
30 any additional information relevant to the work completed,

1 including general costs incurred, difficulties encountered
2 and recommendations for any future action needed to ensure
3 accurate criminal history records are maintained.

4 Section 304. Expungement of records where no conviction
5 occurred or when acquitted.

6 (a) Expungement required.--

7 (1) Notwithstanding any other provision of law or
8 regulation to the contrary, including section 19 of the
9 Controlled Substance Act and any court order or rule, each
10 record of arrest or prosecution for a criminal offense for
11 violation of the Controlled Substance Act where the
12 controlled substance was cannabis or for violations of the
13 provisions of any law governing controlled substances in this
14 Commonwealth or any political subdivision of the Commonwealth
15 before the effective date of this paragraph where the
16 controlled substance was cannabis shall be promptly expunged
17 from the official and unofficial arrest and other criminal
18 records pertaining to the individual if the charges were not
19 filed, withdrawn or dismissed or the individual was acquitted
20 of the charges. Within six months of the effective date of
21 this paragraph, the court, in writing, shall order the
22 appropriate keepers of criminal records:

23 (i) to expunge and destroy the official and
24 unofficial arrest and other criminal records of an
25 individual eligible under this section and to request
26 from Federal and other State agencies, insofar as they
27 are able, the return of the records and to destroy the
28 records upon receipt;

29 (ii) to destroy or deliver to the individual to whom
30 the records pertain or their representative, each

1 criminal record, fingerprint, photographic plate and
2 photograph pertaining to the vacated offense and
3 conviction and shall request the Federal Bureau of
4 Investigation to return each record pertaining to the
5 arrest, which shall be destroyed by the agency upon
6 receipt; and

7 (iii) to file with the court within 30 days, an
8 affidavit stating that the records have been expunged and
9 destroyed, together with the court's expunction order.

10 (2) Upon receipt of the affidavit under paragraph (1)
11 (ii), the court shall seal the affidavit with the original
12 order and each copy and shall not permit any person or
13 agency, except the individual to whom the records pertain or
14 their representative, to examine the sealed documents.

15 (3) The arresting agency shall destroy or deliver to the
16 individual to whom the records pertain or their
17 representative, each criminal record, fingerprint,
18 photographic plate and photograph pertaining to the vacated
19 offense and conviction and shall request the Federal Bureau
20 of Investigation to return each record pertaining to the
21 arrest, which shall be destroyed by the agency upon receipt.

22 (b) Treatment.--Beginning on the effective date of this
23 subsection, an expunged record of arrest or prosecution under
24 this section shall not be regarded as an arrest or prosecution
25 for the purpose of a statute, regulation, license, questionnaire
26 or civil or criminal proceeding or for any other public or
27 private purpose. No person shall be permitted to learn of or
28 examine an expunged arrest or prosecution record, or of the
29 expunction, either directly or indirectly. An individual, except
30 the individual arrested or prosecuted, who divulges information

1 in violation of this subsection commits a summary offense and
2 shall, upon conviction, be sentenced to imprisonment not
3 exceeding 30 days or to pay a fine not exceeding \$500, or both.

4 (c) Construction.--Nothing in this section shall be
5 construed to prohibit a person acting pursuant to a practice
6 used before the effective date of this section from petitioning
7 an appropriate court for an expunction order. The expungement
8 relief contained in this section shall be in addition to the
9 expungement of records of arrest or prosecution provided under
10 section 19 of the Controlled Substance Act for other offenses
11 under that act and listed in that section, including other
12 offenses where the controlled substance was cannabis.

13 (d) Retroactivity.--This section shall apply retroactively
14 to each record of arrest or prosecution, notwithstanding whether
15 the withdrawal, dismissal or acquittal occurred prior to the
16 effective date of this subsection.

17 Section 305. Cannabis convictions and sentences vacated.

18 (a) Orders vacated.--Notwithstanding any other provision of
19 law or regulation to the contrary, including a court order or
20 rule:

21 (1) Each cannabis conviction and sentence imposed on or
22 before the effective date of this paragraph is vacated.

23 (2) Money paid by a person to comply with a sentencing
24 order entered on or before the effective date of this
25 paragraph and vacated under paragraph (1) shall not be
26 refunded, but fines paid to a county and allocated toward a
27 cannabis conviction vacated by paragraph (1) shall be
28 reallocated by the county to any other outstanding fines owed
29 by the person which were imposed upon conviction for other
30 offenses in the county. Any unsatisfied legal financial

1 obligation connected to a cannabis conviction vacated by this
2 act, including fines, fees and costs assessed by the court or
3 otherwise attributed to the conviction, shall no longer be a
4 legal financial obligation and no additional sums need to be
5 paid. The AOPC shall establish general rules, guidelines and
6 principles to ensure the fair, uniform and correct
7 reallocation the counties shall utilize to reallocate monies
8 previously paid and credited toward cannabis convictions
9 vacated by this act. The individual to whom the affected
10 records pertain shall be informed in writing of the manner in
11 which monies previously paid have been reallocated.

12 Notwithstanding any other provision of law, including this
13 chapter, the AOPC and counties shall maintain outside of
14 public view all financial records relating to the manner in
15 which sums previously paid were reallocated. The records and
16 copies thereof shall be available for view by and receipt to
17 the individual to whom the records pertain and any
18 representative so designated by the individual.

19 (3) The sentencing court may, sua sponte, authorize any
20 imprisonment time served and credited toward a cannabis
21 conviction vacated by paragraph (1) to be credited toward
22 another sentence imposed by the court at the same OTN.

23 (b) Vacating order.--The court, as deemed necessary or
24 appropriate by the court, shall sua sponte enter an order
25 vacating the cannabis convictions and sentences vacated under
26 subsection (a) and any other orders necessary or appropriate to
27 carry out the provisions of this chapter.

28 Section 306. Update to and expungement of records pertaining to
29 vacated convictions and sentences.

30 (a) OTN with cannabis convictions only.--If the only

1 convictions associated with an OTN are cannabis convictions
2 vacated under section 305, each official and unofficial record
3 of arrest, prosecution, conviction, sentence and other criminal
4 record pertaining to the cannabis conviction shall be expunged
5 as follows:

6 (1) Within six months of the effective date of this
7 paragraph, the court, in writing, shall order the appropriate
8 keepers of criminal records:

9 (i) to expunge and destroy the official and
10 unofficial records of arrest, prosecution, conviction,
11 sentence and other criminal records pertaining to the
12 offenses associated with the OTN, to request from Federal
13 and other State agencies, insofar as they are able, the
14 return of the records and to destroy the records upon
15 receipt thereof; and

16 (ii) to file with the court within 30 days, an
17 affidavit stating that the records have been expunged and
18 destroyed, together with the court's expunction order.

19 (2) Upon receipt of the affidavit under paragraph (1)
20 (ii), the court shall seal the affidavit with the original
21 order and each copy and shall not permit any person or agency
22 to examine the sealed documents.

23 (3) The arresting agency shall destroy or deliver to the
24 individual to whom the records pertain or their
25 representative, each criminal record, fingerprint,
26 photographic plate and photograph pertaining to the vacated
27 offense and conviction and shall request the Federal Bureau
28 of Investigation to return each record pertaining to the
29 arrest, which shall be destroyed by the agency upon receipt.

30 (4) Expunged records shall not be regarded as an arrest,

1 prosecution, conviction or sentence for the purpose of any
2 statute, regulation, license, questionnaire or civil or
3 criminal proceeding or for any other public or private
4 purpose. No person shall be permitted to learn of or examine
5 an expunged arrest or prosecution, or of the expunction,
6 either directly or indirectly. An individual, except the
7 individual arrested, prosecuted, convicted or sentenced, who
8 divulges information in violation of this subsection shall be
9 guilty of a summary offense and shall, upon conviction, be
10 sentenced to imprisonment not exceeding 30 days or to pay a
11 fine not exceeding \$500, or both.

12 (5) Nothing contained in this section shall prohibit a
13 person acting pursuant to a practice used before the
14 effective date of this paragraph from petitioning an
15 appropriate court for an expunction order or other relief or
16 order related to the expungement of records.

17 (6) This section shall apply retroactively to any
18 records of arrest, prosecution, conviction or sentence for a
19 cannabis offense notwithstanding whether the offense, arrest,
20 prosecution, conviction or sentence occurred prior to the
21 effective date of this paragraph.

22 (b) OTN with additional convictions.--If, in addition to a
23 cannabis conviction vacated under section 305, an OTN is
24 associated with a conviction for an offense which is not a
25 cannabis conviction, the criminal history record shall be
26 updated and the disposition of each cannabis conviction vacated
27 under section 305 shall be, and the criminal history record
28 shall indicate, the cannabis conviction has been vacated. Each
29 vacated offense shall be expunged from the criminal history
30 record maintained in the database. The AOPC and the commissioner

1 shall take necessary and appropriate action to ensure that each
2 keeper of criminal history records and recipients of criminal
3 history records update the record to reflect the updated
4 disposition.

5 (c) Treatment.--Beginning on the effective date of this
6 subsection, a cannabis conviction or sentence vacated under
7 section 305 shall not be regarded as a conviction or sentence
8 for the purpose of any statute or regulation or license or
9 questionnaire or any civil or criminal proceeding or any other
10 public or private purpose.

11 Section 307. Maintenance records.

12 The AOPC shall maintain records of the cases ordered vacated
13 or expunged under this chapter. Any individual whose record has
14 been ordered vacated or expunged under this chapter shall be
15 provided an individualized copy of the order upon request by the
16 individual or their legal representative to the court of common
17 pleas or AOPC. The order shall include a list of the charges
18 ordered expunged and the dispositions of the charges as vacated.

19 Section 308. Cannabis simplified petition expungement process.

20 (a) Update or correction.--Notwithstanding any other
21 provision of law to the contrary, after June 30, 2026, any
22 individual believing their Pennsylvania criminal history record
23 contains information pertaining to offenses impacted by this
24 chapter which is eligible to be vacated, expunged or is
25 inaccurate or incomplete may seek to have their record updated
26 or corrected by simplified petition under this section.

27 (b) Simplified petition process.--

28 (1) The AOPC shall prepare an online simplified petition
29 to update or correct a criminal history record of an
30 individual under subsection (a) which can be completed by the

1 individual without needing legal representation. The petition
2 shall require the individual to allege only that they seek to
3 update or correct their criminal history record or expunge an
4 arrest, charge or conviction arising under the Controlled
5 Substance Act related to cannabis and bring their record into
6 compliance with this chapter, the county in which the arrest,
7 charge or prosecution occurred, and, if known, the
8 approximate date of the arrest, charge, prosecution or
9 conviction. The petition may provide the individual with the
10 option to provide additional information known to the
11 individual to assist the court in identifying each record
12 sought to be updated, corrected or expunged.

13 (2) The simplified petition may be filed electronically.
14 The petition may be filed in hard copy with the clerk of
15 courts in the county in which the case was charged or
16 prosecuted. There shall be no filing fee for the petition.

17 (3) The court shall serve the petition on the district
18 attorney in the county in which the petition is filed. The
19 district attorney shall insert into the petition any missing
20 or additional information necessary for the update,
21 correction or expungement to be granted. The petition shall
22 be granted unless the district attorney objects within 60
23 days. The district attorney may object only on the grounds
24 that:

25 (i) the district attorney could not identify the
26 case to which the petition refers; or

27 (ii) the district attorney determines the update,
28 correction or expungement sought by the petitioner is not
29 an update, correction or expungement provided for and in
30 compliance with this chapter.

1 perform the duties of this act.

2 (b) Administrative officers and board members.--All
3 appointive administrative officers or board members holding
4 office in the Liquor Control Board in effect on the effective
5 date of this subsection shall continue in office on the Liquor
6 Control Board until the term for which they were respectively
7 appointed shall expire or until death, resignation or removal
8 from office.

9 (c) Existing rules.--Any rules and regulations promulgated
10 prior to the effective date of this subsection shall continue to
11 be the rules and regulations of the Liquor Control Board until
12 such time as the regulations are modified or repealed by the
13 board.

14 Section 402. Membership of the board.

15 (a) Additional members of the Liquor Control Board.--

16 (1) In addition to the three board member positions
17 created under section 201 of the act of April 12, 1951
18 (P.L.90, No.21), known as the Liquor Code, two additional
19 members shall be appointed by the Governor by and with the
20 advice and consent of two-thirds of all the members of the
21 Senate.

22 (2) Not more than three appointees to the board may be
23 from the same political party as the Governor.

24 (b) Terms.--Of the members first appointed to the newly
25 established vacancies under subsection (a)(1), one member shall
26 serve a term of three years and one member shall serve a term of
27 four years. Subsequent terms shall be for four years, ending on
28 the third Tuesday in May. A member may continue to hold office
29 for a period not to exceed six months beyond the expiration of
30 that member's term if a successor to that member has not been

1 duly qualified and appointed under this section. Each of the
2 members shall receive an annual salary in accordance with the
3 act of September 30, 1983 (P.L.160, No.39), known as the Public
4 Official Compensation Law.

5 (c) Requirements.--Unless otherwise specified under this
6 act, all qualifications and requirements under Article II of the
7 Liquor Code regarding board membership and board governance
8 shall continue and apply to newly appointed members.

9 (d) Expertise.--At least one member appointed under
10 subsection (a)(1)(ii) shall have expertise in cannabis markets
11 and one member shall have expertise in public health.

12 (e) Quorum.--A majority of three members appointed to the
13 board shall constitute a quorum.

14 Section 403. Additional powers and duties of board.

15 (a) Scope.--The board shall have all the duties, functions
16 and powers necessary and appropriate to enable the board to
17 administer and enforce this act. The authority of the board
18 extends to the regulation and control of cannabis, cannabis
19 flower, cannabis products, cannabis paraphernalia, cannabis
20 stores and persons that hold a cannabis entity license, permit,
21 registration or certificate and any other person authorized to
22 engage in a regulated activity under this act.

23 (b) Authority.--In addition to the duties under section 207
24 of the act of April 12, 1951 (P.L.90, No.21), known as the
25 Liquor Code, the duties, functions and powers of the board shall
26 include, but not be limited to, the following:

27 (1) Buy, possess and sell cannabis seeds, cannabis
28 flower, cannabis products and cannabis paraphernalia
29 consistent with this act. The board may buy cannabis seeds,
30 cannabis flower and cannabis products from cannabis

1 cultivators and cannabis processors at the lowest price and
2 in the greatest variety reasonably obtainable or may offer
3 shelf space in cannabis stores to cannabis cultivators and
4 cannabis processors. If the board offers shelf space, the
5 board may charge:

6 (i) A shelving fee.

7 (ii) A dispensing fee.

8 (2) Fix the wholesale and retail prices of cannabis
9 seeds, cannabis flower, cannabis products and cannabis
10 paraphernalia to be sold in cannabis stores. The following
11 apply:

12 (i) The board may fix retail prices based on market
13 supply and demand or, if providing shelf space, based
14 upon prices recommended by the cannabis cultivators and
15 cannabis processors for their cannabis seeds, cannabis
16 flower and cannabis products.

17 (ii) The board may discount the price of
18 discontinued items.

19 (iii) The board shall establish procedures to
20 promote cannabis seeds, cannabis flower and cannabis
21 products originating from cannabis microbusinesses and
22 certified social and economic equity licensees.

23 (3) On a quarterly basis, the board shall publish a
24 listing of the wholesale and cannabis store retail prices on
25 the board's publicly accessible Internet website.

26 (4) Determine the municipalities within which cannabis
27 stores shall be established and the locations of the cannabis
28 stores within each municipality.

29 (5) Through the Department of General Services as the
30 agent, lease, furnish and equip buildings, warehouses, rooms

1 and other accommodations as required for the operation of
2 cannabis stores

3 (6) Regulate the cultivating, processing, transporting,
4 storing, testing, delivering, handling, disposal and sale of
5 cannabis seeds, cannabis plants, cannabis flower, cannabis
6 products and cannabis paraphernalia under this act.

7 (7) Fix, in consultation with the Department of
8 Agriculture, the standards of cultivating and processing of
9 cannabis, cannabis flower and cannabis products to be sold or
10 offered for sale to cannabis consumers in this Commonwealth.

11 (8) Grant, suspend, deny, condition or revoke any
12 license, permit, registration or certificate for the
13 cultivating, processing, transporting, storing, testing,
14 delivering, handling and selling of cannabis, cannabis
15 flower, cannabis products and cannabis paraphernalia or other
16 authorization to engage in a regulated activity under this
17 act and to authorize the transfer of a cannabis entity
18 license to another person as provided under this act.

19 (9) Employ individuals as necessary to carry out the
20 powers and duties of the board, who shall serve at the
21 board's pleasure. An employee of the board shall be
22 considered a State employee for the purposes of 71 Pa.C.S.
23 Pt. XXV (relating to retirement for State employees and
24 officers).

25 (10) Promulgate, amend or rescind regulations as
26 necessary and appropriate to carry out the intent and
27 provisions of this act.

28 (11) Restrict access to confidential and proprietary
29 information and data in the possession of the board which has
30 been obtained under this act and ensure that the

1 confidentiality of information is maintained and protected.
2 Records shall be retained by the board for seven years.

3 (12) Appoint advisory groups and committees to provide
4 assistance to the board to carry out the purposes and
5 objectives of this act.

6 (13) Exercise the powers and perform the duties in
7 relation to the administration of the board as are necessary
8 but not specifically vested under this act, including, but
9 not limited to, budgetary and fiscal matters.

10 (14) If public health, safety or welfare imperatively
11 requires emergency action and the board incorporates a
12 finding to that effect in an order, order the administrative
13 seizure of cannabis, cannabis flower, cannabis products or
14 cannabis paraphernalia, issue a cease and desist order or
15 take any other action necessary to protect public health and
16 safety and effectuate and enforce the policy and purpose of
17 this act.

18 (15) Adopt and promulgate regulations and issue
19 declaratory rulings, guidance and industry advisories.

20 (16) Enter into contracts for the purposes of carrying
21 out the powers and duties of the board under this act.

22 (17) Hold hearings and inquiries, subpoena witnesses,
23 compel attendance of witnesses, administer oaths and examine
24 an individual under oath and require the production of books
25 and records relative to the hearing or inquiry. A subpoena
26 issued under this paragraph shall be governed by the
27 applicable provisions of 42 Pa.C.S. (relating to judiciary
28 and judicial procedure).

29 (18) Enter into memoranda of understanding or agreements
30 with other Commonwealth agencies as deemed appropriate to

1 effectuate the policy and purposes of this act.

2 (19) Establish, levy and collect fees.

3 (20) Establish cannabis diversion controls, packaging
4 and labeling requirements and advertising restrictions.

5 (21) Establish requirements for the equipment,
6 management and operation of cannabis stores and warehouses in
7 which cannabis, cannabis flower, cannabis products and
8 cannabis paraphernalia are kept or sold and the books and
9 records to be kept therein.

10 (22) Issue bonds.

11 (23) Levy fines, penalties or other sanctions for
12 violation of this act.

13 (24) Provide compliance education to cannabis entities
14 and their employees and contractors.

15 (25) Determine where and what classes, varieties and
16 brands of cannabis seeds, cannabis flower and cannabis
17 products are made available to the public and where the
18 cannabis seeds, cannabis flower and cannabis products may be
19 sold.

20 (26) Acquire or contract with a third-party vendor to
21 establish or develop an inventory verification system for use
22 by cannabis stores.

23 (27) Acquire or contract with a third-party vendor to
24 establish a point-of-sale system for use by all cannabis
25 stores.

26 (28) Adopt and enforce appropriate rules and regulations
27 to ensure the equitable sale and distribution of available
28 cannabis seeds, cannabis flower and cannabis products at
29 cannabis stores when the demand is greater than the supply or
30 supply is greater than demand.

1 (29) Review and approve or deny a management service
2 agreement entered into or proposed to be entered into between
3 a cannabis entity or cannabis entity applicant and another
4 person and may require, by regulation, the entities to secure
5 authorization from the board to provide the services outlined
6 in the management service agreement.

7 (30) Allow for the leasing of shelf-space in cannabis
8 stores by cannabis cultivators or cannabis processors for the
9 sale of cannabis seeds, cannabis flower or cannabis products
10 if the board determines it to be in the best interest of
11 cannabis stores.

12 (31) Approve and review and update no less than every
13 four years guidelines established and issued by the Office of
14 Social Equity under section 601(c)(3) to assess, identify and
15 determine which areas are historically impacted communities
16 and how to assess if someone is a member of a historically
17 impacted community.

18 (32) Conduct or commission an initial comprehensive
19 market analysis within 180 days of the effective date of this
20 paragraph, which shall be complete within one year of
21 commencement of the sale of cannabis seeds, cannabis flower,
22 cannabis products or cannabis paraphernalia in cannabis
23 stores.

24 (33) Conduct comprehensive market analysis every three
25 years.

26 (34) Certify applicants that meet the criteria as a
27 social and economic applicant as a certified social and
28 economic equity applicants.

29 (35) Certify cannabis entities as certified social and
30 economic equity licensees.

1 (36) The board shall consider each of the following as
2 indicative, but not determinative, of a finding that a labor
3 organization is a "bona fide labor organization":

4 (i) The labor organization has been recognized or
5 certified as the bargaining representative for medical
6 marijuana organization, cannabis entity or cannabis store
7 employees in this Commonwealth.

8 (ii) The labor organization has executed current
9 collective bargaining agreements with medical marijuana
10 organizations in this Commonwealth.

11 (iii) The labor organization has spent resources as
12 part of a current and active attempt to organize and
13 represent employees of medical marijuana organizations in
14 this Commonwealth.

15 (iv) The labor organization has filed the annual
16 report required by 29 U.S.C. § 431(b) (relating to report
17 of labor organizations) for the three years immediately
18 preceding.

19 (v) The labor organization has audited financial
20 reports covering the three years immediately preceding.

21 (vi) The labor organization has written bylaws or
22 constitution for the three years immediately preceding.

23 (37) Acquire or contract with a third-party vendor to
24 establish or develop a seed-to-sale tracking system.

25 (38) Collect taxes imposed under this act on the sale of
26 cannabis and cannabis products in cannabis stores.

27 Section 404. Temporary regulations.

28 (a) Promulgation.--In order to facilitate the prompt
29 implementation of this act, the board shall promulgate temporary
30 regulations within 180 days of the effective date of this

1 subsection that shall expire no later than five years following
2 the publication of the temporary regulations. The temporary
3 regulations promulgated by the board under this section are not
4 subject to:

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

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

10 (3) Sections 204(b) and 301(10) of the act of October
11 15, 1980 (P.L.950, No.164), known as the Commonwealth
12 Attorneys Act.

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

15 (b) Expiration.--The board's authority to adopt temporary
16 regulations under subsection (a) shall expire five years after
17 the effective date of this subsection. Regulations adopted after
18 this period shall be promulgated as provided by law.

19 (c) Contents.--Temporary and final-form regulations adopted
20 by the board shall include, but not be limited to, the
21 following:

22 (1) Procedures for the issuance, denial, renewal,
23 sanction, suspension and revocation of a license to operate a
24 cannabis establishment by an applicant for a cannabis entity
25 license. The procedures shall include a biennial evaluation
26 of whether the number of each kind of cannabis entity license
27 is sufficient to meet market demand.

28 (2) Licensing goals and measures for social and economic
29 equity applicants and cannabis microbusiness applicants who
30 are residents of this Commonwealth.

1 (3) Security and surveillance requirements for cannabis
2 establishments.

3 (4) Requirements to prevent the sale or diversion of
4 cannabis, cannabis flower, cannabis products and cannabis
5 paraphernalia to individuals under 21 years of age,
6 including, but not limited to, identification requirements.

7 (5) Packaging, processing and branding regulations to
8 prevent the appeal of cannabis, cannabis flower, cannabis
9 products, cannabis paraphernalia and other paraphernalia to
10 individuals under 21 years of age.

11 (6) Labeling and packaging requirements for cannabis
12 seeds, cannabis flower, cannabis products and cannabis
13 paraphernalia cultivated, processed, transported, stored,
14 delivered, handled or sold, including, but not limited to,
15 clear and understandable health and safety information,
16 warning labels, serving sizes and child resistant packaging.

17 (7) Health and safety standards, protocols and worker
18 protections for the cultivating, processing, storing,
19 transporting, testing and selling or offering for sale of
20 cannabis, cannabis flower, cannabis products and cannabis
21 paraphernalia.

22 (8) Restrictions on the advertising and display of
23 cannabis seeds, cannabis flower, cannabis products, cannabis
24 paraphernalia and other paraphernalia, including restrictions
25 on advertising to individuals under 21 years of age.

26 (9) Procedures for the board to conduct announced and
27 unannounced visits to a cannabis establishment and a cannabis
28 testing laboratory to make or cause to be made investigations
29 for the efficient and proper administration of this act and
30 any other laws which may be enacted concerning any form of

1 cannabis or the cultivating, processing, distributing,
2 testing, transporting, delivering, selling or offering for
3 sale of cannabis seeds, cannabis flower, cannabis products
4 and cannabis paraphernalia, including the inspection of the
5 premises of a proposed cannabis establishment and cannabis
6 testing laboratory or the inspection and search of a cannabis
7 entity's cannabis establishment and cannabis testing
8 laboratory, the search of associated buildings and the
9 inspection and examination of the books, records, accounts,
10 documents and papers of the cannabis entity and cannabis
11 testing laboratory.

12 (10) Recordkeeping requirements.

13 (11) Procedures for inspecting and testing samples of
14 cannabis, cannabis flower and cannabis products.

15 (12) Conditions under which cannabis cultivated by a
16 cannabis cultivator or cannabis processed by a cannabis
17 processor may be donated for research purposes.

18 (13) Administrative sanctions and civil penalties for
19 violating a regulation of the board.

20 (14) Requirements for a cannabis establishment and
21 cannabis testing laboratory to ensure safe cultivation,
22 processing, storage, transport and disposal of any form of
23 cannabis, including ventilation, temperature, size and
24 timeline of storage.

25 (15) Requirements to govern the testing of any form of
26 cannabis, cannabis flower and cannabis products by a cannabis
27 testing laboratory including stability and compliance
28 testing.

29 (16) Requirements for home cultivation permittees.

30 (d) Informational sessions.--After the promulgation of

1 temporary regulations under subsection (a) pertaining to
2 applications and the application process and after the issuance
3 of guidelines determining historically impacted communities and
4 prior to the date established by the board to commence the
5 application process, the board shall:

6 (1) Conduct a series of regional informational sessions
7 to inform and educate the residents of this Commonwealth
8 regarding the regulation of cannabis, cannabis flower,
9 cannabis products and cannabis paraphernalia in this
10 Commonwealth, including information and education on the
11 opportunities, requirements and processes for submitting an
12 application to the board for a cannabis entity license,
13 permit, certification or other authorization to engage in a
14 regulated activity under this act. The board shall conduct at
15 least two informational sessions in each region of this
16 Commonwealth and may conduct additional informational
17 sessions upon demand by the governing body of a municipality.

18 (2) Establish a minimum of five regions within this
19 Commonwealth for the purpose of conducting information
20 sessions. The department shall consider the following when
21 establishing regions:

22 (i) Regional population.

23 (ii) Access to public transportation.

24 (iii) Any other factor the board deems relevant.

25 (e) Publication.--The board shall transmit notice to the
26 Legislative Reference Bureau of promulgation of temporary
27 regulations for publication in the next available issue of the
28 Pennsylvania Bulletin no later than 180 days after the effective
29 date of this subsection.

30 Section 405. Notice of commencement of sales in cannabis

1 stores.

2 (a) Publications.--

3 (1) At least 90 days before commencing the sale of
4 cannabis seeds, cannabis flower, cannabis products or
5 cannabis paraphernalia in cannabis stores, the board shall
6 provide notice of its intent to commence sales by
7 transmitting the notice to the Legislative Reference Bureau
8 for publication in the next available issue of the
9 Pennsylvania Bulletin.

10 (2) Concurrently with the publication of the notice in
11 the Pennsylvania Bulletin under paragraph (1), the board
12 shall, on the board's publicly accessible Internet website:

13 (i) Post the same notice.

14 (ii) Provide information about the sections of this
15 act that will go into effect within 90 days of the
16 publication under paragraph (1), as provided for under
17 section 2105.

18 (3) No later than 45 days after the notice under
19 subsection (a)(1) is published, the board shall publish the
20 same notice in at least one newspaper of general circulation
21 in each county of the Commonwealth.

22 (b) Content of notice.--The notice under subsection (a)
23 shall contain the following:

24 (1) The specific date that the initial cannabis stores
25 will open for the sale of cannabis seeds, cannabis flower,
26 cannabis products or cannabis paraphernalia.

27 (2) The locations and hours of the initial cannabis
28 stores that will open for sale on that date.

29 (3) Information about who is legally permitted to be a
30 cannabis consumer and what a cannabis consumer is permitted

1 to do under this act.

2 (4) Information about home cultivation permits and how
3 to obtain one.

4 (c) Limitation.--The board may not transmit notice for
5 publication under subsection (a) until at least two cannabis
6 stores are prepared to open in each of the five regions
7 established under section 404(d)(2).

8 Section 406. Annual report by the board.

9 (a) Report required.--The board shall annually submit a
10 report to the General Assembly on the board's administration of
11 this act. The report shall include, but shall not be limited to,
12 the following:

13 (1) retail operations, merchandising and retail sales
14 data;

15 (2) board finances;

16 (3) cannabis store operations;

17 (4) distribution and logistics;

18 (5) communications and marketing;

19 (6) issuance or revocation of licenses, permits or any
20 other authorization to engage in a regulated activity under
21 this act and compliance data;

22 (7) compliance of licensees, permittees or other persons
23 authorized to engage in a regulated activity under this act
24 and other compliance data as determined by the board; and

25 (8) information related to the method and rationale for
26 pricing cannabis seeds, cannabis flower and cannabis
27 products.

28 (b) (Reserved).

29 CHAPTER 5

30 PENNSYLVANIA CANNABIS STORES

1 Section 501. Pennsylvania Cannabis Stores.

2 The following shall apply:

3 (1) The board shall establish, operate and maintain
4 cannabis stores throughout this Commonwealth for the sale of
5 cannabis seeds, cannabis flower, cannabis products and
6 cannabis paraphernalia in accordance with the provisions of
7 and the regulations promulgated under this act. The following
8 apply:

9 (2) A cannabis store may not be located within a minimum
10 of 1,000 feet from an elementary school, secondary school or
11 day care.

12 (3) The board may collocate a cannabis store with a
13 Pennsylvania Liquor Store established under the act of act of
14 April 12, 1951 (P.L.90, No.21), known as the Liquor Code.

15 (4) When determining a collocation under paragraph (3),
16 the board shall consider the public health effects prior to
17 approving a collocation.

18 (5) Upon determination of the location of a cannabis
19 store in a municipality, the board shall give notice of the
20 location by public advertisement in one newspaper of general
21 circulation. The notice shall be posted in a conspicuous
22 place on the outside of the premises in which the proposed
23 cannabis store is to operate or, in the event that a new
24 structure is to be built, in a similarly visible location.
25 If, within five days after the appearance of the
26 advertisement, or of the last day upon which the notice was
27 posted, 100 or more taxpayers residing within a quarter of a
28 mile of a proposed cannabis store, or the City Solicitor in a
29 city of the first class, file a petition with the court of
30 common pleas of the county averring that the proposed

1 cannabis store is objectionable because of its proximity to a
2 church, school or to private residences, the court shall hold
3 a hearing affording an opportunity to the protestants and to
4 the board to present evidence. The court shall render its
5 decision immediately upon the conclusion of the testimony.
6 The court's decision shall not be subject to appeal. If the
7 court determines that the proposed cannabis store is
8 undesirable for the reasons stated in the petition, the board
9 shall abandon it and find another cannabis store.

10 (6) Cannabis flower and cannabis products may not be
11 consumed on the premises of a cannabis store.

12 Section 502. Selection of employees.

13 (a) Civil service.--Employees of the board, except as
14 provided under this act, shall be appointed and employed subject
15 to the provisions of 71 Pa.C.S. Pt. III (relating to civil
16 service reform).

17 (b) Training required.--Cannabis store employees must
18 receive training specific to cannabis seeds, cannabis flower and
19 cannabis product strains, effects, storage, health and safety,
20 security, prohibiting sales to minors, inventory and tracking,
21 as determined by the board.

22 (c) Recruitment.--The board shall develop and implement
23 strategies to recruit cannabis store employees who reside in or
24 are members of a historically impacted community.

25 (d) Employee objection.--The board shall establish a process
26 for an employee with an objection to storing, handling or
27 selling cannabis seeds, cannabis flower, cannabis products or
28 cannabis paraphernalia to submit an objection. An employee that
29 has submitted an objection under this subsection shall not be
30 required to store, handle or sell cannabis seeds, cannabis

1 flower, cannabis products or cannabis paraphernalia nor receive
2 an adverse employment action for filing an objection.

3 (e) (Reserved).

4 (f) Jurisdiction of Pennsylvania Labor Relations Board.--
5 Except where preempted by Federal law, the Pennsylvania Labor
6 Relations Board shall have jurisdiction over representation and
7 unfair labor practices involving a cannabis store.

8 (g) Cannabis experience preference.--If a candidate
9 successfully passes a civil service appointment examination for
10 a public position with the board as an employee or manager of a
11 cannabis store, an additional one point per year of experience
12 in a Pennsylvania licensed medical marijuana facility shall be
13 added to the candidate's final examination score and the score
14 shall determine the candidate's standing on any eligible list
15 certified or provided to the board. A candidate may not begin or
16 hold the public position until proof of employment being
17 considered for additional points is provided to the board.

18 Section 503. Management of cannabis stores.

19 (a) Manager required.--Unless co-located with a Pennsylvania
20 Liquor Store, each cannabis store shall be managed by an
21 individual appointed in the manner provided in 71 Pa.C.S. Pt.
22 III (relating to civil service reform) who shall, under the
23 direction of the board, be responsible for carrying out the
24 provisions of this act and the regulations adopted by the board
25 under this act related to the equipment, management and
26 operation of cannabis stores.

27 (b) Recruitment.--The board shall develop and implement
28 strategies to recruit managers who reside in a historically
29 impacted community.

30 (c) Additional requirements.--The board may establish

1 additional training, qualifications and requirements for
2 managers that exceed the requirements for employees under
3 section 502.

4 Section 504. Sales at Pennsylvania Cannabis Stores.

5 (a) Limit on purchase.--A cannabis store may not sell more
6 than the following amounts to a cannabis consumer in a 24-hour
7 period:

8 (1) 42.524 grams of cannabis flower.

9 (2) Any amount of cannabis product other than cannabis
10 concentrate that contains, in the aggregate, more than 500
11 milligrams of total THC.

12 (3) Any amount of cannabis concentrate containing
13 greater than 400 milligrams of total THC.

14 (4) A personal amount of cannabis.

15 (a.1) Cannabis seed sale.--A cannabis store may only sell
16 cannabis seeds to a cannabis consumer with a valid home
17 cultivation permit.

18 (b) Receipt required.--Each purchase of cannabis seeds,
19 cannabis flower or cannabis products from a cannabis store shall
20 receive a numbered receipt which shall show the price paid and
21 other information as the board may prescribe. Copies of all
22 receipts issued by a cannabis store shall be retained by and
23 shall form part of the records of the cannabis store.

24 (c) Cannabis paraphernalia.--Cannabis stores may sell
25 cannabis paraphernalia to cannabis consumers.

26 (d) Age verification required.--

27 (1) Except as provided under paragraph (2), each
28 cannabis store must utilize a scan device for a valid photo
29 driver's license or identification card issued by the
30 Department of Transportation or by any other state to verify

1 the age of each individual attempting to purchase cannabis
2 seeds, cannabis flower or cannabis products before making a
3 sale.

4 (2) A valid Canadian driver's license or other bona fide
5 Canadian identification such as a Canadian-issued passport,
6 or a valid Armed Forces of the United States identification
7 card, a valid passport or a travel visa issued by the United
8 States or a foreign country that contains the holder's
9 photograph shall, for the purpose of this act, be accepted as
10 an identification card.

11 (3) The board shall establish a procedure for verifying:

12 (i) the age of an individual who presents an
13 acceptable identification card under paragraph (2) that
14 is unable to be scanned; and

15 (ii) that an individual attempting to purchase
16 cannabis seeds has a valid home cultivation permit.

17 Section 505. Health and safety protections.

18 The following shall apply:

19 (1) Each cannabis store must:

20 (i) In a manner that is unobstructed and visible to
21 cannabis consumers and other patrons of a cannabis store,
22 have at least four conspicuously posted signs inside the
23 cannabis store and one or more signs posted outside at or
24 near the door or doors used to enter a cannabis store a
25 statement in substantially the following form:

26 If you or someone you know needs help finding a drug
27 treatment provider or information about drug
28 addiction and treatment, help is available. Please
29 call 1-800-662-HELP (4357) anytime, any day. Be
30 assured, your call is confidential.

1 (ii) Provide brochures containing the statement
2 under paragraph (1) which shall include information
3 regarding the dangers of driving under the influence of
4 cannabis, signs and symptoms of substance use disorder,
5 the consequences of unregulated cannabis, cannabis flower
6 and cannabis products, expected intoxicating effects, the
7 danger of overconsumption, the dangers of cannabis flower
8 and cannabis product consumption by minors and any other
9 public health information determined by the board.

10 (iii) Provide brochures containing information on
11 the risks of cannabis products with a high total THC
12 concentration.

13 (2) The board:

14 (i) shall provide cannabis stores with the signs and
15 brochures required under paragraph (1); and

16 (ii) may consult with the Department of Drug and
17 Alcohol Programs on the content of the signs and
18 brochures.

19 Section 506. Audits by the Auditor General.

20 (a) Audits required.--

21 (1) It shall be the duty of the Department of the
22 Auditor General to make audits which may be necessary in
23 connection with the administration of the financial affairs
24 of the board and the cannabis stores. The audits shall be
25 conducted in accordance with generally accepted accounting
26 principles. Nothing in this paragraph shall be construed to
27 require the Auditor General to conduct biannual inventories.

28 (2) At least one audit shall be conducted each year of
29 the financial affairs of the board. Collections made by
30 cannabis stores shall be audited quarterly. The Auditor

1 General shall submit a copy of the annual audit of the
2 affairs of the board to the Governor, the President pro
3 tempore of the Senate, the Majority Leader and Minority
4 Leader of the Senate, the Speaker of the House of
5 Representatives and the Majority Leader and Minority Leader
6 of the House of Representatives. The Auditor General shall
7 post the annual audit of the affairs of the board to its
8 publicly accessible website.

9 (b) Special audits.--Special audits of the financial affairs
10 of the board and cannabis stores maintained and operated by the
11 board may be made if the Auditor General deems it necessary and
12 shall be made when the Governor directs the Department of the
13 Auditor General to conduct a special audit.

14 (c) Copies.--Copies of audits made by the Department of the
15 Auditor General shall be promptly submitted to the board and to
16 the Governor.

17 CHAPTER 6

18 SOCIAL AND ECONOMIC EQUITY

19 Section 601. Definitions.

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

23 "Committee." The Social and Economic Equity Advisory
24 Committee established under section 602.1.

25 "Fund." The Cannabis Business Development Fund established
26 under section 603.

27 "Office." The Office of Social and Economic Equity
28 established under section 602.

29 Section 602. Office of Social and Economic Equity.

30 (a) Establishment and director.--The Office of Social and

1 Economic Equity is established within the board and shall be
2 under the immediate supervision of a director who shall be
3 appointed by and serve at the pleasure of the board.

4 (b) Qualifications of the director.--The director of the
5 Office of Social and Economic Equity shall have at least five
6 years of experience in civil rights advocacy, civil rights
7 litigation or another area of social justice.

8 (c) Powers and duties.--The office, under the direction of
9 the board, shall:

10 (1) Promote inclusion and participation in the regulated
11 cannabis industry, including through an indirect cannabis
12 business, by persons that may qualify to be a social and
13 economic equity applicant.

14 (2) Within six months of appointment of the director,
15 present to the board guidelines to identify historically
16 impacted communities and determine if an individual is a
17 member of a historically impacted community. When
18 establishing the guidelines, the office shall:

19 (i) consult with experts, including the Social and
20 Economic Advisory Committee established under section
21 602.1 on the disparate impacts of communities directly
22 harmed by policing or criminalized activities related to
23 the sale, distribution or possession of cannabis;

24 (ii) review other states' social and economic equity
25 programs and qualifications; and

26 (iii) implement a process to receive public input.

27 (3) Review and make recommendations to the board on
28 updates to the guidelines as necessary, but in no event fewer
29 than once every four years.

30 (4) Make recommendations to the board on relevant policy

1 and implementation matters relating to inclusion and
2 participation in this Commonwealth's regulated cannabis
3 industry by social and economic equity applicants.

4 (5) Conduct advertising and promotional campaigns and
5 disseminate information to the public to increase awareness
6 and promote inclusion and participation in this
7 Commonwealth's regulated cannabis industry by social and
8 economic equity applicants.

9 (6) Sponsor webinars, seminars and other informational
10 programs regarding the board's programs relating to social
11 and economic equity and provide information on the office's
12 publicly accessible Internet website.

13 (7) Administer the Social and Economic Equity Loan and
14 Grant Program established under section 604.

15 (8) Establish and implement workforce development and
16 recruiting and retention strategies for potential cannabis
17 store employees from historically impacted communities.

18 (9) Establish resources for cannabis entities and the
19 board on workforce development, recruitment and retention
20 strategies of employees from historically impacted
21 communities.

22 (d) Review of participation efforts.--As part of its duties
23 under subsection (c) (4), the office:

24 (1) Shall conduct ongoing reviews of policies and
25 procedures implemented by the board related to inclusion and
26 participation in this Commonwealth's regulated cannabis
27 industry by social and economic equity applicants.

28 (2) May consult with experts or other knowledgeable
29 individuals and groups in the public and private sectors and
30 industry stakeholders on any aspect of the office's powers

1 and duties under this section.

2 (e) Report.--Within two years of presentation to the board
3 of guidelines under subsection (c)(2), and on a biennial basis
4 thereafter, the office shall submit a report to the General
5 Assembly that addresses inclusion and participation in this
6 Commonwealth's regulated cannabis industry by social and
7 economic equity applicants. At a minimum, the report shall
8 include:

9 (1) The number of licenses, permits, registrations,
10 certificates and other authorizations to engage in a
11 regulated activity under this act issued by the board
12 compared to the number of social and economic equity
13 applicants that applied.

14 (2) The number of social and economic equity applicants
15 that the board certified as certified social and economic
16 equity applicants compared to the number that applied.

17 (3) The number of certified social and economic equity
18 applicants that were granted licenses compared to the number
19 that were denied.

20 (4) Recommendations for new types of permits,
21 registrations, certifications or other authorizations that
22 could benefit potential social and economic equity applicants
23 or the regulated cannabis industry.

24 (5) Recommendations for outreach to potential social and
25 economic equity applicants to participate in the regulated
26 cannabis industry, including indirect cannabis businesses.

27 (6) The number of certified social and economic equity
28 applicants, certified social and economic equity licensees
29 and indirect cannabis businesses receiving financial
30 assistance under this chapter.

1 (7) The aggregate amount of grant assistance awarded to
2 certified social and economic equity applicants, certified
3 social and economic equity licensees and indirect cannabis
4 businesses in the aggregate under this chapter.

5 (8) The number and amount of loans made to certified
6 social and economic equity applicants, certified social and
7 economic equity licensees and indirect cannabis businesses,
8 and the amount of loans made that are outstanding under this
9 chapter.

10 (9) The number of new jobs and other forms of economic
11 development created as a result of the financial assistance
12 awarded under this chapter.

13 (10) Activity of the social equity advisory committees.
14 Section 602.1. Social and Economic Equity Advisory Committee.

15 (a) Establishment.--The Social and Economic Equity Advisory
16 Committee is established.

17 (b) Membership.--The committee shall be composed of the
18 following:

19 (1) The director of the office, who shall serve as
20 chair.

21 (2) The Secretary of the Department of Human Services,
22 or their designee.

23 (3) The chairman of the Pennsylvania Commission on Crime
24 and Delinquency, or their designee.

25 (4) The director of the Office of Health Equity, or
26 their designee.

27 (5) Two individuals who were previously incarcerated for
28 an offense that is eligible to be vacated under this act,
29 appointed by the chair of the Pennsylvania Parole Board.

30 (6) Two individuals who, when appointed, resided in a

1 census tract with a higher rate of arrests for offenses
2 involving cannabis than the Statewide average, appointed by
3 the Lieutenant Governor.

4 (7) An individual with expertise in the harms caused by
5 cannabis criminalization, appointed by the Attorney General.

6 (8) An individual appointed by the President pro tempore
7 of the Senate.

8 (9) An individual appointed by the Minority Leader of
9 the Senate.

10 (10) An individual appointed by the Speaker of the House
11 of Representatives.

12 (11) An individual appointed by the Minority Leader of
13 the House of Representatives.

14 (c) Duties.--The committee shall advise the office on:

15 (1) The establishment of guidelines to identify
16 historically impacted communities and determine if an
17 individual is a member of a historically impacted community.

18 (2) Outreach to historically impacted communities.

19 (3) All other duties of the office.

20 (d) Reimbursement of expenses.--The members of the committee
21 shall serve without compensation but shall be reimbursed for
22 necessary travel and other expenses incurred in the performance
23 of their official duties.

24 (e) Term.--The terms of the advisory committee are as
25 follows:

26 (1) The term of members appointed under subsection (b)
27 (1), (2), (3) and (4) shall be concurrent with the term of
28 the public office or duration of service in the public office
29 from which they derive their membership.

30 (2) Members appointed under subsection (b) (5), (6), (7),

1 shall serve for a four-year term and may be appointed for no
2 more than one additional consecutive term.

3 (3) Members appointed under subsection(b) (8), (9), (10)
4 and (11) shall serve for a three-year term and may be
5 appointed for no more than one additional consecutive term.

6 (f) Meetings.--The committee shall meet at least six times a
7 year.

8 Section 603. Cannabis Business Development Fund.

9 (a) Establishment of fund.--The Cannabis Business
10 Development Fund is established as a fund within the State
11 Treasury.

12 (b) Use.--Money in the fund shall be held separate and apart
13 from all other Commonwealth money and shall be used exclusively
14 for administering the Social and Economic Equity Loan and Grant
15 Program under section 604.

16 (c) Prohibition.--The fund and money in the fund shall not
17 be subject to transfer or any other fiscal or budgetary maneuver
18 which would transfer or appropriate money in the fund into any
19 other fund, account or Commonwealth program funded through the
20 State Treasury or by any other Commonwealth agency or which may
21 be established by the General Assembly.

22 Section 604. Social and Economic Equity Loan and Grant Program.

23 (a) Establishment.--The office, in consultation with the
24 Department of Community and Economic Development, shall:

25 (1) Establish an education and training program for
26 social and economic equity applicants and potential
27 applicants seeking to participate in this Commonwealth's
28 regulated cannabis industry or provide services as an
29 indirect cannabis business.

30 (2) Establish a grant and low-interest loan program

1 which shall be called the Social and Economic Loan and Grant
2 Program to provide financial assistance to certified social
3 and economic equity applicants, certified social and economic
4 equity licensees and indirect cannabis businesses that meet
5 the qualifications of a social and economic equity applicant.

6 (3) Develop criteria for a certified social and economic
7 equity applicant to apply and, as appropriate, receive
8 conditional approval of a grant or low-interest loan. The
9 awarding of a grant or low-interest loan shall be contingent
10 upon the certified social and economic equity applicant being
11 approved for a cannabis entity license by the board.

12 (4) Develop financial, technical, marketing and business
13 development training programs to assist certified social and
14 economic equity applicants, certified social and economic
15 equity licensees and indirect businesses that meet the
16 qualifications of a social and economic equity applicant in
17 gaining entry to, and successfully operating in the
18 Commonwealth's regulated cannabis industry.

19 (5) Collaborate with the Department of Agriculture in
20 developing agriculture-specific programs for certified social
21 and economic equity applicants and certified social and
22 economic equity licensees on sustainable cultivation and crop
23 production measures and activities.

24 (6) On a continuing basis, collaborate with the
25 Department of Agriculture and any other Commonwealth agency
26 to secure the services of employees to provide guidance and
27 assistance in carrying out the requirements of this chapter.
28 The Department of Agriculture, the Department of Community
29 and Economic Development and Commonwealth agencies shall
30 cooperate with the office and the board in carrying out the

1 requirements of this paragraph.

2 (7) Consult with the Attorney General to initiate
3 actions which may be necessary to protect the interest of the
4 Commonwealth in the event of bankruptcy, default, foreclosure
5 or noncompliance with the terms and conditions of a loan or
6 grant made under this section, including the ability to
7 recapture money if the recipient is found to be noncompliant
8 with the terms and conditions of a financial assistance
9 agreement. The board may enter into a memorandum of
10 understanding with the Office of Attorney General to carry
11 out the purposes of this paragraph.

12 (8) Establish application, notification, contract and
13 other forms, procedures or rules deemed necessary and
14 appropriate to carry out the requirements of this section.

15 (9) Utilize vendors or enter into contracts with persons
16 to carry out the purposes of this section.

17 (b) Social and economic equity loans.--A loan made under
18 this section:

19 (1) May only be made, if, in the judgment of the office,
20 in consultation with the Department of Community and Economic
21 Development, the loan furthers inclusion and participation by
22 certified social and economic equity applicants and certified
23 social and economic equity licensees in this Commonwealth's
24 regulated cannabis industry.

25 (2) Shall be in a principal amount and form and contain
26 terms and provisions with respect to security, insurance,
27 reporting, delinquency charges, default remedies and other
28 matters as the office, in consultation with the Department of
29 Community and Economic Development, determines appropriate to
30 protect the public interest and be consistent with the

1 purposes of this section.

2 (3) May be conditionally approved contingent upon an
3 applicant being selected by the board to receive a license or
4 other approval from the board, or upon any other future
5 action by or on behalf of the applicant conditionally
6 approved for the loan. A conditionally approved loan shall be
7 considered by the board when selecting applicants for
8 licensure.

9 (4) May include loans for gap financing, soft loans and
10 predevelopment.

11 (c) Social and economic equity grants.--

12 (1) Grants authorized and awarded under this section
13 shall be awarded on a competitive basis and shall be in
14 amounts and forms necessary to carry out the purposes of this
15 chapter as determined by the office.

16 (2) Grants may be:

17 (i) conditioned upon the award, grant or issuance of
18 a license, permit other authorization to engage in
19 regulated activity under this act; and

20 (ii) conditionally approved contingent upon an
21 applicant being selected by the board to receive a
22 license or other approval from the board, or upon any
23 other future action by or on behalf of the applicant
24 conditionally approved for the grant.

25 (3) A conditionally approved grant shall be considered
26 by the board when selecting applicants for licensure.

27 (d) Certain community outreach required.--The office, in
28 collaboration with the board and in consultation with the
29 Department of Community and Economic Development, shall develop
30 culturally and linguistically appropriate activities designed to

1 facilitate, promote and include engagement with individuals with
2 limited English proficiency in all programs and outreach
3 undertaken to support, engage, target and otherwise attract
4 social and economic equity applicants to participate in this
5 Commonwealth's regulated cannabis industry.

6 CHAPTER 7

7 LICENSE, PERMIT OR OTHER AUTHORIZATION

8 SUBCHAPTER A

9 GENERAL PROVISIONS

10 Section 701. Ineligibility for licensure, permit or other
11 authorization.

12 The following persons shall not be eligible for a license,
13 permit or other authorization to engage in a regulated activity
14 under this act, except in extraordinary circumstances as
15 determined by the board:

16 (1) An applicant that has been convicted of an offense
17 related to the functions or duties of owning or operating a
18 business within three years of the application date, except
19 that if the board determines that the applicant is otherwise
20 suitable to be issued a license, permit or other
21 authorization to engage in a regulated activity under this
22 act and that granting the license, permit or other
23 authorization is not inconsistent with public safety, the
24 board shall conduct a thorough review of the nature of the
25 crime and conviction, the circumstances surrounding the crime
26 and evidence of rehabilitation of the applicant and evaluate
27 the suitability of the applicant based on the evidence found
28 through the review. In determining which disqualifying
29 convictions substantially relate to the functions or duties
30 of owning or operating a cannabis entity, the board's

1 determination shall include, but not be limited to, the
2 following:

3 (i) a felony conviction within the past three years
4 involving fraud, money laundering, forgery, human
5 trafficking and other unlawful conduct related to owning
6 or operating a business, including the business for which
7 the applicant is seeking board authorization; and

8 (ii) a felony conviction within the past three years
9 for hiring, employing or using a minor in transporting,
10 carrying, selling, giving away or preparing for sale any
11 controlled substance to a minor or other person or
12 selling, offering to sell, furnishing, offering to
13 furnish, administering or giving any controlled substance
14 to a minor or other person.

15 (2) A partnership or a corporation, unless each member
16 of the partnership or each of the principal officers and
17 directors or other essential employees of the corporation is
18 a citizen of the United States. A corporation which otherwise
19 conforms to the requirements of this act may be issued a
20 license, permit or other authorization if each of the
21 corporation's principal officers and more than one-half of
22 the directors or other essential employees of the corporation
23 are citizens of the United States.

24 (3) (Reserved).

25 (4) A person that had a license, permit or other
26 authorization issued by the board revoked for cause.

27 (5) A person that does not hold a license, permit or
28 other authorization under this act and has been convicted of
29 a misdemeanor or felony in violation of this act, until the
30 expiration of a five-year period from the date of the

1 sentence for the conviction.

2 (6) A corporation or partnership, if a principal,
3 officer, director, essential employee or partner, while not
4 authorized to hold a license, permit or other authorization
5 to engage in a regulated activity under this act, has been
6 convicted of a misdemeanor or felony in violation of this act
7 or, if required to hold a license, permit or other
8 authorization to engage in a regulated activity under this
9 act, has had the license, permit or other authorization
10 revoked for cause, until the expiration of a five-year period
11 from the date of the conviction or revocation as determined
12 by the board.

13 Section 702. Renewals.

14 (a) Renewal required.--

15 (1) Licenses, permits and other authorizations to engage
16 in a regulated activity under this act issued under this
17 chapter are subject to renewal every three years.

18 (2) The application for renewal shall be submitted at
19 least 90 days prior to the expiration of the license, permit
20 or other authorization to engage in a regulated activity
21 under this act and shall include an update of the information
22 and plans contained in the initial application, prior renewal
23 applications and the payment of the renewal fee.

24 (3) In addition to any other conditions or requirements
25 established by the board for renewal, the board shall require
26 an applicant for renewal to submit proof of adherence to
27 plans to hire justice-involved individuals, members of an
28 impacted family or members of a historically impacted
29 community submitted to the board as part of its initial
30 application and the license's adherence to and continuation

1 of a labor peace agreement. Absent sufficient proof of
2 adherence to and continuation of the plan or agreement, the
3 board shall deny the renewal application or conditionally
4 approve or defer action on the renewal application and
5 require the applicant for renewal to develop and submit a
6 corrective action plan to the board. No less than one year
7 after submission of the corrective action plan, the board
8 shall require the applicant to demonstrate actions taken to
9 correct their failure to adhere to or continue the plan or
10 agreement and specific actions taken under the corrective
11 action plan. Nothing shall prevent the board from denying an
12 application for renewal based solely upon a failure to adhere
13 to or continue a plan or agreement.

14 (4) Nothing under this subsection relieves a licensee,
15 permittee or holder of other authorization of the affirmative
16 duty to notify the board of any changes relating to the
17 status of the license, permit, certificate, registration or
18 other authorization or to any other information contained in
19 the application materials on file with the board.

20 (b) Sanctions authorized.--

21 (1) In addition to any other sanctions the board may
22 impose under this act, the board may suspend, deny, condition
23 or revoke or deny renewal of any license, permit,
24 certification, registration or other authorization to engage
25 in a regulated activity under this act if the board
26 determines that the person seeking renewal or a principal or
27 essential employee of the person is in violation of any
28 provision of this act, that the person has furnished the
29 board with false or misleading information or that the
30 information contained in the person's initial application or

1 any renewal application is no longer true and correct.

2 (2) In the event of a suspension, the person's
3 authorization to conduct the previously approved regulated
4 activity shall immediately cease until the board has notified
5 the person that the suspension is no longer in effect.

6 (3) In the event of a revocation or failure to renew,
7 the person's authorization to conduct the previously approved
8 regulated activity shall immediately cease, and all fees paid
9 shall be deemed to be forfeited.

10 Section 703. Construction.

11 Nothing in this chapter shall be construed to create an
12 entitlement to a license, permit or other authorization to
13 engage in a regulated activity under this act by any person. The
14 board shall, in the board's sole discretion, issue, renew,
15 condition or deny a cannabis entity license, permit or other
16 authorization to engage in a regulated activity under this act
17 based upon the requirements under this act and whether the
18 issuance of a license, permit or other authorization will
19 protect public health, promote equity, enhance economic
20 development or job creation, is in the best interests of this
21 Commonwealth and advances the intent and purposes of this act.

22 SUBCHAPTER B

23 CANNABIS ENTITY LICENSES

24 Section 704. Cannabis entity license application.

25 (a) Submission.--

26 (1) Each applicant for a cannabis entity license shall
27 submit to the board:

28 (i) An application on a form, in the manner and at
29 the time established by the board.

30 (ii) The applicable application fee.

1 (2) A cannabis entity license may not be issued by the
2 board until after the completion of a background
3 investigation of the applicant and its principals, essential
4 employees and other employees as required by the board.

5 (b) Application requirements.--In addition to any other
6 information required under this act or regulation of the board,
7 the application for any type of cannabis entity license shall
8 include, at a minimum:

9 (1) Information about the applicant, each principal,
10 person with a financial interest and any person who
11 participates directly or indirectly in the control,
12 management or operation of the cannabis entity.

13 (2) The Federal and State tax identification numbers of
14 the applicant and proof of registration with the Department
15 of Revenue.

16 (3) Proof that the applicant is in compliance with the
17 requirements of section 1104.

18 (4) The applicant's business plan or management
19 operation profile.

20 (5) The applicant's operation plan, including a
21 description of the secure facility or area where cannabis
22 will be stored, cultivated, processed or sold, inventory and
23 packaging plans, policies and procedures for energy
24 efficiency and conservation.

25 (6) Emergency procedures, including a disaster plan with
26 procedures to be followed in case of fire or other emergency,
27 including a proclamation of a disaster or public health
28 emergency.

29 (7) A plan to obtain appropriate liability insurance
30 coverage for the proposed cannabis establishment.

1 (8) (Reserved).

2 (9) The details of a cannabis entity license or similar
3 license, permit or other authorization applied for, granted
4 to or denied to the applicant in another jurisdiction,
5 foreign or domestic, where the personal use of cannabis and
6 cannabis products or medical marijuana is legal or regulated,
7 and the consent for the board to acquire copies of the
8 application submitted or license, permit or other
9 authorization granted to the applicant in the other
10 jurisdiction.

11 (10) The details of loans:

12 (i) obtained by an applicant from a financial
13 institution; and

14 (ii) not approved by a financial institution.

15 (11) The consent to a background investigation, the
16 scope of which shall be determined by the board and a release
17 signed by all individuals and principals subject to a
18 background investigation agreeing to provide all information
19 required by the board to complete the background
20 investigation.

21 (12) Payment of the applicable cannabis entity license
22 fee.

23 (13) The disclosure of any arrests.

24 (14) The terms of a management service agreement entered
25 into or proposed to be entered into between a cannabis entity
26 applicant and another person, including the scope of services
27 to be provided, the number and compensation of employees.

28 (15) A list of any adverse actions taken against an
29 applicant that holds or has held a permit to perform a
30 regulated activity in a jurisdiction, foreign or domestic,

1 where the use of cannabis flower and cannabis products or
2 medical marijuana is legal or regulated.

3 (16) A copy of the labor peace agreement required under
4 section 714.

5 (17) Proof of the applicant's financial fitness.

6 (18) The applicant's previous business experience, if
7 applicable.

8 (19) A plan to hire justice-involved individuals,
9 members of an impacted family or individuals who are a member
10 of a historically impacted community.

11 (c) Limitation.--An applicant may only submit one
12 application per cannabis entity license type within a given
13 licensing round.

14 (d) Completed applications and updated information
15 required.--

16 (1) The board may not consider an incomplete application
17 or an application that was submitted without the applicable
18 application fee, unless the board has waived the fee.

19 (2) The board must notify the applicant in writing if an
20 application is incomplete or an application fee was not
21 submitted, who shall have 10 calendar days from the date of
22 the deficiency notice to submit a complete application to the
23 board.

24 (3) Except as otherwise provided in this act, each
25 cannabis entity shall be required to update the information
26 in the cannabis entity's initial application within 30 days
27 of any changes.

28 (e) Cannabis entity fees.--

29 (1) The board shall establish a schedule for the payment
30 of fees by cannabis entities in the amounts required under

1 this chapter.

2 (2) Except as provided under paragraph (4), each
3 applicant for a cannabis entity license shall pay to the
4 board, in the form, manner and time as prescribed by
5 regulation of the board a nonrefundable application fee.

6 (3) Except as provided under paragraph (4), each
7 cannabis entity shall pay to the board, in the form, manner
8 and time as prescribed by regulation of the board:

9 (i) a license fee;

10 (ii) a license renewal fee; and

11 (iii) a monthly verification system fee.

12 (4) The board may waive the application fees required
13 under this section for certified social and economic equity
14 applicants.

15 (5) The board may impose and collect additional fees not
16 specified in this section in accordance with the provisions
17 of this act or by regulation of the board.

18 (f) License and renewal fees for certified social and equity
19 licensees.--The license and renewal fee for a certified social
20 and economic equity licensee shall be 50% of the amount for the
21 type of license applied for in accordance with the applicable
22 provisions of this act or may be waived by the board.

23 (g) Health and safety standards.--The board:

24 (1) Shall require each cannabis entity to meet all
25 public health and safety standards and industry best
26 practices required by the board and all applicable
27 regulations established by the board on the cannabis entity's
28 specific authorization and requirements related to cannabis,
29 cannabis flower, cannabis products and cannabis paraphernalia
30 under this subchapter.

1 (2) May:

2 (i) Collaborate with the Department of Agriculture
3 and the Department of Health in developing the public
4 health and safety standards and industry best practices
5 required under paragraph (1).

6 (ii) In consultation with the Department of
7 Agriculture and the Department of Health, review and
8 evaluate for use in this Commonwealth the health and
9 safety standards and industry best practices adopted by
10 other states or jurisdictions to govern the use of
11 cannabis, cannabis flower, cannabis products and cannabis
12 paraphernalia for personal use.

13 Section 705. Scoring system, lottery system and issuance.

14 (a) Development of scoring system.--

15 (1) The board shall, by regulation, develop a scoring
16 system under which applications for a Category 1 cannabis
17 cultivator license or a Category 1 cannabis processor license
18 are administratively ranked and scored based on the clarity,
19 organization and quality of the information provided in the
20 application for licensure. The scoring system shall be based
21 upon a point scale with the board determining the point
22 categories, number of points for each category, and the
23 system of point distribution.

24 (2) When developing the scoring system, the board shall
25 consider an applicant's potential impact on the following:

26 (i) Creation of quality, living-wage jobs and full-
27 time permanent jobs.

28 (ii) Economic development.

29 (iii) The use of organized labor in construction of
30 the cannabis entity's facility.

1 (iv) Inclusion and participation in the regulated
2 cannabis industry by members of historically impacted
3 communities, justice-involved individuals or members of
4 an impacted family.

5 (v) Equality of opportunity in employment and
6 contracting.

7 (b) Ranking.--The board:

8 (1) Shall rank applications, from the most to the least
9 points, according to the scoring system.

10 (2) If two or more eligible applicants have the same
11 number of points, those applicants shall be grouped together
12 and, if there are more eligible applicants in this group than
13 the remaining number of licenses available, the board may
14 increase the number of the Category 1 cultivator and Category
15 1 processor licenses as provided for under section 712.

16 (3) Shall award bonus points to applicants that are
17 certified social and economic equity applicants.

18 (4) May award bonus points to applicants that submit a
19 plan to have 51% of their workforce be comprised of justice-
20 involved individuals, members of an impacted family, and
21 members of a historically impacted community.

22 (c) Lottery system.--The board shall:

23 (1) Establish by regulation a lottery system for
24 Category 2 cannabis microcultivator licenses, Category 2
25 cannabis microprocessor licenses, transporter licenses and
26 on-site consumption licenses.

27 (2) In addition to the requirements set forth in section
28 704(b), establish an application with eligibility
29 requirements that the board will grade on a pass/fail basis.

30 (3) Enter applications that pass under paragraph (2)

1 into the lottery.

2 (4) Award licenses in at least two separate rounds, the
3 first of which may only consist of certified social and
4 economic equity applicants.

5 (5) Establish a goal to award 50% of Category 2 cannabis
6 microcultivator licenses, Category 2 cannabis microprocessor
7 licenses, transporter licenses and on-site consumption
8 licenses to certified social and economic equity applicants.

9 (6) Of the percentage of certified social and economic
10 equity licenses awarded under paragraph (5), establish a goal
11 to award 50% to certified social and economic equity
12 applicants who are justice-involved individuals or members of
13 an impacted family.

14 (d) Deposit of license and renewal fee.--The total amount of
15 all license and renewal fees imposed and collected by the board
16 under this chapter shall be deposited into the Cannabis Revenue
17 Fund.

18 (e) Term.--A cannabis entity license shall be in effect
19 unless suspended, revoked or not renewed by the board upon good
20 cause shown.

21 (f) License regions.--The board shall issue cannabis entity
22 licenses to applicants in a manner ensuring that each of the
23 regions established under section 404(d)(2) receives licenses
24 proportional to the region's population with each region being
25 issued at least one each of each kind of cannabis entity
26 license.

27 Section 706. Licensing of principals required.

28 (a) License required.--All principals shall obtain a
29 principal license from the board.

30 (b) Application.--Upon application for a cannabis entity

1 license, all principals shall submit an application for a
2 principal license. A principal license application shall be in a
3 form prescribed by the board and shall include the following:

4 (1) Verification of status of the person as a principal
5 from the applicant or cannabis entity.

6 (2) Job title or a description of the person's
7 responsibilities as a principal.

8 (3) All releases necessary to obtain information from
9 governmental agencies, employers and other organizations as
10 required by the board.

11 (4) Fingerprints, which shall be submitted to the
12 Pennsylvania State Police if not submitted with the
13 application for a cannabis entity license.

14 (5) A photograph that meets the standards of the
15 Commonwealth Photo Imaging Network.

16 (6) Details relating to a similar license, permit or
17 other authorization granted to the person in another
18 jurisdiction, foreign or domestic.

19 (7) Any information required by the board to complete
20 the required background investigation.

21 (8) Additional information as may be required by the
22 board.

23 (c) Issuance.--

24 (1) Following review of the application and the receipt
25 and review of the background investigation, the board may
26 issue a principal license if the applicant has proven by
27 clear and convincing evidence that the applicant is a person
28 of good character, honesty and integrity and is eligible and
29 suitable to be licensed as a principal.

30 (2) Each license issued to a principal under this

1 section shall include a unique alphanumeric principal
2 employee number.

3 (d) Nontransferability.--A principal license may not be
4 transferred.

5 (e) Essential employee registration exemption.--An
6 individual who is issued a principal license does not need to
7 obtain an essential employee registration under section 715.
8 Section 707. Cannabis cultivator licenses.

9 (a) Category 1 cultivator and Category 2 microcultivator
10 authorization.--A cannabis cultivator license authorizes a
11 Category 1 cultivator licensee and a Category 2 cannabis
12 microcultivator licensee to acquire, cultivate, possess, package
13 and deliver and, subject to subsection (h), sell cannabis,
14 cannabis flower and cannabis seeds.

15 (b) Prohibitions.--

16 (1) Except as provided under paragraph (3), a person may
17 not hold a legal, equitable, ownership or beneficial
18 interest, directly or indirectly, or participate in the
19 management of more than one cannabis cultivator licensee
20 under this act.

21 (2) A cannabis cultivator license may not be issued,
22 transferred, owned or otherwise change control to a person,
23 partnership, corporation, limited liability company or trust
24 or an intermediary, subsidiary, holding company, affiliate or
25 any other form of business entity that holds, owns or
26 controls a cannabis entity license or other authorization
27 under this chapter.

28 (3) An individual, partnership, corporation, limited
29 liability company or trust or an intermediary, subsidiary,
30 holding company, affiliate or any other form of business

1 entity that holds, owns or controls one cultivator license
2 may hold, own or control a total of one processor license.

3 (c) Application and eligibility requirements.--In addition
4 to the requirements under section 704 and the scoring and
5 lottery systems under section 705:

6 (1) A person applying for a Category 1 cannabis
7 cultivator license shall:

8 (i) Submit to the board in the time and in the
9 manner determined by the board a completed application
10 and a nonrefundable application fee of \$5,000.

11 (ii) Consent to the conduct of a background
12 investigation of the applicant and its principals,
13 essential employees and other employees as required by
14 the board.

15 (iii) Satisfy all other requirements for application
16 and licensure under this act and regulations of the board
17 promulgated under this act.

18 (iv) Have relevant knowledge and expertise necessary
19 as determined by the board.

20 (2) A person applying for a Category 2 microcultivator
21 license:

22 (i) Shall submit to the board in the time and in the
23 manner determined by the board a completed application
24 and a nonrefundable application fee of \$2,500.

25 (ii) Consent to the conduct of a background
26 investigation of the applicant and its principals,
27 essential employees and other employees as required by
28 the board.

29 (iii) Satisfy all other requirements for application
30 and licensure under this act and regulations of the board

1 promulgated under this act.

2 (iv) Must meet the following requirements:

3 (A) The applicant employs or will employ no more
4 than 10 employees.

5 (B) The applicant has relevant knowledge and
6 expertise necessary, as determined by the board.

7 (d) Number of licenses.--Except as provided in section 712,
8 the board shall issue:

9 (1) 50 Category 1 cannabis cultivator licenses.

10 (2) 50 Category 2 cannabis microcultivator licenses.

11 (e) Licensing tier system.--

12 (1) Prior to accepting applications, the board shall
13 adopt a licensing tier system for the issuance of Category 1
14 cannabis cultivators and Category 2 cannabis microcultivators
15 based on total square footage of indoor and outdoor cannabis
16 grow canopy. The licensing tier system for a Category 1
17 cannabis cultivator shall at a minimum include 10 tiers. The
18 licensing tier system for a Category 2 cannabis
19 microcultivator shall at a minimum include five tiers.

20 (2) The following apply:

21 (i) A cannabis cultivator may submit an application,
22 in the form, manner and time determined by the board, to
23 expand or reduce the licensing tier type under which it
24 is classified.

25 (ii) In determining whether or not to expand or
26 reduce the licensing tier type of a cannabis cultivator,
27 the board may authorize an increase or decrease of
28 cannabis cultivator's grow canopy. The board may
29 authorize an increase in a cannabis cultivator's cannabis
30 flowering stage cultivation space in increments of 3,000

1 square feet based on:

2 (A) Market demand.

3 (B) The cannabis cultivator's ability to
4 increase space.

5 (C) The cannabis cultivator's history of
6 compliance or noncompliance with this act and
7 regulations of the board.

8 (3) In its review of an application to renew a Category
9 1 cannabis cultivator license, the board shall analyze the
10 cultivation records of the cannabis cultivator. The board may
11 reduce the licensee's maximum cannabis grow canopy to a lower
12 licensing tier if it finds that the cannabis cultivator has
13 sold less than 70% of the cannabis it cultivated during the
14 one year period proceeding the application for renewal. The
15 board may take into account whether the cannabis cultivator
16 has an indoor or outdoor cannabis grow canopy when making
17 this determination.

18 (4) In its review of an application to renew a Category
19 2 cannabis microcultivator license, the board shall analyze
20 the cultivation records of the cannabis microcultivator. The
21 board may reduce the licensee's maximum cannabis grow canopy
22 if it finds that the cannabis cultivator has sold less than
23 70% of the cannabis it cultivated during the one year period
24 proceeding the application for renewal, but the board may not
25 reduce cannabis grow canopy below 5,000 square feet. The
26 board may take into account whether the cannabis cultivator
27 has an indoor or outdoor cannabis grow canopy when making
28 this determination.

29 (f) License and renewal fees.--

30 (1) The board shall use the licensing tier system

1 adopted under subsection (e) (1) to determine the license and
2 renewal fees for Category 1 cannabis cultivators and, subject
3 to the following:

4 (i) Each applicant for a Category 1 cannabis
5 cultivators license shall designate the tier at which the
6 applicant requests to be initially licensed in the
7 application under subsection (c) (1).

8 (ii) The licensing fee imposed by the board under
9 each Category 1 cannabis cultivator licensing tier shall
10 be calculated by multiplying the total square feet of
11 indoor or outdoor cannabis grow canopy used or proposed
12 to be used by the applicant or cannabis cultivator by
13 \$1.50.

14 (iii) The licensing renewal fee imposed by the board
15 under each Category 1 cannabis cultivators licensing tier
16 shall be calculated by multiplying the total square feet
17 of indoor and outdoor cannabis grow canopy used or
18 proposed to be used by the applicant or Category 1
19 cannabis cultivator by \$0.75.

20 (2) The board shall use the licensing tier system
21 adopted under subsection (e) (1) to determine the license and
22 renewal fees for Category 2 cannabis microcultivators,
23 subject to the following:

24 (i) Each applicant for a Category 2 cannabis
25 microcultivator license shall designate the tier at which
26 the applicant requests to be initially licensed in the
27 application under subsection (c) (2).

28 (ii) The licensing fee imposed by the board under
29 each Category 2 cannabis microcultivator licensing tier
30 shall be calculated by multiplying the total square feet

1 of indoor and outdoor cannabis grow canopy used or
2 proposed to be used by the applicant by \$0.50.

3 (iii) The licensing renewal fee imposed by the board
4 under each category 2 cannabis microcultivator licensing
5 tier shall be calculated by multiplying the total square
6 feet of indoor and outdoor cannabis grow canopy used or
7 proposed to be used by the Category 2 cannabis
8 microcultivator by \$0.25.

9 (g) Grow canopies.--

10 (1) A Category 1 cannabis cultivator's cannabis
11 establishment may contain up to 125,000 square feet of
12 cannabis grow canopy for plants in the cannabis flowering
13 stage.

14 (2) (i) At the time of initial licensure, a Category 2
15 cannabis microcultivator's cannabis establishment may
16 contain up to 5,000 square feet of cannabis grow canopy
17 for plants in the cannabis flowering stage.

18 (ii) If the board authorizes an increase to a
19 Category 2 cannabis microcultivator's cannabis grow
20 canopy, the maximum cannabis grow canopy for cultivating
21 cannabis plants in the cannabis flowering stage may not
22 exceed 14,000 square feet.

23 (3) The cultivation of cannabis plants in any stage of
24 growth must be cultivated in a secure facility or area of the
25 cannabis cultivator's cannabis establishment.

26 (h) Sale of cannabis.--

27 (1) A Category 1 cannabis cultivator may sell:

28 (i) Cannabis to:

29 (A) A Category 1 cannabis cultivator or a
30 Category 2 cannabis microcultivator.

1 (B) A Category 1 cannabis processor or a
2 Category 2 cannabis microprocessor.

3 (ii) Cannabis seeds and cannabis flower to the
4 board.

5 (2) A Category 2 cannabis microcultivator may sell:

6 (i) Cannabis to:

7 (A) A Category 1 cannabis cultivator or a
8 Category 2 cannabis microcultivator.

9 (B) A Category 1 cannabis processor or a
10 Category 2 cannabis microprocessor.

11 (ii) Cannabis seeds and cannabis flower to the
12 board.

13 (i) Duties of board.--The board, by regulation, shall
14 require:

15 (1) Cannabis cultivated or otherwise produced by a
16 cannabis cultivator to be tested in accordance with this act.

17 (2) Cannabis cultivators to submit an annual report
18 describing the licensee's electrical and water usage at the
19 licensee's cannabis establishment during the preceding
20 calendar year.

21 (3) Cannabis cultivators to meet all public health and
22 safety standards, industry best practices and all applicable
23 regulations established by the board related to the
24 cultivation of cannabis, including the propagation or cloning
25 of immature cannabis plants and seeds.

26 (j) Authorization.--A cannabis cultivator may do the
27 following:

28 (1) Obtain and transport seed and immature plant
29 material from outside this Commonwealth during at least one
30 30-day period per year as designated by the board to

1 grow cannabis.

2 (2) Obtain seed and immature plant material from a
3 medical marijuana organization licensed under the Medical
4 Marijuana Act or another cannabis cultivator.

5 (3) Package cannabis seed and cannabis flower to be sold
6 directly to the board as subject to the requirements set by
7 the board and this act.

8 Section 708. Cannabis processor licenses.

9 (a) Category 1 cannabis processor and Category 2
10 microprocessor authorization.--A cannabis processor license
11 authorizes a Category 1 cannabis processor licensee and a
12 Category 2 cannabis microprocessor licensee to acquire, possess,
13 dry and cure cannabis from a cannabis cultivator or cannabis
14 microcultivator and process, including package, cannabis into
15 cannabis flower and cannabis products for sale under subsection
16 (e).

17 (b) Prohibitions.--

18 (1) Except as provided under paragraph (3), a person may
19 not hold a legal, equitable, ownership or beneficial
20 interest, directly or indirectly, or participate in the
21 management of more than one cannabis processor license under
22 this act.

23 (2) A cannabis processor license may not be issued,
24 transferred, owned or otherwise change control to a person,
25 partnership, corporation, limited liability company or trust
26 or an intermediary, subsidiary, holding company, affiliate or
27 any other form of business entity that holds, owns or
28 controls a cannabis entity license or other authorization
29 under this chapter.

30 (3) An individual, partnership, corporation, limited

1 liability company or trust or an intermediary, subsidiary,
2 holding company, affiliate or any other form of business
3 entity that holds, owns or controls one processor license may
4 hold, own or control a total of one cultivator license.

5 (c) Application and eligibility requirements.--In addition
6 to the requirements under section 704:

7 (1) A person applying for a Category 1 cannabis
8 processor license shall:

9 (i) Submit to the board in the time and in the
10 manner determined by the board a completed application
11 and a nonrefundable application fee of \$5,000.

12 (ii) Consent to the conduct of a background
13 investigation of the applicant and its principals,
14 essential employees and other employees as required by
15 the board.

16 (iii) Satisfy all other requirements for application
17 and licensure under this act and regulations of the board
18 promulgated under this act.

19 (iv) Have relevant knowledge and expertise
20 necessary, as determined by the board.

21 (2) A person applying for a Category 2 microprocessor
22 license:

23 (i) Shall submit to the board in the time and in the
24 manner determined by the board a completed application
25 and a nonrefundable application fee of \$2,500.

26 (A) The applicant employs or will employ no more
27 than 10 employees.

28 (B) The applicant has relevant knowledge and
29 expertise necessary, as determined by the board.

30 (ii) Consent to the conduct of a background

1 investigation of the applicant and its principals,
2 essential employees and other employees as required by
3 the board.

4 (iii) Satisfy all other requirements for application
5 and licensure under this act and regulations of the
6 board.

7 (d) Number of licenses.--Except as provided in 712, the
8 board shall issue:

9 (1) 50 Category 1 cannabis processor licenses.

10 (2) 50 Category 2 cannabis microprocessor licenses.

11 (e) Fees.--

12 (1) The license fee for a Category 1 cannabis processor
13 shall be \$50,000.

14 (2) The license fee for a Category 2 cannabis
15 microprocessor shall be \$15,000.

16 (3) The renewal fee for a Category 1 cannabis processor
17 shall be \$25,000.

18 (4) The renewal fee for a Category 2 cannabis
19 microprocessor shall be \$7,500.

20 (f) Sale of cannabis.--

21 (1) A Category 1 cannabis processor may sell cannabis
22 flower, cannabis products to:

23 (i) A Category 1 cannabis processor.

24 (ii) A Category 2 cannabis microprocessor.

25 (iii) The board.

26 (2) A Category 2 cannabis microprocessor may sell
27 cannabis flower, cannabis products to:

28 (i) A Category 1 cannabis processor.

29 (ii) A Category 2 cannabis microprocessor.

30 (iii) The board.

1 Section 709. Cannabis transporter license.

2 (a) Authorization and prohibitions.--

3 (1) A cannabis transporter license authorizes a person
4 to transport cannabis, cannabis flower and cannabis products
5 in this Commonwealth:

6 (i) from one cannabis entity to another cannabis
7 entity as provided under this act; and

8 (ii) to the board.

9 (2) A person applying for or holding a cannabis
10 transporter license may not have a direct or indirect
11 interest, including by stock ownership, interlocking
12 directors, mortgage or lien, personal or real property or
13 other means, in a medical marijuana organization.

14 (3) A person may not have a direct or indirect financial
15 or controlling interest in more than one cannabis transporter
16 license issued under this act.

17 (4) A cannabis transporter license may not be issued,
18 transferred, owned or otherwise change in control to a
19 person, partnership, corporation, limited liability company
20 or trust or an intermediary, subsidiary, holding company,
21 affiliate or any other form of business entity that holds,
22 owns or controls any other type of cannabis entity license or
23 permit.

24 (b) Application.--In addition to the requirements under
25 section 704(b), an application for a transporter license must
26 require the applicant to satisfy any other requirements for the
27 application and licensure under this act and regulations of the
28 board.

29 (c) Number of licenses.--Except as provided in section 712,
30 the board may issue up to 50 cannabis transporter licenses.

1 (d) Fees.--

2 (1) An application for a cannabis transporter license
3 shall be accompanied by a nonrefundable application fee of
4 \$5,000.

5 (2) The license fee for a transporter license shall be
6 \$10,000.

7 (3) A cannabis transporter in good standing shall pay a
8 \$2,500 license renewal fee.

9 (e) Duties of board.--In addition to the board's regulatory
10 authority, the board, by regulation, shall require a cannabis
11 transporter to meet all public health and safety standards,
12 industry best practices and all applicable regulations
13 established by the board related to the transportation of
14 cannabis, cannabis flower and cannabis products.

15 Section 710. On-site consumption license.

16 (a) Authorization and prohibitions.--

17 (1) A cannabis on-site consumption license authorizes a
18 cannabis on-site consumption licensee to:

19 (i) (A) Subject to clause (B), operate a single on-
20 site consumption premises on which cannabis flower or
21 cannabis products may be sold and consumed by
22 individuals 21 years of age or older in accordance
23 with this act and any regulations adopted under this
24 act.

25 (B) Cannabis flower and cannabis products may
26 not be smoked indoors.

27 (ii) Purchase cannabis flower and cannabis products
28 from the board and sell an amount of cannabis flower or
29 cannabis products to an individual 21 years of age or
30 older for on-site consumption in amounts authorized by

1 the board.

2 (iii) Purchase low-dose cannabis from the board and
3 sell low-dose cannabis to an individual 21 years of age
4 or older for off-site consumption.

5 (2) A cannabis on-site consumption licensee may not hold
6 more than one cannabis on-site consumption license.

7 (3) A cannabis on-site consumption licensee may not be
8 issued, transferred, owned or otherwise change in control to
9 a person, partnership, corporation, limited liability company
10 or trust or an intermediary, subsidiary, holding company,
11 affiliate or any other form of business entity that holds,
12 owns or controls any other type of cannabis entity license or
13 permit.

14 (b) Age verification required.--

15 (1) Except as provided under paragraph (2), each on-site
16 consumption licensee must utilize a scan device for a valid
17 photo driver's license or identification card issued by the
18 Department of Transportation or by any other state to verify
19 the age of each individual attempting to enter an on-site
20 consumption premises and purchase cannabis flower or cannabis
21 product before making a sale.

22 (2) A valid Canadian driver's license or other bona fide
23 Canadian identification such as a Canadian-issued passport,
24 or a valid Armed Forces of the United States identification
25 card, a valid passport or a travel visa issued by the United
26 States or a foreign country that contains the holder's
27 photograph shall, for the purpose of this act, be accepted as
28 an identification card.

29 (c) Requirements.--An applicant for a cannabis on-site
30 consumption license shall satisfy all other requirements for

1 licensure as a cannabis entity under this act and regulations of
2 the board, including consent to a background investigation as
3 determined by the board.

4 (d) Number of licenses.--Except as provided in section 712,
5 the board may issue up to 100 on-site consumption licenses.

6 (e) Fees.--

7 (1) The nonrefundable application fee for a cannabis on-
8 site consumption license is \$5,000.

9 (2) The license fee for a cannabis on-site consumption
10 license is \$10,000.

11 (3) An on-site consumption licensee in good standing
12 shall pay a \$5,000 renewal fee.

13 (f) Local control.--An on-site consumption establishment may
14 operate only if the municipality where the on-site consumption
15 establishment is proposed to be located has passed an ordinance
16 or resolution that expressly allows for the operation of the on-
17 site consumption premises, and sets the number of on-site
18 consumption premises permitted in the municipality.

19 (g) Additional training required.--In addition to the
20 cannabis responsible training under section 717, the board shall
21 develop additional health and safety training requirements for
22 employees of an on-site consumption licensee.

23 (h) Prohibitions.--An on-site consumption licensee may not:

24 (1) Distribute or allow the distribution of free samples
25 of cannabis flower or cannabis products in the licensed
26 cannabis establishment.

27 (2) Allow the consumption of alcohol in the licensed
28 cannabis establishment.

29 (3) Allow the smoking of cannabis flower, cannabis
30 products, tobacco or tobacco products inside the cannabis

1 establishment.

2 (4) Allow the use or consumption of cannabis flower or
3 cannabis products by an individual 21 years of age or older
4 who displays any visible signs of hallucinating or
5 intoxication.

6 (5) Admit onto the licensed premises an individual who
7 is under the age of 21 years.

8 (6) Sell low-dose cannabis for off-site consumption at
9 hours earlier or later than a cannabis store.

10 (7) Sell more cannabis flower or cannabis products for
11 on-site consumption in an amount permitted by the board.

12 (8) Sell low-dose cannabis for off-site consumption to
13 an individual 21 years of age or older in an amount permitted
14 by the board.

15 (9) Except as permitted under subsection (a)(1)(iii),
16 permit the removal cannabis flower or cannabis product from
17 the licensed establishment.

18 (10) Be located within 1,000 feet from an elementary
19 school, secondary school or day care.

20 (i) Requirements.--An on-site consumption licensee shall
21 post signs and make available brochures in the same manner as a
22 cannabis store as required under section 505.

23 Section 711. (Reserved).

24 Section 712. Need for additional licenses.

25 In determining whether to exercise the board's authority to
26 issue additional cannabis entity licenses under this chapter,
27 the board shall consider the following:

28 (1) The percentage of illicit cannabis flower and
29 cannabis product sales occurring in this Commonwealth using
30 data analyzed and compiled by the Pennsylvania State Police,

1 the United States Drug Enforcement Agency or any other
2 Federal or State agency to ascertain the total illicit sales
3 in this Commonwealth compared to the amount of sales of
4 cannabis flower and cannabis products in cannabis stores and
5 at on-site consumption premises.

6 (2) Whether there is an adequate supply of cannabis
7 flower and cannabis products to serve patients and caregivers
8 under the Medical Marijuana Act and cannabis consumers under
9 this act.

10 (3) Whether there is an oversupply of cannabis seeds,
11 cannabis flower and cannabis products in this Commonwealth,
12 which could result in trafficking to another state or in the
13 diversion of cannabis seeds, cannabis flower and cannabis
14 products to illicit markets.

15 (4) Population increases or shifts.

16 (5) The number, density and location of cannabis entity
17 licenses in this Commonwealth, including the number, density
18 and location of cannabis entity licenses held by qualified
19 social and economic equity licensees.

20 (6) Actual or perceived security risks associated with
21 increasing the number and location of cannabis entity
22 licenses.

23 (7) The past safety record of cannabis entities.

24 (8) The board's ability to adequately regulate
25 additional cannabis entities.

26 (9) Findings or recommendations of the Office of Social
27 and Economic Equity related to reducing or eliminating
28 identified barriers to entry into this Commonwealth's
29 regulated cannabis industry by social and economic equity
30 applicants and residents of historically impacted

1 communities.

2 (10) Changes to Federal law.

3 (11) Any other criteria the board may determine
4 necessary and appropriate.

5 Section 713. Change in ownership or control.

6 (a) Notification and approval.--A cannabis entity shall
7 notify the board in a manner determined by the board immediately
8 upon becoming aware of any proposed or contemplated change in
9 ownership or control of a cannabis entity licensee by any
10 person.

11 (b) Qualification of purchaser of cannabis entity license
12 and change of control.--The purchaser of the assets, other than
13 in the ordinary course of business, of a cannabis entity license
14 shall independently qualify for a license as provided under this
15 act and shall pay the license fee, except as otherwise required
16 under this section. The license fee shall be paid upon the
17 assignment and actual change of control or ownership of the
18 cannabis entity license.

19 (c) Fee reduction.--The board may eliminate the need for
20 qualification and proportionately reduce, but not eliminate, the
21 new license fee otherwise required under this section in
22 connection with a change of ownership or control of a cannabis
23 entity license, depending upon the type of transaction, the
24 relevant ownership interests and changes to the ownership
25 interests resulting from the transaction and other
26 considerations deemed relevant by the board.

27 (d) Transferability.--A cannabis entity licensee may not
28 transfer or initiate a change in ownership or control of the
29 cannabis entity license unless the cannabis entity licensee has
30 received approval for renewal of the cannabis entity license at

1 least twice.

2 (e) Social and economic equity.--If a certified social and
3 economic equity licensee seeks to transfer, sell or grant the
4 licensee's cannabis entity license to a person that does not
5 qualify as a certified social and economic equity applicant that
6 meets the other requirements under this chapter, the agreement
7 to transfer, sell or grant the cannabis entity license to
8 another person shall include a requirement that the person
9 receiving a cannabis entity license held by the certified social
10 and economic equity licensee shall pay the board for deposit
11 into the Cannabis Business Development Fund an amount equal to
12 any outstanding loan, grant or waived fee issued by the board to
13 the certified social and economic equity licensee.

14 (f) Definitions.--As used in this section, the following
15 words and phrases shall have the meanings given to them in this
16 subsection unless the context clearly indicates otherwise:

17 "Change in ownership or control." The consolidation, merger
18 or acquisition by a person or group of persons acting in concert
19 of more than 20% of a cannabis entity licensee's securities or
20 other ownership interests, with the exception of any ownership
21 interest of the person that existed at the time of initial
22 licensing and payment of the initial cannabis entity license
23 fee, or more than 20% of the securities or other ownership
24 interests of a corporation or other form of business entity
25 which owns directly or indirectly at least 20% of the voting or
26 other securities or other ownership interests of the cannabis
27 entity licensee.

28 Section 714. Labor peace agreement.

29 (a) Labor peace agreement required.--At the time of
30 application for a cannabis entity license, an applicant must

1 submit with its application a labor peace agreement signed by a
2 bona fide labor organization and the applicant. The following
3 apply:

4 (1) A labor peace agreement shall be an ongoing material
5 condition of an applicant being issued a license.

6 (2) If an employer has entered into a collective
7 bargaining agreement with a bona fide labor organization,
8 attestation of the agreement shall be included in the
9 application.

10 (3) A cannabis entity licensee seeking renewal of a
11 license that has not entered into a collective bargaining
12 agreement with a bona fide labor organization shall submit an
13 attestation of compliance of the initial agreement signed by
14 the applicant and the bona fide labor organization which was
15 party to the agreement. An applicant that has complied with
16 the terms of a labor peace agreement and has not entered into
17 an agreement with a bona fide labor organization shall not be
18 required to enter into a new labor peace agreement for the
19 purposes of renewal.

20 (b) Compliance.--Failure to comply with the terms agreed to
21 in the labor peace agreement for the entire duration of the
22 agreement shall result in fines or denial, suspension or
23 revocation of a license. The following apply:

24 (1) The board shall determine a schedule establishing
25 the ongoing review of the status and maintenance of a labor
26 peace agreement to assess the eligibility of a license
27 holder.

28 (2) Upon review and findings of unsatisfactory status or
29 the insufficient maintenance of a labor peace agreement, the
30 board shall issue a fine or suspend the cannabis entity's

1 license, or both.

2 (3) Nothing in this section shall void the right of a
3 bona fide labor organization to pursue a complaint of unfair
4 labor practices in violation of Federal or State law with the
5 the National Labor Relations Board or Pennsylvania Labor
6 Relations Board.

7 (4) An applicant or a cannabis entity licensee seeking
8 renewal that the National Labor Relation Board or
9 Pennsylvania Labor Relations Board has determined engaged in
10 unfair labor practices in violation of a labor peace
11 agreement or collective bargaining agreement shall be denied
12 the issuance or renewal of a license.

13 (5) Upon compliance with the terms of arbitration order
14 issued by the National Labor Relations Board or Pennsylvania
15 Labor Relations Board, and entry into a new labor peace
16 agreement, an applicant shall be permitted the issuance of a
17 license.

18 (6) Where a majority of the employees of a cannabis
19 entity license have voted to join a bona fide labor
20 organization, failure to enter into a collective bargaining
21 agreement within 200 days of the opening of a cannabis
22 establishment may result in a referral to the National Labor
23 Relations Board.

24 (c) Applicability.--This section shall apply to the issuance
25 of all licenses, including transfers and renewals.

26 (d) Jurisdiction of Pennsylvania Labor Relations Board.--
27 Except where preempted by Federal law, the Pennsylvania Labor
28 Relations Board shall have jurisdiction over representation and
29 unfair labor practices involving a cannabis entity.

30 SUBCHAPTER C

1 REGISTRATIONS, PERMITS AND CERTIFICATES

2 Section 715. Registration of essential employees.

3 (a) Registration required.--All essential employees must
4 apply for and obtain an essential employee registration from the
5 board.

6 (b) Application.--Applications for registration as an
7 essential employee shall be in a form prescribed by the board
8 and shall include the following:

9 (1) Verification of the essential employee's employment
10 status by the applicant or cannabis entity.

11 (2) Job title and a description of the essential
12 employee's employment duties and responsibilities.

13 (3) All releases necessary to obtain information from
14 governmental agencies, former and current employers and other
15 organizations or entities, as prescribed by the board.

16 (4) Fingerprints, which shall be submitted to the
17 Pennsylvania State Police.

18 (5) A photograph that meets the standards of the
19 Commonwealth Photo Imaging Network.

20 (6) Details relating to a similar license, permit or
21 other similar authorization obtained in another jurisdiction,
22 foreign or domestic.

23 (7) Additional information as may be required by the
24 board.

25 (c) Issuance.--

26 (1) Following review of the application and the receipt
27 and review of the background investigation, the board may
28 issue an essential employee registration if the board
29 determines the applicant is eligible and suitable to be
30 registered as an essential employee.

1 (2) Each essential employee registration issued by the
2 board shall include a unique alphanumeric essential employee
3 registration number.

4 (d) Registration not transferable.--An essential employee
5 registration issued under this section is not transferable.

6 Section 715.1. Workplace protections.

7 (a) Conditions of licensure or any other authorization.--

8 (1) A cannabis entity or any other entity authorized and
9 regulated by the board under this act shall comply with all
10 Federal, State and local occupational safety requirements and
11 any occupational safety requirements promulgated by the
12 board.

13 (2) Upon a finding by the board of a violation under
14 paragraph (1), the board may suspend, revoke, refuse to renew
15 or issue a fine to a cannabis entity or any other person
16 authorized to engage in a regulated activity under this act.

17 (b) Workplace safety study and recommendations.--

18 (1) The Pennsylvania Occupation Safety and Health
19 Surveillance Program, in consultation with the Department of
20 Labor and Industry and the board, shall conduct a study to
21 identify applicable OSHA standards that apply to the cannabis
22 industry and offer recommendations for new standards that are
23 needed to improve the health and safety of cannabis entity
24 workplaces.

25 (2) No later than January 1, 2027, the board shall send
26 the findings of the study to the chair and minority chair of
27 the Labor and Industry Committee of the Senate and the Labor
28 and Industry Committee of the House of Representatives.

29 Section 716. Required reports.

30 (a) Social and economic equity report.--

1 (1) On the first December 31, at least one year after
2 the effective date of this paragraph, and on December 31 of
3 each year thereafter, or upon request by the board, each
4 cannabis entity shall report to the board, on a form and in a
5 manner provided by the board, information of a scope and
6 sufficiency that allows the board to:

7 (i) assess the extent of social and economic equity
8 inclusion and participation programs and activities in
9 this Commonwealth's and regulated cannabis industry; and

10 (ii) develop recommendations and measures to reduce
11 or eliminate identified barriers to entry, including
12 access to capital.

13 (2) The information to be collected and reported shall
14 identify updates on any activity described by a cannabis
15 entity on their application to improve participation and
16 inclusion in the regulated cannabis industry for individuals
17 who qualify as a social and economic applicant.

18 (b) Fine.--Failure to provide a report under subsection (a)
19 may result in a fine as determined by the board.

20 Section 717. Cannabis responsible training required.

21 (a) Training required.--Within 45 days of the commencement
22 of operations by the board or a cannabis entity, each manager,
23 supervisor, employee, agent or other person employed by the
24 board and each essential employee involved in the cultivation,
25 processing, sale, transportation or handling of cannabis or
26 cannabis products, as determined by regulation of the board,
27 shall attend and complete a responsible cannabis training
28 course.

29 (b) Course curriculum.--The responsible cannabis training
30 course shall include at least four hours of instruction time.

1 The course curriculum shall be designed to provide cannabis
2 store and cannabis-entity-specific instruction applicable to the
3 type of cannabis entity. The instruction shall include the
4 following:

5 (1) Health and safety issues related to the use of
6 cannabis flower and cannabis products, including instruction
7 on the physical and physiological effects of cannabis.

8 (2) The responsible use of cannabis seeds, cannabis
9 flower, cannabis products and cannabis paraphernalia.

10 (3) Quantity limitations on sales to cannabis consumers.

11 (4) Safe storage of cannabis seeds, cannabis flower,
12 cannabis products and cannabis paraphernalia.

13 (5) Compliance with all inventory tracking system
14 regulations.

15 (6) Waste handling, management and disposal.

16 (7) Health, sanitation and safety standards.

17 (8) Maintenance of records.

18 (9) Security and surveillance requirements.

19 (10) Required inspections, including random inspections.

20 (11) Privacy and confidentiality requirements relating
21 to cannabis consumers.

22 (12) Packaging, processing and labeling requirements for
23 sales to cannabis consumers.

24 (13) Cultivation methods and the safe use and storage of
25 chemicals, including pesticides, herbicides, compounds,
26 fertilizers and other products.

27 (14) The use, maintenance and storage of equipment and
28 devices used in the cultivation, processing and sale or
29 offering for sale of cannabis seeds, cannabis flower and
30 cannabis products.

1 (15) Any other subjects as prescribed by regulation of
2 the board.

3 (c) Certification.--Upon the successful completion of the
4 responsible cannabis training program, the board shall deliver a
5 certificate signifying an individual's successful completion of
6 the course, either through United States Postal Service mail or
7 electronically by email, to the individual and the cannabis
8 store or entity employing the individual. The cannabis store or
9 cannabis entity shall retain a copy of the course completion
10 certificate for the duration of the individual's employment.

11 (d) Failure to comply.--A cannabis entity whose employees
12 are required to complete training under this section and fail to
13 comply with this section may be subject to administrative
14 sanction by the board.

15 (e) Continuing education.--The board may adopt regulations
16 to require continuing education on a prescribed schedule.
17 Section 718. Cannabis workers' cooperative licensure.

18 (a) Licenses.--In addition to the number of cannabis entity
19 licenses allowed to be awarded under this act, two licenses for
20 each type of cannabis entity category shall be awarded to an
21 applicant that applies as a cannabis workers' cooperative.
22 Nothing shall require the board to issue a license under this
23 section if the applicant does not meet the requirements of this
24 act or any regulation promulgated under this act or the
25 applicable provisions of 15 Pa.C.S. (related to corporations and
26 unincorporated associations) and any applicable regulation
27 promulgated under to 15 Pa.C.S.

28 (b) Applicability.--All requirements of this act and any
29 regulation promulgated regarding application, licensure and
30 compliance shall apply to a cannabis entity license issued to a

1 cannabis workers' cooperative.

2 (c) Qualifications.--In addition to meeting the requirements
3 of 15 Pa.C.S. Ch. 77 (relating to workers' cooperative
4 corporations), the board shall establish additional
5 qualifications for a cannabis workers' cooperative to ensure the
6 cannabis worker cooperative is practicing the highest standards
7 of worker governance, control and financial rights.

8 (d) Failure to maintain a cannabis workers' cooperative.--If
9 a cannabis workers' cooperative terminates its status as a
10 workers' cooperative or fails to meet the requirements of this
11 act or any regulation promulgated, the board may revoke or
12 suspend the cannabis entity license that was awarded to the
13 cannabis workers' cooperative.

14 Section 719. Duty of licensees, permittees and other authorized
15 persons.

16 A person or employee of a person that is licensed, permitted
17 or otherwise authorized to engage in a regulated activity under
18 this act shall have the duty to:

19 (1) provide any assistance or information required by
20 the board or the Pennsylvania State Police and to cooperate
21 in any inquiry, investigation or hearing;

22 (2) consent to inspections, searches and seizures;

23 (3) inform the board of any actions which the person
24 believe would constitute a violation of this part; and

25 (4) inform the board of any arrests for any violations
26 of offenses enumerated under this act, the Controlled
27 Substances Act or 18 Pa.C.S. (relating to crimes and
28 offenses).

29 Section 720. Exigent circumstance determination.

30 (a) Award.--If, prior to the notice the board is required to

1 give under section 405, the board determines that due to exigent
2 circumstances, including insufficient product being available
3 for sale at cannabis stores, and it being in the best interests
4 of the Commonwealth to make the retail sale of cannabis and
5 cannabis products available to cannabis consumers, the board may
6 award one cannabis cultivator license, one cannabis processor
7 license or both to a grower/processor.

8 (b) License.--A grower/processor may apply for and be issued
9 one cannabis cultivator license, one cannabis processor license
10 or both.

11 (c) Application.--

12 (1) A grower/processor applying for a cannabis
13 cultivator license, a cannabis processor license or both
14 shall submit an application created by the board in a manner
15 determined by the board.

16 (2) The board shall require each grower/processor who
17 applies to obtain a cannabis cultivator license, cannabis
18 processor license or both to update the information in their
19 applications submitted to the Department of Health under
20 section 602 of the Medical Marijuana Act.

21 (3) Upon submission of an application, the Department of
22 Health shall provide the board with complete and unfettered
23 access to all department records relating to any
24 grower/processor who applies to obtain a cannabis cultivator
25 license, a cannabis processor license or both.

26 (4) No later than 30 days after a grower/processor
27 applying for a license under this section has updated their
28 information under paragraph (2), the board shall review the
29 records and issue a license sought by a grower/processor
30 subject to the limitations in subsection (b), so long as the

1 grower/processor meets the requirements of the applicable
2 license they are seeking under this act.

3 (5) A grower/process applying for a cannabis cultivator
4 license, a cannabis processor license or both shall pay a
5 nonrefundable application fee of \$15,000.

6 (d) Licensing and renewal fees.--

7 (1) A grower/processor shall pay a license fee of
8 \$20,000,000 for each license awarded under this section.

9 (2) A cannabis cultivator license issued under this
10 section shall be in addition to the number of licenses
11 authorized under section 707. A cannabis processor license
12 issued under this section shall be in addition to the number
13 of licenses authorized under section 708.

14 (e) Deposit of funds.--All licensing fees paid to the board
15 under this section shall be deposited in the General Fund.

16 (f) Definition.--For the purposes of this section, the term
17 "grower/processor" shall have the same meaning as defined
18 section 103 of the Medical Marijuana Act.

19 CHAPTER 8

20 PACKAGING, LABELING, ADVERTISING AND TESTING

21 Section 801. Definitions.

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

25 "Regulated cannabis." Cannabis seeds, cannabis flower and
26 cannabis products cultivated, processed, sold or offered for
27 sale in this Commonwealth as provided for under this act.

28 Section 801.1. Packaging and labeling.

29 (a) General rule.--The board shall adopt and promulgate
30 regulations to govern:

1 (1) The advertising, branding, marketing, packaging and
2 labeling of regulated cannabis, including rules pertaining to
3 and governing the accuracy of information and the restriction
4 of marketing and advertising to minors and other individuals
5 under 21 years of age.

6 (2) The advertising, branding, marketing, packaging and
7 labeling of cannabis paraphernalia and other paraphernalia,
8 including rules pertaining to and governing the accuracy of
9 information and the restriction of marketing and advertising
10 to minors and other individuals under 21 years of age.

11 (b) Required regulations.--The regulations adopted and
12 promulgated by the board under subsection (a) shall include, but
13 not be limited to, requirements that:

14 (1) The packaging of regulated cannabis conforms with
15 the requirements of the Poison Prevention Packaging Act of
16 1970 (Public Law 91-601, 15 U.S.C. § 1471 et seq.).

17 (2) Packaging of regulated cannabis sold or displayed
18 for sale to cannabis consumers in multiple serving sizes
19 shall meet the following requirements:

20 (i) Packaging shall include the statement "INCLUDES
21 MULTIPLE SERVINGS."

22 (ii) Cannabis products in solid form shall be
23 permanently scored in a manner in which each serving size
24 is separate.

25 (iii) If the cannabis product cannot be easily and
26 permanently scored into individual servings it shall be
27 packaged in a single-serving size.

28 (3) Regulated cannabis shall be labeled and placed in a
29 resealable, child-resistant package prior to delivery to or
30 sale at a cannabis store.

1 (4) Packages and labels may not display images,
2 illustrations, objects or other artwork attractive to minors,
3 including toys, action figures, emojis or cartoon characters,
4 or depict any words, phrases, lyrics or slogans designed or
5 used in any manner to be especially appealing to children,
6 including the use of images, words, phrases, lyrics or
7 slogans indicating or depicting candy or candies, gummies or
8 lollipops.

9 (5) Labels shall include rotating health and safety
10 statements, which shall be affixed to regulated cannabis,
11 designed to inform cannabis consumers of any potential harm
12 to human health which may result from the smoking of cannabis
13 flower or the consumption of cannabis products. Labels shall
14 cover at least one-third of the front or principal face of a
15 product and be in 12-point font.

16 (6) A cannabis product with a high total THC
17 concentration shall include a warning label on the risks of
18 high THC products.

19 (7) Packaging shall be entirely and uniformly one color,
20 and shall not incorporate any information, print, embossing,
21 debossing, graphic or hidden feature, other than labeling
22 required or permitted by the board.

23 (c) Determination of serving size and scoring.--

24 (1) The regulations promulgated and guidance issued by
25 the board shall:

26 (i) Establish the methods and procedures under this
27 section for determining serving sizes for cannabis flower
28 and cannabis products.

29 (ii) Require a nutritional fact panel that
30 incorporates data regarding serving sizes and potency of

1 a serving size.

2 (2) Determine which cannabis products can be easily and
3 permanently scored.

4 (3) In no event shall a serving size or individual
5 package of regulated cannabis exceed a personal amount of
6 cannabis.

7 (d) Failure to comply.--In addition to any other penalties
8 under this act, the packaging, sale, marketing, branding,
9 advertising, labeling or possession:

10 (1) Of regulated cannabis by a cannabis cultivator
11 licensee, cannabis processor licensee or cannabis
12 microbusiness not in conformity with this act and regulations
13 adopted and promulgated by the board as provided under this
14 act shall be grounds for the imposition of a fine or the
15 suspension or revocation of the license.

16 (2) Of cannabis paraphernalia or other paraphernalia by
17 a drug paraphernalia permittee not in conformity with this
18 act and regulations adopted and promulgated by the board as
19 provided under this act shall be grounds for the imposition
20 of a fine or the suspension or revocation of the permit.

21 (3) Of cannabis paraphernalia or other paraphernalia by
22 a person not licensed, permitted or authorized under this act
23 commits a misdemeanor of the third degree.

24 Section 801.2. Advertising.

25 (a) General rule.--The board shall adopt and promulgate
26 regulations to govern the advertising of regulated cannabis,
27 cannabis paraphernalia and other paraphernalia.

28 (b) Specific regulations.--The regulations adopted by the
29 board under subsection (a) shall include prohibiting advertising
30 which:

1 (1) Is false, deceptive or misleading.

2 (2) Promotes or depicts consumption of cannabis flower
3 or cannabis products, including overconsumption.

4 (3) Promotes or depicts consumption of cannabis flower
5 and cannabis products by children or other minors.

6 (4) Is designed in any way to appeal to children or
7 other individuals under 21 years of age.

8 (5) Is within 1,000 feet of the perimeter of a school,
9 school grounds, playground, park, library, arcade facility,
10 recreational center, child-care facility or other place where
11 children congregate or a church, synagogue, mosque or other
12 building used for religious purposes.

13 (6) Is in the form of an unsolicited Internet pop-up.

14 (7) Is on or in a private vehicle or on or in publicly
15 owned or operated property, including a public transit
16 vehicle, public transit shelter, bus stop, taxi stand,
17 transportation waiting area, train station, airport or
18 similar transit-related location.

19 (8) Makes medical claims or promotes the smoking or
20 consumption of regulated cannabis for a medical or wellness
21 purpose.

22 (9) Encourages the use of cannabis because of its
23 intoxicating effect.

24 (10) Is a promotional gift bearing symbol or reference
25 to cannabis or cannabis paraphernalia.

26 (11) Promotes a cannabis product with a high total THC
27 concentration.

28 (c) Marketing strategies.--

29 (1) The board shall promulgate regulations that prohibit
30 all marketing strategies and implementation of marketing

1 strategies, including, but not limited to, marketing
2 strategies involving the branding, packaging, labeling and
3 location of advertisements, which are designed to:

4 (i) appeal to minors and other individuals under 21
5 years of age;

6 (ii) provide or otherwise disseminate false or
7 misleading information to cannabis consumers; or

8 (iii) promote a cannabis product with a high total
9 THC concentration.

10 (2) The regulations promulgated by the board shall
11 require that:

12 (i) All advertising and marketing accurately and
13 legibly identify a cannabis entity licensee and, if
14 applicable, any other business or entity responsible for
15 the content of the advertising or marketing.

16 (ii) Any broadcast, cable, radio, print, digital
17 communication advertising, social media and outside
18 advertising only be placed where 85% of the audience is
19 reasonably expected to be 21 years of age or older, as
20 determined by reliable, current audience composition
21 data.

22 (d) Permitted practices.--Notwithstanding any provision of
23 this act to the contrary, a cannabis entity may:

24 (1) (i) Subject to subparagraph (ii), develop a brand
25 name for use in labeling, signage and other materials.

26 (ii) The use of a medical symbol or image of
27 cannabis flower, cannabis products or cannabis
28 paraphernalia which are appealing to individuals under 21
29 years of age and colloquial references to cannabis
30 flower, cannabis products or cannabis paraphernalia is

1 prohibited and may not be used in the brand name.

2 (2) (i) Subject to subparagraph (ii), engage in
3 reasonable advertising practices which are not otherwise
4 prohibited under this act or regulations and which do not
5 jeopardize the public health, welfare or safety of the
6 general public.

7 (ii) The promotion of the diversion of cannabis
8 flower or cannabis product use in individuals under 21
9 years of age or the promotion of practices inconsistent
10 with the purposes of this act is prohibited.

11 (e) Product warnings.--

12 (1) All advertising shall be accompanied by a product
13 warning, as determined by the board.

14 (2) Advertising created for viewing by the general
15 public shall include health and safety warnings as determined
16 by the board.

17 (f) Definitions.--As used in this section, the following
18 words and phrases shall have the meanings given to them in this
19 subsection unless the context clearly indicates otherwise:

20 "Brand name." A name, alone or in conjunction with any other
21 word or phrase, trademark, logo, symbol, motto, recognizable
22 pattern of colors or any other identifiable marker associated
23 with a cannabis entity licensee.

24 Section 802. Product safety protections.

25 (a) Potency limits.--Cannabis flower and cannabis products
26 sold as provided for under this act may not contain more than:

27 (1) 25% total THC for cannabis flower.

28 (2) 200 milligrams total THC for a cannabis concentrate
29 per package.

30 (3) 5 milligrams of total THC per serving and 25

1 milligrams of total THC per package for a cannabis product
2 other than cannabis concentrate.

3 (b) Youth protection.--Cannabis flower and cannabis products
4 may not be processed in a way that appeals or is attractive to a
5 minor. The board shall promulgate regulations governing the
6 prohibitions of cannabis flower or cannabis products appealing
7 to minors, including:

8 (1) flavors;

9 (2) shapes; and

10 (3) likeness to commercially sold food, candy and
11 beverages.

12 (c) Other prohibitions.--Regulated cannabis that is not
13 derived from naturally occurring biologically active chemical
14 constituents or contains artificially derived or synthetic
15 cannabinoids is prohibited.

16 Section 803. Laboratory testing.

17 (a) Cannabis testing permits.--The board shall issue a
18 cannabis testing permit to laboratories that apply and the board
19 deems qualified to test regulated cannabis. The board may not
20 issue a cannabis testing permit to a laboratory affiliated with
21 a cannabis entity or a medical marijuana organization. The board
22 shall require that cannabis be tested once at final harvest and
23 cannabis flower and cannabis product at final processing.

24 (b) Testing required.--The board shall adopt and promulgate
25 regulations and issue guidelines to govern the testing of
26 regulated cannabis by a cannabis testing laboratory, including
27 stability and compliance testing.

28 (c) Laboratory oversight.--The board may:

29 (1) Enter and inspect cannabis testing laboratories.

30 (2) Conduct testing of regulated cannabis on a cannabis

1 store shelf.

2 (3) Require testing and quality assurance procedures to
3 ensure that results are accurately reported.

4 (4) Require a level of accreditation.

5 (5) Require the reporting of test results to the board.

6 (6) Issue fines or revoke a permit for noncompliance or
7 failure to adhere to this act or any regulations or guidance
8 issued by the board.

9 (d) State cannabis testing laboratory.--The board shall
10 establish and maintain a State cannabis testing laboratory. The
11 State cannabis testing laboratory is responsible for:

12 (1) Developing and maintaining a State cannabis testing
13 laboratory reference library that contains cannabis testing
14 methodologies in the areas of:

15 (i) Potency.

16 (ii) Homogeneity.

17 (iii) Detection and quantitation of contaminants.

18 (iv) Solvents.

19 (2) Establishing standard operating procedures for
20 sample collection, preparation and analysis of regulated
21 cannabis by cannabis testing laboratories.

22 (3) Conducting proficiency testing of independent
23 testing laboratories.

24 (4) Remediating problems with independent testing
25 laboratories.

26 (5) Conducting compliance and stability testing on
27 cannabis samples analyzed by cannabis testing laboratories.

28 (6) Conducting auditing testing on regulated cannabis on
29 a cannabis store's shelf.

30 (7) Identifying and detecting the presence and purity of

1 cannabis, alcohol and tobacco in samples or seized contraband
2 in support of the regulatory authority of the board.

3 CHAPTER 9

4 RECORDKEEPING AND INSPECTION

5 Section 901. Recordkeeping and tracking.

6 (a) Records required.--The board shall require a cannabis
7 entity licensee and cannabis testing laboratory to:

8 (1) Adopt and maintain security, tracking, inventory
9 control, recordkeeping, record retention and surveillance
10 systems relating to all regulated cannabis at every stage of
11 cultivating, processing, transporting, testing and selling
12 regulated cannabis as provided under this act and regulations
13 of the board.

14 (2) Maintain accurate records identifying all current
15 and former employees and contractors, working for or
16 otherwise engaged in activities by for or on behalf of the
17 cannabis entity and cannabis testing laboratory.

18 (3) For the purposes of this chapter, the term
19 "regulated cannabis" shall mean cannabis seeds, cannabis
20 flower and cannabis products cultivated, processed, sold or
21 offered for sale in this Commonwealth as provided for under
22 this act.

23 (b) Maintenance of records.--A cannabis entity licensee and
24 cannabis testing laboratory shall keep and maintain upon the
25 premises of the cannabis entity licensee adequate books and
26 records of all transactions involving the sale of regulated
27 cannabis by the cannabis entity licensee, which shall include,
28 but is not limited to, all information required under this
29 section and by regulation of the board.

30 (c) Retention period.--All books, records and invoices

1 required to be maintained under this section shall be kept for a
2 period of four years and shall be available for inspection by
3 the board or by an authorized employee or agent of the board.

4 Section 902. Inspections.

5 (a) Random inspections.--A cannabis establishment shall be
6 subject to random inspection by the board or a designated
7 employee or agent of the board during normal business hours. In
8 making inspections, the board shall make reasonable
9 accommodations so that ordinary business is not interrupted and
10 safety and security procedures are not compromised.

11 (b) Availability of licensee or employee required.--The
12 person that holds the license or a designated employee or agent
13 of the person shall be available and present for an inspection
14 of the cannabis entity licensee's cannabis establishment.

15 CHAPTER 10

16 PROHIBITIONS AND PENALTIES

17 SUBCHAPTER A

18 PUBLIC EMPLOYEE PROHIBITIONS

19 Section 1001. Definitions.

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

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

24 "Executive-level public employee." The term shall include
25 the following:

26 (1) Deputy secretaries of the Commonwealth and the
27 Governor's Office executive staff.

28 (2) An employee of the executive branch whose duties
29 substantially involve licensing or enforcement under this
30 act, who has discretionary power which may affect or

1 influence the outcome of a Commonwealth agency's action or
2 decision or who is involved in the development of regulations
3 or policies relating to a cannabis entity licensee, permittee
4 or other person engaged in a regulated activity under this
5 act. The term shall include an employee with law enforcement
6 authority.

7 (3) An employee of a county or municipality with
8 discretionary powers which may affect or influence the
9 outcome of the county's or municipality's action or decision
10 related to this act or who is involved in the development of
11 law, regulation or policy relating to matters regulated under
12 this act. The term shall include an employee with law
13 enforcement authority.

14 (4) An employee of a department, agency, board,
15 commission, authority or other governmental body not included
16 in paragraph (1), (2) or (3) with discretionary power which
17 may affect or influence the outcome of the governmental
18 body's action or decision related to this act or who is
19 involved in the development of regulation or policy relating
20 to matters regulated under this act. The term shall include
21 an employee with law enforcement authority.

22 "Financial interest." Owning or holding, or being deemed to
23 hold, debt or equity securities or other ownership interest or
24 profits interest in a cannabis entity licensee, permittee or
25 other person authorized to engage in a regulated activity under
26 this act. A financial interest shall not include any debt or
27 equity security or other ownership interest or profits interest
28 which is held or deemed to be held in any of the following:

29 (1) A blind trust over which the executive-level public
30 employee, public official or party officer or immediate

1 family member may not exercise any managerial control or
2 receive income from during the tenure of office and the
3 period under section 1002(a). This paragraph shall apply only
4 to blind trusts established prior to the effective date of
5 this paragraph.

6 (2) Securities that are held in a pension plan, profit-
7 sharing plan, individual retirement account, tax-sheltered
8 annuity, a plan established under section 457 of the Internal
9 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et
10 seq.) or any successor provision deferred compensation plan,
11 whether qualified or not qualified under the Internal Revenue
12 Code of 1986 or any successor provision, or other retirement
13 plan that is:

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

15 (ii) advised by an independent investment adviser
16 who has sole authority to make investment decisions with
17 respect to contributions made by the individual to the
18 plan.

19 (3) A tuition account plan organized and operated under
20 section 529 of the Internal Revenue Code of 1986 that is not
21 self-directed by the individual.

22 (4) A mutual fund where the interest owned by the mutual
23 fund in a licensed entity does not constitute a controlling
24 interest.

25 "Immediate family." A spouse, minor child or unemancipated
26 child.

27 "Party officer." A member of a national committee, a
28 chairperson, vice chairperson, secretary, treasurer or counsel
29 of a State committee or member of the executive committee of a
30 State committee, a county chairperson, vice chairperson,

1 counsel, secretary or treasurer of a county committee in which a
2 cannabis entity cannabis establishment is located or a city
3 chairperson, vice chairperson, counsel, secretary or treasurer
4 of a city committee of a city in which a cannabis establishment
5 is located.

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

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

10 (2) A member of the Senate or House of Representatives
11 of the Commonwealth.

12 (3) An individual elected or appointed to any office of
13 a municipality whose duties directly involve a regulated
14 activity.

15 (4) An individual elected or appointed to a department,
16 agency, board, commission, authority or other governmental
17 body not included in paragraph (1), (2) or (3) that directly
18 receives a distribution of revenue under this act.

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

27 (6) A member of the Pennsylvania State Police.

28 "Regulated cannabis." Cannabis, cannabis flower and cannabis
29 products cultivated, processed, sold or offered for sale in this
30 Commonwealth as provided for under this act.

1 Section 1002. Financial and employment interests.

2 (a) Financial interests.--Except as may be provided for the
3 judiciary by rule or order of the Supreme Court, an executive-
4 level public employee, public official or party officer, or an
5 immediate family member of the employee, official or officer,
6 may not intentionally or knowingly hold a financial interest in
7 a cannabis entity applicant, cannabis entity, permittee or other
8 person authorized to engage in a regulated activity under this
9 act or in a holding company, affiliate, intermediary or
10 subsidiary while the individual is an executive-level public
11 employee, public official or party officer and for two years
12 following termination of the individual's status as an
13 executive-level public employee, public official or party
14 officer.

15 (b) Employment interests.--Except as may be provided by rule
16 or order of the Supreme Court and except as provided in this
17 act, an executive-level public employee, public official or
18 party officer, or an immediate family member of the employee,
19 official or officer, may not be employed by a cannabis entity
20 applicant, cannabis entity permittee or other person authorized
21 to engage in a regulated activity under this act or by a holding
22 company, affiliate, intermediary or subsidiary, while the
23 individual is an executive-level public employee, public
24 official or party officer and for two years following
25 termination of the individual's status as an executive-level
26 public employee, public official or party officer.

27 (c) Complimentary services prohibited.--

28 (1) An executive-level public employee, public official
29 or party officer, or an immediate family member of the
30 employee, official or officer, may not solicit or accept a

1 complimentary service or thing of value from a cannabis
2 entity applicant, cannabis entity, permittee or other person
3 authorized to engage in a regulated activity under this act
4 or from any affiliate, intermediary, subsidiary or holding
5 company, which the executive-level public employee, public
6 official or party officer, or an immediate family member of
7 the employee, official or officer, knows or has reason to
8 know is other than a service or discount which is offered to
9 members of the general public in like circumstances.

10 (2) A cannabis entity applicant, cannabis entity,
11 permittee or other person engaged in a regulated activity
12 under this act or any affiliate, intermediary, subsidiary or
13 holding company, may not offer or deliver to an executive-
14 level public employee, public official or party officer, or
15 an immediate family member of the employee, official or
16 officer, a complimentary service or thing of value from a
17 cannabis entity applicant, cannabis entity, permittee or
18 other person engaged in a regulated activity under this act
19 or an affiliate, intermediary, subsidiary or holding company,
20 that the applicant, cannabis entity licensee, permittee or
21 other person engaged in a regulated activity under this act,
22 or any affiliate, intermediary, subsidiary or holding
23 company, knows or has reason to know is other than a service
24 or discount that is offered to members of the general public
25 in like circumstances.

26 (3) As used in this subsection, the term "complimentary
27 service" shall mean a service, product or other item which is
28 provided to an individual at no cost or at a reduced or
29 discounted cost, which is not generally available to the
30 public under similar circumstances without cost or at a

1 reduced or discounted cost. Group rates, including convention
2 and government rates, shall be deemed to be generally
3 available to the public.

4 (d) Divestiture.--An executive-level public employee, public
5 official or party officer, or an immediate family member of the
6 employee, official or officer, who holds a financial interest
7 prohibited by this section shall divest the financial interest
8 within three months of the effective date of this subsection. An
9 executive-level public employee, public official, party officer
10 or immediate family member shall have 30 days from the date the
11 individual knew or had reason to know of the violation or 30
12 days from the date of publication in the Pennsylvania Bulletin
13 of the complete list of persons that applied for or held a
14 license, permit or other authorization to engage in a regulated
15 activity under this act, whichever occurs earlier, to divest the
16 financial interest. The State Ethics Commission may, for good
17 cause, extend the time period under this subsection.

18 (e) State Ethics Commission.--The State Ethics Commission
19 shall do all of the following:

20 (1) Issue a written determination of whether a person is
21 subject to subsection (a), (b), (c) or (d) upon the written
22 request of the person or any other person that may have
23 liability for an action taken with respect to the person. A
24 person that relies in good faith on a determination made by
25 the State Ethics Commission under this paragraph shall not be
26 subject to any penalty for an action taken if the material
27 facts stated in the request for the determination are
28 correct.

29 (2) Publish a list of all State, county, municipal and
30 other government positions that are considered public

1 official and executive-level public employee. The Office of
2 Administration shall assist the State Ethics Commission in
3 the development of the list, which shall be transmitted to
4 the Legislative Reference Bureau for publication in the next
5 available issue of the Pennsylvania Bulletin biennially and
6 posted on the board's publicly accessible Internet website.
7 Upon request, each public official shall have a duty to
8 provide the State Ethics Commission with adequate information
9 to accurately develop and maintain the list. The State Ethics
10 Commission may impose a civil penalty under 65 Pa.C.S. §
11 1109(f) (relating to penalties) upon any individual,
12 including any public official or executive-level public
13 employee, who fails to cooperate with the State Ethics
14 Commission under this subsection. A person that relies in
15 good faith on the list published by the State Ethics
16 Commission shall not be subject to any penalty for a
17 violation of this section.

18 Section 1003. Additional restrictions.

19 (a) Restrictions.--Employees of the board, department,
20 Department of Agriculture, Department of Health or Office of
21 Attorney General, or members or employees of the Pennsylvania
22 State Police whose duties substantially involve licensing or
23 enforcement, the development of laws or the development or
24 adoption of regulations or policy related to the regulation of
25 cannabis as provided under this act or who has other
26 discretionary authority which may affect or influence the
27 outcome of an action, proceeding or decision under this act may
28 not do any of the following:

29 (1) Accept employment with or be retained by a cannabis
30 entity applicant, cannabis entity, permittee or other person

1 authorized to engage in a regulated activity under this act
2 or an affiliate, intermediary, subsidiary or holding company
3 for a period of two years after the termination of
4 employment.

5 (2) Appear before the board in a hearing or proceeding
6 or participate in any other activity on behalf of an
7 applicant or cannabis entity licensee, permittee or other
8 person authorized to engage in a regulated activity under
9 this act or an affiliate, intermediary, subsidiary or holding
10 company for a period of two years after termination of
11 employment. Nothing in this paragraph shall prevent a current
12 or former employee of the department, Department of
13 Agriculture, Department of Health or Office of Attorney
14 General, or a member or employee of the Pennsylvania State
15 Police from appearing before the board in a proceeding or
16 hearing as a witness or testifying as to any fact or
17 information.

18 (3) As a condition of employment, potential employees of
19 the board, department, Department of Agriculture, Department
20 of Health and Office of Attorney General and members or
21 employees of the Pennsylvania State Police shall sign an
22 affidavit that the individual will not accept employment with
23 or be retained by a cannabis entity applicant, cannabis
24 entity, permittee or other person authorized to engage in a
25 regulated activity under this act or an affiliate,
26 intermediary, subsidiary or holding company for a period of
27 two years after the termination of employment.

28 (b) Employment or retention.--A cannabis entity applicant,
29 cannabis entity, permittee or other person authorized to engage
30 in a regulated activity under this act or an affiliate,

1 intermediary, subsidiary or holding company may not employ or
2 retain an individual subject to subsection (a) until the
3 expiration of the period required in subsection (a)(1). A
4 cannabis entity applicant, cannabis entity, permittee or other
5 person authorized to engage in a regulated activity under this
6 act or an affiliate, intermediary, subsidiary or holding company
7 that knowingly employs or retains an individual in violation of
8 this subsection shall terminate the employment of the individual
9 and be subject to administrative sanction by the board.

10 (c) Violation.--If an individual subject to subsection (a)
11 refuses or otherwise fails to sign an affidavit as a condition
12 of employment under subsection (a)(3), the individual's
13 potential employer shall rescind the offer of employment.

14 (d) Code of conduct.--The department, Department of
15 Agriculture, Department of Health, Office of Attorney General
16 and Pennsylvania State Police each shall adopt a comprehensive
17 code of conduct which shall supplement all other requirements
18 under this act and 65 Pa.C.S. Pt. II (relating to
19 accountability), as applicable, and shall provide guidelines
20 applicable to the following to avoid any perceived or actual
21 conflict of interest and to promote public confidence in the
22 integrity and impartiality related to the regulation of cannabis
23 as provided under this act:

24 (1) Employees and independent contractors of the
25 department, Department of Agriculture and Department of
26 Health.

27 (2) Members, employees and independent contractors of
28 the Pennsylvania State Police and employees and independent
29 contractors of the Office of Attorney General whose duties
30 substantially involve licensing or enforcement, the

1 development of laws or the development or adoption of
2 regulations or policy related to the regulation of cannabis
3 under this act or who have other discretionary authority
4 which may affect the outcome of an action, proceeding or
5 decision under this act.

6 (3) The immediate families of employees and independent
7 contractors of the department, members, employees and
8 independent contractors of the Pennsylvania State Police and
9 employees and independent contractors of the Department of
10 Agriculture, Department of Health and Office of Attorney
11 General.

12 (e) State Ethics Commission and agencies.--

13 (1) The State Ethics Commission shall do all of the
14 following:

15 (i) Issue a written determination of whether an
16 individual is subject to subsection (a)(1) upon the
17 written request of the individual or the individual's
18 employer or potential employer.

19 (ii) Transmit to the board a list of all positions
20 within the board, department, Department of Agriculture,
21 Office of Attorney General and Pennsylvania State Police
22 whose duties would subject the individual applying for or
23 holding the positions to subsection (a)(1). The board
24 shall post on the board's publicly accessible Internet
25 website and to the Legislative Reference Bureau for
26 publication in the next available issue of the
27 Pennsylvania Bulletin. The State Ethics Commission shall
28 post the list on the commission's publicly accessible
29 Internet website.

30 (2) The board, department, Department of Agriculture,

1 Department of Health, Office of Attorney General and
2 Pennsylvania State Police shall each assist the State Ethics
3 Commission in the development of the list under paragraph (1)
4 (ii). Upon request by the State Ethics Commission, members
5 and employees of the Pennsylvania State Police and employees
6 of the department, Department of Agriculture, Department of
7 Health and Office of Attorney General shall have a duty to
8 provide the State Ethics Commission with adequate information
9 to accurately develop and maintain the list. The State Ethics
10 Commission may impose a civil penalty under 65 Pa.C.S. §
11 1109(f) (relating to penalties) upon an individual who fails
12 to cooperate with the State Ethics Commission under this
13 paragraph.

14 (3) An individual who relies in good faith on a
15 determination made by the State Ethics Commission under
16 paragraph (1)(i) shall not be subject to any penalty for an
17 action taken if all material facts stated in the request for
18 the determination are correct.

19 (4) An individual who relies in good faith on the list
20 published under paragraph (1)(ii) shall not be subject to any
21 penalty for a violation of subsection (a).

22 SUBCHAPTER B

23 PENALTIES AND IMMUNITIES

24 Section 1004. Administrative sanctions.

25 (a) Authority to impose administrative sanctions.--

26 (1) In addition to any other penalty authorized by law
27 or under this act, the board may impose without limitation
28 the following sanctions upon a cannabis entity, permittee or
29 other person authorized to engage in a regulated activity
30 under this act:

1 (i) Suspend, revoke or refuse to renew the license,
2 permit or other authorization to engage in a regulated
3 activity under this act of a person convicted of a
4 criminal offense under this act or other law which would
5 otherwise disqualify the person from holding the license,
6 permit or other authorization.

7 (ii) Revoke the license, permit or other
8 authorization to engage in a regulated activity under
9 this act of a person determined to have violated this act
10 or regulations promulgated by the board under this act
11 which would otherwise disqualify the person from holding
12 the license, permit or other authorization.

13 (iii) Revoke the license, permit or other
14 authorization to engage in a regulated activity under
15 this act of a person for willfully and knowingly
16 violating or attempting to violate an order of the board
17 directed to the person.

18 (iv) Suspend the license, permit or other
19 authorization of a person pending the outcome of a
20 hearing in a case in which the revocation of a license,
21 permit or authorization to engage in a regulated activity
22 under this act.

23 (v) Suspend the license of a cannabis entity for
24 violating or attempting to violate this act or
25 regulations promulgated under this act relating to the
26 operation of the cannabis entity cannabis establishment.

27 (vi) Order restitution of money or property
28 unlawfully obtained or retained by a cannabis entity,
29 permittee or other person authorized to engage in a
30 regulated activity under this act.

1 (vii) Enter a cease and desist order that specifies
2 the conduct that must be discontinued, altered or
3 implemented by the cannabis entity, permittee or other
4 person authorized to engage in a regulated activity under
5 this act.

6 (viii) Issue a letter of reprimand or censure, which
7 shall be made a permanent part of the file of the
8 cannabis entity, permittee or other person sanctioned.

9 (ix) Assess administrative fines for a violation of
10 this act or a regulation promulgated under this act,
11 which shall not exceed:

12 (A) \$50,000 for each violation of this act or a
13 regulation promulgated by the board under this act by
14 a Category 1 cannabis cultivator licensee or Category
15 1 cannabis processor licensee or an essential
16 employee or agent of the licensee.

17 (B) \$10,000 for each violation of this act or a
18 regulation promulgated by the board under this act by
19 a Category 2 cannabis microcultivator or Category 2
20 cannabis microprocessor or an essential employee or
21 agent of the licensee.

22 (C) \$15,000 for each violation of this act or a
23 regulation promulgated by the board under this act by
24 a cannabis transporter licensee or an essential
25 employee or agent of the licensee.

26 (D) \$15,000 for each violation of this act or a
27 regulation promulgated by the board under this act by
28 a cannabis on-site consumption licensee or an
29 essential employee or agent of a licensee.

30 (E) \$10,000 for each violation of this act or a

1 regulation promulgated by the board under this act by
2 a person that holds a permit to operate a cannabis
3 testing laboratory or by an employee or agent of the
4 licensee.

5 (F) \$10,000 for each violation of this act or a
6 regulation promulgated by the board under this act by
7 any other person authorized by the board to engage in
8 a regulated activity under this act.

9 (2) If the board suspends, revokes or refuses to renew a
10 license, permit or other authorization to engage in a
11 regulated activity under this act or assesses a fine or civil
12 penalty, orders restitution, enters a cease and desist order
13 or issues a letter of reprimand or censure, the board shall
14 provide the cannabis entity, permittee or other person
15 authorized to engage in a regulated activity under this act
16 with written notification of the decision, including a
17 statement of the reasons for the decision, by certified mail
18 within five business days of the decision of the board. The
19 cannabis entity licensee, permittee or other person shall
20 have the right to appeal the decision under 2 Pa.C.S. Chs. 5
21 Subch. A (relating to practice and procedure of Commonwealth
22 agencies) and 7 Subch. A (relating to judicial review of
23 Commonwealth agency action).

24 (3) In addition to a fine imposed under this act or
25 regulations promulgated under this act, the board shall
26 impose an administrative penalty of three times the amount of
27 the license fee, permit fee, authorization fee, tax or any
28 other assessment which is evaded and not paid, collected or
29 paid over. A cannabis entity licensee, permittee or other
30 person subject to a penalty under this paragraph shall have

1 the right to appeal the impositions under 2 Pa.C.S. Chs. 5
2 Subch. A and 7 Subch. A.

3 (4) Utilize the courts to take all appropriate action to
4 enjoin conduct the board determines necessary to maintain the
5 integrity of the cannabis industry and the health, safety and
6 welfare of the citizens of this Commonwealth, seek and obtain
7 judgment, issue cease and desist orders and request opinions
8 from the Attorney General pursuant to the act of October 15,
9 1980 (P.L.950, No.164), known as the Commonwealth Attorneys
10 Act.

11 (b) Aiding and abetting.--A person that aids, abets,
12 counsels, commands, induces, procures or causes another person
13 to violate this act shall be subject to all sanctions and
14 penalties, both civil and criminal, provided under this act.

15 (c) Continuing offenses.--A violation of this act that is
16 determined to be an offense of a continuing nature shall be
17 deemed to be a separate offense on each event or day during
18 which the violation occurs. Nothing in this subsection shall be
19 construed to preclude the commission of multiple violations of
20 this act in any one day that establish offenses consisting of
21 separate and distinct acts or violations of this act or
22 regulations promulgated under this act.

23 (d) Property subject to seizure, confiscation, destruction
24 or forfeiture.--Equipment, devices or apparatus', including a
25 point-of-sale system, transaction scan devices, weight or
26 measures, computers, including computer hardware, software and
27 associated equipment, supplies, materials, cannabis proceeds or
28 substituted proceeds, money or real or personal property used,
29 obtained or received or any attempt to use, obtain or receive
30 equipment, devices or apparatus', supplies, materials, cannabis

1 proceeds or substituted proceeds, money or real or personal
2 property of a cannabis entity, permittee or other person
3 authorized to engage in a regulated activity in violation of
4 this act shall be subject to 42 Pa.C.S. §§ 5803 (relating to
5 asset forfeiture), 5805 (relating to forfeiture procedure), 5806
6 (relating to motion for return of property), 5807 (relating to
7 restrictions on use), 5807.1 (relating to prohibition on
8 adoptive seizures) and 5808 (relating to exceptions).

9 (e) Sanctions.--

10 (1) In considering appropriate administrative sanctions
11 against a person for a violation of this act, the board shall
12 consider all of the following:

13 (i) The risk to the public and to the integrity of
14 the Commonwealth's regulated cannabis industry created by
15 the conduct of the person.

16 (ii) The seriousness of the conduct of the person
17 and whether the conduct was purposeful and with knowledge
18 that the conduct was in contravention of this act or
19 regulations promulgated by the board under this act.

20 (iii) Any justification for the conduct by the
21 person.

22 (iv) The prior history of the cannabis entity,
23 permittee or other person authorized to engage in a
24 regulated activity under this act involved with respect
25 to the regulated activity, which resulted in the
26 sanction.

27 (v) The corrective action taken by the cannabis
28 entity, permittee or other person authorized to engage in
29 a regulated activity under this act to prevent future
30 misconduct of the same or a similar nature from

1 reoccurring.

2 (vi) In the case of a monetary penalty, the amount
3 of the penalty in relation to the severity of the
4 misconduct and the financial means of the cannabis
5 entity, permittee or other person authorized to engage in
6 a regulated activity to pay the penalty. The board may
7 impose a schedule or terms of payment of the penalty as
8 the board may deem appropriate.

9 (2) It shall not be a defense to a sanction before the
10 board that a person inadvertently, unintentionally or
11 unknowingly violated this act. The factors under paragraph
12 (1) shall only extend to the degree of the penalty to be
13 imposed by the board and not to a finding of a violation.

14 (f) Regulations.--The board shall promulgate regulations to
15 effectuate the provisions of this section.

16 Section 1005. Civil and criminal penalties.

17 (a) Violations of this chapter.--An individual who violates
18 Chapter 10 commits a misdemeanor and shall, upon conviction, be
19 sentenced to pay a fine of not more than \$10,000 or to
20 imprisonment for not more than five years, or both.

21 (b) Violations of Chapter 11.--

22 (1) A person that fails to timely remit to the
23 department or the State Treasurer amounts required under
24 Chapter 11 shall be liable, in addition to any liability
25 imposed elsewhere under this act or which may be imposed
26 under the Tax Reform Code of 1971, for a penalty of 5% per
27 month up to a maximum of 25% of the amount ultimately found
28 to be due and payable, to be recovered by the Department of
29 Revenue.

30 (2) A person that violates section 1102 shall be subject

1 to the criminal penalties under the act of March 4, 1971
2 (P.L.6, No.2), known as the Tax Reform Code of 1971.

3 Section 1006. General immunities and presumptions.

4 (a) General rule.--Except as provided in this act or
5 regulation of the board adopted and promulgated under this act,
6 in matters related to the regulation of cannabis under this act,
7 the following apply:

8 (1) A cannabis entity, permittee or other person
9 authorized to engage in a regulated activity under this act
10 shall not be subject to any of the following for engaging in
11 a regulated activity in a manner authorized under this act
12 and any rules or regulations promulgated under this act
13 related to the acquisition, possession, cultivation,
14 processing, storage, transporting, testing, transfer and
15 selling of regulated cannabis or cannabis paraphernalia:

16 (i) Prosecution.

17 (ii) Search, seizure or inspection, except by the
18 board, bureau, Department of Agriculture, Department of
19 Health, Pennsylvania State Police or local law
20 enforcement as provided under this act.

21 (iii) Penalty in any manner, including, but not
22 limited to, civil penalty.

23 (iv) Denial of any right or privilege.

24 (v) Except as provided in section 1009,
25 administrative sanction or disciplinary action by a
26 licensing board of the Commonwealth or any other
27 Commonwealth agency.

28 (2) An agent, employee or other person employed or
29 contracted by a cannabis entity shall not be subject to any
30 of the following for working for or contracting with a

1 cannabis entity licensee as provided under this act and any
2 rules or regulations promulgated by the board under this act:

3 (i) Prosecution.

4 (ii) Search.

5 (iii) Except as provided in this act, a penalty in
6 any manner, including, but not limited to, a civil
7 penalty.

8 (iv) Denial of any right or privilege.

9 (v) Disciplinary action by a licensing board of the
10 Commonwealth or any other Commonwealth agency.

11 (b) Seizures and forfeitures.--Notwithstanding any other
12 provision of law or regulation, any regulated cannabis, cannabis
13 paraphernalia, legal property or interest in legal property that
14 is owned, leased, possessed or otherwise utilized in connection
15 with the use of regulated cannabis as authorized under this act,
16 or acts incidental to that utilization or use, may not be seized
17 or forfeited. Nothing in this subsection shall be construed to
18 prevent the seizure or forfeiture of regulated cannabis
19 exceeding the amounts authorized under this act or to prevent
20 seizure or forfeiture if the basis for the seizure or forfeiture
21 is unrelated to the regulated cannabis that is possessed,
22 transferred, transported or used as provided under this act.
23 Nothing in this subsection shall prevent the board from seizing
24 regulated cannabis or cannabis paraphernalia.

25 CHAPTER 11

26 TAXES AND TAX ADMINISTRATION

27 Section 1101. Definitions.

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

1 "Department." The Department of Revenue of the Commonwealth.

2 "Regulated cannabis." Cannabis seeds, cannabis flower and
3 cannabis products sold and purchased as provided under this act.
4 Section 1102. Cannabis excise tax.

5 (a) Imposition.--An excise tax is imposed at the rate of 12%
6 of the cannabis store sales price for regulated cannabis sold by
7 cannabis stores. Except as otherwise provided by regulation, a
8 product subject to the tax imposed under this subsection may not
9 be bundled in a single transaction with a product or service
10 that is not subject to the tax imposed under this subsection.

11 (b) Treatment.--Notwithstanding any other provision of law,
12 cannabis paraphernalia sold by a cannabis store or a cannabis
13 paraphernalia permittee is a taxable sale under and subject to
14 the provisions of section 202 of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971.

16 (c) Deposit.--All money received from the tax imposed under
17 subsection (a) shall be deposited into the Cannabis Revenue
18 Fund.

19 (d) Information required by department.--A cannabis
20 paraphernalia permittee subject to the tax imposed under this
21 section shall provide the department with all documents,
22 materials, books and records and any other information required
23 by the department under Chapter VIII of Part VI of Article II of
24 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
25 Code of 1971.

26 (e) Application.--An on-site consumption licensee shall not
27 be subject to the excise tax imposed under this section for
28 regulated cannabis sales to consumers at its on-site consumption
29 premises.

30 Section 1103. Authority and duties of department.

1 (a) Authority of department.--The department shall:

2 (1) In collaboration with the board, administer and
3 collect taxes imposed under this act and interest imposed
4 under section 806 of the act of April 9, 1929 (P.L.343,
5 No.176), known as The Fiscal Code.

6 (2) Promulgate and enforce rules and regulations to
7 carry out the department's prescribed duties as provided
8 under this chapter, including the collection of taxes,
9 penalties and interest imposed by this act and to prescribe
10 the extent, if any, to which rules and regulations relating
11 to taxing shall be applied without retroactive effect.

12 (3) Prescribe the forms and the system of accounting and
13 recordkeeping to be used by cannabis entity licensees,
14 permittees and other persons engaged in a regulated activity
15 under this act to carry out the department's duties under
16 this chapter.

17 (b) Powers and duties of department.--

18 (1) The department, for the purpose of audit and
19 examination, shall, at all times, have the power of access to
20 all books, records, documents, materials, devices and
21 equipment, including, but not limited to, point-of-sale
22 systems, transaction scan devices, weights and measures and
23 computer software, hardware and associated electronic
24 equipment and any other equipment or devices maintained and
25 used by a cannabis entity licensee, permittee or other person
26 authorized to engage in a regulated activity under this act
27 and related to all aspects of cannabis operations, which are
28 kept, maintained or otherwise used by a cannabis entity
29 licensee, permittee or other person authorized to engage in a
30 regulated activity under this act.

1 (2) Notwithstanding section 353(f) of the act of March
2 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
3 the department shall supply the board, the Pennsylvania State
4 Police and the Office of Attorney General with information
5 concerning the status of delinquent taxes owed by the
6 applicant, licensee, permittee or other person authorized to
7 engage in a regulated activity under this act.

8 (c) Regulatory authority.--To promptly carry out the
9 department's powers and duties under this act, the department
10 may adopt and promulgate temporary regulations in the same
11 manner in which the board is authorized to adopt and promulgate
12 temporary regulations.

13 Section 1103.1. Municipal tax on on-site consumption licensees.

14 (a) Imposition of sales tax.--A municipality may impose a
15 sales tax at the rate of 3% of the sales price for regulated
16 cannabis sold to consumers by an on-site consumption license
17 located within the municipality.

18 (b) Deposit of sales tax proceeds.--All money received from
19 the tax imposed under subsection (a) shall be collected and
20 retained by the municipality.

21 Section 1104. Liens and suits for taxes.

22 (a) Liens for taxes.--Unpaid taxes imposed under section
23 1102 shall be subject to section 1401 of the act of April 9,
24 1929 (P.L.343, No.176), known as The Fiscal Code.

25 (b) Suits for taxes.--All taxes imposed under this act that
26 are unpaid or delinquent shall be subject to section 243 of the
27 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
28 of 1971.

29 (c) Municipal taxes and liens.--Unpaid taxes under section
30 1104 shall be subject to the act of May 16, 1923 (P.L. 207, No.

1 153), known as the Municipal Claim and Tax Lien Law.

2 Section 1105. Tax deduction allowed.

3 (a) Ineligible persons.--A tax deduction shall be allowed
4 from the taxable income of a cannabis entity in the amount of
5 the ordinary and necessary expenses paid or incurred during the
6 taxable year by the cannabis entity which are ordinarily
7 deductible for Federal income tax purposes under 26 U.S.C. § 162
8 (relating to trade or business expenses). The deduction shall
9 only be permitted to the extent deductions for expenses under 26
10 U.S.C. § 162 were not taken by the cannabis entity for Federal
11 income tax purposes for the taxable year.

12 (b) Tax violations.--

13 (1) In addition to any other provision of this act
14 governing the issuance of a license, permit or other
15 authorization to engage in a regulated activity under this
16 act, the board, upon notification by the Department of
17 Revenue, shall refuse the issuance or renewal of a license,
18 permit or other authorization to a person for any of the
19 following violations of this act or the act of March 4, 1971
20 (P.L.6, No.2), known as the Tax Reform Code of 1971:

21 (i) Failure to file a tax return.

22 (ii) Filing a fraudulent return.

23 (iii) Failure to pay all or part of a tax or penalty
24 finally determined to be due and payable.

25 (iv) Failure to keep books, records, materials or
26 other information or documents required by the Department
27 of Revenue.

28 (v) Failure to secure and display licensure.

29 (vi) Willful violation of any rule or regulation of
30 the Department of Revenue or the board related to the

1 administration and enforcement of tax liability.

2 (2) (i) Upon notification from the Department of
3 Revenue that a violation under paragraph (1) has been
4 corrected or resolved, the board shall notify the
5 cannabis entity applicant, cannabis entity, permittee or
6 other person authorized to engage in a regulated activity
7 under this act that the violation has been corrected or
8 resolved.

9 (ii) Upon receiving notice from the Department of
10 Revenue under subparagraph (i), the board may issue or
11 renew the license, permit or other authorization to
12 engage in a regulated activity under this act or vacate
13 an order of suspension or revocation.

14 CHAPTER 12

15 REVENUE

16 Section 1201. Cannabis Revenue Fund.

17 (a) Establishment of fund.--The Cannabis Revenue Fund is
18 established as a separate fund in the State Treasury.

19 (b) Deposits into fund.--The fund shall consist of proceeds
20 from the sale of cannabis seeds, cannabis flower, cannabis
21 products and cannabis paraphernalia from cannabis stores, from
22 licensing fees collected by the board, money collected by the
23 Department of Revenue for taxes under this act, money
24 appropriated to the board and the Department of Revenue for
25 implementing, administering and enforcing this act and other
26 money, grants, gifts, donations or contributions from any other
27 source which may be made to the fund.

28 (c) Distributions from the fund.--Money in the fund shall be
29 distributed for the following:

30 (1) Actual and necessary costs incurred by the board for

1 implementing, administering and enforcing this act.

2 (2) Actual and necessary costs incurred by the
3 Department of Revenue for carrying out duties under this act.

4 (3) Actual and necessary costs incurred by the
5 Department of Agriculture and the Department of Community and
6 Economic Development in carrying out powers and duties under
7 this act.

8 (4) Reasonable and necessary costs incurred by the
9 Office of Social and Economic Equity.

10 (5) Actual and necessary costs incurred by the
11 Pennsylvania State Police and the Office of Attorney General
12 to carry out duties under this act.

13 (6) Actual and necessary costs incurred by the
14 Administrative Office of Pennsylvania Courts to carry out the
15 requirements under Chapter 3.

16 (7) After the distributions of money under paragraphs
17 (1), (2), (3), (4), (5) and (6), money remaining in the fund
18 deposited during the prior fiscal year shall be distributed
19 as follows:

20 (i) 50% of the money remaining in the fund shall be
21 deposited into the Communities Reimagined and
22 Reinvestment Restricted Account established under section
23 1202 and shall be used for the purposes provided in
24 section 1202.

25 (ii) 10% of the money shall be deposited into the
26 Substance Use Disorder Prevention, Treatment and
27 Education Account established under section 1203 and used
28 for the purposes enumerated under section 1203.

29 (iii) 5% of the money shall be deposited into the
30 Cannabis Business Development Fund.

1 (iv) 2.5% of the money shall be appropriated to the
2 Pennsylvania Minority Business Development Authority to
3 provide noncannabis related business loans for
4 individuals that meet the qualifications of a social and
5 economic equity applicant.

6 (v) 2% of the money shall be appropriated to the
7 Administrative Office of Pennsylvania Courts to provide
8 grants to counties based on the number of cases to be
9 vacated or expunged within the county.

10 (vi) Money remaining in the fund after disbursement
11 under this paragraph shall be deposited into the General
12 Fund.

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

16 "Fund." The Cannabis Revenue Fund established under
17 subsection (a).

18 Section 1202. Communities Reimagined and Reinvestment
19 Restricted Account.

20 (a) Establishment.--The Communities Reimagined and
21 Reinvestment Restricted Account is established as a restricted
22 account within the Cannabis Revenue Fund.

23 (b) Deposits into account.--Each fiscal year, the State
24 Treasurer, after consultation with the Secretary of the Budget,
25 shall transfer into the account the money received under section
26 1201(c)(6)(i). Money deposited into the account along with money
27 which may be appropriated by the General Assembly or which may
28 be otherwise contributed, donated or received from any other
29 source, including the Federal Government, for the purposes of
30 this section.

1 (c) Administration of account.--The account shall be
2 administered and governed by the office of social equity, in
3 consultation with the Department of Community and Economic
4 Development.

5 (d) Advisory committee established.--

6 (1) An advisory committee is established to recommend
7 grantees in eligible historically impacted communities and
8 other identified communities.

9 (2) The members of the advisory committee shall include:

10 (i) The director of the Office of Social Equity.

11 (ii) Four appointments made by the General Assembly
12 as follows:

13 (A) One individual appointed by the President
14 pro tempore of the Senate who shall have knowledge
15 and experience in building healthy communities,
16 including social, economic and health equity in
17 underserved communities in this Commonwealth.

18 (B) One individual appointed by the Minority
19 Leader of the Senate who shall have knowledge and
20 experience in building healthy communities, including
21 social, economic and health equity in underserved
22 communities in this Commonwealth.

23 (C) One individual appointed by the Speaker of
24 the House of Representatives who shall have knowledge
25 and experience in building healthy communities,
26 including social, economic and health equity in
27 underserved communities in this Commonwealth.

28 (D) One individual appointed by the Minority
29 Leader of the House of Representatives who shall have
30 knowledge and experience in building healthy

1 communities, including social, economic and health
2 equity in underserved communities in this
3 Commonwealth.

4 (iii) Seven members appointed by the Governor as
5 follows:

6 (A) Four representatives of community-based
7 providers or community development organizations in
8 historically impacted communities or other identified
9 communities with expertise in job placement,
10 homelessness and housing, legal assistance,
11 behavioral health, substance use disorder treatment
12 and effective rehabilitative treatment for adults and
13 juveniles.

14 (B) One expert on assessing and addressing the
15 impacts of Federal and State drug policies on
16 underserved communities.

17 (C) Two individuals who were previously
18 incarcerated for an act that is now lawful under this
19 act.

20 (3) The following, or their designees, shall serve as ex
21 officio members:

22 (i) the Attorney General;

23 (ii) the director of the Pennsylvania Commission on
24 Crime and Delinquency;

25 (iii) the Commissioner of Pennsylvania State Police;

26 (iv) the Secretary of Drug and Alcohol Programs;

27 (v) the Secretary of Human Services;

28 (vi) the Secretary of Labor and Industry;

29 (vii) the Secretary of Community and Economic
30 Development; and

1 (viii) the Secretary of Health.

2 (e) Membership considerations.--

3 (1) To the extent possible, individuals shall be
4 appointed in a manner to achieve a balanced and diverse
5 representation of the geographic regions and demographics,
6 including age, race, ethnicity and gender, of this
7 Commonwealth.

8 (2) In determining membership for the advisory board the
9 following apply:

10 (i) Within the five years immediately preceding the
11 date of appointment, the appointee and a member of the
12 appointee's immediate family shall not have done any of
13 the following:

14 (A) Been appointed to, been elected to or been a
15 candidate for Federal or State office.

16 (B) Served as an officer, employee or paid
17 consultant of a political party or the campaign
18 committee of a candidate for elective Federal or
19 State office.

20 (C) Served as an elected or appointed member of
21 a political party central committee.

22 (D) Been a registered Federal, State or local
23 lobbyist.

24 (E) Served as a paid congressional or
25 legislative staffer.

26 (F) Contributed \$2,000 or more to a
27 congressional, State or local candidate for elective
28 public office in any year. The following apply:

29 (I) The amount under this subparagraph shall
30 be adjusted every 10 years by the cumulative

1 change in the Consumer Price Index for All Urban
2 Consumers (CPI-U) for the Pennsylvania, New
3 Jersey, Delaware and Maryland area for the 10
4 most-recent 12-month periods for which figures
5 have been officially reported by the United
6 States Department of Labor, Bureau of Labor
7 Statistics immediately prior to the date the
8 adjustment is due to take effect.

9 (II) The authority shall transmit notice of
10 any change to the amount under this subparagraph
11 to the Legislative Reference Bureau for
12 publication in the Pennsylvania Bulletin.

13 (ii) Staff and consultants to, persons employed by
14 or under a contract with and any person with an immediate
15 family relationship with a member of the Congress of the
16 United States, the Governor or a member of the General
17 Assembly shall not be eligible for appointment to the
18 board.

19 (iii) As used in this subsection, the term
20 "immediate family" consists of other individuals with
21 whom the individual has a bona fide relationship
22 established through blood or legal relation, including
23 parents, children, siblings or in-laws.

24 (f) Term limits.--Members appointed under subsection (d) (2)
25 (ii) shall serve for a term of three years, and may only serve a
26 total of two terms. Members appointed under subsection (d) (2)
27 (iii), (iv) and (v) shall serve for a term of two years and may
28 only serve a total of two terms.

29 (g) Quorum.-- a majority of members shall constitute a
30 quorum.

1 (h) Chair.--the director of the Office of Social Equity
2 shall serve as chair.

3 (i) Neglect of responsibility.--A member of the advisory
4 board may be removed by a majority vote of the board for
5 substantial neglect of duty, inability to discharge the powers
6 and duties of office, violation of subsection (d), gross
7 misconduct or conviction of a felony.

8 (j) Purpose of advisory committee.--In order to address
9 social, racial, health, criminal justice and economic
10 disparities as a result of past Federal and State drug policies,
11 the advisory committee is established to:

12 (1) Address the impact of economic disinvestment,
13 environmental discrimination, violence and the historical
14 overuse and discriminatory nature of criminal justice
15 responses in historically impacted communities and other
16 identified communities by providing resources to support
17 local design and control of community-based activities and
18 programs to help alleviate the impacts.

19 (2) Engage with impacted communities and stakeholders to
20 develop a reinvestment strategy using science and data.

21 (3) Recommend programs designed to improve the health,
22 wellness and economic justice for populations and communities
23 harmed by Federal and State drug policies through investments
24 in sectors including economic development, employment
25 infrastructure, access to affordable housing, public
26 recreation spaces, legal services, violence prevention,
27 mental and behavioral health.

28 (4) Promote economic development, employment
29 infrastructure and capacity building related to the social
30 determinants of health in historically impacted communities

1 and other areas determined eligible to participate in the
2 programs under this section.

3 (k) Other identified communities.--In addition to
4 historically impacted communities, the advisory board may
5 recommend communities affected by Federal and State drug
6 policies that may be eligible for grants. The Office of Social
7 and Economic Equity shall make publicly available the analysis
8 and identification of communities in this Commonwealth adopted
9 by the Office of Social and Economic Equity as eligible for a
10 grant under paragraph (1). Eligible areas shall be redetermined
11 every four years.

12 (l) Community partnerships.--The advisory committee shall
13 develop collaborative partnerships within identified
14 historically impacted communities and other areas designated by
15 the advisory committee.

16 (m) Duties of office and committee.--The Office of Social
17 and Economic Equity, in consultation with the advisory committee
18 and the Department of Community and Economic Development shall:

19 (1) Develop a process to solicit applications from
20 persons, groups and organizations eligible for a grant.
21 Groups and organizations eligible for grant awards under this
22 section shall include, but not be limited to:

23 (i) Community-based providers.

24 (ii) Community and economic development
25 organizations.

26 (iii) Groups and organizations concerned with
27 criminal justice diversion.

28 (iv) Groups and organizations engaged in reentry
29 support, employment training and employment opportunities
30 for individuals returning from incarceration.

1 (v) Groups and organizations engaged in youth
2 development, family and child welfare activities.

3 (vi) Experts in the field of violence reduction.

4 (vii) Groups and organizations that provide free or
5 discounted legal services to indigent individuals.

6 (viii) Certified Economic Development Organizations.

7 (ix) A municipality, as long as municipality does
8 not use the grant funds to supplant any funding that
9 otherwise would be appropriated for preexisting programs.

10 (x) Other organizations, groups, providers and
11 experts determined by the advisory committee as being
12 essential to the mission and purposes of the advisory
13 committee.

14 (2) Develop standard uniform templates for planning and
15 implementation activities to be submitted by grant applicants
16 and awardees to the advisory committee.

17 (3) Identify resources sufficient to support the full
18 administration and evaluation of Communities Reimagined and
19 Reinvestment programs, including building and sustaining core
20 program capacity at the community and State levels.

21 (4) Facilitate the provision of training and technical
22 assistance for capacity building for persons, groups and
23 organizations within and among historically impacted
24 communities and other communities identified as eligible
25 areas.

26 (5) Review grant applications and approve the
27 distribution of grant money.

28 (6) Develop a performance measurement system that
29 focuses on positive outcomes, identifies negative results and
30 provides recommendations for improvement.

1 (7) Develop a process to support ongoing monitoring and
2 evaluation of groups and organizations that were awarded a
3 grant.

4 (n) Use of money in account.--The money deposited into the
5 account shall be administered by the office and allocated by the
6 office of social equity to:

7 (1) Provide grants for the purpose of reinvesting in
8 historically impacted communities or other identified
9 communities. Grants shall be used to support:

10 (i) Job placement, job skills services and adult
11 education.

12 (ii) Mental health and behavioral health treatment,
13 including posttraumatic stress disorder.

14 (iii) Substance use disorder treatment.

15 (iv) Housing.

16 (v) Financial literacy and community banking.

17 (vi) Nutrition services.

18 (vii) Services to address adverse childhood
19 experiences.

20 (viii) Afterschool and child care services.

21 (ix) System navigation services.

22 (x) Legal services to address barriers to reentry,
23 including, but not limited to, providing representation
24 and related assistance with expungement, vacatur,
25 housing, substitution and resentencing of cannabis-
26 related convictions.

27 (xi) Linkages to medical care, evidence-based
28 women's health services, including maternal health, and
29 other community-based supportive services.

30 (2) Award grants to further support the social and

1 economic equity activities created under this act.

2 (o) Prohibition.--Notwithstanding any other law to the
3 contrary, the fund and money in the fund shall not be subject to
4 transfer or any other fiscal or budgetary maneuver which would
5 transfer or appropriate money in the fund into any other fund,
6 account or Commonwealth program funded through the State
7 Treasury or by any other Commonwealth agency or which may be
8 established by the General Assembly.

9 (p) Reports.--On or before March 1 of the second calendar
10 year following the effective date of this subsection, and each
11 March 1 thereafter, the office shall submit a report to the
12 Governor and the General Assembly on the office's activities
13 under this section. The report shall detail how the money in the
14 account was distributed and utilized during the preceding
15 calendar year. The report shall include:

16 (1) The amount of money available and disbursed from the
17 account.

18 (2) The procedure used to award grant funds from the
19 account.

20 (3) The names of the grant recipients, including the
21 business address and other identifying information the office
22 determines necessary and appropriate.

23 (4) The dollar amount awarded to each grant recipient.

24 (5) The purposes for which the grant was awarded to each
25 recipient.

26 (6) A summary financial plan for money in the fund,
27 which shall include estimates of all receipts and all
28 disbursements for the current and succeeding fiscal years and
29 the actual results from the prior fiscal year.

30 (q) Nonlapsing of money.--Amounts remaining in the account

1 at the end of a fiscal year shall not lapse and shall remain in
2 the account and used for the purposes enumerated in subsection
3 (d).

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

7 "Account." The Communities Reimagined and Reinvestment
8 Restricted Account established under subsection (a).
9 Section 1203. Substance Use Disorder Prevention, Treatment and
10 Education Restricted Account.

11 (a) Establishment of account.--The Substance Use Disorder
12 Prevention, Treatment and Education Restricted Account is
13 established as a restricted account within the Cannabis Revenue
14 Fund which shall be administered by the Department of Drug and
15 Alcohol Programs.

16 (b) Deposits into account.--

17 (1) Each fiscal year, the State Treasurer, after
18 consultation with the Secretary of the Budget, shall transfer
19 the money received under section 1201(c)(6)(ii) into the
20 account.

21 (2) Money appropriated by the General Assembly to the
22 Department of Drug and Alcohol Programs

23 (3) Money contributed, donated or received from any
24 other source, including the Federal Government.

25 (c) Use of money in account.--The money in the account
26 appropriated to the Department of Drug and Alcohol Programs
27 shall be used for the following purposes:

28 (1) To develop and implement a youth-focused public
29 health education and prevention campaign, including school-
30 based prevention, early intervention and health care services

1 and programs, to reduce the risk of cannabis and other
2 substance use by school-age children from kindergarten to
3 grade 12.

4 (2) To develop and implement a Statewide public health
5 campaign focused on the health effects of cannabis and legal
6 use, including an ongoing education and prevention campaign
7 that educates the general public, including parents,
8 consumers and retailers, on the legal use of cannabis, the
9 importance of preventing youth access, the importance of safe
10 storage, preventing secondhand cannabis smoke exposure,
11 information for pregnant or breastfeeding women, the risks of
12 cannabis products with a high total THC concentration and the
13 overconsumption of cannabis flower and cannabis products.

14 (3) To provide substance use disorder treatment programs
15 for youth and adults, with an emphasis on programs that are
16 culturally and gender competent, trauma-informed, evidence-
17 based and provide a continuum of care that includes screening
18 and assessment, including substance use disorder assessment,
19 as well as mental health and behavioral health assessment,
20 early intervention, active treatment, family involvement,
21 case management, overdose prevention, prevention of
22 communicable diseases related to substance use, relapse
23 management for substance use and other co-occurring
24 behavioral health disorders, vocational services, literacy
25 services, parenting classes, family therapy and counseling
26 services, medication-assisted treatments, psychiatric
27 medication, psychotherapy and mindfulness programs.

28 (4) To provide community-based peer recovery support
29 services.

30 (5) To evaluate the programs being funded under this

1 section to determine the programs' effectiveness.

2 (d) Reports.--

3 (1) On or before March 31 of the second calendar year
4 following the initial transfer of money from the account
5 under this section, and each March 31 thereafter, the
6 Secretary of Drug and Alcohol Programs shall compile and
7 submit a report detailing how money in the account was
8 utilized during the preceding fiscal year. The report shall
9 include the following:

10 (i) The amount of money disbursed from the account
11 and the award process used by the Department of Drug and
12 Alcohol Programs to make disbursements.

13 (ii) The recipients of money from the account.

14 (iii) The amount awarded to each recipient.

15 (iv) The purposes for which the awards were granted,
16 including a description of programs and services provided
17 by each recipient.

18 (v) A description or summary of positive outcomes
19 resulting from programs and activities implemented by
20 grant recipients.

21 (vi) A summary financial plan for the money awarded,
22 which shall include estimates of all receipts and all
23 disbursements for the current and succeeding fiscal years
24 and the actual results from the prior fiscal year.

25 (2) The report shall be submitted in paper form or
26 electronically to:

27 (i) The Governor.

28 (ii) The Majority Leader of the Senate.

29 (iii) The Majority Leader of the House of

30 Representatives

1 (iv) The Minority Leader of the Senate.

2 (v) The Minority Leader of the House of
3 Representatives.

4 (e) Prohibition.--Notwithstanding any other law to the
5 contrary, the account and money in the account shall not be
6 subject to transfer or any other fiscal or budgetary maneuver
7 which would transfer or appropriate money in the account into
8 any other fund, account or Commonwealth program funded through
9 the State Treasury or by any other Commonwealth agency or which
10 may be established by the General Assembly.

11 (f) Definitions.--As used in this section, the following
12 words and phrases shall have the meanings given to them in this
13 subsection unless the context clearly indicates otherwise:

14 "Account." The Substance Use Disorder Prevention, Treatment
15 and Education Restricted Account established under subsection
16 (a).

17 Section 1204. Prohibition.

18 Notwithstanding any other law to the contrary, money in the
19 Cannabis Revenue Fund may not be subject to transfer or any
20 other fiscal or budgetary maneuver which would transfer or
21 appropriate money in the fund or account into any other fund,
22 account or Commonwealth program funded through the State
23 Treasury or by any other Commonwealth agency or which may be
24 established by the General Assembly.

25 CHAPTER 13

26 BONDS

27 Section 1301. Bond issuance.

28 (a) Issuance.--Notwithstanding any other provision of law,
29 the board shall establish a program to issue bonds for the
30 following purposes:

1 (1) Funding to open cannabis stores, hire employees and
2 the any other purpose necessary to commence the sale of
3 cannabis seeds, cannabis flower, cannabis products and
4 cannabis paraphernalia as permitted under this act.

5 (2) Initial funding for the Cannabis Business
6 Development Fund.

7 (b) Debt or liability.--

8 (1) Bonds shall not be a debt or liability of the board
9 or the Commonwealth and shall not create or constitute any
10 indebtedness, liability or obligation of the board or the
11 Commonwealth.

12 (2) Bond obligations shall be payable solely from
13 revenues or money pledged or available for repayment as
14 authorized under this chapter.

15 (3) Each bond shall contain on the bond's face a
16 statement with all of the following information:

17 (i) The bonds are limited obligations of the board.

18 (ii) The board is obligated to pay the principal of
19 or interest on the bonds only from the revenues or funds
20 pledged or available for repayment as authorized under
21 this chapter.

22 (iii) The full faith and credit of the Commonwealth
23 is not pledged to the payment of the principal of or the
24 interest on the bonds.

25 Section 1302. Bond limitations.

26 (a) Limitation.--The board may issue bonds in an aggregate
27 principal amount not to exceed \$100,000,000. The board shall
28 determine the principal amounts of taxable and tax-exempt bonds
29 to be issued under this section. The board shall, in its
30 discretion, determine if one bond or multiple bonds will be

1 issued at one time or from time to time and in one or more
2 issues, series or classes.

3 (b) Debt service.--The board shall annually notify the
4 Governor and the chair and minority chair of the Appropriations
5 Committee of the Senate and the chair and minority chair of
6 Appropriations Committee of the House of Representatives of the
7 debt service payment due on bonds issued under this chapter.
8 Annual debt service for bonds shall be paid from proceeds of
9 Article II of the act of March 4, 1971 (P.L.6, No.2), known as
10 the Tax Reform Code of 1971.

11 Section 1303. Deposit of bond proceeds.

12 The Cannabis Bond Account is established in the State
13 Treasury. Except as otherwise provided for in any contract with
14 the bondholders, all appropriations and payments deposited into
15 the Cannabis Bond Account are appropriated on a continuing basis
16 to the board to be used solely for the purposes listed under
17 section 1301. The net proceeds of any bond issued under this
18 chapter, money received from repayments of principal on loans
19 from the Cannabis Bond Account, payments of interest, other fees
20 and charges with respect to refinances made under this chapter
21 and insurance premiums and charges assessed and collected by the
22 board on loans made from the Cannabis Bond Account shall be
23 deposited into the Cannabis Bond Account.

24 CHAPTER 21

25 MISCELLANEOUS PROVISIONS

26 Section 2101. Duties of Department of Agriculture.

27 The following shall apply:

28 (1) In addition to other obligations of the Department
29 of Agriculture as provided under this act, the Department of
30 Agriculture shall collaborate with the board to develop

1 standards and best practices related to the following:

2 (i) The cultivation of cannabis as a value-added
3 agricultural crop.

4 (ii) Cultivation methods, including, but not limited
5 to, indoor and outdoor cultivation of cannabis, such as
6 hydroponic and aeroponic cultivation, and other methods
7 for growing and cultivating cannabis.

8 (iii) Production protocols, including pest
9 management and the use of insecticides, pesticides,
10 herbicides, fertilizers and other chemicals in crop
11 production.

12 (iv) Criteria which may be used to determine when
13 cannabis products may be deemed adulterated or
14 misbranded. In developing criteria, the board and the
15 Department of Agriculture may base a determination on the
16 factors under 3 Pa.C.S. §§ 5728 (relating to adulteration
17 of food) and 5729 (relating to misbranding of food).

18 (v) Nutrient and waste management.

19 (vi) Ethical and environmentally friendly
20 agricultural practices related to the cultivation of
21 cannabis.

22 (vii) Forming and maintaining a cooperative
23 agricultural association by cannabis entities.

24 (viii) Other agricultural best practices used in
25 agricultural operations related to crop production.

26 (2) (Reserved).

27 Section 2102. Cooperation.

28 Each department, agency, office, authority, board, commission
29 or similar governmental entity under the jurisdiction of the
30 Governor shall cooperate with the board to support the

1 implementation of this act.

2 Section 2103. Public health report.

3 (a) Report required.--Beginning January 1 of the even year
4 at least one year after the effective date of this subsection,
5 and biennially thereafter, the Department of Drug and Alcohol
6 Programs, in consultation with the Department of Health and the
7 board, shall issue a report to the General Assembly on the
8 public health effects of cannabis. The report shall include, but
9 shall not be limited to:

10 (1) General use patterns and trends.

11 (2) Accidental ingestion of products by young children.

12 (3) Secondhand smoke concerns.

13 (4) Substance misuse and concerning public health
14 trends.

15 (5) Youth cannabis use and prevention.

16 (6) Recommendations to prevent and reduce concerning
17 public health trends.

18 (b) Publication.--The Department of Drug and Alcohol
19 Programs shall submit a copy of the report of the affairs of the
20 board to the the chair and minority chair of the Health and
21 Human Services Committee of the Senate, the chair and minority
22 chair of the Health Committee of the House of Representatives
23 and the chair and minority chair of the Human Services Committee
24 of the House of Representatives. The Auditor General shall post
25 the annual audit of the affairs of the board to its publicly
26 accessible website.

27 Section 2104. Repeals.

28 Repeals are as follows:

29 (1) The General Assembly declares that the repeals under
30 paragraph (2) are necessary to effectuate this act.

1 (2) The following acts and parts of acts are repealed to
2 the extent specified:

3 (i) Section 13(a)(30) and (31) of the Controlled
4 Substance Act are repealed insofar as they are
5 inconsistent with this act for conduct when the
6 controlled substance is cannabis and no probable cause
7 exists to believe that the conduct alleged is punishable
8 by a mandatory minimum term of imprisonment or subject to
9 a sentence enhancement.

10 (ii) Section 13(a)(32), (33) and (34) of the
11 Controlled Substance Act are repealed insofar as they are
12 inconsistent with this act for conduct when the
13 controlled substance is cannabis.

14 (3) All acts and parts of acts are repealed insofar as
15 they are inconsistent with this act.

16 Section 2105. Effective date.

17 This act shall take effect as follows:

18 (1) The following sections shall take effect 90 days
19 after the specific date noticed by the board under section
20 405(b)(1) for the commencement of sales in cannabis stores:

21 section 202(2), (3) and (4);

22 section 202.1;

23 section 205; and

24 section 2104(2)(i).

25 (2) The remainder of this act shall take effect
26 immediately.