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SENATOR DAN LAUGHLIN 49th District

SENATE BOX 203049 HARRISBURG, PA 17120-3049 (717) 787-8927

> 1314 GRISWOLD PLAZA SUITE 101 ERIE, PA 16501 (814) 453-2515

dlaughlin@pasen.gov senatorlaughlin.com



Senate of Pennsylvania

A Bipartisan Approach to the Legalization of Adult Use Cannabis

The Laughlin-Street Bipartisan Adult Use Cannabis Legalization Bill prioritizes safety, social and economic equity and, engages Pennsylvania's agricultural industry. Our proposal ensures the vitality of Pennsylvania's world-class medical marijuana industry while creating thousands of jobs and generating hundreds of millions of dollars in new tax revenue for the Commonwealth.

Primary Goals of the Legislation

- Establish a rational and fair protocol for the safe and legal use, cultivation, and sale of cannabis.
- Develop a new industry based on free market principals coupled with responsible regulation.
- Enable those who have been harmed by prohibition to get out of prison and expunge their criminal records.
- Provide opportunities for those most affected by the war on drugs to participate in cannabis industry.

Safe and Legal

- Sets the minimum marijuana consumption age at 21 years old and mandates age verification for every purchase
- Allows licensed medical marijuana patients to grow up to five mature plants in their home
- Bans any marketing directed toward children and provides the appropriate deterrence to keep marijuana out of the hands of anyone under 21 years old.
- Provides clarity and consistency for workplace rules regarding marijuana use for all those operating in good faith and protects the Second Amendment rights of all Pennsylvanians.

Social and Economic Equity

- Expunges non-violent marijuana convictions and decriminalizes marijuana up to a certain limit.
- Creates licenses for social and economic equity applicants and establishes that the majority of new licensees are granted to social and economic applicants.
- Leverages Pennsylvania's existing medical marijuana licensees to fulfill demand on an enhanced timetable while providing social and economic equity licensees the capital and know-how to succeed.
- Implements a Business Development Fund, administered by the Commonwealth Financing Authority, to support loans, grants, and studies.

Agricultural Engagement

- Authorizes farmers and craft growers across the Commonwealth to engage in the cultivation of marijuana.
- Through established demand, enables any applicant who wants a license to get a license to cultivate marijuana in a manner that is safe and regulated.

New Tax Revenue and Jobs

- The Pennsylvania Independent Fiscal Office projects that marijuana legalization can generate between \$400 million to \$1 billion of new tax revenue for the Commonwealth.
- The proposal will create thousands of new jobs.

FREQUENTLY ASKED QUESTIONS

What Does the Bill Do?

- Legalizes the cultivation, production, and sale of adult use cannabis.
- Generates hundreds of millions in new revenue and thousands of new jobs for the Commonwealth.
- Establishes a social and economic equity model aimed at creating opportunity.
- Reforms the criminal, employer and driving-under-the-influence laws to align with cannabis legalization.
- Modernizes the Medical Marijuana Program to reduce costs to patients and increase patient access.

Who can buy cannabis?

- Anyone 21 years of age and older.
- Age verification required for every transaction.
- Strict penalties for underage sales and/or transfer.
- Limits on how much marijuana can be purchased and possessed.

Who will run the cannabis program?

- A newly created Pennsylvania Cannabis Regulatory Control Board (PCRCB), modeled after the Pennsylvania Gaming Control Board.
- The PCRCB administers both the Adult Use and Medical Marijuana Programs.
- The Medical Marijuana Program will be run by a Chief Medical Officer.
- The Board will partner with the Commonwealth Finance Agency, which shall be responsible for implementing the social and economic equity provisions of the Act.

Who can sell cannabis?

- Current medical marijuana permittees can opt-in to sell adult use cannabis and pay an additional fee.
- Current medical marijuana permittees obtain an additional permit to sell cannabis by partnering with Social and Economic Equity permittees, or by paying an additional fee.
- A series of new permittees who are not current Act 16 program participants, awarded through a competitive permitting process.

Who can grow adult use cannabis?

- Current medical marijuana grower/processors can opt in to grow and process cannabis at up to 2 locations by paying a fee and submitting an application.
- A series of new permittees who are not current Act 16 program participants, awarded through a competitive permitting process. The first of these new permits will be awarded to Social and Economic Equity permittees.
- Farmers and craft growers can apply for a Micro Cultivator License to grow a limited canopy indoors.

Where can cannabis be purchased?

• Only at licensed dispensaries.

Will Adult Use dispensaries be accessible in all areas of the State?

• Yes. This law would allow for additional dispensaries to open, whether owned by current operators, Social and Economic Equity operators or new operators.

Can people grow cannabis at their home?

• Yes, qualified patients under the medical marijuana program can grow up to 5 mature plants indoors for their own personal use.

How does the Social Equity Program work?

- Current dispensary permittees can partner with Social and Economic Equity Applicants through Charter Agreements to build out and operate dispensaries. Charter Agreements are subject to Board approval and must provide, over a course of no more than 10 years, that the Social and Economic Equity Applicant ultimately assumes full ownership and operational control of the dispensary permit awarded to it.
- Social and Economic Equity Applicants may also apply for permits through a competitive application process.
- The process to apply for an Adult Use Cultivation Center permit is weighted in the favor of Social and Economic Equity Applicants and the first 3 of the 5 new permits must be awarded to Social and Economic Equity Applicants.
- The Commonwealth Finance Agency is charged with implementing the social and economic equity provisions of the Act and to work to build social and economic equity in the program, including through loans and other initiatives.

Can municipalities opt-out from having cannabis sold in their borders?

• No, the same holds true for medical marijuana.

Can marijuana be delivered to homes?

- There are many people who do not have access to a dispensary.
- The board has the authority to enable home delivery that ensures the safety of the product as well as the patient and customer.

How does the law account for DUI?

• The bill aligns marijuana with the National Highway Transportation Safety Board protocols for deeming an individual to be driving impaired under any Schedule II drug (anti-depressants, sleeping aids, etc.) as outlined in Senator Bartolotta's SB 1206 (2019).

How does the law account for employer needs?

• The bill incorporates provisions of Senator Ward's SB 1360 (2019) which updates Pennsylvania's employer laws to conform with the legalization of marijuana.

Where is cannabis consumption prohibited?

- Smoking or vaping cannabisis prohibited anyplace where smoking, vaping cigarettes is prohibited.
- Possession and/or consumption is prohibited at schools, prisons, vehicles, daycares, or knowingly consuming in proximity of anyone under the age of 21.

How quickly will this be running?

• Temporary regulations must be released with 6 months of the law passing. It is anticipated that the first sales of adult use cannabis to be sold within 6-12 months of the law's passage.

Will there be a wholesaler or distribution regime?

• No, cultivation centers are responsible for their own warehousing and distribution.

How is cannabis taxed?

• 10% Excise Tax at the dispensary point of sale, with a 6% Sale Tax imposed at the dispensary point of sale.

Does this law expunge criminal records?

• Yes, it takes the Clean Slate language from Representative Wheatley's HB 50 (2019).

Where does the tax money go?

• The tax money goes into the Cannabis Regulation Fund where a small portion is allocated to the Board to oversee the program, local municipalities in which a cannabis business is located, and the General Fund.

Who enforces the cannabis sales laws?

• PCRCB partners with the Pennsylvania State Police.

Who enforces the cannabis regulatory regime?

• The PCRCB with inspectors and agents.

Do marijuana-tourism and lounges exist?

• A local government can allow on-premises consumption at a licensed dispensary.