



HOUSE HEALTH COMMITTEE

VOTING MEETING

Monday, May 5th, 2025

Call of the Chair

G-50 Irvis Office Building

Harrisburg, PA

1. Call to Order
2. Attendance
3. **HB1200 PN1578 – (Krajewski)** An Act providing for the regulation and treatment of cannabis, for exemption from criminal or civil penalties, for effect on cannabis convictions and expungements and for membership and duties of the Liquor Control Board; establishing Pennsylvania Cannabis Stores; providing for social and economic equity, for license, permit or other authorization, for packaging, labeling, advertising and testing, for recordkeeping and inspection, for prohibitions and penalties and for tax and tax administration; establishing the Cannabis Revenue Fund, the Communities Reimagined and Reinvestment Restricted Account and the Substance Use Disorder Prevention, Treatment and Education Restricted Account; providing for the issuance of bonds; imposing duties on the Department of Agriculture and the Department of Revenue; and making repeals.
4. Any other business that may come before the committee.
5. Adjournment

HOUSE OF REPRESENTATIVES

DEMOCRATIC COMMITTEE BILL ANALYSIS

Bill No:	HB1200 PN1578	Prepared By:	Dylan Lindberg
Committee:	Health		(717) 705-1875,6240
Sponsor:	Krajewski, Rick	Executive Director:	Erika Fricke
Date:	4/23/2025		

A. Brief Concept

Provides the legalization and regulation of adult-use cannabis.

B. Committee Votes

C. Analysis of the Bill

CHAPTER 1

Section 102 – Key terms defined:

"Cannabis" includes industrial hemp that has been processed with THC concentrations greater than:

(1) 0.3%; or

(2) 0.5 milligram per serving or individual product unit; or 2 milligrams per package for products sold in multiple servings or units.

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

"Low-dose cannabis products." A cannabis product that is either cannabis flower with no more than 10% THC or a cannabis product in edible or beverage form that is a single serving with no more than 2.5 milligrams of THC per serving.

"Personal amount of cannabis." Any of the following amounts of cannabis product for personal use:

1. The equivalent of 1.5 ounces or 42.524 grams or less of cannabis flower.
2. 5 grams or less of cannabis concentrate.
3. Any other cannabis product with up to 500 milligrams of THC.
4. An equivalent amount of a combination of (1), (2), and (3).

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

1. Is comprised of at least 65% ownership and control by one or more individuals who:
 - i. are justice-involved individuals; or
 - ii. are members of an impacted family.
2. Is comprised of at least 65% ownership and control by one or more individuals who for at least 5 of the preceding 10 years resided in or otherwise belonged to a historically impacted community.

CHAPTER 2 – PERSONAL USE OF CANNABIS

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1200 Session of
2025

INTRODUCED BY KRAJEWSKI, FRANKEL, SANCHEZ, McNEILL, 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

REFERRED TO COMMITTEE ON HEALTH, MAY 4, 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

clear and convincing evidence.

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

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

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

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

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

"Indirect cannabis business." A business that is not a cannabis entity that provides goods or services ancillary to the 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

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

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

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

(1) The acts deemed lawful under section 201.

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

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

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

Section 202.1. Discrimination prohibited.

(a) Employment.--

(1) An individual may not be subject to penalty in any 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

disclosed to employees.

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

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

(b) General protections.--

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

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

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

(d) Condition of parole and probation.--The Department of 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

trusteeship.

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

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

Section 203. Home cultivation.

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

(b) Limitations and prohibitions.--

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

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

(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

submitted to the board electronically. The following apply:

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

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

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

(1) Be assessed a civil penalty of:

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

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

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

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

Section 204. Unauthorized acts.

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

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

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

(3) Possession by an individual 21 years of age or older of more than a personal amount of cannabis at any one time or 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 Section 206. Charges pending on effective date.

21 (a) Notice.--If, upon the effective date of this section,
22 charges are pending alleging a violation of the Controlled
23 Substance Act for which the controlled substance is cannabis and
24 no notice of mandatory minimum has been filed, the attorney for
25 the Commonwealth shall within 30 days provide notice of the
26 Commonwealth's intention to seek a mandatory minimum period of
27 incarceration or aver that the Commonwealth has probable cause
28 to believe the alleged conduct will be subject to a sentencing
29 enhancement, and if no notice is provided or averment made, the
30 charge alleging the violation shall be withdrawn or dismissed.

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

8 Section 207. Charges brought under the Controlled Substances
9 Act.

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

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

30 (c) Dismissal.--Unless the prosecution of the matter is

1 disposed of by plea or by an available alternative disposition
2 program, if the finder of fact fails to find the facts necessary
3 to support the imposition of a mandatory minimum sentence or
4 sentencing enhancement were proven beyond a reasonable doubt,
5 the corresponding charge shall be dismissed and no sentence may
6 be imposed for the offense.

7 CHAPTER 3

8 EFFECT ON CERTAIN CANNABIS CONVICTIONS

9 AND EXPUNGEMENTS

10 Section 301. Definitions.

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

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

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

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

22 "Cannabis offense." As follows:

23 (1) An offense under section 13 of the Controlled
24 Substance Act where the controlled substance was cannabis or
25 where the offense involved cannabis paraphernalia.

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

28 "Cannabis offense vacated by this act." A cannabis arrest or
29 cannabis conviction.

30 "Charged." The arrest, charge or indictment of an individual

1 for an alleged violation of the law.

2 "Commissioner." The Commissioner of the Pennsylvania State
3 Police.

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

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

10 (1) The individual entered a plea of guilty or nolo
11 contendere.

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

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

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

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

26 "Expunge." As follows:

27 (1) the removal of information to the degree necessary
28 as to ensure no trace or indication the information existed;
29 and

30 (2) the elimination of all identifiers which may be used

to trace the identity of an individual, allowing remaining data to be used for statistical purposes.

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

Section 302. Identification of cannabis offenses.

(a) Report.--

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

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

(ii) the date of the suspected offense;

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

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

(v) the item or substance tested;

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

(vii) other information which could reasonably assist in matching the item or substance to a filed criminal charge, complaint, information or offense

tracking number; and

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

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

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

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

(2) If the Pennsylvania State Police central repository determines through a validation process that a record transmitted under paragraph (1) is not a cannabis offense

1 vacated by this act, required to be expunged under this act
2 or does not match data held in the repository, the
3 Pennsylvania State Police shall notify the AOPC of the
4 determination within 30 days of receiving the information
5 transmitted under paragraph (1).

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

9 Section 303. Updates to and expungement of records.

10 (a) List.--The AOPC shall provide to the courts of common
11 pleas a list of each eligible record compiled under section
12 302(b) which were commenced within their judicial district and
13 the action required to be taken on each record.

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

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

27 (d) Request of orders or records.--An individual with a
28 cannabis arrest whose record has been ordered expunged or a
29 cannabis conviction ordered vacated under this section shall be
30 provided an individualized copy of the applicable order upon

1 request by the individual or the individual's legal
2 representative. The individual shall make the request to the
3 court of common pleas of the county where the conviction
4 occurred or the record was created, except if the AOPC provides
5 and makes known an alternative method to obtain the order. The
6 order shall include a list of the charges ordered vacated or
7 expunged and the dispositions of the charges.

8 (e) Timeline and progress reports.--

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

12 (2) Progress reports shall be submitted to the people
13 who will receive the final report required under paragraph
14 (3). Progress reports shall be submitted 12 months and 18
15 months after the effective date of this section and shall
16 provide the recipients with a status report of the progress
17 being made, difficulties being encountered and success
18 achieved.

19 (3) Upon completion of the updates to and the automatic
20 expungement of records in their respective databases, the
21 AOPC and the commissioner shall each prepare and submit a
22 report to the President Pro Tempore of the Senate, the
23 Speaker of the House of Representatives, the Majority Chair
24 and Minority Chair of the Senate Judiciary Committee and the
25 Majority Chair and Minority Chair of the House Judiciary
26 Committee reporting the completion. The report shall include
27 any additional information relevant to the work completed,
28 including general costs incurred, difficulties encountered
29 and recommendations for any future action needed to ensure
30 accurate criminal history records are maintained.

1 Section 304. Expungement of records where no conviction
2 occurred or when acquitted.

3 (a) Expungement required.--

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

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

26 (ii) to destroy or deliver to the individual to whom
27 the records pertain or their representative, each
28 criminal record, fingerprint, photographic plate and
29 photograph pertaining to the vacated offense and
30 conviction and shall request the Federal Bureau of

Investigation to return each record pertaining to the arrest, which shall be destroyed by the agency upon receipt; and

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

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

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

(b) Treatment.--Beginning on the effective date of this subsection, an expunged record of arrest or prosecution under this section shall not be regarded as an arrest or prosecution for the purpose of a statute, regulation, license, questionnaire or civil or criminal proceeding or for any other public or private purpose. No person shall be permitted to learn of or examine an expunged arrest or prosecution record, or of the expunction, either directly or indirectly. An individual, except the individual arrested or prosecuted, who divulges information in violation of this subsection commits a summary offense and shall, upon conviction, be sentenced to imprisonment not exceeding 30 days or to pay a fine not exceeding \$500, or both.

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

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

14 Section 305. Cannabis convictions and sentences vacated.

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

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

20 (2) Money paid by a person to comply with a sentencing
21 order entered on or before the effective date of this
22 paragraph and vacated under paragraph (1) shall not be
23 refunded, but fines paid to a county and allocated toward a
24 cannabis conviction vacated by paragraph (1) shall be
25 reallocated by the county to any other outstanding fines owed
26 by the person which were imposed upon conviction for other
27 offenses in the county. Any unsatisfied legal financial
28 obligation connected to a cannabis conviction vacated by this
29 act, including fines, fees and costs assessed by the court or
30 otherwise attributed to the conviction, shall no longer be a

1 legal financial obligation and no additional sums need to be
2 paid. The AOPC shall establish general rules, guidelines and
3 principles to ensure the fair, uniform and correct
4 reallocation the counties shall utilize to reallocate monies
5 previously paid and credited toward cannabis convictions
6 vacated by this act. The individual to whom the affected
7 records pertain shall be informed in writing of the manner in
8 which monies previously paid have been reallocated.

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

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

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

25 Section 306. Update to and expungement of records pertaining to
26 vacated convictions and sentences.

27 (a) OTN with cannabis convictions only.--If the only
28 convictions associated with an OTN are cannabis convictions
29 vacated under section 305, each official and unofficial record
30 of arrest, prosecution, conviction, sentence and other criminal

1 record pertaining to the cannabis conviction shall be expunged
2 as follows:

3 (1) Within six months of the effective date of this
4 paragraph, the court, in writing, shall order the appropriate
5 keepers of criminal records:

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

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

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

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

27 (4) Expunged records shall not be regarded as an arrest,
28 prosecution, conviction or sentence for the purpose of any
29 statute, regulation, license, questionnaire or civil or
30 criminal proceeding or for any other public or private

1 purpose. No person shall be permitted to learn of or examine
2 an expunged arrest or prosecution, or of the expunction,
3 either directly or indirectly. An individual, except the
4 individual arrested, prosecuted, convicted or sentenced, who
5 divulges information in violation of this subsection shall be
6 guilty of a summary offense and shall, upon conviction, be
7 sentenced to imprisonment not exceeding 30 days or to pay a
8 fine not exceeding \$500, or both.

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

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

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

1 disposition.

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

8 Section 307. Maintenance records.

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

16 Section 308. Cannabis simplified petition expungement process.

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

24 (b) Simplified petition process.--

25 (1) The AOPC shall prepare an online simplified petition
26 to update or correct a criminal history record of an
27 individual under subsection (a) which can be completed by the
28 individual without needing legal representation. The petition
29 shall require the individual to allege only that they seek to
30 update or correct their criminal history record or expunge an

1 arrest, charge or conviction arising under the Controlled
2 Substance Act related to cannabis and bring their record into
3 compliance with this chapter, the county in which the arrest,
4 charge or prosecution occurred, and, if known, the
5 approximate date of the arrest, charge, prosecution or
6 conviction. The petition may provide the individual with the
7 option to provide additional information known to the
8 individual to assist the court in identifying each record
9 sought to be updated, corrected or expunged.

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

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

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

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

28 (4) An individual whose petition is objected to under
29 this subsection may request within 60 days of the objection a
30 hearing on whether the petition shall be granted. The

1 individual may file a request for the assistance of counsel
2 and a statement of indigency with the court. If the
3 individual was found to be indigent for the individual's
4 original defense of the case, the individual shall be
5 entitled to assistance of counsel for the hearing.

6 (5) In the hearing under paragraph (4), the district
7 attorney shall prove by clear and convincing evidence that
8 the petitioner is not entitled to the requested update,
9 correction, vacating or expungement under this act. Unless
10 the district attorney so proves, the petition shall be
11 granted.

12 (6) Within 90 days of the filing of a petition that has
13 not been objected to by the district attorney or within 30
14 days of a petition being granted by the court under paragraph
15 (5), the court of common pleas shall order the update,
16 correction, vacating or expungement of the case. The order
17 shall be served upon the petitioner.

18 CHAPTER 4

19 ADDITIONAL MEMBERS OF THE LIQUOR CONTROL BOARD

20 Section 401. Continued authority of the Liquor Control Board.

21 (a) Continued authority.--The Liquor Control Board
22 established under the act of April 12, 1951 (P.L.90, No.21),
23 known as the Liquor Code, shall have the same powers and perform
24 the same duties and functions by law vested in and imposed on
25 the Liquor Control Board not otherwise amended or transferred
26 under this act. Nothing in this section shall be construed to
27 prohibit the board from utilizing existing staff or resources to
28 perform the duties of this act.

29 (b) Administrative officers and board members.--All
30 appointive administrative officers or board members holding

1 office in the Liquor Control Board in effect on the effective
2 date of this subsection shall continue in office on the Liquor
3 Control Board until the term for which they were respectively
4 appointed shall expire or until death, resignation or removal
5 from office.

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

11 Section 402. Membership of the board.

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

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

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

21 (b) Terms.--Of the members first appointed to the newly
22 established vacancies under subsection (a)(1), one member shall
23 serve a term of three years and one member shall serve a term of
24 four years. Subsequent terms shall be for four years, ending on
25 the third Tuesday in May. A member may continue to hold office
26 for a period not to exceed six months beyond the expiration of
27 that member's term if a successor to that member has not been
28 duly qualified and appointed under this section. Each of the
29 members shall receive an annual salary in accordance with the
30 act of September 30, 1983 (P.L.160, No.39), known as the Public

1 Official Compensation Law.

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

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

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

11 Section 403. Additional powers and duties of board.

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

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

24 (1) Buy, possess and sell cannabis seeds, cannabis
25 flower, cannabis products and cannabis paraphernalia
26 consistent with this act. The board may buy cannabis seeds,
27 cannabis flower and cannabis products from cannabis
28 cultivators and cannabis processors at the lowest price and
29 in the greatest variety reasonably obtainable or may offer
30 shelf space in cannabis stores to cannabis cultivators and

1 cannabis processors. If the board offers shelf space, the
2 board may charge:

3 (i) A shelving fee.

4 (ii) A dispensing fee.

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

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

14 (ii) The board may discount the price of
15 discontinued items.

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

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

23 (4) Determine the municipalities within which cannabis
24 stores shall be established and the locations of the cannabis
25 stores within each municipality.

26 (5) Through the Department of General Services as the
27 agent, lease, furnish and equip buildings, warehouses, rooms
28 and other accommodations as required for the operation of
29 cannabis stores

30 (6) Regulate the cultivating, processing, transporting,

1 storing, testing, delivering, handling, disposal and sale of
2 cannabis seeds, cannabis plants, cannabis flower, cannabis
3 products and cannabis paraphernalia under this act.

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

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

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

22 (10) Promulgate, amend or rescind regulations as
23 necessary and appropriate to carry out the intent and
24 provisions of this act.

25 (11) Restrict access to confidential and proprietary
26 information and data in the possession of the board which has
27 been obtained under this act and ensure that the
28 confidentiality of information is maintained and protected.
29 Records shall be retained by the board for seven years.

30 (12) Appoint advisory groups and committees to provide

1 assistance to the board to carry out the purposes and
2 objectives of this act.

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

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

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

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

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

26 (18) Enter into memoranda of understanding or agreements
27 with other Commonwealth agencies as deemed appropriate to
28 effectuate the policy and purposes of this act.

29 (19) Establish, levy and collect fees.

30 (20) Establish cannabis diversion controls, packaging

1 and labeling requirements and advertising restrictions.

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

7 (22) Issue bonds.

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

10 (24) Provide compliance education to cannabis entities
11 and their employees and contractors.

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

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

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

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

28 (29) Review and approve or deny a management service
29 agreement entered into or proposed to be entered into between
30 a cannabis entity or cannabis entity applicant and another

1 person and may require, by regulation, the entities to secure
2 authorization from the board to provide the services outlined
3 in the management service agreement.

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

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

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

21 (33) Conduct comprehensive market analysis every three
22 years.

23 (34) Certify applicants that meet the criteria as a
24 social and economic applicant as a certified social and
25 economic equity applicants.

26 (35) Certify cannabis entities as certified social and
27 economic equity licensees.

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

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

5 (ii) The labor organization has executed current
6 collective bargaining agreements with medical marijuana
7 organizations in this Commonwealth.

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

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

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

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

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

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

24 Section 404. Temporary regulations.

25 (a) Promulgation.--In order to facilitate the prompt
26 implementation of this act, the board shall promulgate temporary
27 regulations within 180 days of the effective date of this
28 subsection that shall expire no later than five years following
29 the publication of the temporary regulations. The temporary
30 regulations promulgated by the board under this section are not

1 subject to:

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

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

7 (3) Sections 204(b) and 301(10) of the act of October
8 15, 1980 (P.L.950, No.164), known as the Commonwealth
9 Attorneys Act.

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

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

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

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

25 (2) Licensing goals and measures for social and economic
26 equity applicants and cannabis microbusiness applicants who
27 are residents of this Commonwealth.

28 (3) Security and surveillance requirements for cannabis
29 establishments.

30 (4) Requirements to prevent the sale or diversion of

1 cannabis, cannabis flower, cannabis products and cannabis
2 paraphernalia to individuals under 21 years of age,
3 including, but not limited to, identification requirements.

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

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

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

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

23 (9) Procedures for the board to conduct announced and
24 unannounced visits to a cannabis establishment and a cannabis
25 testing laboratory to make or cause to be made investigations
26 for the efficient and proper administration of this act and
27 any other laws which may be enacted concerning any form of
28 cannabis or the cultivating, processing, distributing,
29 testing, transporting, delivering, selling or offering for
30 sale of cannabis seeds, cannabis flower, cannabis products

1 and cannabis paraphernalia, including the inspection of the
2 premises of a proposed cannabis establishment and cannabis
3 testing laboratory or the inspection and search of a cannabis
4 entity's cannabis establishment and cannabis testing
5 laboratory, the search of associated buildings and the
6 inspection and examination of the books, records, accounts,
7 documents and papers of the cannabis entity and cannabis
8 testing laboratory.

9 (10) Recordkeeping requirements.

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

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

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

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

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

26 (16) Requirements for home cultivation permittees.

27 (d) Informational sessions.--After the promulgation of
28 temporary regulations under subsection (a) pertaining to
29 applications and the application process and after the issuance
30 of guidelines determining historically impacted communities and

1 prior to the date established by the board to commence the
2 application process, the board shall:

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

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

19 (i) Regional population.

20 (ii) Access to public transportation.

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

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

27 Section 405. Notice of commencement of sales in cannabis
28 stores.

29 (a) Publications.--

30 (1) At least 90 days before commencing the sale of

1 cannabis seeds, cannabis flower, cannabis products or
2 cannabis paraphernalia in cannabis stores, the board shall
3 provide notice of its intent to commence sales by
4 transmitting the notice to the Legislative Reference Bureau
5 for publication in the next available issue of the
6 Pennsylvania Bulletin.

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

10 (i) Post the same notice.

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

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

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

21 (1) The specific date that the initial cannabis stores
22 will open for the sale of cannabis seeds, cannabis flower,
23 cannabis products or cannabis paraphernalia.

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

26 (3) Information about who is legally permitted to be a
27 cannabis consumer and what a cannabis consumer is permitted
28 to do under this act.

29 (4) Information about home cultivation permits and how
30 to obtain one.

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

5 Section 406. Annual report by the board.

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

10 (1) retail operations, merchandising and retail sales
11 data;

12 (2) board finances;

13 (3) cannabis store operations;

14 (4) distribution and logistics;

15 (5) communications and marketing;

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

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

22 (8) information related to the method and rationale for
23 pricing cannabis seeds, cannabis flower and cannabis
24 products.

25 (b) (Reserved).

26 CHAPTER 5

27 PENNSYLVANIA CANNABIS STORES

28 Section 501. Pennsylvania Cannabis Stores.

29 The following shall apply:

30 (1) The board shall establish, operate and maintain

1 cannabis stores throughout this Commonwealth for the sale of
2 cannabis seeds, cannabis flower, cannabis products and
3 cannabis paraphernalia in accordance with the provisions of
4 and the regulations promulgated under this act. The following
5 apply:

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

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

12 (4) When determining a colocation under paragraph (3),
13 the board shall consider the public health effects prior to
14 approving a colocation.

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

1 the board to present evidence. The court shall render its
2 decision immediately upon the conclusion of the testimony.
3 The court's decision shall not be subject to appeal. If the
4 court determines that the proposed cannabis store is
5 undesirable for the reasons stated in the petition, the board
6 shall abandon it and find another cannabis store.

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

9 Section 502. Selection of employees.

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

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

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

22 (d) Employee objection.--The board shall establish a process
23 for an employee with an objection to storing, handling or
24 selling cannabis seeds, cannabis flower, cannabis products or
25 cannabis paraphernalia to submit an objection. An employee that
26 has submitted an objection under this subsection shall not be
27 required to store, handle or sell cannabis seeds, cannabis
28 flower, cannabis products or cannabis paraphernalia nor receive
29 an adverse employment action for filing an objection.

30 (e) (Reserved).

1 (f) Jurisdiction of Pennsylvania Labor Relations Board.--

2 Except where preempted by Federal law, the Pennsylvania Labor
3 Relations Board shall have jurisdiction over representation and
4 unfair labor practices involving a cannabis store.

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

15 Section 503. Management of cannabis stores.

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

24 (b) Recruitment.--The board shall develop and implement
25 strategies to recruit managers who reside in a historically
26 impacted community.

27 (c) Additional requirements.--The board may establish
28 additional training, qualifications and requirements for
29 managers that exceed the requirements for employees under
30 section 502.

1 Section 504. Sales at Pennsylvania Cannabis Stores.

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

5 (1) 42.524 grams of cannabis flower.

6 (2) Any amount of cannabis product other than cannabis
7 concentrate that contains, in the aggregate, more than 500
8 milligrams of total THC.

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

11 (4) A personal amount of cannabis.

12 (a.1) Cannabis seed sale.--A cannabis store may only sell
13 cannabis seeds to a cannabis consumer with a valid home
14 cultivation permit.

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

21 (c) Cannabis paraphernalia.--Cannabis stores may sell
22 cannabis paraphernalia to cannabis consumers.

23 (d) Age verification required.--

24 (1) Except as provided under paragraph (2), each
25 cannabis store must utilize a scan device for a valid photo
26 driver's license or identification card issued by the
27 Department of Transportation or by any other state to verify
28 the age of each individual attempting to purchase cannabis
29 seeds, cannabis flower or cannabis products before making a
30 sale.

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

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

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

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

14 Section 505. Health and safety protections.

15 The following shall apply:

16 (1) Each cannabis store must:

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

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

28 (ii) Provide brochures containing the statement
29 under paragraph (1) which shall include information
30 regarding the dangers of driving under the influence of

1 cannabis, signs and symptoms of substance use disorder,
2 the consequences of unregulated cannabis, cannabis flower
3 and cannabis products, expected intoxicating effects, the
4 danger of overconsumption, the dangers of cannabis flower
5 and cannabis product consumption by minors and any other
6 public health information determined by the board.

7 (iii) Provide brochures containing information on
8 the risks of cannabis products with a high total THC
9 concentration.

10 (2) The board:

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

13 (ii) may consult with the Department of Drug and
14 Alcohol Programs on the content of the signs and
15 brochures.

16 Section 506. Audits by the Auditor General.

17 (a) Audits required.--

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

25 (2) At least one audit shall be conducted each year of
26 the financial affairs of the board. Collections made by
27 cannabis stores shall be audited quarterly. The Auditor
28 General shall submit a copy of the annual audit of the
29 affairs of the board to the Governor, the President pro
30 tempore of the Senate, the Majority Leader and Minority

1 Leader of the Senate, the Speaker of the House of
2 Representatives and the Majority Leader and Minority Leader
3 of the House of Representatives. The Auditor General shall
4 post the annual audit of the affairs of the board to its
5 publicly accessible website.

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

11 (c) Copies.--Copies of audits made by the Department of the
12 Auditor General shall be promptly submitted to the board and to
13 the Governor.

14 CHAPTER 6

15 SOCIAL AND ECONOMIC EQUITY

16 Section 601. Definitions.

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

20 "Committee." The Social and Economic Equity Advisory
21 Committee established under section 602.1.

22 "Fund." The Cannabis Business Development Fund established
23 under section 603.

24 "Office." The Office of Social and Economic Equity
25 established under section 602.

26 Section 602. Office of Social and Economic Equity.

27 (a) Establishment and director.--The Office of Social and
28 Economic Equity is established within the board and shall be
29 under the immediate supervision of a director who shall be
30 appointed by and serve at the pleasure of the board.

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

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

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

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

16 (i) consult with experts, including the Social and
17 Economic Advisory Committee established under section
18 602.1 on the disparate impacts of communities directly
19 harmed by policing or criminalized activities related to
20 the sale, distribution or possession of cannabis;

21 (ii) review other states' social and economic equity
22 programs and qualifications; and

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

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

27 (4) Make recommendations to the board on relevant policy
28 and implementation matters relating to inclusion and
29 participation in this Commonwealth's regulated cannabis
30 industry by social and economic equity applicants.

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

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

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

12 (8) Establish and implement workforce development and
13 recruiting and retention strategies for potential cannabis
14 store employees from historically impacted communities.

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

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

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

25 (2) May consult with experts or other knowledgeable
26 individuals and groups in the public and private sectors and
27 industry stakeholders on any aspect of the office's powers
28 and duties under this section.

29 (e) Report.--Within two years of presentation to the board
30 of guidelines under subsection (c)(2), and on a biennial basis

1 thereafter, the office shall submit a report to the General
2 Assembly that addresses inclusion and participation in this
3 Commonwealth's regulated cannabis industry by social and
4 economic equity applicants. At a minimum, the report shall
5 include:

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

11 (2) The number of social and economic equity applicants
12 that the board certified as certified social and economic
13 equity applicants compared to the number that applied.

14 (3) The number of certified social and economic equity
15 applicants that were granted licenses compared to the number
16 that were denied.

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

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

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

28 (7) The aggregate amount of grant assistance awarded to
29 certified social and economic equity applicants, certified
30 social and economic equity licensees and indirect cannabis

businesses in the aggregate under this chapter.

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

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

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

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

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

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

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

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

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

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

(6) Two individuals who, when appointed, resided in a census tract with a higher rate of arrests for offenses involving cannabis than the Statewide average, appointed by the Lieutenant Governor.

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

3 (8) An individual appointed by the President pro tempore
4 of the Senate.

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

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

9 (11) An individual appointed by the Minority Leader of
10 the House of Representatives.

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

12 (1) The establishment of guidelines to identify
13 historically impacted communities and determine if an
14 individual is a member of a historically impacted community.

15 (2) Outreach to historically impacted communities.

16 (3) All other duties of the office.

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

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

23 (1) The term of members appointed under subsection (b)
24 (1), (2), (3) and (4) shall be concurrent with the term of
25 the public office or duration of service in the public office
26 from which they derive their membership.

27 (2) Members appointed under subsection (b) (5), (6), (7),
28 shall serve for a four-year term and may be appointed for no
29 more than one additional consecutive term.

30 (3) Members appointed under subsection (b) (8), (9), (10)

and (11) shall serve for a three-year term and may be appointed for no more than one additional consecutive term.

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

Section 603. Cannabis Business Development Fund.

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

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

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

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

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

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

(2) Establish a grant and low-interest loan program which shall be called the Social and Economic Loan and Grant Program to provide financial assistance to certified social and economic equity applicants, certified social and economic

1 equity licensees and indirect cannabis businesses that meet
2 the qualifications of a social and economic equity applicant.

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

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

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

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

29 (7) Consult with the Attorney General to initiate
30 actions which may be necessary to protect the interest of the

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

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

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

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

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

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

29 (3) May be conditionally approved contingent upon an
30 applicant being selected by the board to receive a license or

1 other approval from the board, or upon any other future
2 action by or on behalf of the applicant conditionally
3 approved for the loan. A conditionally approved loan shall be
4 considered by the board when selecting applicants for
5 licensure.

6 (4) May include loans for gap financing, soft loans and
7 predevelopment.

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

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

13 (2) Grants may be:

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

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

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

24 (d) Certain community outreach required.--The office, in
25 collaboration with the board and in consultation with the
26 Department of Community and Economic Development, shall develop
27 culturally and linguistically appropriate activities designed to
28 facilitate, promote and include engagement with individuals with
29 limited English proficiency in all programs and outreach
30 undertaken to support, engage, target and otherwise attract

1 social and economic equity applicants to participate in this
2 Commonwealth's regulated cannabis industry.

3 CHAPTER 7

4 LICENSE, PERMIT OR OTHER AUTHORIZATION

5 SUBCHAPTER A

6 GENERAL PROVISIONS

7 Section 701. Ineligibility for licensure, permit or other
8 authorization.

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

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

30 (i) a felony conviction within the past three years

1 involving fraud, money laundering, forgery, human
2 trafficking and other unlawful conduct related to owning
3 or operating a business, including the business for which
4 the applicant is seeking board authorization; and

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

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

21 (3) (Reserved).

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

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

29 (6) A corporation or partnership, if a principal,
30 officer, director, essential employee or partner, while not

1 authorized to hold a license, permit or other authorization
2 to engage in a regulated activity under this act, has been
3 convicted of a misdemeanor or felony in violation of this act
4 or, if required to hold a license, permit or other
5 authorization to engage in a regulated activity under this
6 act, has had the license, permit or other authorization
7 revoked for cause, until the expiration of a five-year period
8 from the date of the conviction or revocation as determined
9 by the board.

10 Section 702. Renewals.

11 (a) Renewal required.--

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

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

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

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

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

17 (b) Sanctions authorized.--

18 (1) In addition to any other sanctions the board may
19 impose under this act, the board may suspend, deny, condition
20 or revoke or deny renewal of any license, permit,
21 certification, registration or other authorization to engage
22 in a regulated activity under this act if the board
23 determines that the person seeking renewal or a principal or
24 essential employee of the person is in violation of any
25 provision of this act, that the person has furnished the
26 board with false or misleading information or that the
27 information contained in the person's initial application or
28 any renewal application is no longer true and correct.

29 (2) In the event of a suspension, the person's
30 authorization to conduct the previously approved regulated

activity shall immediately cease until the board has notified the person that the suspension is no longer in effect.

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

Section 703. Construction.

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

SUBCHAPTER B

CANNABIS ENTITY LICENSES

Section 704. Cannabis entity license application.

(a) Submission.--

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

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

(ii) The applicable application fee.

(2) A cannabis entity license may not be issued by the board until after the completion of a background investigation of the applicant and its principals, essential

employees and other employees as required by the board.

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

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

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

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

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

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

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

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

(8) (Reserved).

(9) The details of a cannabis entity license or similar license, permit or other authorization applied for, granted

1 to or denied to the applicant in another jurisdiction,
2 foreign or domestic, where the personal use of cannabis and
3 cannabis products or medical marijuana is legal or regulated,
4 and the consent for the board to acquire copies of the
5 application submitted or license, permit or other
6 authorization granted to the applicant in the other
7 jurisdiction.

8 (10) The details of loans:

9 (i) obtained by an applicant from a financial
10 institution; and

11 (ii) not approved by a financial institution.

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

18 (12) Payment of the applicable cannabis entity license
19 fee.

20 (13) The disclosure of any arrests.

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

25 (15) A list of any adverse actions taken against an
26 applicant that holds or has held a permit to perform a
27 regulated activity in a jurisdiction, foreign or domestic,
28 where the use of cannabis flower and cannabis products or
29 medical marijuana is legal or regulated.

30 (16) A copy of the labor peace agreement required under

1 section 714.

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

3 (18) The applicant's previous business experience, if
4 applicable.

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

8 (c) Limitation.--An applicant may only submit one
9 application per cannabis entity license type within a given
10 licensing round.

11 (d) Completed applications and updated information
12 required.--

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

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

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

25 (e) Cannabis entity fees.--

26 (1) The board shall establish a schedule for the payment
27 of fees by cannabis entities in the amounts required under
28 this chapter.

29 (2) Except as provided under paragraph (4), each
30 applicant for a cannabis entity license shall pay to the

board, in the form, manner and time as prescribed by regulation of the board a nonrefundable application fee.

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

(i) a license fee;

(ii) a license renewal fee; and

(iii) a monthly verification system fee.

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

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

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

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

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

(2) May:

(i) Collaborate with the Department of Agriculture and the Department of Health in developing the public

1 health and safety standards and industry best practices
2 required under paragraph (1).

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

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

11 (a) Development of scoring system.--

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

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

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

25 (ii) Economic development.

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

28 (iv) Inclusion and participation in the regulated
29 cannabis industry by members of historically impacted
30 communities, justice-involved individuals or members of

1 an impacted family.

2 (v) Equality of opportunity in employment and
3 contracting.

4 (b) Ranking.--The board:

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

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

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

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

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

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

24 (2) In addition to the requirements set forth in section
25 704(b), establish an application with eligibility
26 requirements that the board will grade on a pass/fail basis.

27 (3) Enter applications that pass under paragraph (2)
28 into the lottery.

29 (4) Award licenses in at least two separate rounds, the
30 first of which may only consist of certified social and

1 economic equity applicants.

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

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

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

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

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

24 Section 706. Licensing of principals required.

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

27 (b) Application.--Upon application for a cannabis entity
28 license, all principals shall submit an application for a
29 principal license. A principal license application shall be in a
30 form prescribed by the board and shall include the following:

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

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

5 (3) All releases necessary to obtain information from
6 governmental agencies, employers and other organizations as
7 required by the board.

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

11 (5) A photograph that meets the standards of the
12 Commonwealth Photo Imaging Network.

13 (6) Details relating to a similar license, permit or
14 other authorization granted to the person in another
15 jurisdiction, foreign or domestic.

16 (7) Any information required by the board to complete
17 the required background investigation.

18 (8) Additional information as may be required by the
19 board.

20 (c) Issuance.--

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

27 (2) Each license issued to a principal under this
28 section shall include a unique alphanumeric principal
29 employee number.

30 (d) Nontransferability.--A principal license may not be

1 transferred.

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

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

12 (b) Prohibitions.--

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

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

25 (3) An individual, partnership, corporation, limited
26 liability company or trust or an intermediary, subsidiary,
27 holding company, affiliate or any other form of business
28 entity that holds, owns or controls one cultivator license
29 may hold, own or control a total of one processor license.

30 (c) Application and eligibility requirements.--In addition

1 to the requirements under section 704 and the scoring and
2 lottery systems under section 705:

3 (1) A person applying for a Category 1 cannabis
4 cultivator license shall:

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

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

12 (iii) Satisfy all other requirements for application
13 and licensure under this act and regulations of the board
14 promulgated under this act.

15 (iv) Have relevant knowledge and expertise necessary
16 as determined by the board.

17 (2) A person applying for a Category 2 microcultivator
18 license:

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

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

26 (iii) Satisfy all other requirements for application
27 and licensure under this act and regulations of the board
28 promulgated under this act.

29 (iv) Must meet the following requirements:

30 (A) The applicant employs or will employ no more

1 than 10 employees.

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

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

6 (1) 50 Category 1 cannabis cultivator licenses.

7 (2) 50 Category 2 cannabis microcultivator licenses.

8 (e) Licensing tier system.--

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

17 (2) The following apply:

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

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

29 (A) Market demand.

30 (B) The cannabis cultivator's ability to

1 increase space.

2 (C) The cannabis cultivator's history of
3 compliance or noncompliance with this act and
4 regulations of the board.

5 (3) In its review of an application to renew a Category
6 1 cannabis cultivator license, the board shall analyze the
7 cultivation records of the cannabis cultivator. The board may
8 reduce the licensee's maximum cannabis grow canopy to a lower
9 licensing tier if it finds that the cannabis cultivator has
10 sold less than 70% of the cannabis it cultivated during the
11 one year period proceeding the application for renewal. The
12 board may take into account whether the cannabis cultivator
13 has an indoor or outdoor cannabis grow canopy when making
14 this determination.

15 (4) In its review of an application to renew a Category
16 2 cannabis microcultivator license, the board shall analyze
17 the cultivation records of the cannabis microcultivator. The
18 board may reduce the licensee's maximum cannabis grow canopy
19 if it finds that the cannabis cultivator has sold less than
20 70% of the cannabis it cultivated during the one year period
21 proceeding the application for renewal, but the board may not
22 reduce cannabis grow canopy below 5,000 square feet. The
23 board may take into account whether the cannabis cultivator
24 has an indoor or outdoor cannabis grow canopy when making
25 this determination.

26 (f) License and renewal fees.--

27 (1) The board shall use the licensing tier system
28 adopted under subsection (e)(1) to determine the license and
29 renewal fees for Category 1 cannabis cultivators and, subject
30 to the following:

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

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

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

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

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

25 (ii) The licensing fee imposed by the board under
26 each Category 2 cannabis microcultivator licensing tier
27 shall be calculated by multiplying the total square feet
28 of indoor and outdoor cannabis grow canopy used or
29 proposed to be used by the applicant by \$0.50.

30 (iii) The licensing renewal fee imposed by the board

1 under each category 2 cannabis microcultivator licensing
2 tier shall be calculated by multiplying the total square
3 feet of indoor and outdoor cannabis grow canopy used or
4 proposed to be used by the Category 2 cannabis
5 microcultivator by \$0.25.

6 (g) Grow canopies.--

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

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

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

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

23 (h) Sale of cannabis.--

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

25 (i) Cannabis to:

26 (A) A Category 1 cannabis cultivator or a
27 Category 2 cannabis microcultivator.

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

30 (ii) Cannabis seeds and cannabis flower to the

1 board.

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

3 (i) Cannabis to:

4 (A) A Category 1 cannabis cultivator or a
5 Category 2 cannabis microcultivator.

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

8 (ii) Cannabis seeds and cannabis flower to the
9 board.

10 (i) Duties of board.--The board, by regulation, shall
11 require:

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

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

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

23 (j) Authorization.--A cannabis cultivator may do the
24 following:

25 (1) Obtain and transport seed and immature plant
26 material from outside this Commonwealth during at least one
27 30-day period per year as designated by the board to
28 grow cannabis.

29 (2) Obtain seed and immature plant material from a
30 medical marijuana organization licensed under the Medical

1 Marijuana Act or another cannabis cultivator.

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

5 Section 708. Cannabis processor licenses.

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

14 (b) Prohibitions.--

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

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

27 (3) An individual, partnership, corporation, limited
28 liability company or trust or an intermediary, subsidiary,
29 holding company, affiliate or any other form of business
30 entity that holds, owns or controls one processor license may

1 hold, own or control a total of one cultivator license.

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

4 (1) A person applying for a Category 1 cannabis
5 processor license shall:

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

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

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

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

18 (2) A person applying for a Category 2 microprocessor
19 license:

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

23 (A) The applicant employs or will employ no more
24 than 10 employees.

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

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

1 (iii) Satisfy all other requirements for application
2 and licensure under this act and regulations of the
3 board.

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

6 (1) 50 Category 1 cannabis processor licenses.

7 (2) 50 Category 2 cannabis microprocessor licenses.

8 (e) Fees.--

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

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

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

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

17 (f) Sale of cannabis.--

18 (1) A Category 1 cannabis processor may sell cannabis
19 flower, cannabis products to:

20 (i) A Category 1 cannabis processor.

21 (ii) A Category 2 cannabis microprocessor.

22 (iii) The board.

23 (2) A Category 2 cannabis microprocessor may sell
24 cannabis flower, cannabis products to:

25 (i) A Category 1 cannabis processor.

26 (ii) A Category 2 cannabis microprocessor.

27 (iii) The board.

28 Section 709. Cannabis transporter license.

29 (a) Authorization and prohibitions.--

30 (1) A cannabis transporter license authorizes a person

1 to transport cannabis, cannabis flower and cannabis products
2 in this Commonwealth:

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

5 (ii) to the board.

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

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

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

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

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

28 (d) Fees.--

29 (1) An application for a cannabis transporter license
30 shall be accompanied by a nonrefundable application fee of

1 \$5,000.

2 (2) The license fee for a transporter license shall be
3 \$10,000.

4 (3) A cannabis transporter in good standing shall pay a
5 \$2,500 license renewal fee.

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

12 Section 710. On-site consumption license.

13 (a) Authorization and prohibitions.--

14 (1) A cannabis on-site consumption license authorizes a
15 cannabis on-site consumption licensee to:

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

22 (B) Cannabis flower and cannabis products may
23 not be smoked indoors.

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

29 (iii) Purchase low-dose cannabis from the board and
30 sell low-dose cannabis to an individual 21 years of age

1 or older for off-site consumption.

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

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

11 (b) Age verification required.--

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

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

26 (c) Requirements.--An applicant for a cannabis on-site
27 consumption license shall satisfy all other requirements for
28 licensure as a cannabis entity under this act and regulations of
29 the board, including consent to a background investigation as
30 determined by the board.

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

3 (e) Fees.--

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

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

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

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

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

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

21 (1) Distribute or allow the distribution of free samples
22 of cannabis flower or cannabis products in the licensed
23 cannabis establishment.

24 (2) Allow the consumption of alcohol in the licensed
25 cannabis establishment.

26 (3) Allow the smoking of cannabis flower, cannabis
27 products, tobacco or tobacco products inside the cannabis
28 establishment.

29 (4) Allow the use or consumption of cannabis flower or
30 cannabis products by an individual 21 years of age or older

1 who displays any visible signs of hallucinating or
2 intoxication.

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

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

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

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

12 (9) Except as permitted under subsection (a)(1)(iii),
13 permit the removal cannabis flower or cannabis product from
14 the licensed establishment.

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

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

20 Section 711. (Reserved).

21 Section 712. Need for additional licenses.

22 In determining whether to exercise the board's authority to
23 issue additional cannabis entity licenses under this chapter,
24 the board shall consider the following:

25 (1) The percentage of illicit cannabis flower and
26 cannabis product sales occurring in this Commonwealth using
27 data analyzed and compiled by the Pennsylvania State Police,
28 the United States Drug Enforcement Agency or any other
29 Federal or State agency to ascertain the total illicit sales
30 in this Commonwealth compared to the amount of sales of

1 cannabis flower and cannabis products in cannabis stores and
2 at on-site consumption premises.

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

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

12 (4) Population increases or shifts.

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

17 (6) Actual or perceived security risks associated with
18 increasing the number and location of cannabis entity
19 licenses.

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

21 (8) The board's ability to adequately regulate
22 additional cannabis entities.

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

29 (10) Changes to Federal law.

30 (11) Any other criteria the board may determine

1 necessary and appropriate.

2 Section 713. Change in ownership or control.

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

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

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

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

29 (e) Social and economic equity.--If a certified social and
30 economic equity licensee seeks to transfer, sell or grant the

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

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

25 Section 714. Labor peace agreement.

26 (a) Labor peace agreement required.--At the time of
27 application for a cannabis entity license, an applicant must
28 submit with its application a labor peace agreement signed by a
29 bona fide labor organization and the applicant. The following
30 apply:

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

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

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

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

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

25 (2) Upon review and findings of unsatisfactory status or
26 the insufficient maintenance of a labor peace agreement, the
27 board shall issue a fine or suspend the cannabis entity's
28 license, or both.

29 (3) Nothing in this section shall void the right of a
30 bona fide labor organization to pursue a complaint of unfair

1 labor practices in violation of Federal or State law with the
2 the National Labor Relations Board or Pennsylvania Labor
3 Relations Board.

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

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

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

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

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

27 SUBCHAPTER C

28 REGISTRATIONS, PERMITS AND CERTIFICATES

29 Section 715. Registration of essential employees.

30 (a) Registration required.--All essential employees must

1 apply for and obtain an essential employee registration from the
2 board.

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

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

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

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

13 (4) Fingerprints, which shall be submitted to the
14 Pennsylvania State Police.

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

17 (6) Details relating to a similar license, permit or
18 other similar authorization obtained in another jurisdiction,
19 foreign or domestic.

20 (7) Additional information as may be required by the
21 board.

22 (c) Issuance.--

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

28 (2) Each essential employee registration issued by the
29 board shall include a unique alphanumeric essential employee
30 registration number.

1 (d) Registration not transferable.--An essential employee
2 registration issued under this section is not transferable.
3 Section 715.1. Workplace protections.

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

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

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

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

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

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

26 Section 716. Required reports.

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

28 (1) On the first December 31, at least one year after
29 the effective date of this paragraph, and on December 31 of
30 each year thereafter, or upon request by the board, each

cannabis entity shall report to the board, on a form and in a manner provided by the board, information of a scope and sufficiency that allows the board to:

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

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

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

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

Section 717. Cannabis responsible training required.

(a) Training required.--Within 45 days of the commencement of operations by the board or a cannabis entity, each manager, supervisor, employee, agent or other person employed by the board and each essential employee involved in the cultivation, processing, sale, transportation or handling of cannabis or cannabis products, as determined by regulation of the board, shall attend and complete a responsible cannabis training course.

(b) Course curriculum.--The responsible cannabis training course shall include at least four hours of instruction time. The course curriculum shall be designed to provide cannabis store and cannabis-entity-specific instruction applicable to the type of cannabis entity. The instruction shall include the

1 following:

2 (1) Health and safety issues related to the use of
3 cannabis flower and cannabis products, including instruction
4 on the physical and physiological effects of cannabis.

5 (2) The responsible use of cannabis seeds, cannabis
6 flower, cannabis products and cannabis paraphernalia.

7 (3) Quantity limitations on sales to cannabis consumers.

8 (4) Safe storage of cannabis seeds, cannabis flower,
9 cannabis products and cannabis paraphernalia.

10 (5) Compliance with all inventory tracking system
11 regulations.

12 (6) Waste handling, management and disposal.

13 (7) Health, sanitation and safety standards.

14 (8) Maintenance of records.

15 (9) Security and surveillance requirements.

16 (10) Required inspections, including random inspections.

17 (11) Privacy and confidentiality requirements relating
18 to cannabis consumers.

19 (12) Packaging, processing and labeling requirements for
20 sales to cannabis consumers.

21 (13) Cultivation methods and the safe use and storage of
22 chemicals, including pesticides, herbicides, compounds,
23 fertilizers and other products.

24 (14) The use, maintenance and storage of equipment and
25 devices used in the cultivation, processing and sale or
26 offering for sale of cannabis seeds, cannabis flower and
27 cannabis products.

28 (15) Any other subjects as prescribed by regulation of
29 the board.

30 (c) Certification.--Upon the successful completion of the

1 responsible cannabis training program, the board shall deliver a
2 certificate signifying an individual's successful completion of
3 the course, either through United States Postal Service mail or
4 electronically by email, to the individual and the cannabis
5 store or entity employing the individual. The cannabis store or
6 cannabis entity shall retain a copy of the course completion
7 certificate for the duration of the individual's employment.

8 (d) Failure to comply.--A cannabis entity whose employees
9 are required to complete training under this section and fail to
10 comply with this section may be subject to administrative
11 sanction by the board.

12 (e) Continuing education.--The board may adopt regulations
13 to require continuing education on a prescribed schedule.

14 Section 718. Cannabis workers' cooperative licensure.

15 (a) Licenses.--In addition to the number of cannabis entity
16 licenses allowed to be awarded under this act, two licenses for
17 each type of cannabis entity category shall be awarded to an
18 applicant that applies as a cannabis workers' cooperative.
19 Nothing shall require the board to issue a license under this
20 section if the applicant does not meet the requirements of this
21 act or any regulation promulgated under this act or the
22 applicable provisions of 15 Pa.C.S. (related to corporations and
23 unincorporated associations) and any applicable regulation
24 promulgated under to 15 Pa.C.S.

25 (b) Applicability.--All requirements of this act and any
26 regulation promulgated regarding application, licensure and
27 compliance shall apply to a cannabis entity license issued to a
28 cannabis workers' cooperative.

29 (c) Qualifications.--In addition to meeting the requirements
30 of 15 Pa.C.S. Ch. 77 (relating to workers' cooperative

corporations), the board shall establish additional qualifications for a cannabis workers' cooperative to ensure the cannabis worker cooperative is practicing the highest standards of worker governance, control and financial rights.

(d) Failure to maintain a cannabis workers' cooperative.--If a cannabis workers' cooperative terminates its status as a workers' cooperative or fails to meet the requirements of this act or any regulation promulgated, the board may revoke or suspend the cannabis entity license that was awarded to the cannabis workers' cooperative.

Section 719. Duty of licensees, permittees and other authorized persons.

A person or employee of a person that is licensed, permitted or otherwise authorized to engage in a regulated activity under this act shall have the duty to:

(1) provide any assistance or information required by the board or the Pennsylvania State Police and to cooperate in any inquiry, investigation or hearing;

(2) consent to inspections, searches and seizures;

(3) inform the board of any actions which the person believe would constitute a violation of this part; and

(4) inform the board of any arrests for any violations of offenses enumerated under this act, the Controlled Substances Act or 18 Pa.C.S. (relating to crimes and offenses).

Section 720. Exigent circumstance determination.

(a) Award.--If, prior to the notice the board is required to give under section 405, the board determines that due to exigent circumstances, including insufficient product being available for sale at cannabis stores, and it being in the best interests

1 of the Commonwealth to make the retail sale of cannabis and
2 cannabis products available to cannabis consumers, the board may
3 award one cannabis cultivator license, one cannabis processor
4 license or both to a grower/processor.

5 (b) License.--A grower/processor may apply for and be issued
6 one cannabis cultivator license, one cannabis processor license
7 or both.

8 (c) Application.--

9 (1) A grower/processor applying for a cannabis
10 cultivator license, a cannabis processor license or both
11 shall submit an application created by the board in a manner
12 determined by the board.

13 (2) The board shall require each grower/processor who
14 applies to obtain a cannabis cultivator license, cannabis
15 processor license or both to update the information in their
16 applications submitted to the Department of Health under
17 section 602 of the Medical Marijuana Act.

18 (3) Upon submission of an application, the Department of
19 Health shall provide the board with complete and unfettered
20 access to all department records relating to any
21 grower/processor who applies to obtain a cannabis cultivator
22 license, a cannabis processor license or both.

23 (4) No later than 30 days after a grower/processor
24 applying for a license under this section has updated their
25 information under paragraph (2), the board shall review the
26 records and issue a license sought by a grower/processor
27 subject to the limitations in subsection (b), so long as the
28 grower/processor meets the requirements of the applicable
29 license they are seeking under this act.

30 (5) A grower/process applying for a cannabis cultivator

license, a cannabis processor license or both shall pay a nonrefundable application fee of \$15,000.

(d) Licensing and renewal fees.--

(1) A grower/processor shall pay a license fee of \$20,000,000 for each license awarded under this section.

(2) A cannabis cultivator license issued under this section shall be in addition to the number of licenses authorized under section 707. A cannabis processor license issued under this section shall be in addition to the number of licenses authorized under section 708.

(e) Deposit of funds.--All licensing fees paid to the board under this section shall be deposited in the General Fund.

(f) Definition.--For the purposes of this section, the term "grower/processor" shall have the same meaning as defined section 103 of the Medical Marijuana Act.

CHAPTER 8

PACKAGING, LABELING, ADVERTISING AND TESTING

Section 801. Definitions.

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

"Regulated cannabis." Cannabis seeds, cannabis flower and cannabis products cultivated, processed, sold or offered for sale in this Commonwealth as provided for under this act.

Section 801.1. Packaging and labeling.

(a) General rule.--The board shall adopt and promulgate regulations to govern:

(1) The advertising, branding, marketing, packaging and labeling of regulated cannabis, including rules pertaining to and governing the accuracy of information and the restriction

1 of marketing and advertising to minors and other individuals
2 under 21 years of age.

3 (2) The advertising, branding, marketing, packaging and
4 labeling of cannabis paraphernalia and other paraphernalia,
5 including rules pertaining to and governing the accuracy of
6 information and the restriction of marketing and advertising
7 to minors and other individuals under 21 years of age.

8 (b) Required regulations.--The regulations adopted and
9 promulgated by the board under subsection (a) shall include, but
10 not be limited to, requirements that:

11 (1) The packaging of regulated cannabis conforms with
12 the requirements of the Poison Prevention Packaging Act of
13 1970 (Public Law 91-601, 15 U.S.C. § 1471 et seq.).

14 (2) Packaging of regulated cannabis sold or displayed
15 for sale to cannabis consumers in multiple serving sizes
16 shall meet the following requirements:

17 (i) Packaging shall include the statement "INCLUDES
18 MULTIPLE SERVINGS."

19 (ii) Cannabis products in solid form shall be
20 permanently scored in a manner in which each serving size
21 is separate.

22 (iii) If the cannabis product cannot be easily and
23 permanently scored into individual servings it shall be
24 packaged in a single-serving size.

25 (3) Regulated cannabis shall be labeled and placed in a
26 resealable, child-resistant package prior to delivery to or
27 sale at a cannabis store.

28 (4) Packages and labels may not display images,
29 illustrations, objects or other artwork attractive to minors,
30 including toys, action figures, emojis or cartoon characters,

1 or depict any words, phrases, lyrics or slogans designed or
2 used in any manner to be especially appealing to children,
3 including the use of images, words, phrases, lyrics or
4 slogans indicating or depicting candy or candies, gummies or
5 lollipops.

6 (5) Labels shall include rotating health and safety
7 statements, which shall be affixed to regulated cannabis,
8 designed to inform cannabis consumers of any potential harm
9 to human health which may result from the smoking of cannabis
10 flower or the consumption of cannabis products. Labels shall
11 cover at least one-third of the front or principal face of a
12 product and be in 12-point font.

13 (6) A cannabis product with a high total THC
14 concentration shall include a warning label on the risks of
15 high THC products.

16 (7) Packaging shall be entirely and uniformly one color,
17 and shall not incorporate any information, print, embossing,
18 debossing, graphic or hidden feature, other than labeling
19 required or permitted by the board.

20 (c) Determination of serving size and scoring.--

21 (1) The regulations promulgated and guidance issued by
22 the board shall:

23 (i) Establish the methods and procedures under this
24 section for determining serving sizes for cannabis flower
25 and cannabis products.

26 (ii) Require a nutritional fact panel that
27 incorporates data regarding serving sizes and potency of
28 a serving size.

29 (2) Determine which cannabis products can be easily and
30 permanently scored.

1 (3) In no event shall a serving size or individual
2 package of regulated cannabis exceed a personal amount of
3 cannabis.

4 (d) Failure to comply.--In addition to any other penalties
5 under this act, the packaging, sale, marketing, branding,
6 advertising, labeling or possession:

7 (1) Of regulated cannabis by a cannabis cultivator
8 licensee, cannabis processor licensee or cannabis
9 microbusiness not in conformity with this act and regulations
10 adopted and promulgated by the board as provided under this
11 act shall be grounds for the imposition of a fine or the
12 suspension or revocation of the license.

13 (2) Of cannabis paraphernalia or other paraphernalia by
14 a drug paraphernalia permittee not in conformity with this
15 act and regulations adopted and promulgated by the board as
16 provided under this act shall be grounds for the imposition
17 of a fine or the suspension or revocation of the permit.

18 (3) Of cannabis paraphernalia or other paraphernalia by
19 a person not licensed, permitted or authorized under this act
20 commits a misdemeanor of the third degree.

21 Section 801.2. Advertising.

22 (a) General rule.--The board shall adopt and promulgate
23 regulations to govern the advertising of regulated cannabis,
24 cannabis paraphernalia and other paraphernalia.

25 (b) Specific regulations.--The regulations adopted by the
26 board under subsection (a) shall include prohibiting advertising
27 which:

28 (1) Is false, deceptive or misleading.

29 (2) Promotes or depicts consumption of cannabis flower
30 or cannabis products, including overconsumption.

1 (3) Promotes or depicts consumption of cannabis flower
2 and cannabis products by children or other minors.

3 (4) Is designed in any way to appeal to children or
4 other individuals under 21 years of age.

5 (5) Is within 1,000 feet of the perimeter of a school,
6 school grounds, playground, park, library, arcade facility,
7 recreational center, child-care facility or other place where
8 children congregate or a church, synagogue, mosque or other
9 building used for religious purposes.

10 (6) Is in the form of an unsolicited Internet pop-up.

11 (7) Is on or in a private vehicle or on or in publicly
12 owned or operated property, including a public transit
13 vehicle, public transit shelter, bus stop, taxi stand,
14 transportation waiting area, train station, airport or
15 similar transit-related location.

16 (8) Makes medical claims or promotes the smoking or
17 consumption of regulated cannabis for a medical or wellness
18 purpose.

19 (9) Encourages the use of cannabis because of its
20 intoxicating effect.

21 (10) Is a promotional gift bearing symbol or reference
22 to cannabis or cannabis paraphernalia.

23 (11) Promotes a cannabis product with a high total THC
24 concentration.

25 (c) Marketing strategies.--

26 (1) The board shall promulgate regulations that prohibit
27 all marketing strategies and implementation of marketing
28 strategies, including, but not limited to, marketing
29 strategies involving the branding, packaging, labeling and
30 location of advertisements, which are designed to:

1 (i) appeal to minors and other individuals under 21
2 years of age;

3 (ii) provide or otherwise disseminate false or
4 misleading information to cannabis consumers; or

5 (iii) promote a cannabis product with a high total
6 THC concentration.

7 (2) The regulations promulgated by the board shall
8 require that:

9 (i) All advertising and marketing accurately and
10 legibly identify a cannabis entity licensee and, if
11 applicable, any other business or entity responsible for
12 the content of the advertising or marketing.

13 (ii) Any broadcast, cable, radio, print, digital
14 communication advertising, social media and outside
15 advertising only be placed where 85% of the audience is
16 reasonably expected to be 21 years of age or older, as
17 determined by reliable, current audience composition
18 data.

19 (d) Permitted practices.--Notwithstanding any provision of
20 this act to the contrary, a cannabis entity may:

21 (1) (i) Subject to subparagraph (ii), develop a brand
22 name for use in labeling, signage and other materials.

23 (ii) The use of a medical symbol or image of
24 cannabis flower, cannabis products or cannabis
25 paraphernalia which are appealing to individuals under 21
26 years of age and colloquial references to cannabis
27 flower, cannabis products or cannabis paraphernalia is
28 prohibited and may not be used in the brand name.

29 (2) (i) Subject to subparagraph (ii), engage in
30 reasonable advertising practices which are not otherwise

1 prohibited under this act or regulations and which do not
2 jeopardize the public health, welfare or safety of the
3 general public.

4 (ii) The promotion of the diversion of cannabis
5 flower or cannabis product use in individuals under 21
6 years of age or the promotion of practices inconsistent
7 with the purposes of this act is prohibited.

8 (e) Product warnings.--

9 (1) All advertising shall be accompanied by a product
10 warning, as determined by the board.

11 (2) Advertising created for viewing by the general
12 public shall include health and safety warnings as determined
13 by the board.

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 "Brand name." A name, alone or in conjunction with any other
18 word or phrase, trademark, logo, symbol, motto, recognizable
19 pattern of colors or any other identifiable marker associated
20 with a cannabis entity licensee.

21 Section 802. Product safety protections.

22 (a) Potency limits.--Cannabis flower and cannabis products
23 sold as provided for under this act may not contain more than:

24 (1) 25% total THC for cannabis flower.

25 (2) 200 milligrams total THC for a cannabis concentrate
26 per package.

27 (3) 5 milligrams of total THC per serving and 25
28 milligrams of total THC per package for a cannabis product
29 other than cannabis concentrate.

30 (b) Youth protection.--Cannabis flower and cannabis products

1 may not be processed in a way that appeals or is attractive to a
2 minor. The board shall promulgate regulations governing the
3 prohibitions of cannabis flower or cannabis products appealing
4 to minors, including:

- 5 (1) flavors;
- 6 (2) shapes; and
- 7 (3) likeness to commercially sold food, candy and
8 beverages.

9 (c) Other prohibitions.--Regulated cannabis that is not
10 derived from naturally occurring biologically active chemical
11 constituents or contains artificially derived or synthetic
12 cannabinoids is prohibited.

13 Section 803. Laboratory testing.

14 (a) Cannabis testing permits.--The board shall issue a
15 cannabis testing permit to laboratories that apply and the board
16 deems qualified to test regulated cannabis. The board may not
17 issue a cannabis testing permit to a laboratory affiliated with
18 a cannabis entity or a medical marijuana organization. The board
19 shall require that cannabis be tested once at final harvest and
20 cannabis flower and cannabis product at final processing.

21 (b) Testing required.--The board shall adopt and promulgate
22 regulations and issue guidelines to govern the testing of
23 regulated cannabis by a cannabis testing laboratory, including
24 stability and compliance testing.

25 (c) Laboratory oversight.--The board may:

- 26 (1) Enter and inspect cannabis testing laboratories.
- 27 (2) Conduct testing of regulated cannabis on a cannabis
28 store shelf.
- 29 (3) Require testing and quality assurance procedures to
30 ensure that results are accurately reported.

- (4) Require a level of accreditation.
- (5) Require the reporting of test results to the board.
- (6) Issue fines or revoke a permit for noncompliance or failure to adhere to this act or any regulations or guidance issued by the board.

(d) State cannabis testing laboratory.--The board shall establish and maintain a State cannabis testing laboratory. The State cannabis testing laboratory is responsible for:

(1) Developing and maintaining a State cannabis testing laboratory reference library that contains cannabis testing methodologies in the areas of:

- (i) Potency.
- (ii) Homogeneity.
- (iii) Detection and quantitation of contaminants.
- (iv) Solvents.

(2) Establishing standard operating procedures for sample collection, preparation and analysis of regulated cannabis by cannabis testing laboratories.

(3) Conducting proficiency testing of independent testing laboratories.

(4) Remediating problems with independent testing laboratories.

(5) Conducting compliance and stability testing on cannabis samples analyzed by cannabis testing laboratories.

(6) Conducting auditing testing on regulated cannabis on a cannabis store's shelf.

(7) Identifying and detecting the presence and purity of cannabis, alcohol and tobacco in samples or seized contraband in support of the regulatory authority of the board.

CHAPTER 9

1 RECORDKEEPING AND INSPECTION

2 Section 901. Recordkeeping and tracking.

3 (a) Records required.--The board shall require a cannabis
4 entity licensee and cannabis testing laboratory to:

5 (1) Adopt and maintain security, tracking, inventory
6 control, recordkeeping, record retention and surveillance
7 systems relating to all regulated cannabis at every stage of
8 cultivating, processing, transporting, testing and selling
9 regulated cannabis as provided under this act and regulations
10 of the board.

11 (2) Maintain accurate records identifying all current
12 and former employees and contractors, working for or
13 otherwise engaged in activities by for or on behalf of the
14 cannabis entity and cannabis testing laboratory.

15 (3) For the purposes of this chapter, the term
16 "regulated cannabis" shall mean cannabis seeds, cannabis
17 flower and cannabis products cultivated, processed, sold or
18 offered for sale in this Commonwealth as provided for under
19 this act.

20 (b) Maintenance of records.--A cannabis entity licensee and
21 cannabis testing laboratory shall keep and maintain upon the
22 premises of the cannabis entity licensee adequate books and
23 records of all transactions involving the sale of regulated
24 cannabis by the cannabis entity licensee, which shall include,
25 but is not limited to, all information required under this
26 section and by regulation of the board.

27 (c) Retention period.--All books, records and invoices
28 required to be maintained under this section shall be kept for a
29 period of four years and shall be available for inspection by
30 the board or by an authorized employee or agent of the board.

1 Section 902. Inspections.

2 (a) Random inspections.--A cannabis establishment shall be
3 subject to random inspection by the board or a designated
4 employee or agent of the board during normal business hours. In
5 making inspections, the board shall make reasonable
6 accommodations so that ordinary business is not interrupted and
7 safety and security procedures are not compromised.

8 (b) Availability of licensee or employee required.--The
9 person that holds the license or a designated employee or agent
10 of the person shall be available and present for an inspection
11 of the cannabis entity licensee's cannabis establishment.

12 CHAPTER 10

13 PROHIBITIONS AND PENALTIES

14 SUBCHAPTER A

15 PUBLIC EMPLOYEE PROHIBITIONS

16 Section 1001. Definitions.

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

20 "Department." The Department of Revenue of the Commonwealth.

21 "Executive-level public employee." The term shall include
22 the following:

23 (1) Deputy secretaries of the Commonwealth and the
24 Governor's Office executive staff.

25 (2) An employee of the executive branch whose duties
26 substantially involve licensing or enforcement under this
27 act, who has discretionary power which may affect or
28 influence the outcome of a Commonwealth agency's action or
29 decision or who is involved in the development of regulations
30 or policies relating to a cannabis entity licensee, permittee

1 or other person engaged in a regulated activity under this
2 act. The term shall include an employee with law enforcement
3 authority.

4 (3) An employee of a county or municipality with
5 discretionary powers which may affect or influence the
6 outcome of the county's or municipality's action or decision
7 related to this act or who is involved in the development of
8 law, regulation or policy relating to matters regulated under
9 this act. The term shall include an employee with law
10 enforcement authority.

11 (4) An employee of a department, agency, board,
12 commission, authority or other governmental body not included
13 in paragraph (1), (2) or (3) with discretionary power which
14 may affect or influence the outcome of the governmental
15 body's action or decision related to this act or who is
16 involved in the development of regulation or policy relating
17 to matters regulated under this act. The term shall include
18 an employee with law enforcement authority.

19 "Financial interest." Owning or holding, or being deemed to
20 hold, debt or equity securities or other ownership interest or
21 profits interest in a cannabis entity licensee, permittee or
22 other person authorized to engage in a regulated activity under
23 this act. A financial interest shall not include any debt or
24 equity security or other ownership interest or profits interest
25 which is held or deemed to be held in any of the following:

26 (1) A blind trust over which the executive-level public
27 employee, public official or party officer or immediate
28 family member may not exercise any managerial control or
29 receive income from during the tenure of office and the
30 period under section 1002(a). This paragraph shall apply only

1 to blind trusts established prior to the effective date of
2 this paragraph.

3 (2) Securities that are held in a pension plan, profit-
4 sharing plan, individual retirement account, tax-sheltered
5 annuity, a plan established under section 457 of the Internal
6 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et
7 seq.) or any successor provision deferred compensation plan,
8 whether qualified or not qualified under the Internal Revenue
9 Code of 1986 or any successor provision, or other retirement
10 plan that is:

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

12 (ii) advised by an independent investment adviser
13 who has sole authority to make investment decisions with
14 respect to contributions made by the individual to the
15 plan.

16 (3) A tuition account plan organized and operated under
17 section 529 of the Internal Revenue Code of 1986 that is not
18 self-directed by the individual.

19 (4) A mutual fund where the interest owned by the mutual
20 fund in a licensed entity does not constitute a controlling
21 interest.

22 "Immediate family." A spouse, minor child or unemancipated
23 child.

24 "Party officer." A member of a national committee, a
25 chairperson, vice chairperson, secretary, treasurer or counsel
26 of a State committee or member of the executive committee of a
27 State committee, a county chairperson, vice chairperson,
28 counsel, secretary or treasurer of a county committee in which a
29 cannabis entity cannabis establishment is located or a city
30 chairperson, vice chairperson, counsel, secretary or treasurer

1 of a city committee of a city in which a cannabis establishment
2 is located.

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

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

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

9 (3) An individual elected or appointed to any office of
10 a municipality whose duties directly involve a regulated
11 activity.

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

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

24 (6) A member of the Pennsylvania State Police.

25 "Regulated cannabis." Cannabis, cannabis flower and cannabis
26 products cultivated, processed, sold or offered for sale in this
27 Commonwealth as provided for under this act.

28 Section 1002. Financial and employment interests.

29 (a) Financial interests.--Except as may be provided for the
30 judiciary by rule or order of the Supreme Court, an executive-

1 level public employee, public official or party officer, or an
2 immediate family member of the employee, official or officer,
3 may not intentionally or knowingly hold a financial interest in
4 a cannabis entity applicant, cannabis entity, permittee or other
5 person authorized to engage in a regulated activity under this
6 act or in a holding company, affiliate, intermediary or
7 subsidiary while the individual is an executive-level public
8 employee, public official or party officer and for two years
9 following termination of the individual's status as an
10 executive-level public employee, public official or party
11 officer.

12 (b) Employment interests.--Except as may be provided by rule
13 or order of the Supreme Court and except as provided in this
14 act, an executive-level public employee, public official or
15 party officer, or an immediate family member of the employee,
16 official or officer, may not be employed by a cannabis entity
17 applicant, cannabis entity permittee or other person authorized
18 to engage in a regulated activity under this act or by a holding
19 company, affiliate, intermediary or subsidiary, while the
20 individual is an executive-level public employee, public
21 official or party officer and for two years following
22 termination of the individual's status as an executive-level
23 public employee, public official or party officer.

24 (c) Complimentary services prohibited.--

25 (1) An executive-level public employee, public official
26 or party officer, or an immediate family member of the
27 employee, official or officer, may not solicit or accept a
28 complimentary service or thing of value from a cannabis
29 entity applicant, cannabis entity, permittee or other person
30 authorized to engage in a regulated activity under this act

1 or from any affiliate, intermediary, subsidiary or holding
2 company, which the executive-level public employee, public
3 official or party officer, or an immediate family member of
4 the employee, official or officer, knows or has reason to
5 know is other than a service or discount which is offered to
6 members of the general public in like circumstances.

7 (2) A cannabis entity applicant, cannabis entity,
8 permittee or other person engaged in a regulated activity
9 under this act or any affiliate, intermediary, subsidiary or
10 holding company, may not offer or deliver to an executive-
11 level public employee, public official or party officer, or
12 an immediate family member of the employee, official or
13 officer, a complimentary service or thing of value from a
14 cannabis entity applicant, cannabis entity, permittee or
15 other person engaged in a regulated activity under this act
16 or an affiliate, intermediary, subsidiary or holding company,
17 that the applicant, cannabis entity licensee, permittee or
18 other person engaged in a regulated activity under this act,
19 or any affiliate, intermediary, subsidiary or holding
20 company, knows or has reason to know is other than a service
21 or discount that is offered to members of the general public
22 in like circumstances.

23 (3) As used in this subsection, the term "complimentary
24 service" shall mean a service, product or other item which is
25 provided to an individual at no cost or at a reduced or
26 discounted cost, which is not generally available to the
27 public under similar circumstances without cost or at a
28 reduced or discounted cost. Group rates, including convention
29 and government rates, shall be deemed to be generally
30 available to the public.

1 (d) Divestiture.--An executive-level public employee, public
2 official or party officer, or an immediate family member of the
3 employee, official or officer, who holds a financial interest
4 prohibited by this section shall divest the financial interest
5 within three months of the effective date of this subsection. An
6 executive-level public employee, public official, party officer
7 or immediate family member shall have 30 days from the date the
8 individual knew or had reason to know of the violation or 30
9 days from the date of publication in the Pennsylvania Bulletin
10 of the complete list of persons that applied for or held a
11 license, permit or other authorization to engage in a regulated
12 activity under this act, whichever occurs earlier, to divest the
13 financial interest. The State Ethics Commission may, for good
14 cause, extend the time period under this subsection.

15 (e) State Ethics Commission.--The State Ethics Commission
16 shall do all of the following:

17 (1) Issue a written determination of whether a person is
18 subject to subsection (a), (b), (c) or (d) upon the written
19 request of the person or any other person that may have
20 liability for an action taken with respect to the person. A
21 person that relies in good faith on a determination made by
22 the State Ethics Commission under this paragraph shall not be
23 subject to any penalty for an action taken if the material
24 facts stated in the request for the determination are
25 correct.

26 (2) Publish a list of all State, county, municipal and
27 other government positions that are considered public
28 official and executive-level public employee. The Office of
29 Administration shall assist the State Ethics Commission in
30 the development of the list, which shall be transmitted to

1 the Legislative Reference Bureau for publication in the next
2 available issue of the Pennsylvania Bulletin biennially and
3 posted on the board's publicly accessible Internet website.
4 Upon request, each public official shall have a duty to
5 provide the State Ethics Commission with adequate information
6 to accurately develop and maintain the list. The State Ethics
7 Commission may impose a civil penalty under 65 Pa.C.S. §
8 1109(f) (relating to penalties) upon any individual,
9 including any public official or executive-level public
10 employee, who fails to cooperate with the State Ethics
11 Commission under this subsection. A person that relies in
12 good faith on the list published by the State Ethics
13 Commission shall not be subject to any penalty for a
14 violation of this section.

15 Section 1003. Additional restrictions.

16 (a) Restrictions.--Employees of the board, department,
17 Department of Agriculture, Department of Health or Office of
18 Attorney General, or members or employees of the Pennsylvania
19 State Police whose duties substantially involve licensing or
20 enforcement, the development of laws or the development or
21 adoption of regulations or policy related to the regulation of
22 cannabis as provided under this act or who has other
23 discretionary authority which may affect or influence the
24 outcome of an action, proceeding or decision under this act may
25 not do any of the following:

26 (1) Accept employment with or be retained by a cannabis
27 entity applicant, cannabis entity, permittee or other person
28 authorized to engage in a regulated activity under this act
29 or an affiliate, intermediary, subsidiary or holding company
30 for a period of two years after the termination of

1 employment.

2 (2) Appear before the board in a hearing or proceeding
3 or participate in any other activity on behalf of an
4 applicant or cannabis entity licensee, permittee or other
5 person authorized to engage in a regulated activity under
6 this act or an affiliate, intermediary, subsidiary or holding
7 company for a period of two years after termination of
8 employment. Nothing in this paragraph shall prevent a current
9 or former employee of the department, Department of
10 Agriculture, Department of Health or Office of Attorney
11 General, or a member or employee of the Pennsylvania State
12 Police from appearing before the board in a proceeding or
13 hearing as a witness or testifying as to any fact or
14 information.

15 (3) As a condition of employment, potential employees of
16 the board, department, Department of Agriculture, Department
17 of Health and Office of Attorney General and members or
18 employees of the Pennsylvania State Police shall sign an
19 affidavit that the individual will not accept employment with
20 or be retained by a cannabis entity applicant, cannabis
21 entity, permittee or other person authorized to engage in a
22 regulated activity under this act or an affiliate,
23 intermediary, subsidiary or holding company for a period of
24 two years after the termination of employment.

25 (b) Employment or retention.--A cannabis entity applicant,
26 cannabis entity, permittee or other person authorized to engage
27 in a regulated activity under this act or an affiliate,
28 intermediary, subsidiary or holding company may not employ or
29 retain an individual subject to subsection (a) until the
30 expiration of the period required in subsection (a)(1). A

1 cannabis entity applicant, cannabis entity, permittee or other
2 person authorized to engage in a regulated activity under this
3 act or an affiliate, intermediary, subsidiary or holding company
4 that knowingly employs or retains an individual in violation of
5 this subsection shall terminate the employment of the individual
6 and be subject to administrative sanction by the board.

7 (c) Violation.--If an individual subject to subsection (a)
8 refuses or otherwise fails to sign an affidavit as a condition
9 of employment under subsection (a)(3), the individual's
10 potential employer shall rescind the offer of employment.

11 (d) Code of conduct.--The department, Department of
12 Agriculture, Department of Health, Office of Attorney General
13 and Pennsylvania State Police each shall adopt a comprehensive
14 code of conduct which shall supplement all other requirements
15 under this act and 65 Pa.C.S. Pt. II (relating to
16 accountability), as applicable, and shall provide guidelines
17 applicable to the following to avoid any perceived or actual
18 conflict of interest and to promote public confidence in the
19 integrity and impartiality related to the regulation of cannabis
20 as provided under this act:

21 (1) Employees and independent contractors of the
22 department, Department of Agriculture and Department of
23 Health.

24 (2) Members, employees and independent contractors of
25 the Pennsylvania State Police and employees and independent
26 contractors of the Office of Attorney General whose duties
27 substantially involve licensing or enforcement, the
28 development of laws or the development or adoption of
29 regulations or policy related to the regulation of cannabis
30 under this act or who have other discretionary authority

1 which may affect the outcome of an action, proceeding or
2 decision under this act.

3 (3) The immediate families of employees and independent
4 contractors of the department, members, employees and
5 independent contractors of the Pennsylvania State Police and
6 employees and independent contractors of the Department of
7 Agriculture, Department of Health and Office of Attorney
8 General.

9 (e) State Ethics Commission and agencies.--

10 (1) The State Ethics Commission shall do all of the
11 following:

12 (i) Issue a written determination of whether an
13 individual is subject to subsection (a)(1) upon the
14 written request of the individual or the individual's
15 employer or potential employer.

16 (ii) Transmit to the board a list of all positions
17 within the board, department, Department of Agriculture,
18 Office of Attorney General and Pennsylvania State Police
19 whose duties would subject the individual applying for or
20 holding the positions to subsection (a)(1). The board
21 shall post on the board's publicly accessible Internet
22 website and to the Legislative Reference Bureau for
23 publication in the next available issue of the
24 Pennsylvania Bulletin. The State Ethics Commission shall
25 post the list on the commission's publicly accessible
26 Internet website.

27 (2) The board, department, Department of Agriculture,
28 Department of Health, Office of Attorney General and
29 Pennsylvania State Police shall each assist the State Ethics
30 Commission in the development of the list under paragraph (1)

1 (ii). Upon request by the State Ethics Commission, members
2 and employees of the Pennsylvania State Police and employees
3 of the department, Department of Agriculture, Department of
4 Health and Office of Attorney General shall have a duty to
5 provide the State Ethics Commission with adequate information
6 to accurately develop and maintain the list. The State Ethics
7 Commission may impose a civil penalty under 65 Pa.C.S. §
8 1109(f) (relating to penalties) upon an individual who fails
9 to cooperate with the State Ethics Commission under this
10 paragraph.

11 (3) An individual who relies in good faith on a
12 determination made by the State Ethics Commission under
13 paragraph (1)(i) shall not be subject to any penalty for an
14 action taken if all material facts stated in the request for
15 the determination are correct.

16 (4) An individual who relies in good faith on the list
17 published under paragraph (1)(ii) shall not be subject to any
18 penalty for a violation of subsection (a).

19 SUBCHAPTER B

20 PENALTIES AND IMMUNITIES

21 Section 1004. Administrative sanctions.

22 (a) Authority to impose administrative sanctions.--

23 (1) In addition to any other penalty authorized by law
24 or under this act, the board may impose without limitation
25 the following sanctions upon a cannabis entity, permittee or
26 other person authorized to engage in a regulated activity
27 under this act:

28 (i) Suspend, revoke or refuse to renew the license,
29 permit or other authorization to engage in a regulated
30 activity under this act of a person convicted of a

1 criminal offense under this act or other law which would
2 otherwise disqualify the person from holding the license,
3 permit or other authorization.

4 (ii) Revoke the license, permit or other
5 authorization to engage in a regulated activity under
6 this act of a person determined to have violated this act
7 or regulations promulgated by the board under this act
8 which would otherwise disqualify the person from holding
9 the license, permit or other authorization.

10 (iii) Revoke the license, permit or other
11 authorization to engage in a regulated activity under
12 this act of a person for willfully and knowingly
13 violating or attempting to violate an order of the board
14 directed to the person.

15 (iv) Suspend the license, permit or other
16 authorization of a person pending the outcome of a
17 hearing in a case in which the revocation of a license,
18 permit or authorization to engage in a regulated activity
19 under this act.

20 (v) Suspend the license of a cannabis entity for
21 violating or attempting to violate this act or
22 regulations promulgated under this act relating to the
23 operation of the cannabis entity cannabis establishment.

24 (vi) Order restitution of money or property
25 unlawfully obtained or retained by a cannabis entity,
26 permittee or other person authorized to engage in a
27 regulated activity under this act.

28 (vii) Enter a cease and desist order that specifies
29 the conduct that must be discontinued, altered or
30 implemented by the cannabis entity, permittee or other

1 person authorized to engage in a regulated activity under
2 this act.

3 (viii) Issue a letter of reprimand or censure, which
4 shall be made a permanent part of the file of the
5 cannabis entity, permittee or other person sanctioned.

6 (ix) Assess administrative fines for a violation of
7 this act or a regulation promulgated under this act,
8 which shall not exceed:

9 (A) \$50,000 for each violation of this act or a
10 regulation promulgated by the board under this act by
11 a Category 1 cannabis cultivator licensee or Category
12 1 cannabis processor licensee or an essential
13 employee or agent of the licensee.

14 (B) \$10,000 for each violation of this act or a
15 regulation promulgated by the board under this act by
16 a Category 2 cannabis microcultivator or Category 2
17 cannabis microprocessor or an essential employee or
18 agent of the licensee.

19 (C) \$15,000 for each violation of this act or a
20 regulation promulgated by the board under this act by
21 a cannabis transporter licensee or an essential
22 employee or agent of the licensee.

23 (D) \$15,000 for each violation of this act or a
24 regulation promulgated by the board under this act by
25 a cannabis on-site consumption licensee or an
26 essential employee or agent of a licensee.

27 (E) \$10,000 for each violation of this act or a
28 regulation promulgated by the board under this act by
29 a person that holds a permit to operate a cannabis
30 testing laboratory or by an employee or agent of the

1 licensee.

2 (F) \$10,000 for each violation of this act or a
3 regulation promulgated by the board under this act by
4 any other person authorized by the board to engage in
5 a regulated activity under this act.

6 (2) If the board suspends, revokes or refuses to renew a
7 license, permit or other authorization to engage in a
8 regulated activity under this act or assesses a fine or civil
9 penalty, orders restitution, enters a cease and desist order
10 or issues a letter of reprimand or censure, the board shall
11 provide the cannabis entity, permittee or other person
12 authorized to engage in a regulated activity under this act
13 with written notification of the decision, including a
14 statement of the reasons for the decision, by certified mail
15 within five business days of the decision of the board. The
16 cannabis entity licensee, permittee or other person shall
17 have the right to appeal the decision under 2 Pa.C.S. Chs. 5
18 Subch. A (relating to practice and procedure of Commonwealth
19 agencies) and 7 Subch. A (relating to judicial review of
20 Commonwealth agency action).

21 (3) In addition to a fine imposed under this act or
22 regulations promulgated under this act, the board shall
23 impose an administrative penalty of three times the amount of
24 the license fee, permit fee, authorization fee, tax or any
25 other assessment which is evaded and not paid, collected or
26 paid over. A cannabis entity licensee, permittee or other
27 person subject to a penalty under this paragraph shall have
28 the right to appeal the impositions under 2 Pa.C.S. Chs. 5
29 Subch. A and 7 Subch. A.

30 (4) Utilize the courts to take all appropriate action to

1 enjoin conduct the board determines necessary to maintain the
2 integrity of the cannabis industry and the health, safety and
3 welfare of the citizens of this Commonwealth, seek and obtain
4 judgment, issue cease and desist orders and request opinions
5 from the Attorney General pursuant to the act of October 15,
6 1980 (P.L.950, No.164), known as the Commonwealth Attorneys
7 Act.

8 (b) Aiding and abetting.--A person that aids, abets,
9 counsels, commands, induces, procures or causes another person
10 to violate this act shall be subject to all sanctions and
11 penalties, both civil and criminal, provided under this act.

12 (c) Continuing offenses.--A violation of this act that is
13 determined to be an offense of a continuing nature shall be
14 deemed to be a separate offense on each event or day during
15 which the violation occurs. Nothing in this subsection shall be
16 construed to preclude the commission of multiple violations of
17 this act in any one day that establish offenses consisting of
18 separate and distinct acts or violations of this act or
19 regulations promulgated under this act.

20 (d) Property subject to seizure, confiscation, destruction
21 or forfeiture.--Equipment, devices or apparatus', including a
22 point-of-sale system, transaction scan devices, weight or
23 measures, computers, including computer hardware, software and
24 associated equipment, supplies, materials, cannabis proceeds or
25 substituted proceeds, money or real or personal property used,
26 obtained or received or any attempt to use, obtain or receive
27 equipment, devices or apparatus', supplies, materials, cannabis
28 proceeds or substituted proceeds, money or real or personal
29 property of a cannabis entity, permittee or other person
30 authorized to engage in a regulated activity in violation of

1 this act shall be subject to 42 Pa.C.S. §§ 5803 (relating to
2 asset forfeiture), 5805 (relating to forfeiture procedure), 5806
3 (relating to motion for return of property), 5807 (relating to
4 restrictions on use), 5807.1 (relating to prohibition on
5 adoptive seizures) and 5808 (relating to exceptions).

6 (e) Sanctions.--

7 (1) In considering appropriate administrative sanctions
8 against a person for a violation of this act, the board shall
9 consider all of the following:

10 (i) The risk to the public and to the integrity of
11 the Commonwealth's regulated cannabis industry created by
12 the conduct of the person.

13 (ii) The seriousness of the conduct of the person
14 and whether the conduct was purposeful and with knowledge
15 that the conduct was in contravention of this act or
16 regulations promulgated by the board under this act.

17 (iii) Any justification for the conduct by the
18 person.

19 (iv) The prior history of the cannabis entity,
20 permittee or other person authorized to engage in a
21 regulated activity under this act involved with respect
22 to the regulated activity, which resulted in the
23 sanction.

24 (v) The corrective action taken by the cannabis
25 entity, permittee or other person authorized to engage in
26 a regulated activity under this act to prevent future
27 misconduct of the same or a similar nature from
28 reoccurring.

29 (vi) In the case of a monetary penalty, the amount
30 of the penalty in relation to the severity of the

misconduct and the financial means of the cannabis entity, permittee or other person authorized to engage in a regulated activity to pay the penalty. The board may impose a schedule or terms of payment of the penalty as the board may deem appropriate.

(2) It shall not be a defense to a sanction before the board that a person inadvertently, unintentionally or unknowingly violated this act. The factors under paragraph

(1) shall only extend to the degree of the penalty to be imposed by the board and not to a finding of a violation.

(f) Regulations.--The board shall promulgate regulations to effectuate the provisions of this section.

Section 1005. Civil and criminal penalties.

(a) Violations of this chapter.--An individual who violates Chapter 10 commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than \$10,000 or to imprisonment for not more than five years, or both.

(b) Violations of Chapter 11.--

(1) A person that fails to timely remit to the department or the State Treasurer amounts required under Chapter 11 shall be liable, in addition to any liability imposed elsewhere under this act or which may be imposed under the Tax Reform Code of 1971, for a penalty of 5% per month up to a maximum of 25% of the amount ultimately found to be due and payable, to be recovered by the Department of Revenue.

(2) A person that violates section 1102 shall be subject to the criminal penalties under the act of March 4, 1971

(P.L.6, No.2), known as the Tax Reform Code of 1971.

Section 1006. General immunities and presumptions.

1 (a) General rule.--Except as provided in this act or
2 regulation of the board adopted and promulgated under this act,
3 in matters related to the regulation of cannabis under this act,
4 the following apply:

5 (1) A cannabis entity, permittee or other person
6 authorized to engage in a regulated activity under this act
7 shall not be subject to any of the following for engaging in
8 a regulated activity in a manner authorized under this act
9 and any rules or regulations promulgated under this act
10 related to the acquisition, possession, cultivation,
11 processing, storage, transporting, testing, transfer and
12 selling of regulated cannabis or cannabis paraphernalia:

13 (i) Prosecution.

14 (ii) Search, seizure or inspection, except by the
15 board, bureau, Department of Agriculture, Department of
16 Health, Pennsylvania State Police or local law
17 enforcement as provided under this act.

18 (iii) Penalty in any manner, including, but not
19 limited to, civil penalty.

20 (iv) Denial of any right or privilege.

21 (v) Except as provided in section 1009,
22 administrative sanction or disciplinary action by a
23 licensing board of the Commonwealth or any other
24 Commonwealth agency.

25 (2) An agent, employee or other person employed or
26 contracted by a cannabis entity shall not be subject to any
27 of the following for working for or contracting with a
28 cannabis entity licensee as provided under this act and any
29 rules or regulations promulgated by the board under this act:

30 (i) Prosecution.

(ii) Search.

(iii) Except as provided in this act, a penalty in any manner, including, but not limited to, a civil penalty.

(iv) Denial of any right or privilege.

(v) Disciplinary action by a licensing board of the Commonwealth or any other Commonwealth agency.

(b) Seizures and forfeitures.--Notwithstanding any other provision of law or regulation, any regulated cannabis, cannabis paraphernalia, legal property or interest in legal property that is owned, leased, possessed or otherwise utilized in connection with the use of regulated cannabis as authorized under this act, or acts incidental to that utilization or use, may not be seized or forfeited. Nothing in this subsection shall be construed to prevent the seizure or forfeiture of regulated cannabis exceeding the amounts authorized under this act or to prevent seizure or forfeiture if the basis for the seizure or forfeiture is unrelated to the regulated cannabis that is possessed, transferred, transported or used as provided under this act. Nothing in this subsection shall prevent the board from seizing regulated cannabis or cannabis paraphernalia.

CHAPTER 11

TAXES AND TAX ADMINISTRATION

Section 1101. Definitions.

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

"Department." The Department of Revenue of the Commonwealth.

"Regulated cannabis." Cannabis seeds, cannabis flower and cannabis products sold and purchased as provided under this act.

1 Section 1102. Cannabis excise tax.

2 (a) Imposition.--An excise tax is imposed at the rate of 12%
3 of the cannabis store sales price for regulated cannabis sold by
4 cannabis stores. Except as otherwise provided by regulation, a
5 product subject to the tax imposed under this subsection may not
6 be bundled in a single transaction with a product or service
7 that is not subject to the tax imposed under this subsection.

8 (b) Treatment.--Notwithstanding any other provision of law,
9 cannabis paraphernalia sold by a cannabis store or a cannabis
10 paraphernalia permittee is a taxable sale under and subject to
11 the provisions of section 202 of the act of March 4, 1971
12 (P.L.6, No.2), known as the Tax Reform Code of 1971.

13 (c) Deposit.--All money received from the tax imposed under
14 subsection (a) shall be deposited into the Cannabis Revenue
15 Fund.

16 (d) Information required by department.--A cannabis
17 paraphernalia permittee subject to the tax imposed under this
18 section shall provide the department with all documents,
19 materials, books and records and any other information required
20 by the department under Chapter VIII of Part VI of Article II of
21 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
22 Code of 1971.

23 (e) Application.--An on-site consumption licensee shall not
24 be subject to the excise tax imposed under this section for
25 regulated cannabis sales to consumers at its on-site consumption
26 premises.

27 Section 1103. Authority and duties of department.

28 (a) Authority of department.--The department shall:

29 (1) In collaboration with the board, administer and
30 collect taxes imposed under this act and interest imposed

1 under section 806 of the act of April 9, 1929 (P.L.343,
2 No.176), known as The Fiscal Code.

3 (2) Promulgate and enforce rules and regulations to
4 carry out the department's prescribed duties as provided
5 under this chapter, including the collection of taxes,
6 penalties and interest imposed by this act and to prescribe
7 the extent, if any, to which rules and regulations relating
8 to taxing shall be applied without retroactive effect.

9 (3) Prescribe the forms and the system of accounting and
10 recordkeeping to be used by cannabis entity licensees,
11 permittees and other persons engaged in a regulated activity
12 under this act to carry out the department's duties under
13 this chapter.

14 (b) Powers and duties of department.--

15 (1) The department, for the purpose of audit and
16 examination, shall, at all times, have the power of access to
17 all books, records, documents, materials, devices and
18 equipment, including, but not limited to, point-of-sale
19 systems, transaction scan devices, weights and measures and
20 computer software, hardware and associated electronic
21 equipment and any other equipment or devices maintained and
22 used by a cannabis entity licensee, permittee or other person
23 authorized to engage in a regulated activity under this act
24 and related to all aspects of cannabis operations, which are
25 kept, maintained or otherwise used by a cannabis entity
26 licensee, permittee or other person authorized to engage in a
27 regulated activity under this act.

28 (2) Notwithstanding section 353(f) of the act of March
29 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
30 the department shall supply the board, the Pennsylvania State

Police and the Office of Attorney General with information concerning the status of delinquent taxes owed by the applicant, licensee, permittee or other person authorized to engage in a regulated activity under this act.

(c) Regulatory authority.--To promptly carry out the department's powers and duties under this act, the department may adopt and promulgate temporary regulations in the same manner in which the board is authorized to adopt and promulgate temporary regulations.

Section 1103.1. Municipal tax on on-site consumption licensees.

(a) Imposition of sales tax.--A municipality may impose a sales tax at the rate of 3% of the sales price for regulated cannabis sold to consumers by an on-site consumption license located within the municipality.

(b) Deposit of sales tax proceeds.--All money received from the tax imposed under subsection (a) shall be collected and retained by the municipality.

Section 1104. Liens and suits for taxes.

(a) Liens for taxes.--Unpaid taxes imposed under section 1102 shall be subject to section 1401 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

(b) Suits for taxes.--All taxes imposed under this act that are unpaid or delinquent shall be subject to section 243 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

(c) Municipal taxes and liens.--Unpaid taxes under section 1104 shall be subject to the act of May 16, 1923 (P.L. 207, No. 153), known as the Municipal Claim and Tax Lien Law.

Section 1105. Tax deduction allowed.

(a) Ineligible persons.--A tax deduction shall be allowed

1 from the taxable income of a cannabis entity in the amount of
2 the ordinary and necessary expenses paid or incurred during the
3 taxable year by the cannabis entity which are ordinarily
4 deductible for Federal income tax purposes under 26 U.S.C. § 162
5 (relating to trade or business expenses). The deduction shall
6 only be permitted to the extent deductions for expenses under 26
7 U.S.C. § 162 were not taken by the cannabis entity for Federal
8 income tax purposes for the taxable year.

9 (b) Tax violations.--

10 (1) In addition to any other provision of this act
11 governing the issuance of a license, permit or other
12 authorization to engage in a regulated activity under this
13 act, the board, upon notification by the Department of
14 Revenue, shall refuse the issuance or renewal of a license,
15 permit or other authorization to a person for any of the
16 following violations of this act or the act of March 4, 1971
17 (P.L.6, No.2), known as the Tax Reform Code of 1971:

18 (i) Failure to file a tax return.

19 (ii) Filing a fraudulent return.

20 (iii) Failure to pay all or part of a tax or penalty
21 finally determined to be due and payable.

22 (iv) Failure to keep books, records, materials or
23 other information or documents required by the Department
24 of Revenue.

25 (v) Failure to secure and display licensure.

26 (vi) Willful violation of any rule or regulation of
27 the Department of Revenue or the board related to the
28 administration and enforcement of tax liability.

29 (2) (i) Upon notification from the Department of
30 Revenue that a violation under paragraph (1) has been

1 corrected or resolved, the board shall notify the
2 cannabis entity applicant, cannabis entity, permittee or
3 other person authorized to engage in a regulated activity
4 under this act that the violation has been corrected or
5 resolved.

6 (ii) Upon receiving notice from the Department of
7 Revenue under subparagraph (i), the board may issue or
8 renew the license, permit or other authorization to
9 engage in a regulated activity under this act or vacate
10 an order of suspension or revocation.

11 CHAPTER 12

12 REVENUE

13 Section 1201. Cannabis Revenue Fund.

14 (a) Establishment of fund.--The Cannabis Revenue Fund is
15 established as a separate fund in the State Treasury.

16 (b) Deposits into fund.--The fund shall consist of proceeds
17 from the sale of cannabis seeds, cannabis flower, cannabis
18 products and cannabis paraphernalia from cannabis stores, from
19 licensing fees collected by the board, money collected by the
20 Department of Revenue for taxes under this act, money
21 appropriated to the board and the Department of Revenue for
22 implementing, administering and enforcing this act and other
23 money, grants, gifts, donations or contributions from any other
24 source which may be made to the fund.

25 (c) Distributions from the fund.--Money in the fund shall be
26 distributed for the following:

27 (1) Actual and necessary costs incurred by the board for
28 implementing, administering and enforcing this act.

29 (2) Actual and necessary costs incurred by the
30 Department of Revenue for carrying out duties under this act.

1 (3) Actual and necessary costs incurred by the
2 Department of Agriculture and the Department of Community and
3 Economic Development in carrying out powers and duties under
4 this act.

5 (4) Reasonable and necessary costs incurred by the
6 Office of Social and Economic Equity.

7 (5) Actual and necessary costs incurred by the
8 Pennsylvania State Police and the Office of Attorney General
9 to carry out duties under this act.

10 (6) Actual and necessary costs incurred by the
11 Administrative Office of Pennsylvania Courts to carry out the
12 requirements under Chapter 3.

13 (7) After the distributions of money under paragraphs
14 (1), (2), (3), (4), (5) and (6), money remaining in the fund
15 deposited during the prior fiscal year shall be distributed
16 as follows:

17 (i) 50% of the money remaining in the fund shall be
18 deposited into the Communities Reimagined and
19 Reinvestment Restricted Account established under section
20 1202 and shall be used for the purposes provided in
21 section 1202.

22 (ii) 10% of the money shall be deposited into the
23 Substance Use Disorder Prevention, Treatment and
24 Education Account established under section 1203 and used
25 for the purposes enumerated under section 1203.

26 (iii) 5% of the money shall be deposited into the
27 Cannabis Business Development Fund.

28 (iv) 2.5% of the money shall be appropriated to the
29 Pennsylvania Minority Business Development Authority to
30 provide noncannabis related business loans for

1 individuals that meet the qualifications of a social and
2 economic equity applicant.

3 (v) 2% of the money shall be appropriated to the
4 Administrative Office of Pennsylvania Courts to provide
5 grants to counties based on the number of cases to be
6 vacated or expunged within the county.

7 (vi) Money remaining in the fund after disbursement
8 under this paragraph shall be deposited into the General
9 Fund.

10 (d) Definitions.--As used in this section, the following
11 words and phrases shall have the meanings given to them in this
12 subsection unless the context clearly indicates otherwise:

13 "Fund." The Cannabis Revenue Fund established under
14 subsection (a).

15 Section 1202. Communities Reimagined and Reinvestment
16 Restricted Account.

17 (a) Establishment.--The Communities Reimagined and
18 Reinvestment Restricted Account is established as a restricted
19 account within the Cannabis Revenue Fund.

20 (b) Deposits into account.--Each fiscal year, the State
21 Treasurer, after consultation with the Secretary of the Budget,
22 shall transfer into the account the money received under section
23 1201(c)(6)(i). Money deposited into the account along with money
24 which may be appropriated by the General Assembly or which may
25 be otherwise contributed, donated or received from any other
26 source, including the Federal Government, for the purposes of
27 this section.

28 (c) Administration of account.--The account shall be
29 administered and governed by the office of social equity, in
30 consultation with the Department of Community and Economic

1 Development.

2 (d) Advisory committee established.--

3 (1) An advisory committee is established to recommend
4 grantees in eligible historically impacted communities and
5 other identified communities.

6 (2) The members of the advisory committee shall include:

7 (i) The director of the Office of Social Equity.

8 (ii) Four appointments made by the General Assembly
9 as follows:

10 (A) One individual appointed by the President
11 pro tempore of the Senate who shall have knowledge
12 and experience in building healthy communities,
13 including social, economic and health equity in
14 underserved communities in this Commonwealth.

15 (B) One individual appointed by the Minority
16 Leader of the Senate who shall have knowledge and
17 experience in building healthy communities, including
18 social, economic and health equity in underserved
19 communities in this Commonwealth.

20 (C) One individual appointed by the Speaker of
21 the House of Representatives who shall have knowledge
22 and experience in building healthy communities,
23 including social, economic and health equity in
24 underserved communities in this Commonwealth.

25 (D) One individual appointed by the Minority
26 Leader of the House of Representatives who shall have
27 knowledge and experience in building healthy
28 communities, including social, economic and health
29 equity in underserved communities in this
30 Commonwealth.

1 (iii) Seven members appointed by the Governor as
2 follows:

3 (A) Four representatives of community-based
4 providers or community development organizations in
5 historically impacted communities or other identified
6 communities with expertise in job placement,
7 homelessness and housing, legal assistance,
8 behavioral health, substance use disorder treatment
9 and effective rehabilitative treatment for adults and
10 juveniles.

11 (B) One expert on assessing and addressing the
12 impacts of Federal and State drug policies on
13 underserved communities.

14 (C) Two individuals who were previously
15 incarcerated for an act that is now lawful under this
16 act.

17 (3) The following, or their designees, shall serve as ex
18 officio members:

19 (i) the Attorney General;

20 (ii) the director of the Pennsylvania Commission on
21 Crime and Delinquency;

22 (iii) the Commissioner of Pennsylvania State Police;

23 (iv) the Secretary of Drug and Alcohol Programs;

24 (v) the Secretary of Human Services;

25 (vi) the Secretary of Labor and Industry;

26 (vii) the Secretary of Community and Economic
27 Development; and

28 (viii) the Secretary of Health.

29 (e) Membership considerations.--

30 (1) To the extent possible, individuals shall be

1 appointed in a manner to achieve a balanced and diverse
2 representation of the geographic regions and demographics,
3 including age, race, ethnicity and gender, of this
4 Commonwealth.

5 (2) In determining membership for the advisory board the
6 following apply:

7 (i) Within the five years immediately preceding the
8 date of appointment, the appointee and a member of the
9 appointee's immediate family shall not have done any of
10 the following:

11 (A) Been appointed to, been elected to or been a
12 candidate for Federal or State office.

13 (B) Served as an officer, employee or paid
14 consultant of a political party or the campaign
15 committee of a candidate for elective Federal or
16 State office.

17 (C) Served as an elected or appointed member of
18 a political party central committee.

19 (D) Been a registered Federal, State or local
20 lobbyist.

21 (E) Served as a paid congressional or
22 legislative staffer.

23 (F) Contributed \$2,000 or more to a
24 congressional, State or local candidate for elective
25 public office in any year. The following apply:

26 (I) The amount under this subparagraph shall
27 be adjusted every 10 years by the cumulative
28 change in the Consumer Price Index for All Urban
29 Consumers (CPI-U) for the Pennsylvania, New
30 Jersey, Delaware and Maryland area for the 10

1 most-recent 12-month periods for which figures
2 have been officially reported by the United
3 States Department of Labor, Bureau of Labor
4 Statistics immediately prior to the date the
5 adjustment is due to take effect.

6 (II) The authority shall transmit notice of
7 any change to the amount under this subparagraph
8 to the Legislative Reference Bureau for
9 publication in the Pennsylvania Bulletin.

10 (ii) Staff and consultants to, persons employed by
11 or under a contract with and any person with an immediate
12 family relationship with a member of the Congress of the
13 United States, the Governor or a member of the General
14 Assembly shall not be eligible for appointment to the
15 board.

16 (iii) As used in this subsection, the term
17 "immediate family" consists of other individuals with
18 whom the individual has a bona fide relationship
19 established through blood or legal relation, including
20 parents, children, siblings or in-laws.

21 (f) Term limits.--Members appointed under subsection (d) (2)
22 (ii) shall serve for a term of three years, and may only serve a
23 total of two terms. Members appointed under subsection (d) (2)
24 (iii), (iv) and (v) shall serve for a term of two years and may
25 only serve a total of two terms.

26 (g) Quorum.-- a majority of members shall constitute a
27 quorum.

28 (h) Chair.--the director of the Office of Social Equity
29 shall serve as chair.

30 (i) Neglect of responsibility.--A member of the advisory

board may be removed by a majority vote of the board for substantial neglect of duty, inability to discharge the powers and duties of office, violation of subsection (d), gross misconduct or conviction of a felony.

(j) Purpose of advisory committee.--In order to address social, racial, health, criminal justice and economic disparities as a result of past Federal and State drug policies, the advisory committee is established to:

(1) Address the impact of economic disinvestment, environmental discrimination, violence and the historical overuse and discriminatory nature of criminal justice responses in historically impacted communities and other identified communities by providing resources to support local design and control of community-based activities and programs to help alleviate the impacts.

(2) Engage with impacted communities and stakeholders to develop a reinvestment strategy using science and data.

(3) Recommend programs designed to improve the health, wellness and economic justice for populations and communities harmed by Federal and State drug policies through investments in sectors including economic development, employment infrastructure, access to affordable housing, public recreation spaces, legal services, violence prevention, mental and behavioral health.

(4) Promote economic development, employment infrastructure and capacity building related to the social determinants of health in historically impacted communities and other areas determined eligible to participate in the programs under this section.

(k) Other identified communities.--In addition to

1 historically impacted communities, the advisory board may
2 recommend communities affected by Federal and State drug
3 policies that may be eligible for grants. The Office of Social
4 and Economic Equity shall make publicly available the analysis
5 and identification of communities in this Commonwealth adopted
6 by the Office of Social and Economic Equity as eligible for a
7 grant under paragraph (1). Eligible areas shall be redetermined
8 every four years.

9 (1) Community partnerships.--The advisory committee shall
10 develop collaborative partnerships within identified
11 historically impacted communities and other areas designated by
12 the advisory committee.

13 (m) Duties of office and committee.--The Office of Social
14 and Economic Equity, in consultation with the advisory committee
15 and the Department of Community and Economic Development shall:

16 (1) Develop a process to solicit applications from
17 persons, groups and organizations eligible for a grant.
18 Groups and organizations eligible for grant awards under this
19 section shall include, but not be limited to:

20 (i) Community-based providers.

21 (ii) Community and economic development
22 organizations.

23 (iii) Groups and organizations concerned with
24 criminal justice diversion.

25 (iv) Groups and organizations engaged in reentry
26 support, employment training and employment opportunities
27 for individuals returning from incarceration.

28 (v) Groups and organizations engaged in youth
29 development, family and child welfare activities.

30 (vi) Experts in the field of violence reduction.

(vii) Groups and organizations that provide free or discounted legal services to indigent individuals.

(viii) Certified Economic Development Organizations.

(ix) A municipality, as long as municipality does not use the grant funds to supplant any funding that otherwise would be appropriated for preexisting programs.

(x) Other organizations, groups, providers and experts determined by the advisory committee as being essential to the mission and purposes of the advisory committee.

(2) Develop standard uniform templates for planning and implementation activities to be submitted by grant applicants and awardees to the advisory committee.

(3) Identify resources sufficient to support the full administration and evaluation of Communities Reimagined and Reinvestment programs, including building and sustaining core program capacity at the community and State levels.

(4) Facilitate the provision of training and technical assistance for capacity building for persons, groups and organizations within and among historically impacted communities and other communities identified as eligible areas.

(5) Review grant applications and approve the distribution of grant money.

(6) Develop a performance measurement system that focuses on positive outcomes, identifies negative results and provides recommendations for improvement.

(7) Develop a process to support ongoing monitoring and evaluation of groups and organizations that were awarded a grant.

1 (n) Use of money in account.--The money deposited into the
2 account shall be administered by the office and allocated by the
3 office of social equity to:

4 (1) Provide grants for the purpose of reinvesting in
5 historically impacted communities or other identified
6 communities. Grants shall be used to support:

7 (i) Job placement, job skills services and adult
8 education.

9 (ii) Mental health and behavioral health treatment,
10 including posttraumatic stress disorder.

11 (iii) Substance use disorder treatment.

12 (iv) Housing.

13 (v) Financial literacy and community banking.

14 (vi) Nutrition services.

15 (vii) Services to address adverse childhood
16 experiences.

17 (viii) Afterschool and child care services.

18 (ix) System navigation services.

19 (x) Legal services to address barriers to reentry,
20 including, but not limited to, providing representation
21 and related assistance with expungement, vacatur,
22 housing, substitution and resentencing of cannabis-
23 related convictions.

24 (xi) Linkages to medical care, evidence-based
25 women's health services, including maternal health, and
26 other community-based supportive services.

27 (2) Award grants to further support the social and
28 economic equity activities created under this act.

29 (o) Prohibition.--Notwithstanding any other law to the
30 contrary, the fund and money in the fund shall not be subject to

1 transfer or any other fiscal or budgetary maneuver which would
2 transfer or appropriate money in the fund into any other fund,
3 account or Commonwealth program funded through the State
4 Treasury or by any other Commonwealth agency or which may be
5 established by the General Assembly.

6 (p) Reports.--On or before March 1 of the second calendar
7 year following the effective date of this subsection, and each
8 March 1 thereafter, the office shall submit a report to the
9 Governor and the General Assembly on the office's activities
10 under this section. The report shall detail how the money in the
11 account was distributed and utilized during the preceding
12 calendar year. The report shall include:

13 (1) The amount of money available and disbursed from the
14 account.

15 (2) The procedure used to award grant funds from the
16 account.

17 (3) The names of the grant recipients, including the
18 business address and other identifying information the office
19 determines necessary and appropriate.

20 (4) The dollar amount awarded to each grant recipient.

21 (5) The purposes for which the grant was awarded to each
22 recipient.

23 (6) A summary financial plan for money in the fund,
24 which shall include estimates of all receipts and all
25 disbursements for the current and succeeding fiscal years and
26 the actual results from the prior fiscal year.

27 (q) Nonlapsing of money.--Amounts remaining in the account
28 at the end of a fiscal year shall not lapse and shall remain in
29 the account and used for the purposes enumerated in subsection

30 (d) .

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

"Account." The Communities Reimagined and Reinvestment Restricted Account established under subsection (a).

Section 1203. Substance Use Disorder Prevention, Treatment and Education Restricted Account.

(a) Establishment of account.--The Substance Use Disorder Prevention, Treatment and Education Restricted Account is established as a restricted account within the Cannabis Revenue Fund which shall be administered by the Department of Drug and Alcohol Programs.

(b) Deposits into account.--

(1) Each fiscal year, the State Treasurer, after consultation with the Secretary of the Budget, shall transfer the money received under section 1201(c)(6)(ii) into the account.

(2) Money appropriated by the General Assembly to the Department of Drug and Alcohol Programs

(3) Money contributed, donated or received from any other source, including the Federal Government.

(c) Use of money in account.--The money in the account appropriated to the Department of Drug and Alcohol Programs shall be used for the following purposes:

(1) To develop and implement a youth-focused public health education and prevention campaign, including school-based prevention, early intervention and health care services and programs, to reduce the risk of cannabis and other substance use by school-age children from kindergarten to grade 12.

1 (2) To develop and implement a Statewide public health
2 campaign focused on the health effects of cannabis and legal
3 use, including an ongoing education and prevention campaign
4 that educates the general public, including parents,
5 consumers and retailers, on the legal use of cannabis, the
6 importance of preventing youth access, the importance of safe
7 storage, preventing secondhand cannabis smoke exposure,
8 information for pregnant or breastfeeding women, the risks of
9 cannabis products with a high total THC concentration and the
10 overconsumption of cannabis flower and cannabis products.

11 (3) To provide substance use disorder treatment programs
12 for youth and adults, with an emphasis on programs that are
13 culturally and gender competent, trauma-informed, evidence-
14 based and provide a continuum of care that includes screening
15 and assessment, including substance use disorder assessment,
16 as well as mental health and behavioral health assessment,
17 early intervention, active treatment, family involvement,
18 case management, overdose prevention, prevention of
19 communicable diseases related to substance use, relapse
20 management for substance use and other co-occurring
21 behavioral health disorders, vocational services, literacy
22 services, parenting classes, family therapy and counseling
23 services, medication-assisted treatments, psychiatric
24 medication, psychotherapy and mindfulness programs.

25 (4) To provide community-based peer recovery support
26 services.

27 (5) To evaluate the programs being funded under this
28 section to determine the programs' effectiveness.

29 (d) Reports.--

30 (1) On or before March 31 of the second calendar year

1 following the initial transfer of money from the account
2 under this section, and each March 31 thereafter, the
3 Secretary of Drug and Alcohol Programs shall compile and
4 submit a report detailing how money in the account was
5 utilized during the preceding fiscal year. The report shall
6 include the following:

7 (i) The amount of money disbursed from the account
8 and the award process used by the Department of Drug and
9 Alcohol Programs to make disbursements.

10 (ii) The recipients of money from the account.

11 (iii) The amount awarded to each recipient.

12 (iv) The purposes for which the awards were granted,
13 including a description of programs and services provided
14 by each recipient.

15 (v) A description or summary of positive outcomes
16 resulting from programs and activities implemented by
17 grant recipients.

18 (vi) A summary financial plan for the money awarded,
19 which shall include estimates of all receipts and all
20 disbursements for the current and succeeding fiscal years
21 and the actual results from the prior fiscal year.

22 (2) The report shall be submitted in paper form or
23 electronically to:

24 (i) The Governor.

25 (ii) The Majority Leader of the Senate.

26 (iii) The Majority Leader of the House of
27 Representatives

28 (iv) The Minority Leader of the Senate.

29 (v) The Minority Leader of the House of
30 Representatives.

1 (e) Prohibition.--Notwithstanding any other law to the
2 contrary, the account and money in the account shall not be
3 subject to transfer or any other fiscal or budgetary maneuver
4 which would transfer or appropriate money in the account into
5 any other fund, account or Commonwealth program funded through
6 the State Treasury or by any other Commonwealth agency or which
7 may be established by the General Assembly.

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

11 "Account." The Substance Use Disorder Prevention, Treatment
12 and Education Restricted Account established under subsection
13 (a).

14 Section 1204. Prohibition.

15 Notwithstanding any other law to the contrary, money in the
16 Cannabis Revenue Fund may not be subject to transfer or any
17 other fiscal or budgetary maneuver which would transfer or
18 appropriate money in the fund or account into any other fund,
19 account or Commonwealth program funded through the State
20 Treasury or by any other Commonwealth agency or which may be
21 established by the General Assembly.

22 CHAPTER 13

23 BONDS

24 Section 1301. Bond issuance.

25 (a) Issuance.--Notwithstanding any other provision of law,
26 the board shall establish a program to issue bonds for the
27 following purposes:

28 (1) Funding to open cannabis stores, hire employees and
29 the any other purpose necessary to commence the sale of
30 cannabis seeds, cannabis flower, cannabis products and

cannabis paraphernalia as permitted under this act.

(2) Initial funding for the Cannabis Business Development Fund.

(b) Debt or liability.--

(1) Bonds shall not be a debt or liability of the board or the Commonwealth and shall not create or constitute any indebtedness, liability or obligation of the board or the Commonwealth.

(2) Bond obligations shall be payable solely from revenues or money pledged or available for repayment as authorized under this chapter.

(3) Each bond shall contain on the bond's face a statement with all of the following information:

(i) The bonds are limited obligations of the board.

(ii) The board is obligated to pay the principal of or interest on the bonds only from the revenues or funds pledged or available for repayment as authorized under this chapter.

(iii) The full faith and credit of the Commonwealth is not pledged to the payment of the principal of or the interest on the bonds.

Section 1302. Bond limitations.

(a) Limitation.--The board may issue bonds in an aggregate principal amount not to exceed \$100,000,000. The board shall determine the principal amounts of taxable and tax-exempt bonds to be issued under this section. The board shall, in its discretion, determine if one bond or multiple bonds will be issued at one time or from time to time and in one or more issues, series or classes.

(b) Debt service.--The board shall annually notify the

1 Governor and the chair and minority chair of the Appropriations
2 Committee of the Senate and the chair and minority chair of
3 Appropriations Committee of the House of Representatives of the
4 debt service payment due on bonds issued under this chapter.
5 Annual debt service for bonds shall be paid from proceeds of
6 Article II of the act of March 4, 1971 (P.L.6, No.2), known as
7 the Tax Reform Code of 1971.

8 Section 1303. Deposit of bond proceeds.

9 The Cannabis Bond Account is established in the State
10 Treasury. Except as otherwise provided for in any contract with
11 the bondholders, all appropriations and payments deposited into
12 the Cannabis Bond Account are appropriated on a continuing basis
13 to the board to be used solely for the purposes listed under
14 section 1301. The net proceeds of any bond issued under this
15 chapter, money received from repayments of principal on loans
16 from the Cannabis Bond Account, payments of interest, other fees
17 and charges with respect to refinances made under this chapter
18 and insurance premiums and charges assessed and collected by the
19 board on loans made from the Cannabis Bond Account shall be
20 deposited into the Cannabis Bond Account.

21 CHAPTER 21

22 MISCELLANEOUS PROVISIONS

23 Section 2101. Duties of Department of Agriculture.

24 The following shall apply:

25 (1) In addition to other obligations of the Department
26 of Agriculture as provided under this act, the Department of
27 Agriculture shall collaborate with the board to develop
28 standards and best practices related to the following:

29 (i) The cultivation of cannabis as a value-added
30 agricultural crop.

1 (ii) Cultivation methods, including, but not limited
2 to, indoor and outdoor cultivation of cannabis, such as
3 hydroponic and aeroponic cultivation, and other methods
4 for growing and cultivating cannabis.

5 (iii) Production protocols, including pest
6 management and the use of insecticides, pesticides,
7 herbicides, fertilizers and other chemicals in crop
8 production.

9 (iv) Criteria which may be used to determine when
10 cannabis products may be deemed adulterated or
11 misbranded. In developing criteria, the board and the
12 Department of Agriculture may base a determination on the
13 factors under 3 Pa.C.S. §§ 5728 (relating to adulteration
14 of food) and 5729 (relating to misbranding of food).

15 (v) Nutrient and waste management.

16 (vi) Ethical and environmentally friendly
17 agricultural practices related to the cultivation of
18 cannabis.

19 (vii) Forming and maintaining a cooperative
20 agricultural association by cannabis entities.

21 (viii) Other agricultural best practices used in
22 agricultural operations related to crop production.

23 (2) (Reserved).

24 Section 2102. Cooperation.

25 Each department, agency, office, authority, board, commission
26 or similar governmental entity under the jurisdiction of the
27 Governor shall cooperate with the board to support the
28 implementation of this act.

29 Section 2103. Public health report.

30 (a) Report required.--Beginning January 1 of the even year

1 at least one year after the effective date of this subsection,
2 and biennially thereafter, the Department of Drug and Alcohol
3 Programs, in consultation with the Department of Health and the
4 board, shall issue a report to the General Assembly on the
5 public health effects of cannabis. The report shall include, but
6 shall not be limited to:

7 (1) General use patterns and trends.

8 (2) Accidental ingestion of products by young children.

9 (3) Secondhand smoke concerns.

10 (4) Substance misuse and concerning public health
11 trends.

12 (5) Youth cannabis use and prevention.

13 (6) Recommendations to prevent and reduce concerning
14 public health trends.

15 (b) Publication.--The Department of Drug and Alcohol
16 Programs shall submit a copy of the report of the affairs of the
17 board to the the chair and minority chair of the Health and
18 Human Services Committee of the Senate, the chair and minority
19 chair of the Health Committee of the House of Representatives
20 and the chair and minority chair of the Human Services Committee
21 of the House of Representatives. The Auditor General shall post
22 the annual audit of the affairs of the board to its publicly
23 accessible website.

24 Section 2104. Repeals.

25 Repeals are as follows:

26 (1) The General Assembly declares that the repeals under
27 paragraph (2) are necessary to effectuate this act.

28 (2) The following acts and parts of acts are repealed to
29 the extent specified:

30 (i) Section 13(a) (30) and (31) of the Controlled

1 Substance Act are repealed insofar as they are
2 inconsistent with this act for conduct when the
3 controlled substance is cannabis and no probable cause
4 exists to believe that the conduct alleged is punishable
5 by a mandatory minimum term of imprisonment or subject to
6 a sentence enhancement.

7 (ii) Section 13(a)(32), (33) and (34) of the
8 Controlled Substance Act are repealed insofar as they are
9 inconsistent with this act for conduct when the
10 controlled substance is cannabis.

11 (3) All acts and parts of acts are repealed insofar as
12 they are inconsistent with this act.

13 Section 2105. Effective date.

14 This act shall take effect as follows:

15 (1) The following sections shall take effect 90 days
16 after the specific date noticed by the board under section
17 405(b)(1) for the commencement of sales in cannabis stores:

18 section 202(2), (3) and (4);

19 section 202.1;

20 section 205; and

21 section 2104(2)(i).

22 (2) The remainder of this act shall take effect
23 immediately.

Section 201 – Regulation and Treatment of Cannabis

Allows adults 21 and older to purchase, possess, consume, display or transport a personal amount of cannabis for personal use.

The sharing of a personal amount of cannabis between cannabis consumers for immediate use, but not sale or exchange for any pecuniary gain or material benefit.

The transfer of a personal amount of cannabis between cannabis consumers, but not for a pecuniary gain or material benefit.

Cultivation, processing, delivery, and transport by people authorized to do so.

Section 202.1 – Protection from discrimination

Employment protections

Protections for employees: An employer cannot refuse to hire, fire, or condition any term of employment based on cannabis use that is done outside of the workplace and where the person is not impaired at work. Similarly, an occupational board cannot take any adverse action. Employers must disclose any drug policies to the employee.

Protections for employers: Employee protections do not preempt any federal laws (such as CDLs). Workplaces can adopt policies to prohibit an employee from being intoxicated during work hours or on call, using cannabis on the job, or storing cannabis in the workplace and take action against an employee violating those policies.

General protections

Government benefits: Legal cannabis users cannot be penalized or denied benefits because of lawful cannabis use, including denying a driver's license, professional license, housing assistance, social services or other benefits.

Custody: Legal cannabis use cannot be used in deciding custody issues, unless the cannabis use puts the minor in a dangerous situation.

Probation/ Parole: Legal cannabis use cannot constitute a parole or probation violation unless it specifically violates the terms of the parole or probation. In that case, the prohibition on cannabis use must be linked to the underlying conviction.

Child Welfare: Use or evidence of use of cannabis can't be the sole basis for action by a child welfare agency, unless the cannabis use puts the child in danger or makes the adult incompetent. The cannabis use can't be used for proceedings related to adoption or foster parenting or guardianship.

Medical care: Legal cannabis use should not be considered the use of an illicit substance for determinations in medical care, such as organ transplants.

Firearm protection: The lawful consumption of cannabis does not restrict a person from lawfully owning a firearm.

Section 203 Home cultivation

Pennsylvanians may apply for a home cultivation permit to grow up to two mature plants and two immature plants under the following conditions:

- The home cultivation must take place in an enclosed locked space in a person's residential location.
- Seeds must be purchased from a cannabis store, and cannot be given away or sold.
- Plants must be kept out of sight.
- The legal owner of the residence can refuse to allow cannabis cultivation on the premises.
- Plants must be protected from anyone who is not authorized to home cultivate.
- Only the person with the cultivator permit may tend the plants.

- Home cultivation can only take place with the consent of the owner of the property
- A residence (including an apartment unit) can only have two mature and two immature plants max.

The fee for a home cultivation permit is \$100, to be paid annually upon renewal of the permit.

Anyone violating the home cultivation permit requirements will face the following disciplinary action:

- Fines starting at up to \$500 for the first offense, up to \$1,000 for the second offense, and up to \$5,000 for a third or additional offense.
- Be considered a violation of the Controlled Substances Act depending on the action.
- Can have their permit revoked.

Section 204 Unauthorized sale or use of cannabis

Under 21

An individual under 21 who attempts to purchase cannabis or who otherwise purchases, possesses, or consumes cannabis commits a summary offense and is subject to the following:

- 1st offense: written warning, \$25 fine or be referred to a diversionary program.
- 2nd offense: \$100 and referral to a diversionary program;
- 3rd offense: receive a fine of not more than \$250 and be referred to a diversionary program.

An offense by an individual under 21:

- Is not a criminal offense of record;
- Is not reportable as a criminal act;
- Is not placed on the criminal record of the offender;
- If the offender is not a minor, it does not constitute a delinquent act under 42 Pa.C.S. Ch. 63 (relating to juvenile matters).

A record of participation in a diversionary program shall be maintained by the court, not for public view, for the purposes of imposing penalties for subsequent offenses.

The court may admit an individual under 21 to an adjudication alternative program as authorized in 42 Pa.C.S. § 1520 (relating to adjudication alternative program) or any other preadjudication disposition.

Possession

- Under a personal amount is decriminalized.
- Not more than 2x personal amount: civil penalty not more than \$250
- Not more than 3x the personal amount: civil penalty not more than \$500
- More than 3x the personal amount but not more than 10x: misdemeanor of the second degree.

Possession of a simple amount of cannabis, until legal sales begin, is subject to a summary offense and a fine of \$250. This is not a record of offense. This is repealed once legal sales begin.

Unlawful Sale

Possession with intent to distribute or sell:

- Cannabis seeds misdemeanor of the third degree.
- Personal amount of cannabis commits a misdemeanor of the third degree.
- An amount exceeding a personal amount but below 18 Pa.C.S § 7508 commits a misdemeanor of the second degree.

Cultivation and Processing Offenses

Cultivation

- Fewer than 5 plants commits a misdemeanor of the third degree.
- More than 5 plants but less than 10 commits a misdemeanor of the second degree.

Excludes the allowable amount by a home cultivation permittee.

Processing

- Processing cannabis into a cannabis product commits a misdemeanor of the second degree.

Public Consumption

Cannabis can't be smoked, vaped, or consumed:

- In any public space – including a street, alley, park, sidewalk, vehicle on the street, alley, park or parking area, or any other place to which the public is invited.
- Anywhere smoking or vaping is prohibited by the Clean Indoor Air Act or other laws prohibiting smoking or vaping.

Cannabis may be smoked, vaped, or consumed:

- If permitted by someone running a lodging establishment in up to 20 percent of the rooms.
- If included in the lease agreement between an owner and a tenant.
- In private residences or at on-site consumption licensed establishments.
- Anyone violating this section will be assessed a fine of up to \$100 for the first offense and up to \$200 for any subsequent offense.

Subject to the Controlled Substances Act

The sale, distribution, manufacture or possession with intent to distribute an amount of cannabis flower or a cannabis product punishable under 18 Pa.C.S. § 7508 or other provision of law providing for a mandatory minimum term of imprisonment or subject to a sentence enhancement shall be a violation of the Controlled Substances Act.

Unauthorized Activities

Any person who is not authorized by the board and who cultivates, processes, delivers, transports, sells, or displays for sale cannabis, cannabis flower, cannabis products, or cannabis paraphernalia is subject to a civil penalty of up to \$10,000 per offense. Each day the unauthorized activity continues will be considered a separate offense.

The Attorney General, the board, any state or local law enforcement agency, or a local government may investigate unauthorized activities and take enforcement actions. This includes the ability to enter into intergovernmental agreements to prevent such activities.

The Attorney General may investigate and prosecute an unregulated activity as provided under the Unfair Trade Practices and Consumer Protection Law.

A business or consumer harmed by unregulated cannabis activity may file a lawsuit to stop a business from selling, cultivating, manufacturing, distributing, or possessing cannabis, cannabis flower, cannabis products, or cannabis paraphernalia without a valid license or permit. The injured party may also seek to recover actual damages. If the court finds in their favor, it must award three times the amount of actual damages and may also grant punitive damages based on the severity of the harm. Additionally, the court must award attorney fees and legal costs to the party that prevails in the case.

In addition to any other penalty provided by Federal or State law, upon the conduct of a third or subsequent unauthorized activity, a local government unit may suspend or revoke the

business license of the person who engaged in the unauthorized activity.

Payment Plan for Civil Penalties and Fines

The board or court may waive or reduce civil penalties, penalties, costs or fines or may allow for a payment plan based on the individual's financial resources.

Section 205 – Presumption (DUIs)

Drivers who are not impaired but simply contain cannabis metabolites in their blood are not considered to be violating Pennsylvania's DUI laws. However, if someone holds a commercial driver's license, metabolites in the blood may be considered driving under the influence.

Section 206 - Charges Pending on Effective Date

If someone has pending charges under the Controlled Substance Act for cannabis, the attorney for the Commonwealth has 30 days to either file notice that the Commonwealth plans to seek a mandatory minimum sentence or allege probable cause for a sentencing enhancement. If they fail to do so, the cannabis-related charge must be withdrawn or dismissed.

If the case goes to trial and the court does not find proof beyond a reasonable doubt to justify a mandatory minimum or enhancement, the charge must be dismissed and no sentence can be imposed for that offense.

Section 207 - Charges brought under the Controlled Substances Act

No charges under the Controlled Substances Act can be brought for a cannabis-related violation unless prosecutors file notice stating their intent to seek a mandatory minimum prison sentence or that probable cause exists for a sentencing enhancement. If this notice isn't filed, no charges under the Controlled Substances Act can be pursued.

If the prosecutor doesn't file the required notice at the formal arraignment, the cannabis-related charge must be withdrawn or dismissed.

If the prosecution fails to prove the enhancement or mandatory minimum beyond a reasonable doubt, the court must dismiss the charge, and no sentence may be imposed.

CHAPTER THREE – EFFECT ON CERTAIN CANNABIS CONVICTIONS AND EXPUNGEMENTS

Section 301 – Definitions (key defined terms)

"Cannabis arrest." The commencement of a criminal proceeding where an individual was charged with a cannabis offense for which there has been no conviction or for which there is no final disposition listed for the charge at the associated Offense Tracking Number (OTN).

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

"Cannabis offense." As follows:

1. An offense under section 13 of the Controlled Substance Act where the controlled substance was cannabis or where the offense involved cannabis paraphernalia.
2. The term includes the attempt, conspiracy or solicitation to commit an offense under paragraph (1).

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

1. The individual entered a plea of guilty or nolo contendere.
2. The individual was found guilty following trial.
3. The individual was accepted for participation in an authorized diversion program, including probation without verdict under section 17 of the Controlled Substance Act or

disposition in lieu of trial or criminal punishment under section 18 of the Controlled Substance Act.

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

Section 302 – Identification of Cannabis Offenses

Drug identification labs must create a report listing every test that detected cannabis in evidence.

The report must include:

- Names and DOBs of individuals connected to the evidence.
- Offense dates, law enforcement details, and case numbers.
- Whether any other drugs were also detected.
- Within 30 days of the effective date, the report must be sent to the Administrative Office of Pennsylvania Courts (AOPC) and the State Police Commissioner. They must update the report weekly if additional charges or convictions are determined.

They must compare the report to criminal record systems to identify eligible cannabis offenses or convictions and create a list of which offenses or convictions are vacated by this act or required to be expunged.

SECTION 303. UPDATES TO AND EXPUNGEMENT OF RECORDS.

AOPC will send a list of eligible records to the court of common pleas containing each eligible record within their judicial district. Within 30 days, the courts must order the vacating of these convictions and sentences and the expungement of criminal history records. From there, the AOPC and Pennsylvania State Police will automatically expunge their records.

The AOPC must maintain records of cannabis convictions vacated or expunged. The individual whose record was vacated or expunged may request a copy of the order.

Progress reports will be issued after one year and again at 18 months to keep track of how the effort is going. After the records are cleared, final reports will be sent to legislative leaders and the Chairs of the Senate and House Judiciary Committees with details on costs, challenges, and recommendations to keep criminal records accurate moving forward.

Section 304 - Expungement of Records Where No Conviction Occurred or When Acquitted

Courts are required to expunge all records related to cannabis offenses under the Controlled Substances Act when charges were not filed, were dismissed, withdrawn, or resulted in acquittal. This applies to offenses that occurred before the effective date of this act.

Courts must issue written expungement orders to the keepers of criminal records within six months of the effective date.

Upon court order, record keepers must:

- Expunge and destroy all official/unofficial criminal records related to the case.
- Request and destroy corresponding records from federal and out-of-state agencies.
- Return or destroy fingerprints, photographs, and related documents.
- Request record returns from the FBI and destroy them.
- Submit an affidavit within 30 days confirming the destruction of records and compliance with the court order.
- Courts must seal the affidavit and all related documents, barring access by any person or agency.

Once expunged, these records are not considered arrests or prosecutions for any legal, civil, regulatory, or administrative purpose.

Disclosure of an expunged record—or the fact of expungement—is prohibited. Unauthorized disclosure is a summary offense punishable by up to 30 days imprisonment or a \$500 fine.

The provision applies retroactively to all eligible cannabis-related cases, regardless of when the dismissal, withdrawal, or acquittal occurred.

Section 305 – Cannabis Convictions and Sentences Vacated

All cannabis convictions and sentences, where there was no mandatory minimum, imposed before the effective date of this provision are vacated, regardless of contrary laws, regulations, or court orders.

Any imprisonment time already served for a vacated cannabis conviction can be credited towards another sentence under the same Offense Tracking Number (OTN) by the same court. The court must proactively vacate these convictions and issue any additional orders necessary.

Fines previously paid to counties for now-vacated cannabis convictions will be reallocated toward any other outstanding fines the individual owes in the same county. Any remaining unpaid financial obligations tied to vacated cannabis convictions are fully nullified. Individuals will receive notice of this. All financial records will be kept confidential and outside public view, but accessible to the individual or their designated representative.

Section 306 - Update To and Expungement of Records Pertaining to Vacated Convictions and Sentences

If an Offense Tracking Number (OTN) includes only cannabis convictions that have been vacated, all related records must be expunged and destroyed within six months of the provision's effective date.

Once expunged, these records are treated as if the arrest or conviction never occurred and cannot be disclosed for any reason. Unauthorized disclosure is a summary offense and subject to imprisonment not exceeding 30 days or to pay a fine not exceeding \$500.

Individuals may still petition courts for expungement through existing processes.

Applies retroactively to past cannabis offenses.

If an OTN includes both cannabis and non-cannabis convictions, only the cannabis convictions will be expunged.

Criminal records must clearly reflect that the cannabis conviction has been vacated.

AOPC and law enforcement must ensure all criminal history records are updated accordingly.

A vacated cannabis conviction or sentence shall not be considered a conviction for any legal, regulatory, civil, or private purpose moving forward.

Section 307 - Maintenance of Records

AOPC must maintain records expunged or vacated. A person whose record has been ordered vacated or expunged may request a copy of the records.

Section 308 - Cannabis Simplified Petition Expungement Process

Starting July 1, 2026, individuals who believe their Pennsylvania criminal history contains inaccurate or incomplete information related to cannabis offenses covered under this chapter may file a petition to update, correct, or expunge their record.

The AOPC will create a free, online petition form that can be completed without legal representation. It will require only basic case information, such as location and approximate dates.

Petitions may be filed electronically or in person with the county clerk of courts.

No filing fees will be charged.

The court will notify the relevant District Attorney (DA), who may supplement the petition with missing information. The DA has 60 days to object, and may only object if:

- The case cannot be identified.
- The request does not comply with the chapter.

If the DA objects, the individual has 60 days to request a hearing, and may request court-appointed counsel if indigent.

At the hearing, the DA must prove by clear and convincing evidence that the petitioner is not entitled to relief.

If no objection is made or the court grants the petition after a hearing, the court must issue the update, correction, or expungement order within 90 days (or 30 days post-hearing), and serve the order to the petitioner.

CHAPTER FOUR – LIQUOR CONTROL BOARD

Section 401 Liquor Control Board Authority continues

The Liquor Control Board will continue to have all the same powers as under existing law, and the board can use existing resources to perform the new duties under the act.

Existing officers and board members will continue in office unless/until removed or their term expires under usual circumstances.

Any existing rules and regulations remain in effect.

Section 402 – Board membership

Existing members of the Liquor Control Board will maintain their positions, and the Governor will appoint members to fill vacancies as described in the Liquor Code.

Two additional members are added, appointed by the Governor and confirmed by the Senate with a vote of two-thirds. These members must meet the existing requirements of the Liquor Code and also have expertise in cannabis markets and public health.

Only three appointees to the board may be from the same party as the Governor.

The new members of the board will have terms of three and four years, respectively. Each subsequent term will be four years long. New members will also receive a salary.

Three members constitute a quorum.

Section 403 – Powers and duties of the board.

The board has the authority to regulate and control cannabis, cannabis flower, products, stores, licenses, permits, and any other authorization related to cannabis in the Commonwealth.

In addition to the authority under the Liquor Code, the board has the following powers:

1. The board may buy and sell cannabis seeds, cannabis flower, or cannabis products and paraphernalia or offer shelf space. If offering shelf space, the board may charge a shelving fee and a dispensing fee.
2. The board can also fix the wholesale and retail prices of cannabis and cannabis products, based on market demand or prices recommended by licensed sellers, and can discount the prices of discontinued items.
 - The board is required to promote cannabis microbusinesses and certified social and economic equity licensee products.
3. The board must publish a list of wholesale and retail prices on the board's website each quarter, and on April 1st of each year, must report to the General Assembly about the method and rationale for pricing.
4. Determine store locations
5. With the Department of General Services, handle store locations
6. The board is responsible for all regulatory actions for adult-use cannabis, including developing all regulations and standards, granting and any disciplinary actions around licenses, permits, and registration for cultivating, processing, transporting, storing, testing, delivering, handling, and selling of cannabis in the Commonwealth.

7. It must set the standards for cultivating and processing cannabis in consultation with the Department of Agriculture.
8. Manage cannabis licenses, including the licenses for cannabis paraphernalia permittees
9. Employ people to carry out duties of board
10. Promulgate, amend, or rescind regulations
11. Confidential and proprietary information must be kept confidential, and records must be retained for seven years.
12. Appoint advisory groups and committees
13. Exercise powers as necessary
14. The board can take action to protect public health and safety, including seizing cannabis in case of an emergency.
15. Issue declaratory rulings, guidance and industry advisories
16. Enter into contracts
17. Hold hearings, and have authority related to witnesses
18. Enter into MOUs with other state agencies.
19. Establish levy and collect fees
20. Prevent diversion and set labeling and advertising restrictions
21. Establish equipment requirements
22. Issue bonds
23. Levy fines
24. Provide education required for cannabis entities and employees
25. Choose cannabis flower and products
26. Acquire or contract for an inventory system
27. Third party system for point-of-sale system for cannabis stores
28. Ensure the sale and distribution of cannabis products is fairly distributed around the Commonwealth
29. Oversee management service agreements between cannabis entities and other parties.
30. Allow leasing of shelf space if appropriate
31. Decide which areas are considered "historically impacted communities" and residents, and update the guidelines every four years.
32. Create a comprehensive market analysis at the onset of the program,
33. Conduct a market analysis every three years
34. Certify social and economic equity applicant and licensee criteria.
35. Certify social and economic equity applicants
36. Determine a "bona fide labor organization" for purposes of labor peace agreements.
37. Acquire or contract for a seed-to-sale system.
38. Collect taxes

Section 404 – Temporary regulations

Temporary regulations, not subject to the full regulatory review process, must be promulgated within 6 months of the bill becoming law, and expire four years after their publication.

Regulations must include:

- Procedures for how licenses are handled, and an ongoing evaluation of whether enough licenses exist to meet market demand every two years.
- Set goals for social and economic equity licenses and cannabis microbusinesses.
- Security and surveillance requirements.
- Youth prevention requirements to stop sales to people under 21.
- Preventing products from appealing to youth.
- Packaging requirements, including health and safety information, warning labels, serving sizes, and child-resistant packaging.
- Workplace safety standards.
- Advertising restrictions, including preventing advertising to youth.
- Business investigation procedures.
- Recordkeeping requirements.
- Product testing.
- Donations of cannabis for research.
- Safe storage requirements.

The board must establish at least 5 regions based on population, public transit, and any other information deemed important to the board.

The board must educate Pennsylvanians about the rules and regulations around cannabis, including how to get involved in the industry at least twice in each region.

Section 405 – Notice of Commencement of Sales in Cannabis Stores

The board must send a notice for publication in the Pennsylvania bulletin 90 days before commencement of regulated cannabis sales in a cannabis store. 45 after the notice, the board must circulate the same notice in at least one newspaper in each county with the same information. They must also publish the notice on their website.

The notice must contain:

- The date the cannabis stores will open;
- The location and hours of the stores;
- Information on who is a legal cannabis consumer;
- Information on home cultivation permits.

The board may not transmit the notice until at least two stores are prepared to open in each of the five regions established by the board under Section 404.

Section 406 – Annual Report by the Board

An annual report to the General Assembly must include information about:

- Retail operations and sales
- Board finances
- Store operations
- Distribution and logistics
- Communications and marketing
- Licenses and permits issued or revoked
- Compliance
- Information related to the method and rationale for pricing cannabis products

CHAPTER 5 – CANNABIS RETAIL STORES

The board will set up and operate cannabis stores. The stores must be 1,000 feet from an elementary or secondary school, or a day care.

After considering the public health effects of placing a cannabis and liquor store together, the board can collocate those stores.

The board will advertise any new location in a community and allow residents to petition to prevent the location based on proximity to churches, schools, or private residences.

Cannabis products can't be consumed at a store.

502 Employees

Employees will be considered civil servants. They must receive cannabis training, including the products, effects, storage, health and safety, security, and prohibiting sales to minors, as well as tracking inventory.

The board will recruit employees from historically impacted communities.

If an employee doesn't want to be involved in the sale or distribution of cannabis, they will not be required to do so.

An additional one point per year of experience in a Pennsylvania licensed medical marijuana facility will be added to a candidate's civil service exam final score for an employee or manager.

The Pennsylvania Labor Relations Board has jurisdiction over fair labor practices involving cannabis stores.

503 Management

Cannabis stores must have managers who are responsible for carrying out the operations of the stores.

The board will recruit managers from historically impacted communities.

Additional training and qualifications may be required for managers.

504 – Sales

Stores can only sell a “personal amount” of cannabis flower or products in one 24-hour period. They can only sell concentrates that equal less than 400 milligrams of total THC in a 24-hour period.

Each purchase must have a receipt showing all required information.

Stores can sell cannabis paraphernalia.

Stores must confirm that customers are old enough to purchase cannabis using acceptable forms of identification.

Section 505 Health and Safety

Stores must post signs produced by the board with specific language related to drug treatment, and provide brochures about the effects of cannabis, cannabis use disorder, and the risks of high THC cannabis and overconsumption.

506 Audits

The auditor general has the power to audit the board and cannabis stores. Revenue must be audited quarterly, and the board’s finances must be audited annually.

CHAPTER 6 SOCIAL AND ECONOMIC EQUITY

601 and 602 – Office of Social and Economic Equity and Its Duties

The Office of Social and Economic Equity is established under the board and is under the immediate supervision of a director.

The Director of the Office must have at least five years of experience in civil rights advocacy, civil rights litigation, or another area of social justice.

The office’s duties include:

- Endeavor to include social and economic equity applicants in cannabis businesses.
- Within 6 months, present to the board guidelines on determining if a person is a member of a “historically impacted community”.
- Recommend policies that promote inclusion in the industry.
- Advertise and sponsor webinars and information programs about the program to social and economic equity applicants.
- Administer the Social and Economic Equity Loan and Grant program.
- Support recruitment and retention in the cannabis industry from historically impacted communities.
- The office will review any policies and procedures related to social and economic equity, and may consult with experts to support the work.

Every two years, the office will report on social and economic equity in the cannabis program to the General Assembly, including:

- Social and economic equity participation in the cannabis industry
- Recommendations for new industry roles for social and economic equity applicants

- Recommendations for outreach.
- Activities related to the business development grant and loan program.

602.1 Social and Economic Equity Advisory Committee

The Social and Economic Equity Advisory Committee is established within the office to help develop the guidelines on whether a person is a member of a historically impacted community, advise on outreach to historically impacted communities, and advise the director in its duties.

Membership is as follows:

- Director of the Office of Social and Economic Equity (Chair)
- Chair of the Pennsylvania Commission on Crime and Delinquency
- Secretary of DHS
- Director of the Office of Health Equity
- Two individuals who were previously incarcerated for an action eligible to be vacated under this act (appointed by the chair of the Pennsylvania Parole Board)
- Two individuals from a census tract with a higher rate of arrests involving cannabis than the statewide average of the preceding 10 years of appointment (appointed by the Lieutenant Governor)
- An individual with expertise in addressing the harms caused by past cannabis criminalization (appointed by the Attorney General).
- One individual chosen by the President Pro Tempore, one chosen by the Senate Minority Leader, one chosen by the Speaker, and one chosen by the House Minority Leader.

Individuals appointed by the board serve a four-year term and members chosen by the legislative leaders serve a three-year term. Members can serve for no more than one additional consecutive term.

The committee must meet at least 6 times a year.

Section 603 – Cannabis business development fund

The fund is created and held separately in the treasury for the sole purpose of supporting cannabis business development under the Social and Economic Equity Loan and Grant Program

Section 604 Social and Economic Equity Loan and Grant Program

The office will:

- Create an education and training program for social and economic equity applicants who want to participate in the cannabis industry
- Establish a grant and loan program to support eligible applicants with financial assistance
- Develop business training programs to support eligible applicants in learning to operate in the cannabis marketplace
- Create programs for farmers on crop production and cultivation, in collaboration with the Department of Agriculture
- With the Attorney General, protect Commonwealth interests regarding loans and grants in cases of non-compliance or non-payment.
- Enter into contracts and create rules as needed.

Social and economic equity loans, structured in a way to protect the public interest, will be made in consultation with the Department of Community and Economic Development to provide funding for certified social and economic equity applicants and indirect cannabis businesses that meet the requirements of a social and economic equity applicant.

A loan may be conditionally approved contingent upon an applicant being selected by the board for licensure or other approval, or upon any future action by or on behalf of the applicant, and such conditional approval shall be considered by the board when making licensure decisions.

Loans may be used for gap financing, soft loans, and predevelopment.

Grants will be awarded competitively.

CHAPTER 7 LICENSES

General Licensure Requirements

Section 701 Persons Not Eligible for License

Persons, partnerships, and corporations are not eligible for a license, permit, or any other authorization:

- An applicant who has been convicted of an offense related to the functions or duties of owning and operating a business within three years of application. Qualifying convictions include: a felony conviction within the past three years involving fraud, money laundering, forgery, and other unlawful conduct related to owning and operating a business.
- a felony conviction within the past three years for hiring, employing or using a minor in transporting, carrying, selling, giving away, preparing for sale or peddling any controlled substance to a minor or other person or selling, offering to sell, furnishing, offering to furnish, administering or giving any controlled substance to a minor or other person.
- A partnership or corporation whose officers, principals, and essential employees are not citizens of the United States.
- A person who has had a license revoked
- A person who does not have a license and committed a misdemeanor or felony in violation of this act (can apply in 5 years)
- A corporation or partnership in which a principal, officer, director, essential employee, or partner that does not hold a license and has committed a misdemeanor or felony in violation in this act or has had a license revoked (can reapply in 5 year).

Section 702 Renewals

Licenses must be renewed every three years, and must be submitted three months before renewal required. In addition to original application materials, the applicant must show proof of adhering to their plan of hiring justice-involved individuals and plans for future efforts.

The board may suspend, deny, condition, revoke, or deny renewal of any authorization if the board believes information is false or an applicant is in violation of the act. If an authorization is revoked or not renewed, the applicant must immediately stop all activity and fees are forfeited.

Section 703 No Entitlement to License

The board must issue and renew permits based on whether they advance the goals of the act.

SUBCHAPTER B

Section 704 Cannabis entity licenses

License Application and Process

Applicants must submit an application and applicable fee.

Licensing can only occur after background checks are completed.

Applications must include:

- Information about the applicant, each executive, principal, or officer and each person with a financial interest who also has decision-making authority.
- tax IDs;
- tax lien certificate;
- Business plan and management operation.
- An operation plan, including policies and procedures for energy efficiency and conservation.
- Emergency procedures.
- Plan for liability insurance.

- Details of any other cannabis license applied for or granted in another state.
- Details of loans.
- Background investigation.
- payment of license fee
- Disclosure of all arrests.
- Terms and conditions of a management service agreement to be entered into.
- List of any adverse actions taken against.
- Signed Labor Peace Agreement.
- Financial fitness.
- Previous business experience.
- A plan to hire justice-involved individuals, members of impacted families, or members of a historically impacted community.

Cannabis businesses must pay, as determined by the board, a license fee, a license renewal fee, and a monthly verification system fee.

Businesses must follow health and safety standards created by the board in conjunction with the Department of Health and the Department of Agriculture.

Section 705 Scoring System and Lottery

The board is required to establish a scoring system to rank applications for category 1 cultivator and category 1 processor licenses.

The scoring system must take into consideration an applicant's impact on:

- Creation of quality, living-wage jobs and full-time permanent jobs.
- Economic development.
- The use of organized labor in the construction of the cannabis entity's facility.
- Inclusion and participation in the regulated cannabis industry by members of historically impacted communities or justice-involved individuals.
- Equality of opportunity in employment and contracting.
- The board must issue bonus points to an applicant who is a certified social and economic equity applicant.
- The board may award bonus points to an applicant who submits a plan to comprise 51% of their workforce of individuals from historically impacted communities, justice-involved individuals, or members of an impacted family.

Lottery System

The board is required to establish a lottery system for microcultivators, microprocessors, transporter licenses, and on-site consumption licenses.

Before the ability to enter the lottery, the board must ensure the applicant meets eligibility by requiring each applicant to submit an application in which the board will score it as pass/ fail. If passed, the applicant can enter the lottery.

Licenses shall be issued in multiple lotteries. The first lottery for each license is reserved exclusively for social and economic applicants.

The board must establish a goal to award 50% of licenses through the lottery to social and economic applicants.

Of that 50% awarded to social and economic applicants, 50% must be awarded to applicants who qualify based on being a justice-involved individual or a member of an impacted family.

License Regions

The board must issue at least one license for each license type in each region established in Section 404. The board must try to disburse licenses throughout the regions proportionate to the region's population.

Section 706 Licensing of Principals

All principals must obtain licenses, with applications including:

- verification of status as a principal
- job title or description of responsibilities
- releases to obtain information from other organizations
- fingerprints
- a photograph
- details on any other licenses

Principal licenses are non-transferable

Licenses Overview

Ownership Restrictions

A person can only own or otherwise have control over one license. Exceptions: a microcultivator can also hold a microprocessor license (and vice versa) and a cultivator can also hold a processor license (and vice versa).

License Type	Authority	Cross-Licensing Limitations	Number of Licenses
Micro Cultivator	Grow cannabis and sell flower and seeds to the board.	Can only hold one license and cannot have any other type of license, except can also hold one microprocessor license.	50
Micro Processor	Process cannabis into cannabis products and sell to the board.	Can only hold one license and cannot have any other type of license, except can also hold one microcultivator license.	50
Cultivator	Grow cannabis and sell flower and seeds to the board.	Can only hold one license and cannot have any other type of license, except can hold one processor license.	50
Processor	Process cannabis into cannabis products and sell to the board	Can only hold one license and cannot have any other type of license, except can hold one cultivator license.	50
Transporter	Transport product on behalf of different licenses or the board.	Can hold only one license and cannot hold any other type of license.	50
On-site Consumption	Operate an establishment where cannabis can be bought and consumed on-site	Can hold one license and cannot hold any other type of license.	100

Fees

License Type	Application Fee	License Fee	Renewal Fee
Micro Cultivator	\$2,500	\$0.50 x square footage.	\$0.25 x square footage.
Micro Processor	\$2,500	\$15,000	\$7,500
Cultivator	\$5,000	\$1.50 x square footage.	\$0.75 x square footage.
Processor	\$5,000	\$50,000	\$25,000
Transporter	\$5,000	\$10,000	\$5,000

On-site Consumption License	\$5,000	\$10,000	\$5,000
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Section 707 Cannabis Cultivator License

Category 1 Cultivator License

Authorizes the growing of cannabis to be sold to another cultivator, microcultivator, processor, or microprocessor. Authorizes the packaging and sale of cannabis flower and cannabis seeds to the board.

Must apply in 1 of 10 tiers developed by the board based on square footage. The board can increase or decrease a cultivator's tier depending on the previous year's yield.

The maximum tier is 125,000 square feet for plants in the flowering stage.

Category 2 Micro Cultivator License

Authorizes the growing of cannabis to be sold to another microcultivator, cultivator, processor, or microprocessor. Authorizes the packaging and sale of cannabis flower and cannabis seeds to the board.

Must apply in 1 of 5 tiers developed by the board based on square footage. The board can increase or decrease a microcultivators tier depending on the previous year's yield.

The maximum tier initially is 5,000 square feet for plants in the flowering stage. The board can increase to a maximum of 14,000 square feet, in 3,000 increments, based on market conditions and the cultivators capability to produce that much.

May not employ more than 10 individuals to be considered "micro".

Section 708 Cannabis Processor License

Category 1 Processor License

Authorizes the purchase of cannabis to turn it into final cannabis products, package, and sell to the board or to consumers through shelf space in public stores.

Category 2 Microprocessor License

Authorizes the purchase of cannabis to turn it into final cannabis products, package, and sell to the board or to consumers through shelf space in public stores.

Can only employ 10 individuals to be considered "micro".

Section 709 Cannabis Transporter License

Authorizes the transportation of cannabis products from a cannabis entity to another cannabis entity or to the board.

Section 710 On-Site Consumption License

Authorizes cannabis products to be sold and consumed on premises or to allow low-dose cannabis to be sold for off-site consumption.

An on-site consumption license can only operate if the municipality passes an ordinance or resolution to allow it. In the ordinance or resolution, the municipality can specify how many establishments allowed within their boundaries.

On-site consumption employees must receive additional training beyond the responsible cannabis training required by all cannabis entity employees.

An on-site consumption license cannot:

- Allow free samples;
- Allow the consumption of alcohol;
- Allow the smoking or vaping of tobacco products.
- Allow the smoking of cannabis indoors.
- Sell to someone who is visibly intoxicated.
- Admit onto the licensed premises anyone who is under 21.
- Be located within 1,000 feet of an elementary or secondary school, or a day care.
- Sell more products than allowed by the board.

They must post signs and make available brochures similar to cannabis stores.

Section 712. Additional licenses

The board may issue additional licenses based on the percentage of illicit sales, whether there is adequate supply of cannabis, whether there is oversupply, population increases or shifts, the number and density of locations of licenses, security risks, the board ability to regulate new licenses, recommendations from the office of social equity, or changes to federal law.

Social and economic equity applicant receives 50% off license and renewal fees. The board may waive application fees for social and economic equity applicants.

Section 713 Change in Ownership

An entity must notify the board of any proposed or contemplated change in ownership or control, defined as a consolidation, merger, or acquisition of more than 20 percent of a businesses securities, , and any purchaser must individually qualify for a license.

All transfers are subject to a transfer fee.

Fees may be reduced for a change of ownership

Licenses cannot be transferred until after the second renewal (6 years).

If a social and economic equity licensee transfers to a non-social and economic equity applicant, the new license holder must pay the remaining grants or loan issued to the original owner by the board.

Section 714 Labor Peace Agreements

A signed labor peace agreement is a requirement of being awarded and maintaining a license.

The labor peace agreement requirement applies to all licenses, including transfers and renewals

The Pennsylvania Labor Relations Board has jurisdiction over representation and unfair labor practices, unless preempted by federal law.

SUBCHAPTER C

Registrations, Permits and Certificates

Section 715 Registration of Essential Employees

All essential employees must be registered with the board, with the same application requirements as for principals.

Section 715.1 Workplace Safety

Pennsylvania Occupational Safety and Health Surveillance Program, in consultation with the Department of Labor and Industry and the board must conduct a study to identify all applicable OSHA standards that apply to the cannabis industry and recommendations for new standards needed to improve the health and safety.

Section 716 Social and Economic Equity Report

Each year, cannabis businesses must report on social and economic equity inclusion and failures to do so may result in a fine.

Section 717 Workforce training

Each employee must receive responsible cannabis training, including a minimum of four hours of instruction to address:

- health and safety related to cannabis use
- responsible use of cannabis
- quantity limits on sales
- safe storage
- compliance with inventory tracking
- waste handling and disposal
- health, sanitation and safety
- maintenance of records
- security and surveillance
- inspections
- privacy and confidentiality
- cultivation and safe storage of chemicals
- use and maintenance of equipment
- other topics required by the board

Continuing education may be required

Section 718 Cooperative Licenses

In addition to the licenses issued by the board, 2 licenses for each license type are issued to applicants who apply as a worker cooperative. The applicant must incorporate as a worker cooperative under the Worker's Cooperative Corporation Law of 1988, and the board is required to issue additional standards that the worker cooperative must meet.

Section 719 Duties of Licensees

Any authorized business must:

- provide assistance to the state police
- consent to inspection, search and seizure
- inform the board of any violations of the act
- inform the board of any arrests or violations under this act or the Controlled Substances Act

Section 720 Exigent Circumstances

Prior to the board's notice under Section 405, if the board determines that due to exigent circumstances, including insufficient product being available for sale at cannabis stores, and it being in the best interests of the Commonwealth to make the retail sale of cannabis and cannabis products available to cannabis consumers, the board may award one cultivator license and one processor license to a Medical Marijuana Grower/Processor. The application fee is \$15,000, and the license fee is \$20,000,000 for each license.

CHAPTER 8 – HEALTH AND SAFETY – PACKAGING, LABELING, ADVERTISING, AND TESTING

801.1 Packaging and Labeling

The board must create regulations for advertising, branding, marketing, and labeling of cannabis flower, cannabis products, and cannabis paraphernalia, and must address accuracy and advertising to minors.

Packaging requirements

Packaging must meet the requirements of the federal poison prevention packaging act of 1970.

If a product contains many servings but is solid (such as a bar), each serving must be delineated. If it can't be easily scored into separate serving sizes, then the product must be

packaged in a single-serving size.

Products must be in a child-resistant package and may not display any images that would be attractive to minors.

One-third of the label must include rotating information about potential harms to human health. A product with a high THC concentration must include a warning label about the dangers of high THC products.

All packaging must be uniform in color, with no graphics or information other than labeling permitted by the board.

The board must determine what constitutes a serving, and how much THC can be allowed per serving, and must require a nutritional fact panel with serving size and potency per serving.

Any business not complying with labeling requirements can be fined or have their license or permit suspended or revoked.

Section 801.2 Advertising

Regulations must block advertising that:

- Lies or misleads.
- Features an image of cannabis consumption.
- Shows minors consuming cannabis.
- Appeals to children or anyone under 21.
- Is located within close proximity to schools, playgrounds, parks, libraries, arcades, rec centers, childcare facility or places of worship.
- Is an unsolicited internet pop-up.
- Is placed on a public vehicle or place for public vehicles, like buses, bus stops, train stations and the like, or on any private vehicle. Makes any medical claims.
- Advertises the intoxicating effects of cannabis.
- Carries a cannabis symbol, if it's a promotional gift.
- Promotes a product with a high THC concentration.

Regulations must prohibit all marketing strategies that appeal to minors or provide false or misleading information to customers.

All advertising must identify the licensee doing the advertising, as well as any other business involved in creating the advertisement.

Social media, broadcast, billboards, and other broad-based advertising can only be placed where 85 percent of the audience is over the age of 21.

Cannabis businesses may create a brand name, so long as it does not appeal to children, and may engage in advertising that doesn't conflict with regulations. Any broad advertising must contain health and safety warnings.

Section 802 Product Safety Protections

Cannabis flower or cannabis product sold in the market cannot exceed THC limits:

- 25 percent for THC flower.
- 200 milligrams of THC for concentrate per package.
- 5 milligrams of THC per serving and 25 milligrams of total THC per package for a cannabis edible or drink.

Products cannot be in shapes or flavors that appeal to children and can't resemble other food, candy or beverages sold in the market.

Synthetically produced cannabis is prohibited.

803 Lab Testing

The board will license laboratories to test cannabis. Labs cannot be affiliated with cannabis or

medical marijuana companies.

Testing is required at final harvest and at final processing.

Laboratories receiving permits to test cannabis must abide by regulations that allow for inspections, audits, testing and quality assurance, accreditation requirements, and reporting requirements.

The board can issue fines and suspend or revoke permits for non-compliance.

The board will also establish a state testing laboratory to maintain safety standards. The state laboratory must keep a reference library with cannabis testing methodologies, establish standard operating procedures for conducting and analyzing tests, ensure independent labs are able to test proficiently, remediate problems with independent labs, ensure lab integrity through compliance and stability testing of samples analyzed by independent labs, test products on store shelves to ensure they match labels, test contraband to determine if cannabis, alcohol, tobacco or other substances are present.

CHAPTER 9 RECORDKEEPING

Section 901 – recordkeeping and tracking

All cannabis licensees and labs must have surveillance systems, security, inventory control, and keep records of all cannabis products including cultivation, processing, transporting, testing and sales.

Cannabis licenses and labs must keep their records on site.

Records must be kept for four years, and must be available for review by the board.

Section 902 Inspections

Inspectors can enter and examine sites at any time, but shall endeavor not to interrupt normal business operations and safety.

A licensee or designated staff must be available to show the license.

CHAPTER 10 PROHIBITIONS AND PENALTIES

Subchapter A – Public Employee Prohibitions

Financial and Employment Interests

The following cannot hold a financial interest in a cannabis entity or be employed by a cannabis entity while employed and for two years following:

- Executive-level public employee;
- public official or party officer;
- law enforcement officer;
- elected local government official whose duties directly relate to the operation or management;
- an immediate family member;

The above individuals cannot accept, and a cannabis entity cannot offer, a complimentary service or thing of value from an applicant. Any financial interests must be divested.

The State Ethics Commission is required to:

- Issues a written determination of whether someone is subject to the financial or employment restrictions;
- Publish a list of all government positions that meet the definition of public official or executive-level public employee.

Additional Restrictions

An employee of the board, Department of Revenue, Agriculture, Health, Attorney General, or State Police whose job involves licensing, enforcement, or drafting laws and regs cannot be employed or retained by a cannabis entity or appear before the board on behalf of a cannabis entity for a period of two years after termination.

The Department of Revenue, Agriculture, Health, Attorney General, and State Police must adopt a code of conduct to ensure no conflicts of interest for employees and their immediate family members.

The State Ethics Commission is required to:

- Issues a written determination of whether someone is subject to the financial or employment restrictions;
- Publish a list of all government positions that meet the definition of public official or executive-level public employee.

SUBCHAPTER B – PENALTIES AND IMMUNITIES

Section 1004 Administrative Sanctions

The board may impose the following on a cannabis entity or permittee for violating this act or regulations promulgated:

- Suspend, revoke or refuse to renew the license or permit;
- Order restitution of money or property unlawfully obtained or retained by a cannabis entity or permittee;
- Enter a cease and desist order;
- Issue a letter of reprimand or censure;
- Assess administrative fines as follows:
 - \$50,000 for each violation by a Category 1 cannabis cultivator licensee or Category 1 cannabis processor licensee;
 - \$10,000 for each violation by a Category 2 cannabis microcultivator or Category 2 cannabis microprocessor;
 - \$15,000 for each violation by a cannabis transporter licensee;
 - \$15,000 for each violation by a cannabis on-site consumption licensee;
 - \$10,000 for each violation by a cannabis testing laboratory;
 - \$10,000 for each violation by any other person authorized by the board to engage in a regulated activity.

The board shall impose an administrative penalty of three times the amount of the license fee, permit fee, authorization fee, tax or any other assessment which is evaded and not paid, collected or paid over.

A person that aids, abets, counsels, commands, induces, procures or causes another person to violate this act shall be subject to all sanctions and penalties, both civil and criminal, provided under this act.

Section 1005 Civil and Criminal Penalties

An individual who violates Chapter 10 commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than \$10,000 or to imprisonment for not more than five years, or both.

Individuals violating tax obligations shall pay tax penalties of 5 percent per month.

CHAPTER 11 TAXES AND TAX ADMINISTRATION

Section 1101

The Department in this section refers to the Department of Revenue.

Section 1102 Cannabis sales and excise tax

Cannabis, cannabis flower, and cannabis products sold by a cannabis store are subject to a 12% excise tax.

Sales tax of 6% applied at point of sale of cannabis paraphernalia.

The excise tax only applies to cannabis and can't be bundled with other products to which the tax is not applicable.

All of these funds are directed into the Cannabis Revenue Fund.

Section 1103: Authorities and duties of the department

The Department of Revenue is charged with collecting taxes and any interest imposed under the fiscal code.

The department must promulgate the regulations necessary to collect the taxes and must determine what kinds of recordkeeping and accounting must be used.

The department can review all records, documents, and any other devices used in the production, distribution, and sales of cannabis.

The department must notify the state police and the Attorney General's office about delinquent taxes.

The department can promulgate regulations, alongside the board regulations.

Authority of Department of Revenue

The Department of Revenue is granted the power to:

- administer and collect taxes;
- promulgate and enforce rules and regulations;
- prescribe the forms and system of accounting and recordkeeping;
- Audit and examine all books and documents

Section 1103.1 Municipal taxes for on-site consumption licenses

Municipalities may impose a three percent sales tax for sales at on-site consumption locations. These funds are collected and kept by local government.

Section 1104 Unpaid taxes

Any unpaid or delinquent state taxes are subject to existing rules in the Tax Reform Code of 1971

Unpaid or delinquent municipal taxes are subject to existing rules under the municipal claim and tax lien law.

Section 1105 Violations

Anyone violating this section by not filing taxes, filing fraudulent taxes, not paying taxes, not following recordkeeping, not being appropriately licensed, or violating any other rules won't be able to renew or obtain a license.

Section 1106 Tax Deductions

Those taxes that are usually allowed under federal income tax purposes (280E deductions) would be allowed for state taxes if they are not taken at the federal level.

CHAPTER 12 REVENUE

Section 1201 Cannabis Revenue Fund

The bill establishes the cannabis revenue fund.

Proceeds from cannabis sales, licensing fees, taxes and any other money appropriated to the board for implementing the act go to the Cannabis Revenue fund.

Money in the fund pays for the costs of implementation to the board, the Department of Revenue, the Department of Community and Economic Development, the Office of Social and Economic Equity, the State Police, AOPC, and the Attorney General.

Of the remaining funds:

- 50 percent goes to the Community Reimagined and Reinvestment Restricted Account.
- 10 percent goes to Substance Use Disorder Prevention and Treatment
- 5 percent goes to the Cannabis Business Development Fund
- 2.5 percent goes to the Pennsylvania Minority Business Development Authority to provide business loans for non-cannabis related businesses.
- 2 percent goes to the AOPC to issue grants to counties based on the number of cases to be vacated or expunged within the county.
- Remaining funds go to the General Assembly

Section 1202 Communities Reimagined and Reinvestment Restricted Account

Communities Reimagined and Reinvestment Restricted Account is established to provide grants to community organizations.

The account is administered by the Office of Social Equity and DCED, with an advisory group. An advisory group will consist of:

- The director of the Office of Social Equity (chair)
- Four appointments by the General Assembly – from each of the leaders of the respective parties and chambers – with experience in community building and health equity. Each of these shall serve a three year term, with a total of two terms.
- Seven members appointed by the Governor:
 - Four members of community organizations based in reinvestment areas
 - One expert on the impact of drug policy on underserved communities
 - Two individuals who were incarcerated for cannabis related crimes.
 - Each of these shall serve a two-year term, and may only serve two terms.
 - Attorney General, director of the Pennsylvania Coalition on Crime and Delinquency, Commissioner of Pennsylvania State Police, Secretary of Drug and Alcohol Programs, Secretary of Human Services, Secretary of Labor and Industry, Secretary of the DCED, and the Secretary of Health – or their designees – shall all serve as ex officio member.

Membership should be geographically and demographically diverse.

A quorum consists of the majority of members.

The role of the committee is to address the disproportionate impacts of federal and state drug enforcement in certain neighborhoods and develop an investment strategy to provide resources and recommend policies supporting health, wellness and economic justice.

The advisory committee may, in addition to the identified historically impacted communities, establish additional communities eligible for grants.

Entities eligible for grants:

- Community-based providers;
- Community and economic development organizations;
- Organizations addressing criminal justice diversion;
- Organizations engaged in employment training and opportunities for people returning from prison;
- Organizations engaged in youth development, family and child welfare activities;
- Experts in violence reduction
- Free or discounted legal services groups
- Municipalities, so long as they are supplementing funds, not using them in lieu of existing funds
- Other organizations determined by the board.

Eligible uses for grants:

- Job placement, skill services, and adult education;
- Mental and behavioral health treatment;
- SUD treatment;
- Housing;
- Financial literacy and banking;
- Addressing adverse childhood experiences;
- After school and child care services;
- Legal services;
- Linkages to medical care;

Reporting

The office must report on funds distributed annually.

SUD Prevention, Treatment, and Education Account

Fund is administered by DDAP and can be used for:

- Youth-focused education and prevention campaign;
- Statewide public health campaign, including the risks of products with a high THC concentration;
- SUD treatment programs;
- Program evaluation
- Community-based peer recovery support services.

Reports

The office must report on funds distributed annually

CHAPTER 13 BONDS

Allows the board to issue bonds. The amount of debt may not exceed \$100,000,000. Proceeds must be used for establishing and regulating adult-use cannabis, including start-up funding for the Cannabis Business Development Fund.

CHAPTER 21 MISCELLANEOUS

The department of Agriculture is required to issue best practices on:

- Cultivation of cannabis as a value-added crop.
- Cultivation methods.
- Production protocols.
- Criteria which may be used to determine when a cannabis product is adulterated.
- Nutrient and waste management.
- Environmentally friendly agricultural practices.
- Forming and maintaining a cooperative agricultural association by cannabis entities.

Section 2102 Cooperation

Each department, agency, office, authority, board, commission or similar governmental entity under the jurisdiction of the Governor is required to cooperate with the board to support the implementation of this act.

Section 2103 Public Health Study

Biennially, DDAP, in consultation with DOH and the board, will issue reports on the impact of cannabis consumption in the Commonwealth including:

- General patterns of use
- Young children who accidentally consume cannabis
- Second smoke concerns
- Substance use disorders and public health concerns
- Youth cannabis use
- Any recommendations to prevent and reduce public health harms associated with cannabis consumption.

Section 2104 Repeals

Sections 13(a)(30) and (31) of the Controlled Substance Act are repealed for conduct when the controlled substance is cannabis and no probable cause exists to believe that the conduct alleged is punishable by a mandatory minimum term of imprisonment or subject to a sentence enhancement.

Section 13(a)(32), (33) and (34) of the Controlled Substance Act are repealed for conduct when the controlled substance is cannabis.

Any other act in contrary to this act is repealed.

Effective Date:

The following take effect 90 days after the specific date noticed by the board under section 405(b)(1) for the commencement of sales in cannabis stores:

- The repeal of Sections 13(a)(30) and (31);
- The lawful possession and sharing of cannabis; and
- non-discrimination protections and DUI changes.

The remainder of the act takes effect immediately.

D. Third Party Feedback

E. Prior Session (Previous Bill Numbers & House/Senate Votes)

N/A

F. Key Points

Publicly run store

- The nation's leading public health experts agree that a publicly run retail system is the best way to limit access to youth, prevent overconsumption, and limit driving while intoxicated.
- The LCB has proven systems to check IDs and ensure store compliance. Unlike private retailers, the LCB has no incentive to sell to underage consumers.
- HB1200 restricts stores from opening near schools or daycares. Communities also have a formal process to object to store locations.
- LCB jobs are union jobs that offer stability, good pay, and strong benefits.
- LCB-operated stores will be clearly marked, allowing law enforcement and regulators to quickly distinguish legal operations from illegal ones.
- The LCB is less vulnerable to regulatory capture and less likely to exploit loopholes that would undermine public health.

Criminal justice reform

- Provides the strongest form of post-conviction relief. Eliminates all legal consequences, including immigration, employment, licensing, or housing impacts.
- Expunges records where a person was acquitted or a conviction never occurred.
- Removes criminal penalties for simple possession immediately and removes criminal penalties for underage possession.

Social Equity

- Dedicates an office to ensure the inclusion of those impacted by the war on drugs.
- Ensures the director is experienced and creates an advisory board of community members to advise the director.

- Establishes the criteria for a historically impacted community by conducting an in-depth process, including expert advice and community advice.
- Provides funding for social equity applicants/ licensees.
- Requires every applicant to submit plans to hire individuals who are members of an impacted family, justice-involved individuals, or members of a historically impacted community.
- Prioritizes social equity applicants during merit-based selection and reserves 50% of micro, transporter, and on-site licensees.
- Redirects the majority of funds to historically impacted communities.

Health and safety

- caps THC to prohibit the proliferation of high-thc and the dangers that come with it.

Tiered Penalties Based on Quantity:

2 to <10 pounds / 10 to <21 live plants:

First offense: 1 year imprisonment + \$5,000 fine (or greater, if needed to seize proceeds/assets from the offense).

Repeat offense: 2 years imprisonment + \$10,000 fine (or greater).

10 to <50 pounds / 21 to <51 live plants:

First offense: 3 years imprisonment + \$15,000 fine (or greater).

Repeat offense: 4 years imprisonment + \$30,000 fine (or greater).

50+ pounds / 51+ live plants:

All cases: 5 years imprisonment + \$50,000 fine (or greater).

Asset Forfeiture Clause:

In all cases, the fine may be increased to fully exhaust the assets and proceeds derived from the illegal activity.

Sentence enhancements:

School zone violations

Firearm possession during a drug offense (under 42 Pa.C.S. § 9712.1),

Drug trafficking as part of a criminal enterprise (under 18 Pa.C.S. § 911),

Distribution to minors.

G. Relevant Existing Laws

The CONTROLLED SUBSTANCE, DRUG, DEVICE AND COSMETIC ACT provides penalties for cannabis crimes.

18 Pa.C.S. § 7508 establishes mandatory minimum sentences and fines for individuals convicted under specific marijuana-related sections of The Controlled Substance, Drug, Device and Cosmetic Act:

42 Pa.C.S. Ch. 63 (relating to juvenile matters).

42 Pa.C.S. § 1520 (relating to adjudication alternative program) allows an MDJ to, instead of making a formal disposition, place an offender in a supervised program.

December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and Consumer Protection Law gives the AG the authority to investigate and prosecute unfair trade and practices.

Clean Indoor Air Act of 2008 prohibits tobacco smoking in workplace and public places.

Title 75, Section 3802(d) (related to driving under influence of alcohol or controlled substance) states that an individual may not drive, operate or be in actual physical control of the

movement of a vehicle if there is in the individual's blood any amount of a Schedule I controlled Substance (including marijuana).

This document is a summary of proposed legislation and is prepared only as general information for use by the Democratic Members and Staff of the Pennsylvania House of Representatives. The document does not represent the legislative intent of the Pennsylvania House of Representatives and may not be utilized as such.