



PA Bipartisan Cannabis Bill HB20 — Bill Summary

Reps. Emily Kinkead and Abby Major's HB 20 would legalize, regulate, and tax cannabis for adults 21 and older. Privately-owned, state-licensed businesses would produce and sell cannabis. HB 20 also includes expungement and a social and economic equity program.

Personal Liberty and Criminal Justice Reform

- Adults 21+ could possess 2.5 ounces of cannabis or similar amounts of products.
- Replaces possible jail time with a civil fine for those under 21 who possess cannabis.
- Includes state-initiated expungement and release for those with certain drug records.
- Provides civil protections for responsible use, including related to professional and occupational licensing, child custody, firearms, employment, and organ transplants.
- Allows registered patients to discreetly and securely cultivate five plants at home.

Cannabis Business Regulation

- A new Keystone Cannabis Authority would license and regulate cannabis dispensaries, cultivation centers, labs, micro-cultivators, and warehousing and distribution.
- Businesses would be dual-use, for both medical patients and adult-use consumers.
- Medical cannabis businesses could convert to dual-use for a \$100,000 fee for dispensary permits (for multiple sites) and \$250,000 fee for grower/processors.
- The KCA could initially permit 60 dispensaries operated by social and economic equity applicants, plus up to 12 operated by disadvantaged businesses, diverse businesses, or small businesses. It could issue 10 microcultivation licenses.
- More licenses, including to cultivation centers, could be issued after a market analysis.
- Fees could be waived for certain social equity applicants. Grants, loans, and other assistance would be available through a Community Opportunity Fund.

Prohibitions and Requirements

- Prohibits smoking cannabis in public. Cannabis could not be used in motor vehicles or in close proximity to anyone under 21. Impaired driving would remain illegal.
- Defines cannabis as inhaled products with 0.3% or more THC and products with two or more milligrams of THC per package. Prohibits unlicensed sales and cannabinoids that are not "from naturally occurring biologically active chemical constituents."
- The KCA would issue regulations, including on security, seed-to-sale tracking, product safety, packaging, labeling, lab testing, financial disclosure, recordkeeping, advertising, inspections, and transportation. It must prohibit packaging and products likely to appeal to minors, craft warnings, and mandate child-resistant containers.

Taxes and Revenue

- Taxes cannabis sales at 13%. Taxes appear to apply to medical cannabis sales.
- Distributes revenue to the Community Opportunity Fund (30%); the General Fund (20%);

medical cannabis assistance (5%); host localities (10%); regulatory costs and community investment (10%); drug prevention and recovery (10%); local police (10%); indigent defense (5%); and farmland preservation and agricultural innovation.