

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 773 Session of 2023

INTRODUCED BY GEBHARD, STEFANO, BARTOLOTTA, ROBINSON, COSTA, CULVER, LAUGHLIN AND LANGERHOLC, JUNE 8, 2023

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, NOVEMBER 14, 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," in preliminary~~
13 ~~provisions, further providing for definitions; in medical~~
14 ~~marijuana organizations, further providing for APPLICATION~~ <--
15 ~~AND ISSUANCE, FOR limitations on permits and providing for~~
16 ~~additional dispensary AND GROWER/PROCESSOR permits~~ <--
17 ~~authorized, for application and issuance of additional~~
18 ~~dispensary permits and for limitations on other additional~~ <--
19 ~~permits or licenses; and, in academic clinical research~~
20 ~~centers and clinical registrants, further providing for~~
21 ~~definitions.~~

22 AMENDING THE ACT OF APRIL 17, 2016 (P.L.84, NO.16), ENTITLED "AN <--
23 ACT ESTABLISHING A MEDICAL MARIJUANA PROGRAM; PROVIDING FOR
24 PATIENT AND CAREGIVER CERTIFICATION AND FOR MEDICAL MARIJUANA
25 ORGANIZATION REGISTRATION; IMPOSING DUTIES ON THE DEPARTMENT
26 OF HEALTH; PROVIDING FOR A TAX ON MEDICAL MARIJUANA
27 ORGANIZATION GROSS RECEIPTS; ESTABLISHING THE MEDICAL
28 MARIJUANA PROGRAM FUND; ESTABLISHING THE MEDICAL MARIJUANA
29 ADVISORY BOARD; ESTABLISHING A MEDICAL MARIJUANA RESEARCH
30 PROGRAM; IMPOSING DUTIES ON THE DEPARTMENT OF CORRECTIONS,
31 THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF HUMAN
32 SERVICES; AND PROVIDING FOR ACADEMIC CLINICAL RESEARCH

1 CENTERS AND FOR PENALTIES AND ENFORCEMENT," IN PRELIMINARY
2 PROVISIONS, FURTHER PROVIDING FOR DEFINITIONS; IN MEDICAL
3 MARIJUANA ORGANIZATIONS, FURTHER PROVIDING FOR APPLICATION
4 AND ISSUANCE, FOR LIMITATIONS ON PERMITS AND PROVIDING FOR
5 ADDITIONAL DISPENSARY AND GROWER/PROCESSOR PERMITS
6 AUTHORIZED, FOR APPLICATION AND ISSUANCE OF ADDITIONAL
7 PERMITS AND FOR LIMITATIONS ON OTHER ADDITIONAL PERMITS OR
8 LICENSES; AND, IN ACADEMIC CLINICAL RESEARCH CENTERS AND
9 CLINICAL REGISTRANTS, FURTHER PROVIDING FOR DEFINITIONS.

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

12 ~~Section 1. Section 103 of the act of April 17, 2016 (P.L.84, <--~~
13 ~~No.16), known as the Medical Marijuana Act, is amended by adding~~
14 ~~definitions to read:~~

15 ~~Section 103. Definitions.~~

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

19 * * *

20 ~~"Change of control transaction." The consolidation, merger~~
21 ~~or acquisition by a person or group of persons acting in concert~~
22 ~~of more than 20% of:~~

23 ~~(1) a medical marijuana organization's securities or~~
24 ~~other ownership interests, with the exception of any~~
25 ~~ownership interest of the person that existed at the time of~~
26 ~~the issuance of the initial medical marijuana organization's~~
27 ~~permit and payment of the initial permit; or~~

28 ~~(2) the securities or other ownership interests of a~~
29 ~~corporation or other form of business entity which owns~~
30 ~~directly or indirectly 20% of the securities or other~~
31 ~~ownership interests of the medical marijuana organization.~~

32 * * *

33 ~~"DIVERSE GROUP." THE TERM SHALL MEAN THE SAME AS UNDER~~ <--
34 ~~SECTION 615(D).~~

1 * * *

2 ~~"INDEPENDENT DISPENSARY." A DISPENSARY ISSUED A PERMIT TO~~
3 ~~OPERATE IN THIS COMMONWEALTH AND THAT MEETS ALL OF THE~~
4 ~~FOLLOWING:~~

5 ~~(1) HAS NOT HAD THE DISPENSARY'S PERMIT REVOKED.~~

6 ~~(2) HAS NOT ENTERED INTO A CHANGE OF CONTROL TRANSACTION~~
7 ~~WITH ANY OTHER PERSON.~~

8 ~~(3) IS NOT MATERIALLY THE SAME AS A MEDICAL MARIJUANA~~
9 ~~ORGANIZATION IN THIS COMMONWEALTH THROUGH A PARENT COMPANY,~~
10 ~~SUBSIDIARY OR SHARED AFFILIATION WITH ANOTHER ENTITY THAT~~
11 ~~HOLDS A PERMIT FROM THE DEPARTMENT UNDER THIS ACT OR THROUGH~~
12 ~~THE SHARING OF PRINCIPALS, OFFICERS OR DIRECTORS, EMPLOYEES,~~
13 ~~FACILITIES, EQUIPMENT, FINANCES OR CAPITAL.~~

14 ~~"Independent grower/processor." A grower/processor awarded a~~
15 ~~permit to operate in this Commonwealth that meets all of the~~
16 ~~following criteria as of the effective date of this definition:~~

17 ~~(1) Has not had its permit revoked.~~

18 ~~(2) Has not entered into a merger, acquisition or other~~ <--
19 ~~change of control transaction with any other entity that was~~
20 ~~awarded a grower/processor permit, a dispensary permit or a~~
21 ~~clinical registrant permit in this Commonwealth. CHANGE OF~~ <--
22 ~~CONTROL TRANSACTION WITH ANY OTHER PERSON.~~

23 ~~(3) Is not otherwise associated with or materially the~~ <--
24 ~~same as another MATERIALLY THE SAME AS A medical marijuana~~ <--
25 ~~organization in this Commonwealth through a parent company or~~
26 ~~subsidiary of another entity that holds a permit from the~~
27 ~~department under this act or through the sharing of~~
28 ~~PRINCIPALS, officers or directors, employees, facilities,~~ <--
29 ~~equipment, finances or capital.~~

30 * * *

1 ~~"Materially the same." A person who shares any of the~~
2 ~~following with another person:~~

3 ~~(1) Profits or losses.~~

4 ~~(2) Common valuation, in the case of a publicly traded~~
5 ~~company.~~

6 ~~(3) Common ownership of 5% or greater, including~~ <--
7 ~~subsidiaries. MORE THAN 5%, INCLUDING SUBSIDIARIES.~~ <--

8 ~~(4) COMMON OWNERSHIP OF 5% OR LESS IF THE PERSONS WITH~~
9 ~~VOTING RIGHTS TO ELECT OR APPOINT ONE OR MORE MEMBERS OF THE~~
10 ~~BOARD OF DIRECTORS OR OTHER GOVERNING BOARD.~~

11 ~~(5) COMMON MANAGEMENT, POLICIES, PRINCIPALS, OFFICERS,~~
12 ~~DIRECTORS, EMPLOYEES, EQUIPMENT, FINANCES OR CAPITAL.~~

13 * * *

14 ~~"Parent company." A company which directly or indirectly~~
15 ~~controls any other permittee under this act.~~

16 * * *

17 ~~"Person." A natural person, corporation, foundation,~~
18 ~~organization, business trust, estate, limited liability company,~~
19 ~~licensed corporation, trust, partnership, limited liability~~
20 ~~partnership, association or other form of legal business entity.~~

21 * * *

22 ~~Section 2. Section 616(5) of the act is amended to read:~~ <--

23 ~~SECTION 2. SECTIONS 606(A)(1) AND 616(5) OF THE ACT ARE~~ <--

24 ~~AMENDED TO READ:~~

25 ~~SECTION 606. APPLICATION AND ISSUANCE.~~

26 ~~(A) DUTY TO REPORT. AN APPLICANT TO BE A GROWER/PROCESSOR~~
27 ~~OR TO OPERATE A DISPENSARY IS UNDER A CONTINUING DUTY TO:~~

28 ~~(1) REPORT TO THE DEPARTMENT ANY CHANGE IN FACTS OR~~
29 ~~CIRCUMSTANCES REFLECTED IN THE APPLICATION OR ANY NEWLY~~
30 ~~DISCOVERED OR OCCURRING FACT OR CIRCUMSTANCE WHICH IS~~

1 ~~REQUIRED TO BE INCLUDED IN THE APPLICATION, INCLUDING A~~
2 ~~CHANGE IN CONTROL OR CHANGE OF CONTROL TRANSACTION OF THE~~
3 ~~MEDICAL MARIJUANA ORGANIZATION.~~

4 * * *

5 ~~Section 616. Limitations on permits.~~

6 ~~The following limitations apply to approval of permits for~~
7 ~~grower/processors and dispensaries:~~

8 * * *

9 ~~(5) [No] Except as provided under section 617, no more~~
10 ~~than five grower/processors may be issued permits as~~
11 ~~dispensaries. [If the number of growers/processors is~~ <--
12 ~~increased under section 1202, no more than 20% of the total~~
13 ~~number of growers/processors may also be issued permits as~~
14 ~~dispensaries.]~~ <--

15 * * *

16 ~~Section 3. The act is amended by adding sections to read:~~
17 ~~Section 617. Additional dispensary permits authorized.~~ <--

18 ~~(a) Authorization. An independent grower/processor that~~
19 ~~applies and meets the requirements under section 618 shall be~~
20 ~~issued two dispensary permits.~~

21 ~~SECTION 617. ADDITIONAL DISPENSARY AND GROWER/PROCESSOR PERMITS~~ <--
22 ~~AUTHORIZED.~~

23 ~~(A) AUTHORIZATION.~~

24 ~~(1) AN INDEPENDENT GROWER/PROCESSOR THAT APPLIES AND~~
25 ~~MEETS THE REQUIREMENTS UNDER SECTION 618 SHALL BE ISSUED ONE~~
26 ~~DISPENSARY PERMIT.~~

27 ~~(2) AN INDEPENDENT DISPENSARY THAT APPLIES AND MEETS THE~~
28 ~~REQUIREMENTS UNDER SECTION 618 SHALL BE ISSUED ONE~~
29 ~~GROWER/PROCESSOR PERMIT.~~

30 ~~(b) Rights and privileges. The dispensary permits issued~~ <--

1 ~~under this section shall carry the same rights, privileges and~~
2 ~~obligations as dispensary permits issued under this chapter.~~ <--

3 ~~(c) Dispensing and facility requirements. The dispensary~~ <--
4 ~~permits issued under this section shall be subject to the~~
5 ~~requirements in Chapter 8.~~

6 ~~(d) (C) Suspension or revocation prohibited. The department~~ <--
7 ~~may not suspend, revoke or withdraw a permit or fail to renew OR~~ <--
8 ~~REVOKE the permit of an entity that receives a dispensary permit~~ <--
9 ~~under this section due to the entity ceasing to qualify as an~~ <--
10 ~~independent grower/processor ENTERING INTO A CHANGE OF CONTROL~~ <--
11 ~~TRANSACTION WITH ANY PERSON AT LEAST TWO YEARS after the holder~~
12 ~~of the dispensary permit becomes operational in this~~
13 ~~Commonwealth. Nothing in this section shall prohibit the~~
14 ~~department from taking action for a violation of section 618(a)~~
15 ~~(4).~~

16 ~~Section 618. Application and issuance of additional dispensary~~ <--
17 ~~permits.~~

18 ~~(a) Applications.~~

19 ~~(1) The department shall develop a standard application~~
20 ~~form and make the form available to independent~~
21 ~~grower/processors that apply for dispensary permits~~
22 ~~authorized under section 617.~~

23 ~~(2) The department shall, within 30 days of the~~
24 ~~effective date of this paragraph, accept applications from~~
25 ~~independent grower/processors for dispensary permits~~
26 ~~authorized under section 617.~~

27 ~~(3) The department shall review applications for~~
28 ~~dispensary permits authorized under section 617 within 30~~
29 ~~days of receipt of an application under paragraph (1) from an~~
30 ~~eligible independent grower/processor.~~

1 ~~(4) The department shall require an applicant for a~~
2 ~~dispensary permit authorized under section 617 to certify to~~
3 ~~the department in the application that the applicant will not~~
4 ~~enter into a merger, acquisition, change of control~~
5 ~~transaction or otherwise become associated with or materially~~
6 ~~the same as another medical marijuana organization, entity or~~
7 ~~person that holds a permit from the department for a duration~~
8 ~~of one year from the date on which the independent~~
9 ~~grower/processor receives an operational certificate from the~~
10 ~~department.~~

11 ~~(b) Issuance.—~~

12 ~~(1) The department shall issue dispensary permits within~~
13 ~~15 days of review of applications received under this section~~
14 ~~to all applicants that meet the minimum requirements for~~
15 ~~permitting under this chapter. The department shall notify an~~
16 ~~applicant for dispensary permits authorized under section 617~~
17 ~~of the approval of an application by certified mail or email.~~

18 ~~(2) If an applicant under this section does not meet the~~
19 ~~minimum criteria for permitting, the department shall notify~~
20 ~~the applicant by certified mail or email within 15 days of~~
21 ~~review of the application which shall include deficiencies in~~
22 ~~the application and unmet requirements.~~

23 ~~(3) If the department denies an application for~~
24 ~~dispensary permits authorized under section 617, no later~~
25 ~~than 15 days after completing the review under subsection (a)~~
26 ~~(2), the department shall notify the applicant of the denial~~
27 ~~by certified mail or email. The notice shall include each~~
28 ~~deficiency in the application that does not meet the~~
29 ~~requirements to be issued a permit under this act.~~

30 ~~(4) If the department determines that an application is~~

1 ~~complete but lacks sufficient information upon which to make~~
2 ~~a determination, the department shall notify the applicant in~~
3 ~~writing of the factors that require additional information~~
4 ~~and documentation. The following apply:~~

5 ~~(i) Except as provided under subparagraph (iv), an~~
6 ~~applicant has 30 days from the mailing date of the notice~~
7 ~~under this paragraph to provide the requested information~~
8 ~~and documentation to the department.~~

9 ~~(ii) An applicant's failure to provide the requested~~
10 ~~information to the department by the deadline may be~~
11 ~~grounds for denial of the issuance of the dispensary~~
12 ~~permit.~~

13 ~~(iii) Nothing in this paragraph requires the~~
14 ~~department to request additional or supplemental~~
15 ~~information from an applicant if the application is~~
16 ~~deemed complete under paragraph (1).~~

17 ~~(iv) Upon showing of good cause, the department may~~
18 ~~extend the deadline in subparagraph (i) one time for up~~
19 ~~to an additional 15 days.~~

20 ~~(v) The department shall make a determination on the~~
21 ~~issuance of the dispensary permit within 15 days of~~
22 ~~receipt of the requested information or documentation~~
23 ~~required to make a determination.~~

24 ~~(5) Upon request for inspection or reinspection for an~~
25 ~~operational certificate, the department shall inspect the~~
26 ~~dispensary location within 30 days of request by certified~~
27 ~~mail or email.~~

28 ~~(6) Appeals to the issuance or denials of dispensary~~
29 ~~permits under this section must be responded to by the~~
30 ~~department within 30 days of submittal.~~

1 ~~(D) PERMIT FOR CLINICAL REGISTRANT. NOTWITHSTANDING~~
 2 ~~SUBSECTION (C) OR SECTION 619, AN INDEPENDENT GROWER/PROCESSOR~~
 3 ~~OR INDEPENDENT DISPENSARY THAT APPLIES FOR A PERMIT TO CONVERT~~
 4 ~~TO A CLINICAL REGISTRANT UNDER SECTION 2002 SHALL SURRENDER A~~
 5 ~~GROWER/PROCESSOR PERMIT OR DISPENSARY PERMIT, OR BOTH,~~
 6 ~~PREVIOUSLY ISSUED TO THE INDEPENDENT GROWER/PROCESSOR OR~~
 7 ~~INDEPENDENT DISPENSARY.~~

8 ~~SECTION 618. APPLICATION AND ISSUANCE OF ADDITIONAL PERMITS.~~

9 ~~(A) APPLICATIONS.~~

10 ~~(1) THE DEPARTMENT SHALL DEVELOP A STANDARD APPLICATION~~
 11 ~~FORM AND OPEN APPLICATIONS FOR PERMITS AUTHORIZED UNDER~~
 12 ~~SECTION 617 WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS~~
 13 ~~PARAGRAPH.~~

14 ~~(2) APPLICANTS UNDER THIS SECTION SHALL, WITHIN 60 DAYS~~
 15 ~~AFTER APPLICATIONS ARE POSTED, SUBMIT APPLICATIONS FOR~~
 16 ~~PERMITS AUTHORIZED UNDER SECTION 617.~~

17 ~~(3) THE DEPARTMENT SHALL REVIEW APPLICATIONS FOR PERMITS~~
 18 ~~AUTHORIZED UNDER SECTION 617 WITHIN 45 DAYS OF RECEIPT OF AN~~
 19 ~~APPLICATION UNDER PARAGRAPH (1) FROM AN ELIGIBLE INDEPENDENT~~
 20 ~~GROWER/PROCESSOR OR INDEPENDENT DISPENSARY.~~

21 ~~(4) AN APPLICATION FOR A PERMIT AUTHORIZED UNDER SECTION~~
 22 ~~617 SHALL REQUIRE:~~

23 ~~(I) SUPPORTING DOCUMENTATION AND CERTIFICATION TO~~
 24 ~~THE DEPARTMENT THAT THE APPLICANT QUALIFIES AS AN~~
 25 ~~INDEPENDENT GROWER/PROCESSOR OR INDEPENDENT DISPENSARY.~~

26 ~~(II) CERTIFICATION TO THE DEPARTMENT THAT THE~~
 27 ~~APPLICANT WILL NOT ENTER INTO A CHANGE OF CONTROL~~
 28 ~~TRANSACTION WITH ANY OTHER PERSON FOR A DURATION OF TWO~~
 29 ~~YEARS FROM THE DATE THE FIRST DISPENSARY LOCATION OR~~
 30 ~~GROWER/PROCESSOR LOCATION IS DEEMED OPERATIONAL BY THE~~

~~DEPARTMENT, UNLESS THE CHANGE OF CONTROL TRANSACTION OCCURS AT LEAST ONE YEAR AFTER THE HOLDER OF THE PERMIT BECOMES OPERATIONAL AND IS BETWEEN THE APPLICANT AND A DIVERSE GROUP.~~

~~(III) ANY INFORMATION REQUIRED UNDER SECTION 602 THAT HAS SIGNIFICANTLY CHANGED SINCE THE APPLICANT RECEIVED AN INITIAL PERMIT.~~

~~(B) ISSUANCE.~~

~~(1) EXCEPT AS PROVIDED UNDER PARAGRAPH (3), THE DEPARTMENT SHALL ISSUE PERMITS UNDER SECTION 617 WITHIN 60 DAYS OF THE APPLICATION SUBMISSION DEADLINE UNDER SUBSECTION (A) (2) TO ALL APPLICANTS THAT MEET THE MINIMUM REQUIREMENTS FOR PERMITTING UNDER THIS CHAPTER. THE DEPARTMENT SHALL NOTIFY AN APPLICANT FOR PERMITS AUTHORIZED UNDER SECTION 617 OF THE APPROVAL OF AN APPLICATION BY CERTIFIED MAIL OR EMAIL.~~

~~(2) IF AN APPLICATION UNDER THIS SECTION IS INCOMPLETE, THE FOLLOWING APPLY:~~

~~(I) THE DEPARTMENT SHALL, WITHIN 15 DAYS OF REVIEWING THE APPLICATION, NOTIFY THE APPLICANT BY CERTIFIED MAIL OR EMAIL OF THE MISSING APPLICATION MATERIALS.~~

~~(II) AN APPLICANT SHALL HAVE 15 DAYS FROM WHEN THE NOTICE IS RECEIVED UNDER THIS PARAGRAPH TO PROVIDE MISSING MATERIALS TO THE DEPARTMENT.~~

~~(III) AN APPLICANT'S FAILURE TO COMPLETE THE APPLICATION BY THE DEADLINE UNDER SUBPARAGRAPH (II) SHALL BE GROUNDS FOR DENIAL OF A PERMIT.~~

~~(3) IF AN APPLICATION UNDER THIS SECTION IS COMPLETE BUT DOES NOT MEET THE MINIMUM CRITERIA FOR A PERMIT, THE DEPARTMENT SHALL NOTIFY THE APPLICANT BY CERTIFIED MAIL OR~~

~~EMAIL OF THE DEFICIENCIES IN THE APPLICATION AND THE
FOLLOWING APPLY:~~

~~(I) AN APPLICANT SHALL HAVE 30 DAYS FROM THE DATE
THE NOTICE IS RECEIVED UNDER THIS PARAGRAPH TO PROVIDE
SUPPLEMENTAL APPLICATION MATERIALS TO THE DEPARTMENT.~~

~~(II) AN APPLICANT'S FAILURE TO PROVIDE THE
SUPPLEMENTAL APPLICATION MATERIALS TO THE DEPARTMENT BY
THE DEADLINE WILL BE GROUNDS FOR DENIAL OF THE ISSUANCE
OF A PERMIT.~~

~~(III) AN APPLICANT'S FAILURE TO MEET THE MINIMUM
CRITERIA FOR A PERMIT AFTER PROVIDING SUPPLEMENTAL
APPLICATION MATERIALS TO THE DEPARTMENT SHALL BE GROUNDS
FOR DENIAL OF THE ISSUANCE OF A PERMIT.~~

~~(IV) THE DEPARTMENT MAY USE UP TO 30 ADDITIONAL DAYS
TO ISSUE DISPENSARY PERMITS TO APPLICANTS THAT MEET THE
MINIMUM CRITERIA FOR A PERMIT AFTER PROVIDING
SUPPLEMENTAL APPLICATION MATERIALS TO THE DEPARTMENT.~~

~~(4) IF THE DEPARTMENT DENIES AN APPLICATION FOR A
DISPENSARY PERMIT AUTHORIZED UNDER SECTION 617, THE
DEPARTMENT SHALL NOTIFY THE APPLICANT OF THE DENIAL BY
CERTIFIED MAIL OR EMAIL. THE NOTICE SHALL INCLUDE EACH
DEFICIENCY IN THE APPLICATION THAT DOES NOT MEET THE MINIMUM
CRITERIA TO BE ISSUED A DISPENSARY PERMIT.~~

~~(5) IN THE EVENT AN INDEPENDENT GROWER/PROCESSOR OR
INDEPENDENT DISPENSARY HAS NOT APPLIED FOR A PERMIT
AUTHORIZED UNDER SECTION 617 OR HAS RECEIVED A DENIAL FOR A
PERMIT AUTHORIZED UNDER SECTION 617, THE DEPARTMENT SHALL
ACCEPT NEW APPLICATIONS DURING AN APPLICATION PROCESS
SCHEDULED ANNUALLY BY THE DEPARTMENT. THE ANNUAL APPLICATION
PROCESS SHALL FOLLOW THE TIME LINES ESTABLISHED UNDER THIS~~

1 ~~ACT.~~

2 ~~(6) APPEALS TO THE ISSUANCE OR DENIALS OF DISPENSARY~~
3 ~~PERMITS UNDER THIS SECTION MUST BE RESPONDED TO BY THE~~
4 ~~DEPARTMENT WITHIN 45 DAYS OF SUBMITTAL.~~

5 ~~(7) AN INDEPENDENT GROWER/PROCESSOR OR INDEPENDENT~~
6 ~~DISPENSARY ISSUED A PERMIT UNDER SECTION 617 SHALL NOTIFY THE~~
7 ~~DEPARTMENT WHEN THE INDEPENDENT GROWER/PROCESSOR OR~~
8 ~~INDEPENDENT DISPENSARY LOCATION IS OPERATIONAL.~~

9 ~~(8) UPON NOTIFICATION UNDER PARAGRAPH (7), THE~~
10 ~~DEPARTMENT SHALL SCHEDULE AN INSPECTION TO DETERMINE IF THE~~
11 ~~MEDICAL MARIJUANA ORGANIZATION FACILITY IS OPERATIONAL TO THE~~
12 ~~SATISFACTION OF THE DEPARTMENT. NOTHING IN THIS SECTION SHALL~~
13 ~~PROHIBIT THE DEPARTMENT FROM DETERMINING THAT THE INSPECTED~~
14 ~~LOCATION FAILS TO BE OPERATIONAL.~~

15 ~~(c) Fees.~~

16 ~~(1) An independent grower/processor applying for A~~ <--
17 ~~DISPENSARY PERMIT SHALL PAY:~~

18 ~~(i) An initial application fee in the amount of~~
19 ~~\$5,000. The fee is nonrefundable.~~

20 ~~(ii) A permit fee of \$30,000 for each DISPENSARY~~ <--
21 ~~location. The period of the permit shall be one year. An~~
22 ~~applicant shall submit the permit fee at the time of~~
23 ~~submission of the application. The fee shall be returned~~
24 ~~if the application is not granted.~~

25 ~~(iii) A renewal fee for the permit as a dispensary~~
26 ~~in the amount of \$5,000. The fee shall be returned if the~~
27 ~~renewal is not granted and shall cover renewal for all~~
28 ~~locations. An application to renew a permit must be filed~~
29 ~~with the department not more than six months nor less~~
30 ~~than four months prior to expiration.~~

1 ~~(iv) A fee of \$250 when amending the application to~~
2 ~~indicate relocation within this Commonwealth or the~~
3 ~~addition or deletion of approved activities by the~~
4 ~~medical marijuana organization.~~

5 ~~(2) AN INDEPENDENT DISPENSARY APPLYING FOR A~~ <--
6 ~~GROWER/PROCESSOR PERMIT SHALL PAY:~~

7 ~~(I) AN INITIAL APPLICATION FEE IN THE AMOUNT OF~~
8 ~~\$10,000. THE FEE IS NONREFUNDABLE.~~

9 ~~(II) A PERMIT FEE OF \$200,000. THE PERIOD OF THE~~
10 ~~PERMIT IS ONE YEAR. AN APPLICANT SHALL SUBMIT THE PERMIT~~
11 ~~FEE AT THE TIME OF SUBMISSION OF THE APPLICATION. THE FEE~~
12 ~~SHALL BE RETURNED IF THE APPLICATION IS NOT GRANTED.~~

13 ~~(III) A RENEWAL FEE FOR THE PERMIT AS A~~
14 ~~GROWER/PROCESSOR IN THE AMOUNT OF \$10,000. THE FEE SHALL~~
15 ~~COVER THE RENEWAL FOR ALL LOCATIONS. THE RENEWAL FEE~~
16 ~~SHALL BE RETURNED IF THE RENEWAL IS NOT GRANTED. AN~~
17 ~~APPLICATION TO REVIEW A PERMIT MUST BE FILED WITH THE~~
18 ~~DEPARTMENT NOT MORE THAN SIX MONTHS NOR LESS THAN FOUR~~
19 ~~MONTHS PRIOR TO EXPIRATION.~~

20 ~~(IV) A FEE OF \$250 WHEN AMENDING THE APPLICATION TO~~
21 ~~INDICATE RELOCATION WITHIN THIS COMMONWEALTH OR THE~~
22 ~~ADDITION OR DELETION OF APPROVED ACTIVITIES BY THE~~
23 ~~MEDICAL MARIJUANA ORGANIZATION.~~

24 ~~(2) (3) All fees under paragraph (1) THIS SUBSECTION~~ <--
25 ~~shall be paid by certified check or money order.~~

26 ~~(3) (4) Fees payable under paragraph (1) THIS SUBSECTION~~ <--
27 ~~shall be deposited into the fund.~~

28 ~~(d) Regions.~~ <--

29 ~~(1) An independent grower/processor may apply for a~~
30 ~~dispensary permit under this section in any region~~

1 ~~established under section 603(d).~~

2 ~~(2) The department may limit the number of dispensary~~
3 ~~permits issued under this section to each independent~~
4 ~~grower/processor in accordance with the following:~~

5 ~~(i) The department may limit the number of~~
6 ~~dispensary permits issued under this section to one~~
7 ~~dispensary permit per independent grower/processor for~~
8 ~~any region established under section 603(d).~~

9 ~~(ii) If a single independent grower/processor~~
10 ~~applies for two dispensary permits in the same region~~
11 ~~established under section 603(d) and the department~~
12 ~~determines that issuing the dispensary permits to the~~
13 ~~applicant would not be in the best interests of medical~~
14 ~~marijuana patients, the department shall notify the~~
15 ~~applicant within seven days of the department's~~
16 ~~determination and allow the applicant to submit a new~~
17 ~~application for a different region without remittance of~~
18 ~~an additional application fee under subsection (c)(1)(i).~~

19 ~~(iii) Nothing in this paragraph shall be construed~~
20 ~~to modify the allowable dispensary permits for each~~
21 ~~independent grower/processor under section 617.~~

22 ~~(D) REGIONS. AN INDEPENDENT GROWER/PROCESSOR MAY APPLY FOR <--~~
23 ~~A DISPENSARY PERMIT UNDER THIS SECTION IN ANY REGION ESTABLISHED~~
24 ~~UNDER SECTION 603(D).~~

25 ~~(e) Certification violation. If an independent~~
26 ~~grower/processor enters into a merger, acquisition or other OR <--~~
27 ~~INDEPENDENT DISPENSARY ENTERS INTO A change of control~~
28 ~~transaction with another entity in violation of subsection (a) <--~~

29 ~~(4) THIS ACT, the contract or agreement executed with the other <--~~
30 ~~entity for the merger, acquisition or other change of control <--~~

1 ~~transaction shall be void. CHANGE OF CONTROL TRANSACTION SHALL <--~~
2 ~~BE VOID, UNLESS THE CHANGE OF CONTROL TRANSACTION OCCURS AT~~
3 ~~LEAST ONE YEAR AFTER THE PERMITTEE BECOMES OPERATIONAL AND THE~~
4 ~~MERGER IS BETWEEN A PERMIT HOLDER AND A DIVERSE GROUP.~~

5 ~~Section 619. Limitations on other additional permits or~~
6 ~~licenses.~~

7 ~~Notwithstanding the provisions of section 617 or 618, nothing~~
8 ~~in section 617 or 618 shall be construed to limit an entity that~~
9 ~~qualifies as an independent grower/processor OR INDEPENDENT <--~~
10 ~~DISPENSARY from applying for and receiving additional permits or~~
11 ~~licenses under any other provisions of this act upon the release~~
12 ~~of additional permits or licenses by the department or the~~
13 ~~Commonwealth.~~

14 ~~Section 4. Section 2001 of the act is amended by adding a~~
15 ~~definition to read:~~

16 ~~Section 2001. Definitions.~~

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

20 ~~* * *~~

21 ~~"Accredited medical school." An institution located within~~
22 ~~this Commonwealth that is accredited by the Liaison Committee of~~
23 ~~Medical Education or the Commission on Osteopathic College~~
24 ~~Accreditation or has gained pre accreditation or provisional~~
25 ~~accreditation so that the institution is authorized to enroll~~
26 ~~students and is affiliated with an accredited institution of~~
27 ~~higher education located within this Commonwealth.~~

28 ~~* * *~~

29 ~~Section 5. This act shall take effect in 120 days.~~

30 SECTION 1. SECTION 103 OF THE ACT OF APRIL 17, 2016 (P.L.84, <--

1 NO.16), KNOWN AS THE MEDICAL MARIJUANA ACT, IS AMENDED BY ADDING
2 DEFINITIONS TO READ:
3 SECTION 103. DEFINITIONS.

4 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
5 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
6 CONTEXT CLEARLY INDICATES OTHERWISE:

7 * * *

8 "CHANGE OF CONTROL TRANSACTION." THE CONSOLIDATION, MERGER
9 OR ACQUISITION BY A PERSON OR GROUP OF PERSONS ACTING IN CONCERT
10 OF MORE THAN 20% OF:

11 (1) A MEDICAL MARIJUANA ORGANIZATION'S SECURITIES OR
12 OTHER OWNERSHIP INTERESTS, WITH THE EXCEPTION OF ANY
13 OWNERSHIP INTEREST OF THE PERSON THAT EXISTED:

14 (I) AT THE TIME OF THE ISSUANCE OF THE INITIAL
15 MEDICAL MARIJUANA ORGANIZATION'S PERMIT AND PAYMENT OF
16 THE INITIAL PERMIT; OR

17 (II) PRIOR TO THE EFFECTIVE DATE OF THIS
18 SUBPARAGRAPH; OR

19 (2) THE SECURITIES OR OTHER OWNERSHIP INTERESTS OF A
20 CORPORATION OR OTHER FORM OF BUSINESS ENTITY WHICH OWNS
21 DIRECTLY OR INDIRECTLY 20% OF THE SECURITIES OR OTHER
22 OWNERSHIP INTERESTS OF THE MEDICAL MARIJUANA ORGANIZATION.

23 * * *

24 "DIVERSE GROUP." THE TERM SHALL MEAN THE SAME AS UNDER
25 SECTION 615(D).

26 * * *

27 "INDEPENDENT DISPENSARY." A DISPENSARY ISSUED A PERMIT TO
28 OPERATE IN THIS COMMONWEALTH AND THAT MEETS ALL OF THE
29 FOLLOWING:

30 (1) HAS NOT HAD THE DISPENSARY'S PERMIT REVOKED.

1 (2) HAS NOT ENTERED INTO A CHANGE OF CONTROL TRANSACTION
2 WITH ANY OTHER PERSON THAT WAS ISSUED A GROWER/PROCESSOR
3 PERMIT, DISPENSARY PERMIT OR CLINICAL REGISTRANT PERMIT IN
4 THIS COMMONWEALTH.

5 (3) IS NOT MATERIALLY THE SAME AS ANOTHER MEDICAL
6 MARIJUANA ORGANIZATION IN THIS COMMONWEALTH THROUGH A PARENT
7 COMPANY, SUBSIDIARY OR SHARED AFFILIATION WITH ANOTHER ENTITY
8 THAT HOLDS A PERMIT FROM THE DEPARTMENT UNDER THIS ACT OR
9 THROUGH THE SHARING OF PRINCIPALS, OFFICERS OR DIRECTORS,
10 EMPLOYEES, FACILITIES, EQUIPMENT, FINANCES OR CAPITAL.

11 "INDEPENDENT GROWER/PROCESSOR." A GROWER/PROCESSOR AWARDED A
12 PERMIT TO OPERATE IN THIS COMMONWEALTH THAT MEETS ALL OF THE
13 FOLLOWING CRITERIA AS OF THE EFFECTIVE DATE OF THIS DEFINITION:

14 (1) HAS NOT HAD ITS PERMIT REVOKED.

15 (2) HAS NOT ENTERED INTO A CHANGE OF CONTROL TRANSACTION
16 WITH ANY OTHER PERSON THAT WAS ISSUED A GROWER/PROCESSOR
17 PERMIT, DISPENSARY PERMIT OR CLINICAL REGISTRANT PERMIT IN
18 THIS COMMONWEALTH.

19 (3) IS NOT MATERIALLY THE SAME AS ANOTHER MEDICAL
20 MARIJUANA ORGANIZATION IN THIS COMMONWEALTH THROUGH A PARENT
21 COMPANY OR SUBSIDIARY OF ANOTHER ENTITY THAT HOLDS A PERMIT
22 FROM THE DEPARTMENT UNDER THIS ACT OR THROUGH THE SHARING OF
23 PRINCIPALS, OFFICERS OR DIRECTORS, EMPLOYEES, FACILITIES,
24 EQUIPMENT, FINANCES OR CAPITAL.

25 * * *

26 "MATERIALLY THE SAME." A PERSON WHO SHARES ANY OF THE
27 FOLLOWING WITH ANOTHER PERSON:

28 (1) PROFITS OR LOSSES.

29 (2) COMMON VALUATION, IN THE CASE OF A PUBLICLY TRADED
30 COMPANY.

1 (3) COMMON OWNERSHIP OF MORE THAN 5%, INCLUDING
2 SUBSIDIARIES.

3 (4) COMMON OWNERSHIP OF 5% OR LESS IF THE PERSONS WITH
4 VOTING RIGHTS TO ELECT OR APPOINT ONE OR MORE MEMBERS OF THE
5 BOARD OF DIRECTORS OR OTHER GOVERNING BOARD.

6 (5) COMMON MANAGEMENT, POLICIES, PRINCIPALS, OFFICERS,
7 DIRECTORS, EMPLOYEES, EQUIPMENT, FINANCES OR CAPITAL.

8 * * *

9 "PARENT COMPANY." A COMPANY WHICH DIRECTLY OR INDIRECTLY
10 CONTROLS ANY OTHER PERMITTEE UNDER THIS ACT.

11 * * *

12 "PERSON." A NATURAL PERSON, CORPORATION, FOUNDATION,
13 ORGANIZATION, BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY,
14 LICENSED CORPORATION, TRUST, PARTNERSHIP, LIMITED LIABILITY
15 PARTNERSHIP, ASSOCIATION OR OTHER FORM OF LEGAL BUSINESS ENTITY.

16 * * *

17 SECTION 2. SECTIONS 606(A) (1) AND 616(5) OF THE ACT ARE
18 AMENDED TO READ:

19 SECTION 606. APPLICATION AND ISSUANCE.

20 (A) DUTY TO REPORT.--AN APPLICANT TO BE A GROWER/PROCESSOR
21 OR TO OPERATE A DISPENSARY IS UNDER A CONTINUING DUTY TO:

22 (1) REPORT TO THE DEPARTMENT ANY CHANGE IN FACTS OR
23 CIRCUMSTANCES REFLECTED IN THE APPLICATION OR ANY NEWLY
24 DISCOVERED OR OCCURRING FACT OR CIRCUMSTANCE WHICH IS
25 REQUIRED TO BE INCLUDED IN THE APPLICATION, INCLUDING A
26 CHANGE IN CONTROL OR CHANGE OF CONTROL TRANSACTION OF THE
27 MEDICAL MARIJUANA ORGANIZATION.

28 * * *

29 SECTION 616. LIMITATIONS ON PERMITS.

30 THE FOLLOWING LIMITATIONS APPLY TO APPROVAL OF PERMITS FOR

1 GROWER/PROCESSORS AND DISPENSARIES:

2 * * *

3 (5) [NO] EXCEPT AS PROVIDED UNDER SECTION 617, NO MORE
4 THAN FIVE GROWER/PROCESSORS MAY BE ISSUED PERMITS AS
5 DISPENSARIES. [IF THE NUMBER OF GROWERS/PROCESSORS IS
6 INCREASED UNDER SECTION 1202, NO MORE THAN 20% OF THE TOTAL
7 NUMBER OF GROWERS/PROCESSORS MAY ALSO BE ISSUED PERMITS AS
8 DISPENSARIES.]

9 * * *

10 SECTION 3. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:
11 SECTION 617. ADDITIONAL DISPENSARY AND GROWER/PROCESSOR PERMITS
12 AUTHORIZED.

13 (A) AUTHORIZATION.--

14 (1) AN INDEPENDENT GROWER/PROCESSOR THAT APPLIES AND
15 MEETS THE REQUIREMENTS UNDER SECTION 618 SHALL BE ISSUED ONE
16 DISPENSARY PERMIT.

17 (2) AN INDEPENDENT DISPENSARY THAT APPLIES AND MEETS THE
18 REQUIREMENTS UNDER SECTION 618 SHALL BE ISSUED ONE
19 GROWER/PROCESSOR PERMIT.

20 (B) RIGHTS AND PRIVILEGES.--THE PERMITS ISSUED UNDER THIS
21 SECTION SHALL CARRY THE SAME RIGHTS, PRIVILEGES AND OBLIGATIONS
22 AS PERMITS ISSUED UNDER THIS CHAPTER.

23 (C) SUSPENSION OR REVOCATION PROHIBITED.--THE DEPARTMENT MAY
24 NOT SUSPEND OR REVOKE THE PERMIT OF AN ENTITY THAT RECEIVES A
25 PERMIT UNDER THIS SECTION DUE TO THE ENTITY ENTERING INTO A
26 CHANGE OF CONTROL TRANSACTION WITH ANY PERSON AT LEAST ONE YEAR
27 AFTER THE HOLDER OF THE DISPENSARY PERMIT BECOMES OPERATIONAL IN
28 THIS COMMONWEALTH. NOTHING IN THIS SECTION SHALL PROHIBIT THE
29 DEPARTMENT FROM TAKING ACTION FOR A VIOLATION OF SECTION 618 (A)
30 (4).

1 (D) PERMIT FOR CLINICAL REGISTRANT.--NOTWITHSTANDING
2 SUBSECTION (C) OR SECTION 619, AN INDEPENDENT GROWER/PROCESSOR
3 OR INDEPENDENT DISPENSARY THAT APPLIES FOR A PERMIT TO CONVERT
4 TO A CLINICAL REGISTRANT UNDER SECTION 2002 SHALL SURRENDER A
5 GROWER/PROCESSOR PERMIT OR DISPENSARY PERMIT, OR BOTH,
6 PREVIOUSLY ISSUED TO THE INDEPENDENT GROWER/PROCESSOR OR
7 INDEPENDENT DISPENSARY.

8 SECTION 618. APPLICATION AND ISSUANCE OF ADDITIONAL PERMITS.

9 (A) APPLICATIONS.--

10 (1) THE DEPARTMENT SHALL DEVELOP A STANDARD APPLICATION
11 FORM AND OPEN APPLICATIONS FOR PERMITS AUTHORIZED UNDER
12 SECTION 617 WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS
13 PARAGRAPH.

14 (2) APPLICANTS UNDER THIS SECTION SHALL SUBMIT
15 APPLICATIONS FOR PERMITS AUTHORIZED UNDER SECTION 617.

16 (3) THE DEPARTMENT SHALL REVIEW APPLICATIONS FOR PERMITS
17 AUTHORIZED UNDER SECTION 617 WITHIN 45 DAYS OF RECEIPT OF AN
18 APPLICATION UNDER PARAGRAPH (1) FROM AN ELIGIBLE INDEPENDENT
19 GROWER/PROCESSOR OR INDEPENDENT DISPENSARY.

20 (4) AN APPLICATION FOR A PERMIT AUTHORIZED UNDER SECTION
21 617 SHALL REQUIRE:

22 (I) SUPPORTING DOCUMENTATION AND CERTIFICATION TO
23 THE DEPARTMENT THAT THE APPLICANT QUALIFIES AS AN
24 INDEPENDENT GROWER/PROCESSOR OR INDEPENDENT DISPENSARY.

25 (II) CERTIFICATION TO THE DEPARTMENT THAT THE
26 APPLICANT WILL NOT ENTER INTO A CHANGE OF CONTROL
27 TRANSACTION WITH ANY OTHER PERSON FOR A DURATION OF ONE
28 YEAR FROM THE DATE THE FIRST DISPENSARY LOCATION OR
29 GROWER/PROCESSOR LOCATION IS DEEMED OPERATIONAL BY THE
30 DEPARTMENT, UNLESS THE CHANGE OF CONTROL TRANSACTION

1 OCCURS AFTER THE HOLDER OF THE PERMIT BECOMES OPERATIONAL
2 AND IS BETWEEN THE APPLICANT AND A DIVERSE GROUP.

3 (III) ANY INFORMATION REQUIRED UNDER SECTION 602
4 THAT HAS SIGNIFICANTLY CHANGED SINCE THE APPLICANT
5 RECEIVED AN INITIAL PERMIT.

6 (B) ISSUANCE.--

7 (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (3), THE
8 DEPARTMENT SHALL ISSUE PERMITS UNDER SECTION 617 WITHIN 60
9 DAYS OF THE APPLICATION SUBMISSION DEADLINE UNDER SUBSECTION
10 (A) (2) TO ALL APPLICANTS THAT MEET THE MINIMUM REQUIREMENTS
11 FOR PERMITTING UNDER THIS CHAPTER. THE DEPARTMENT SHALL
12 NOTIFY AN APPLICANT FOR PERMITS AUTHORIZED UNDER SECTION 617
13 OF THE APPROVAL OF AN APPLICATION BY CERTIFIED MAIL OR EMAIL.

14 (2) IF AN APPLICATION UNDER THIS SECTION IS INCOMPLETE,
15 THE FOLLOWING APPLY:

16 (I) THE DEPARTMENT SHALL, WITHIN 15 DAYS OF
17 REVIEWING THE APPLICATION, NOTIFY THE APPLICANT BY
18 CERTIFIED MAIL OR EMAIL OF THE MISSING APPLICATION
19 MATERIALS.

20 (II) AN APPLICANT SHALL HAVE 15 DAYS FROM WHEN THE
21 NOTICE IS RECEIVED UNDER THIS PARAGRAPH TO PROVIDE
22 MISSING MATERIALS TO THE DEPARTMENT.

23 (III) AN APPLICANT'S FAILURE TO COMPLETE THE
24 APPLICATION BY THE DEADLINE UNDER SUBPARAGRAPH (II) SHALL
25 BE GROUNDS FOR DENIAL OF A PERMIT.

26 (3) IF AN APPLICATION UNDER THIS SECTION IS COMPLETE BUT
27 DOES NOT MEET THE MINIMUM CRITERIA FOR A PERMIT, THE
28 DEPARTMENT SHALL NOTIFY THE APPLICANT BY CERTIFIED MAIL OR
29 EMAIL OF THE DEFICIENCIES IN THE APPLICATION AND THE
30 FOLLOWING APPLY:

1 (I) AN APPLICANT SHALL HAVE 30 DAYS FROM THE DATE
2 THE NOTICE IS RECEIVED UNDER THIS PARAGRAPH TO PROVIDE
3 SUPPLEMENTAL APPLICATION MATERIALS TO THE DEPARTMENT.

4 (II) AN APPLICANT'S FAILURE TO PROVIDE THE
5 SUPPLEMENTAL APPLICATION MATERIALS TO THE DEPARTMENT BY
6 THE DEADLINE WILL BE GROUNDS FOR DENIAL OF THE ISSUANCE
7 OF A PERMIT.

8 (III) AN APPLICANT'S FAILURE TO MEET THE MINIMUM
9 CRITERIA FOR A PERMIT AFTER PROVIDING SUPPLEMENTAL
10 APPLICATION MATERIALS TO THE DEPARTMENT SHALL BE GROUNDS
11 FOR DENIAL OF THE ISSUANCE OF A PERMIT.

12 (IV) THE DEPARTMENT MAY USE UP TO 30 ADDITIONAL DAYS
13 TO ISSUE DISPENSARY PERMITS TO APPLICANTS THAT MEET THE
14 MINIMUM CRITERIA FOR A PERMIT AFTER PROVIDING
15 SUPPLEMENTAL APPLICATION MATERIALS TO THE DEPARTMENT.

16 (4) IF THE DEPARTMENT DENIES AN APPLICATION FOR A
17 DISPENSARY PERMIT AUTHORIZED UNDER SECTION 617, THE
18 DEPARTMENT SHALL NOTIFY THE APPLICANT OF THE DENIAL BY
19 CERTIFIED MAIL OR EMAIL. THE NOTICE SHALL INCLUDE EACH
20 DEFICIENCY IN THE APPLICATION THAT DOES NOT MEET THE MINIMUM
21 CRITERIA TO BE ISSUED A DISPENSARY PERMIT.

22 (5) IF AN INDEPENDENT GROWER/PROCESSOR OR INDEPENDENT
23 DISPENSARY RECEIVES A DENIAL UNDER PARAGRAPH (4), THE
24 INDEPENDENT GROWER/PROCESSOR OR INDEPENDENT DISPENSARY MAY
25 REAPPLY FOR A PERMIT AUTHORIZED UNDER SECTION 617 30 DAYS
26 AFTER RECEIVING NOTICE OF A DENIAL.

27 (6) APPEALS TO THE ISSUANCE OR DENIALS OF DISPENSARY
28 PERMITS UNDER THIS SECTION MUST BE RESPONDED TO BY THE
29 DEPARTMENT WITHIN 45 DAYS OF SUBMITTAL.

30 (7) AN INDEPENDENT GROWER/PROCESSOR OR INDEPENDENT

1 DISPENSARY ISSUED A PERMIT UNDER SECTION 617 SHALL NOTIFY THE
2 DEPARTMENT WHEN THE INDEPENDENT GROWER/PROCESSOR OR
3 INDEPENDENT DISPENSARY LOCATION IS OPERATIONAL.

4 (8) UPON NOTIFICATION UNDER PARAGRAPH (7), THE
5 DEPARTMENT SHALL SCHEDULE AN INSPECTION TO DETERMINE IF THE
6 MEDICAL MARIJUANA ORGANIZATION FACILITY IS OPERATIONAL TO THE
7 SATISFACTION OF THE DEPARTMENT. NOTHING IN THIS SECTION SHALL
8 PROHIBIT THE DEPARTMENT FROM DETERMINING THAT THE INSPECTED
9 LOCATION FAILS TO BE OPERATIONAL.

10 (C) FEES.--

11 (1) AN INDEPENDENT GROWER/PROCESSOR APPLYING FOR A
12 DISPENSARY PERMIT SHALL PAY:

13 (I) AN INITIAL APPLICATION FEE IN THE AMOUNT OF
14 \$5,000. THE FEE IS NONREFUNDABLE.

15 (II) A PERMIT FEE OF \$30,000 FOR EACH DISPENSARY
16 LOCATION. THE PERIOD OF THE PERMIT SHALL BE ONE YEAR. AN
17 APPLICANT SHALL SUBMIT THE PERMIT FEE AT THE TIME OF
18 SUBMISSION OF THE APPLICATION. THE FEE SHALL BE RETURNED
19 IF THE APPLICATION IS NOT GRANTED.

20 (III) A RENEWAL FEE FOR THE PERMIT AS A DISPENSARY
21 IN THE AMOUNT OF \$5,000. THE FEE SHALL BE RETURNED IF THE
22 RENEWAL IS NOT GRANTED AND SHALL COVER RENEWAL FOR ALL
23 LOCATIONS. AN APPLICATION TO RENEW A PERMIT MUST BE FILED
24 WITH THE DEPARTMENT NOT MORE THAN SIX MONTHS NOR LESS
25 THAN FOUR MONTHS PRIOR TO EXPIRATION.

26 (IV) A FEE OF \$250 WHEN AMENDING THE APPLICATION TO
27 INDICATE RELOCATION WITHIN THIS COMMONWEALTH OR THE
28 ADDITION OR DELETION OF APPROVED ACTIVITIES BY THE
29 MEDICAL MARIJUANA ORGANIZATION.

30 (2) AN INDEPENDENT DISPENSARY APPLYING FOR A

1 GROWER/PROCESSOR PERMIT SHALL PAY:

2 (I) AN INITIAL APPLICATION FEE IN THE AMOUNT OF
3 \$10,000. THE FEE IS NONREFUNDABLE.

4 (II) A PERMIT FEE OF \$200,000. THE PERIOD OF THE
5 PERMIT IS ONE YEAR. AN APPLICANT SHALL SUBMIT THE PERMIT
6 FEE AT THE TIME OF SUBMISSION OF THE APPLICATION. THE FEE
7 SHALL BE RETURNED IF THE APPLICATION IS NOT GRANTED.

8 (III) A RENEWAL FEE FOR THE PERMIT AS A
9 GROWER/PROCESSOR IN THE AMOUNT OF \$10,000. THE FEE SHALL
10 COVER THE RENEWAL FOR ALL LOCATIONS. THE RENEWAL FEE
11 SHALL BE RETURNED IF THE RENEWAL IS NOT GRANTED. AN
12 APPLICATION TO REVIEW A PERMIT MUST BE FILED WITH THE
13 DEPARTMENT NOT MORE THAN SIX MONTHS NOR LESS THAN FOUR
14 MONTHS PRIOR TO EXPIRATION.

15 (IV) A FEE OF \$250 WHEN AMENDING THE APPLICATION TO
16 INDICATE RELOCATION WITHIN THIS COMMONWEALTH OR THE
17 ADDITION OR DELETION OF APPROVED ACTIVITIES BY THE
18 MEDICAL MARIJUANA ORGANIZATION.

19 (3) ALL FEES UNDER THIS SUBSECTION SHALL BE PAID BY
20 CERTIFIED CHECK OR MONEY ORDER.

21 (4) FEES PAYABLE UNDER THIS SUBSECTION SHALL BE
22 DEPOSITED INTO THE FUND.

23 (D) REGIONS.--AN INDEPENDENT GROWER/PROCESSOR MAY APPLY FOR
24 A DISPENSARY PERMIT UNDER THIS SECTION IN ANY REGION ESTABLISHED
25 UNDER SECTION 603(D).

26 (E) CERTIFICATION VIOLATION.--IF AN INDEPENDENT
27 GROWER/PROCESSOR OR INDEPENDENT DISPENSARY ENTERS INTO A CHANGE
28 OF CONTROL TRANSACTION WITH ANOTHER ENTITY IN VIOLATION OF THIS
29 ACT, THE CONTRACT OR AGREEMENT EXECUTED WITH THE OTHER ENTITY
30 FOR THE CHANGE OF CONTROL TRANSACTION SHALL BE VOID, UNLESS THE

1 CHANGE OF CONTROL TRANSACTION OCCURS AT LEAST ONE YEAR AFTER THE
2 PERMITTEE BECOMES OPERATIONAL OR THE MERGER IS BETWEEN A PERMIT
3 HOLDER AND A DIVERSE GROUP.

4 SECTION 619. LIMITATIONS ON OTHER ADDITIONAL PERMITS OR
5 LICENSES.

6 NOTWITHSTANDING THE PROVISIONS OF SECTION 617 OR 618, NOTHING
7 IN SECTION 617 OR 618 SHALL BE CONSTRUED TO LIMIT AN ENTITY THAT
8 QUALIFIES AS AN INDEPENDENT GROWER/PROCESSOR OR INDEPENDENT
9 DISPENSARY FROM APPLYING FOR AND RECEIVING ADDITIONAL PERMITS OR
10 LICENSES UNDER ANY OTHER PROVISIONS OF THIS ACT UPON THE RELEASE
11 OF ADDITIONAL PERMITS OR LICENSES BY THE DEPARTMENT OR THE
12 COMMONWEALTH.

13 SECTION 4. SECTION 2001 OF THE ACT IS AMENDED BY ADDING A
14 DEFINITION TO READ:
15 SECTION 2001. DEFINITIONS.

16 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
17 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
18 CONTEXT CLEARLY INDICATES OTHERWISE:

19 * * *

20 "ACCREDITED MEDICAL SCHOOL." AN INSTITUTION LOCATED WITHIN
21 THIS COMMONWEALTH THAT IS ACCREDITED BY THE LIAISON COMMITTEE OF
22 MEDICAL EDUCATION OR THE COMMISSION ON OSTEOPATHIC COLLEGE
23 ACCREDITATION OR HAS GAINED PRE-ACCREDITATION OR PROVISIONAL
24 ACCREDITATION SO THAT THE INSTITUTION IS AUTHORIZED TO ENROLL
25 STUDENTS AND IS AFFILIATED WITH AN ACCREDITED INSTITUTION OF
26 HIGHER EDUCATION LOCATED WITHIN THIS COMMONWEALTH.

27 * * *

28 SECTION 5. THIS ACT SHALL TAKE EFFECT IN 120 DAYS.