



# SB 846 PA Cannabis Regulation Condensed Bill Summary

## **Personal Liberty and Possession Limits**

180 days after the effective date, allows adults 21 and over to:

- Possess, use, buy, or gift to other adults up to 30 grams of cannabis, 1,000 milligrams of THC in infused products, and five grams of cannabis concentrate.

→ Cannabis smoking is permitted in most places where cigarette smoking is permitted, but not in cars. It may be prohibited by anyone in lawful possession of property.

## **Cannabis Licensing**

- Establishes an appointed Cannabis Regulatory Control Board, with an executive director, chief medical officer, and staff.
- Provides for four adult-use license types: cultivation/processing, micro-cultivation (up to 3,000 square feet of canopy), dispensing, and testing labs.
- Provides that adult-use cannabis business licenses will be issued to:
  - existing medical dispensary permit holders if they pay a \$25,000 fee.
  - existing medical growers/processors if they pay roughly \$300,000 in fees and donations or loans related to equity.
  - social and economic equity applicants that sign “charter agreements” with medical dispensary licensees that provide them support.
  - in the case of up to four new dispensary licenses, up to three new cultivation licenses, and a Board-determined number of micro-cultivation licenses, other applicants, via a merit-based licensing system.
- Allows existing medical licensees to serve adults six months after passage.
- Allows existing medical growers/processors to have up to two locations.
- Allows non-vertically integrated medical cannabis growers/processors (with no dispensary) to apply for a permit to operate up to three dual-use retailers.

## **Advancing Equity and Diversity in the Industry**

- Directs the Board to develop policies to prioritize and promote diversity and full participation by people from disproportionately impacted areas (DIAs).
- DIAs are areas with one of the following: at least a 20% poverty rate; 75% of children in the school lunch program; and/or 20% of the households receiving SNAP.
- Allows medical cannabis businesses with dispensaries to apply to double their dispensary locations if they provide financial and operational support to incubate a social and economic

equity applicant. The medical business cannot have more than 10% ownership and must provide a pathway for full ownership.

- Establishes a Cannabis Business Development Fund — a program for financial assistance, loans, grants, and technical assistance to equity applicants.
- Transfers \$3 million into the Cannabis Business Development Fund.
- In most cases, regulators will waive the following for equity applicants: 50% of the application fee, the fee associated with purchasing a permit, and any surety bond.

○ If an equity applicant transfers their license to a non-equity applicant, the new owner must pay waived fees and outstanding grants/loans received.

- On January 1, 2024, and annually thereafter, the Board will issue a report on diversity in the cannabis industry and barriers to entry, including access to capital.

### **Cannabis Regulation**

- Requires the Board to craft an array of regulations including record-keeping, pesticide use, labeling and packaging, and to designate a tracking provider.
- The Board will set rules for home delivery by dispensaries and micro-cultivators.
- Caps THC at 15% for flowers and 40% for concentrates for adult-use.

### **Local Control**

- Local governments may enact reasonable ordinances regulating cannabis business establishments, including minimum distance limitations between cannabis business establishments and sensitive locations.
- Localities can limit cannabis business numbers but cannot ban them completely.

### **Taxation**

- Imposes excise and sales taxes totaling 13% on retail sales.
- Allocates taxes to localities (20%), the Board (2%), and the general fund.

### **Medical Cannabis**

- Allows medical cannabis patients to cultivate cannabis for personal use.
- Moves the medical cannabis program to the Board.

### **Cannabis Clean Slate and Release**

- Automatically expunges records for some non-violent cannabis offenses and provides for immediate release of those incarcerated for expungable offenses.
- Starts the process within six months.
- Automatically reinstates motor vehicle privileges that were suspended or revoked as a result of the individual's expunged conviction.

### **Other Criminal Justice Reforms and Non-Discrimination**

- Reduces penalty for those under 21 possessing cannabis from possible jail to a warning, civil fine, and/or adjudication alternatives.

- Provides some non-discrimination protections, including related to occupational/professional licensing, child custody, and firearms.
- Does not include employment protections.