INTRODUCED BY FOLMER, LEACH, TEPLITZ, WILEY, BLAKE, FONTANA, YUDICHAK, SCARNATI, BOSCOLA, YAW, ARGALL, SMITH, COSTA, FARNESE, WAGNER, BARTOLOTTA, WILLIAMS, TARTAGLIONE, VULAKOVICH, WHITE, SCHWANK, RAFFERTY, STEFANO, WOZNIAK AND MCGARRIGLE, JANUARY 26, 2015

REFERRED TO STATE GOVERNMENT, JANUARY 26, 2015

AN ACT

Providing for the medical use of cannabis in the Commonwealth of Pennsylvania.

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The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:
Section 101. Short title.
This act shall be known and may be cited as the Medical 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:

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

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

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

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

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

(1) A hospital, as defined under the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act.

(2) A clinic operated by the hospital.

(3) An ambulatory or surgical facility.

(4) A long-term care nursing facility.

(5) A cancer treatment center.

(6) A hospice care facility.

"Health care practitioner." An individual as defined under section 2 of the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985, who is authorized to
prescribe Schedule III drugs under the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act. The term shall not include an individual licensed under the act of May 1, 1933 (P.L.216, No.76), known as The Dental Law.

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

"Medical cannabis access card." A document issued by the Department of Health to authorize a patient or patient representative to purchase and possess medical cannabis in this Commonwealth.

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

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

1. An individual who meets all of the following:
   (i) Is employed by a medical cannabis grower, medical cannabis processor, medical cannabis dispenser or certified laboratory with the authority to make a discretionary decision relating to the growing, processing, dispensing or testing of medical cannabis, including a manager, supervisor or an individual who directly handles or controls cannabis.
   (ii) Is responsible for tracking the amount and transportation of medical cannabis.
2. Any other employee position designated by the board.
"Medical cannabis grower." A for-profit or nonprofit entity licensed under section 501 that grows or cultivates cannabis for distribution to authorized medical cannabis processors and medical cannabis dispensers in accordance with this act.

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

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

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

"Occupation permit." A permit issued by the board authorizing an individual to be employed as a medical cannabis employee.

"Owner or operator." Any of the following:

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

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

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

"Patient." An individual who has an established practitioner-patient relationship and has been diagnosed with a qualified medical condition.
"Patient representative." Any of the following:
(1) A parent or guardian of a registered patient.
(2) An individual who:
   (i) is at least 18 years of age; and
   (ii) receives a medical cannabis access card which
        authorizes:
        (A) purchase, possession, transport and transfer
            of medical cannabis from a medical cannabis
            dispenser; and
        (B) proper administration of the medical
            cannabis to a registered patient in accordance with
            the recommendation of the registered patient's health
            care practitioner.

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

"Qualified medical condition." Any of the following,
including treatment:
(1) Cancer.
(2) Epilepsy and seizures.
(3) Amyotrophic lateral sclerosis.
(4) Cachexia/wasting syndrome.
(5) Parkinson's disease.
(6) Traumatic brain injury and postconcussion syndrome.
(7) Multiple sclerosis.
(8) Spinocerebellar Ataxia (SCA).
(9) Posttraumatic stress disorder.
(10) Severe fibromyalgia.
(11) A condition authorized by the department under
     20150SB0003PN0224
section 702.
"Testing laboratory." A clinical laboratory or testing
facility located within this Commonwealth, certified by the
board under section 511.

CHAPTER 3
STATE BOARD OF MEDICAL CANNABIS
LICENSING AND ADMINISTRATIVE PROCEDURE

Section 301. License.
(a) Medical cannabis.--A person may not conduct an activity
related to the growing, processing or dispensing of medical
cannabis or operating a testing laboratory unless the person is
licensed or certified by the board under this act.
(b) Employee.--A licensed medical cannabis grower, medical
cannabis processor or a medical cannabis dispenser may not
employ an individual to directly participate in the growing,
processing, delivery or dispensing of medical cannabis unless
the individual receives an occupation permit from the board
under this act.

Section 302. State Board of Medical Cannabis Licensing.
(a) Establishment.--There is hereby established the State
Board of Medical Cannabis Licensing within the department.
(b) Composition.--The board shall consist of the following:
(1) The Secretary of Health or a designee who is an
employee of the Department of Health.
(2) Commissioner of Professional and Occupational
Affairs or a designee who is an employee of the Bureau of
Professional and Occupational Affairs.
(3) The Secretary of Public Welfare or a designee who is
an employee of the Department of Public Welfare.
(4) Two public members.

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(5) One member representing hospitals.
(6) Two members who are medical doctors representing specialties which utilize medical cannabis to treat patients.
(7) Two members who are registered nurses.
(8) A licensed pharmacist.

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

(1) Establish procedures to operate the board.
(2) Develop applications and other forms for licensure and occupation permits and enforcement of this act and certifications for testing laboratories.
(3) Promulgate regulations, as necessary, to implement and enforce this act.

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

(1) Be a citizen of the United States and a resident of this Commonwealth.
(2) Not hold any other public office during the term on the board.

(e) Terms.--

(1) A member under subsection (b)(1), (2) or (3) shall serve ex officio.
(2) For a member under subsection (b)(4) through (8), the following apply:

(i) Initial appointments shall be as follows:
(A) Three members shall serve for a term of four years.
(B) Three members shall serve for a term of
three years.

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

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

(iii) A member may not serve more than two
consecutive terms.

(f) Quorum.--A majority of the members of the board shall
constitute a quorum. Each member must be physically in
attendance to be counted as part of a quorum or to vote on an
issue. A majority of the members present shall be necessary for
a vote to be considered binding.

(g) Chairperson.--The board shall annually select a
chairperson from the members of the board.

(h) Expenses.--With the exception of ex officio members,
each member of the board shall receive $100 per diem when
attending to the work of the board. A member shall also receive
the amount of reasonable travel, hotel and other necessary
expenses incurred in the performance of the member's duties in
accordance with Commonwealth regulations.

(i) Forfeiture.--A member who fails to attend three
consecutive meetings shall forfeit the member's seat unless the
chairman, upon written request from the member, finds that the
member should be excused because of illness or death of a family
member.

(j) Frequency of meetings.--The board shall meet at least
once per month for the first 12 months, including and after the
initial meeting required by section 302(c). After the first
12 months following the establishment of the board, the board shall meet at least six times a year and may meet at additional times as necessary to conduct the business of the board.

Section 303. Powers and duties of board.

The board shall have the following powers and duties:

(1) To provide for and regulate the licensing of the following:

(i) A medical cannabis grower under section 501.

(ii) A medical cannabis processor under section 502.

(iii) A medical cannabis dispenser under section 503.

(2) To issue occupation permits to medical cannabis employees.

(3) To issue certifications to testing laboratories under section 511.

(4) To issue, deny, renew, reinstate or refuse to renew, suspend and revoke licenses, certifications of testing laboratories and occupation permits in accordance with this act.

(5) To implement procedures to allow the expansion of qualified medical conditions for which a patient may obtain medical cannabis under section 702.

(6) To administer and enforce the provisions of this act.

(7) To investigate and conduct background checks for each application for a license or occupation permit to determine the fitness and eligibility of a person applying for a license or occupation permit.

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

(9) To charge for services related to the inspection and oversight of this act. Billings shall be submitted at least quarterly and all charges shall be itemized.

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

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

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

(13) To develop a system to ensure medical cannabis dispensers are able to verify medical cannabis access cards.

(14) To establish a medical cannabis registry to ensure adequate availability of different strains and concentrations of medical cannabis.

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

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

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

(18) To submit annually to the department an estimate of financial requirements of the board, including administrative, legal and other expenses.
(19) To develop a system for mandatory and voluntary recall of defective products or medical cannabis.
(20) To develop an inventory tracking system to be used by all licensees and certified laboratories.
(21) To promulgate regulations to implement this act, including:

(i) The receipt of medical cannabis for study and research of the health benefits of medical cannabis by accredited research institutions, universities and colleges in this Commonwealth.
(ii) Determination of required quality and safe clinical strength of medical cannabis.
(iii) Print advertising and marketing of medical cannabis.
(iv) Containers, tracking and testing.
(v) Packaging and labeling by licensed growers, licensed processors and licensed dispensers. Regulations under this subparagraph shall require labeling to specify:

(A) date of packaging;
(B) use-by date;
(C) instructions to keep the product in the package;
(D) warnings related to use, including pregnancy and medical conditions;
(E) warnings to keep medical cannabis out of children's reach;
(F) other warnings deemed appropriate by the board;
(G) recommended dosages;
applicable methods to administer medical

cannabis for authorized diseases; and

(22) To provide for the form and content of the
authority given to a registered patient by a health care
provider to obtain medical cannabis.

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

(24) To enforce regulations under this act.

(25) To submit an annual report to the Secretary of the
Senate and the Chief Clerk of the House of Representatives.

Section 304. Subpoena power.

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

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

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

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

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

Section 305. Hearing examiners.
(a) Appointment.--The Commissioner of Professional and Occupational Affairs, after consultation with the board, shall appoint hearing examiners as necessary to conduct hearings in disciplinary matters before the board.

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

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

(1) To conduct hearings.

(2) To issue subpoenas requiring:

   (i) The attendance and testimony of individuals.

   (ii) The production of pertinent records or other papers by persons whom the examiner believes have information relevant to matters pending before the examiner.

(3) To issue decisions.

Section 306. Civil penalties.

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

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

(c) Board sanction.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 307. Confidentiality.

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

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

(2) This subsection shall not preclude or limit introduction of the contents of an investigative file or related witness testimony in a hearing or proceeding before the board.

(3) This section shall not apply to a letter or other document to a licensee, occupation permittee or certificate holder that discloses the final outcome of an investigation or to a final adjudication or order of the board.
(b) Disclosure permitted.--Except as provided in subsection (a), this section shall not prevent disclosure of documents, materials or information pertaining to the status of a license, certificate or occupation permit or the sharing of information with law enforcement officials or similar regulatory boards in other jurisdictions. A violation of this section shall subject an employee or agent of the board to administrative discipline, including discharge, suspension or other formal or appropriate disciplinary action.

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

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

Section 308. Financing.

(a) Setting of fees.--Beginning two years after the effective date of this subsection, all fees required under this act shall be fixed by the board by regulation. If revenue raised by fees, fines and civil penalties imposed under this act are not sufficient to meet expenditures over a two-year period, the board shall increase those fees by regulation under section 303(21) so that the projected revenues will meet or exceed projected expenditures.

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

(c) Inadequate fees.--If the Bureau of Professional and
Occupational Affairs determines that the fees established by the board under subsection (a) are inadequate to meet the minimum enforcement efforts required by this act, then the bureau, after consultation with the board, shall increase the fees by regulation under section 303(21) in an amount that adequate revenues are raised to meet the required enforcement effort.

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

(e) Charging of fees.--The board may charge a reasonable fee, as set by the board by regulation under section 303(21), for all examinations, registrations, certificates, licensures or applications permitted by this act or a regulation under this act.

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

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

(h) Reports to the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives.--The board shall submit annually to the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives, 15 days after the Governor has submitted his budget to the General Assembly, a copy of the budget request for the upcoming fiscal year which the board previously submitted to the department.
(i) Reports to other legislative committees.--The board shall submit annually a report to the Consumer Protection and Professional Licensure Committee of the Senate and to the Professional Licensure Committee of the House of Representatives containing a description of the types of complaints received, status of cases, board action which has been taken and the length of time from the initial complaint to final board resolution. The report shall also include a statement of the numbers and types of licenses granted.

CHAPTER 5
LICENSING

Section 501. Medical cannabis growers.

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

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

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

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

(e) Deposit.--The licensure fee under subsection (b) shall
be deposited into the General Fund. Renewal fees under
subsection (b) shall be deposited into the account.
(f) Restriction.--There shall be no restriction on specific
strains of medical cannabis that may be grown under this act.
Use of genetically modified organisms or an organism whose
genetic material has been altered using genetic engineering may
not be used in the cultivation of medical cannabis.
(g) Requirements.--A medical cannabis grower shall:
(1) Only grow medical cannabis using conventional
growing methods approved by the board in consultation with
the Department of Agriculture.
(2) Submit to preoperational and postoperational
announced and unannounced inspections by the board or the
department.
(3) Grow cannabis only in an indoor, enclosed, secure
facility.
(4) Conduct quality testing utilizing a testing
laboratory certified by the board prior to the sale of
medical cannabis and submit to random testing of medical
cannabis conducted by the board.
(5) Package and label medical cannabis products in
accordance with regulations of the board.
(6) Only sell, transport or deliver medical cannabis to
a medical cannabis processor, certified laboratory or medical
cannabis dispenser.
(7) Provide information relating to the enclosed, secure
facility where medical cannabis will be grown, harvested or
stored, including electronic locking systems, limited access
areas, secure storage and disposal procedures, electronic
surveillance and other features required by the board.
(8) Provide a cultivation, inventory and packaging plan and procedures for the oversight of the cultivation area, including a plant monitoring system, container tracking system and staffing plan.

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

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

(11) Notify law enforcement within 24 hours of any loss or theft of medical cannabis.

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

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

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

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

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

(5) Advertise medical cannabis on radio or television.

(i) Exchange.--The board shall promulgate regulations for the exchange of medical cannabis seed and plant materials between growers.

Section 502. Medical cannabis processors.

(a) Licensing.--The board shall license not more than 65 medical cannabis processors to process medical cannabis into oil-based medical cannabis products, including oil, edible products, ointments and tinctures. The licensees shall be geographically dispersed throughout this Commonwealth to allow
access to processed medical cannabis by medical cannabis
dispensers.

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

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

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

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

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

(1) Only use extraction and processing methods approved
by the board.

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

(3) Conduct quality testing utilizing a certified
testing laboratory approved by the board prior to delivery to
a dispenser and submit to random testing conducted by the
board.

(4) Only sell, transport or deliver medical cannabis to
a testing laboratory or to a medical cannabis dispenser.

(5) Conduct processing activity in a board-approved facility that is indoor, enclosed and secure, and includes an electronic locking system, a limited access area, secure storage and disposal procedures, electronic surveillance and other features required by the board.

(6) Provide information relating to the facility and features under paragraph (5).

(7) Provide a processing, inventory and packaging plan and procedures for the oversight of the processing facility, including a plant and product monitoring system, container tracking system and staffing plan.

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

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

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

(11) Notify law enforcement within 24 hours of a loss or theft of medical cannabis.

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

(13) Comply with the regulations of the Department of Agriculture relating to food safety when manufacturing edible products.

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

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

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

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

(4) Obtain cannabis from outside this Commonwealth.

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

(6) Advertise medical cannabis on radio or television.

Section 503. Medical cannabis dispensers.

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

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

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

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

(e) Deposit.--The license fee under subsection (b) shall be deposited into the General Fund. Renewal fees shall be deposited
(f) Requirements.--A medical cannabis dispenser shall do all of the following:

(1) Maintain a system to verify medical cannabis access cards.

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

(3) Maintain a daily log of all medical cannabis purchased and dispensed. The log shall include:

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

   (ii) The amount of medical cannabis dispensed.

   (iii) The date of each dispensing to the cardholder.

(4) Provide reports as required by the board relating to amounts dispensed.

(5) Maintain an enclosed, secure physical premises that meets the regulations of the board. Medical cannabis may not be visible from the entryway to an individual who is not an occupation-permitted employee, owner or operator of the licensed premises.

(6) Dispense no more than a 30-day supply of the dosage recommended by the health care practitioner unless the registered patient receives a waiver from the department authorizing a larger amount. A new 30-day supply may be dispensed during the seven days prior to the end of the 30-day period under this paragraph.

(7) Only accept authorizations from a health care practitioner for no more than the 30-day supply periods.
Thereafter, a new authorization from the health care practitioner shall be required.

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

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

(i) Methods for administering medical cannabis.

(ii) Potential dangers.

(iii) Recognition and correction of problematic dosage.

(iv) Other information required by the department.

(10) Sell only medical cannabis that has received approval from the certified laboratory.

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

(i) Electronic surveillance.

(ii) An electronic locking system.

(iii) A locked door or barrier between the entry and a limited access area for patients, storage, disposal and other processes.

(12) Provide for the supervision of the dispensing of medical cannabis at all times by an individual with qualifications required by the board.

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

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

(15) Provide an inventory and packaging plan and
procedures for the oversight of the dispensing facility, including a plant and product monitoring system, container tracking system, staffing plan and security plan.

(16) Perform a weekly physical inventory of all medical cannabis and medical cannabis products.

(17) Obtain medical cannabis only from a medical cannabis processor.

(18) Notify law enforcement within 24 hours of a loss or theft of medical cannabis.

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

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

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

(3) Obtain cannabis from outside this Commonwealth.

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

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

(6) Sell products which contain nicotine or alcohol.

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

(8) Advertise medical cannabis on radio or television.

Section 504. Applications.

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

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

(1) Disclose the following information:

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

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

   (iii) Any financial information required by the board.

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

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

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

       (A) security regulation laws of the Federal Government;

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

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

   (vii) Any other information required by the board.

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

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

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

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

Section 505. Licensing of owner or operator.

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

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

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

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

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

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

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

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

(7) Any additional information required by the board.

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

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

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

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

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

(a) Permit required.--Each medical cannabis employee, and each patient representative who is not a parent or guardian of a patient, shall obtain an occupation permit from the board.

(b) Application.--An occupation permit application shall be in a form prescribed by the board and shall include the following:
(1) Verification of one of the following:
   (i) The status as a medical cannabis employee or potential medical cannabis employer from a medical cannabis grower, processor or dispenser.
   (ii) From a health care facility that the patient representative is an employee designated to purchase, possess, transport, deliver and properly administer medical cannabis to a patient with a medical cannabis access card who is unable to obtain the medical cannabis.

(2) A description of employment responsibilities.

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

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

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

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

(7) Any additional information required by the board.

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

(d) Nontransferability.--An occupation permit issued under 20150SB0003PN0224
this section shall be nontransferable.

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

Section 507. Change in ownership.

The following apply to notification and approval:

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

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

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

Section 508. Location.

(a) General rule.--Except as otherwise provided under this act, each grower, processor and dispenser license shall be valid for the specific physical location within the municipality and county for which it was originally granted. A person may not distribute medical cannabis from a location other than a licensed facility.

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

(1) The growing of medical cannabis shall be classified as a normal agricultural operation as defined under section 2 of the act of June 10, 1982 (P.L.454, No.133), referred to as the Right-to-Farm Law.
(2) Facilities for the manufacturing, preparation and production of medical cannabis shall meet the same municipal zoning and land use requirements as other manufacturing, preparation and production facilities.

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

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

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

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

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

Section 509. Storage and transportation.

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

(1) Requirements relating to shipping containers and packaging.

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

(3) Security systems that include a numbered seal on the...
(4) Obtaining copies of driver's licenses and registrations and other information related to security and tracking.

(5) Use of GPS systems.

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

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

Section 510. Disposal and donation.

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

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

Section 511. Testing laboratories.

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

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

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

Section 512. Licensee prohibitions.
(a) Inspection.--A licensee or certified laboratory may not refuse to allow an authorized employee of the department to inspect a licensed premises at any time.
(b) Other prohibitions.--A licensee or certified laboratory may be cited under this act for:
   (1) An unlawful act prohibited by State law which occurs on the licensed premises.
   (2) An unlawful act which involves a licensee or the licensee's agent or employee.
   (3) The sale or purchase of an illegal drug by the licensee or by the licensee's agent or employee.

CHAPTER 7
MEDICAL CANNABIS ACCESS
Section 701. Medical cannabis access card.
(a) Department of Health.--A patient with a qualified medical condition may register with the Department of Health and be issued a medical cannabis access card.
(b) Enforcement.--The department shall develop regulations to enforce the provisions of this chapter, including revocation or suspension of an access card for violations of this act.
(c) Application.--An application for a medical cannabis access card shall be developed by the Department of Health. Applications for renewal shall be required on an annual basis. A patient representative may obtain a medical cannabis access card on behalf of a registered patient.
(d) Certification.--Applications and renewals must include written certification from a health care practitioner under subsection (l) that the applicant has a qualified medical condition.
condition.

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

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

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

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

(i) Reciprocity.--A patient registered in another state that authorizes medical cannabis and recognizes medical cannabis access cards from patients who are residents of this Commonwealth may submit to the Department of Health the patient's credentials to utilize medical cannabis. The department shall develop a system for confirming an out-of-State patient's status as a medical cannabis user in each state with legalized medical cannabis and only grant a medical cannabis access card to a person with a qualified medical condition. After the Department of Health investigates and approves the patient's credentials, the Department of Health shall issue the patient a medical cannabis access card allowing the patient to utilize medical cannabis in this Commonwealth.

(j) Patient representative.--

(1) A patient representative must be:

(i) at least 18 years of age; and

(ii) a resident of this Commonwealth.
A patient representative shall do all of the following:

(i) Register with the department in a manner prescribed by the department.

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

(iii) Notify the department within 10 business days after:

(A) a change to the information that the provider, registered patient or patient representative was required to submit to the department; and

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

(iv) Notify the department by telephone and in writing within 10 days following the death of the patient representative's registered patient. The department shall provide instruction to the patient representative regarding the duty to dispose of and means by which the remaining medical cannabis may be disposed.

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

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

(ii) Obtain and transport an adequate supply of medical cannabis from a medical cannabis dispenser on behalf of a registered patient.
(iii) Prepare medical cannabis for consumption by a registered patient.

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

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

(i) Receive payment or other compensation for services provided as a patient representative other than reimbursement for reasonable expenses incurred in the provision of services as a patient representative. In the case of an employee of a health care facility serving as a patient representative, the individual may not receive payment or compensation above or beyond the individual's regular wages.

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

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

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

(v) Purchase medical cannabis from an unlicensed source.

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

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

(6) The department shall promulgate regulations relating
to patient representatives, including the form of
authorization to be utilized.

(k) Confidentiality.--The Department of Health shall
maintain a confidential list of each individual who has been
issued a medical cannabis access card or authorized to act as a
patient representative. Other identifying information on the
list shall be confidential and shall not be considered a public
record under the act of February 14, 2008 (P.L.6, No.3), known
as the Right-to-Know Law. The list may not be disclosed except
to any of the following:

(1) Authorized employees of the board and the Department
of Health as necessary to perform official duties of the
board and the Department of Health.

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

(l) Health care practitioners.--

(1) A health care practitioner may recommend the use of
medical cannabis to a patient if the health care practitioner
complies with all of the following:

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

(ii) Practices within this Commonwealth at an established place of practice.

(iii) Registers with the department if required by department regulation.

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

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

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

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

(viii) Bases each authorization to receive medical cannabis on generally accepted standards of medical practice.

(ix) Has adopted a recordkeeping system for all patients for whom the physician has recommended the use of medical cannabis.
A health care practitioner may not do any of the following:

(i) Accept, solicit or offer a form of remuneration from or to:

(A) a patient, except normal medical examination costs, patient representative, licensed grower, licensed processor or licensed dispenser; or

(B) any principal officer, employee or agent of a person listed in clause (A).

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

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

(iv) Hold a direct or indirect economic interest in, or serve on the board of, a licensed medical cannabis grower, licensed medical cannabis processor or licensed medical cannabis dispenser.

(v) Refer a patient to a particular licensed medical cannabis grower, licensed medical cannabis processor or licensed medical cannabis dispenser.

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

(vii) Issue an authorization to receive medical cannabis to a member of the health care practitioner's family.
(a) Petition.--Beginning in 2015, the board may accept petitions from a resident of this Commonwealth to add additional qualified medical conditions to those conditions for which a patient may receive medical cannabis.

(b) Requirements.--A petition under subsection (a):
   (1) must be limited to a single proposed qualified medical condition;
   (2) must be in a form prescribed by the board;
   (3) must include a description of the specific medical condition which is the subject of the petition; and
   (4) must not request approval for broad categories of illnesses.

(c) Review.--Upon receipt of a petition under subsection (a), the board shall do all of the following:
   (1) Review the petition received for the addition of a qualified medical condition which would benefit from the use of medical cannabis. The board may consolidate petitions for the same or similar condition.
   (2) Review new or current medical and scientific evidence pertaining to currently approved conditions.
   (3) Consult medical and scientific experts as necessary to adequately review the petition.
   (4) Analyze the following:
      (i) Information about why conventional medical therapies are not sufficient to treat or alleviate the impact of the condition or disease.
      (ii) The proposed benefits from the use of medical cannabis.
      (iii) Evidence from the medical community and other experts supporting the use of medical cannabis to
alleviate suffering caused by the condition or disease or its treatment.

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

(v) Medical or scientific documentation.

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

Section 703. Medical use permitted.

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

(b) Access card.--

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

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

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

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

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

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

(C) Control the acquisition, dosage and frequency of the minor's use of medical cannabis.

(c) Restriction.--An individual who has been convicted, adjudicated delinquent or granted accelerated rehabilitative disposition or who pleads guilty or nolo contendere for any offense shall not be disqualified from obtaining or possessing a valid medical cannabis access card on the basis of the offense.

Section 704. Health insurance.

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

Section 705. Sovereign immunity.

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

CHAPTER 9

PROTECTION, PROHIBITIONS,
ENFORCEMENT AND PENALTIES

Section 901. Civil discrimination protection.

The following shall apply:

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

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

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

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

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

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

(5) An employer may not discriminate against an individual in the hiring or termination of benefits or otherwise penalize the individual for being a medical cannabis access cardholder. The following shall apply:

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

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

Section 902. Prohibitions and use.

(a) Prohibitions.--

(1) A registered 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 10 nanograms of active tetrahydrocannabis per milliliter of blood in serum:

(i) A motor vehicle.

(ii) An aircraft.

(iii) A motor boat.

(iv) Heavy machinery.

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

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

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

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

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

(i) Public transportation.

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

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

(iv) At a public park or public beach.

(c) Adulteration.--With the exception of extraction methods and processing operations approved by the board, a person may not adulterate, fortify, contaminate or change the character or purity of medical cannabis from the original sold by a licensed medical cannabis grower, processor or dispenser.

Section 903. Unlawful activities.

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

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

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

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

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

(5) Violate any regulation of the board.
Section 904. Criminal penalties and fines.

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

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

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

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

CHAPTER 11

MEDICAL CANNABIS SURCHARGE

Section 1101. Definitions.

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

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

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

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

"Person." An individual, unincorporated association,
corporation, limited liability corporation, joint stock company,
group, committee, agency, syndicate, trust or trustee, receiver,
fiduciary, partnership or conservator. Whenever used in this
chapter to establish or impose penalties, the term "person" when
applied to a partnership, unincorporated association or other
joint venture means the partners or members thereof and when
applied to a corporation means all officers and directors
thereof.

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

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

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

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

Section 1102. Incidence and rate of surcharge.

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

(b) Medical cannabis dispenser.--If the surcharge is not collected by the seller from the medical cannabis dispenser, the surcharge is imposed on the medical cannabis dispenser at the time of purchase at the same rate as in subsection (a) based on the medical cannabis dispenser's purchase price of the medical cannabis. The medical cannabis dispenser shall remit the surcharge to the department.

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

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

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

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

Section 1103. Limitation of surcharge.

Only one sale shall be surcharged and used in computing the amount of surcharge due under this chapter.

Section 1104. Remittance of surcharge to department.

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

Section 1105. Procedures for claiming refund.

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

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

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

(b) Surcharge evasion.--A person that falsely or
fraudulently, maliciously, intentionally or willfully, with
intent to evade the payment of the surcharge imposed by this
chapter, sells or possesses medical cannabis for which the
proper surcharge has not been paid commits a misdemeanor of the
third degree and shall, upon conviction, be sentenced to pay
costs of prosecution and a fine of not more than $5,000 or to
imprisonment for not more than one year, or both, at the
discretion of the court.

Section 1107. Assessment.
The department is authorized to make the inquiries,
determinations and assessments of the surcharge, including
interest, additions and penalties, imposed by this chapter.

Section 1108. Failure to file return.
Where no return is filed, the amount of the surcharge due may
be assessed and collected at any time as to chargeable
transactions not reported.

Section 1109. False or fraudulent return.
Where the surcharge payer willfully files a false or
fraudulent return with intent to evade the surcharge imposed by
this chapter, the amount of surcharge due may be assessed and
collected at any time.

Section 1110. Extension of limitation period.
Notwithstanding any other provision of this chapter, where,
before the expiration of the period prescribed for the
assessment of a surcharge, a surcharge payer has consented, in
writing, that the period be extended, the amount of surcharge
due may be assessed at any time within the extended period. The
period so extended may be extended further by subsequent
consents, in writing, made before the expiration of the extended
period.

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

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

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

(c) Records.--A medical cannabis purveyor shall keep and
maintain for a period of four years records in the form
prescribed by the department. The records shall be maintained at
the location for which the license under this chapter is issued.
(d) Reports.--A medical cannabis purveyor shall file reports at times and in the form prescribed by the department.

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

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

(2) The date the medical cannabis was sold.

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

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

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

(6) The name of the common carrier.

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

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

The department may, in its discretion, require reports from a common or contract carrier who transports medical cannabis to any point or points within this Commonwealth, and from a bonded warehouseman or bailee who has in the possession of the warehouseman or bailee any medical cannabis. The reports shall contain the information concerning shipments of medical cannabis that the department determines to be necessary for the administration of this chapter. All common and contract carriers, bailees and warehousemen shall permit the examination by the department or its authorized agents of records relating...
Section 1113. Licensing of medical cannabis purveyors.
(a) Prohibition.—No person, unless all sales of medical
cannabis are exempt from the medical cannabis surcharge in this
Commonwealth, shall sell, transfer or deliver medical cannabis
in this Commonwealth without first obtaining the proper license
provided for in this chapter.
(b) Application.—An applicant for a medical cannabis
purveyor's license shall complete and file an application with
the department. The application shall be in the form and contain
information prescribed by the department and shall set forth
truthfully and accurately the information required by the
department. If the application is approved, the department shall
license the medical cannabis purveyor for a period of one year
and the license may be renewed annually thereafter.
(c) Requirements.—Applicants for a medical cannabis
purveyor's license or renewal of that license shall meet the
following requirements:
(1) The premises on which the applicant proposes to
conduct business are adequate to protect the revenue.
(2) The applicant is a person of reasonable financial
stability and reasonable business experience.
(3) The applicant, or a shareholder controlling more
than 10% of the stock if the applicant is a corporation or an
officer or director if the applicant is a corporation, shall
not have been convicted of a crime involving moral turpitude.
(4) The applicant shall not have failed to disclose
material information required by the department, including
information that the applicant has complied with this chapter
by providing a signed statement under penalty of perjury.
(5) The applicant shall not have made any material false statement in the application.

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

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

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

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

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

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

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

Section 1115. Electronic filing.

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

Section 1116. Expiration of license.

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

(b) Violation.--After the expiration date of the license or sooner if the license is suspended, surrendered or revoked, it shall be illegal for a medical cannabis purveyor to engage directly or indirectly in the business conducted by the medical cannabis purveyor for which the license was issued. A licensee who shall, after the expiration date of the license, engage in the business conducted by the licensee either by way of purchase, sale, distribution or in any other manner directly or indirectly engaged in the business of dealing with medical cannabis shall be in violation of this chapter and be subject to the penalties provided in this chapter.

Section 1117. Administration powers and duties.

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

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

Section 1118. Sales without license.

(a) Penalty.--A person who shall, without being the holder of a proper unexpired medical cannabis purveyor's license, engage in purchasing, selling, distributing or in another manner directly or indirectly engage in the business of dealing with medical cannabis commits a summary offense and shall, upon conviction, be sentenced to pay costs of prosecution and a fine of not less than $250 nor more than $1,000, or to imprisonment

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for not more than 30 days, or both, at the discretion of the

court.

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

Section 1119. Violations and penalties.

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

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

Section 1120. Property rights.

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

(b) Alterations.--

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

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

(3) References to more than 200 unstamped cigarettes in
section 1285 of the Tax Reform Code of 1971 shall apply to medical cannabis worth at least $100 in this chapter.

Section 1121. Information exchange.

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

CHAPTER 51

MISCELLANEOUS PROVISIONS

Section 5101. Regulations.

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

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

(1) 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.

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

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

Section 5102. Appropriation.

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

Section 5103. Applicability of other statutes.

The following acts shall apply to the board:

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

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

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

Section 5104. Repeals.

The following shall apply:

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

(2) All acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 5105. Effective date.

This act shall take effect in 60 days.