

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1024

PRINTER NO. 1823

AMOUNT

See Fiscal Impact

FUND

Medical Marijuana Program Fund

DATE INTRODUCED

March 26, 2021

PRIME SPONSOR

Representative Schemel

DESCRIPTION AND PURPOSE OF BILL

House Bill 1024 amends the Medical Marijuana Act to update provisions with respect to caregivers, COVID-19 waivers and background checks for caregivers and licensees.

The bill amends the Medical Marijuana Act to change the definition of caregiver to allow a "person" to serve as a caregiver of a registered patient. As defined in the act, "person" includes a natural person, corporation, foundation, organization, estate, trust, partnership, or other business entity. House Bill 1024 also amends the caregiver provisions to allow for a caregiver to care for more than five patients at any time. Caregivers who are seeking to be added to the program must submit fingerprints to the Department of Health (department) to obtain criminal history checks. The criminal background information may be provided to the department via electronic means.

The legislation also requires that the department release the names of those individuals who review the applications for medical marijuana organizations.

Background checks performed on behalf of the licensees for grower/processor or dispensary permits are also eligible to be provided via electronic means. Only those individuals who have an ownership interest of 5% or more of the privately held medical marijuana organization are required to submit to the background check.

House Bill 1024 allows for the increase of product dispensing from a 30-day supply to a 90-day supply. The dispensing may take place curbside, and the patient/caregiver is not required to enter the dispensary to obtain their medical marijuana product.

The legislation allows for those who have misdemeanor criminal offenses to be employed with a medical marijuana organization.

The bill allows for an exclusion from prohibition of employment due to a felony criminal offense related to the sale or possession of illegal drugs, narcotics or controlled substances if at least ten years have passed since the satisfactory disposition of the individual's most recent felony sentence.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

HB 1024 allows for a dispensary to interchange the designation of the facility from primary to secondary or tertiary or vice versa. The department must be provided with 14 day-notice prior to the change in designation.

HB 1024 allows for the remediation of seeds, immature medical marijuana plants, medical marijuana plants, flower and products at a time prior to final processing. An independent laboratory must test the product after remediation and prior to final product.

The medical marijuana facility is permitted to use an application programming interface (API) in addition to the seed-to-sale tracking system in order to interface between medical marijuana organizations. This applies to the inventory at the dispensary, the products at the grower/processor and for the transportation of the medical marijuana.

The bill allows for the use of pharmaceutical grade or food grade additives for medical marijuana, including hemp from a licensed hemp grower. The hemp grower must be licensed by the Department of Agriculture. It also allows for growers/processors to import additional seeds and immature plants to alter the genetics in the grower/processor's stock. This can be done once per year during a 30-day period set by the department. Additionally, finished products can be obtained from other growers/processors in the Commonwealth.

House Bill 1024 allows for video surveillance of a licensed facility to be done by motion activated cameras and retained for 90 days.

Medical marijuana growers/processors are able to use pesticides that are approved by the Department of Agriculture in line with the Pennsylvania Pesticide Control Act. The Department of Agriculture must also create a procedure to review and approve or remove pesticides from the list of approved pesticides.

Laboratory testing may be done by one or more independent laboratories. HB 1024 no longer requires a test of every harvest batch and only requires duplicate testing if the flower is processed into a final product.

House Bill 1024 creates a stability testing structure to allow for testing to be done every 6 months to determine the purity and potency of medical marijuana if the product is still available to the public in a dispensary. If the product is no longer available for purchase, the need to stability test the product ends.

The bill allows the department to expand the possible number of clinical registrars from eight to ten.

The bill requires the department to open applications for additional academic clinical research clinics and to issue approvals to qualified clinics within 90 days of passage. In addition, the department shall open applications for additional clinical registrars within 120 days of passage and issue approvals or permits to qualified registrars within 180 days of passage.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

This act shall take effect in 60 days.

FISCAL IMPACT:

House Bill 1024 requires the Department of Health's electronic seed-to-sale tracking system to be upgraded to allow for two-way communication and application-programming interface with a medical marijuana organization's software and to securely transmit data to the advisory board. At this time, the system upgrade cost is unavailable; however, the Medical Marijuana Program Fund has a projected ending balance of more than \$55 million for Fiscal Year 2021-22. Therefore, any cost associated with software system upgrades could be accommodated with existing resources.