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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1735 Session of 2025

INTRODUCED BY A. BROWN, GUZMAN AND MADDEN, JULY 14, 2025

REFERRED TO COMMITTEE ON HEALTH, JULY 16, 2025

AN ACT

Providing for cannabis; regulating the personal use and possession of cannabis; establishing the Cannabis Control Board; providing for powers and duties of the Cannabis Control Board; establishing the Cannabis Regulation Fund; providing for disproportionately impacted area, for regulation of cannabis business establishments, for enforcement and immunities, for laboratory testing, for advertising, marketing, packaging and labeling and for preparation, destruction and regulation of cannabis, edible and infused products; imposing a sales tax and excise tax on cannabis, edible and infused products; providing for cannabis clean slate and for miscellaneous provisions; imposing penalties; consolidating provisions relating to medical use of cannabis; transferring powers and duties of the Department of Health to the Cannabis Control Board; and making repeals.

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

CHAPTER 1

PRELIMINARY PROVISIONS

Section 101. Short title.

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

Section 102. Definitions.

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

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

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

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

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

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

"Cannabis." As follows:

(1) Any of the following:

(i) Marijuana, hashish or other substances that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not, including the seeds, resin extracted from any part of the plant and any compound, manufacture, salt, derivative, mixture or preparation of the plant. The term includes THC and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction, including, delta-7 THC, delta-8 THC, delta-9 THC or any structural, optical or geometric isomers of tetrahydrocannabinol, cannabis flower, concentrate, edible and infused products.

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

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

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

"Cannabis business establishment agent identification card" or "agent identification card." An identification card held by an authorized agent of a dispensing organization, disproportionately impacted area dispensing organization permit holder, micro cultivation center, small business or cultivation center.

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

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

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

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

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

(1) Use in vaporizing, ingesting, inhaling or otherwise

introducing an edible or non-edible infused product into the human body.

(2) Preparing, storing or containing cannabis.

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

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

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

(1) An individual designated by a patient.

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

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

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

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

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

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

with intellectual disabilities that:

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

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

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

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

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

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

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

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

"Continuing care." Treating a patient, in the course of which the practitioner has completed a full assessment of the patient's medical history and current medical condition, including a consultation with the patient.

"Controlling interest." As follows:

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

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

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

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

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

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

"Dispensary." A person, including a natural person, corporation, partnership, association, trust or other entity, or any combination thereof, which holds a permit issued by the board to dispense medical cannabis.

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

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

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

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

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

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

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

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

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

(4) The area has an average unemployment rate, as determined by the Department of Labor and Industry, that is

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Limited access area." A room or other area under the control of a dispensing organization where cannabis sales occur with access limited to individuals who are 21 years of age or older and qualified patients and caregivers or other individuals as determined by the board's regulations.

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

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

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

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

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

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

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

"Patient." An individual who:

(1) has a serious medical condition;

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

(3) is a resident of this Commonwealth.

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

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

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

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

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

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

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

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

"Principal officer." Any of the following:

(1) An officer, director or person who directly owns more than a 1% beneficial interest or ownership of the securities of a cannabis business establishment applicant or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) Dispensing pharmaceuticals.

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

(9) Direct patient care or direct child care.

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

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

"Serious medical condition." Any of the following:

(1) Cancer, including remission therapy.

(2) Positive status for human immunodeficiency virus or acquired immune deficiency syndrome.

(3) Amyotrophic lateral sclerosis.

(4) Parkinson's disease.

(5) Multiple sclerosis.

(6) Damage to the nervous tissue of the central nervous system (brain-spinal cord) with objective neurological indication of intractable spasticity and other associated neuropathies.

(7) Epilepsy.

(8) Inflammatory bowel disease.

(9) Neuropathies.

(10) Huntington's disease.

(11) Crohn's disease.

(12) Posttraumatic stress disorder.

(13) Intractable seizures.

(14) Glaucoma.

(15) Sickle cell anemia.

(16) Severe chronic or intractable pain of neuropathic origin or severe chronic or intractable pain.

(17) Autism.

(18) Other conditions that a certifying physician determines may benefit a patient under their continuing care.

(19) Other conditions that are recommended by the chief medical officer and approved by the board under section 207.

"Small business." An independently owned and operated for-profit business employing 100 or fewer employees and not a subsidiary or affiliate of a corporation.

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

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

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

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

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

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

(1) A drug test resulting in:

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

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

(2) An employer's good faith determination that an

employee is under the influence of cannabis based on observable physical behavior or characteristics, provided that the employee may rebut the determination by immediately submitting to a drug test, the results of which demonstrate that the level of tetrahydrocannabinolic acid in the employee's urine is less than 15 nanograms per milliliter.

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

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

CHAPTER 2

CANNABIS

SUBCHAPTER A

CANNABIS CONTROL BOARD

Section 201. Establishment of board.

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

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

(1) Three members appointed by the Governor.

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

(i) The President pro tempore of the Senate.

(ii) The Speaker of the House of Representatives.

(iii) The Minority Leader of the Senate.

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

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

(1) for misconduct in office, willful neglect of duty or conduct evidencing unfitness for office or incompetence; or

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

(d) Initial appointments to board.--

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

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

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

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

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

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

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

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

(5) An appointment to fill a vacancy shall be for the

remainder of the unexpired term.

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

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

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

(g) Executive director of the board.--Within seven days of the effective date of this subchapter, the Governor shall nominate an interim executive director. The Governor's nominee shall be subject to Senate confirmation and the Senate shall hold the confirmation vote within seven days of the nomination. If the Senate fails to hold the confirmation vote within seven days of nomination, the Senate shall be deemed to have confirmed the nominee. If the Senate rejects the nominee, the Governor shall have five days to nominate a second proposed interim executive director and the Senate shall have five days after the nomination to hold a confirmation vote. If the Senate fails to hold a confirmation vote within five days of the nomination, the Senate shall be deemed to have confirmed the nominee. If the Senate rejects the nominee, the Governor shall have three days to nominate a third proposed interim executive director and the Senate shall have three days after the nomination to hold a confirmation vote. The process for the third proposed interim director shall continue until an interim executive director is confirmed by the Senate. The following shall apply:

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

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

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

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

(i) Qualifications and restrictions.--

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

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

subdivisions.

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

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

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

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

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

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

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

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

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

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

this paragraph, the term "immediate family" shall mean a spouse, parent, brother, sister or child.

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

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

(11) Prior to entering into employment or contracting with the board, an employee or independent contractor and the

employee's or independent contractor's immediate family shall divest any financial interest in any applicant, permitted entity, intermediary, subsidiary or holding company thereof, owned or held by the employee or independent contractor or known to be held by the immediate family of the employee or independent contractor. For the duration of the employee's employment with the board or the independent contractor's contract with the board and for one year thereafter, the employee or independent contractor and the immediate family thereof shall not acquire, by purchase, gift, exchange or otherwise, any financial interest in any applicant, or permitted entity, intermediary, subsidiary or holding company thereof. For purposes of this paragraph, the term "immediate family" shall mean a spouse and any minor or unemancipated child.

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

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

(14) A former member may not appear before the board in

any hearing or proceeding or participate in any other activity on behalf of any applicant, permitted entity or an affiliate, intermediary, subsidiary or holding company of an applicant or permitted entity, or any other permittee, for a period of two years from the termination of term of office.

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

(16) The following shall apply to an employee of the board whose duties substantially involve licensing, enforcement, development of law, promulgation of regulations or development of policy relating to cannabis or who has other discretionary authority which may affect or influence the outcome of an action, proceeding or decision, including the executive director, bureau directors and attorneys:

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

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

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

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

(17) The following shall apply to an independent contractor and to an employee of an independent contractor

whose duties substantially involve consultation relating to licensing, enforcement, development of law, promulgation of regulations or development of policy, relating to cannabis:

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

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

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

(iv) Each contract between the board and an independent contractor which involves the duties provided under this paragraph shall contain a provision requiring the independent contractor to sign an affidavit that the independent contractor will not violate subparagraph (i) or (ii). If the independent contractor fails to sign the affidavit, the board may not enter into the contract.

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

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

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

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

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

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

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

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

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

(1) Obligations of the board.

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

(m) Compensation.--

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

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

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

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

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

(p) Prohibition against nepotism.--A member may not solicit, request, suggest or recommend the employment by the board of any individual related within the second degree of consanguinity to the member as provided in 23 Pa.C.S. § 1304(e) (relating to restrictions on issuance of license) or the spouse of the individual.

(q) Employment requirements.--

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

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

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

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

(i) Legal name, including any alias.

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

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

(iv) Employment history for the past 15 years.

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

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

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

(iii) has intentionally made a false statement concerning a material fact in connection with the application to the board.

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

(7) The board shall:

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

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

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

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

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

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

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

"Financial interest." An ownership, property, leasehold or other beneficial interest in a cannabis business establishment. The term does not include an interest which is held or deemed to be held in any of the following:

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

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

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

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

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

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

Section 202. Code of conduct.

(a) Scope.--The board shall adopt a comprehensive code of conduct prior to the consideration of any permit or registration application. The code of conduct shall supplement all other requirements under Chapter 3 and 65 Pa.C.S. Pt. II (relating to accountability) and shall provide guidelines applicable to members, employees, independent contractors of the board and the immediate families of the members, employees and independent contractors to enable them to avoid any perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of the board. At a minimum, the code of conduct adopted under this section shall include restrictions under subsection (b).

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

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

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

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

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

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

(6) Not meet or engage in discussions with any

applicant, permitted entity or a cannabis business establishment representative unless the meeting or discussion occurs on the business premises of the board and is recorded in a log maintained for this purpose. The log shall be available for public inspection during the regular business hours of the board. This paragraph shall not apply to meetings of the board to consider matters requiring the physical inspection of the equipment or premises of an applicant or a cannabis business establishment at their location.

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

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

(c) Ex officio members.--The restrictions under subsection (b)(5) shall not apply to ex officio members.

Section 203. Applicability of other statutes.

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

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

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

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

(b) Status of board.--

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

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

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

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

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

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

Section 204. Board meetings.

(a) Meetings.--

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

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

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

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

(c) Quorum.--

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

(2) Only members of the board who are physically present

at a meeting of the board or able to participate fully in the deliberations by appropriate telecommunications means shall count toward a quorum of the board.

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

(d) Qualified majority vote.--

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

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

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

Section 205. Board records.

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

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

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

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

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

(d) Confidentiality of information.--All information submitted by an applicant or obtained by the board as part of a background investigation from any source shall be considered confidential. Except as necessary to carry out the criminal history investigation specified under this subchapter, the information shall be withheld from public disclosure in whole or in part, except that any information shall be released upon the lawful order of a court of competent jurisdiction or, with the approval of the Attorney General, to a duly authorized law enforcement agency or shall be released to the public, in whole or in part, to the extent that the release is requested by an applicant and does not otherwise contain confidential information about another person. The board may not require an applicant to waive any confidentiality provided for in this subsection as a condition for the approval of a permit or any other action of the board. Any person who violates this subsection shall be administratively disciplined by discharge, suspension or other formal disciplinary action as the board deems appropriate.

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

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

Section 206. Regulations.

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

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

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

Commonwealth Documents Law.

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

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

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

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

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

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

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

(i) Cultivation/processing.

(ii) Micro cultivation.

(iii) Dispensing.

(iv) Testing.

(v) Warehouse and distribution.

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

(4) The policies and procedures to prioritize, promote

and encourage diversity and full participation by individuals from communities that have been disproportionately harmed by cannabis prohibition and cannabis enforcement prohibition.

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

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

(7) Security procedures for cannabis business establishments.

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

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

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

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

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

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

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

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

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

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

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

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

(14) Transportation requirements, including:

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

(ii) A requirement that transportation between cannabis business establishments occurs in secured vehicles but allowing for transportation in vehicles other than those owned and operated by cannabis business establishments for purchasers to transport cannabis.

(iii) Details required on transportation manifests.

(iv) Policies encouraging bulk shipment where appropriate.

(v) Requirements relating to shipping containers and packaging.

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

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

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

(ix) Use of GPS systems.

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

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

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

(15) Labeling requirements.

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

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

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

(iii) Standards for creating clearly delineated individual servings.

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

(18) Product safety regulations, including:

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

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

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

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

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

(20) Procedures for the investigation and enforcement of unregulated and unpermitted cultivation, processing, manufacturing, sale, dispensing or distribution of cannabis, edible or nonedible infused products or products intended for

consumption or inhalation.

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

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

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

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

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

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

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

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

(ii) The State Board of Pharmacy.

(iii) The State Board of Nursing.

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

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

(ii) Proper handling of cannabis and recordkeeping.

(iii) Any other subject required by the board.

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

(27) Establishing and maintaining public outreach programs about the medical cannabis program, including:

(i) A dedicated telephone number for patients, caregivers and members of the public to obtain basic information about the dispensing of medical cannabis under Chapter 3.

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

(28) Establishing a minimum of three regions within this Commonwealth for the purpose of granting permits to grower/processors and dispensaries and enforcing this chapter

and Chapter 3. The board shall approve permits for grower/processors and dispensaries in a manner which will provide an adequate amount of cannabis to purchasers, patients and caregivers in all areas of this Commonwealth. The board shall consider the following when issuing a permit:

(i) Regional population.

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

(iii) The types of serious medical conditions.

(iv) Access to public transportation.

(v) Any other factor the board deems relevant.

(29) Procedures for medical professionals in dispensaries. A dispensary permittee shall have a physician, pharmacist, physician assistant or certified nurse practitioner available, either in person or by synchronous interaction, to verify patient certifications and to consult with patients and caregivers at all times during the hours the dispensary is open to receive patients and caregivers. If a dispensary permittee has more than one separate location, a single physician, pharmacist, physician assistant or a certified registered nurse practitioner may verify patient certifications and consult with patients and caregivers, either in person or by synchronous interaction, at up to three locations if the locations are licensed under one permit. The permittee shall have in place a plan to demonstrate and maintain compliance with the labor laws of the Commonwealth. A physician, a pharmacist, a physician assistant or a certified registered nurse practitioner shall, prior to assuming duties under this paragraph, successfully complete the course established in section 301(a)(6) of the

Medical Marijuana Act. A physician may not issue a certification to authorize patients to receive medical marijuana or otherwise treat patients at the dispensary.

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

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

Section 207. Powers and duties of board.

(a) General powers.--

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

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

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

purposes of 71 Pa.C.S. Pt. XXV, shall serve at the pleasure of the member and may only be removed by the board for cause.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(11) For purposes of enforcement and for purposes of the

background investigation, to receive information otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal history record information).

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

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

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

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

(16) To transmit to the Legislative Reference Bureau for publication each January in the Pennsylvania Bulletin and publish on the board's publicly accessible Internet website a

complete list of all persons or entities who applied for or held a cannabis business establishment permit during the preceding calendar year and all intermediaries, subsidiaries and holding companies thereof and the status of the application or permit.

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

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

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

(20) To award, deny, deny the renewal of, revoke, condition or suspend any permit provided for in this act if the board finds in its sole discretion that a permittee, or its officers, employees or agents, have furnished false or

misleading information to the board or failed to comply with applicable laws or the rules and regulations of the board and that it would be in the public interest to deny, deny the renewal of, revoke, condition or suspend the permit.

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

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

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

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

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

(26) Establish procedures for the inspection and certification of compliance of each cannabis business establishment prior to being deemed operational.

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

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

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

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

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

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

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

(A) Public health and wellness.

(B) Community safety and well-being.

(C) Judicial and carceral systems.

(D) Education.

(E) Employment and labor.

(F) Business and entrepreneurship.

(G) Agriculture and food systems.

(H) Medical cannabis program efficiency.

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

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

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

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

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

(iii) The cannabis business establishment list shall be available for public inspection at the offices of the board and on the board's publicly accessible Internet website.

Section 208. Confidentiality and public disclosure.

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

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

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

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

Section 209. Unauthorized activities and civil penalties.

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

(b) Enforcement.--The Attorney General, the board, a State or local law enforcement agency or a local government unit may investigate an unpermitted activity under subsection (a) and engage in enforcement measures, including entering into an intergovernmental agreement to prevent the conduct of an unpermitted activity under subsection (a).

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

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

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

Section 210. Cannabis Regulation Fund.

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

(b) Source of funds.--Fees payable under this act shall be deposited into the fund. The money deposited into the fund may only be used for the purposes specified in this section. Any interest accrued shall be deposited into the fund.

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

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

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

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

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

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

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

(4) Any other purpose specified under this act.

(5) The remainder shall be transferred to the General

Fund to provide economic relief to this Commonwealth.

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

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

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

Section 211. Report of board.

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

(b) Reports to General Assembly.--The board shall conduct an ongoing review of the operation of this act and the impact of cannabis in this Commonwealth, including reviews of other jurisdictions, Federal laws and academic research. The board shall submit an annual report to the General Assembly by December 30. The report shall be submitted to the Majority Leader and Minority Leader of the Senate and the Majority Leader and Minority Leader of the House of Representatives and the chairperson and minority chairperson of the standing committees in the Senate and the chairperson and minority chairperson of the standing committees in the House of Representatives with jurisdiction over the board. The report shall be posted by the board on its publicly accessible Internet website.

Section 212. Authority.

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

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

Section 213. Transfer of authority.

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

(b) Process.--The transfer under subsection (a) shall begin on the earlier of 14 days after the effective date of this subchapter or the day after an interim executive director is confirmed by the Senate and be completed within 180 days. The following shall apply:

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

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

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

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

(5) The following are transferred to the board:

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

(ii) The personnel, appropriations, equipment and other items and material transferred to the board under this section shall include an appropriate portion of the general administrative, overhead and supporting personnel, appropriations, equipment and other material of the Department of Health and shall include, where applicable, Federal grants and money and other benefits from any Federal program.

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

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

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

SUBCHAPTER B

(Reserved)

SUBCHAPTER C

LAWFUL USE OF CANNABIS

Section 221. Lawful use of cannabis.

Beginning 180 days after the effective date of this section, notwithstanding any other provision of law and except as otherwise specified under this chapter or Chapter 3, the following acts shall not be a violation of this chapter and shall not be a criminal or civil offense under State law or an ordinance of a local government unit of this Commonwealth or be a basis for seizure or forfeiture of assets under State law for an individual other than an individual younger than 21 years of age, unless that individual, and the individual's caregiver, if applicable, is authorized under Chapter 3 to:

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

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

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

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

Section 222. Possession limits.

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

(1) Thirty grams of cannabis flower.

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

(3) Five grams of cannabis concentrate.

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

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

Chapter 3.

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

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

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

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

(i) In a public space.

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

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

(1) $250 for a first offense.

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

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

Section 223. Individuals younger than 21 years of age.

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

(b) Penalties for underage cannabis offenses.--

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

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

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

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

Section 224. Identification.

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

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

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

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

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

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

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

(3) Possessing cannabis paraphernalia.

(b) Determination of probable cause.--

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

(i) constitute probable cause or reasonable suspicion to believe that a crime has been committed; or

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

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

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

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

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

(2) An individual on parole or mandatory supervised release or otherwise under the lawful jurisdiction of the law enforcement or correctional agency or employee, except for any use in accordance with Chapter 3.

Section 226. Discrimination prohibited.

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

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

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

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

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

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

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

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

Section 227. Limitations.

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

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

(2) Possessing cannabis:

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

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

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

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

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

(3) Using cannabis:

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

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

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

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

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

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

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

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

(6) Transferring cannabis to an individual in violation

of this chapter or Chapter 3.

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

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

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

Section 228. Employment and employer liability.

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

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

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

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

has provided an adulterated or substituted testing sample or has refused to submit to a lawful drug test required by an employer.

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

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

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

(8) An employer may make an adverse employment decision against an employee if the employee's use of medical cannabis decreases or lessens the employee's job performance or ability to perform the employee's job duties, and the

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

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

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

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

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

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

(iv) Actions based on the employer's good faith belief that an employee was impaired as a result of the use of cannabis, under the influence of cannabis while at the employer's workplace, under the influence while performing the employee's job duties or under the influence while on call in violation of the employer's lawful workplace drug policy.

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

SUBCHAPTER D

(Reserved)

SUBCHAPTER E

DISPROPORTIONATELY IMPACTED AREA AND SMALL BUSINESS

Section 241. Disproportionately impacted area and small business.

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

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

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

(2) The total number and percentage of employees in the

cannabis industry who meet the definition of a disproportionately impacted area applicant or small business applicant or who are minorities, women, veterans or people with disabilities.

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

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

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

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

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

(2) enter into agreements that state the terms and conditions of the financial assistance, accept funds or

grants and engage in cooperation with private entities and Commonwealth agencies or local government to carry out the purposes of this section;

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

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

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

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

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

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

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

(1) Only be made if, in the judgment of the Department

of Community and Economic Development, the project furthers the goals specified under this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBCHAPTER F

REGULATION OF CANNABIS BUSINESS ESTABLISHMENTS

Section 251. Permit required.

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

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

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

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

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

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

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

(3) Certification that the applicant will comply with the requirements contained under this chapter and Chapter 3,

except as provided in this chapter.

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

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

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

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

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

(a) Disproportionately impacted area dispensary permits.--In addition to the dual-use permits authorized under section 252, the board shall issue dispensary permits to qualified disproportionately impacted area applicants. The permit shall authorize the disproportionately impacted area dispensary permit holder to operate at a single location to serve purchasers and patients in this Commonwealth. The board may issue up to 15 disproportionately impacted area dispensary permits.

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

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

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

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

(3) A security plan.

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

(5) A plan for community engagement.

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

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

(8) Documented ownership or control of the property.

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

(10) Information regarding each principal officer.

(11) Evidence of the applicant's status as a disproportionately impacted area applicant.

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

(e) Review.--

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

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

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

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

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

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

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

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

Section 253.1. Issuance of small business dispensary permits.

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

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

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

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

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

(3) A security plan.

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

(5) A plan for community engagement.

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

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

(8) Documented ownership or control of the property.

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

(10) Information regarding each principal officer.

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

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

(e) Review.--

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

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

(3) The board shall approve the permit, subject to

paragraph (4), if satisfied the application is complete.

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

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

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

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

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

Section 254. New dispensing organization permits.

(a) Additional permits.--

(1) The board shall be the exclusive entity authorized to issue new dispensing organization permits. Separate and apart from any dispensing organization permits issued to a medical cannabis organization under section 252 or 253, the board shall conduct a comprehensive market analysis annually

for the first three years and then at least once every three years thereafter to determine whether a need exists to modify or raise the number of dispensary permits.

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

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

(ii) Population increases or shifts.

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

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

(v) The past safety record of dispensary permittees.

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

(vii) Other criteria the board deems relevant.

(b) (Reserved).

Section 255. Selection criteria for new dispensing organization permits.

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

(b) Scoring criteria.--An applicant for a new dispensing organization permit shall be awarded points on applications as determined by the board.

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

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

Section 256. Dispensing organization operational requirements and prohibitions.

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

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

(2) A dispensing organization:

(i) Shall include the legal name of the dispensary on the packaging of any edible or non-edible infused product the dispensing organization sells.

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

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

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

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

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

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

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

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

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

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

(3) A dispensing organization may not:

(i) Cultivate, process or manufacture cannabis.

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

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

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

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

(vi) Operate a dispensary if the:

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

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

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

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

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

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

Section 257. Dispensing cannabis.

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

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

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

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

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

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

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

(1) To an individual unless the individual produces valid identification showing that the individual is 21 years

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

(2) To an individual who is disqualified by the board.

Section 258. Agent-in-charge.

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

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

(c) Determination.--In determining whether an agent-in-charge manages the dispensary, the board may consider the responsibilities identified in this section, the number of cannabis business establishment agents under the supervision of the agent-in-charge and the employment relationship between the agent-in-charge and the dispensing organization, including the existence of a contract for employment and any other relevant fact or circumstance.

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

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

(f) Registration.--The dispensing organization agent-in-charge registration shall expire two years from the date of issuance. The agent-in-charge's registration shall be renewed biannually.

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

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

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

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

(3) fraudulent use of an agent identification card;

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

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

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

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

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

(9) failure to notify the board within 10 business days

after a change in the information provided in the application for an agent-in-charge identification card;

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

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

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

Section 258.1. Seed-to-sale tracking system.

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

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

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

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

(i) A description of the products, including the quantity, strain, variety and batch number of each product received.

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

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

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

(v) The date of acquisition.

(3) The disposal of cannabis, including:

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

(ii) The method of disposal.

(iii) The date and time of disposal.

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

(d) Inventory.--The agent-in-charge shall conduct a daily inventory reconciliation documenting and balancing cannabis inventory by confirming that the board's verification system matches the dispensing organization's point-of-sale system and the amount of physical product at the dispensary. The following shall apply:

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

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

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

(4) The dispensing organization shall file an annual compilation report with the board, including a financial statement that shall include an income statement, balance sheet, profit and loss statement, statement of cash flow, wholesale costs and sales and any other documentation requested by the board in writing. The financial statement shall include any other information the board deems necessary in order to effectively administer this chapter and all

regulations, orders and final decisions promulgated under this chapter. Statements required by this section shall be filed with the board within 60 days after the end of the calendar year. The compilation report shall include a letter authored by a licensed certified public accountant that it has been reviewed and is accurate based on the information provided. The dispensing organization, financial statement and accompanying documents may not be audited unless specifically requested by the board.

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

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

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

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

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

Section 258.2. Storage requirements.

(a) Authorized on-premises storage.--A dispensing organization shall store inventory on its premises. All inventory stored on the premises shall be secured in a restricted access area and tracked consistently with the inventory tracking regulations. A dispensing organization shall be of suitable size and construction to facilitate cleaning, maintenance and proper operations and shall maintain adequate lighting, ventilation, temperature, humidity control and equipment.

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

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

Section 258.3. Destruction and disposal of cannabis.

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

(1) Compostable facilities.

(2) Noncompostable mixed-waste facilities.

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

Section 258.4. Security measures.

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

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

Section 258.5. Recordkeeping.

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

(1) Operating procedures.

(2) Inventory records, policies and procedures.

(3) Security records.

(4) Audit records.

(5) Staff training plans and completion documentation.

(6) Staffing plan.

(7) Business records, including:

(i) Assets and liabilities.

(ii) Monetary transactions.

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

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

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

Section 258.6. Issuance of cultivation center permits.

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

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

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

(b) Additional permits.--If the board determines that additional cultivation center permits should be issued other than those permits issued to current cultivation centers, grower/processors, the board shall ensure that micro cultivation center permit holders are provided the first opportunity to apply for and be awarded the additional permits prior to accepting additional applications.

Section 258.7. Issuance of cultivation center permits to current medical cannabis grower/processor permit holders.

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

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

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

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

(1) Pay a nonrefundable fee of $250,000 to be deposited

into the Cannabis Regulation Fund.

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

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

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

Section 258.8. New cultivation center permits.

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

Section 258.9. Cultivation center requirements and prohibitions.

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

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

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

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

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

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

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

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

(i) Pesticides.--

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

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

(j) Process.--A cultivation center may process cannabis, cannabis concentrates, edible and non-edible infused products, including tinctures, topicals and edibles. A cultivation center may not sell, dispense, manufacture or distribute cannabis, edible or non-edible infused products with a THC content limit higher than 10 milligrams per serving and 1000 milligrams per package.

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

Section 258.10. Issuance of micro cultivation center permits.

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

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

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

Section 258.11. Micro cultivation center permit applications.

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

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

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

(3) A security plan.

(4) An inventory control plan.

(5) A plan for community engagement.

(6) Written policies and procedures regarding

recordkeeping, inventory control, safety, security, diversion and diversity.

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

(8) Documented ownership or control of the property.

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

(10) Information regarding each principal officer.

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

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

Section 258.12. Selection criteria for micro cultivation center permits.

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

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

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

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

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

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

Section 258.13. Issuance of additional micro cultivation permits.

(a) Marketing analysis.--Prior to issuing additional permits, the board shall conduct a comprehensive market analysis annually for the first three years, and then at least once every three years thereafter, to determine whether a need exists to modify or raise the number of micro cultivation permits.

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

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

(2) Population increases or shifts.

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

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

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

(6) Other criteria the board deems relevant.

Section 258.14. Micro cultivation center requirements and prohibitions.

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

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

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

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

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

(f) Price discrimination.--A micro cultivation center may not either directly or indirectly discriminate in price between different cannabis business establishments that are purchasing a like grade, strain, brand and quality of cannabis, edible or non-edible infused product. Nothing in this subsection shall prevent a micro cultivation center from pricing cannabis differently based on cannabinoid content, differences in the cost of manufacturing, processing, quantities sold, such as volume discounts, or the method of product delivery.

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

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

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

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

(k) Transportation.--A micro cultivation center or cannabis business establishment agent shall be permitted to transport cannabis, edible or non-edible infused products to any other cannabis business establishment. A micro cultivation center may alternatively enter into a contract with a dispensing organization or a laboratory related to the transport of cannabis.

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

Section 258.15. Cannabis business establishment agent identification cards.

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

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

(2) A fingerprinting and background check requirement.

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

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

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

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

(2) may allow a cannabis business establishment agent to

work at a cannabis business establishment after the agent's application has been approved but prior to issuance of the cannabis business establishment agent identification card.

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

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

(1) The name of the cardholder.

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

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

(4) A photograph of the cardholder.

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

Section 258.16. Background check for cannabis business establishment applicants.

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

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

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

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

(1) the cannabis business establishment submits the required nonrefundable renewal fee;

(2) the permit or agent identification card has not been suspended or revoked for violating this chapter or regulations adopted under this chapter;

(3) the cannabis business establishment has continued to operate in accordance with all plans submitted as part of its application and approved by the board or any amendments to a submitted plan that have been approved by the board; and

(4) the cannabis business establishment has submitted an agent, employee, contracting and subcontracting diversity report as required by the board.

(b) Failure to renew license.--If a cannabis business establishment fails to renew the establishment's permit prior to license expiration, the establishment shall cease operations until the permit is renewed, unless otherwise permitted by the board.

(c) Failure to renew identification card.--If a cannabis business establishment or cannabis business establishment agent fails to renew a cannabis business establishment permit or the agent identification card prior to expiration, the cannabis business establishment or cannabis business establishment agent shall cease to operate as a cannabis business establishment or work as an agent of a cannabis business establishment, as applicable, until the cannabis business establishment permit or agent identification card is renewed, unless otherwise permitted by the board.

(d) Disciplinary action and fines.--A cannabis business establishment that continues to operate, or any cannabis business establishment agent who continues to work as an agent, after the applicable permit or cannabis business establishment agent identification card has expired without renewal, absent board permission, shall be subject to disciplinary action by the board.

(e) Collection of fees and fines.--All fees or fines collected from the renewal of a cannabis business establishment permit or agent identification card shall be deposited into the Cannabis Regulation Fund.

Section 258.18. Warehousing and distribution permits.

(a) Issuance.--The board shall issue warehousing and distribution permits, which authorize the storage, inventory management and transportation of cannabis and cannabis products between cannabis business establishments, to eligible applicants.

(b) Scope of permit.--A permit issued under this section shall authorize a permittee to:

(1) Store cannabis and cannabis products in secure, compliant facilities.

(2) Manage inventory, including tracking and reporting, as required by the board.

(3) Transport cannabis and cannabis products between

cultivators, manufacturers, retailers and other authorized entities within this Commonwealth.

(c) Fees.--

(1) A one-time, nonrefundable application fee of $2,500 shall be payable to the board upon submission of the initial application for a permit.

(2) An annual renewal fee of $5,000 shall be payable to the board for a permit.

(d) Residency requirement.--At least 51% of the ownership interest in the entity applying for a permit must be held by individuals who have been residents of this Commonwealth for at least two consecutive years immediately prior to the application date.

(e) Restriction on other permits.--The holder of a permit, including its owners, principals and operators, may not hold a grower-processor permit or cultivation center permit.

(f) Employee background checks.--

(1) All employees of a permittee shall undergo a criminal history background check conducted by the Pennsylvania State Police prior to employment.

(2) A permittee shall submit employee background check results to the board upon request and maintain records for inspection.

(g) Regulatory oversight.--The board shall establish and enforce rules governing the permitting, operation and compliance of warehousing and distribution facilities, including:

(1) Security protocols for storage and transportation.

(2) Inventory tracking and reporting requirements.

(3) Compliance with health and safety standards.

(h) Inspections.--The board, or a designee, may conduct regular and unannounced inspections of permitted facilities to ensure compliance.

(i) Penalties.--A violation of this section may result in fines or permit suspension or revocation, as determined by the board.

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

"Permit." A permit issued under subsection (a).

"Permittee." The holder of a permit.

Section 259. Prices.

The board and the Department of Revenue shall monitor the price of cannabis sold by grower/processors and by dispensaries, including a per-dose price. If the board and the Department of Revenue determine that the prices are unreasonable or excessive, the board may implement a cap on the price of cannabis being sold for a period of six months. The cap may be amended during the six-month period. If the board and the Department of Revenue determine that the prices become unreasonable or excessive following the expiration of a six-month cap, additional caps may be imposed for periods not to exceed six months.

SUBCHAPTER G

ENFORCEMENT AND IMMUNITIES

Section 261. Permit discipline.

(a) Board actions.--Notwithstanding any other civil or criminal penalties related to the unlawful possession of cannabis, the board may take disciplinary or nondisciplinary action as the board deems proper with regard to a cannabis business establishment or cannabis business establishment agent, including fines not to exceed $10,000 for each violation of this chapter or regulations promulgated by the board.

(b) Determination.--The board shall consider permittee cooperation in any investigation in its determination of penalties imposed under this section. The procedures for disciplining a cannabis business establishment or cannabis business establishment agent and for administrative hearings shall be determined by regulation of the board and shall provide for the review of final decisions under 2 Pa.C.S. (relating to administrative law and procedure).

Section 262. Immunities and presumptions relating to handling of cannabis by cannabis business establishments and agents.

(a) Immunities and presumptions.--A cannabis business establishment or an agent shall not be subject to the following based solely on conduct that is lawful under this chapter or any regulations promulgated under this chapter:

(1) Prosecution.

(2) Search or inspection, except by the board or under the authority of the board or a State or local law enforcement agency under this chapter.

(3) Seizure.

(4) Denial of any right or privilege.

(5) Penalty in any manner, or denial of any right or privilege, including civil penalty or disciplinary action by a business permitting or licensing board or entity for working for a cannabis business establishment under this chapter and regulations adopted under this chapter.

(b) Prohibition.--Any cannabis, edible or non-edible infused product, cannabis paraphernalia, legal property or interest in legal property that is possessed, owned or used in connection with the use of cannabis as permitted under this chapter, or acts incidental to that use, may not be seized or forfeited. Nothing in this chapter shall be construed to prevent the seizure or forfeiture of cannabis exceeding the amounts permitted under this chapter or prevent seizure or forfeiture if the basis for the action is unrelated to the cannabis that is possessed, manufactured, transferred or used under this chapter.

(c) Laws of this Commonwealth.--Nothing in this chapter shall be construed to preclude State or local law enforcement from searching a cultivation center, micro cultivation center or dispensing organization if there is probable cause to believe that the laws of this Commonwealth have been violated and the search is conducted in conformance with law.

(d) Attorney General investigation.--Nothing in this chapter shall be construed to preclude the Attorney General or other authorized government agency from investigating or bringing a civil action against a cannabis business establishment or an agent of a cannabis business establishment for a violation of Commonwealth law, including civil rights violations and violations of the act of December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and Consumer Protection Law.

Section 263. Commonwealth standards and requirements.

Any standards, requirements and regulations regarding the health and safety, environmental protection, testing, security, food safety and worker protections established by the Commonwealth shall be the minimum standards for all permittees under this chapter, where applicable. Knowing violations of any Commonwealth or local law, ordinance or regulation conferring worker protections or legal rights on the employees of a permittee may be grounds for disciplinary action in addition to applicable penalties under this chapter.

Section 264. Violation of tax acts and refusal, revocation or suspension of permit or agent identification card.

(a) General rule.--In addition to other grounds specified in this chapter, the board, upon notification by the Department of Revenue, shall refuse the issuance or renewal of a permit or agent identification card or suspend or revoke the permit or agent identification card of any person for any of the following:

(1) Failure to file a tax return.

(2) The filing of a fraudulent tax return.

(3) Failure to pay all or part of any tax or penalty determined to be due.

(4) Failure to keep books and records in accordance with this chapter or the regulations promulgated by the board.

(5) Failure to secure and display a certificate or related permitted document, if required.

(6) The willful violation of any rule or regulation of the Department of Revenue relating to the administration and enforcement of tax liability.

(b) Resolution.--The Department of Revenue, after a violation under subsection (a) has been corrected or resolved, shall, upon request of the subject of the violation, notify the board that the violation has been corrected or resolved. Upon receiving notice from the Department of Revenue that a violation under subsection (a) has been corrected or otherwise resolved, the board may issue or renew the permit or agent identification card or vacate an order of suspension or revocation.

SUBCHAPTER H

LABORATORY TESTING

Section 271. Laboratory testing requirements and prohibitions.

(a) Legality.--Notwithstanding any other provision of law, the following actions, when performed by a cannabis testing facility with a current, valid registration or an individual 21 years of age or older who is acting in official capacity as an owner, employee or agent of a cannabis testing facility, may not be determined to be unlawful and may not be an offense or be a basis for seizure or forfeiture of assets under the laws of this Commonwealth:

(1) possessing, repackaging, transporting or storing cannabis, edible or non-edible infused products;

(2) receiving or transporting cannabis, edible or non-edible infused products from a cannabis business establishment; and

(3) returning or transporting cannabis, edible or non-edible infused products to a cannabis business establishment.

(b) Prohibition.--A laboratory at a cannabis testing facility may not handle, test or analyze cannabis unless approved by the board in accordance with this section. A laboratory at a cannabis testing facility may not be approved to handle, test or analyze cannabis unless the laboratory:

(1) is accredited by a private laboratory accrediting organization;

(2) does not have a direct or indirect financial, management or other interest in a cultivation center, micro cultivation center, dispensary or medical cannabis grower/processor in this Commonwealth or is affiliated with a certifying physician under Chapter 3;

(3) has employed at least one individual to oversee and be responsible for the laboratory testing who has earned,

from a college or university accredited by a national or regional certifying authority, at least:

(i) a master's level degree in chemical or biological sciences and a minimum of two years' postdegree laboratory experience; or

(ii) a bachelor's degree in chemical or biological sciences and a minimum of four years' postdegree laboratory experience; and

(4) provides the board with a copy of the most recent annual inspection report granting accreditation and every annual report thereafter.

(c) Testing.--

(1) The board shall require all cannabis, edible, non-edible or infused product or packaging cannabis for sale to a dispensing organization, each batch shall be made available by the cultivation center or micro cultivation center for an employee of an approved laboratory at a cannabis testing facility to be tested at harvest and at final processing, which shall be tested by the approved laboratory for:

(i) microbiological contaminants;

(ii) mycotoxins;

(iii) pesticide active ingredients;

(iv) heavy metals;

(v) residual solvent;

(vi) an active ingredient analysis; and

(vii) THC potency.

(2) A laboratory shall perform stability testing to ensure the cannabis product's potency and purity. A grower/processor shall retain a sample from each cannabis product derived from a harvest batch and request that a

sample be identified and collected by a laboratory approved by the board from each process lot to perform stability testing under the following conditions:

(i) The cannabis product is still in inventory at a dispensary in this Commonwealth as determined by the seed-to-sale system.

(ii) The stability testing is done at six-month intervals for the duration of the expiration date period as listed on the medical cannabis product and once within six months of the expiration date.

(d) Board sample.--The board may select a random sample that shall, for the purposes of conducting an active ingredient analysis, be tested by a laboratory chosen by the board for verification of label information.

(e) Disposal of sample.--A laboratory at a cannabis testing facility shall immediately return or dispose of any cannabis upon the completion of any testing, use or research. Any cannabis that is disposed of shall be done in accordance with the board's regulations related to cannabis waste.

(f) Sample failure.--If a sample of cannabis does not pass testing under subsection (c) based on the standards established by the board, the following shall apply:

(1) The sample may be retested, with or without remediation, up to three additional times after a failed test.

(2) After a fourth failed test, or at the choosing of the cannabis business establishment, the batch may be used to make a CO_2-based or solvent-based extract. After processing, the CO_2-based or solvent-based extract shall still pass final form testing.

(3) Seeds, immature cannabis plants, cannabis plants, cannabis flowers, edible or non-edible infused products may be remediated at any time prior to cannabis, edible or non-edible infused products being provided to dispensaries for sale to purchasers under this chapter or patients under Chapter 3, including after any failed test performed by an independent laboratory under subsection (c) based on the standards established by the board, as long as the cannabis, edible or non-edible infused products being provided to dispensaries ultimately passes independent laboratory testing under subsection (c) based on the standards established by the board.

(g) Board testing standards.--The board shall establish standards for contaminants under subsection (c) and shall develop labeling requirements for contents and potency. The board shall ensure standards under this subsection are comparable to those set by other established cannabis and medical cannabis markets and shall publicly disclose the basis for any standards set. These standards shall be reviewed biannually against other markets and forthcoming Federal standards.

(h) Copy of test results.--A laboratory at a cannabis testing facility shall file with the board an electronic copy of each laboratory test result for any batch that does not pass testing under subsection (c) at the same time that it transmits those results to the cultivation center or micro cultivation center. The testing laboratory shall maintain the laboratory test results for at least five years and make test results available at the board's request for the same period.

(i) Results.--A cultivation center or micro cultivation center shall provide to a dispensing organization the laboratory test results for each batch of edible or non-edible infused product purchased by the dispensing organization. Each dispensing organization shall have those laboratory results available upon request to purchasers and patients.

(j) Additional regulations permitted.--The board shall promulgate regulations relating to testing in furtherance of and consistent with this chapter.

SUBCHAPTER I

ADVERTISING, MARKETING, PACKAGING AND LABELING

Section 281. Advertising and promotions.

A cannabis business establishment shall be permitted to advertise and market cannabis, edible and non-edible infused products, including through discounts and promotional programs. A cannabis business establishment may only be restricted in advertising and marketing to the extent that any advertising or marketing contains any statement or image that:

(1) is false or misleading;

(2) promotes over-consumption of cannabis, edible and non-edible infused products;

(3) depicts a person under 21 years of age consuming cannabis;

(4) makes any unsupported health claims about cannabis, edible or non-edible infused products or cannabis concentrates; or

(5) includes any image designed or likely to appeal to a minor.

Section 282. Edible and non-edible infused product packaging and labeling.

(a) Registration.--Each edible and non-edible infused product produced for sale shall be registered with the board in a form and manner provided by the board. Each product registration shall include a label containing all information required by the board.

(b) Packaging.--Cannabis, edible or non-edible infused products intended for distribution to a dispensing organization for sale to purchasers or patients shall be packaged in a sealed, child-resistant container or package and labeled in a manner consistent with current standards, including the Consumer Product Safety Commission standards referenced under 15 U.S.C. Ch. 39A (relating to special packaging of household substances for protection of children).

(c) Edible and non-edible infused product packaging.--Each edible and non-edible infused product shall be wrapped or packaged at the cultivation center or micro cultivation center.

(d) Edible and non-edible infused product labeling.--Each edible and non-edible infused product shall be labeled prior to sale to a dispensary. Each label shall be securely affixed to the package and shall state in legible font the following:

(1) the common or usual name of the item and the registered name of the edible and non-edible infused product that was registered with the board under subsection (a);

(2) a unique serial number that matches the product with a cultivation center or micro cultivation center batch and lot number to facilitate any warnings or recalls the board or cultivation center or micro cultivation center deems appropriate;

(3) the date of final testing and packaging;

(4) the identification of the independent cannabis testing facility;

(5) the date of harvest for cannabis flower or the date of manufacture for other forms of cannabis;

(6) a "use by" date;

(7) the quantity, in ounces or grams, of cannabis contained in the product;

(8) a content list, including:

(i) The minimum and maximum percentage content by weight for:

(A) delta-9-tetrahydrocannabinol (THC);

(B) tetrahydrocannabinolic acid (THCA);

(C) cannabidiol (CBD);

(D) cannabidiolic acid (CBDA); and

(E) all other ingredients of the item, including any colors, artificial flavors and preservatives listed in descending order by predominance of weight shown with common or usual names.

(ii) (Reserved); and

(9) the acceptable tolerances for the minimum percentage shall not be below 85% or above 115% of the labeled amount.

(e) Prohibition.--Cannabis product packaging may not contain information that:

(1) is false or misleading;

(2) promotes excessive consumption;

(3) depicts a person under 21 years of age consuming cannabis; or

(4) includes any image designed or likely to appeal to a minor.

(f) Additional requirements.--The following shall apply to an edible and non-edible infused product produced by concentrating or extracting ingredients from the cannabis plant:

(1) If solvents were used to create the concentrate or extract, a statement that discloses the type of extraction method, including any solvents or gases used to create the concentrate or extract.

(2) Disclosure of any chemicals or compounds used to produce or added to the concentrate or extract.

(3) Cannabis concentrates sold with greater than 70% THC shall indicate the product is a high-THC product on the product label.

(g) Product warning.--All cannabis, edible and infused products and cannabis concentrates shall contain a warning on its label stating: "Cannabis consumption may impair the ability to drive or operate heavy machinery, is for adult use only and should not be used by pregnant or breastfeeding women. Keep out of reach of children."

(h) Servings.--Each edible or non-edible infused product intended for consumption shall include on the packaging the total milligram content of THC and CBD. Each package may not include more than a total of 1,000 milligrams of THC per package with respect to edible and non-edible infused products. A package may contain multiple servings. An edible and non-edible infused product that consists of more than a single serving shall be marked, stamped or otherwise imprinted, by individual single serving, with a symbol or easily recognizable mark approved by the board indicating the package contains cannabis and shall be either:

(1) scored or delineated to indicate one serving, if the edible or non-edible infused product is in solid form. As used in this paragraph, the term "delineated" includes directly marking the product to indicate one serving or

providing a means by which a patient or purchaser can accurately identify one serving; or

(2) if the edible or non-edible infused product is not in solid form, packaged in a manner so that a single serving is readily identifiable or easily measurable.

(i) Delineation.--An edible or non-edible infused product consisting of multiple servings shall be homogenized so that each serving contains the same concentration of THC.

(j) Alternation or destruction of packaging.--No individual other than the purchaser shall alter or destroy any labeling affixed to the primary packaging of cannabis, edible or infused products after the cannabis, edible or infused products have been dispensed.

SUBCHAPTER J

PREPARATION, DESTRUCTION AND REGULATION

OF CANNABIS, EDIBLE AND NON-EDIBLE INFUSED PRODUCTS

Section 291. Preparation of edible and non-edible infused products.

(a) Regulation.--The board may regulate the production of edible and non-edible infused products, including edibles, by a cultivation center or a micro cultivation center and establish regulations related to refrigeration, hot-holding and handling of edible and non-edible infused products. All edible and non-edible infused products shall meet the packaging and labeling requirements specified under this chapter and any regulation promulgated by the board.

(b) Approval.--Edible and non-edible infused products for sale or distribution at a dispensing organization shall be prepared by an approved agent of a cultivation center or micro cultivation center. A dispensing organization may not manufacture, process or produce an edible or infused product.

(c) (Reserved).

(d) Enforcement.--The board shall promulgate regulations for the manufacture and processing of edible and non-edible infused products and may at all times enter every building, room, basement, enclosure or premises occupied or used, or suspected of being occupied or used, for the production, preparation, manufacture for sale, storage, processing, distribution or transportation of edible or non-edible infused products. The board may inspect the premises together with all utensils, fixtures, furniture and machinery used for the preparation of products under this section.

Section 292. Destruction of cannabis.

(a) Destruction.--All cannabis byproduct, scrap and harvested cannabis not intended for distribution to a dispensing organization shall be destroyed and disposed of under regulations adopted by the board under this chapter. Documentation of the destruction and disposal shall be retained at the cultivation center, micro cultivation center or cannabis testing facility as applicable for a period of not less than one year.

(b) Notification prior to destruction.--A cultivation center or micro cultivation center shall, prior to destruction, notify the board. A dispensing organization shall notify the board within 48 hours of any destruction. The cultivation center, micro cultivation center or dispensing organization shall keep a record of the date and quantity of destruction.

(c) Unsold cannabis.--A dispensing organization shall destroy all cannabis, including edible and non-edible infused products, not sold to purchasers. Documentation of destruction and disposal shall be retained at the dispensing organization for a period of not less than one year.

Section 293. Local ordinances.

Unless otherwise provided by this chapter or law:

(1) A unit of local government, including a home rule unit or any non-home-rule county within the unincorporated territory of the county, may enact reasonable zoning ordinances or resolutions, not in conflict with this chapter or rules adopted pursuant to this chapter, regulating a cannabis business establishment. No unit of local government, including a home rule unit or any non-home-rule county within the unincorporated territory of the county, may unreasonably prohibit the use of cannabis authorized by this chapter.

(2) A unit of local government, including a home rule unit or any non-home-rule county within the unincorporated territory of the county, may enact ordinances or rules not in conflict with this chapter or with rules adopted pursuant to this chapter governing the time, place, manner and number of cannabis business establishment operations, including minimum distance limitations between cannabis business establishments and locations it deems sensitive. A unit of local government, including a home rule unit, may establish civil penalties for violation of an ordinance or rules governing the time, place and manner of operation of a cannabis business establishment in the jurisdiction of the unit of local government. No unit of local government, including a home rule unit or non-home-rule county within an unincorporated territory of the county, may unreasonably restrict the time, place, manner and number of cannabis business establishment operations authorized by this chapter.

(3) A unit of local government, including a home rule unit or any non-home-rule county within the unincorporated territory of the county, may not regulate the activities described in paragraph (1), (2) or (3) in a manner more restrictive than the regulation of those activities by the State under this chapter.

(4) A unit of local government, including a home rule unit or any non-home-rule county within the unincorporated territory of the county, may not enact ordinances to prohibit a cannabis business establishment from locating within the unit of local government entirely.

Section 294. Confidentiality.

(a) Disclosure.--Information provided by cannabis business establishment permittees or applicants to the board, the Department of Community and Economic Development, the Pennsylvania State Police or other agency shall be limited to information necessary for the purposes of administering this chapter. The information shall be subject to the provisions and limitations contained in the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(b) Privacy.--The information received and records kept by the board, the Department of Community and Economic Development and the Pennsylvania State Police for purposes of administering this chapter shall be subject to all applicable Federal privacy laws and shall be confidential and exempt from disclosure under 5 U.S.C. § 552 (relating to public information; agency rules, opinions, orders, records, and proceedings), except as provided under this chapter. The information received and records kept by the board, the Department of Community and Economic Development and the Pennsylvania State Police for purposes of administering this chapter shall not be subject to disclosure to an individual or a public or private entity, except to the board, the Department of Community and Economic Development, the Pennsylvania State Police and the Attorney General as necessary to perform official duties under this chapter.

(c) Name and address.--The name and address of an individual or entity holding each cannabis business establishment permit shall be subject to disclosure under the Right-to-Know Law.

(d) Board information.--All information collected by the board in the course of an examination, inspection or investigation of a permittee or applicant, including any complaint against a permittee or applicant filed with the board and information collected to investigate any complaint, shall be maintained for the confidential use of the board and shall not be disclosed, except as otherwise provided under this chapter. A formal complaint against a permittee by the board or any disciplinary order issued by the board against a permittee or applicant shall be public record, except as otherwise provided by law. Complaints from consumers or members of the general public received regarding a specific, named permittee or complaints regarding conduct by entities without permits shall be subject to disclosure under the Right-to-Know Law.

(e) Background check information.--The board, the Department of Community and Economic Development and the Pennsylvania State Police may not share or disclose any Pennsylvania or national criminal history record information, or the nonexistence or lack of any information, to any individual or entity not expressly authorized by this chapter.

Section 295. Financial institutions.

(a) Exemption.--A financial institution that provides financial services customarily provided by financial institutions to a cannabis business establishment authorized under this chapter or to a person that is affiliated with a cannabis business establishment shall be exempt from any criminal law of the Commonwealth as it relates to cannabis-related conduct authorized under State law.

(b) Confidentiality.--Information received by a financial institution from a cannabis business establishment shall be confidential. Except as otherwise required or permitted by Federal or State law or regulation, a financial institution may not make the information available to any person other than:

(1) the purchaser to whom the information applies;

(2) a trustee, conservator, guardian, personal representative or agent of the purchaser to whom the information applies;

(3) a Federal or State regulator when requested in connection with an examination of the financial institution or if otherwise necessary for complying with Federal or State law;

(4) a Federal or State regulator when requested in connection with an examination of the financial institution or if otherwise necessary for complying with Federal or State law; and

(5) a third party performing service for the financial institution, provided the third party is performing services under a written agreement that expressly or by operation of law prohibits the third party's sharing and use of confidential information for any purpose other than as provided in its agreement to provide services to the financial institution.

Section 296. Contracts enforceable.

Contracts related to the operation of a lawful cannabis business establishment under this chapter shall be enforceable. No contract entered into by a lawful cannabis business establishment or its agents on behalf of a cannabis business establishment, or by those who allow property to be used by a cannabis business establishment, shall be unenforceable on the basis that cultivating, obtaining, manufacturing, processing, distributing, dispensing, transporting, selling, possessing or using cannabis is prohibited by Federal law.

Section 297. Medical cannabis.

(a) Construction.--Nothing in this chapter shall be construed to limit any privileges or rights of a medical cannabis patient, including minor patients, primary caregivers, medical cannabis grower/processors or medical cannabis dispensaries under Chapter 3. If there is conflict between this chapter and Chapter 3 as they relate to medical cannabis patients, the provisions of this chapter shall prevail.

(b) Sale permitted.--Dispensary locations permitted under this chapter shall be authorized to sell cannabis to purchasers and to qualified patients, and all dispensing organizations shall be subject to the provisions under Chapter 3.

SUBCHAPTER K

TAXES

Section 299.1. Imposition of sales tax and excise tax.

(a) Rate of sales tax.--A sales tax is imposed at the rate of 6% of the sales price for cannabis, edible and infused products sold or otherwise transferred to any person other than a cannabis business establishment.

(b) Rate of excise tax.--In addition to all other applicable taxes, an excise tax is imposed on each dispensary organization at the rate of 8% of the sales price for cannabis sold or otherwise transferred to any person other than a cannabis business establishment. Except as otherwise provided by regulation, a product subject to the tax imposed under this subsection may not be bundled in a single transaction with a product or service that is not subject to the tax imposed under this subsection.

Section 299.2. Administration of taxes and distribution of revenue.

(a) Administration.--The Department of Revenue shall administer the taxes imposed under this chapter and Chapter 3, and may promulgate regulations that prescribe a method and manner for payment of the tax to ensure proper tax collection under this chapter and Chapter 3.

(b) Disbursement.--Revenue from all taxes collected under this chapter and Chapter 3 shall be disbursed as follows:

(1) Ten percent of the revenue shall be disbursed to municipalities in which a cannabis business establishment is located, disbursed in proportion to the number of cannabis business establishments within the municipality;

(2) Ten percent of the revenue shall be disbursed to counties in which a cannabis business establishment is located in an unincorporated part of the county, disbursed in proportion to the number of cannabis business establishments within the unincorporated part of the county; and

(3) Eighty percent of the revenue shall be deposited in the Cannabis Regulation Fund.

Section 299.3. (Reserved).

SUBCHAPTER L

CANNABIS CLEAN SLATE

Section 299.11. Cannabis clean slate.

(a) Individual eligible for expungement.--

(1) An individual who has been arrested for, charged with or convicted under section 13(a)(30) or (31) of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act, as it relates to cannabis shall have the individual's criminal history related to the criminal proceeding expunged in accordance with subsection (b).

(2) This subsection shall only apply to nonviolent offenses.

(b) Expungement process.--

(1) The Administrative Office of Pennsylvania Courts shall, within six months of the effective date of this paragraph, transmit to the Pennsylvania State Police central repository all records related to an arrest or conviction under subsection (a) for expungement.

(2) If the Pennsylvania State Police determines a record transmitted under paragraph (1) is not eligible for expungement, it shall notify the Administrative Office of Pennsylvania Courts of the determination within 30 days of receiving the information. Upon expiration of the 30-day period, the Administrative Office of Pennsylvania Courts shall provide to the court of common pleas in which the arrest or adjudication occurred a list of all records eligible for expungement. Within 30 days of receiving the list, the court of common pleas shall order the expungement of all criminal history records received under this section and all administrative records of the Department of

Transportation relating to the criminal history records received under this section.

(c) Release of inmates.--A court of common pleas that has received an expungement order for a person currently incarcerated for the crime for which the court received the expungement order shall transmit to the appropriate county correctional institution or State correctional institution, as defined under 61 Pa.C.S. § 102 (relating to definitions), an order for the immediate release or discharge of the individual whose record has been ordered to be expunged.

(d) Motor vehicle operation privileges.--The Bureau of Motor Vehicles shall reinstate an individual's suspended or revoked motor vehicle operation privileges that were suspended or revoked as a result of the individual's conviction that has been expunged under this section.

(e) Reinstatement of license or registration.--A license or registration that has been suspended or revoked under section 23 of The Controlled Substance, Drug, Device and Cosmetic Act due to an arrest or conviction that has been expunged under this section shall be reinstated.

SUBCHAPTER M

MISCELLANEOUS PROVISIONS

Section 299.21. Conflicts.

The cultivation, processing, manufacture, acquisition, transportation, sale, dispensing, distribution, possession and consumption of cannabis permitted under this chapter shall not be deemed to be a violation of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act. If a provision of the Controlled Substance, Drug, Device and Cosmetic Act relating to cannabis conflicts with a provision of this chapter, this chapter shall take precedence.

Section 299.22. (Reserved).

Section 299.23. Implementation.

The issuance of licenses and other authorizations specified under this chapter shall begin no later than 180 days after the effective date of this section.

CHAPTER 3

MEDICAL USE OF CANNABIS

SUBCHAPTER A

PRELIMINARY PROVISIONS

Section 301. Scope of chapter.

This chapter relates to the regulation and use of medical cannabis in this Commonwealth.

Section 302. Declaration of policy.

The General Assembly finds and declares as follows:

(1) Scientific evidence suggests that medical cannabis is one potential therapy that may mitigate suffering in some patients and also enhance quality of life.

(2) The Commonwealth is committed to patient safety. Carefully regulating the program which allows access to medical cannabis will enhance patient safety while research into its effectiveness continues.

(3) It is the intent of the General Assembly to:

(i) Provide a program of access to medical cannabis which balances the need of patients to have access to the latest treatments with the need to promote patient safety.

(ii) Provide a safe and effective method of delivery of medical cannabis to patients.

(iii) Promote high quality research into the effectiveness and utility of medical cannabis.

(4) It is the further intention of the General Assembly that any Commonwealth-based program to provide access to medical cannabis serve as a temporary measure, pending Federal approval of and access to medical cannabis through traditional medical and pharmaceutical avenues.

Section 303. (Reserved).

SUBCHAPTER B

PROGRAM

Section 311. Program established.

A medical cannabis program for patients suffering from serious medical conditions is established. The program shall be implemented and administered by the board.

Section 312. (Reserved).

Section 313. Lawful use of medical cannabis by patients.

(a) General rule.--Notwithstanding any provision of law to the contrary, use or possession of medical cannabis as set forth in this chapter is lawful within this Commonwealth.

(b) Requirements.--The lawful use of medical cannabis is subject to the following:

(1) Medical cannabis may only be dispensed to:

(i) a patient who receives a certification from a practitioner and is in possession of a valid identification card issued by the board; and

(ii) a caregiver who is in possession of a valid identification card issued by the board.

(2) Subject to regulations promulgated under this chapter, medical cannabis may only be dispensed to a patient or caregiver in the following forms approved by the board:

(i) Infused products.

(ii) Edible products.

(iii) Forms medically appropriate for administration by vaporization or nebulization, including dry leaf and plant material.

(3) (Reserved).

(4) A patient may designate up to two caregivers at any one time.

(5) Medical cannabis that has not been used by the patient shall be kept in the original package in which it was dispensed.

(6) A patient or caregiver shall possess an identification card whenever the patient or caregiver is in possession of medical cannabis.

(7) Products packaged by a grower/processor or sold by a dispensary shall only be identified by the name of the grower/processor, the name of the dispensary, the form and species of medical cannabis, the percentage of tetrahydrocannabinol and cannabinol contained in the product and any other labeling required by the board.

(c) Limitations on cultivating cannabis.--Cultivating cannabis for personal use by a patient shall be subject to the following limitations:

(1) A resident of this Commonwealth 21 years of age or older who is a patient may cultivate cannabis plants, with a limit of two mature cannabis plants and one immature cannabis plant that are more than five inches tall, without a cultivation center or micro cultivation center license. The plant limitation specified under this paragraph shall be cumulative for households in which more than one patient

resides. As used in this paragraph, the term "resident" means an individual who has been domiciled in this Commonwealth for a period of 30 days prior to cultivation.

(2) Cannabis cultivation by a patient shall take place in an enclosed, locked space.

(3) A patient 21 years of age or older shall purchase cannabis seeds or clones from a dispensary for the purpose of home cultivation. Seeds or clones may not be given or resold to any other individual regardless of age.

(4) Cannabis plants may not be stored or placed in a location where they are subject to ordinary public view. A patient who cultivates cannabis shall take reasonable precautions to ensure that the plants are secure from unauthorized access, including unauthorized access by an individual who is under 21 years of age.

(5) Cannabis cultivation for personal use by a patient may occur only on residential property lawfully in possession of the patient cultivating cannabis for personal use or with the consent of the person in lawful possession of the property. An owner or lessor of residential property may prohibit the cultivation of cannabis by a lessee.

(6) Cannabis plants may only be tended by a patient who resides at the residence or an individual authorized by a patient attending to the residence for brief periods.

(7) A patient who cultivates more than the allowable number of cannabis plants, or who sells or gives away cannabis plants, cannabis, edible or infused products, shall be liable for penalties as provided by State law in addition to loss of home cultivation privileges as established by regulation by the board.

(8) Cannabis cultivated by a patient and cannabis produced by cannabis plants grown, if the amount of cannabis produced is in excess of 30 grams of raw cannabis, shall remain secured within the residence or residential property in which the cannabis is grown.

Section 314. (Reserved).

SUBCHAPTER C

PRACTITIONERS

Section 321. Practitioner registration.

(a) Eligibility.--A physician included in the registry is authorized to issue certifications to patients to use medical cannabis. To be eligible for inclusion in the registry:

(1) A physician must apply for registration in the form and manner required by the board.

(2) The board must determine that the physician is, by training or experience, qualified to treat a serious medical condition. The physician shall provide documentation of credentials, training or experience as required by the board.

(3) The physician must have successfully completed the course under section 206(c)(24).

(b) Board action.--

(1) The board shall review an application submitted by a physician to determine whether to include the physician in the registry. The review shall include information maintained by the Department of State regarding whether the physician has a valid, unexpired, unrevoked, unsuspended Pennsylvania license to practice medicine and whether the physician has been subject to discipline.

(2) The inclusion of a physician in the registry shall be subject to annual review to determine if the physician's

license is no longer valid, has expired or been revoked or the physician has been subject to discipline. If the license is no longer valid, the board shall remove the physician from the registry until the physician holds a valid, unexpired, unrevoked, unsuspended Pennsylvania license to practice medicine.

(3) The Department of State shall report to the board the expiration, suspension or revocation of a physician's license and any disciplinary actions in a timely fashion.

(c) Practitioner requirements.--A practitioner included in the registry shall have an ongoing responsibility to immediately notify the board in writing if the practitioner knows or has reason to know that any of the following is true with respect to a patient for whom the practitioner has issued a certification:

(1) The patient no longer has the serious medical condition for which the certification was issued.

(2) Medical cannabis would no longer be therapeutic or palliative.

(3) The patient has died.

Section 322. Practitioner restrictions.

(a) Practices prohibited.--The following apply with respect to practitioners:

(1) A practitioner may not accept, solicit or offer any form of remuneration from or to a prospective patient, patient, prospective caregiver, caregiver or medical cannabis organization, including an employee, financial backer or principal, to certify a patient, other than accepting a fee for service with respect to the examination of the prospective patient to determine if the prospective patient should be issued a certification to use medical cannabis.

(2) A practitioner may not hold a direct or economic interest in a medical cannabis organization.

(b) Unprofessional conduct.--A practitioner who violates subsection (a) may not issue certifications to patients. The practitioner shall be removed from the registry.

(c) Discipline.--In addition to any other penalty that may be imposed under this chapter, a violation of subsection (a) or section 323(f) shall be deemed unprofessional conduct under section 41(8) of the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985, or section 15(a)(8) of the act of October 5, 1978 (P.L.1109, No.261), known as the Osteopathic Medical Practice Act, and shall subject the practitioner to discipline by the State Board of Medicine or the State Board of Osteopathic Medicine, as appropriate.

Section 323. Issuance of certification.

(a) Conditions for issuance.--A certification to use medical cannabis may be issued by a practitioner to a patient if all of the following requirements are met:

(1) The practitioner has been approved by the board for inclusion in the registry and has a valid, unexpired, unrevoked, unsuspended Pennsylvania license to practice medicine at the time of the issuance of the certification.

(2) The practitioner has determined that the patient has a serious medical condition and has included the condition in the patient's health care record.

(3) The patient is under the practitioner's continuing care for the serious medical condition.

(4) In the practitioner's professional opinion and review of past treatments, the practitioner determines the patient is likely to receive therapeutic or palliative

benefit from the use of medical cannabis.

(b) Contents.--The certification shall include:

(1) The patient's name, date of birth and address.

(2) The specific serious medical condition of the patient.

(3) A statement by the practitioner that the patient has a serious medical condition and the patient is under the practitioner's continuing care for the serious medical condition.

(4) The date of issuance.

(5) The name, address, telephone number and signature of the practitioner.

(6) Any requirement or limitation concerning the appropriate form of medical cannabis and limitation on the duration of use, if applicable, including whether the patient is terminally ill.

(c) Consultation.--A practitioner shall review the prescription drug monitoring program prior to:

(1) Issuing a certification to determine the controlled substance history of a patient.

(2) Recommending a change of amount or form of medical cannabis.

(d) Other access by practitioner.--A practitioner may access the prescription drug monitoring program to do any of the following:

(1) Determine whether a patient may be under treatment with a controlled substance by another physician or other person.

(2) Allow the practitioner to review the patient's controlled substance history as deemed necessary by the

practitioner.

(3) Provide to the patient, or caregiver on behalf of the patient if authorized by the patient, a copy of the patient's controlled substance history.

(e) Duties of practitioner.--The practitioner shall:

(1) Provide the certification to the patient.

(2) Provide a copy of the certification to the board, which shall place the information in the patient directory within the board's electronic database. The board shall permit electronic submission of the certification.

(3) File a copy of the certification in the patient's health care record.

(f) Prohibition.--A practitioner may not issue a certification for the practitioner's own use or for the use of a family or household member.

Section 324. Certification form.

The board shall develop a standard certification form, which shall be available to practitioners upon addition to the physician registry. The form shall be available electronically. The form shall include a statement that a false statement made by a practitioner is punishable under the applicable provisions of 18 Pa.C.S. Ch. 49 (relating to falsification and intimidation).

Section 325. Duration.

Receipt of medical cannabis by a patient or caregiver from a dispensary may not exceed a 90-day supply of individual doses. During the last seven days of any 30-day period during the term of the identification card, a patient may obtain and possess a 90-day supply for the subsequent 30-day period. Additional 90-day supplies may be provided in accordance with this section for the duration of the authorized period of the identification card unless a shorter period is indicated on the certification.

SUBCHAPTER D

PATIENTS

Section 331. Identification cards.

(a) Issuance.--The board may issue an identification card to a patient who has a certification approved by the board and to a caregiver designated by the patient. An identification card issued to a patient shall authorize the patient to obtain and use medical cannabis as authorized by this chapter. An identification card issued to a caregiver shall authorize the caregiver to obtain medical cannabis on behalf of the patient.

(b) Procedure for issuance.--The board shall develop and implement procedures for:

(1) Review and approval of applications for identification cards.

(2) Issuance of identification cards to patients and caregivers.

(3) Review of the certification submitted by the practitioner and the patient.

(c) Application.--A patient or a caregiver may apply, in a form and manner prescribed by the board, for issuance or renewal of an identification card. A caregiver must submit a separate application for issuance or renewal. Each application must include:

(1) The name, address and date of birth of the patient.

(2) The name, address and date of birth of a caregiver.

(3) The certification issued by the practitioner.

(4) The name, address and telephone number of the practitioner and documentation from the practitioner that all

of the requirements of section 323(a) have been met.

(5) A $50 processing fee. The board may waive or reduce the fee if the applicant demonstrates financial hardship.

(6) The signature of the applicant and date signed.

(7) Other information required by the board.

(d) Forms.--Application and renewal forms shall be available on the board's publicly accessible Internet website.

(e) Expiration.--An identification card of a patient or caregiver shall expire within one year from the date of issuance, upon the death of the patient or as otherwise provided in this section.

(f) Separate cards to be issued.--The board shall issue separate identification cards for patients and caregivers as soon as reasonably practicable after receiving completed applications, unless it determines that an application is incomplete or factually inaccurate, in which case it shall promptly notify the applicant.

(g) (Reserved).

(h) Change in name or address.--A patient or caregiver who has been issued an identification card shall notify the board within 10 days of any change of name or address. In addition, the patient shall notify the board within 10 days if the patient no longer has the serious medical condition noted on the certification.

(i) Lost or defaced card.--In the event of a lost, stolen, destroyed or illegible identification card, the patient or caregiver shall apply to the board within 10 business days of discovery of the loss or defacement of the card for a replacement card. The application for a replacement card shall be on a form furnished by the board and accompanied by a $25 fee. The board may establish higher fees for issuance of second and subsequent replacement identification cards. The board may waive or reduce the fee in cases of demonstrated financial hardship. The board shall issue a replacement identification card as soon as practicable. A patient or caregiver may not obtain medical cannabis until the board issues the replacement card.

Section 332. Caregivers.

(a) Requirements.--

(1) If the patient designates a caregiver, the application shall include the name, address and date of birth of the caregiver, other individual identifying information required by the board and the following:

(i) Federal and Commonwealth criminal history record information as set forth in subsection (b).

(ii) If the caregiver has an identification card for the caregiver or another patient, the expiration date of the identification card.

(iii) Other information required by the board.

(2) The application shall be accompanied by a fee of $50. The board may waive or reduce the fee in cases of demonstrated financial hardship.

(3) The board may require additional information for the application.

(4) The application shall be signed and dated by the applicant.

(b) Criminal history.--A caregiver who has not been previously approved by the board under this section shall submit fingerprints for the purpose of obtaining criminal history record checks, and the Pennsylvania State Police or its authorized agent shall submit the fingerprints to the Federal Bureau of Investigation for the purpose of verifying the identity of the applicant and obtaining a current record of any criminal arrests and convictions. Any criminal history record information relating to a caregiver obtained under this section by the board may be interpreted and used by the board only to determine the applicant's character, fitness and suitability to serve as a caregiver under this chapter. The criminal history record information provided under this subsection may not be subject to the limitations under 18 Pa.C.S. § 9121(b)(2) (relating to general regulations). The board shall also review the prescription drug monitoring program relating to the caregiver. The board shall deny the application of a caregiver who has been convicted of a criminal offense that occurred within the past five years relating to the sale or possession of drugs, narcotics or controlled substances. The board may deny an application if the applicant has a history of drug abuse or of diverting controlled substances or illegal drugs.

Section 333. Notice.

An application for an identification card shall include notice that a false statement made in the application is punishable under the applicable provisions of 18 Pa.C.S. Ch. 49 (relating to falsification and intimidation).

Section 334. Verification.

The board shall verify the information in a patient or caregiver's application and on any renewal form.

Section 335. Special conditions.

The following apply:

(1) If the practitioner states in the certification that, in the practitioner's professional opinion, the patient

would benefit from medical cannabis only until a specified earlier date, then the identification card shall expire on that date.

(2) If the certification so provides, the identification card shall state any requirement or limitation by the practitioner as to the form of medical cannabis for the patient.

Section 336. (Reserved).

Section 337. Minors.

If a patient is under 18 years of age, the following shall apply:

(1) The patient shall have a caregiver.

(2) A caregiver must be one of the following:

(i) A parent or legal guardian of the patient.

(ii) An individual designated by a parent or legal guardian.

(iii) An appropriate individual approved by the board upon a sufficient showing that no parent or legal guardian is appropriate or available.

Section 338. Caregiver authorization and limitations.

(a) Age.--An individual who is under 21 years of age may not be a caregiver unless a sufficient showing, as determined by the board, is made to the board that the individual should be permitted to serve as a caregiver.

(b) Changing caregiver.--If a patient wishes to change or terminate the designation of the patient's caregiver, for whatever reason, the patient shall notify the board as soon as practicable. The board shall issue a notification to the caregiver that the caregiver's identification card is invalid and must be promptly returned to the board.

(c) Denial in part.--If an application of a patient designates an individual as a caregiver who is not authorized to be a caregiver, that portion of the application shall be denied by the board. The board shall review the balance of the application and may approve that portion of it.

Section 339. Contents of identification card.

An identification card shall contain the following:

(1) The name of the caregiver or the patient, as appropriate. The identification card shall also state whether the individual is designated as a patient or as a caregiver.

(2) The date of issuance and expiration date.

(3) An identification number for the patient or caregiver, as appropriate.

(4) A photograph of the individual to whom the identification card is being issued, whether the individual is a patient or a caregiver. The method of obtaining the photograph shall be specified by the board by regulation. The board shall provide reasonable accommodation for a patient who is confined to the patient's home or is in inpatient care.

(5) Any requirement or limitation set by the practitioner as to the form of medical cannabis.

(6) Any other requirements determined by the board, except the board may not require that an identification card disclose the patient's serious medical condition.

Section 339.1. Suspension.

If a patient or caregiver intentionally, knowingly or recklessly violates any provision of this chapter as determined by the board, the identification card of the patient or caregiver may be suspended or revoked. The suspension or revocation shall be in addition to any criminal or other penalty that may apply.

Section 339.2. Prohibitions.

The following prohibitions shall apply:

(1) A patient may not operate or be in physical control of any of the following while under the influence with a blood content of more than 15 nanograms of active tetrahydrocannabis per milliliter of blood in serum:

(i) Chemicals which require a permit issued by the Federal Government or a state government or an agency of the Federal Government or a state government.

(ii) High-voltage electricity or any other public utility.

(2) A patient may not perform any employment duties at heights or in confined spaces, including mining, while under the influence of medical cannabis.

(3) A patient may be prohibited by an employer from performing any task which the employer deems life-threatening, to either the employee or any of the employees of the employer, while under the influence of medical cannabis. The prohibition shall not be deemed an adverse employment decision even if the prohibition results in financial harm for the patient.

(4) A patient may be prohibited by an employer from performing any duty which could result in a public health or safety risk while under the influence of medical cannabis. The prohibition shall not be deemed an adverse employment decision even if the prohibition results in financial harm for the patient.

SUBCHAPTER E

(Reserved)

SUBCHAPTER F

(Reserved)

SUBCHAPTER G

DISPENSARIES

Section 361. Dispensing to patients and caregivers.

(a) General rule.--A dispensary that has been issued a permit under Chapter 2 may lawfully dispense medical cannabis to a patient or caregiver upon presentation to the dispensary of a valid identification card for that patient or caregiver. The dispensary shall provide to the patient or caregiver a receipt, as appropriate. The receipt shall include all of the following:

(1) The name, address and any identification number assigned to the dispensary by the board.

(2) The name and address of the patient and caregiver.

(3) The date the medical cannabis was dispensed.

(4) Any requirement or limitation by the practitioner as to the form of medical cannabis for the patient.

(5) The form and the quantity of medical cannabis dispensed.

(b) Requirements.--A dispensary shall have a physician or a pharmacist available, either in person or by synchronous interaction, to verify patient certifications and to consult with patients and caregivers at all times during the hours the dispensary is open to receive patients and caregivers. If a dispensary has more than one separate location, a physician assistant or a certified registered nurse practitioner may verify patient certifications and consult with patients and caregivers, either in person or by synchronous interaction, at each of the other locations in lieu of the physician or pharmacist. A physician, a pharmacist, a physician assistant or a certified registered nurse practitioner shall, prior to assuming duties under this paragraph, successfully complete the course established in section 206(c)(24). A physician may not issue a certification to authorize patients to receive medical cannabis or otherwise treat patients at the dispensary.

(c) Filing with board.--Prior to dispensing medical cannabis to a patient or caregiver, the dispensary shall file the receipt information with the board utilizing the electronic tracking system. When filing receipts under this subsection, the dispensary shall dispose of any electronically recorded certification information as provided by regulation.

(d) Limitations.--No dispensary may dispense to a patient or caregiver:

(1) a quantity of medical cannabis greater than that which the patient or caregiver is permitted to possess under the certification; or

(2) a form of medical cannabis prohibited by this chapter.

(e) Supply.--When dispensing medical cannabis to a patient or caregiver, the dispensary may not dispense an amount greater than a 90-day supply until the patient has exhausted all but a seven-day supply provided under a previously issued certification until additional certification is presented under section 325.

(f) Verification.--Prior to dispensing medical cannabis to a patient or caregiver, the dispensary shall verify the information in subsections (e) and (g) by consulting the seed-to-sale tracking system established under section 206(c)(12).

(g) Form of medical cannabis.--Medical cannabis dispensed to a patient or caregiver by a dispensary shall conform to any requirement or limitation set by the practitioner as to the form of medical cannabis for the patient.

(h) Safety insert.--When a dispensary dispenses medical cannabis to a patient or caregiver for the first time, the dispensary shall provide to that patient or caregiver, as appropriate, a safety insert. The insert shall be developed and approved by the board. The insert shall provide the following information:

(1) Lawful methods for administering medical cannabis in individual doses.

(2) Any potential dangers stemming from the use of medical cannabis.

(3) How to recognize what may be problematic usage of medical cannabis and how to obtain appropriate services or treatment for problematic usage.

(4) How to prevent or deter the misuse of medical cannabis by minors or others.

(5) Any other information as determined by the board.

(i) Sealed and labeled package.--Medical cannabis shall be dispensed by a dispensary to a patient or caregiver in a sealed and properly labeled package. The labeling shall contain the following:

(1) The information required to be included in the receipt provided to the patient or caregiver, as appropriate, by the dispensary.

(2) The packaging date.

(3) Any applicable date by which the medical cannabis should be used.

(4) A warning stating:

This product is for medicinal use only. Women should not consume during pregnancy or while breastfeeding except on the advice of the practitioner who issued the certification and, in the case of breastfeeding, the infant's pediatrician. This product might impair the ability to drive or operate heavy machinery. Keep out of reach of children.

(5) The amount of individual doses contained within the package and the species and percentage of tetrahydrocannabinol and cannabidiol.

(6) A warning that the medical cannabis must be kept in the original container in which it was dispensed.

(7) A warning that unauthorized use is unlawful and will subject the person to criminal penalties.

(8) Any other information required by the board.

Section 362. Facility requirements.

The following shall apply:

(1) A dispensary may dispense medical cannabis in an indoor, enclosed, secure facility located within this Commonwealth or in accordance with a curbside delivery protocol as determined by the board.

(2) For the purposes of paragraph (1), a dispensary shall maintain continuous motion-activated video surveillance. The dispensary is required to retain the recordings electronically onsite or offsite for a period of no less than 180 days, unless otherwise required for investigative or litigation purposes.

(3) A dispensary may not operate on the same site as a facility used for growing and processing medical cannabis.

(4) A dispensary may not be located within 1,000 feet of

the property line of a public, private or parochial school or a day-care center. The board may waive the prohibition under this paragraph if it is shown by clear and convincing evidence that the waiver is necessary to provide adequate access to patients, including additional security, physical plant of a facility or other conditions necessary to protect children.

(5) A dispensary may sell medical devices and instruments which are needed to administer medical cannabis under this chapter.

(6) A dispensary may sell services approved by the board related to the use of medical cannabis.

Section 363. Posting.

A dispensary shall post a copy of its permit in a location within its facility in a manner that is easily observable by patients, caregivers, law enforcement officers and agents of the board.

SUBCHAPTER H

(Reserved)

SUBCHAPTER I

(Reserved)

SUBCHAPTER J

(Reserved)

SUBCHAPTER K

OFFENSES RELATED TO PATIENTS,

CAREGIVERS AND PROVIDERS

Section 393.1. Criminal diversion of medical cannabis by practitioners.

In addition to any other penalty provided by law, a practitioner commits a misdemeanor of the first degree if the practitioner intentionally, knowingly or recklessly certifies a person as being able to lawfully receive medical cannabis or otherwise provides medical cannabis to a person who is not lawfully permitted to receive medical cannabis.

Section 393.2. (Reserved).

Section 393.3. (Reserved).

Section 393.4. (Reserved).

Section 393.5. Falsification of identification cards.

(a) Offense defined.--In addition to any other penalty provided by law, a person commits an offense if, knowing the person is not privileged to hold an identification card, the person:

(1) possesses an identification card and either attempts to use the card to obtain medical cannabis or obtains medical cannabis;

(2) possesses an identification card which falsely identifies the person as being lawfully entitled to receive medical cannabis and either attempts to use the card to obtain medical cannabis or obtains medical cannabis; or

(3) possesses an identification card which contains any false information on the card and the person either attempts to use the card to obtain medical cannabis or obtains medical cannabis.

(b) Grading.--A first offense under this section constitutes a misdemeanor of the second degree. A second or subsequent offense under this section constitutes a misdemeanor of the first degree.

Section 393.6. Adulteration of cannabis by patient, caregiver or practitioner.

(a) General rule.--In addition to any other penalty provided by law, a person commits an offense if the person adulterates, fortifies, contaminates or changes the character or purity of cannabis from that set forth on the patient's or caregiver's identification card.

(b) Grading.--A first offense under this section constitutes a misdemeanor of the second degree. A second or subsequent offense under this section constitutes a misdemeanor of the first degree.

Section 393.7. Disclosure of information prohibited.

(a) Offense defined.--In addition to any other penalty provided by law, an employee, financial backer, operator or principal of any of the following commits a misdemeanor of the third degree if the person discloses, except to authorized persons for official governmental or health care purposes, any information related to the use of cannabis by a patient or caregiver:

(1) A medical cannabis organization.

(2) A clinical registrant or academic clinical research center under Subchapter M.

(3) An employee or contractor of the board.

(b) Exception.--Subsection (a) shall not apply where disclosure is permitted or required by law or by court order. The board, including an authorized employee, requesting or obtaining information under this chapter shall not be subject to any criminal liability. The immunity provided by this subsection shall not apply to any employee of the board who knowingly and willfully discloses prohibited information under this chapter.

Section 393.8. Additional penalties.

(a) Criminal penalties.--In addition to any other penalty provided by law, a practitioner, caregiver, patient, employee, financial backer, operator or principal of any medical cannabis organization, and an employee, financial backer, operator or principal of a clinical registrant or academic clinical research center under Subchapter M who violates any of the provisions of this chapter, other than those specified in section 393.1, 393.5, 393.6 or 393.7 or any regulation promulgated under this chapter:

(1) For a first offense, commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than $5,000 or to imprisonment for not more than six months.

(2) For a second or subsequent offense, commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than $10,000 or to imprisonment for not less than six months nor more than one year, or both.

(b) Civil penalties.--

(1) In addition to any other remedy available to the board, the board may assess a civil penalty for a violation of this chapter, a regulation promulgated under this chapter or an order issued under this chapter. The following shall apply:

(2) The board may assess a penalty of not more than $10,000 for each violation and an additional penalty of not more than $1,000 for each day of a continuing violation. In determining the amount of each penalty, the board shall take the following factors into consideration:

(i) The gravity of the violation.

(ii) The potential harm resulting from the violation to patients, caregivers or the general public.

(iii) The willfulness of the violation.

(iv) Previous violations, if any, by the person being assessed.

(v) The economic benefit to the person being assessed for failing to comply with the requirements of this chapter, a regulation promulgated under this chapter or an order issued under this chapter.

(3) If the board finds that the violation did not threaten the safety or health of a patient, caregiver or the general public and the violator took immediate action to remedy the violation upon learning of it, the board may issue a written warning in lieu of assessing a civil penalty.

(4) A person who aids, abets, counsels, induces, procures or causes another person to violate this chapter, a regulation promulgated under this chapter or an order issued under this chapter shall be subject to the civil penalties provided under this subsection.

(c) Sanctions.--

(1) In addition to the penalties provided in subsection (b) and any other penalty authorized by law, the board may impose the following sanctions:

(i) Revoke or suspend the permit of a person found to be in violation of this chapter, a regulation promulgated under this chapter or an order issued under this chapter.

(ii) Revoke or suspend the permit of a person for conduct or activity or the occurrence of an event that would have disqualified the person from receiving the permit.

(iii) Revoke or suspend the registration of a practitioner for a violation of this chapter or a regulation promulgated or an order issued under this chapter or for conduct or activity which would have disqualified the practitioner from receiving a registration.

(iv) Suspend a permit or registration of a person pending the outcome of a hearing in a case in which the permit or registration could be revoked.

(v) Order restitution of funds or property unlawfully obtained or retained by a permittee or registrant.

(vi) Issue a cease and desist order.

(2) A person who aids, abets, counsels, induces, procures or causes another person to violate this chapter shall be subject to the sanctions provided under this subsection.

(d) Costs of action.--The board may assess against a person determined to be in violation of this chapter the costs of investigation of the violation.

(e) Minor violations.--Nothing in this section shall be construed to require the assessment of a civil penalty or the imposition of a sanction for a minor violation of this chapter if the board determines that the public interest will be adequately served under the circumstances by the issuance of a written warning.

Section 393.9. Other restrictions.

Nothing in this chapter may be construed to permit any person to engage in or prevent the imposition of any civil, criminal or other penalty for the following:

(1) Undertaking any task under the influence of medical

cannabis when doing so would constitute negligence, professional malpractice or professional misconduct.

(2) Possessing or using medical cannabis in a State or county correctional facility, including a facility owned or operated or under contract with the Department of Corrections or the county which houses inmates serving a portion of their sentences on parole or other community correction program. Nothing in this paragraph shall be construed to apply to employees of the facilities set forth in this paragraph. The Department of Corrections shall adopt a written policy no later than October 17, 2027, regarding the possession and use of medical cannabis by employees in State correctional facilities. The governing authority of a county may adopt a resolution no later than October 17, 2027, regarding the possession and use of medical cannabis by employees in a county correctional facility.

(3) Possessing or using medical cannabis in a youth detention center or other facility which houses children adjudicated delinquent, including the separate, secure State-owned facility or unit utilized for sexually violent delinquent children under 42 Pa.C.S. § 6404 (relating to duration of inpatient commitment and review). As used in this paragraph, the term "sexually violent delinquent child" shall have the meaning given to it in 42 Pa.C.S. § 6402 (relating to definitions). Nothing in this paragraph shall be construed to apply to employees of the facilities set forth in this paragraph.

SUBCHAPTER L

(Reserved)

SUBCHAPTER M

ACADEMIC CLINICAL RESEARCH CENTERS

AND CLINICAL REGISTRANTS

Section 399.21. Legislative findings and declaration of policy.

(a) Legislative findings.--It is determined and declared as a matter of legislative finding:

(1) Patients suffering from serious medical conditions deserve the benefit of research conducted in conjunction with the Commonwealth's medical schools to determine whether medical cannabis will improve their conditions or symptoms.

(2) The Commonwealth has an interest in creating a mechanism whereby this Commonwealth's medical schools and hospitals can help develop research programs and studies in compliance with applicable law.

(b) Declaration of policy.--The General Assembly declares as follows:

(1) It is the intention of the General Assembly to create a mechanism whereby this Commonwealth's medical schools and hospitals may provide advice to grower/processors and dispensaries in the areas of patient health and safety, medical applications and dispensing and management of controlled substances, among other areas. It is the further intention of the General Assembly to create a mechanism whereby the Commonwealth may encourage research associated with medical cannabis.

(2) (Reserved).

Section 399.22. Definitions.

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

"Academic clinical research center." An accredited medical school within this Commonwealth that operates or partners with an acute care hospital licensed within this Commonwealth that has been approved and certified by the board to enter into a contract with a clinical registrant.

"Clinical registrant." An entity that:

(1) is approved by the board as a clinical registrant;

(2) has a contractual relationship with an academic clinical research center under which the academic clinical research center or its affiliate provides advice to the entity, regarding, among other areas, patient health and safety, medical applications and dispensing and management of controlled substances; and

(3) is approved by the board to hold a permit as both a grower/processor and a dispensary.

Section 399.23. Academic clinical research centers.

(a) General rule.--An academic clinical research center must be approved and certified by the board before the academic clinical research center may contract with a clinical registrant. An academic clinical research center shall only contract with one clinical registrant. The accredited medical school that is seeking approval and certification from the board as an academic clinical research center must provide all information required by the board, including information for the individual who will be the primary contact for the academic clinical research center during the board's review of the application. The accredited medical school must also provide all information required by the board for any licensed acute care hospital that the accredited medical school will operate or partner with during the time that it may be approved and certified as an academic clinical research center by the board.

(b) Posting and publication of list.--The board shall post a list containing the name and address of each certified academic clinical research center on the board's publicly accessible Internet website and transmit notice to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin.

Section 399.24. Clinical registrants.

(a) Approval.--The board may approve additional clinical registrants as determined by the board. Each clinical registrant may provide medical cannabis at not more than six separate locations. A clinical registrant may not hold more than one grower/processor and one dispensary permit. Once the board approves an entity as a clinical registrant, the entity shall comply with this subchapter. The following shall apply:

(1) The board may:

(i) Open applications for the approval of up to two additional academic clinical research centers and issue approvals to qualified academic clinical research centers by July 16, 2028.

(ii) Open applications for the approval of up to two additional clinical registrants by August 15, 2028, and issue permits to qualified clinical registrants within 180 days from the date when applications are posted.

(2) (Reserved).

(b) Requirements.--The following shall apply to clinical registrants:

(1) An entity seeking approval as a clinical registrant shall submit an application to the board in such form and manner as the board prescribes. The board shall ensure that the applicant meets the requirements of this chapter before

approving the application to become a clinical registrant.

(2) An entity may be issued a permit as a grower/processor or dispensary before seeking approval as a clinical registrant. An entity may also apply for a permit as a grower/processor or a dispensary at the same time the entity seeks approval from the board as a clinical registrant.

(3) An entity seeking approval as a clinical registrant that does not already hold a permit as a grower/processor or a dispensary shall submit the applications required under Chapter 2. In reviewing an application, the board shall ensure that the entity meets all of the requirements for the issuance of a grower/processor permit or a dispensary permit, as applicable.

(4) (Reserved).

(5) Except as provided in section 206(c)(2), an entity seeking approval as a clinical registrant must pay the fees and meet all other requirements under this chapter for obtaining a permit as a grower/processor and a dispensary. Upon approval of the board, a clinical registrant shall be issued a grower/processor permit and a dispensary permit and shall be a medical cannabis organization. As a medical cannabis organization, a clinical registrant must comply with all the provisions of this chapter relating to medical cannabis organizations except as otherwise provided in this subchapter.

(6) The clinical registrant must have a minimum of $15,000,000 in capital. The board shall verify the capital requirement.

(7) The clinical registrant shall have all of the same

rights as a grower/processor permittee and must comply with all other requirements of this chapter regarding growing, processing and dispensing medical cannabis.

(8) A grower/processor facility owned by a clinical registrant may sell its medical cannabis products to all dispensary facilities. The facility may sell seeds, medical cannabis plants and medical cannabis products to, or exchange seeds, medical cannabis plants and medical cannabis products with, any other grower/processor facility holding a permit under Chapter 2 or this subchapter.

(9) A clinical registrant may petition the board, on a form prescribed by the board, for approval to sell certain of the medical cannabis products grown and processed by its grower/processor facility to other medical cannabis organizations holding dispensary permits under Chapter 2. The petition must be accompanied by a written report of the clinical registrant's research findings with respect to the medical cannabis products which are the subject of the petition. The board shall approve the petition if it has been demonstrated that the medical cannabis products have a practical effect on patients which changes a recommendation within the medical field as indicated in the report submitted by the clinical registrant.

(10) A dispensary owned by a clinical registrant may dispense medical cannabis products to a patient or caregiver who presents a valid identification card to an employee who is authorized to dispense medical cannabis products at a dispensary location operated by the clinical registrant, regardless of whether the patient is a participant in a research study or program.

Section 399.25. Research study.

(a) Applicability.--The provisions of this section shall apply upon publication of the notice under section 399.38.

(b) Procedures.--The board may, upon application, approve the dispensing of medical cannabis by a clinical registrant to the academic clinical research center for the purpose of conducting a research study. The board shall develop the application and standards for approval of such dispensing by the clinical registrant. The following apply to the research study:

(1) The clinical registrant shall disclose the following information to the board in its application:

(i) The reason for the research project, including the reason for the trial.

(ii) The strain and strength of medical cannabis to be used in the research study.

(iii) The anticipated duration of the study.

(iv) Evidence of approval of the trial by an accredited institutional review board and any other required regulatory approvals.

(v) Other information required by the board, except that the board may not require disclosure of any information that would infringe upon the academic clinical research center's exclusive right to intellectual property or legal obligations for patient confidentiality.

(2) The academic clinical research center shall provide its findings to the board within 365 days of the conclusion of the research study or within 365 days of publication of the results of the research study in a peer-reviewed medical journal, whichever is later. The board shall make available

all published research on the board's publicly accessible Internet website within 180 days of receipt from the academic clinical research center.

(3) The board shall allow the exchange of medical cannabis seed between clinical registrants for the conduct of research.

SUBCHAPTER N

MISCELLANEOUS PROVISIONS

Section 399.31. Conflict.

The growth, processing, manufacture, acquisition, transportation, sale, dispensing, distribution, possession and consumption of medical cannabis permitted under this chapter shall not be deemed to be a violation of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act. If a provision of the Controlled Substance, Drug, Device and Cosmetic Act relating to cannabis conflicts with a provision of this chapter, this chapter shall take precedence.

Section 399.32. (Reserved).

Section 399.33. Insurers.

Nothing in this chapter shall be construed to require an insurer or a health plan, whether paid for by Commonwealth funds or private funds, to provide coverage for medical cannabis. Notwithstanding any other provision of law, a self-insured employer or other insurer in this Commonwealth may not be required to provide coverage for or otherwise reimburse the cost of medical cannabis.

Section 399.34. Protections for patients and caregivers.

None of the following shall be subject to arrest, prosecution or penalty in any manner, or denied any right or privilege, including civil penalty or disciplinary action by a Commonwealth licensing board or commission, solely for lawful use of medical cannabis or manufacture or sale or dispensing of medical cannabis, or for any other action taken in accordance with this chapter:

(1) A patient.

(2) A caregiver.

(3) A practitioner.

(4) A medical cannabis organization.

(5) A clinical registrant or academic clinical research center under Subchapter M.

(6) An employee, principal or financial backer of a medical cannabis organization.

(7) An employee of a clinical registrant or an employee of an academic clinical research center under Subchapter M.

(8) A pharmacist, physician assistant or certified registered nurse practitioner under section 361(b).

Section 399.35. (Reserved).

Section 399.36. (Reserved).

Section 399.37. (Reserved).

Section 399.38. Notice.

Upon amendment of the Controlled Substances Act (Public Law 91-513, 84 Stat. 1236) removing cannabis from Schedule I of the Controlled Substances Act, the board shall transmit notice of the effective date of the amendment to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin.

Section 399.39. (Reserved).

Section 399.40. (Reserved).

Section 399.41. Repeals.

Repeals are as follows:

(1) The General Assembly declares that the repeals under paragraph (2) are necessary to effectuate the addition of Chapter 3.

(2) The following acts and parts of acts are repealed to the extent specified:

(i) Sections 4(1)(iv) and 13(a)(31) of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act.

(ii) 18 Pa.C.S. § 7508(a)(1) and (f).

(3) The General Assembly declares that the repeal under paragraph (4) is necessary to effectuate the addition of Chapter 3.

(4) The act of April 17, 2016 (P.L.84, No.16), known as the Medical Marijuana Act, is repealed.

(5) All other acts and parts of acts are repealed insofar as they are inconsistent with the addition of Chapters 2 and 3.

Section 399.42. Continuation.

The addition of Chapter 3 is a continuation of the act of April 17, 2016 (P.L.84, No.16), known as the Medical Marijuana Act. The following apply:

(1) Except as otherwise provided in Chapter 3, all activities initiated under the Medical Marijuana Act, shall continue and remain in full force and effect and may be completed under Chapter 3. Orders, regulations, rules and decisions which were made under the Medical Marijuana Act and which are in effect on the effective date of section 399.41(4) shall remain in full force and effect until revoked, vacated or modified under Chapter 3. Contracts,

obligations and collective bargaining agreements entered into under the Medical Marijuana Act are not affected nor impaired by the repeal of the Medical Marijuana Act.

(2) Except as set forth in paragraph (3), any difference in language between Chapter 3 and the Medical Marijuana Act is intended only to conform to the style of the Pennsylvania Consolidated Statutes and is not intended to change or affect the legislative intent, judicial construction or administration and implementation of the Medical Marijuana Act.

(3) Paragraph (2) does not apply to the addition of the following provisions:

The definitions of "board," "chief medical officer," "edible product," "executive director," "infused product," "safety-sensitive position," "serious medical condition" and "under the influence" in section 102.

Section 311.

Section 313(b)(2) and (c).

Section 324.

Section 361(f) and (h).

Section 362(a)(2).

Section 393.7(a).

Section 393.9(2).

Section 399.21(a)(2).

Section 399.24.

Section 399.25(b)(2).

Section 399.33.

Section 399.43. Effective date.

This act shall take effect immediately.