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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1200 Session of  
2025

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INTRODUCED BY KRAJEWSKI, FRANKEL, SANCHEZ, McNEILL, GIRAL, HILL-  
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PIELLI, WEBSTER, MAYES, KAZEEM, SCHWEYER, KOSIEROWSKI, DALEY,  
INGLIS AND D. WILLIAMS, MAY 4, 2025

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REFERRED TO COMMITTEE ON HEALTH, MAY 4, 2025

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AN ACT

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

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

21 CHAPTER 1

22 PRELIMINARY PROVISIONS

23 Section 101. Short title.

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

26 Section 102. Definitions.

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

30 "Advertising." To engage in marketing and promotional

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

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

9 "Applicant." The following apply:

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

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

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

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

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

1 "Cannabis." As follows:

2 (1) Any of the following:

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

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

13 (iii) Processed hemp.

14 (2) The term does not include:

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

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

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

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

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

1 cannabis store.

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

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

6 "Cannabis entity."

7 (1) A cannabis cultivator.

8 (2) A cannabis processor.

9 (3) A cannabis microbusiness.

10 (4) A cannabis transporter.

11 (5) An on-site consumption licensee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 "Controlling interest." Either of the following:

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

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

1 clear and convincing evidence.

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

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

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

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

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

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

1 cannabis flower or cannabis products.

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

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

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

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

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

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

18 (ii) public statements;

19 (iii) workplace access; and

20 (iv) the provision of employee contract information.

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

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

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

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

1 individual.

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

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

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

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

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

21 "Personal amount of cannabis." The following:

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

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

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

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

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

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

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

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

9 "Pesticide." The following apply:

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

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

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

22 "Principal."

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

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

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

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

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

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

17 (1) 0.3%; or

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

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

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

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

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

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

14 (i) are justice-involved individuals; or

15 (ii) are members of an impacted family.

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

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

1 effects.

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

4 CHAPTER 2

5 REGULATION OF CANNABIS

6 Section 201. Regulation and treatment of cannabis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 Section 202.1. Discrimination prohibited.

28 (a) Employment.--

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

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

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

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

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

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

23 (4) Nothing in this subsection shall:

24 (i) Be construed to:

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

1 disclosed to employees.

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

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

12 (b) General protections.--

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

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

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

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

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

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

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

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

1       trusteeship.

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

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

14 Section 203. Home cultivation.

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

24       (b) Limitations and prohibitions.--

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

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

30               (ii) Must be cultivated from cannabis seeds

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

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

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

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

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

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

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

26 (c) Home cultivation permit.--

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

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

1 submitted to the board electronically. The following apply:

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

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

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

9 (1) Be assessed a civil penalty of:

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

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

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

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

19 Section 204. Unauthorized acts.

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

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

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

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

1 permit.

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

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

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

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

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

11 (2) For purposes of this subsection:

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

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

17 (b) Penalties.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (1) A person not authorized to cultivate:

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

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

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

1 (e) Smoking or consumption.--

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

4 (i) In a public space.

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

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

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

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

1 assessed a civil penalty of not more than:

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

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

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

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

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

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

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

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

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

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

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

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

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

10 Section 205. Presumption.

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

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

20 Section 206. Charges pending on effective date.

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

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

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

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

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

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

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

7 CHAPTER 3

8 EFFECT ON CERTAIN CANNABIS CONVICTIONS

9 AND EXPUNGEMENTS

10 Section 301. Definitions.

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

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

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

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

22 "Cannabis offense." As follows:

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

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

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

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

1 for an alleged violation of the law.

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

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

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

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

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

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

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

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

26 "Expunge." As follows:

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

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

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

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

8 Section 302. Identification of cannabis offenses.

9 (a) Report.--

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

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

19 (ii) the date of the suspected offense;

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

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

24 (v) the item or substance tested;

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

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

1 tracking number; and

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

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

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

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

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

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

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

9 Section 303. Updates to and expungement of records.

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

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

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

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

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

8 (e) Timeline and progress reports.--

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

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

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

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

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

3 (a) Expungement required.--

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

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

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

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

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

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

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

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

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

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

14 Section 305. Cannabis convictions and sentences vacated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 disposition.

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

8 Section 307. Maintenance records.

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

16 Section 308. Cannabis simplified petition expungement process.

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

24 (b) Simplified petition process.--

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

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

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

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

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

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

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

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

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

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

#### 18 CHAPTER 4

##### 19 ADDITIONAL MEMBERS OF THE LIQUOR CONTROL BOARD

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

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

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

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

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

11 Section 402. Membership of the board.

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

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

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

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

1 Official Compensation Law.

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

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

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

11 Section 403. Additional powers and duties of board.

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

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

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

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

3 (i) A shelving fee.

4 (ii) A dispensing fee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (12) Appoint advisory groups and committees to provide

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

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

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

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

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

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

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

29 (19) Establish, levy and collect fees.

30 (20) Establish cannabis diversion controls, packaging

1 and labeling requirements and advertising restrictions.

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

7 (22) Issue bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 Section 404. Temporary regulations.

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

1 subject to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (10) Recordkeeping requirements.

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

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

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

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

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

26 (16) Requirements for home cultivation permittees.

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

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

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

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

- 19 (i) Regional population.
- 20 (ii) Access to public transportation.
- 21 (iii) Any other factor the board deems relevant.

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

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

29 (a) Publications.--

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

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

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

10 (i) Post the same notice.

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

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

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

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

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

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

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

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

5 Section 406. Annual report by the board.

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

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

12 (2) board finances;

13 (3) cannabis store operations;

14 (4) distribution and logistics;

15 (5) communications and marketing;

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

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

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

25 (b) (Reserved).

## 26 CHAPTER 5

### 27 PENNSYLVANIA CANNABIS STORES

28 Section 501. Pennsylvania Cannabis Stores.

29 The following shall apply:

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

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

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

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

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

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

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

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

9 Section 502. Selection of employees.

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

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

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

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

30 (e) (Reserved).

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

5 (g) Cannabis experience preference.--If a candidate  
6 successfully passes a civil service appointment examination for  
7 a public position with the board as an employee or manager of a  
8 cannabis store, an additional one point per year of experience  
9 in a Pennsylvania licensed medical marijuana facility shall be  
10 added to the candidate's final examination score and the score  
11 shall determine the candidate's standing on any eligible list  
12 certified or provided to the board. A candidate may not begin or  
13 hold the public position until proof of employment being  
14 considered for additional points is provided to the board.  
15 Section 503. Management of cannabis stores.

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

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

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

1 Section 504. Sales at Pennsylvania Cannabis Stores.

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

5 (1) 42.524 grams of cannabis flower.

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

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

11 (4) A personal amount of cannabis.

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

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

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

23 (d) Age verification required.--

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

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

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

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

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

14 Section 505. Health and safety protections.

15 The following shall apply:

16           (1) Each cannabis store must:

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

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

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

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

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

10 (2) The board:

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

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

16 Section 506. Audits by the Auditor General.

17 (a) Audits required.--

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

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

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

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

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

## 14 CHAPTER 6

### 15 SOCIAL AND ECONOMIC EQUITY

16 Section 601. Definitions.

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

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

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

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

26 Section 602. Office of Social and Economic Equity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 businesses in the aggregate under this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (2) Outreach to historically impacted communities.

16 (3) All other duties of the office.

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

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

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

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

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

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

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

5 Section 603. Cannabis Business Development Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (2) Grants may be:

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

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

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

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

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

3 CHAPTER 7

4 LICENSE, PERMIT OR OTHER AUTHORIZATION

5 SUBCHAPTER A

6 GENERAL PROVISIONS

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

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

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

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

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

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

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

21 (3) (Reserved).

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

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

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

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

10 Section 702. Renewals.

11 (a) Renewal required.--

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

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

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

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

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

17 (b) Sanctions authorized.--

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

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

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

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

7 Section 703. Construction.

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

19 SUBCHAPTER B

20 CANNABIS ENTITY LICENSES

21 Section 704. Cannabis entity license application.

22 (a) Submission.--

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

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

27 (ii) The applicable application fee.

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

1 employees and other employees as required by the board.

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

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

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

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

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

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

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

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

28 (8) (Reserved).

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

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

8 (10) The details of loans:

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

11 (ii) not approved by a financial institution.

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

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

20 (13) The disclosure of any arrests.

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

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

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

1 section 714.

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

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

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

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

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

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

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

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

25 (e) Cannabis entity fees.--

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

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

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

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

6 (i) a license fee;

7 (ii) a license renewal fee; and

8 (iii) a monthly verification system fee.

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

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

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

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

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

28 (2) May:

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

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

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

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

11 (a) Development of scoring system.--

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

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

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

25 (ii) Economic development.

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

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

1 an impacted family.

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

4 (b) Ranking.--The board:

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

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

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

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

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

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

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

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

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

1 economic equity applicants.

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

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

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

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

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

24 Section 706. Licensing of principals required.

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

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

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

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

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

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

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

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

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

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

20 (c) Issuance.--

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

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

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

1 transferred.

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

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

12 (b) Prohibitions.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (iv) Must meet the following requirements:

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

1 than 10 employees.

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

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

6 (1) 50 Category 1 cannabis cultivator licenses.

7 (2) 50 Category 2 cannabis microcultivator licenses.

8 (e) Licensing tier system.--

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

17 (2) The following apply:

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

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

29 (A) Market demand.

30 (B) The cannabis cultivator's ability to

1           increase space.

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

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

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

26          (f) License and renewal fees.--

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

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

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

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

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

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

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

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

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

6 (g) Grow canopies.--

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

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

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

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

23 (h) Sale of cannabis.--

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

25 (i) Cannabis to:

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

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

30 (ii) Cannabis seeds and cannabis flower to the

1 board.

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

3 (i) Cannabis to:

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

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

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

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

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

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

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

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

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

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

1 Marijuana Act or another cannabis cultivator.

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

5 Section 708. Cannabis processor licenses.

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

14 (b) Prohibitions.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (1) 50 Category 1 cannabis processor licenses.

7 (2) 50 Category 2 cannabis microprocessor licenses.

8 (e) Fees.--

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

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

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

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

17 (f) Sale of cannabis.--

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

20 (i) A Category 1 cannabis processor.

21 (ii) A Category 2 cannabis microprocessor.

22 (iii) The board.

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

25 (i) A Category 1 cannabis processor.

26 (ii) A Category 2 cannabis microprocessor.

27 (iii) The board.

28 Section 709. Cannabis transporter license.

29 (a) Authorization and prohibitions.--

30 (1) A cannabis transporter license authorizes a person

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

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

5 (ii) to the board.

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

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

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

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

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

28 (d) Fees.--

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

1 \$5,000.

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

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

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

12 Section 710. On-site consumption license.

13 (a) Authorization and prohibitions.--

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

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

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

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

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

1 or older for off-site consumption.

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

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

11 (b) Age verification required.--

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

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

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

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

3 (e) Fees.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 Section 711. (Reserved).

21 Section 712. Need for additional licenses.

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

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

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

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

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

12 (4) Population increases or shifts.

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

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

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

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

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

29 (10) Changes to Federal law.

30 (11) Any other criteria the board may determine

1 necessary and appropriate.

2 Section 713. Change in ownership or control.

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

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

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

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

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

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

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

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

25 Section 714. Labor peace agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 27 SUBCHAPTER C

#### 28 REGISTRATIONS, PERMITS AND CERTIFICATES

29 Section 715. Registration of essential employees.

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

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

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

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

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

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

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

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

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

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

22 (c) Issuance.--

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

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

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

3 Section 715.1. Workplace protections.

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

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

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

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

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

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

26 Section 716. Required reports.

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

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

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

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

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

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

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

17 Section 717. Cannabis responsible training required.

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

26 (b) Course curriculum.--The responsible cannabis training  
27 course shall include at least four hours of instruction time.  
28 The course curriculum shall be designed to provide cannabis  
29 store and cannabis-entity-specific instruction applicable to the  
30 type of cannabis entity. The instruction shall include the

1 following:

2 (1) Health and safety issues related to the use of  
3 cannabis flower and cannabis products, including instruction  
4 on the physical and physiological effects of cannabis.

5 (2) The responsible use of cannabis seeds, cannabis  
6 flower, cannabis products and cannabis paraphernalia.

7 (3) Quantity limitations on sales to cannabis consumers.

8 (4) Safe storage of cannabis seeds, cannabis flower,  
9 cannabis products and cannabis paraphernalia.

10 (5) Compliance with all inventory tracking system  
11 regulations.

12 (6) Waste handling, management and disposal.

13 (7) Health, sanitation and safety standards.

14 (8) Maintenance of records.

15 (9) Security and surveillance requirements.

16 (10) Required inspections, including random inspections.

17 (11) Privacy and confidentiality requirements relating  
18 to cannabis consumers.

19 (12) Packaging, processing and labeling requirements for  
20 sales to cannabis consumers.

21 (13) Cultivation methods and the safe use and storage of  
22 chemicals, including pesticides, herbicides, compounds,  
23 fertilizers and other products.

24 (14) The use, maintenance and storage of equipment and  
25 devices used in the cultivation, processing and sale or  
26 offering for sale of cannabis seeds, cannabis flower and  
27 cannabis products.

28 (15) Any other subjects as prescribed by regulation of  
29 the board.

30 (c) Certification.--Upon the successful completion of the

1 responsible cannabis training program, the board shall deliver a  
2 certificate signifying an individual's successful completion of  
3 the course, either through United States Postal Service mail or  
4 electronically by email, to the individual and the cannabis  
5 store or entity employing the individual. The cannabis store or  
6 cannabis entity shall retain a copy of the course completion  
7 certificate for the duration of the individual's employment.

8 (d) Failure to comply.--A cannabis entity whose employees  
9 are required to complete training under this section and fail to  
10 comply with this section may be subject to administrative  
11 sanction by the board.

12 (e) Continuing education.--The board may adopt regulations  
13 to require continuing education on a prescribed schedule.

14 Section 718. Cannabis workers' cooperative licensure.

15 (a) Licenses.--In addition to the number of cannabis entity  
16 licenses allowed to be awarded under this act, two licenses for  
17 each type of cannabis entity category shall be awarded to an  
18 applicant that applies as a cannabis workers' cooperative.  
19 Nothing shall require the board to issue a license under this  
20 section if the applicant does not meet the requirements of this  
21 act or any regulation promulgated under this act or the  
22 applicable provisions of 15 Pa.C.S. (related to corporations and  
23 unincorporated associations) and any applicable regulation  
24 promulgated under to 15 Pa.C.S.

25 (b) Applicability.--All requirements of this act and any  
26 regulation promulgated regarding application, licensure and  
27 compliance shall apply to a cannabis entity license issued to a  
28 cannabis workers' cooperative.

29 (c) Qualifications.--In addition to meeting the requirements  
30 of 15 Pa.C.S. Ch. 77 (relating to workers' cooperative

1 corporations), the board shall establish additional  
2 qualifications for a cannabis workers' cooperative to ensure the  
3 cannabis worker cooperative is practicing the highest standards  
4 of worker governance, control and financial rights.

5 (d) Failure to maintain a cannabis workers' cooperative.--If  
6 a cannabis workers' cooperative terminates its status as a  
7 workers' cooperative or fails to meet the requirements of this  
8 act or any regulation promulgated, the board may revoke or  
9 suspend the cannabis entity license that was awarded to the  
10 cannabis workers' cooperative.

11 Section 719. Duty of licensees, permittees and other authorized  
12 persons.

13 A person or employee of a person that is licensed, permitted  
14 or otherwise authorized to engage in a regulated activity under  
15 this act shall have the duty to:

16 (1) provide any assistance or information required by  
17 the board or the Pennsylvania State Police and to cooperate  
18 in any inquiry, investigation or hearing;

19 (2) consent to inspections, searches and seizures;

20 (3) inform the board of any actions which the person  
21 believe would constitute a violation of this part; and

22 (4) inform the board of any arrests for any violations  
23 of offenses enumerated under this act, the Controlled  
24 Substances Act or 18 Pa.C.S. (relating to crimes and  
25 offenses).

26 Section 720. Exigent circumstance determination.

27 (a) Award.--If, prior to the notice the board is required to  
28 give under section 405, the board determines that due to exigent  
29 circumstances, including insufficient product being available  
30 for sale at cannabis stores, and it being in the best interests

1 of the Commonwealth to make the retail sale of cannabis and  
2 cannabis products available to cannabis consumers, the board may  
3 award one cannabis cultivator license, one cannabis processor  
4 license or both to a grower/processor.

5 (b) License.--A grower/processor may apply for and be issued  
6 one cannabis cultivator license, one cannabis processor license  
7 or both.

8 (c) Application.--

9 (1) A grower/processor applying for a cannabis  
10 cultivator license, a cannabis processor license or both  
11 shall submit an application created by the board in a manner  
12 determined by the board.

13 (2) The board shall require each grower/processor who  
14 applies to obtain a cannabis cultivator license, cannabis  
15 processor license or both to update the information in their  
16 applications submitted to the Department of Health under  
17 section 602 of the Medical Marijuana Act.

18 (3) Upon submission of an application, the Department of  
19 Health shall provide the board with complete and unfettered  
20 access to all department records relating to any  
21 grower/processor who applies to obtain a cannabis cultivator  
22 license, a cannabis processor license or both.

23 (4) No later than 30 days after a grower/processor  
24 applying for a license under this section has updated their  
25 information under paragraph (2), the board shall review the  
26 records and issue a license sought by a grower/processor  
27 subject to the limitations in subsection (b), so long as the  
28 grower/processor meets the requirements of the applicable  
29 license they are seeking under this act.

30 (5) A grower/process applying for a cannabis cultivator

1 license, a cannabis processor license or both shall pay a  
2 nonrefundable application fee of \$15,000.

3 (d) Licensing and renewal fees.--

4 (1) A grower/processor shall pay a license fee of  
5 \$20,000,000 for each license awarded under this section.

6 (2) A cannabis cultivator license issued under this  
7 section shall be in addition to the number of licenses  
8 authorized under section 707. A cannabis processor license  
9 issued under this section shall be in addition to the number  
10 of licenses authorized under section 708.

11 (e) Deposit of funds.--All licensing fees paid to the board  
12 under this section shall be deposited in the General Fund.

13 (f) Definition.--For the purposes of this section, the term  
14 "grower/processor" shall have the same meaning as defined  
15 section 103 of the Medical Marijuana Act.

## 16 CHAPTER 8

### 17 PACKAGING, LABELING, ADVERTISING AND TESTING

18 Section 801. Definitions.

19 The following words and phrases when used in this chapter  
20 shall have the meanings given to them in this section unless the  
21 context clearly indicates otherwise:

22 "Regulated cannabis." Cannabis seeds, cannabis flower and  
23 cannabis products cultivated, processed, sold or offered for  
24 sale in this Commonwealth as provided for under this act.

25 Section 801.1. Packaging and labeling.

26 (a) General rule.--The board shall adopt and promulgate  
27 regulations to govern:

28 (1) The advertising, branding, marketing, packaging and  
29 labeling of regulated cannabis, including rules pertaining to  
30 and governing the accuracy of information and the restriction

1 of marketing and advertising to minors and other individuals  
2 under 21 years of age.

3 (2) The advertising, branding, marketing, packaging and  
4 labeling of cannabis paraphernalia and other paraphernalia,  
5 including rules pertaining to and governing the accuracy of  
6 information and the restriction of marketing and advertising  
7 to minors and other individuals under 21 years of age.

8 (b) Required regulations.--The regulations adopted and  
9 promulgated by the board under subsection (a) shall include, but  
10 not be limited to, requirements that:

11 (1) The packaging of regulated cannabis conforms with  
12 the requirements of the Poison Prevention Packaging Act of  
13 1970 (Public Law 91-601, 15 U.S.C. § 1471 et seq.).

14 (2) Packaging of regulated cannabis sold or displayed  
15 for sale to cannabis consumers in multiple serving sizes  
16 shall meet the following requirements:

17 (i) Packaging shall include the statement "INCLUDES  
18 MULTIPLE SERVINGS."

19 (ii) Cannabis products in solid form shall be  
20 permanently scored in a manner in which each serving size  
21 is separate.

22 (iii) If the cannabis product cannot be easily and  
23 permanently scored into individual servings it shall be  
24 packaged in a single-serving size.

25 (3) Regulated cannabis shall be labeled and placed in a  
26 resealable, child-resistant package prior to delivery to or  
27 sale at a cannabis store.

28 (4) Packages and labels may not display images,  
29 illustrations, objects or other artwork attractive to minors,  
30 including toys, action figures, emojis or cartoon characters,

1 or depict any words, phrases, lyrics or slogans designed or  
2 used in any manner to be especially appealing to children,  
3 including the use of images, words, phrases, lyrics or  
4 slogans indicating or depicting candy or candies, gummies or  
5 lollipops.

6 (5) Labels shall include rotating health and safety  
7 statements, which shall be affixed to regulated cannabis,  
8 designed to inform cannabis consumers of any potential harm  
9 to human health which may result from the smoking of cannabis  
10 flower or the consumption of cannabis products. Labels shall  
11 cover at least one-third of the front or principal face of a  
12 product and be in 12-point font.

13 (6) A cannabis product with a high total THC  
14 concentration shall include a warning label on the risks of  
15 high THC products.

16 (7) Packaging shall be entirely and uniformly one color,  
17 and shall not incorporate any information, print, embossing,  
18 debossing, graphic or hidden feature, other than labeling  
19 required or permitted by the board.

20 (c) Determination of serving size and scoring.--

21 (1) The regulations promulgated and guidance issued by  
22 the board shall:

23 (i) Establish the methods and procedures under this  
24 section for determining serving sizes for cannabis flower  
25 and cannabis products.

26 (ii) Require a nutritional fact panel that  
27 incorporates data regarding serving sizes and potency of  
28 a serving size.

29 (2) Determine which cannabis products can be easily and  
30 permanently scored.

1 (3) In no event shall a serving size or individual  
2 package of regulated cannabis exceed a personal amount of  
3 cannabis.

4 (d) Failure to comply.--In addition to any other penalties  
5 under this act, the packaging, sale, marketing, branding,  
6 advertising, labeling or possession:

7 (1) Of regulated cannabis by a cannabis cultivator  
8 licensee, cannabis processor licensee or cannabis  
9 microbusiness not in conformity with this act and regulations  
10 adopted and promulgated by the board as provided under this  
11 act shall be grounds for the imposition of a fine or the  
12 suspension or revocation of the license.

13 (2) Of cannabis paraphernalia or other paraphernalia by  
14 a drug paraphernalia permittee not in conformity with this  
15 act and regulations adopted and promulgated by the board as  
16 provided under this act shall be grounds for the imposition  
17 of a fine or the suspension or revocation of the permit.

18 (3) Of cannabis paraphernalia or other paraphernalia by  
19 a person not licensed, permitted or authorized under this act  
20 commits a misdemeanor of the third degree.

21 Section 801.2. Advertising.

22 (a) General rule.--The board shall adopt and promulgate  
23 regulations to govern the advertising of regulated cannabis,  
24 cannabis paraphernalia and other paraphernalia.

25 (b) Specific regulations.--The regulations adopted by the  
26 board under subsection (a) shall include prohibiting advertising  
27 which:

28 (1) Is false, deceptive or misleading.

29 (2) Promotes or depicts consumption of cannabis flower  
30 or cannabis products, including overconsumption.

1 (3) Promotes or depicts consumption of cannabis flower  
2 and cannabis products by children or other minors.

3 (4) Is designed in any way to appeal to children or  
4 other individuals under 21 years of age.

5 (5) Is within 1,000 feet of the perimeter of a school,  
6 school grounds, playground, park, library, arcade facility,  
7 recreational center, child-care facility or other place where  
8 children congregate or a church, synagogue, mosque or other  
9 building used for religious purposes.

10 (6) Is in the form of an unsolicited Internet pop-up.

11 (7) Is on or in a private vehicle or on or in publicly  
12 owned or operated property, including a public transit  
13 vehicle, public transit shelter, bus stop, taxi stand,  
14 transportation waiting area, train station, airport or  
15 similar transit-related location.

16 (8) Makes medical claims or promotes the smoking or  
17 consumption of regulated cannabis for a medical or wellness  
18 purpose.

19 (9) Encourages the use of cannabis because of its  
20 intoxicating effect.

21 (10) Is a promotional gift bearing symbol or reference  
22 to cannabis or cannabis paraphernalia.

23 (11) Promotes a cannabis product with a high total THC  
24 concentration.

25 (c) Marketing strategies.--

26 (1) The board shall promulgate regulations that prohibit  
27 all marketing strategies and implementation of marketing  
28 strategies, including, but not limited to, marketing  
29 strategies involving the branding, packaging, labeling and  
30 location of advertisements, which are designed to:

1 (i) appeal to minors and other individuals under 21  
2 years of age;

3 (ii) provide or otherwise disseminate false or  
4 misleading information to cannabis consumers; or

5 (iii) promote a cannabis product with a high total  
6 THC concentration.

7 (2) The regulations promulgated by the board shall  
8 require that:

9 (i) All advertising and marketing accurately and  
10 legibly identify a cannabis entity licensee and, if  
11 applicable, any other business or entity responsible for  
12 the content of the advertising or marketing.

13 (ii) Any broadcast, cable, radio, print, digital  
14 communication advertising, social media and outside  
15 advertising only be placed where 85% of the audience is  
16 reasonably expected to be 21 years of age or older, as  
17 determined by reliable, current audience composition  
18 data.

19 (d) Permitted practices.--Notwithstanding any provision of  
20 this act to the contrary, a cannabis entity may:

21 (1) (i) Subject to subparagraph (ii), develop a brand  
22 name for use in labeling, signage and other materials.

23 (ii) The use of a medical symbol or image of  
24 cannabis flower, cannabis products or cannabis  
25 paraphernalia which are appealing to individuals under 21  
26 years of age and colloquial references to cannabis  
27 flower, cannabis products or cannabis paraphernalia is  
28 prohibited and may not be used in the brand name.

29 (2) (i) Subject to subparagraph (ii), engage in  
30 reasonable advertising practices which are not otherwise

1 prohibited under this act or regulations and which do not  
2 jeopardize the public health, welfare or safety of the  
3 general public.

4 (ii) The promotion of the diversion of cannabis  
5 flower or cannabis product use in individuals under 21  
6 years of age or the promotion of practices inconsistent  
7 with the purposes of this act is prohibited.

8 (e) Product warnings.--

9 (1) All advertising shall be accompanied by a product  
10 warning, as determined by the board.

11 (2) Advertising created for viewing by the general  
12 public shall include health and safety warnings as determined  
13 by the board.

14 (f) Definitions.--As used in this section, the following  
15 words and phrases shall have the meanings given to them in this  
16 subsection unless the context clearly indicates otherwise:

17 "Brand name." A name, alone or in conjunction with any other  
18 word or phrase, trademark, logo, symbol, motto, recognizable  
19 pattern of colors or any other identifiable marker associated  
20 with a cannabis entity licensee.

21 Section 802. Product safety protections.

22 (a) Potency limits.--Cannabis flower and cannabis products  
23 sold as provided for under this act may not contain more than:

24 (1) 25% total THC for cannabis flower.

25 (2) 200 milligrams total THC for a cannabis concentrate  
26 per package.

27 (3) 5 milligrams of total THC per serving and 25  
28 milligrams of total THC per package for a cannabis product  
29 other than cannabis concentrate.

30 (b) Youth protection.--Cannabis flower and cannabis products

1 may not be processed in a way that appeals or is attractive to a  
2 minor. The board shall promulgate regulations governing the  
3 prohibitions of cannabis flower or cannabis products appealing  
4 to minors, including:

5 (1) flavors;

6 (2) shapes; and

7 (3) likeness to commercially sold food, candy and  
8 beverages.

9 (c) Other prohibitions.--Regulated cannabis that is not  
10 derived from naturally occurring biologically active chemical  
11 constituents or contains artificially derived or synthetic  
12 cannabinoids is prohibited.

13 Section 803. Laboratory testing.

14 (a) Cannabis testing permits.--The board shall issue a  
15 cannabis testing permit to laboratories that apply and the board  
16 deems qualified to test regulated cannabis. The board may not  
17 issue a cannabis testing permit to a laboratory affiliated with  
18 a cannabis entity or a medical marijuana organization. The board  
19 shall require that cannabis be tested once at final harvest and  
20 cannabis flower and cannabis product at final processing.

21 (b) Testing required.--The board shall adopt and promulgate  
22 regulations and issue guidelines to govern the testing of  
23 regulated cannabis by a cannabis testing laboratory, including  
24 stability and compliance testing.

25 (c) Laboratory oversight.--The board may:

26 (1) Enter and inspect cannabis testing laboratories.

27 (2) Conduct testing of regulated cannabis on a cannabis  
28 store shelf.

29 (3) Require testing and quality assurance procedures to  
30 ensure that results are accurately reported.

- 1 (4) Require a level of accreditation.
- 2 (5) Require the reporting of test results to the board.
- 3 (6) Issue fines or revoke a permit for noncompliance or  
4 failure to adhere to this act or any regulations or guidance  
5 issued by the board.

6 (d) State cannabis testing laboratory.--The board shall  
7 establish and maintain a State cannabis testing laboratory. The  
8 State cannabis testing laboratory is responsible for:

9 (1) Developing and maintaining a State cannabis testing  
10 laboratory reference library that contains cannabis testing  
11 methodologies in the areas of:

- 12 (i) Potency.
- 13 (ii) Homogeneity.
- 14 (iii) Detection and quantitation of contaminants.
- 15 (iv) Solvents.

16 (2) Establishing standard operating procedures for  
17 sample collection, preparation and analysis of regulated  
18 cannabis by cannabis testing laboratories.

19 (3) Conducting proficiency testing of independent  
20 testing laboratories.

21 (4) Remediating problems with independent testing  
22 laboratories.

23 (5) Conducting compliance and stability testing on  
24 cannabis samples analyzed by cannabis testing laboratories.

25 (6) Conducting auditing testing on regulated cannabis on  
26 a cannabis store's shelf.

27 (7) Identifying and detecting the presence and purity of  
28 cannabis, alcohol and tobacco in samples or seized contraband  
29 in support of the regulatory authority of the board.

30 CHAPTER 9

1 RECORDKEEPING AND INSPECTION

2 Section 901. Recordkeeping and tracking.

3 (a) Records required.--The board shall require a cannabis  
4 entity licensee and cannabis testing laboratory to:

5 (1) Adopt and maintain security, tracking, inventory  
6 control, recordkeeping, record retention and surveillance  
7 systems relating to all regulated cannabis at every stage of  
8 cultivating, processing, transporting, testing and selling  
9 regulated cannabis as provided under this act and regulations  
10 of the board.

11 (2) Maintain accurate records identifying all current  
12 and former employees and contractors, working for or  
13 otherwise engaged in activities by for or on behalf of the  
14 cannabis entity and cannabis testing laboratory.

15 (3) For the purposes of this chapter, the term  
16 "regulated cannabis" shall mean cannabis seeds, cannabis  
17 flower and cannabis products cultivated, processed, sold or  
18 offered for sale in this Commonwealth as provided for under  
19 this act.

20 (b) Maintenance of records.--A cannabis entity licensee and  
21 cannabis testing laboratory shall keep and maintain upon the  
22 premises of the cannabis entity licensee adequate books and  
23 records of all transactions involving the sale of regulated  
24 cannabis by the cannabis entity licensee, which shall include,  
25 but is not limited to, all information required under this  
26 section and by regulation of the board.

27 (c) Retention period.--All books, records and invoices  
28 required to be maintained under this section shall be kept for a  
29 period of four years and shall be available for inspection by  
30 the board or by an authorized employee or agent of the board.

1 Section 902. Inspections.

2 (a) Random inspections.--A cannabis establishment shall be  
3 subject to random inspection by the board or a designated  
4 employee or agent of the board during normal business hours. In  
5 making inspections, the board shall make reasonable  
6 accommodations so that ordinary business is not interrupted and  
7 safety and security procedures are not compromised.

8 (b) Availability of licensee or employee required.--The  
9 person that holds the license or a designated employee or agent  
10 of the person shall be available and present for an inspection  
11 of the cannabis entity licensee's cannabis establishment.

12 CHAPTER 10

13 PROHIBITIONS AND PENALTIES

14 SUBCHAPTER A

15 PUBLIC EMPLOYEE PROHIBITIONS

16 Section 1001. Definitions.

17 The following words and phrases when used in this chapter  
18 shall have the meanings given to them in this section unless the  
19 context clearly indicates otherwise:

20 "Department." The Department of Revenue of the Commonwealth.

21 "Executive-level public employee." The term shall include  
22 the following:

23 (1) Deputy secretaries of the Commonwealth and the  
24 Governor's Office executive staff.

25 (2) An employee of the executive branch whose duties  
26 substantially involve licensing or enforcement under this  
27 act, who has discretionary power which may affect or  
28 influence the outcome of a Commonwealth agency's action or  
29 decision or who is involved in the development of regulations  
30 or policies relating to a cannabis entity licensee, permittee

1 or other person engaged in a regulated activity under this  
2 act. The term shall include an employee with law enforcement  
3 authority.

4 (3) An employee of a county or municipality with  
5 discretionary powers which may affect or influence the  
6 outcome of the county's or municipality's action or decision  
7 related to this act or who is involved in the development of  
8 law, regulation or policy relating to matters regulated under  
9 this act. The term shall include an employee with law  
10 enforcement authority.

11 (4) An employee of a department, agency, board,  
12 commission, authority or other governmental body not included  
13 in paragraph (1), (2) or (3) with discretionary power which  
14 may affect or influence the outcome of the governmental  
15 body's action or decision related to this act or who is  
16 involved in the development of regulation or policy relating  
17 to matters regulated under this act. The term shall include  
18 an employee with law enforcement authority.

19 "Financial interest." Owning or holding, or being deemed to  
20 hold, debt or equity securities or other ownership interest or  
21 profits interest in a cannabis entity licensee, permittee or  
22 other person authorized to engage in a regulated activity under  
23 this act. A financial interest shall not include any debt or  
24 equity security or other ownership interest or profits interest  
25 which is held or deemed to be held in any of the following:

26 (1) A blind trust over which the executive-level public  
27 employee, public official or party officer or immediate  
28 family member may not exercise any managerial control or  
29 receive income from during the tenure of office and the  
30 period under section 1002(a). This paragraph shall apply only

1 to blind trusts established prior to the effective date of  
2 this paragraph.

3 (2) Securities that are held in a pension plan, profit-  
4 sharing plan, individual retirement account, tax-sheltered  
5 annuity, a plan established under section 457 of the Internal  
6 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et  
7 seq.) or any successor provision deferred compensation plan,  
8 whether qualified or not qualified under the Internal Revenue  
9 Code of 1986 or any successor provision, or other retirement  
10 plan that is:

11 (i) not self-directed by the individual; and  
12 (ii) advised by an independent investment adviser  
13 who has sole authority to make investment decisions with  
14 respect to contributions made by the individual to the  
15 plan.

16 (3) A tuition account plan organized and operated under  
17 section 529 of the Internal Revenue Code of 1986 that is not  
18 self-directed by the individual.

19 (4) A mutual fund where the interest owned by the mutual  
20 fund in a licensed entity does not constitute a controlling  
21 interest.

22 "Immediate family." A spouse, minor child or unemancipated  
23 child.

24 "Party officer." A member of a national committee, a  
25 chairperson, vice chairperson, secretary, treasurer or counsel  
26 of a State committee or member of the executive committee of a  
27 State committee, a county chairperson, vice chairperson,  
28 counsel, secretary or treasurer of a county committee in which a  
29 cannabis entity cannabis establishment is located or a city  
30 chairperson, vice chairperson, counsel, secretary or treasurer

1 of a city committee of a city in which a cannabis establishment  
2 is located.

3 "Public official." The term shall include the following:

4 (1) The Governor, Lieutenant Governor, a member of the  
5 Governor's cabinet, State Treasurer, Auditor General and  
6 Attorney General of the Commonwealth.

7 (2) A member of the Senate or House of Representatives  
8 of the Commonwealth.

9 (3) An individual elected or appointed to any office of  
10 a municipality whose duties directly involve a regulated  
11 activity.

12 (4) An individual elected or appointed to a department,  
13 agency, board, commission, authority or other governmental  
14 body not included in paragraph (1), (2) or (3) that directly  
15 receives a distribution of revenue under this act.

16 (5) An individual elected or appointed to a department,  
17 agency, board, commission, authority, county, municipality or  
18 other governmental body not included in paragraph (1), (2) or  
19 (3) with discretionary power which may influence or affect  
20 the outcome of an action or decision and who is involved in  
21 the development of regulation or policy relating to the  
22 regulation of cannabis under this act or who is involved in  
23 other matters under this act.

24 (6) A member of the Pennsylvania State Police.

25 "Regulated cannabis." Cannabis, cannabis flower and cannabis  
26 products cultivated, processed, sold or offered for sale in this  
27 Commonwealth as provided for under this act.

28 Section 1002. Financial and employment interests.

29 (a) Financial interests.--Except as may be provided for the  
30 judiciary by rule or order of the Supreme Court, an executive-

1 level public employee, public official or party officer, or an  
2 immediate family member of the employee, official or officer,  
3 may not intentionally or knowingly hold a financial interest in  
4 a cannabis entity applicant, cannabis entity, permittee or other  
5 person authorized to engage in a regulated activity under this  
6 act or in a holding company, affiliate, intermediary or  
7 subsidiary while the individual is an executive-level public  
8 employee, public official or party officer and for two years  
9 following termination of the individual's status as an  
10 executive-level public employee, public official or party  
11 officer.

12 (b) Employment interests.--Except as may be provided by rule  
13 or order of the Supreme Court and except as provided in this  
14 act, an executive-level public employee, public official or  
15 party officer, or an immediate family member of the employee,  
16 official or officer, may not be employed by a cannabis entity  
17 applicant, cannabis entity permittee or other person authorized  
18 to engage in a regulated activity under this act or by a holding  
19 company, affiliate, intermediary or subsidiary, while the  
20 individual is an executive-level public employee, public  
21 official or party officer and for two years following  
22 termination of the individual's status as an executive-level  
23 public employee, public official or party officer.

24 (c) Complimentary services prohibited.--

25 (1) An executive-level public employee, public official  
26 or party officer, or an immediate family member of the  
27 employee, official or officer, may not solicit or accept a  
28 complimentary service or thing of value from a cannabis  
29 entity applicant, cannabis entity, permittee or other person  
30 authorized to engage in a regulated activity under this act

1 or from any affiliate, intermediary, subsidiary or holding  
2 company, which the executive-level public employee, public  
3 official or party officer, or an immediate family member of  
4 the employee, official or officer, knows or has reason to  
5 know is other than a service or discount which is offered to  
6 members of the general public in like circumstances.

7 (2) A cannabis entity applicant, cannabis entity,  
8 permittee or other person engaged in a regulated activity  
9 under this act or any affiliate, intermediary, subsidiary or  
10 holding company, may not offer or deliver to an executive-  
11 level public employee, public official or party officer, or  
12 an immediate family member of the employee, official or  
13 officer, a complimentary service or thing of value from a  
14 cannabis entity applicant, cannabis entity, permittee or  
15 other person engaged in a regulated activity under this act  
16 or an affiliate, intermediary, subsidiary or holding company,  
17 that the applicant, cannabis entity licensee, permittee or  
18 other person engaged in a regulated activity under this act,  
19 or any affiliate, intermediary, subsidiary or holding  
20 company, knows or has reason to know is other than a service  
21 or discount that is offered to members of the general public  
22 in like circumstances.

23 (3) As used in this subsection, the term "complimentary  
24 service" shall mean a service, product or other item which is  
25 provided to an individual at no cost or at a reduced or  
26 discounted cost, which is not generally available to the  
27 public under similar circumstances without cost or at a  
28 reduced or discounted cost. Group rates, including convention  
29 and government rates, shall be deemed to be generally  
30 available to the public.

1 (d) Divestiture.--An executive-level public employee, public  
2 official or party officer, or an immediate family member of the  
3 employee, official or officer, who holds a financial interest  
4 prohibited by this section shall divest the financial interest  
5 within three months of the effective date of this subsection. An  
6 executive-level public employee, public official, party officer  
7 or immediate family member shall have 30 days from the date the  
8 individual knew or had reason to know of the violation or 30  
9 days from the date of publication in the Pennsylvania Bulletin  
10 of the complete list of persons that applied for or held a  
11 license, permit or other authorization to engage in a regulated  
12 activity under this act, whichever occurs earlier, to divest the  
13 financial interest. The State Ethics Commission may, for good  
14 cause, extend the time period under this subsection.

15 (e) State Ethics Commission.--The State Ethics Commission  
16 shall do all of the following:

17 (1) Issue a written determination of whether a person is  
18 subject to subsection (a), (b), (c) or (d) upon the written  
19 request of the person or any other person that may have  
20 liability for an action taken with respect to the person. A  
21 person that relies in good faith on a determination made by  
22 the State Ethics Commission under this paragraph shall not be  
23 subject to any penalty for an action taken if the material  
24 facts stated in the request for the determination are  
25 correct.

26 (2) Publish a list of all State, county, municipal and  
27 other government positions that are considered public  
28 official and executive-level public employee. The Office of  
29 Administration shall assist the State Ethics Commission in  
30 the development of the list, which shall be transmitted to

1 the Legislative Reference Bureau for publication in the next  
2 available issue of the Pennsylvania Bulletin biennially and  
3 posted on the board's publicly accessible Internet website.  
4 Upon request, each public official shall have a duty to  
5 provide the State Ethics Commission with adequate information  
6 to accurately develop and maintain the list. The State Ethics  
7 Commission may impose a civil penalty under 65 Pa.C.S. §  
8 1109(f) (relating to penalties) upon any individual,  
9 including any public official or executive-level public  
10 employee, who fails to cooperate with the State Ethics  
11 Commission under this subsection. A person that relies in  
12 good faith on the list published by the State Ethics  
13 Commission shall not be subject to any penalty for a  
14 violation of this section.

15 Section 1003. Additional restrictions.

16 (a) Restrictions.--Employees of the board, department,  
17 Department of Agriculture, Department of Health or Office of  
18 Attorney General, or members or employees of the Pennsylvania  
19 State Police whose duties substantially involve licensing or  
20 enforcement, the development of laws or the development or  
21 adoption of regulations or policy related to the regulation of  
22 cannabis as provided under this act or who has other  
23 discretionary authority which may affect or influence the  
24 outcome of an action, proceeding or decision under this act may  
25 not do any of the following:

26 (1) Accept employment with or be retained by a cannabis  
27 entity applicant, cannabis entity, permittee or other person  
28 authorized to engage in a regulated activity under this act  
29 or an affiliate, intermediary, subsidiary or holding company  
30 for a period of two years after the termination of

1 employment.

2 (2) Appear before the board in a hearing or proceeding  
3 or participate in any other activity on behalf of an  
4 applicant or cannabis entity licensee, permittee or other  
5 person authorized to engage in a regulated activity under  
6 this act or an affiliate, intermediary, subsidiary or holding  
7 company for a period of two years after termination of  
8 employment. Nothing in this paragraph shall prevent a current  
9 or former employee of the department, Department of  
10 Agriculture, Department of Health or Office of Attorney  
11 General, or a member or employee of the Pennsylvania State  
12 Police from appearing before the board in a proceeding or  
13 hearing as a witness or testifying as to any fact or  
14 information.

15 (3) As a condition of employment, potential employees of  
16 the board, department, Department of Agriculture, Department  
17 of Health and Office of Attorney General and members or  
18 employees of the Pennsylvania State Police shall sign an  
19 affidavit that the individual will not accept employment with  
20 or be retained by a cannabis entity applicant, cannabis  
21 entity, permittee or other person authorized to engage in a  
22 regulated activity under this act or an affiliate,  
23 intermediary, subsidiary or holding company for a period of  
24 two years after the termination of employment.

25 (b) Employment or retention.--A cannabis entity applicant,  
26 cannabis entity, permittee or other person authorized to engage  
27 in a regulated activity under this act or an affiliate,  
28 intermediary, subsidiary or holding company may not employ or  
29 retain an individual subject to subsection (a) until the  
30 expiration of the period required in subsection (a)(1). A

1 cannabis entity applicant, cannabis entity, permittee or other  
2 person authorized to engage in a regulated activity under this  
3 act or an affiliate, intermediary, subsidiary or holding company  
4 that knowingly employs or retains an individual in violation of  
5 this subsection shall terminate the employment of the individual  
6 and be subject to administrative sanction by the board.

7 (c) Violation.--If an individual subject to subsection (a)  
8 refuses or otherwise fails to sign an affidavit as a condition  
9 of employment under subsection (a)(3), the individual's  
10 potential employer shall rescind the offer of employment.

11 (d) Code of conduct.--The department, Department of  
12 Agriculture, Department of Health, Office of Attorney General  
13 and Pennsylvania State Police each shall adopt a comprehensive  
14 code of conduct which shall supplement all other requirements  
15 under this act and 65 Pa.C.S. Pt. II (relating to  
16 accountability), as applicable, and shall provide guidelines  
17 applicable to the following to avoid any perceived or actual  
18 conflict of interest and to promote public confidence in the  
19 integrity and impartiality related to the regulation of cannabis  
20 as provided under this act:

21 (1) Employees and independent contractors of the  
22 department, Department of Agriculture and Department of  
23 Health.

24 (2) Members, employees and independent contractors of  
25 the Pennsylvania State Police and employees and independent  
26 contractors of the Office of Attorney General whose duties  
27 substantially involve licensing or enforcement, the  
28 development of laws or the development or adoption of  
29 regulations or policy related to the regulation of cannabis  
30 under this act or who have other discretionary authority

1 which may affect the outcome of an action, proceeding or  
2 decision under this act.

3 (3) The immediate families of employees and independent  
4 contractors of the department, members, employees and  
5 independent contractors of the Pennsylvania State Police and  
6 employees and independent contractors of the Department of  
7 Agriculture, Department of Health and Office of Attorney  
8 General.

9 (e) State Ethics Commission and agencies.--

10 (1) The State Ethics Commission shall do all of the  
11 following:

12 (i) Issue a written determination of whether an  
13 individual is subject to subsection (a)(1) upon the  
14 written request of the individual or the individual's  
15 employer or potential employer.

16 (ii) Transmit to the board a list of all positions  
17 within the board, department, Department of Agriculture,  
18 Office of Attorney General and Pennsylvania State Police  
19 whose duties would subject the individual applying for or  
20 holding the positions to subsection (a)(1). The board  
21 shall post on the board's publicly accessible Internet  
22 website and to the Legislative Reference Bureau for  
23 publication in the next available issue of the  
24 Pennsylvania Bulletin. The State Ethics Commission shall  
25 post the list on the commission's publicly accessible  
26 Internet website.

27 (2) The board, department, Department of Agriculture,  
28 Department of Health, Office of Attorney General and  
29 Pennsylvania State Police shall each assist the State Ethics  
30 Commission in the development of the list under paragraph (1)

1 (ii). Upon request by the State Ethics Commission, members  
2 and employees of the Pennsylvania State Police and employees  
3 of the department, Department of Agriculture, Department of  
4 Health and Office of Attorney General shall have a duty to  
5 provide the State Ethics Commission with adequate information  
6 to accurately develop and maintain the list. The State Ethics  
7 Commission may impose a civil penalty under 65 Pa.C.S. §  
8 1109(f) (relating to penalties) upon an individual who fails  
9 to cooperate with the State Ethics Commission under this  
10 paragraph.

11 (3) An individual who relies in good faith on a  
12 determination made by the State Ethics Commission under  
13 paragraph (1)(i) shall not be subject to any penalty for an  
14 action taken if all material facts stated in the request for  
15 the determination are correct.

16 (4) An individual who relies in good faith on the list  
17 published under paragraph (1)(ii) shall not be subject to any  
18 penalty for a violation of subsection (a).

#### 19 SUBCHAPTER B

#### 20 PENALTIES AND IMMUNITIES

21 Section 1004. Administrative sanctions.

22 (a) Authority to impose administrative sanctions.--

23 (1) In addition to any other penalty authorized by law  
24 or under this act, the board may impose without limitation  
25 the following sanctions upon a cannabis entity, permittee or  
26 other person authorized to engage in a regulated activity  
27 under this act:

28 (i) Suspend, revoke or refuse to renew the license,  
29 permit or other authorization to engage in a regulated  
30 activity under this act of a person convicted of a

1 criminal offense under this act or other law which would  
2 otherwise disqualify the person from holding the license,  
3 permit or other authorization.

4 (ii) Revoke the license, permit or other  
5 authorization to engage in a regulated activity under  
6 this act of a person determined to have violated this act  
7 or regulations promulgated by the board under this act  
8 which would otherwise disqualify the person from holding  
9 the license, permit or other authorization.

10 (iii) Revoke the license, permit or other  
11 authorization to engage in a regulated activity under  
12 this act of a person for willfully and knowingly  
13 violating or attempting to violate an order of the board  
14 directed to the person.

15 (iv) Suspend the license, permit or other  
16 authorization of a person pending the outcome of a  
17 hearing in a case in which the revocation of a license,  
18 permit or authorization to engage in a regulated activity  
19 under this act.

20 (v) Suspend the license of a cannabis entity for  
21 violating or attempting to violate this act or  
22 regulations promulgated under this act relating to the  
23 operation of the cannabis entity cannabis establishment.

24 (vi) Order restitution of money or property  
25 unlawfully obtained or retained by a cannabis entity,  
26 permittee or other person authorized to engage in a  
27 regulated activity under this act.

28 (vii) Enter a cease and desist order that specifies  
29 the conduct that must be discontinued, altered or  
30 implemented by the cannabis entity, permittee or other

1 person authorized to engage in a regulated activity under  
2 this act.

3 (viii) Issue a letter of reprimand or censure, which  
4 shall be made a permanent part of the file of the  
5 cannabis entity, permittee or other person sanctioned.

6 (ix) Assess administrative fines for a violation of  
7 this act or a regulation promulgated under this act,  
8 which shall not exceed:

9 (A) \$50,000 for each violation of this act or a  
10 regulation promulgated by the board under this act by  
11 a Category 1 cannabis cultivator licensee or Category  
12 1 cannabis processor licensee or an essential  
13 employee or agent of the licensee.

14 (B) \$10,000 for each violation of this act or a  
15 regulation promulgated by the board under this act by  
16 a Category 2 cannabis microcultivator or Category 2  
17 cannabis microprocessor or an essential employee or  
18 agent of the licensee.

19 (C) \$15,000 for each violation of this act or a  
20 regulation promulgated by the board under this act by  
21 a cannabis transporter licensee or an essential  
22 employee or agent of the licensee.

23 (D) \$15,000 for each violation of this act or a  
24 regulation promulgated by the board under this act by  
25 a cannabis on-site consumption licensee or an  
26 essential employee or agent of a licensee.

27 (E) \$10,000 for each violation of this act or a  
28 regulation promulgated by the board under this act by  
29 a person that holds a permit to operate a cannabis  
30 testing laboratory or by an employee or agent of the

1 licensee.

2 (F) \$10,000 for each violation of this act or a  
3 regulation promulgated by the board under this act by  
4 any other person authorized by the board to engage in  
5 a regulated activity under this act.

6 (2) If the board suspends, revokes or refuses to renew a  
7 license, permit or other authorization to engage in a  
8 regulated activity under this act or assesses a fine or civil  
9 penalty, orders restitution, enters a cease and desist order  
10 or issues a letter of reprimand or censure, the board shall  
11 provide the cannabis entity, permittee or other person  
12 authorized to engage in a regulated activity under this act  
13 with written notification of the decision, including a  
14 statement of the reasons for the decision, by certified mail  
15 within five business days of the decision of the board. The  
16 cannabis entity licensee, permittee or other person shall  
17 have the right to appeal the decision under 2 Pa.C.S. Chs. 5  
18 Subch. A (relating to practice and procedure of Commonwealth  
19 agencies) and 7 Subch. A (relating to judicial review of  
20 Commonwealth agency action).

21 (3) In addition to a fine imposed under this act or  
22 regulations promulgated under this act, the board shall  
23 impose an administrative penalty of three times the amount of  
24 the license fee, permit fee, authorization fee, tax or any  
25 other assessment which is evaded and not paid, collected or  
26 paid over. A cannabis entity licensee, permittee or other  
27 person subject to a penalty under this paragraph shall have  
28 the right to appeal the impositions under 2 Pa.C.S. Chs. 5  
29 Subch. A and 7 Subch. A.

30 (4) Utilize the courts to take all appropriate action to

1       enjoin conduct the board determines necessary to maintain the  
2       integrity of the cannabis industry and the health, safety and  
3       welfare of the citizens of this Commonwealth, seek and obtain  
4       judgment, issue cease and desist orders and request opinions  
5       from the Attorney General pursuant to the act of October 15,  
6       1980 (P.L.950, No.164), known as the Commonwealth Attorneys  
7       Act.

8       (b) Aiding and abetting.--A person that aids, abets,  
9       counsels, commands, induces, procures or causes another person  
10      to violate this act shall be subject to all sanctions and  
11      penalties, both civil and criminal, provided under this act.

12      (c) Continuing offenses.--A violation of this act that is  
13      determined to be an offense of a continuing nature shall be  
14      deemed to be a separate offense on each event or day during  
15      which the violation occurs. Nothing in this subsection shall be  
16      construed to preclude the commission of multiple violations of  
17      this act in any one day that establish offenses consisting of  
18      separate and distinct acts or violations of this act or  
19      regulations promulgated under this act.

20      (d) Property subject to seizure, confiscation, destruction  
21      or forfeiture.--Equipment, devices or apparatus', including a  
22      point-of-sale system, transaction scan devices, weight or  
23      measures, computers, including computer hardware, software and  
24      associated equipment, supplies, materials, cannabis proceeds or  
25      substituted proceeds, money or real or personal property used,  
26      obtained or received or any attempt to use, obtain or receive  
27      equipment, devices or apparatus', supplies, materials, cannabis  
28      proceeds or substituted proceeds, money or real or personal  
29      property of a cannabis entity, permittee or other person  
30      authorized to engage in a regulated activity in violation of

1 this act shall be subject to 42 Pa.C.S. §§ 5803 (relating to  
2 asset forfeiture), 5805 (relating to forfeiture procedure), 5806  
3 (relating to motion for return of property), 5807 (relating to  
4 restrictions on use), 5807.1 (relating to prohibition on  
5 adoptive seizures) and 5808 (relating to exceptions).

6 (e) Sanctions.--

7 (1) In considering appropriate administrative sanctions  
8 against a person for a violation of this act, the board shall  
9 consider all of the following:

10 (i) The risk to the public and to the integrity of  
11 the Commonwealth's regulated cannabis industry created by  
12 the conduct of the person.

13 (ii) The seriousness of the conduct of the person  
14 and whether the conduct was purposeful and with knowledge  
15 that the conduct was in contravention of this act or  
16 regulations promulgated by the board under this act.

17 (iii) Any justification for the conduct by the  
18 person.

19 (iv) The prior history of the cannabis entity,  
20 permittee or other person authorized to engage in a  
21 regulated activity under this act involved with respect  
22 to the regulated activity, which resulted in the  
23 sanction.

24 (v) The corrective action taken by the cannabis  
25 entity, permittee or other person authorized to engage in  
26 a regulated activity under this act to prevent future  
27 misconduct of the same or a similar nature from  
28 reoccurring.

29 (vi) In the case of a monetary penalty, the amount  
30 of the penalty in relation to the severity of the

1 misconduct and the financial means of the cannabis  
2 entity, permittee or other person authorized to engage in  
3 a regulated activity to pay the penalty. The board may  
4 impose a schedule or terms of payment of the penalty as  
5 the board may deem appropriate.

6 (2) It shall not be a defense to a sanction before the  
7 board that a person inadvertently, unintentionally or  
8 unknowingly violated this act. The factors under paragraph

9 (1) shall only extend to the degree of the penalty to be  
10 imposed by the board and not to a finding of a violation.

11 (f) Regulations.--The board shall promulgate regulations to  
12 effectuate the provisions of this section.

13 Section 1005. Civil and criminal penalties.

14 (a) Violations of this chapter.--An individual who violates  
15 Chapter 10 commits a misdemeanor and shall, upon conviction, be  
16 sentenced to pay a fine of not more than \$10,000 or to  
17 imprisonment for not more than five years, or both.

18 (b) Violations of Chapter 11.--

19 (1) A person that fails to timely remit to the  
20 department or the State Treasurer amounts required under  
21 Chapter 11 shall be liable, in addition to any liability  
22 imposed elsewhere under this act or which may be imposed  
23 under the Tax Reform Code of 1971, for a penalty of 5% per  
24 month up to a maximum of 25% of the amount ultimately found  
25 to be due and payable, to be recovered by the Department of  
26 Revenue.

27 (2) A person that violates section 1102 shall be subject  
28 to the criminal penalties under the act of March 4, 1971

29 (P.L.6, No.2), known as the Tax Reform Code of 1971.

30 Section 1006. General immunities and presumptions.

1 (a) General rule.--Except as provided in this act or  
2 regulation of the board adopted and promulgated under this act,  
3 in matters related to the regulation of cannabis under this act,  
4 the following apply:

5 (1) A cannabis entity, permittee or other person  
6 authorized to engage in a regulated activity under this act  
7 shall not be subject to any of the following for engaging in  
8 a regulated activity in a manner authorized under this act  
9 and any rules or regulations promulgated under this act  
10 related to the acquisition, possession, cultivation,  
11 processing, storage, transporting, testing, transfer and  
12 selling of regulated cannabis or cannabis paraphernalia:

13 (i) Prosecution.

14 (ii) Search, seizure or inspection, except by the  
15 board, bureau, Department of Agriculture, Department of  
16 Health, Pennsylvania State Police or local law  
17 enforcement as provided under this act.

18 (iii) Penalty in any manner, including, but not  
19 limited to, civil penalty.

20 (iv) Denial of any right or privilege.

21 (v) Except as provided in section 1009,  
22 administrative sanction or disciplinary action by a  
23 licensing board of the Commonwealth or any other  
24 Commonwealth agency.

25 (2) An agent, employee or other person employed or  
26 contracted by a cannabis entity shall not be subject to any  
27 of the following for working for or contracting with a  
28 cannabis entity licensee as provided under this act and any  
29 rules or regulations promulgated by the board under this act:

30 (i) Prosecution.

1 (ii) Search.

2 (iii) Except as provided in this act, a penalty in  
3 any manner, including, but not limited to, a civil  
4 penalty.

5 (iv) Denial of any right or privilege.

6 (v) Disciplinary action by a licensing board of the  
7 Commonwealth or any other Commonwealth agency.

8 (b) Seizures and forfeitures.--Notwithstanding any other  
9 provision of law or regulation, any regulated cannabis, cannabis  
10 paraphernalia, legal property or interest in legal property that  
11 is owned, leased, possessed or otherwise utilized in connection  
12 with the use of regulated cannabis as authorized under this act,  
13 or acts incidental to that utilization or use, may not be seized  
14 or forfeited. Nothing in this subsection shall be construed to  
15 prevent the seizure or forfeiture of regulated cannabis  
16 exceeding the amounts authorized under this act or to prevent  
17 seizure or forfeiture if the basis for the seizure or forfeiture  
18 is unrelated to the regulated cannabis that is possessed,  
19 transferred, transported or used as provided under this act.  
20 Nothing in this subsection shall prevent the board from seizing  
21 regulated cannabis or cannabis paraphernalia.

22 CHAPTER 11

23 TAXES AND TAX ADMINISTRATION

24 Section 1101. Definitions.

25 The following words and phrases when used in this chapter  
26 shall have the meanings given to them in this section unless the  
27 context clearly indicates otherwise:

28 "Department." The Department of Revenue of the Commonwealth.

29 "Regulated cannabis." Cannabis seeds, cannabis flower and  
30 cannabis products sold and purchased as provided under this act.

1 Section 1102. Cannabis excise tax.

2 (a) Imposition.--An excise tax is imposed at the rate of 12%  
3 of the cannabis store sales price for regulated cannabis sold by  
4 cannabis stores. Except as otherwise provided by regulation, a  
5 product subject to the tax imposed under this subsection may not  
6 be bundled in a single transaction with a product or service  
7 that is not subject to the tax imposed under this subsection.

8 (b) Treatment.--Notwithstanding any other provision of law,  
9 cannabis paraphernalia sold by a cannabis store or a cannabis  
10 paraphernalia permittee is a taxable sale under and subject to  
11 the provisions of section 202 of the act of March 4, 1971  
12 (P.L.6, No.2), known as the Tax Reform Code of 1971.

13 (c) Deposit.--All money received from the tax imposed under  
14 subsection (a) shall be deposited into the Cannabis Revenue  
15 Fund.

16 (d) Information required by department.--A cannabis  
17 paraphernalia permittee subject to the tax imposed under this  
18 section shall provide the department with all documents,  
19 materials, books and records and any other information required  
20 by the department under Chapter VIII of Part VI of Article II of  
21 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform  
22 Code of 1971.

23 (e) Application.--An on-site consumption licensee shall not  
24 be subject to the excise tax imposed under this section for  
25 regulated cannabis sales to consumers at its on-site consumption  
26 premises.

27 Section 1103. Authority and duties of department.

28 (a) Authority of department.--The department shall:

29 (1) In collaboration with the board, administer and  
30 collect taxes imposed under this act and interest imposed

1 under section 806 of the act of April 9, 1929 (P.L.343,  
2 No.176), known as The Fiscal Code.

3 (2) Promulgate and enforce rules and regulations to  
4 carry out the department's prescribed duties as provided  
5 under this chapter, including the collection of taxes,  
6 penalties and interest imposed by this act and to prescribe  
7 the extent, if any, to which rules and regulations relating  
8 to taxing shall be applied without retroactive effect.

9 (3) Prescribe the forms and the system of accounting and  
10 recordkeeping to be used by cannabis entity licensees,  
11 permittees and other persons engaged in a regulated activity  
12 under this act to carry out the department's duties under  
13 this chapter.

14 (b) Powers and duties of department.--

15 (1) The department, for the purpose of audit and  
16 examination, shall, at all times, have the power of access to  
17 all books, records, documents, materials, devices and  
18 equipment, including, but not limited to, point-of-sale  
19 systems, transaction scan devices, weights and measures and  
20 computer software, hardware and associated electronic  
21 equipment and any other equipment or devices maintained and  
22 used by a cannabis entity licensee, permittee or other person  
23 authorized to engage in a regulated activity under this act  
24 and related to all aspects of cannabis operations, which are  
25 kept, maintained or otherwise used by a cannabis entity  
26 licensee, permittee or other person authorized to engage in a  
27 regulated activity under this act.

28 (2) Notwithstanding section 353(f) of the act of March  
29 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,  
30 the department shall supply the board, the Pennsylvania State

1 Police and the Office of Attorney General with information  
2 concerning the status of delinquent taxes owed by the  
3 applicant, licensee, permittee or other person authorized to  
4 engage in a regulated activity under this act.

5 (c) Regulatory authority.--To promptly carry out the  
6 department's powers and duties under this act, the department  
7 may adopt and promulgate temporary regulations in the same  
8 manner in which the board is authorized to adopt and promulgate  
9 temporary regulations.

10 Section 1103.1. Municipal tax on on-site consumption licensees.

11 (a) Imposition of sales tax.--A municipality may impose a  
12 sales tax at the rate of 3% of the sales price for regulated  
13 cannabis sold to consumers by an on-site consumption license  
14 located within the municipality.

15 (b) Deposit of sales tax proceeds.--All money received from  
16 the tax imposed under subsection (a) shall be collected and  
17 retained by the municipality.

18 Section 1104. Liens and suits for taxes.

19 (a) Liens for taxes.--Unpaid taxes imposed under section  
20 1102 shall be subject to section 1401 of the act of April 9,  
21 1929 (P.L.343, No.176), known as The Fiscal Code.

22 (b) Suits for taxes.--All taxes imposed under this act that  
23 are unpaid or delinquent shall be subject to section 243 of the  
24 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code  
25 of 1971.

26 (c) Municipal taxes and liens.--Unpaid taxes under section  
27 1104 shall be subject to the act of May 16, 1923 (P.L. 207, No.  
28 153), known as the Municipal Claim and Tax Lien Law.

29 Section 1105. Tax deduction allowed.

30 (a) Ineligible persons.--A tax deduction shall be allowed

1 from the taxable income of a cannabis entity in the amount of  
2 the ordinary and necessary expenses paid or incurred during the  
3 taxable year by the cannabis entity which are ordinarily  
4 deductible for Federal income tax purposes under 26 U.S.C. § 162  
5 (relating to trade or business expenses). The deduction shall  
6 only be permitted to the extent deductions for expenses under 26  
7 U.S.C. § 162 were not taken by the cannabis entity for Federal  
8 income tax purposes for the taxable year.

9 (b) Tax violations.--

10 (1) In addition to any other provision of this act  
11 governing the issuance of a license, permit or other  
12 authorization to engage in a regulated activity under this  
13 act, the board, upon notification by the Department of  
14 Revenue, shall refuse the issuance or renewal of a license,  
15 permit or other authorization to a person for any of the  
16 following violations of this act or the act of March 4, 1971  
17 (P.L.6, No.2), known as the Tax Reform Code of 1971:

18 (i) Failure to file a tax return.

19 (ii) Filing a fraudulent return.

20 (iii) Failure to pay all or part of a tax or penalty  
21 finally determined to be due and payable.

22 (iv) Failure to keep books, records, materials or  
23 other information or documents required by the Department  
24 of Revenue.

25 (v) Failure to secure and display licensure.

26 (vi) Willful violation of any rule or regulation of  
27 the Department of Revenue or the board related to the  
28 administration and enforcement of tax liability.

29 (2) (i) Upon notification from the Department of  
30 Revenue that a violation under paragraph (1) has been

1 corrected or resolved, the board shall notify the  
2 cannabis entity applicant, cannabis entity, permittee or  
3 other person authorized to engage in a regulated activity  
4 under this act that the violation has been corrected or  
5 resolved.

6 (ii) Upon receiving notice from the Department of  
7 Revenue under subparagraph (i), the board may issue or  
8 renew the license, permit or other authorization to  
9 engage in a regulated activity under this act or vacate  
10 an order of suspension or revocation.

## 11 CHAPTER 12

### 12 REVENUE

13 Section 1201. Cannabis Revenue Fund.

14 (a) Establishment of fund.--The Cannabis Revenue Fund is  
15 established as a separate fund in the State Treasury.

16 (b) Deposits into fund.--The fund shall consist of proceeds  
17 from the sale of cannabis seeds, cannabis flower, cannabis  
18 products and cannabis paraphernalia from cannabis stores, from  
19 licensing fees collected by the board, money collected by the  
20 Department of Revenue for taxes under this act, money  
21 appropriated to the board and the Department of Revenue for  
22 implementing, administering and enforcing this act and other  
23 money, grants, gifts, donations or contributions from any other  
24 source which may be made to the fund.

25 (c) Distributions from the fund.--Money in the fund shall be  
26 distributed for the following:

27 (1) Actual and necessary costs incurred by the board for  
28 implementing, administering and enforcing this act.

29 (2) Actual and necessary costs incurred by the  
30 Department of Revenue for carrying out duties under this act.

1           (3) Actual and necessary costs incurred by the  
2 Department of Agriculture and the Department of Community and  
3 Economic Development in carrying out powers and duties under  
4 this act.

5           (4) Reasonable and necessary costs incurred by the  
6 Office of Social and Economic Equity.

7           (5) Actual and necessary costs incurred by the  
8 Pennsylvania State Police and the Office of Attorney General  
9 to carry out duties under this act.

10          (6) Actual and necessary costs incurred by the  
11 Administrative Office of Pennsylvania Courts to carry out the  
12 requirements under Chapter 3.

13          (7) After the distributions of money under paragraphs  
14 (1), (2), (3), (4), (5) and (6), money remaining in the fund  
15 deposited during the prior fiscal year shall be distributed  
16 as follows:

17           (i) 50% of the money remaining in the fund shall be  
18 deposited into the Communities Reimagined and  
19 Reinvestment Restricted Account established under section  
20 1202 and shall be used for the purposes provided in  
21 section 1202.

22           (ii) 10% of the money shall be deposited into the  
23 Substance Use Disorder Prevention, Treatment and  
24 Education Account established under section 1203 and used  
25 for the purposes enumerated under section 1203.

26           (iii) 5% of the money shall be deposited into the  
27 Cannabis Business Development Fund.

28           (iv) 2.5% of the money shall be appropriated to the  
29 Pennsylvania Minority Business Development Authority to  
30 provide noncannabis related business loans for

1 individuals that meet the qualifications of a social and  
2 economic equity applicant.

3 (v) 2% of the money shall be appropriated to the  
4 Administrative Office of Pennsylvania Courts to provide  
5 grants to counties based on the number of cases to be  
6 vacated or expunged within the county.

7 (vi) Money remaining in the fund after disbursement  
8 under this paragraph shall be deposited into the General  
9 Fund.

10 (d) Definitions.--As used in this section, the following  
11 words and phrases shall have the meanings given to them in this  
12 subsection unless the context clearly indicates otherwise:

13 "Fund." The Cannabis Revenue Fund established under  
14 subsection (a).

15 Section 1202. Communities Reimagined and Reinvestment  
16 Restricted Account.

17 (a) Establishment.--The Communities Reimagined and  
18 Reinvestment Restricted Account is established as a restricted  
19 account within the Cannabis Revenue Fund.

20 (b) Deposits into account.--Each fiscal year, the State  
21 Treasurer, after consultation with the Secretary of the Budget,  
22 shall transfer into the account the money received under section  
23 1201(c)(6)(i). Money deposited into the account along with money  
24 which may be appropriated by the General Assembly or which may  
25 be otherwise contributed, donated or received from any other  
26 source, including the Federal Government, for the purposes of  
27 this section.

28 (c) Administration of account.--The account shall be  
29 administered and governed by the office of social equity, in  
30 consultation with the Department of Community and Economic

1 Development.

2 (d) Advisory committee established.--

3 (1) An advisory committee is established to recommend  
4 grantees in eligible historically impacted communities and  
5 other identified communities.

6 (2) The members of the advisory committee shall include:

7 (i) The director of the Office of Social Equity.

8 (ii) Four appointments made by the General Assembly  
9 as follows:

10 (A) One individual appointed by the President  
11 pro tempore of the Senate who shall have knowledge  
12 and experience in building healthy communities,  
13 including social, economic and health equity in  
14 underserved communities in this Commonwealth.

15 (B) One individual appointed by the Minority  
16 Leader of the Senate who shall have knowledge and  
17 experience in building healthy communities, including  
18 social, economic and health equity in underserved  
19 communities in this Commonwealth.

20 (C) One individual appointed by the Speaker of  
21 the House of Representatives who shall have knowledge  
22 and experience in building healthy communities,  
23 including social, economic and health equity in  
24 underserved communities in this Commonwealth.

25 (D) One individual appointed by the Minority  
26 Leader of the House of Representatives who shall have  
27 knowledge and experience in building healthy  
28 communities, including social, economic and health  
29 equity in underserved communities in this  
30 Commonwealth.

1 (iii) Seven members appointed by the Governor as  
2 follows:

3 (A) Four representatives of community-based  
4 providers or community development organizations in  
5 historically impacted communities or other identified  
6 communities with expertise in job placement,  
7 homelessness and housing, legal assistance,  
8 behavioral health, substance use disorder treatment  
9 and effective rehabilitative treatment for adults and  
10 juveniles.

11 (B) One expert on assessing and addressing the  
12 impacts of Federal and State drug policies on  
13 underserved communities.

14 (C) Two individuals who were previously  
15 incarcerated for an act that is now lawful under this  
16 act.

17 (3) The following, or their designees, shall serve as ex  
18 officio members:

19 (i) the Attorney General;

20 (ii) the director of the Pennsylvania Commission on  
21 Crime and Delinquency;

22 (iii) the Commissioner of Pennsylvania State Police;

23 (iv) the Secretary of Drug and Alcohol Programs;

24 (v) the Secretary of Human Services;

25 (vi) the Secretary of Labor and Industry;

26 (vii) the Secretary of Community and Economic  
27 Development; and

28 (viii) the Secretary of Health.

29 (e) Membership considerations.--

30 (1) To the extent possible, individuals shall be

1 appointed in a manner to achieve a balanced and diverse  
2 representation of the geographic regions and demographics,  
3 including age, race, ethnicity and gender, of this  
4 Commonwealth.

5 (2) In determining membership for the advisory board the  
6 following apply:

7 (i) Within the five years immediately preceding the  
8 date of appointment, the appointee and a member of the  
9 appointee's immediate family shall not have done any of  
10 the following:

11 (A) Been appointed to, been elected to or been a  
12 candidate for Federal or State office.

13 (B) Served as an officer, employee or paid  
14 consultant of a political party or the campaign  
15 committee of a candidate for elective Federal or  
16 State office.

17 (C) Served as an elected or appointed member of  
18 a political party central committee.

19 (D) Been a registered Federal, State or local  
20 lobbyist.

21 (E) Served as a paid congressional or  
22 legislative staffer.

23 (F) Contributed \$2,000 or more to a  
24 congressional, State or local candidate for elective  
25 public office in any year. The following apply:

26 (I) The amount under this subparagraph shall  
27 be adjusted every 10 years by the cumulative  
28 change in the Consumer Price Index for All Urban  
29 Consumers (CPI-U) for the Pennsylvania, New  
30 Jersey, Delaware and Maryland area for the 10

1 most-recent 12-month periods for which figures  
2 have been officially reported by the United  
3 States Department of Labor, Bureau of Labor  
4 Statistics immediately prior to the date the  
5 adjustment is due to take effect.

6 (II) The authority shall transmit notice of  
7 any change to the amount under this subparagraph  
8 to the Legislative Reference Bureau for  
9 publication in the Pennsylvania Bulletin.

10 (ii) Staff and consultants to, persons employed by  
11 or under a contract with and any person with an immediate  
12 family relationship with a member of the Congress of the  
13 United States, the Governor or a member of the General  
14 Assembly shall not be eligible for appointment to the  
15 board.

16 (iii) As used in this subsection, the term  
17 "immediate family" consists of other individuals with  
18 whom the individual has a bona fide relationship  
19 established through blood or legal relation, including  
20 parents, children, siblings or in-laws.

21 (f) Term limits.--Members appointed under subsection (d) (2)  
22 (ii) shall serve for a term of three years, and may only serve a  
23 total of two terms. Members appointed under subsection (d) (2)  
24 (iii), (iv) and (v) shall serve for a term of two years and may  
25 only serve a total of two terms.

26 (g) Quorum.-- a majority of members shall constitute a  
27 quorum.

28 (h) Chair.--the director of the Office of Social Equity  
29 shall serve as chair.

30 (i) Neglect of responsibility.--A member of the advisory

1 board may be removed by a majority vote of the board for  
2 substantial neglect of duty, inability to discharge the powers  
3 and duties of office, violation of subsection (d), gross  
4 misconduct or conviction of a felony.

5 (j) Purpose of advisory committee.--In order to address  
6 social, racial, health, criminal justice and economic  
7 disparities as a result of past Federal and State drug policies,  
8 the advisory committee is established to:

9 (1) Address the impact of economic disinvestment,  
10 environmental discrimination, violence and the historical  
11 overuse and discriminatory nature of criminal justice  
12 responses in historically impacted communities and other  
13 identified communities by providing resources to support  
14 local design and control of community-based activities and  
15 programs to help alleviate the impacts.

16 (2) Engage with impacted communities and stakeholders to  
17 develop a reinvestment strategy using science and data.

18 (3) Recommend programs designed to improve the health,  
19 wellness and economic justice for populations and communities  
20 harmed by Federal and State drug policies through investments  
21 in sectors including economic development, employment  
22 infrastructure, access to affordable housing, public  
23 recreation spaces, legal services, violence prevention,  
24 mental and behavioral health.

25 (4) Promote economic development, employment  
26 infrastructure and capacity building related to the social  
27 determinants of health in historically impacted communities  
28 and other areas determined eligible to participate in the  
29 programs under this section.

30 (k) Other identified communities.--In addition to

1 historically impacted communities, the advisory board may  
2 recommend communities affected by Federal and State drug  
3 policies that may be eligible for grants. The Office of Social  
4 and Economic Equity shall make publicly available the analysis  
5 and identification of communities in this Commonwealth adopted  
6 by the Office of Social and Economic Equity as eligible for a  
7 grant under paragraph (1). Eligible areas shall be redetermined  
8 every four years.

9 (l) Community partnerships.--The advisory committee shall  
10 develop collaborative partnerships within identified  
11 historically impacted communities and other areas designated by  
12 the advisory committee.

13 (m) Duties of office and committee.--The Office of Social  
14 and Economic Equity, in consultation with the advisory committee  
15 and the Department of Community and Economic Development shall:

16 (1) Develop a process to solicit applications from  
17 persons, groups and organizations eligible for a grant.  
18 Groups and organizations eligible for grant awards under this  
19 section shall include, but not be limited to:

20 (i) Community-based providers.

21 (ii) Community and economic development  
22 organizations.

23 (iii) Groups and organizations concerned with  
24 criminal justice diversion.

25 (iv) Groups and organizations engaged in reentry  
26 support, employment training and employment opportunities  
27 for individuals returning from incarceration.

28 (v) Groups and organizations engaged in youth  
29 development, family and child welfare activities.

30 (vi) Experts in the field of violence reduction.

1           (vii) Groups and organizations that provide free or  
2           discounted legal services to indigent individuals.

3           (viii) Certified Economic Development Organizations.

4           (ix) A municipality, as long as municipality does  
5           not use the grant funds to supplant any funding that  
6           otherwise would be appropriated for preexisting programs.

7           (x) Other organizations, groups, providers and  
8           experts determined by the advisory committee as being  
9           essential to the mission and purposes of the advisory  
10          committee.

11          (2) Develop standard uniform templates for planning and  
12          implementation activities to be submitted by grant applicants  
13          and awardees to the advisory committee.

14          (3) Identify resources sufficient to support the full  
15          administration and evaluation of Communities Reimagined and  
16          Reinvestment programs, including building and sustaining core  
17          program capacity at the community and State levels.

18          (4) Facilitate the provision of training and technical  
19          assistance for capacity building for persons, groups and  
20          organizations within and among historically impacted  
21          communities and other communities identified as eligible  
22          areas.

23          (5) Review grant applications and approve the  
24          distribution of grant money.

25          (6) Develop a performance measurement system that  
26          focuses on positive outcomes, identifies negative results and  
27          provides recommendations for improvement.

28          (7) Develop a process to support ongoing monitoring and  
29          evaluation of groups and organizations that were awarded a  
30          grant.

1 (n) Use of money in account.--The money deposited into the  
2 account shall be administered by the office and allocated by the  
3 office of social equity to:

4 (1) Provide grants for the purpose of reinvesting in  
5 historically impacted communities or other identified  
6 communities. Grants shall be used to support:

7 (i) Job placement, job skills services and adult  
8 education.

9 (ii) Mental health and behavioral health treatment,  
10 including posttraumatic stress disorder.

11 (iii) Substance use disorder treatment.

12 (iv) Housing.

13 (v) Financial literacy and community banking.

14 (vi) Nutrition services.

15 (vii) Services to address adverse childhood  
16 experiences.

17 (viii) Afterschool and child care services.

18 (ix) System navigation services.

19 (x) Legal services to address barriers to reentry,  
20 including, but not limited to, providing representation  
21 and related assistance with expungement, vacatur,  
22 housing, substitution and resentencing of cannabis-  
23 related convictions.

24 (xi) Linkages to medical care, evidence-based  
25 women's health services, including maternal health, and  
26 other community-based supportive services.

27 (2) Award grants to further support the social and  
28 economic equity activities created under this act.

29 (o) Prohibition.--Notwithstanding any other law to the  
30 contrary, the fund and money in the fund shall not be subject to

1 transfer or any other fiscal or budgetary maneuver which would  
2 transfer or appropriate money in the fund into any other fund,  
3 account or Commonwealth program funded through the State  
4 Treasury or by any other Commonwealth agency or which may be  
5 established by the General Assembly.

6 (p) Reports.--On or before March 1 of the second calendar  
7 year following the effective date of this subsection, and each  
8 March 1 thereafter, the office shall submit a report to the  
9 Governor and the General Assembly on the office's activities  
10 under this section. The report shall detail how the money in the  
11 account was distributed and utilized during the preceding  
12 calendar year. The report shall include:

13 (1) The amount of money available and disbursed from the  
14 account.

15 (2) The procedure used to award grant funds from the  
16 account.

17 (3) The names of the grant recipients, including the  
18 business address and other identifying information the office  
19 determines necessary and appropriate.

20 (4) The dollar amount awarded to each grant recipient.

21 (5) The purposes for which the grant was awarded to each  
22 recipient.

23 (6) A summary financial plan for money in the fund,  
24 which shall include estimates of all receipts and all  
25 disbursements for the current and succeeding fiscal years and  
26 the actual results from the prior fiscal year.

27 (q) Nonlapsing of money.--Amounts remaining in the account  
28 at the end of a fiscal year shall not lapse and shall remain in  
29 the account and used for the purposes enumerated in subsection  
30 (d).

1 (r) Definitions.--As used in this section, the following  
2 words and phrases shall have the meanings given to them in this  
3 subsection unless the context clearly indicates otherwise:

4 "Account." The Communities Reimagined and Reinvestment  
5 Restricted Account established under subsection (a).  
6 Section 1203. Substance Use Disorder Prevention, Treatment and  
7 Education Restricted Account.

8 (a) Establishment of account.--The Substance Use Disorder  
9 Prevention, Treatment and Education Restricted Account is  
10 established as a restricted account within the Cannabis Revenue  
11 Fund which shall be administered by the Department of Drug and  
12 Alcohol Programs.

13 (b) Deposits into account.--

14 (1) Each fiscal year, the State Treasurer, after  
15 consultation with the Secretary of the Budget, shall transfer  
16 the money received under section 1201(c)(6)(ii) into the  
17 account.

18 (2) Money appropriated by the General Assembly to the  
19 Department of Drug and Alcohol Programs

20 (3) Money contributed, donated or received from any  
21 other source, including the Federal Government.

22 (c) Use of money in account.--The money in the account  
23 appropriated to the Department of Drug and Alcohol Programs  
24 shall be used for the following purposes:

25 (1) To develop and implement a youth-focused public  
26 health education and prevention campaign, including school-  
27 based prevention, early intervention and health care services  
28 and programs, to reduce the risk of cannabis and other  
29 substance use by school-age children from kindergarten to  
30 grade 12.

1           (2) To develop and implement a Statewide public health  
2 campaign focused on the health effects of cannabis and legal  
3 use, including an ongoing education and prevention campaign  
4 that educates the general public, including parents,  
5 consumers and retailers, on the legal use of cannabis, the  
6 importance of preventing youth access, the importance of safe  
7 storage, preventing secondhand cannabis smoke exposure,  
8 information for pregnant or breastfeeding women, the risks of  
9 cannabis products with a high total THC concentration and the  
10 overconsumption of cannabis flower and cannabis products.

11           (3) To provide substance use disorder treatment programs  
12 for youth and adults, with an emphasis on programs that are  
13 culturally and gender competent, trauma-informed, evidence-  
14 based and provide a continuum of care that includes screening  
15 and assessment, including substance use disorder assessment,  
16 as well as mental health and behavioral health assessment,  
17 early intervention, active treatment, family involvement,  
18 case management, overdose prevention, prevention of  
19 communicable diseases related to substance use, relapse  
20 management for substance use and other co-occurring  
21 behavioral health disorders, vocational services, literacy  
22 services, parenting classes, family therapy and counseling  
23 services, medication-assisted treatments, psychiatric  
24 medication, psychotherapy and mindfulness programs.

25           (4) To provide community-based peer recovery support  
26 services.

27           (5) To evaluate the programs being funded under this  
28 section to determine the programs' effectiveness.

29           (d) Reports.--

30           (1) On or before March 31 of the second calendar year

1 following the initial transfer of money from the account  
2 under this section, and each March 31 thereafter, the  
3 Secretary of Drug and Alcohol Programs shall compile and  
4 submit a report detailing how money in the account was  
5 utilized during the preceding fiscal year. The report shall  
6 include the following:

7 (i) The amount of money disbursed from the account  
8 and the award process used by the Department of Drug and  
9 Alcohol Programs to make disbursements.

10 (ii) The recipients of money from the account.

11 (iii) The amount awarded to each recipient.

12 (iv) The purposes for which the awards were granted,  
13 including a description of programs and services provided  
14 by each recipient.

15 (v) A description or summary of positive outcomes  
16 resulting from programs and activities implemented by  
17 grant recipients.

18 (vi) A summary financial plan for the money awarded,  
19 which shall include estimates of all receipts and all  
20 disbursements for the current and succeeding fiscal years  
21 and the actual results from the prior fiscal year.

22 (2) The report shall be submitted in paper form or  
23 electronically to:

24 (i) The Governor.

25 (ii) The Majority Leader of the Senate.

26 (iii) The Majority Leader of the House of  
27 Representatives

28 (iv) The Minority Leader of the Senate.

29 (v) The Minority Leader of the House of  
30 Representatives.

1 (e) Prohibition.--Notwithstanding any other law to the  
2 contrary, the account and money in the account shall not be  
3 subject to transfer or any other fiscal or budgetary maneuver  
4 which would transfer or appropriate money in the account into  
5 any other fund, account or Commonwealth program funded through  
6 the State Treasury or by any other Commonwealth agency or which  
7 may be established by the General Assembly.

8 (f) Definitions.--As used in this section, the following  
9 words and phrases shall have the meanings given to them in this  
10 subsection unless the context clearly indicates otherwise:

11 "Account." The Substance Use Disorder Prevention, Treatment  
12 and Education Restricted Account established under subsection  
13 (a).

14 Section 1204. Prohibition.

15 Notwithstanding any other law to the contrary, money in the  
16 Cannabis Revenue Fund may not be subject to transfer or any  
17 other fiscal or budgetary maneuver which would transfer or  
18 appropriate money in the fund or account into any other fund,  
19 account or Commonwealth program funded through the State  
20 Treasury or by any other Commonwealth agency or which may be  
21 established by the General Assembly.

## 22 CHAPTER 13

### 23 BONDS

24 Section 1301. Bond issuance.

25 (a) Issuance.--Notwithstanding any other provision of law,  
26 the board shall establish a program to issue bonds for the  
27 following purposes:

28 (1) Funding to open cannabis stores, hire employees and  
29 the any other purpose necessary to commence the sale of  
30 cannabis seeds, cannabis flower, cannabis products and

1 cannabis paraphernalia as permitted under this act.

2 (2) Initial funding for the Cannabis Business  
3 Development Fund.

4 (b) Debt or liability.--

5 (1) Bonds shall not be a debt or liability of the board  
6 or the Commonwealth and shall not create or constitute any  
7 indebtedness, liability or obligation of the board or the  
8 Commonwealth.

9 (2) Bond obligations shall be payable solely from  
10 revenues or money pledged or available for repayment as  
11 authorized under this chapter.

12 (3) Each bond shall contain on the bond's face a  
13 statement with all of the following information:

14 (i) The bonds are limited obligations of the board.

15 (ii) The board is obligated to pay the principal of  
16 or interest on the bonds only from the revenues or funds  
17 pledged or available for repayment as authorized under  
18 this chapter.

19 (iii) The full faith and credit of the Commonwealth  
20 is not pledged to the payment of the principal of or the  
21 interest on the bonds.

22 Section 1302. Bond limitations.

23 (a) Limitation.--The board may issue bonds in an aggregate  
24 principal amount not to exceed \$100,000,000. The board shall  
25 determine the principal amounts of taxable and tax-exempt bonds  
26 to be issued under this section. The board shall, in its  
27 discretion, determine if one bond or multiple bonds will be  
28 issued at one time or from time to time and in one or more  
29 issues, series or classes.

30 (b) Debt service.--The board shall annually notify the

1 Governor and the chair and minority chair of the Appropriations  
2 Committee of the Senate and the chair and minority chair of  
3 Appropriations Committee of the House of Representatives of the  
4 debt service payment due on bonds issued under this chapter.  
5 Annual debt service for bonds shall be paid from proceeds of  
6 Article II of the act of March 4, 1971 (P.L.6, No.2), known as  
7 the Tax Reform Code of 1971.

8 Section 1303. Deposit of bond proceeds.

9 The Cannabis Bond Account is established in the State  
10 Treasury. Except as otherwise provided for in any contract with  
11 the bondholders, all appropriations and payments deposited into  
12 the Cannabis Bond Account are appropriated on a continuing basis  
13 to the board to be used solely for the purposes listed under  
14 section 1301. The net proceeds of any bond issued under this  
15 chapter, money received from repayments of principal on loans  
16 from the Cannabis Bond Account, payments of interest, other fees  
17 and charges with respect to refinances made under this chapter  
18 and insurance premiums and charges assessed and collected by the  
19 board on loans made from the Cannabis Bond Account shall be  
20 deposited into the Cannabis Bond Account.

21 CHAPTER 21

22 MISCELLANEOUS PROVISIONS

23 Section 2101. Duties of Department of Agriculture.

24 The following shall apply:

25 (1) In addition to other obligations of the Department  
26 of Agriculture as provided under this act, the Department of  
27 Agriculture shall collaborate with the board to develop  
28 standards and best practices related to the following:

29 (i) The cultivation of cannabis as a value-added  
30 agricultural crop.

1           (ii) Cultivation methods, including, but not limited  
2 to, indoor and outdoor cultivation of cannabis, such as  
3 hydroponic and aeroponic cultivation, and other methods  
4 for growing and cultivating cannabis.

5           (iii) Production protocols, including pest  
6 management and the use of insecticides, pesticides,  
7 herbicides, fertilizers and other chemicals in crop  
8 production.

9           (iv) Criteria which may be used to determine when  
10 cannabis products may be deemed adulterated or  
11 misbranded. In developing criteria, the board and the  
12 Department of Agriculture may base a determination on the  
13 factors under 3 Pa.C.S. §§ 5728 (relating to adulteration  
14 of food) and 5729 (relating to misbranding of food).

15           (v) Nutrient and waste management.

16           (vi) Ethical and environmentally friendly  
17 agricultural practices related to the cultivation of  
18 cannabis.

19           (vii) Forming and maintaining a cooperative  
20 agricultural association by cannabis entities.

21           (viii) Other agricultural best practices used in  
22 agricultural operations related to crop production.

23           (2) (Reserved).

24 Section 2102. Cooperation.

25       Each department, agency, office, authority, board, commission  
26 or similar governmental entity under the jurisdiction of the  
27 Governor shall cooperate with the board to support the  
28 implementation of this act.

29 Section 2103. Public health report.

30       (a) Report required.--Beginning January 1 of the even year

1 at least one year after the effective date of this subsection,  
2 and biennially thereafter, the Department of Drug and Alcohol  
3 Programs, in consultation with the Department of Health and the  
4 board, shall issue a report to the General Assembly on the  
5 public health effects of cannabis. The report shall include, but  
6 shall not be limited to:

7 (1) General use patterns and trends.

8 (2) Accidental ingestion of products by young children.

9 (3) Secondhand smoke concerns.

10 (4) Substance misuse and concerning public health  
11 trends.

12 (5) Youth cannabis use and prevention.

13 (6) Recommendations to prevent and reduce concerning  
14 public health trends.

15 (b) Publication.--The Department of Drug and Alcohol  
16 Programs shall submit a copy of the report of the affairs of the  
17 board to the the chair and minority chair of the Health and  
18 Human Services Committee of the Senate, the chair and minority  
19 chair of the Health Committee of the House of Representatives  
20 and the chair and minority chair of the Human Services Committee  
21 of the House of Representatives. The Auditor General shall post  
22 the annual audit of the affairs of the board to its publicly  
23 accessible website.

24 Section 2104. Repeals.

25 Repeals are as follows:

26 (1) The General Assembly declares that the repeals under  
27 paragraph (2) are necessary to effectuate this act.

28 (2) The following acts and parts of acts are repealed to  
29 the extent specified:

30 (i) Section 13(a) (30) and (31) of the Controlled

1 Substance Act are repealed insofar as they are  
2 inconsistent with this act for conduct when the  
3 controlled substance is cannabis and no probable cause  
4 exists to believe that the conduct alleged is punishable  
5 by a mandatory minimum term of imprisonment or subject to  
6 a sentence enhancement.

7 (ii) Section 13(a)(32), (33) and (34) of the  
8 Controlled Substance Act are repealed insofar as they are  
9 inconsistent with this act for conduct when the  
10 controlled substance is cannabis.

11 (3) All acts and parts of acts are repealed insofar as  
12 they are inconsistent with this act.

13 Section 2105. Effective date.

14 This act shall take effect as follows:

15 (1) The following sections shall take effect 90 days  
16 after the specific date noticed by the board under section  
17 405(b)(1) for the commencement of sales in cannabis stores:

18 section 202(2), (3) and (4);

19 section 202.1;

20 section 205; and

21 section 2104(2)(i).

22 (2) The remainder of this act shall take effect  
23 immediately.