
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1083 Session of
2023

INTRODUCED BY SHUSTERMAN, SMITH-WADE-EL, MADDEN, KINSEY,
SANCHEZ, PROBST, HILL-EVANS, OTTEN, D. WILLIAMS, KAZEEM,
ZIMMERMAN, GREEN, CEPEDA-FREYTIZ AND KHAN, MAY 2, 2023

REFERRED TO COMMITTEE ON HEALTH, MAY 2, 2023

AN ACT

1 Amending the act of April 17, 2016 (P.L.84, No.16), entitled "An
2 act establishing a medical marijuana program; providing for
3 patient and caregiver certification and for medical marijuana
4 organization registration; imposing duties on the Department
5 of Health; providing for a tax on medical marijuana
6 organization gross receipts; establishing the Medical
7 Marijuana Program Fund; establishing the Medical Marijuana
8 Advisory Board; establishing a medical marijuana research
9 program; imposing duties on the Department of Corrections,
10 the Department of Education and the Department of Human
11 Services; and providing for academic clinical research
12 centers and for penalties and enforcement," adding and
13 amending provisions relating to farmer-growers by, in
14 preliminary provisions, further providing for definitions; in
15 program, further providing for program established and for
16 unlawful use of medical marijuana; in medical marijuana
17 organizations, further providing for medical marijuana
18 organizations, for permits, for granting of permit, for
19 application and issuance, for fees and other requirements and
20 for limitations on permits; in medical marijuana controls,
21 further providing for electronic tracking, providing for
22 farmer-growers and further providing for storage and
23 transportation; in tax on medical marijuana, further
24 providing for tax on medical marijuana; in academic clinical
25 research centers and clinical registrants, further providing
26 for clinical registrants; and, in miscellaneous provisions,
27 further providing for zoning.

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

30 Section 1. The definition of "medical marijuana

1 organization" in section 103 of the act of April 17, 2016
2 (P.L.84, No.16), known as the Medical Marijuana Act, is amended
3 and the section is amended by adding a definition to read:

4 Section 103. Definitions.

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

8 * * *

9 "Farmer-grower." A person, including a natural person,
10 corporation, partnership, association, trust or other entity, or
11 any combination thereof, which holds a farmer-grower permit from
12 the department under this act to grow medical marijuana. The
13 term does not include a health care medical marijuana
14 organization under Chapter 19.

15 * * *

16 "Medical marijuana organization." A dispensary, farmer-
17 grower or a grower/processor. The term does not include a health
18 care medical marijuana organization under Chapter 19.

19 * * *

20 Section 2. Sections 301(a)(8), 304(b)(3), 601, 602(a)
21 introductory paragraph and (1), 603(a) and (d) and 606(a)
22 introductory paragraph of the act are amended to read:

23 Section 301. Program established.

24 (a) Establishment.--A medical marijuana program for patients
25 suffering from serious medical conditions is established. The
26 program shall be implemented and administered by the department.
27 The department shall:

28 * * *

29 (8) Develop enforcement procedures, including announced
30 and unannounced inspections of facilities of the

1 grower/processors, farmer-growers and dispensaries and all
2 records of the medical marijuana organizations.

3 * * *

4 Section 304. Unlawful use of medical marijuana.

5 * * *

6 (b) Unlawful use described.--It is unlawful to:

7 * * *

8 (3) Grow medical marijuana unless the grower/processor
9 or farmer-grower has received a permit from the department
10 under this act.

11 * * *

12 Section 601. Medical marijuana organizations.

13 The following entities shall be authorized to receive a
14 permit to operate as a medical marijuana organization to grow,
15 process or dispense medical marijuana:

16 (1) Grower/processors.

17 (2) Dispensaries.

18 (3) Farmer-growers.

19 Section 602. Permits.

20 (a) Application.--An application for a grower/processor, or
21 farmer-grower or dispensary permit to grow, process or dispense
22 medical marijuana shall be in a form and manner prescribed by
23 the department and shall include:

24 (1) Verification of all principals, operators, financial
25 backers or employees of a medical marijuana grower/processor, or
26 farmer-grower or dispensary.

27 * * *

28 Section 603. Granting of permit.

29 (a) General rule.--The department may grant or deny a permit
30 to a grower/processor, farmer-grower or dispensary.

1 * * *

2 (d) Regions.--The department shall establish a minimum of
3 three regions within this Commonwealth for the purpose of
4 granting permits to grower/processors, farmer-growers and
5 dispensaries and enforcing this act. The department shall
6 approve permits for grower/processors and dispensaries in a
7 manner which will provide an adequate amount of medical
8 marijuana to patients and caregivers in all areas of this
9 Commonwealth. The department shall consider the following when
10 issuing a permit:

- 11 (1) Regional population.
- 12 (2) The number of patients suffering from serious
13 medical conditions.
- 14 (3) The types of serious medical conditions.
- 15 (4) Access to public transportation.
- 16 (5) Any other factor the department deems relevant.

17 Section 606. Application and issuance.

18 (a) Duty to report.--An applicant to be a grower/processor
19 or farmer-grower or to operate a dispensary is under a
20 continuing duty to:

21 * * *

22 Section 3. Section 607 of the act is amended by adding a
23 paragraph to read:

24 Section 607. Fees and other requirements.

25 The following apply:

26 * * *

27 (2.1) For a farmer-grower:

28 (i) An initial application fee in the amount of
29 \$2,500 shall be paid. The fee is nonrefundable.

30 (ii) A fee for a permit as a farmer-grower in the

1 amount of \$2,500 shall be paid. The permit shall be valid
2 for one year. Applicants shall submit the permit fee at
3 the time of submission of the application. The fee shall
4 be returned if the permit is not granted.

5 (iii) A renewal fee for the permit as a farmer-
6 grower in the amount of \$2,500 shall be paid and shall
7 cover renewal for all locations. The renewal fee shall be
8 returned if the renewal is not granted.

9 (iv) An application to renew a permit must be filed
10 with the department not more than six months nor less
11 than four months prior to expiration.

12 (v) All fees shall be paid by certified check or
13 money order.

14 (vi) Before issuing an initial permit under this
15 paragraph, the department shall verify that the applicant
16 has enough capital as determined by the department, which
17 must be on deposit with a financial institution.

18 * * *

19 Section 4. Section 616 introductory paragraph of the act is
20 amended and the section is amended by adding paragraphs to read:
21 Section 616. Limitations on permits.

22 The following limitations apply to approval of permits for
23 grower/processors, farmer-growers and dispensaries:

24 * * *

25 (8) The department shall promulgate regulations
26 initially limiting the number of farmer-grower permits issued
27 under this act. The number of farmer-grower permits issued
28 shall be determined by the department.

29 (9) The department may not issue more than one
30 individual farmer-grower permit to one person.

1 (10) A farmer-grower may only provide medical marijuana
2 to a grower/processor holding a valid permit under this act.

3 Section 5. Section 701(d) introductory paragraph of the act
4 is amended, subsections (a) and (d) are amended by adding
5 paragraphs and the section is amended by adding a subsection to
6 read:

7 Section 701. Electronic tracking.

8 (a) Requirement.--A grower/processor or dispensary must
9 implement an electronic inventory tracking system which shall be
10 directly accessible to the department through its electronic
11 database that electronically tracks all medical marijuana on a
12 daily basis. The system shall include tracking of all of the
13 following:

14 * * *

15 (6) For a grower/processor, a purchase-to-sale tracking
16 system that tracks medical marijuana procured from a farmer-
17 grower for processing until the medical marijuana is sold to
18 a dispensary.

19 (a.1) Requirement for farmer-growers.--A farmer-grower shall
20 implement an inventory tracking system which shall be accessible
21 to the department. The system shall include tracking of all of
22 the following:

23 (1) The number of medical marijuana plants located on a
24 site used for growing or cultivating medical marijuana.

25 (2) The number of medical marijuana plants located on a
26 site used for growing or cultivating medical marijuana that
27 have been successfully cultivated for sale to a
28 grower/processor.

29 (3) The number of medical marijuana plants located on a
30 site used for growing or cultivating medical marijuana that

1 are unfit for cultivation and marked for disposal as plant
2 waste.

3 (4) A system to track the plant waste resulting from the
4 growth of medical marijuana or other disposal, including the
5 name and address of any disposal service.

6 (5) A weekly log of each week's beginning inventory,
7 acquisitions, amounts sold, disbursements, disposals and
8 ending inventory. The tracking system shall include prices
9 paid and amounts collected from grower/processors.

10 (6) Sites used for growing or cultivating medical
11 marijuana must be certified, inspected and permitted by and
12 registered with the department. The failure to permit
13 inspection by the department shall be a violation of this
14 chapter.

15 * * *

16 (d) Reports.--Within one year of the issuance of the first
17 permit to a grower/processor, farmer-grower or dispensary, and
18 every three months thereafter in a form and manner prescribed by
19 the department, the following information shall be provided to
20 the department, which shall compile the information and post it
21 on the department's publicly accessible Internet website:

22 * * *

23 (2.1) The amount of medical marijuana sold by a farmer-
24 grower during each three-month period.

25 (2.2) The price of amounts of medical marijuana sold by
26 a farmer-grower as determined by the department.

27 * * *

28 Section 6. The act is amended by adding a section to read:
29 Section 702.1. Farmer-growers.

30 (a) Authorization.--Subject to subsection (b), a farmer-

1 grower may obtain seed and plant material from a
2 grower/processor within this Commonwealth to grow medical
3 marijuana in accordance with department regulations.

4 (b) Limitations.--A farmer-grower may only grow, store or
5 harvest medical marijuana in an area which:

6 (1) Is delineated to a single site at the address
7 identified on the permit issued by the department.

8 (2) Does not exceed 10 acres of land.

9 (3) Is enclosed by a roof and walls on all sides.

10 (4) Includes locking systems and other security and
11 surveillance features required by the department.

12 (5) Is located within this Commonwealth.

13 Section 7. Sections 703 introductory paragraph and (9) and
14 901(a) and (f) of the act are amended to read:

15 Section 703. Storage and transportation.

16 The department shall develop regulations relating to the
17 storage and transportation of medical marijuana among
18 grower/processors and farmer-growers, testing laboratories and
19 dispensaries which ensure adequate security to guard against in-
20 transit losses. The tracking system developed by the department
21 shall include all transportation and storage of medical
22 marijuana. The regulations shall provide for the following:

23 * * *

24 (9) Transporting medical marijuana to a grower/processor
25 or farmer-grower, approved laboratory or dispensary.

26 Section 901. Tax on medical marijuana.

27 (a) Tax imposed.--A tax is imposed on the gross receipts of
28 a grower/processor received from the sale of medical marijuana
29 by a grower/processor to a dispensary, to be paid by the
30 grower/processor, at the rate of 5%[.], unless the medical

1 marijuana was purchased from a farmer-grower, in which case the
2 tax imposed on the gross receipts shall be at a rate of 1%. The
3 tax shall be charged against and be paid by the grower/processor
4 and shall not be added as a separate charge or line item on any
5 sales slip, invoice, receipt or other statement or memorandum of
6 the price paid by a dispensary, patient or caregiver.

7 * * *

8 (f) Information.--A grower/processor or farmer-grower that
9 sells medical marijuana shall provide to the Department of
10 Revenue information required by the department.

11 Section 8. Section 2002(b)(8) of the act is amended to read:
12 Section 2002. Clinical registrants.

13 * * *

14 (b) Requirements.--The following shall apply to clinical
15 registrants:

16 * * *

17 (8) A grower/processor facility owned by a clinical
18 registrant may sell its medical marijuana products to all
19 dispensary facilities. The facility may sell seeds, medical
20 marijuana plants and medical marijuana products to, or
21 exchange seeds, medical marijuana plants and medical
22 marijuana products with, any other grower/processor facility
23 or farmer-grower holding a permit under Chapter 6 or this
24 chapter.

25 * * *

26 Section 9. Section 2107 of the act is amended to read:
27 Section 2107. Zoning.

28 The following apply:

29 (1) A grower/processor shall meet the same municipal
30 zoning and land use requirements as other manufacturing,

1 processing and production facilities that are located in the
2 same zoning district.

3 (1.1) A farmer-grower shall meet the same municipal
4 zoning and land use requirements as other agricultural
5 operations that are located in the same zoning district.

6 (2) A dispensary shall meet the same municipal zoning
7 and land use requirements as other commercial facilities that
8 are located in the same zoning district.

9 Section 10. This act shall take effect in 60 days.