

LEGISLATIVE REFERENCE BUREAU

AMENDMENTS TO SENATE BILL NO. 3

Sponsor:

Printer's No. 224

1 Amend Bill, page 1, lines 3 through 16; page 2, lines 1
2 through 30; page 3, lines 1 through 27; by striking out all of
3 said lines on said pages and inserting

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42 Amend Bill, page 3, line 30; pages 4 through 61, lines 1
43 through 30; page 62, lines 1 through 25; by striking out all of
44 said lines on said pages and inserting

45 CHAPTER 1
46 PRELIMINARY PROVISIONS

- 47 Section 101. Short title.
48 This act shall be known and may be cited as the Medical

1 Cannabis Act.

2 Section 102. Definitions.

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

6 "Account." The Professional Licensure Augmentation Account
7 established under and used in accordance with the act of July 1,
8 1978 (P.L.700, No.124), known as the Bureau of Professional and
9 Occupational Affairs Fee Act.

10 "Board." The State Board of Medical Cannabis Licensing.

11 "Change in control." The acquisition by a person or group of
12 persons acting in concert of at least 20% of an interest in a
13 licensed entity.

14 "Department." The Department of State of the Commonwealth.

15 "Health care facility." A facility that provides health care
16 to patients. The term includes:

17 (1) Any of the following, as defined under section 802.1
18 of the act of July 19, 1979 (P.L.130, No.48), known as the
19 Health Care Facilities Act:

20 (i) A health care facility.

21 (ii) An ambulatory surgical facility.

22 (iii) A long-term care nursing facility.

23 (iv) A hospice.

24 (2) A clinic operated by a hospital.

25 (3) A cancer treatment center.

26 "Health care practitioner." A medical doctor or a doctor of
27 osteopathy, as defined under section 2 of the act of December
28 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of
29 1985.

30 "Medical cannabis." As follows:

31 (1) Plants containing cannabidiol, tetrahydrocannabinol
32 or delta-9-tetrahydrocannabinol acid or any part of a
33 cannabis plant, including cannabis processed by extracting
34 oil from the plant, intended for medical purposes.

35 (2) The term includes extracted oil, ointments,
36 tinctures and medical cannabis delivered by a nebulizer.

37 (3) The term does not include edible products.

38 "Medical cannabis access card." A document issued by the
39 Department of Health that authorizes a patient or patient
40 representative to purchase and possess medical cannabis in this
41 Commonwealth.

42 "Medical cannabis dispenser." A for-profit or nonprofit
43 entity licensed under section 503 to dispense medical cannabis.

44 "Medical cannabis employee." An individual who is eligible
45 to receive an occupation permit by meeting one of the following:

46 (1) An individual who meets all of the following:

47 (i) Is employed by a medical cannabis grower,
48 medical cannabis processor, medical cannabis dispenser or
49 certified laboratory with the authority to make a
50 discretionary decision relating to the growing,
51 processing, dispensing or testing of medical cannabis,

1 including a manager, supervisor or an individual who
2 directly handles or controls cannabis.

3 (ii) Is responsible for tracking the amount and
4 transportation of medical cannabis.

5 (2) Any other employee position designated by the board.

6 "Medical cannabis grower." A for-profit or nonprofit entity
7 licensed under section 501 that grows or cultivates cannabis for
8 distribution to authorized medical cannabis processors and
9 medical cannabis dispensers in accordance with this act.

10 "Medical cannabis processor." A for-profit or nonprofit
11 entity licensed under section 502 authorized to purchase medical
12 cannabis from a medical cannabis grower for the purpose of
13 processing the medical cannabis for distribution to a medical
14 cannabis dispenser in accordance with this act.

15 "Medical cannabis strains." The three types of pure cannabis
16 utilized for medical purposes. The term includes cannabis
17 sativa, cannabis indica and the hybrid created by the
18 combination of both cannabis sativa and cannabis indica.

19 "Medical use." The acquisition, possession or use of medical
20 cannabis by a registered patient or patient representative. The
21 term does not include the smoking or vaporization of cannabis.

22 "Nebulizer." A drug delivery device that uses oxygen,
23 compressed air or ultrasonic power to break up medical
24 solutions, including oil-bases cannabis, into small aerosol
25 droplets that are directly inhaled from the mouthpiece of the
26 device.

27 "Occupation permit." A permit issued by the board
28 authorizing an individual to be employed as a medical cannabis
29 employee or patient representative.

30 "Owner or operator." Any of the following:

31 (1) An officer or director of the medical cannabis
32 grower, processor or dispenser licensed under section 505.

33 (2) A person who directly holds a beneficial interest in
34 or has a controlling interest in an applicant or licensee.

35 (3) A person who has the ability to elect a majority of
36 the board of directors of a licensee or to otherwise control
37 a licensee.

38 "Patient." An individual who has an established
39 practitioner-patient relationship and has been diagnosed with a
40 qualified medical condition.

41 "Patient representative." Any of the following:

42 (1) A parent or guardian of a registered patient.

43 (2) An individual who:

44 (i) is at least 18 years of age; and

45 (ii) receives a medical cannabis access card which
46 authorizes:

47 (A) purchase, possession, transport and transfer
48 of medical cannabis from a medical cannabis
49 dispenser; and

50 (B) proper administration of the medical
51 cannabis to a registered patient in accordance with

1 the recommendation of the registered patient's health
2 care practitioner.

3 "Practitioner-patient relationship." The relationship
4 established between a patient and health care practitioner
5 following an assessment of the patient's medical history and
6 current condition and the conduct of a personal examination.

7 "Qualified medical condition." Any of the following:

- 8 (1) Cancer.
- 9 (2) Epilepsy and seizures.
- 10 (3) Amyotrophic lateral sclerosis.
- 11 (4) Cachexia/wasting syndrome.
- 12 (5) Parkinson's disease.
- 13 (6) Traumatic brain injury and postconcussion syndrome.
- 14 (7) Multiple sclerosis.
- 15 (8) Spinocerebellar Ataxia (SCA).
- 16 (9) Posttraumatic stress disorder.
- 17 (10) Severe fibromyalgia.
- 18 (11) HIV/AIDS.
- 19 (12) Glaucoma.
- 20 (13) A condition authorized by the department under
21 section 703.

22 "Testing laboratory." A clinical laboratory or testing
23 facility located within this Commonwealth, certified by the
24 board under section 511.

25 "Tracking system." An electronic system established by the
26 department to monitor the activities of a person that grows,
27 processes, dispenses, transports or tests medical cannabis or is
28 determined by the department to be engaged in an activity
29 regulated under this act.

30 "Verification system." An electronic system established and
31 maintained by the Department of Health that allows the
32 Department of Health, the Bureau of Professional and
33 Occupational Affairs, licensed dispensers and law enforcement to
34 verify the issuance of a medical cannabis access card to an
35 individual.

36 "Written certification." A document dated and signed by a
37 health care practitioner that meets the requirements under
38 section 702(c).

39 CHAPTER 3

40 STATE BOARD OF MEDICAL CANNABIS 41 LICENSING AND ADMINISTRATIVE PROCEDURE

42 Section 301. License.

43 (a) Medical cannabis.--A person may not conduct an activity
44 related to the growing, processing or dispensing of medical
45 cannabis or operating a testing laboratory unless the person is
46 licensed or certified by the board under this act.

47 (b) Employee.--A licensed medical cannabis grower, medical
48 cannabis processor or a medical cannabis dispenser may not
49 employ an individual to directly participate in the growing,
50 processing, delivery or dispensing of medical cannabis unless
51 the individual receives an occupation permit from the board

1 under this act.

2 Section 302. State Board of Medical Cannabis Licensing.

3 (a) Establishment.--There is hereby established the State
4 Board of Medical Cannabis Licensing within the department.

5 (b) Composition.--The board shall consist of the following:

6 (1) The Secretary of Health or a designee who is an
7 employee of the Department of Health.

8 (2) Commissioner of Professional and Occupational
9 Affairs or a designee who is an employee of the Bureau of
10 Professional and Occupational Affairs.

11 (3) The Secretary of Human Services or a designee who is
12 an employee of the Department of Human Services.

13 (4) Two public members.

14 (5) One medical doctor who is an expert in the field of
15 pediatrics.

16 (6) Two members who are medical doctors representing
17 specialties which utilize medical cannabis to treat patients.

18 (7) The Physician General.

19 (8) Two members who are registered nurses.

20 (9) A licensed pharmacist.

21 (c) Meetings.--The board shall meet within 30 days of
22 confirmation of the members and shall:

23 (1) Establish procedures to operate the board.

24 (2) Develop applications and other forms for licensure
25 and occupation permits and enforcement of this act and
26 certifications for testing laboratories.

27 (3) Promulgate regulations, as necessary, to implement
28 and enforce this act.

29 (d) Appointment and qualifications.--Each professional and
30 public member shall be appointed by the Governor with the advice
31 and consent of a majority of the Senate. Each member must comply
32 with all of the following:

33 (1) Be a citizen of the United States and a resident of
34 this Commonwealth.

35 (2) Not hold any other public office during the term on
36 the board.

37 (e) Terms.--

38 (1) A member under subsection (b) (1), (2) or (3) shall
39 serve ex officio.

40 (2) For a member under subsection (b), the following
41 apply:

42 (i) Initial appointments shall be as follows:

43 (A) Three members shall serve for a term of four
44 years.

45 (B) Three members shall serve for a term of
46 three years.

47 (C) Two members shall serve for a term of two
48 years.

49 (ii) Each subsequent term shall be for four years or
50 until a successor has been appointed and qualified, which
51 may not be longer than six months beyond the four-year

1 period.
2 (iii) A member may not serve more than two
3 consecutive terms.
4 (f) Quorum.--A majority of the members of the board shall
5 constitute a quorum. Each member must be physically in
6 attendance to be counted as part of a quorum or to vote on an
7 issue. A majority of the members present shall be necessary for
8 a vote to be considered binding.
9 (g) Chairperson.--The board shall annually select a
10 chairperson from the members of the board.
11 (h) Expenses.--With the exception of ex officio members,
12 each member of the board shall receive \$100 per diem when
13 attending to the work of the board. A member shall also receive
14 the amount of reasonable travel, hotel and other necessary
15 expenses incurred in the performance of the member's duties in
16 accordance with Commonwealth regulations.
17 (i) Forfeiture.--A member who fails to attend three
18 consecutive meetings shall forfeit the member's seat unless the
19 chairman, upon written request from the member, finds that the
20 member should be excused because of illness or death of a family
21 member.
22 (j) Frequency of meetings.--The board shall meet at least
23 once per month for the first 12 months, including and after the
24 initial meeting required by section 302(c). After the first 12
25 months following the establishment of the board, the board shall
26 meet at least six times a year and may meet at additional times
27 as necessary to conduct the business of the board.
28 Section 303. Powers and duties of board.
29 The board shall have the following powers and duties:
30 (1) To provide for and regulate the licensing of the
31 following:
32 (i) A medical cannabis grower under section 501.
33 (ii) A medical cannabis processor under section 502.
34 (iii) A medical cannabis dispenser under section
35 503.
36 (2) To issue occupation permits to medical cannabis
37 employees.
38 (3) To issue certifications to testing laboratories
39 under section 511.
40 (4) To issue, deny, renew, reinstate or refuse to renew,
41 suspend and revoke licenses, certifications of testing
42 laboratories and occupation permits in accordance with this
43 act.
44 (5) To implement procedures to allow the expansion of
45 qualified medical conditions for which a patient may obtain
46 medical cannabis under section 703.
47 (6) To administer and enforce the provisions of this
48 act.
49 (7) To investigate and conduct background checks for
50 each application for a license or occupation permit to
51 determine the fitness and eligibility of a person applying

1 for a license or occupation permit.

2 (8) To establish fees for application and renewal of
3 licenses and occupation permits and the due dates for all
4 fees.

5 (9) To charge for services related to the enforcement
6 and administration of this act. Billings shall be submitted
7 at least quarterly and all charges shall be itemized.

8 (10) To keep minutes and records of each transaction and
9 proceeding.

10 (11) To provide standards for the appearance of
11 dispensers to ensure a professional atmosphere.

12 (12) To require site plans, including streets, property
13 lines, buildings, security features and access to water
14 sources.

15 (13) To require utilization of any prescription
16 monitoring program established by the Commonwealth by a
17 health care practitioner to review a patient's pharmaceutical
18 history.

19 (14) To establish an electronic verification system that
20 can be accessed by health care practitioners, the Department
21 of Health, patients, the Bureau of Professional and
22 Occupational Affairs, law enforcement personnel and other
23 individuals designated by the board to verify individual
24 medical cannabis access cards and determine whether the
25 identification number corresponds with a current, valid
26 registry identification card and that the cardholder is a
27 registered qualifying patient or a patient representative.
28 The verification system:

29 (i) Must be available on a 24-hour basis for the
30 verification of medical cannabis access cards.

31 (ii) May only disclose the validity of the card,
32 whether the cardholder is a qualified patient or a
33 patient representative and the registry identification
34 number of the patient.

35 (iii) Must determine whether a medical cannabis
36 access card has been suspended or revoked.

37 (15) To establish an electronic tracking system to be
38 used by the department to track the growing, processing,
39 transporting, dispensing and delivery of all medical cannabis
40 products between growers, processors, laboratories, transport
41 entities, dispensers and other persons engaged in activities
42 regulated under this act. The electronic tracking system must
43 include:

44 (i) Date, time, quantity and price of each sale of
45 medical cannabis to a qualified patient or patient
46 representative.

47 (ii) Each daily record of plants and products grown
48 and possessed by a licensee, including date of harvest,
49 batch number, origin and strain, number of seeds or
50 cuttings planted, chemical additives, disposal and other
51 information required by the board.

1 (iii) Each sale, transport and other activity as
2 deemed necessary by the department.

3 (iv) Records of transport to and from testing
4 laboratories and the results of testing.

5 (v) An inventory control system, including each
6 day's beginning inventory, acquisitions, harvests, sales,
7 disbursements, disposals and ending inventory.

8 Information must be added to the electronic tracking
9 system under this paragraph on a daily basis.

10 (16) To establish a medical cannabis registry to ensure
11 adequate availability of different strains and concentrations
12 of medical cannabis.

13 (17) To develop regular inspection schedules, unannounced
14 inspections, procedures and other enforcement measures to
15 regulate all medical cannabis growers, processors, dispensers
16 and testing laboratories.

17 (18) To inspect, at any time, premises occupied or used
18 for the production, preparation, testing, packaging,
19 processing, storage, sale, distribution and transport of
20 medical cannabis.

21 (19) To develop standards and requirements for the
22 implementation, use and maintenance of security systems.

23 (20) To submit annually to the department an estimate of
24 financial requirements of the board, including
25 administrative, legal and other expenses.

26 (21) To develop a system for mandatory and voluntary
27 recall of defective products or medical cannabis.

28 (22) To develop standards for creation and maintenance
29 of qualifying patient records.

30 (23) To promulgate regulations to implement this act,
31 including:

32 (i) The receipt of medical cannabis for study and
33 research of the health benefits of medical cannabis by
34 accredited research institutions, universities and
35 colleges in this Commonwealth.

36 (ii) Determination of required quality and safe
37 clinical strength of medical cannabis.

38 (iii) Print advertising and marketing of medical
39 cannabis.

40 (iv) Containers, tracking and testing.

41 (v) Packaging and labeling by licensed growers,
42 licensed processors and licensed dispensers. Regulations
43 under this subparagraph shall require labeling to
44 specify:

45 (A) date of packaging;

46 (B) use-by date;

47 (C) cultivation site;

48 (D) instructions to keep the product in the
49 package;

50 (E) warnings related to use, including pregnancy
51 and medical conditions;

- 1 (F) warnings to keep medical cannabis out of
- 2 children's reach;
- 3 (G) other warnings deemed appropriate by the
- 4 board;
- 5 (H) recommended dosages; and
- 6 (I) appropriate methods to administer medical
- 7 cannabis for authorized diseases.

8 (24) To provide for the form and content of the
9 authority given to a registered patient by a health care
10 practitioner to obtain medical cannabis.

11 (25) To adopt requirements relating to the amount of
12 tetrahydrocannabinol authorized for each product and the
13 tetrahydrocannabinol's application to the appropriate
14 qualified medical condition.

15 (26) To consult information published by the American
16 Herbal Pharmacopeia, in the promulgation of regulations.

17 (27) To enforce regulations under this act.

18 (28) To establish record retention policies for persons
19 regulated under this act.

20 Section 304. Subpoena power.

21 The General Counsel of the Commonwealth, or the General
22 Counsel's designee, shall have the power to issue a subpoena on
23 behalf of the board in enforcement, disciplinary and licensing
24 matters before the board in order to investigate an alleged
25 violation in accordance with the following:

26 (1) The power shall not apply to patient records without
27 order of a court of competent jurisdiction showing that the
28 records are reasonably necessary for the conduct of an
29 investigation.

30 (2) The court may impose limitations on the scope of a
31 subpoena as necessary to prevent unnecessary intrusion into
32 patient confidential information.

33 (3) The attorney representing the Commonwealth in a
34 disciplinary matter before the board may apply to
35 Commonwealth Court to enforce the subpoenas.

36 (4) Nothing in this section shall be construed to excuse
37 a person from producing documents and records as requested by
38 the board under any other provision of law.

39 Section 305. Hearing examiners.

40 (a) Appointment.--The Commissioner of Professional and
41 Occupational Affairs, after consultation with the board, shall
42 appoint hearing examiners as necessary to conduct hearings in
43 disciplinary matters before the board.

44 (b) Regulation.--Regulations promulgated by the board shall
45 include the procedural rules to be followed by hearing examiners
46 under this act. Each proceeding shall be conducted in accordance
47 with 2 Pa.C.S. (relating to administrative law and procedure).

48 (c) Powers.--A hearing examiner shall have the following
49 powers:

50 (1) To conduct hearings.

51 (2) To issue subpoenas requiring:

- 1 (i) The attendance and testimony of individuals.
- 2 (ii) The production of pertinent records or other
- 3 papers by persons whom the examiner believes have
- 4 information relevant to matters pending before the
- 5 examiner.
- 6 (3) To issue decisions.

7 Section 306. Civil penalties.

8 (a) Authorization.--The board shall adopt a schedule of
9 civil penalties for operating without a current, registered,
10 unsuspended and unrevoked license, certificate or occupation
11 permit and for violations of this act. The schedule shall be
12 published in the Pennsylvania Bulletin.

13 (b) Imposition.--An agent of the board may issue citations
14 and impose penalties for a violation of this chapter. A citation
15 or a penalty may be appealed to a hearing examiner or the board
16 pursuant to regulations promulgated by the board. If the matter
17 is initially referred to a hearing examiner, the board shall
18 render a decision on an exception to the decision of the hearing
19 examiner or on any applications for review under 2 Pa.C.S.
20 (relating to administrative law and procedure).

21 (c) Board sanction.--

22 (1) In addition to any other penalty authorized by law,
23 the board may impose the following sanctions:

24 (i) Revocation of the license, permit or certificate
25 of a person convicted of a criminal offense or violation
26 of this act or regulations of the board which would
27 disqualify the holder from growing, processing or
28 dispensing medical cannabis.

29 (ii) Revocation of the license of a person for
30 willfully and knowingly violating or attempting to
31 violate an order of the board directed to the person.

32 (iii) Revocation of an occupation permit or
33 certificate of a person for willfully and knowingly
34 violating or attempting to violate an order of the board
35 directed to the person.

36 (iv) Suspension of the license, permit or
37 certificate of a person pending the outcome of a hearing
38 in a case in which a license, occupation permit or
39 certification revocation could result.

40 (v) Suspension of the license of a licensed grower,
41 processor or dispenser for a violation or attempt to
42 violate any provisions of this act.

43 (vi) Assessment of an administrative penalty as
44 necessary to address misconduct and deter future
45 violations.

46 (vii) Ordering of restitution of funds or property
47 unlawfully obtained or retained by a licensee.

48 (viii) Entrance of a cease and desist order which
49 specifies the conduct which is to be discontinued,
50 altered or implemented by the licensee.

51 (2) If the board refuses to issue or renew a license,

1 certificate or occupation permit or imposes a penalty under
2 paragraph (1), the board shall provide the applicant,
3 licensee, certificate holder or permit holder with written
4 notification of the decision, including a statement of the
5 reasons for the decision by certified mail within five
6 business days of the decision of the board. The applicant,
7 licensee, certificate holder or permittee shall have the
8 right to appeal the decision in accordance with 2 Pa.C.S.
9 Chs. 5 (relating to practice and procedure) and 7 (relating
10 to judicial review).

11 (3) A person who aids, abets, counsels, induces,
12 procures or causes another person to violate this act shall
13 be subject to all sanctions and penalties provided under this
14 subsection.

15 (d) Additional powers.--In addition to the penalties under
16 subsections (b) and (c), the board shall have the power to do
17 the following:

18 (1) Levy a civil penalty of not more than \$25,000 for a
19 violation of this act.

20 (2) Impose a civil penalty of up to \$15,000 per
21 violation if a person aids and abets the unlicensed growing,
22 processing, distribution or dispensing of medical cannabis.
23 The penalty may not be levied against a person solely as a
24 consequence of that person being a registered patient of the
25 unlicensed person.

26 (3) Assess against a respondent determined to be in
27 violation of this act the costs of investigation underlying
28 that disciplinary action. The cost of investigation shall not
29 include costs incurred by the board after the filing of
30 formal actions or disciplinary charges against a respondent.

31 (e) Judgment.--A civil penalty imposed under this section
32 shall be a judgment in favor of the board upon the person or
33 property of the person upon whom the civil penalty is imposed.
34 The Attorney General shall be responsible for enforcing the
35 judgments in courts of competent jurisdiction in accordance with
36 the provisions of 42 Pa.C.S. (relating to judiciary and judicial
37 procedure).

38 Section 307. Confidentiality.

39 (a) General rule.--Investigative records of the board,
40 including prosecutorial memos and transcripts of deposition on
41 behalf of the board or concerning a licensure-related complaint
42 filed with the department, shall be confidential and privileged.
43 The following shall apply:

44 (1) No person who has investigated or has access to or
45 custody of documents, materials or information which is
46 confidential and privileged under this section may be
47 required to testify in a judicial or administrative
48 proceeding without the written consent of the board unless
49 directed to do so by a court of competent jurisdiction.

50 (2) This subsection shall not preclude or limit
51 introduction of the contents of an investigative file or

1 related witness testimony in a hearing or proceeding before
2 the board.

3 (3) This section shall not apply to a letter or other
4 document to a licensee, occupation permittee or certificate
5 holder that discloses the final outcome of an investigation
6 or to a final adjudication or order of the board.

7 (b) Disclosure permitted.--Except as provided in subsection
8 (a), this section shall not prevent disclosure of documents,
9 materials or information pertaining to the status of a license,
10 certificate or occupation permit or the sharing of information
11 with law enforcement officials or similar regulatory boards in
12 other jurisdictions. A violation of this section shall subject
13 an employee or agent of the board to administrative discipline,
14 including discharge, suspension or other formal or appropriate
15 disciplinary action.

16 (c) Affidavit.--Each employee or agent of the board must
17 execute a confidentiality affidavit which provides that
18 documents, materials or information in subsection (a) obtained
19 by the employee or agent shall be considered confidential and
20 may be disclosed only as permitted under this section.

21 (d) Waiver.--The board may not require an applicant to waive
22 any confidentiality under this section as a condition for the
23 approval of a license or other action of the board.
24 Section 308. Financing.

25 (a) Setting of fees.--Beginning two years after the
26 effective date of this subsection, all fees required under this
27 act shall be fixed by the board by regulation. If revenue raised
28 by fees, fines and civil penalties imposed under this act are
29 not sufficient to meet expenditures over a two-year period, the
30 board shall increase those fees by regulation under section
31 303(23) so that the projected revenues will meet or exceed
32 projected expenditures.

33 (b) Renewal fees.--Beginning two years after the effective
34 date of this subsection, all renewal fees shall be deposited
35 into the account.

36 (c) Inadequate fees.--If the Bureau of Professional and
37 Occupational Affairs determines that the fees established by the
38 board under subsection (a) are inadequate to meet the minimum
39 enforcement efforts required by this act, then the bureau, after
40 consultation with the board, shall increase the fees by
41 regulation under section 303(23) in an amount that adequate
42 revenues are raised to meet the required enforcement effort.

43 (d) Disposition.--Fees, fines and civil penalties imposed
44 and collected under this act shall be for the exclusive use of
45 the board in carrying out this act and shall be annually
46 appropriated from the account for that purpose. This subsection
47 shall not apply to an initial license fee.

48 (e) Charging of fees.--The board may charge a reasonable
49 fee, as set by the board by regulation under section 303(23),
50 for all examinations, enforcement activities, registrations,
51 certificates, audits, licensures or applications permitted by

1 this act or a regulation under this act.

2 (f) Civil penalties.--All civil penalties shall be deposited
3 into the account.

4 Section 309. Records and reports.

5 (a) Records.--Each record of activities required under this
6 act must be retained for a period of at least two years unless
7 otherwise required by the board.

8 (b) Reports to department.--The board shall submit annually
9 to the department an estimate of the financial requirements of
10 the board for its administrative, investigative, legal and
11 miscellaneous expenses.

12 (c) Reports to the Appropriations Committee of the Senate
13 and the Appropriations Committee of the House of
14 Representatives.--The board shall submit annually to the
15 Appropriations Committee of the Senate and the Appropriations
16 Committee of the House of Representatives, 15 days after the
17 Governor has submitted his budget to the General Assembly, a
18 copy of the budget request for the upcoming fiscal year which
19 the board previously submitted to the department.

20 (d) Reports to other legislative committees.--The board
21 shall submit annually a report to the Consumer Protection and
22 Professional Licensure Committee of the Senate and to the
23 Professional Licensure Committee of the House of Representatives
24 containing a description of the types of complaints received,
25 status of cases, board action which has been taken and the
26 length of time from the initial complaint to final board
27 resolution. The report shall also include a statement of the
28 numbers and types of licenses granted.

29 CHAPTER 5

30 LICENSING

31 Section 501. Medical cannabis growers.

32 (a) Licensing.--The board shall license not more than 65
33 medical cannabis growers to supply medical cannabis for
34 distribution to medical cannabis processors and medical cannabis
35 dispensers under this act.

36 (b) Imposition.--At the time of license issuance, the board
37 shall impose a licensing fee in the amount of \$50,000. The board
38 shall impose an initial \$5,000 annual renewal fee for each year
39 immediately following the year the license was issued. Renewal
40 fees shall thereafter be subject to adjustment under section
41 308.

42 (c) Term.--Upon payment of the fee under subsection (b), a
43 grower's license shall be in effect unless suspended, revoked or
44 not renewed by the board for good cause.

45 (d) Update.--A licensee under this section must notify the
46 board of a change relating to the status of its license or other
47 information contained in its application and other information
48 filed with the board.

49 (e) Deposit.--The licensure fee under subsection (b) shall
50 be deposited into the General Fund. Renewal fees under
51 subsection (b) shall be deposited into the account.

1 (f) Restriction.--There shall be no restriction on specific
2 strains of medical cannabis that may be grown under this act.
3 Use of genetically modified organisms or an organism whose
4 genetic material has been altered using genetic engineering may
5 not be used in the cultivation of medical cannabis.

6 (g) Requirements.--A medical cannabis grower shall:

7 (1) Only grow medical cannabis using conventional
8 growing methods approved by the board in consultation with
9 the Department of Agriculture.

10 (2) Submit to preoperational and postoperational
11 announced and unannounced inspections by the board or the
12 department.

13 (3) Grow cannabis only in an indoor, enclosed, secure
14 facility.

15 (4) Conduct quality testing utilizing a testing
16 laboratory certified by the board prior to the sale of
17 medical cannabis and submit to random testing of medical
18 cannabis conducted by the board.

19 (5) Package and label medical cannabis products in
20 accordance with regulations of the board.

21 (6) Only sell, transport or deliver medical cannabis to
22 a medical cannabis processor, certified laboratory or medical
23 cannabis dispenser.

24 (7) Provide information relating to the enclosed, secure
25 facility where medical cannabis will be grown, harvested or
26 stored, including electronic locking systems, limited access
27 areas, secure storage and disposal procedures, electronic
28 surveillance and other features required by the board.

29 (8) Provide a cultivation, inventory and packaging plan
30 and procedures for the oversight of the cultivation area,
31 including a plant monitoring system, container tracking
32 system and staffing plan.

33 (9) Maintain daily records of plants, sales and other
34 activities, as required by the board.

35 (10) Perform a weekly physical inventory of all plants
36 and containers.

37 (11) Notify law enforcement within 24 hours of any loss
38 or theft of medical cannabis and record the loss or theft in
39 the electronic tracking system.

40 (12) Utilize any electronic tracking system required by
41 the board.

42 (h) Prohibitions.--A medical cannabis grower may not do any
43 of the following:

44 (1) Be located within 1,000 feet of the property line of
45 a public, private or parochial school or a day-care center.

46 (2) Be located in a residential dwelling or an area
47 zoned for residential use.

48 (3) Acquire cannabis from outside this Commonwealth or
49 otherwise in violation of regulations of the board.

50 (4) Permit an individual to consume cannabis on its
51 property.

1 (5) Advertise medical cannabis on radio or television.
2 (i) Exchange.--The board shall promulgate regulations for
3 the exchange of medical cannabis seed and plant materials
4 between growers.
5 Section 502. Medical cannabis processors.
6 (a) Licensing.--The board shall license not more than 65
7 medical cannabis processors to process medical cannabis into
8 oil-based medical cannabis products, including oil, ointments
9 and tinctures. The licensees shall be geographically dispersed
10 throughout this Commonwealth to allow access to processed
11 medical cannabis by medical cannabis dispensers.
12 (b) Imposition.--At the time of license issuance, the board
13 shall impose a licensing fee in the amount of \$50,000. The board
14 shall impose an initial \$5,000 annual renewal fee for each year
15 immediately following the year the license was issued. Renewal
16 fees shall be subject to adjustment and deposit under section
17 308.
18 (c) Term.--Upon payment of the fee under subsection (b), a
19 processor's license shall be in effect unless suspended, revoked
20 or not renewed by the board for good cause.
21 (d) Update.--A licensee under this section must notify the
22 board of a change relating to the status of its license or other
23 information contained in its application and other information
24 filed with the board.
25 (e) Deposit.--The license fee under subsection (b) shall be
26 deposited into the General Fund. Renewal fees shall be deposited
27 into the account.
28 (f) Requirements.--A medical cannabis processor shall do all
29 of the following:
30 (1) Only use extraction and processing methods approved
31 by the board.
32 (2) Submit to preoperational and postoperational
33 announced and unannounced inspections by the board and the
34 department.
35 (3) Conduct quality testing utilizing a certified
36 testing laboratory approved by the board prior to delivery to
37 a dispenser and submit to random testing conducted by the
38 board.
39 (4) Only sell, transport or deliver medical cannabis to
40 a testing laboratory or to a medical cannabis dispenser.
41 (5) Conduct processing activity in a board-approved
42 facility that is indoor, enclosed and secure, and includes an
43 electronic locking system, a limited access area, secure
44 storage and disposal procedures, electronic surveillance and
45 other features required by the board.
46 (6) Provide information relating to the facility and
47 features under paragraph (5).
48 (7) Provide a processing, inventory and packaging plan
49 and procedures for the oversight of the processing facility,
50 including a plant and product monitoring system, container
51 tracking system and staffing plan.

1 (8) Perform a weekly physical inventory of all plants,
2 containers and processing materials.

3 (9) Maintain a daily log of access to medical cannabis
4 received and products shipped.

5 (10) Only sell medical cannabis approved by a certified
6 laboratory to a licensed medical cannabis dispenser.

7 (11) Notify law enforcement within 24 hours of a loss or
8 theft of medical cannabis and record the loss or theft in the
9 electronic tracking system.

10 (12) Maintain daily records of all sales and other
11 activities as required by the board.

12 (13) Utilize any electronic tracking system required by
13 the board.

14 (g) Prohibitions.--A medical cannabis processor may not do
15 any of the following:

16 (1) Be located within 1,000 feet of the property line of
17 a public, private or parochial school or a day-care center.

18 (2) Be located in a residential dwelling or an area
19 zoned for residential use.

20 (3) Acquire cannabis from anyone other than a licensed
21 medical cannabis grower.

22 (4) Obtain cannabis from outside this Commonwealth.

23 (5) Process cannabis for any purpose except to provide
24 medical cannabis to a licensed medical cannabis dispenser.

25 (6) Advertise medical cannabis on radio or television.

26 Section 503. Medical cannabis dispensers.

27 (a) Licensing.--The board shall license not more than 130
28 medical cannabis dispensers to accept medical cannabis access
29 cards and dispense medical cannabis to a registered patient or
30 patient representative in accordance with the instructions of a
31 health care practitioner. The licensees shall be geographically
32 dispersed throughout this Commonwealth to allow all registered
33 patients reasonable proximity and access to medical cannabis by
34 a medical cannabis dispenser.

35 (b) Imposition.--At the time of license issuance, the board
36 shall impose a licensing fee in the amount of \$50,000. The board
37 shall impose an initial \$5,000 annual renewal fee for each year
38 immediately following the year the license was issued. Renewal
39 fees shall be subject to adjustment under section 308.

40 (c) Term.--Upon payment of the fee under subsection (b), a
41 dispenser's license shall be in effect unless suspended, revoked
42 or not renewed by the board for good cause.

43 (d) Update.--A licensee under this section must notify the
44 board of a change relating to the status of its license,
45 operation or other information contained in its application and
46 other information filed with the board.

47 (e) Deposit.--The license fee under subsection (b) shall be
48 deposited into the General Fund. Renewal fees shall be deposited
49 into the account.

50 (f) Requirements.--A medical cannabis dispenser shall do all
51 of the following:

1 (1) Maintain an ongoing connection with the Department
2 of Health's individual verification system to verify medical
3 cannabis access cards.

4 (2) Submit to preoperational and postoperational
5 announced and unannounced inspections by the board and the
6 department.

7 (3) Prior to dispensing medical cannabis, access the
8 verification system to ensure that the individual seeking to
9 purchase medical cannabis holds a medical cannabis access
10 card in effect at the time of purchase.

11 (4) Maintain a daily log of all medical cannabis sold
12 and dispensed. The log shall include:

13 (i) The name of the registered patient or patient
14 representative that holds the medical cannabis access
15 card.

16 (ii) The amount and dosage of the medical cannabis
17 recommended by the physician.

18 (iii) The qualified medical condition of the
19 patient.

20 (iv) The amount of medical cannabis dispensed.

21 (v) The date and time of each dispensing to the
22 cardholder.

23 (vi) The dispensary agent's registry number.

24 (vii) The signature and date of the patient or
25 patient representative.

26 (5) Provide reports as required by the board relating to
27 amounts dispensed.

28 (6) Dispense no more than 2.5 ounces of cannabis to a
29 patient, directly or via a patient representative, in a 14-
30 day period unless the qualifying patient has a quantity
31 waiver from the Department of Health.

32 (7) Only accept written certifications from a health
33 care practitioner for no more than the 28-day supply periods.
34 Thereafter, a new written certification from the health care
35 practitioner shall be required.

36 (8) Comply with recommendations of the health care
37 practitioner as to strain, dosage and amount of medical
38 cannabis dispensed.

39 (9) Provide all registered patients and patient
40 representatives with a safety insert developed by the
41 Department of Health which includes:

42 (i) Methods for administering medical cannabis.

43 (ii) Potential dangers.

44 (iii) Recognition and correction of problematic
45 dosage.

46 (iv) Other information required by the department.

47 (10) Sell only medical cannabis that has received
48 approval from a testing laboratory.

49 (11) Maintain an electronic security system, including
50 all of the following:

51 (i) Electronic surveillance.

- 1 (ii) An electronic locking system.
2 (iii) A locked door or barrier between the entry and
3 a limited access area for patients, storage, disposal and
4 other processes.

5 (12) Provide for the supervision of the dispensing of
6 medical cannabis at all times by an individual. The board
7 shall determine the qualifications required to supervise the
8 dispensing which may include individuals with health care,
9 educational, pharmaceutical, management or other education or
10 training as determined by the board.

11 (13) Display appropriate signage as required by the
12 board.

13 (14) Provide the proposed address of the enclosed,
14 secure facility where medical cannabis will be dispensed.

15 (15) Provide an inventory and packaging plan and
16 procedures for the oversight of the dispensing facility,
17 including compliance with the inventory control system
18 developed under section 303(15), staffing plan and security
19 plan.

20 (16) Appoint a physician to function as a medical
21 director to serve on site or who is able to be contacted. The
22 medical director must:

23 (i) Provide training to dispensary employees.

24 (ii) Develop patient education.

25 (iii) Develop a policy for refusing to dispense
26 medical cannabis to an individual who appears to be
27 impaired or abusing medical cannabis.

28 (17) Perform a weekly physical inventory of all medical
29 cannabis and medical cannabis products.

30 (18) Obtain medical cannabis only from a medical
31 cannabis processor.

32 (19) Notify law enforcement within 24 hours of a loss or
33 theft of medical cannabis and record the loss or theft in the
34 electronic tracking system.

35 (20) Utilize any electronic tracking system required by
36 the board.

37 (g) Prohibitions.--A medical cannabis dispenser may not do
38 any of the following:

39 (1) Be located within 1,000 feet of the property line of
40 a public, private or parochial school or a day-care center.
41 The board may adjust or waive the prohibition under this
42 paragraph if it is shown by clear and convincing evidence
43 that the adjustment or waiver is necessary to provide
44 adequate access to patients. An adjustment or waiver must
45 include any additional security, physical plant or other
46 conditions necessary to protect children.

47 (2) Be located in a residential dwelling or an area
48 zoned for residential use.

49 (3) Obtain cannabis from outside this Commonwealth.

50 (4) Sell medical cannabis for any purpose except to a
51 registered patient or a patient representative.

1 (5) Permit an individual to consume cannabis on its
2 property.

3 (6) Sell products which contain nicotine or alcohol.

4 (7) Sell medical cannabis over the Internet or to a
5 person not physically present at its location.

6 (8) Advertise medical cannabis on radio or television.

7 Section 504. Applications.

8 (a) Application.--An application for a grower, processor or
9 dispenser license must be submitted on a form and in a manner as
10 required by the board. In reviewing an application, the board
11 shall confirm that all applicable fees have been paid.

12 (b) Information.--An applicant for a grower, processor or
13 dispenser license under this act must do all of the following:

14 (1) Disclose the following information:

15 (i) Each arrest and citation for a nontraffic
16 summary offense of the applicant.

17 (ii) The name, address and photograph of the
18 applicant and each principal and the principal's position
19 within the corporation or organization.

20 (iii) Any financial information required by the
21 board.

22 (iv) The proposed location of the growing,
23 processing or dispensing operation.

24 (v) The details of each loan obtained to finance the
25 growing, processing or dispensing operation.

26 (vi) The details of any civil judgment against the
27 applicant or the applicant's owners or operators relating
28 to:

29 (A) security regulation laws of the Federal
30 Government;

31 (B) laws relating to the regulation of
32 pharmaceuticals; or

33 (C) laws under 15 Pa.C.S. (relating to
34 corporations and unincorporated associations).

35 (vii) Any other information required by the board.

36 (2) Consent to the conduct of a background investigation
37 by the board, the scope of which shall be determined by the
38 board consistent with this act. Consent shall include a
39 release signed by each person subject to the investigation of
40 information required to complete the investigation.

41 (c) Refusal.--A refusal to provide the information required
42 under this section or to consent to a background investigation
43 shall result in the immediate denial of a license.

44 (d) Character requirements.--Each application for a grower,
45 processor or dispenser license shall include information,
46 documentation and assurances required by the board to establish
47 by clear and convincing evidence that the applicant is a person
48 of good character, honesty and integrity, has appropriate
49 financial suitability and is eligible and suitable to be an
50 owner or operator. Information shall include information
51 pertaining to associates during the 10-year period immediately

1 preceding the filing date of the application.

2 (e) Privilege.--The issuance or renewal of a license under
3 this section shall be a revocable privilege.

4 Section 505. Licensing of owner or operator.

5 (a) License required.--Each owner or operator of an
6 applicant for licensure under this act must obtain an owner or
7 operator license from the board. An owner or operator may only
8 have an interest in the activity under this act for which
9 licensure is sought.

10 (b) Application.--An owner or operator license application
11 shall be in a form prescribed by the board and shall include the
12 following:

13 (1) Verification of status as an owner or operator from
14 a medical cannabis dispenser, grower or processor.

15 (2) A description of responsibilities as an owner or
16 operator.

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

19 (4) Fingerprints, which shall be submitted to the
20 Pennsylvania State Police. The Pennsylvania State Police
21 shall submit fingerprint data to and receive national
22 criminal history record information from the Federal Bureau
23 of Investigation for use in investigating an applicant for an
24 owner or operator license.

25 (5) A photograph that meets the standards of the
26 Commonwealth Photo Imaging Network.

27 (6) Details relating to a similar license, permit or
28 other authorization obtained in another jurisdiction.

29 (7) Any additional information required by the board.

30 (c) Issuance.--Following review of the application and the
31 background investigation, the board may issue an owner or
32 operator license if the applicant has proven by clear and
33 convincing evidence that the applicant is a person of good
34 character, honesty and integrity and is eligible and suitable to
35 be licensed as an owner or operator.

36 (d) Nontransferability.--A license issued under this section
37 shall be nontransferable.

38 (e) Owner or operator.--An individual who receives an owner
39 or operator license need not obtain an occupation permit.

40 (f) Waiver.--The board may waive licensure requirements for
41 an owner of securities in a publicly traded corporation if the
42 board determines that the holder of the securities is not
43 significantly involved in the activities of the applicant.

44 Section 506. Occupation permit for medical cannabis employees
45 and certain patient representatives.

46 (a) Permit required.--Each medical cannabis employee, and
47 each patient representative who is an employee of a health care
48 facility, shall obtain an occupation permit from the board.

49 (b) Application.--An occupation permit application shall be
50 in a form prescribed by the board and shall include the
51 following:

1 (1) Verification of one of the following:

2 (i) The status as a medical cannabis employee or
3 potential medical cannabis employer from a medical
4 cannabis grower, processor or dispenser.

5 (ii) From a health care facility that the patient
6 representative is an employee designated to purchase,
7 possess, transport, deliver and properly administer
8 medical cannabis to a patient with a medical cannabis
9 access card who is unable to obtain the medical cannabis.

10 (2) A description of employment responsibilities.

11 (3) Each release necessary to obtain information from
12 governmental agencies, employers and other organizations.

13 (4) Fingerprints, which shall be submitted to the
14 Pennsylvania State Police. The Pennsylvania State Police
15 shall submit fingerprint data to and receive national
16 criminal history record information from the Federal Bureau
17 of Investigation for use in investigating an applicant for an
18 occupation permit.

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

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

23 (7) Any additional information required by the board.

24 (c) Issuance.--Following review of the application and the
25 background investigation, the board may issue an occupation
26 permit if the applicant has proven by clear and convincing
27 evidence that the applicant is a person of good character,
28 honesty and integrity and is eligible and suitable to be an
29 occupation permit holder.

30 (d) Nontransferability.--An occupation permit issued under
31 this section shall be nontransferable.

32 (e) Privilege.--The issuance or renewal of a permit under
33 this section shall be a revocable privilege.

34 Section 507. Change in ownership.

35 The following apply to notification and approval:

36 (1) A medical cannabis grower, processor or dispenser
37 must notify the board upon becoming aware of a proposed or
38 contemplated change of ownership or control of the licensee.
39 The new owner must pay the licensing fee required under this
40 chapter.

41 (2) The purchaser of the assets of a medical cannabis
42 grower, processor or dispenser must independently qualify for
43 a license in accordance with this act and must pay the
44 license fee required under this chapter.

45 (3) If the ownership of the operation of a licensed
46 grower, processor or dispenser or its affiliate is changed,
47 the new owner must pay the annual renewal fee for each
48 applicable license.

49 Section 508. Location.

50 (a) General rule.--Except as otherwise provided under this
51 act, each grower, processor and dispenser license shall be valid

1 for the specific physical location within the municipality and
2 county for which it was originally granted. A person may not
3 distribute medical cannabis from a location other than a
4 licensed facility.

5 (b) Zoning.--The following shall apply:

6 (1) Facilities for the growing or processing of medical
7 cannabis shall meet the same municipal zoning and land use
8 requirements as other manufacturing, preparation and
9 production facilities.

10 (2) Facilities for the dispensing of medical cannabis
11 shall meet the same municipal zoning and land use
12 requirements as other commercial facilities.

13 (3) Applicants for a grower, processor or distributor
14 license must include a copy of the applicant's zoning
15 approval with the applicant's application. Local zoning
16 approval must be obtained prior to the issuance of a license
17 by the board.

18 (c) Petition.--An applicant or holder of a license under
19 this act may petition the board to relocate its facility. In
20 determining whether to grant a petition to relocate, the board
21 shall do all of the following:

22 (1) Evaluate the proposed new location and the reason
23 for relocation.

24 (2) Evaluate community support and compliance with local
25 ordinances.

26 (3) Consider any other information submitted by the
27 petitioner or required by the board.

28 Section 509. Storage and transportation.

29 The board shall develop regulations relating to the storage
30 and transportation of medical cannabis among growers,
31 processors, testing laboratories and medical cannabis dispensers
32 which ensure adequate security to guard against in-transit
33 losses. The tracking system developed by the board shall include
34 all transportation and storage of medical cannabis. The
35 regulations shall provide for the following:

36 (1) Requirements relating to shipping containers and
37 packaging.

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

40 (3) Security systems that include a numbered seal on the
41 trailer.

42 (4) Obtaining copies of driver's licenses and
43 registrations and other information related to security and
44 tracking.

45 (5) Use of GPS systems.

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

48 (7) Recordkeeping for delivery and receipt of medical
49 cannabis products.

50 (8) Requirements to utilize any electronic tracking
51 system required by the board.

1 Section 510. Disposal and donation.

2 (a) Disposal.--The board shall promulgate regulations
3 relating to disposal of medical cannabis by medical cannabis
4 growers, processors, dispensers and law enforcement.

5 (b) Donation.--A medical cannabis dispenser, grower and
6 processor may donate medical cannabis that has been purchased or
7 produced and tested in this Commonwealth in accordance with this
8 act and is in new and unopened condition and can only be donated
9 for research purposes to an accredited research institution,
10 university or college within this Commonwealth and recognized by
11 the Commonwealth.

12 (c) Tracking.--The electronic tracking system must monitor
13 disposals and donations of medical cannabis by licensees. A
14 medical cannabis grower, processor and dispenser must record
15 disposals and donations in the electronic tracking system.
16 Section 511. Testing laboratories.

17 (a) Certification.--The board shall certify accredited
18 laboratories to test medical cannabis in accordance with
19 regulations of the board.

20 (b) Requirement.--A medical cannabis grower and a medical
21 cannabis processor must utilize a certified laboratory to test
22 the quality of medical cannabis before the sale or transport of
23 medical cannabis is made as required by the board.

24 (c) Duty of board.--The board shall determine the scope and
25 content of information required to certify laboratories,
26 including security requirements.

27 (d) Tracking.--A testing laboratory must notify law
28 enforcement within 24 hours of a loss or theft of medical
29 cannabis and record the loss or theft in the electronic tracking
30 system.

31 Section 512. Licensee prohibitions.

32 (a) Inspection.--A licensee or certified laboratory may not
33 refuse to allow an authorized employee of the department to
34 inspect a licensed premises at any time.

35 (b) Other prohibitions.--A licensee or certified laboratory
36 may be cited under this act for:

37 (1) An unlawful act prohibited by State law which occurs
38 on the licensed premises.

39 (2) An unlawful act which involves a licensee or the
40 licensee's agent or employee.

41 (3) The sale or purchase of an illegal drug by the
42 licensee or by the licensee's agent or employee.

43 CHAPTER 7

44 MEDICAL CANNABIS ACCESS

45 Section 701. Medical cannabis access card.

46 (a) Department of Health.--A patient with a qualified
47 medical condition may register with the Department of Health and
48 be issued a medical cannabis access card.

49 (b) Enforcement.--The Department of Health shall develop
50 regulations to enforce the provisions of this chapter, including
51 revocation or suspension of an access card for violations of

1 this act.

2 (c) Application.--An application for a medical cannabis
3 access card shall be developed by the Department of Health.
4 Applications for renewal shall be required on an annual basis. A
5 patient representative may obtain a medical cannabis access card
6 on behalf of a registered patient. The Department of Health
7 shall require an address, photo and other identifying
8 information on the application.

9 (d) Certification.--Applications and renewals must include
10 written certification from a health care practitioner under
11 section 702(a) that the applicant has a qualified medical
12 condition.

13 (e) Verification.--The Department of Health shall verify the
14 information in the application and renewal form. Verification
15 shall include verification of the certification under subsection
16 (d).

17 (f) Time.--The Department of Health must approve or deny an
18 application within 90 business days.

19 (g) Fee.--The Department of Health shall charge an
20 application fee of not more than \$100 and an annual renewal fee
21 of not more than \$50.

22 (h) Residency.--Except as provided in subsection (1), a
23 patient must reside in this Commonwealth to receive a medical
24 cannabis access card.

25 (i) Verification.--The patient or patient representative
26 must be assigned a registration number and must be placed on the
27 verification system.

28 (j) Duration.--The medical cannabis access card shall be
29 valid for two years from the date of issuance. A replacement
30 card shall have the same expiration date.

31 (k) Notification.--The Department of Health must notify the
32 patient or patient representative that an access card is no
33 longer valid if notice is received from:

34 (1) The patient or health care practitioner that the
35 qualified medical condition is improved and no longer
36 requires medical cannabis.

37 (2) The patient or health care practitioner that the
38 patient no longer has a qualified medical condition or that
39 medical cannabis is no longer therapeutic or palliative.

40 (3) The health care practitioner that the health care
41 practitioner believes the patient is not using the medical
42 cannabis as recommended.

43 (l) Reciprocity.--A patient registered in another state that
44 authorizes medical cannabis and recognizes medical cannabis
45 access cards from patients who are residents of this
46 Commonwealth may submit to the Department of Health the
47 patient's credentials to utilize medical cannabis. The
48 Department of Health shall confirm an out-of-State patient's
49 status as a medical cannabis user in each state with legalized
50 medical cannabis and only grant a medical cannabis access card
51 to a person with a qualified medical condition. After the

1 Department of Health investigates and approves the patient's
2 credentials, the Department of Health shall issue the patient a
3 medical cannabis access card allowing the patient to utilize
4 medical cannabis in this Commonwealth.

5 (m) Patient representative.--

6 (1) A patient representative must be:

7 (i) at least 18 years of age; and

8 (ii) a resident of this Commonwealth.

9 (2) A patient representative shall do all of the
10 following:

11 (i) Register with the Department of Health in a
12 manner prescribed by the Department of Health.

13 (ii) Present, from the registered patient's health
14 care practitioner who prescribed the medical cannabis,
15 certification that the patient is unable to obtain or
16 administer medical cannabis for a good faith medical or
17 physical reason.

18 (iii) Notify the Department of Health within 10
19 business days after:

20 (A) a change to the information that the
21 provider, registered patient or patient
22 representative was required to submit to the
23 Department of Health; and

24 (B) the patient representative discovers that
25 the registry identification has been lost or stolen.

26 (iv) Notify the Department of Health by telephone
27 and in writing within 10 days following the death of the
28 patient representative's registered patient. The
29 Department of Health shall provide instruction to the
30 patient representative regarding the duty to dispose of
31 and means by which the remaining medical cannabis may be
32 disposed.

33 (3) A patient representative may do any of the
34 following:

35 (i) Transport a registered patient to and from a
36 licensed medical cannabis dispenser.

37 (ii) Obtain and transport an appropriate supply in
38 accordance with section 503(f)(6) and (7) of medical
39 cannabis from a medical cannabis dispenser on behalf of a
40 registered patient.

41 (iii) Prepare medical cannabis for consumption by a
42 registered patient.

43 (iv) Administer medical cannabis to a registered
44 patient as recommended by the registered patient's health
45 care practitioner.

46 (4) A patient representative may not do any of the
47 following:

48 (i) Receive payment or other compensation for
49 services provided as a patient representative other than
50 reimbursement for reasonable expenses incurred in the
51 provision of services as a patient representative. In the

1 case of an employee of a health care facility serving as
2 a patient representative, the individual may not receive
3 payment or compensation above or beyond the individual's
4 regular wages.

5 (ii) Consume medical cannabis which has been
6 dispensed on behalf of a registered patient.

7 (iii) Sell, provide or otherwise divert medical
8 cannabis which has been dispensed to a registered
9 patient.

10 (iv) Grow or cultivate medical cannabis on behalf of
11 any individual.

12 (v) Purchase medical cannabis from an unlicensed
13 source.

14 (vi) Obtain medical cannabis from a registered
15 patient or a patient representative.

16 (5) If a patient representative previously employed by a
17 health care facility is no longer employed by the health care
18 facility, the authority to obtain medical cannabis using a
19 medical cannabis access card or other form of authorization
20 issued by the Department of Health shall be void. A health
21 care facility that employs a patient representative to pick
22 up, deliver or administer medical cannabis to registered
23 patients shall notify the Department of Health immediately
24 upon termination of the patient representative's employment.

25 (6) The Department of Health shall promulgate
26 regulations relating to patient representatives, including
27 the form of authorization to be utilized.

28 (n) Confidentiality.--The Department of Health shall
29 maintain a verification system that includes the names of each
30 individual who has been issued a medical cannabis access card or
31 authorized to act as a patient representative. The information
32 on the list shall be confidential and shall not be considered a
33 public record under the act of February 14, 2008 (P.L.6, No.3),
34 known as the Right-to-Know Law. The list may not be disclosed
35 except to any of the following:

36 (1) Authorized employees of the board, the Department of
37 Health and the Bureau of Professional and Occupational
38 Affairs as necessary to perform official duties of the board
39 and the Department of Health.

40 (2) Authorized employees of the board and the Department
41 of Health, as necessary to verify that a person who is
42 engaged in the suspected or alleged medical use of cannabis
43 is lawfully in possession of a medical cannabis access card.

44 (3) Licensed dispensers as necessary to verify
45 information and identity.

46 (4) Law enforcement as provided under section 906.

47 (5) Health care practitioners.

48 Section 702. Health care practitioners.

49 (a) Requirements.--A health care practitioner may recommend
50 the use of medical cannabis to a patient if the health care
51 practitioner complies with all of the following:

1 (1) Has a good faith practitioner-patient relationship
2 with the patient, not limited to a certification for the
3 patient to use medical cannabis or a consultation simply for
4 that purpose.

5 (2) Practices within this Commonwealth at an established
6 place of practice.

7 (3) Registers with the department if required by
8 department regulation.

9 (4) Has responsibility for the ongoing care and
10 treatment of the patient as long as the ongoing care
11 treatment is not limited to or for the primary purpose of
12 certifying a qualifying medical condition.

13 (5) Has completed and documented an in-person full
14 assessment of the patient's medical history and current
15 medical condition not more than 90 days prior to making the
16 certification for medical cannabis. The assessment shall
17 include a review of medical records from other treating
18 health care practitioners from the previous 12 months.

19 (6) Certifies that the patient is under the physician's
20 care for, and that the physician has expertise in, the
21 patient's qualifying medical condition.

22 (7) Certifies that in the physician's professional
23 opinion, the patient is likely to receive therapeutic or
24 palliative benefit from the medical use of cannabis to treat
25 or alleviate the patient's qualifying medical condition or
26 symptoms associated with the condition.

27 (8) Bases each written certification to receive medical
28 cannabis on generally accepted standards of medical practice.

29 (9) Has adopted a recordkeeping system for all patients
30 for whom the physician has recommended the use of medical
31 cannabis.

32 (b) Prohibitions.--A health care practitioner may not do any
33 of the following:

34 (1) Accept, solicit or offer a form of remuneration from
35 or to:

36 (i) a patient, except normal medical examination
37 costs;

38 (ii) a patient representative;

39 (iii) a licensed grower, licensed processor or
40 licensed dispenser; or

41 (iv) an principal officer, employee or agent of a
42 person listed in subparagraph (i), (ii) or (iii).

43 (2) Offer a discount or an item of value to a patient
44 who uses or agrees to use a particular patient representative
45 or medical cannabis dispenser to obtain medical cannabis.

46 (3) Conduct an examination of a patient for purposes of
47 diagnosing a qualifying medical condition at a location where
48 medical cannabis is sold or distributed.

49 (4) Hold a direct or indirect economic interest in, or
50 serve on the board of, a licensed medical cannabis grower,
51 licensed medical cannabis processor or licensed medical

1 cannabis dispenser.

2 (5) Refer a patient to a particular licensed medical
3 cannabis dispenser.

4 (6) Advertise in a facility of a licensed medical
5 cannabis grower, licensed medical cannabis processor or
6 licensed medical cannabis dispenser.

7 (7) Issue a written certification to receive medical
8 cannabis to a member of the health care practitioner's
9 family.

10 (c) Written certification.--A health care practitioner shall
11 issue a written certification that includes the following:

12 (1) The date and signature of the health care
13 practitioner.

14 (2) A statement that in the health care practitioner's
15 opinion the patient is likely to receive therapeutic or
16 palliative benefit from the medical use of cannabis to treat
17 or alleviate a qualified medical condition or symptoms
18 associated with the qualified medical condition.

19 (3) Specification of the qualified medical condition.

20 (4) A statement that the qualifying patient is under the
21 health care practitioner's care for the qualified medical
22 condition.

23 (5) The recommended dosage and total amount of medical
24 cannabis being recommended.

25 (d) Limitation.--A written certification may not be for more
26 than 2.5 ounces of medical cannabis for a patient in a 14-day
27 period unless the patient has a quantity waiver from the
28 Department of Health.

29 (e) Veterans.--A veteran who has received treatment at a
30 Veterans' Administration hospital shall be deemed to have a bona
31 fide physician-patient relationship with a Veterans'
32 Administration physician if the patient has been seen for the
33 qualified medical condition in accordance with Veterans'
34 Administration protocols.

35 Section 703. Expansion of medical conditions.

36 (a) Petition.--Beginning July 1, 2017, the board may accept
37 petitions from a resident of this Commonwealth to add additional
38 qualified medical conditions to those conditions for which a
39 patient may receive medical cannabis.

40 (b) Requirements.--A petition under subsection (a):

41 (1) must be limited to a single proposed qualified
42 medical condition;

43 (2) must be in a form prescribed by the board;

44 (3) must include a description of the specific medical
45 condition which is the subject of the petition; and

46 (4) must not request approval for broad categories of
47 illnesses.

48 (c) Review.--Upon receipt of a petition under subsection
49 (a), the board shall do all of the following:

50 (1) Review the petition received for the addition of a
51 qualified medical condition which would benefit from the use

1 of medical cannabis. The board may consolidate petitions for
2 the same or similar condition.

3 (2) Review new or current medical and scientific
4 evidence pertaining to currently approved conditions.

5 (3) Consult medical and scientific experts as necessary
6 to adequately review the petition.

7 (4) Analyze the following:

8 (i) Information about why conventional medical
9 therapies are not sufficient to treat or alleviate the
10 impact of the condition or disease.

11 (ii) The proposed benefits from the use of medical
12 cannabis.

13 (iii) Evidence from the medical community and other
14 experts supporting the use of medical cannabis to
15 alleviate suffering caused by the condition or disease or
16 its treatment.

17 (iv) Letters of support from licensed health care
18 providers knowledgeable about the condition or disease,
19 including letters from physicians with whom the
20 petitioner has a physician-patient relationship.

21 (v) Medical or scientific documentation.

22 (d) Action.--The board shall approve or deny a petition in
23 accordance with regulations promulgated by the board.

24 Section 704. Medical use permitted.

25 (a) General rule.--The cultivation, possession, acquisition,
26 use, delivery, processing, dispensing or transportation of
27 medical cannabis by a person who, at the time the cultivation,
28 possession, acquisition, use, delivery, processing, dispensing
29 or transportation occurs, possesses a valid license,
30 occupational permit, certificate or medical cannabis access card
31 under this act and is in compliance with all applicable terms
32 under this act shall not be unlawful under any provision of law.

33 (b) Access card.--

34 (1) Possession of or application for a medical cannabis
35 access card may not alone constitute probable cause to search
36 a person, the person's property or otherwise subject the
37 person or property to inspection by a governmental agency.

38 (2) Paragraph (1) does not apply to a patient under 18
39 years of age unless all of the following have occurred:

40 (i) The minor's health care practitioner has
41 explained to the minor and the minor's custodial parent,
42 guardian or person having legal custody the potential
43 risks and benefits of medical cannabis.

44 (ii) The custodial parent, guardian or person having
45 legal custody consents in writing to:

46 (A) Allow the minor's use of medical cannabis.

47 (B) Serve as the minor's patient representative.

48 (C) Control the acquisition, dosage and

49 frequency of the minor's use of medical cannabis.

50 (c) Restriction.--An individual who has been convicted,
51 adjudicated delinquent or granted accelerated rehabilitative

1 disposition or who pleads guilty or nolo contendere for any
2 offense shall not be disqualified from obtaining or possessing a
3 valid medical cannabis access card on the basis of the offense.
4 Section 705. Authorized use.

5 The use of cannabis products mixed into food or drinks to
6 facilitate ingestion by a patient in a facility or residence
7 shall not violate the ban on edible cannabis products. Any food
8 mixed with medical cannabis under this section may not be sold
9 to any person.

10 Section 706. Health insurance.

11 Nothing in this act shall be construed to require a State
12 government medical assistance program or private health insurer
13 to reimburse a person for costs associated with the medical use
14 of cannabis or an employer to accommodate the medical use of
15 cannabis in a workplace.

16 Section 707. Sovereign immunity.

17 The Commonwealth may not be held liable for any deleterious
18 outcomes resulting from the medical use of cannabis by a
19 registered patient.

20 CHAPTER 9

21 PROTECTION, PROHIBITIONS, 22 ENFORCEMENT AND PENALTIES

23 Section 901. Civil discrimination protection.

24 The following shall apply:

25 (1) For the purposes of medical care, a patient's
26 authorized use of medical cannabis under this act shall be
27 considered the equivalent of the use of other medication
28 under the direction of a health care practitioner. Medical
29 cannabis, when used in accordance with this act, may not be
30 considered an illicit substance or otherwise disqualify a
31 patient from medical care.

32 (2) An individual may not be penalized in any of the
33 following ways due to the individual's use of medical
34 cannabis under this act:

35 (i) Denied custody, visitation or parenting time
36 with a minor child.

37 (ii) Presumed to neglect or endanger a minor child
38 unless the individual's behavior creates an unreasonable
39 danger to the safety of the minor by clear and convincing
40 evidence.

41 (3) A landlord may not refuse to lease or otherwise
42 penalize a patient solely for having a medical cannabis
43 access card or using medical cannabis in accordance with this
44 act unless the landlord would lose a monetary or licensing-
45 related benefit under Federal law or regulation.

46 (4) A school may not refuse to enroll or otherwise
47 penalize a patient solely for having a medical cannabis
48 access card or using medical cannabis in accordance with this
49 act unless the school would lose a monetary or licensing-
50 related benefit under Federal law or regulation.

51 (5) An employer may not discriminate against an

1 individual in the hiring or termination of benefits or
2 otherwise penalize the individual for being a medical
3 cannabis access cardholder. The following shall apply:

4 (i) The employer may take an individual's status as
5 a cardholder into account only if the employer can prove
6 the employee is abusing or misusing the employee's
7 medical cannabis on the premises of the place of
8 employment during ordinary hours of employment or if
9 failure to do so would cause an employer to lose a
10 licensing benefit under Federal law or regulation.

11 (ii) An individual's positive drug test for cannabis
12 components or metabolites may not be considered by an
13 employer unless the individual unlawfully used, possessed
14 or was impaired by the medical cannabis while on the
15 premises of the place of employment or during the hours
16 of employment.

17 Section 902. Prohibitions and use.

18 (a) Prohibitions.--

19 (1) A registered patient may not operate or be in
20 physical control of any of the following while under the
21 influence with a blood content of more than 10 nanograms of
22 active tetrahydrocannabinol per milliliter of blood in serum:

23 (i) A motor vehicle.

24 (ii) An aircraft.

25 (iii) A motor boat.

26 (iv) Heavy machinery.

27 (v) A mode of transportation in a manner that would
28 constitute an offense under 75 Pa.C.S. Ch. 38 (relating
29 to driving after imbibing alcohol or utilizing drugs).

30 (2) A registered patient may not undertake any task
31 under the influence of medical cannabis when doing so would
32 constitute negligence or professional malpractice.

33 (3) A person may not allow medical cannabis obtained by
34 a registered patient to be used by an individual who is not
35 authorized to use medical cannabis under this act.

36 (4) An individual may not smoke medical cannabis or
37 utilize a vaporizer to ingest or inhale medical cannabis.

38 (b) Use.--Except as provided under subsection (a), a
39 registered patient may utilize medical cannabis in any public
40 place, including the following:

41 (i) Public transportation.

42 (ii) On school grounds if the registered patient is
43 a student or an employee of the school in accordance with
44 the Department of Education regulations regarding
45 medication on school grounds.

46 (iii) In a correctional facility in accordance with
47 Department of Corrections regulations regarding
48 medications in correctional facilities.

49 (iv) At a public park or public beach.

50 (c) Adulteration.--With the exception of extraction methods
51 and processing operations approved by the board, a person may

1 not adulterate, fortify, contaminate or change the character or
2 purity of medical cannabis from the original sold by a licensed
3 medical cannabis grower, processor or dispenser.

4 Section 903. Unlawful activities.

5 In addition to any other applicable provision of law, it
6 shall be a criminal offense to intentionally or knowingly do any
7 of the following:

8 (1) Grow, process or dispense medical cannabis without a
9 license under this act.

10 (2) Transport medical cannabis from or between an
11 unlicensed grower, processor or dispenser.

12 (3) Participate in the growing, processing, testing or
13 dispensing of medical cannabis in violation of this act.

14 (4) Fail to report, pay or truthfully account for and
15 pay any license fee, authorization fee or an assessment
16 imposed under this act.

17 (5) Violate any regulation of the board.

18 Section 904. Criminal penalties and fines.

19 (a) Offense.--Except as provided under subsections (b) and
20 (c), a violation of the act shall be graded as a misdemeanor of
21 the second degree.

22 (b) Unauthorized actions.--A medical cannabis grower,
23 processor or dispenser that distributes, gives, sells or
24 provides medical cannabis to a person other than a person
25 authorized under this act commits a felony of the third degree.

26 (c) Individual.--An individual who falsifies an application
27 or certification under section 511 commits a misdemeanor of the
28 first degree.

29 (d) Other violations.--A person that is convicted of a
30 second or subsequent violation of this act commits a felony of
31 the third degree.

32 Section 905. Daily log access.

33 (a) Court order.--A daily log under section 503(f)(4) may be
34 accessed by law enforcement upon receipt of a court order
35 obtained by the requesting law enforcement agency. Upon receipt
36 of a request for access under this subsection, a court may enter
37 an ex parte order granting the motion if the law enforcement
38 agency has demonstrated by a preponderance of the evidence that:

39 (1) The motion pertains to a person who is the subject
40 of an active criminal investigation.

41 (2) There is reasonable suspicion that a criminal act
42 has occurred.

43 (b) Use.--Data obtained by a law enforcement agency under
44 subsection (a) may only be used to establish probable cause to
45 obtain a search warrant or arrest warrant.

46 Section 906. Law enforcement.

47 The verification system may be accessed by law enforcement
48 agencies registered with the department to confirm the
49 authenticity of an access card. The information shall remain
50 confidential unless criminal charges are filed.

51 CHAPTER 11

MEDICAL CANNABIS SURCHARGE

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.

"Medical cannabis." Plants containing cannabidiol, tetrahydrocannabinol or delta-9-tetrahydrocannabinol acid or any part of a cannabis plant, including cannabis processed by extracting oil from the plant, intended for medical purposes. The term includes extracted oil, ointments and tinctures.

"Medical cannabis purveyor." A medical cannabis dispenser, medical cannabis grower, medical cannabis processor or any other person licensed under this chapter who, in the usual course of business, sells medical cannabis to a medical cannabis dispenser.

"Purchase price." The total value of anything paid or delivered, or promised to be paid or delivered, whether it be money or otherwise, in complete performance of a sale or purchase, without a deduction on account of the cost or value of the property sold, cost or value of transportation, cost or value of labor or service, interest or discount paid or allowed after the sale is consummated, other taxes or surcharges imposed by the Commonwealth or other expense.

"Sale." A transfer of ownership, custody or possession of medical cannabis for consideration; an exchange, barter or gift; or an offer to sell or transfer the ownership, custody or possession of medical cannabis for consideration.

"Surcharge payer." A person subject to the surcharge under this chapter.

"Unclassified importer." A person in this Commonwealth that acquires medical cannabis from a source on which the surcharge imposed by this chapter was not paid and that is not a person otherwise required to be licensed under the provisions of this chapter. The term includes a patient who purchases medical cannabis outside this Commonwealth for personal possession or use in this Commonwealth.

Section 1102. Incidence and rate of surcharge.

(a) Imposition.--A medical cannabis surcharge is imposed on a medical cannabis purveyor or other person at the time the medical cannabis is first sold to a medical cannabis dispenser in this Commonwealth at the rate of 6% on the purchase price charged to the medical cannabis dispenser for the purchase of medical cannabis. The surcharge shall be collected from the medical cannabis dispenser by the seller of the medical cannabis to the medical cannabis dispenser and remitted to the department. A person required to collect this surcharge shall separately state the amount of surcharge on an invoice or other sales document.

(b) Medical cannabis dispenser.--If the surcharge is not collected by the seller from the medical cannabis dispenser, the

1 surcharge is imposed on the medical cannabis dispenser at the
2 time of purchase at the same rate as in subsection (a) based on
3 the medical cannabis dispenser's purchase price of the medical
4 cannabis. The medical cannabis dispenser shall remit the
5 surcharge to the department.

6 (c) Unclassified importer.--The surcharge is imposed on an
7 unclassified importer at the time of purchase at the same rate
8 as in subsection (a) based on the unclassified importer's
9 purchase price of the medical cannabis. The unclassified
10 importer shall remit the surcharge to the department.

11 (d) Exceptions.--The surcharge shall not be imposed on
12 medical cannabis that:

- 13 (1) is exported for sale outside this Commonwealth; or
- 14 (2) is not subject to surcharge or taxation by the
15 Commonwealth pursuant to any laws of the United States.

16 (e) Article II.--Unless otherwise specifically noted, the
17 provisions of Article II of the act of March 4, 1971 (P.L.6,
18 No.2), known as the Tax Reform Code of 1971, shall apply to the
19 returns, payment, penalties, enforcement, collections and
20 appeals of the surcharge imposed on medical cannabis.
21 Section 1103. Limitation of surcharge.

22 Only one sale shall be surcharged and used in computing the
23 amount of surcharge due under this chapter.
24 Section 1104. Remittance of surcharge to department.

25 Medical cannabis purveyors and unclassified importers shall
26 file monthly reports on a form prescribed by the department by
27 the 20th day of the month following the sale or purchase of
28 medical cannabis from another source on which the surcharge
29 levied by this chapter has not been paid. The surcharge is due
30 at the time the report is due. The department may require the
31 filing of reports and payments of surcharges on a less frequent
32 basis at its discretion.

33 Section 1105. Procedures for claiming refund.

34 A claim for a refund of the surcharge imposed by this chapter
35 shall be in accordance with section 3003.1 and Article XXVII of
36 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
37 Code of 1971, and shall be in the form and contain the
38 information prescribed by the department by regulation.

39 Section 1106. Sales or possession of medical cannabis when
40 surcharge not paid.

41 (a) Sales or possession.--A person who sells or possesses
42 medical cannabis for which the proper surcharge has not been
43 paid commits a summary offense and shall, upon conviction, be
44 sentenced to pay costs of prosecution and a fine of not less
45 than \$100 nor more than \$1,000 or to imprisonment for not more
46 than 60 days, or both, at the discretion of the court. Medical
47 cannabis purchased from a medical cannabis purveyor properly
48 licensed under this chapter shall be presumed to have the proper
49 surcharges paid.

50 (b) Surcharge evasion.--A person that falsely or
51 fraudulently, maliciously, intentionally or willfully, with

1 intent to evade the payment of the surcharge imposed by this
2 chapter, sells or possesses medical cannabis for which the
3 proper surcharge has not been paid commits a misdemeanor of the
4 third degree and shall, upon conviction, be sentenced to pay
5 costs of prosecution and a fine of not more than \$5,000 or to
6 imprisonment for not more than one year, or both, at the
7 discretion of the court.

8 Section 1107. Assessment.

9 The department is authorized to make the inquiries,
10 determinations and assessments of the surcharge, including
11 interest, additions and penalties, imposed by this chapter.
12 Section 1108. Failure to file return.

13 Where no return is filed, the amount of the surcharge due may
14 be assessed and collected at any time as to chargeable
15 transactions not reported.

16 Section 1109. False or fraudulent return.

17 Where the surcharge payer willfully files a false or
18 fraudulent return with intent to evade the surcharge imposed by
19 this chapter, the amount of surcharge due may be assessed and
20 collected at any time.

21 Section 1110. Extension of limitation period.

22 Notwithstanding any other provision of this chapter, where,
23 before the expiration of the period prescribed for the
24 assessment of a surcharge, a surcharge payer has consented, in
25 writing, that the period be extended, the amount of surcharge
26 due may be assessed at any time within the extended period. The
27 period so extended may be extended further by subsequent
28 consents, in writing, made before the expiration of the extended
29 period.

30 Section 1111. Failure to furnish information, returning false
31 information or failure to permit inspection.

32 (a) Penalty.--A surcharge payer who fails to keep or make a
33 record, return, report, inventory or statement, or keeps or
34 makes a false or fraudulent record, return, report, inventory or
35 statement required by this chapter, commits a misdemeanor and
36 shall, upon conviction, be sentenced to pay costs of prosecution
37 and a fine of \$500 and to imprisonment for not more than one
38 year, or both, at the discretion of the court.

39 (b) Examination.--The department is authorized to examine
40 the books and records, the stock of medical cannabis and the
41 premises and equipment of a surcharge payer in order to verify
42 the accuracy of the payment of the surcharge imposed by this
43 chapter. The person subject to an examination shall give to the
44 department or its duly authorized representative the means,
45 facilities and opportunity for the examination. Willful refusal
46 to cooperate with or permit an examination to the satisfaction
47 of the department shall be sufficient grounds for suspension or
48 revocation of a surcharge payer's license issued under this
49 chapter.

50 (c) Records.--A medical cannabis purveyor shall keep and
51 maintain for a period of four years records in the form

1 prescribed by the department. The records shall be maintained at
2 the location for which the license under this chapter is issued.

3 (d) Reports.--A medical cannabis purveyor shall file reports
4 at times and in the form prescribed by the department.

5 (e) Medical cannabis purveyor.--A medical cannabis purveyor
6 located or doing business in this Commonwealth who sells medical
7 cannabis in this Commonwealth shall keep records showing:

8 (1) The amount and kind of medical cannabis sold.

9 (2) The date the medical cannabis was sold.

10 (3) The name and license number issued under Chapter 5
11 of the medical cannabis dispenser to which the medical
12 cannabis was sold.

13 (4) The total price of the medical cannabis sold to the
14 medical cannabis dispenser.

15 (5) The place where the medical cannabis was shipped.

16 (6) The name of the common carrier.

17 (f) Medical cannabis purveyor.--A medical cannabis purveyor
18 shall file with the department, on or before the 20th day of
19 each month, a report showing the information listed in
20 subsection (e) for the previous month.

21 Section 1112. Records of shipments and receipts of medical
22 cannabis required.

23 The department shall require reports from a common or
24 contract carrier who transports medical cannabis to any point or
25 points within this Commonwealth, and from a bonded warehouseman
26 or bailee who has in the possession of the warehouseman or
27 bailee any medical cannabis. The reports shall contain the
28 information concerning shipments of medical cannabis that the
29 department determines to be necessary for the administration of
30 this chapter. All common and contract carriers, bailees and
31 warehousemen shall permit the examination by the department or
32 its authorized agents of records relating to the shipment or
33 receipt of medical cannabis.

34 Section 1113. Licensing of medical cannabis purveyors.

35 (a) Prohibition.--No person, unless all sales of medical
36 cannabis are exempt from the medical cannabis surcharge in this
37 Commonwealth, shall sell, transfer or deliver medical cannabis
38 in this Commonwealth without first obtaining the proper license
39 provided for in this chapter.

40 (b) Application.--An applicant for a medical cannabis
41 purveyor's license shall complete and file an application with
42 the department. The application shall be in the form and contain
43 information prescribed by the department and shall set forth
44 truthfully and accurately the information required by the
45 department. If the application is approved, the department shall
46 license the medical cannabis purveyor for a period of one year
47 and the license may be renewed annually thereafter.

48 (c) Requirements.--Applicants for a medical cannabis
49 purveyor's license or renewal of that license shall meet the
50 following requirements:

51 (1) The premises on which the applicant proposes to

1 conduct business are adequate to protect the revenue.

2 (2) The applicant is a person of reasonable financial
3 stability and reasonable business experience.

4 (3) The applicant, or a shareholder controlling more
5 than 10% of the stock if the applicant is a corporation or an
6 officer or director if the applicant is a corporation, shall
7 not have been convicted of a crime involving moral turpitude.

8 (4) The applicant shall not have failed to disclose
9 material information required by the department, including
10 information that the applicant has complied with this chapter
11 by providing a signed statement under penalty of perjury.

12 (5) The applicant shall not have made any material false
13 statement in the application.

14 (6) The applicant shall not have violated a provision of
15 this chapter.

16 (7) The applicant shall have filed all required State
17 tax reports and paid State taxes not subject to a timely
18 perfected administrative or judicial appeal or subject to a
19 duly authorized deferred payment plan.

20 (d) Multiple locations.--The medical cannabis purveyor's
21 license shall be valid for one specific location only. Medical
22 cannabis purveyors with more than one location shall obtain a
23 license for each location.

24 Section 1114. License fees and issuance and display of license.

25 (a) Fees.--At the time of making an application or license
26 renewal application, an applicant for a medical cannabis
27 purveyor's license shall pay the department a license fee of
28 \$75.

29 (b) Proration.--Fees shall not be prorated.

30 (c) Issuance and display.--On approval of the application
31 and payment of the fees, the department shall issue the proper
32 license which must be conspicuously displayed at the location
33 for which it has been issued.

34 Section 1115. Electronic filing.

35 The department may, at its discretion, require that any or
36 all returns, reports or registrations that are required to be
37 filed under this chapter be filed electronically.

38 Section 1116. Expiration of license.

39 (a) Expiration.--A license shall expire on the last day of
40 June next succeeding the date upon which it was issued unless
41 the department at an earlier date suspends, surrenders or
42 revokes the license.

43 (b) Violation.--After the expiration date of the license or
44 sooner if the license is suspended, surrendered or revoked, it
45 shall be illegal for a medical cannabis purveyor to engage
46 directly or indirectly in the business conducted by the medical
47 cannabis purveyor for which the license was issued. A licensee
48 who shall, after the expiration date of the license, engage in
49 the business conducted by the licensee either by way of
50 purchase, sale, distribution or in any other manner directly or
51 indirectly engaged in the business of dealing with medical

1 cannabis shall be in violation of this chapter and be subject to
2 the penalties provided in this chapter.

3 Section 1117. Administration powers and duties.

4 (a) Department.--The administration of this chapter is
5 vested in the department. The department shall adopt rules and
6 regulations for the enforcement of this chapter.

7 (b) Joint administration.--The department is authorized to
8 jointly administer this chapter with other provisions of the act
9 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
10 1971, including joint reporting of information, forms, returns,
11 statements, documents or other information submitted to the
12 department.

13 Section 1118. Sales without license.

14 (a) Penalty.--A person who shall, without being the holder
15 of a proper unexpired medical cannabis purveyor's license,
16 engage in purchasing, selling, distributing or in another manner
17 directly or indirectly engage in the business of dealing with
18 medical cannabis commits a summary offense and shall, upon
19 conviction, be sentenced to pay costs of prosecution and a fine
20 of not less than \$250 nor more than \$1,000, or to imprisonment
21 for not more than 30 days, or both, at the discretion of the
22 court.

23 (b) Prima facie evidence.--Open display of medical cannabis
24 in any manner shall be prima facie evidence that the person
25 displaying such medical cannabis is directly or indirectly
26 engaging in the business of dealing medical cannabis.

27 Section 1119. Violations and penalties.

28 (a) Suspension.--The license of a person who violates this
29 chapter may be suspended after due notice and opportunity for a
30 hearing for a period of not less than five days nor more than 30
31 days for a first violation and shall be revoked or suspended for
32 any subsequent violation.

33 (b) Fine.--In addition to the provisions of subsection (a),
34 upon adjudication of a first violation, the person shall be
35 fined not less than \$2,500 nor more than \$5,000. For subsequent
36 violations, the person shall, upon adjudication, be fined not
37 less than \$5,000 nor more than \$15,000.

38 Section 1120. Property rights.

39 (a) Incorporation.--Subject to subsection (b), section 1285
40 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
41 Reform Code of 1971, is incorporated by reference into and shall
42 apply to this chapter.

43 (b) Alterations.--

44 (1) References to cigarettes in section 1285 of the Tax
45 Reform Code of 1971 shall apply to medical cannabis in this
46 chapter.

47 (2) References to 2,000 or more unstamped cigarettes in
48 section 1285 of the Tax Reform Code of 1971 shall apply to
49 medical cannabis worth at least \$1,000 in this chapter.

50 (3) References to more than 200 unstamped cigarettes in
51 section 1285 of the Tax Reform Code of 1971 shall apply to

1 medical cannabis worth at least \$100 in this chapter.

2 Section 1121. Information exchange.

3 The department is authorized to exchange information with any
4 other Federal, State or local enforcement agency for purposes of
5 enforcing this chapter.

6 CHAPTER 51
7 MISCELLANEOUS PROVISIONS

8 Section 5101. Regulations.

9 (a) Requirement.--The board shall promulgate regulations as
10 necessary to implement this act.

11 (b) Temporary regulations.--In order to facilitate the
12 implementation of this act, regulations promulgated by the board
13 shall be deemed temporary regulations which shall expire not
14 later than two years following the publication of the temporary
15 regulation. Temporary regulations shall not be subject to:

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

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

21 (3) Sections 204(b) and 301(10) of the act of October
22 15, 1980 (P.L.950, No.164), known as the Commonwealth
23 Attorneys Act.

24 (c) Expiration.--The board's authority to adopt temporary
25 regulations under subsection (b) shall expire two years after
26 the effective date of this section. Regulations adopted after
27 this period shall be promulgated as provided by law.

28 (d) Publication.--The board shall begin publishing temporary
29 regulations in the Pennsylvania Bulletin no later than six
30 months following the effective date of this section.

31 Section 5102. Appropriation.

32 The sum of \$1.3 million or as much thereof as may be
33 necessary is appropriated from the General Fund to the Bureau of
34 Professional and Occupational Affairs within the Department of
35 State for the start-up and initial operation of the State Board
36 of Medical Cannabis Licensing.

37 Section 5103. Applicability of other statutes.

38 The following acts shall apply to the board:

39 (1) The act of February 14, 2008 (P.L.6, No.3), known as
40 the Right-to-Know Law.

41 (2) The act of July 19, 1957 (P.L.1017, No.451), known
42 as the State Adverse Interest Act.

43 (3) 65 Pa.C.S. Chs. 7 (relating to open meetings) and 11
44 (relating to ethics standards and financial disclosure).

45 Section 5104. Repeals.

46 The following shall apply:

47 (1) Sections 4 and 13 of the act of April 14, 1972
48 (P.L.233, No.64), known as The Controlled Substance, Drug,
49 Device and Cosmetic Act, are repealed insofar as they are
50 inconsistent with this act.

51 (2) All acts and parts of acts are repealed insofar as

- 1 they are inconsistent with this act.
- 2 Section 5105. Effective date.
- 3 This act shall take effect in 60 days.

