

PENNSYLVANIA CANNABIS COALITION



# MEMBERSHIP MEETING

2021 Second Quarter Meeting





# SECOND QUARTER VIRTUAL MEMBERSHIP MEETING AGENDA

- CALL TO ORDER
- OLD BUSINESS
- NEW BUSINESS
- OTHER BUSINESS
- ADJOURNMENT





# P.C. POLITICAL ACTION COMMITTEE

Adam Bonin, The Law Office of Adam C. Bonin

- A PAC is simply a group of individuals who pool their financial resources to help elect individuals to office
- PACs are important to candidates in funding their campaigns
- Your contribution is an active of political participation
- Big legislative goals require big PAC budgets
- Participation in fundraising for members of the General Assembly is crucial
- If you contribute to the PAC you can attend fundraising events in your area or in Harrisburg on behalf of PCC

## **Suggested Initial Annual Contributions**

- GPs: \$5,000
- Dispensaries: \$2,500
- Labs: \$1,000
- CRs: \$3,500
- Affiliate Members: \$1,000





## ATTORNEY-CLIENT COMMUNICATION

### MEMORANDUM

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**TO:** Meredith Buettner, PA Cannabis Coalition  
**FROM:** Adam C. Bonin  
**DATE:** September 1, 2020  
**RE:** Political Contributions By LLCs and LLPs under Pennsylvania Law

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You've asked me to advise members of the PA Cannabis Coalition as to the legality of political contributions made directly by LLCs and LLPs to candidates on the state level, including candidates for the General Assembly.

In general, such matters turn on whether the LLC is treated as a partnership or a corporation for tax purposes, and whether in the case of a partnership its constituent members are persons or corporations. So long as the LLC or LLP is constituted by persons and taxed as an individual or partnership, it can make direct contributions to candidates for state office in Pennsylvania.

While 25 P.S. § 3253 generally prohibits corporate contributions to Pennsylvania candidates, there is an exception which allows contributions along the same line as federal law:

No contribution from a partnership, limited partnership or limited liability company may be made from funds of any partner, limited partner or member that is a corporation. A limited liability company that makes a contribution shall affirm to the recipient candidate or committee that the limited liability company is treated as a partnership for Federal tax purposes and that the contribution from the limited liability company does not contain corporate funds.

25 P.S. §3253(d). What this means in practice is that most candidates and campaigns will reach out upon receiving an unsolicited contribution from an LLC or LLP, and ask either to affirm that the requirements of Section 3253(d) have been met.

Please let me know if you have any further questions.



# CONTRIBUTE



MAIL A CHECK TO "P.C. PAC" - 204 STATE STREET | HARRISBURG, PA 17101



VISIT [WWW.PCANNA.ORG/PAC](http://WWW.PCANNA.ORG/PAC) AND CONTRIBUTE ONLINE

CORPORATE CONTRIBUTIONS CANNOT BE ACCEPTED



# Covid Emergency Disaster Declaration

- The Governor's most recent COVID Declaration ended 5/19/21 at midnight
- By not renewing the COVID Emergency Declaration the Governor ended the temporary regulatory suspensions/changes including those related to the Medical Marijuana Program
- Until the election is certified, the Governor still has the unilateral power to reverse this by renewing the Emergency Declaration
- The Governor indicated Wednesday that he intends to respect the results of the election and is talks with GOP leadership
- Rep. Schemel's Act 16 Bill will make these changes permanent
- But what can we do right now?



# What can we do right now?

Call Governor Wolf and ask him to renew the Emergency Declaration

Governor Wolf's Office: (717)-787-2500

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Call Legislative Leadership and ask them to support a limited declaration that allows for the regulatory suspensions related to the Medical Marijuana Program to continue until they are made permanent through actively proposed legislation

Speaker Bryan Cutler: (717) 783-6424

House Majority Leader Kerry Benninghoff: (717) 783-1918

House Minority Leader Joanna McClinton: (717) 772-9850

President Pro Tempore Jake Corman: (717) 787-1377

Senate Majority Leader Kim Ward: (717) 787-6063

Senate Minority Leader Jay Costa: (717) 787-7683



# What about the Constitutional Amendments?

- The AP has called the votes in favor of the Constitutional Amendments but the results have NOT been certified
- Amendment 1 - Presentment Clause: Allows the General Assembly to terminate an emergency declaration in whole or in part, without presentment to the Governor
  - Self-executing but the General Assembly would have to pass another concurrent resolution
- Amendment 2 - Disaster Declarations: Places restrictions on the Governor's ability to issue future emergency disaster declarations and is retroactive to current declarations
  - Some portions of this Amendment are self executing but one will require implementing legislation
- 21 day clock on Emergency Declaration would start when the Amendment takes effect
- Takes power to extend disaster declarations away from the Governor and gives it to the General Assembly to do by a concurrent resolution



# PCC LOBBYING TEAM

Dentons

Nello Giorgetti & Andrew Paris

The DT Firm

Dave Thomas, Matt Plummer, Jenna Earley & Carson Baker

Duane Morris

Patty Mackavage, Kevin Busher & Ron Boston

Bi-Weekly Lobbying call for member contract lobbyists

If we have failed to include your lobbyist please email Meredith at [Meredith@pcanna.org](mailto:Meredith@pcanna.org)



# Modernizing Act 16: The Legislation

- Representative Paul Schemel has filed House Bill 1024
  - Recommendations from the MMAB's two year report
    - Changing the definition of caregiver and allowing caregivers to care for more than five patients
    - Allowing for background checks to be submitted electronically for caregivers and employees
    - Allowing Patients a 90 Day Supply
    - Allowing curbside delivery
    - Sunset Clause
  - Does not include
    - Giving DOH the ability to issue new permits



# Modernizing Act 16: The Strategy

- We anticipate Representative Schemel's bill will move through committee next week
- Representative Jim Cox has agreed to carry a package of amendments in committee these include:
  - Increase patient supply by allowing for product remediation
  - Allow hemp-derived ingredients produced by PA hemp growers to be added to medical marijuana to increase the supply of high-cbd products
  - Allow for the use of pesticides as permitted by the PA Dept. of Agriculture
  - Allowing for redesignation of primary, secondary and tertiary locations of dispensaries
  - Holding privately held companies to the same disclosure requirements as publicly held companies
  - Elimination of redundant testing while continuing to provide patients medicine safely and securely
  - Allow motion activated recording for video surveillance to increase security while reducing costs



# Modernizing Act 16: Next Steps

- PCC is working with Representative Jim Cox & Representative Jake Wheatley to carry these additional amendments in an agreed upon floor package:
  - Allow cannabis producers to source and cultivate new genetic strains for improved product quality
  - Increase patient access by allowing for relocation of dispensaries
  - Allow the use of Application-Programming Interfacing to increase transaction speed, transparency and reliability.
  - Removing marketing and advertising approvals from DOH Authority
  - Allow individuals with prior misdemeanor drug-related convictions to obtain medical cannabis employment, and a path to rehabilitation
- Once a bill passes the House it will move to the Senate where we will have an opportunity to work with our partners there to consider any changes not made in the House version of the bill and any additional provisions that need to be addressed.



A man with dark hair and glasses, wearing a yellow t-shirt and a mustard-colored jacket, stands in front of lush green foliage. He is holding a large blue sign with white text that reads "Modernizing Act 16" and "WHAT YOU CAN DO".

**Modernizing Act 16**

**WHAT YOU  
CAN DO**

# Modernizing Act 16: Next Steps

- Call the State Representatives that represent your facilities and encourage them to vote for HB 1024
- Schedule visits with members of the General Assembly to show them first hand why modernizations are needed
- Use your patient communications to encourage patients to contact their State Representatives and vote for HB 1024
  - **Tools for outreach**
    - Visit <https://www.pcanna.org/take-action> to contact the General Assembly today and push out to patients & vendors
    - Partner with [www.FixAct16.com](http://www.FixAct16.com) by adding your company's logo and pushing it out to your patients & vendors
  - **If you publish your own petitions or outreach tools let us know**

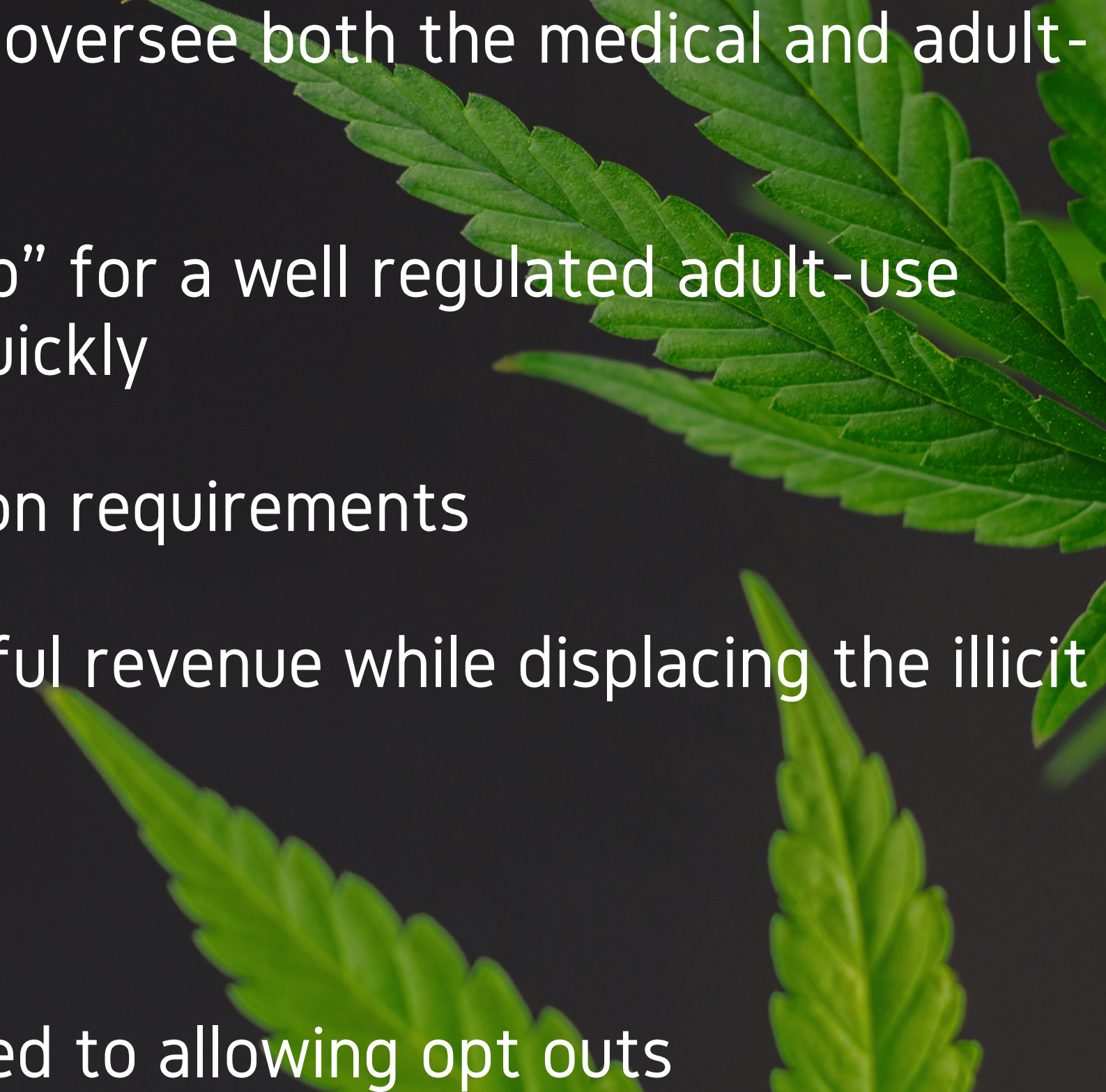


# DOH Proposed Final Program Regulations

- The Independent Regulatory Review Commission (IRRC) issued their comments regarding DOH's Proposed Final Program Regulations on May 5, 2021
- IRRC Criteria:
  - Statutory Authority & Legislative Intent
  - Economic or Fiscal Impact
  - Protection of the Public Health, Safety and Welfare
  - Feasibility, Clarity and Reasonableness
  - Impact on Small Businesses
- IRRC's Comments were generally in line with those of the stakeholders from both the regulated community and the public regarding the proposed final regulations recognizing the need to modernize Act 16
- PCC is distributing our comments to members of the General Assembly, members of the Medical Marijuana Advisory Board and patient advisory group
- DOH will now work to incorporate the comments as they are allowed under Act 16
- Please share your comments with the members of the General Assembly who represent your facilities to demonstrate the need to modernize Act 16



# PCC Priorities for Adult-Use

- Creation of an independent regulatory body to oversee both the medical and adult-use programs
  - Current permit holders serving as the "on-ramp" for a well regulated adult-use market allowing revenue to be realized most quickly
  - Co-located dispensaries, no inventory separation requirements
  - An effective tax rates that generates meaningful revenue while displacing the illicit market
  - Diversity, Equity and Inclusion
  - Creating incentives for municipalities as opposed to allowing opt outs
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# Federal Update

**Michael Bronstein**  
ATACH President, PCC Co-Founder





# MEDICAL MARIJUNANA ADIVOSRY BOARD MEETING RECAP

- Introductions of Board Members
  - Secretary of Health Alison Beam
  - Physician General Dr. Denise Johnson - Filling former Deputy Secretary Sarah Boeteng's role on the board
- Five Year Anniversary of Act 16: April 17, 2021
- Five Year Anniversary of Act 16 taking affect: May 17, 2021
- Secretary Beam considers the program to be one of "the hallmarks of Governor Wolf's Administration"
- One of the most successful medical marijuana programs in the country
- Important research is underway





## Program Updates

- 30/33 Grower/Processors are operational
- 25/30 are shipping product to dispensaries
- 120 Dispensaries Open
- 30 Dispensary locations being built currently
- All 8 Clinical Registrants have been approved and are affiliated with ACRCs
- Over 400 comments received during the public comment period on the proposed final program regulations

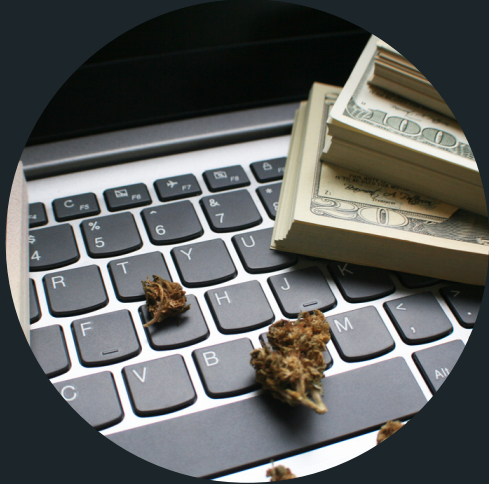
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## Program Statistics

- 582,059 patient certifications issued
- 343,634 active patient certifications
- 1,561 registered practitioners
- 150,000 weekly patients visits to dispensaries
- 11.9 Million dispensing events
- 34 Million products dispensed to date



# Market Statistics



**\$2.8 Billion in Total Sales**



**\$1.1 Billion in sales from Grower/Processors to Dispensaries**



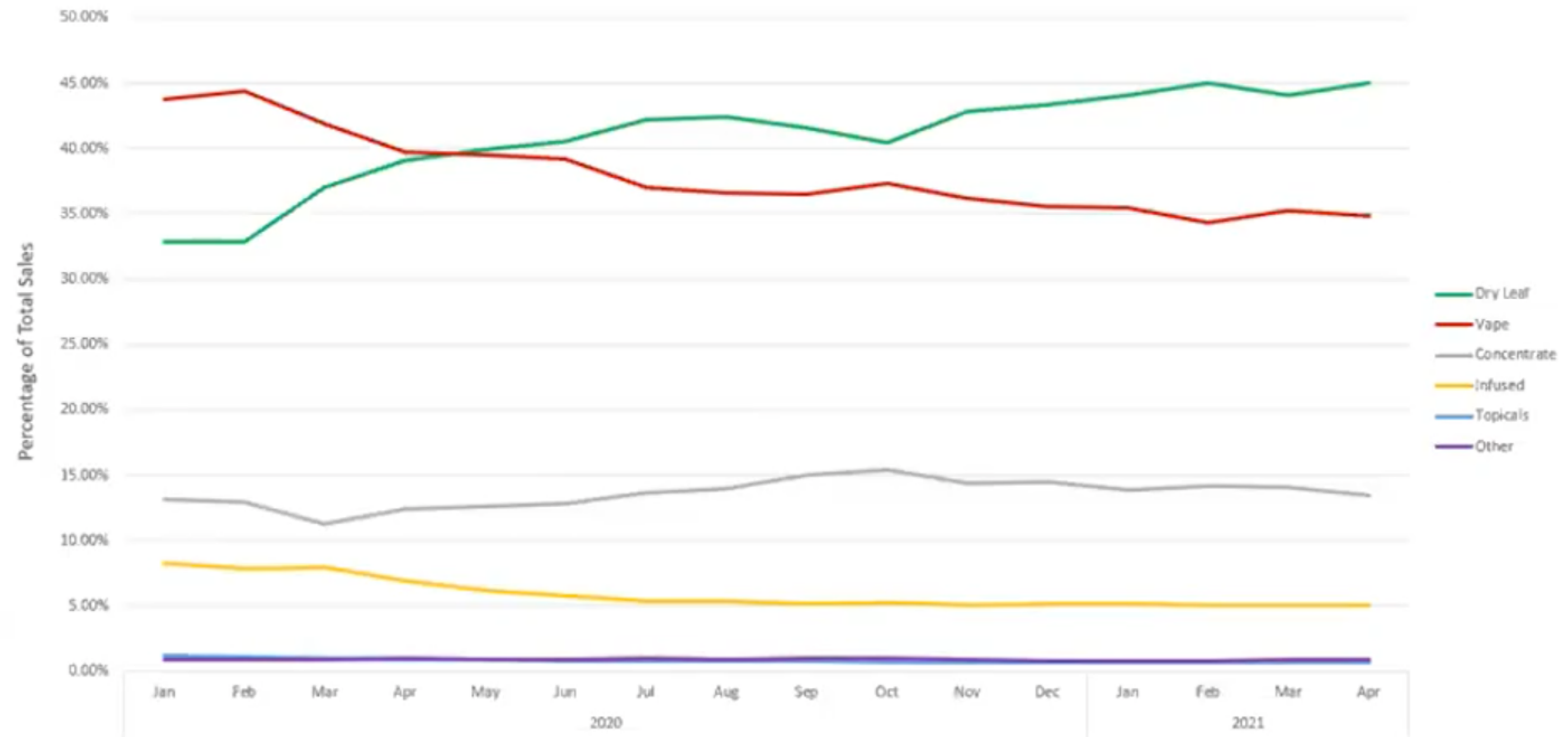
**\$1.7 Billion in sales from dispensaries to patients**



# Medical Marijuana Program Update



## Patient Purchasing Trends by Product Category





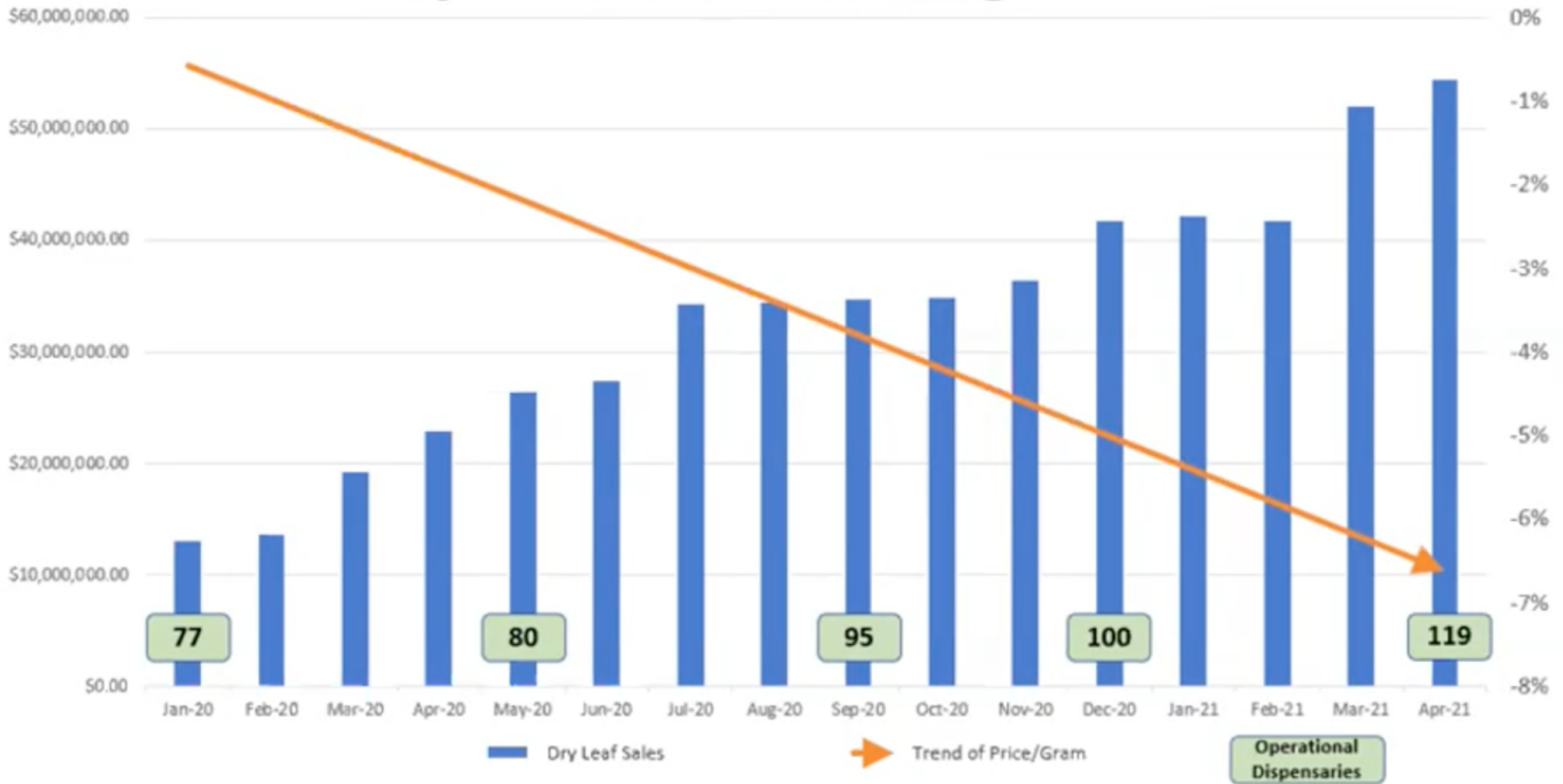
# Medical Marijuana Program Update



johncollins

Sales Volume Increases as Demand and Operational Dispensaries Grow

## Dry Leaf Sales and Pricing Trends





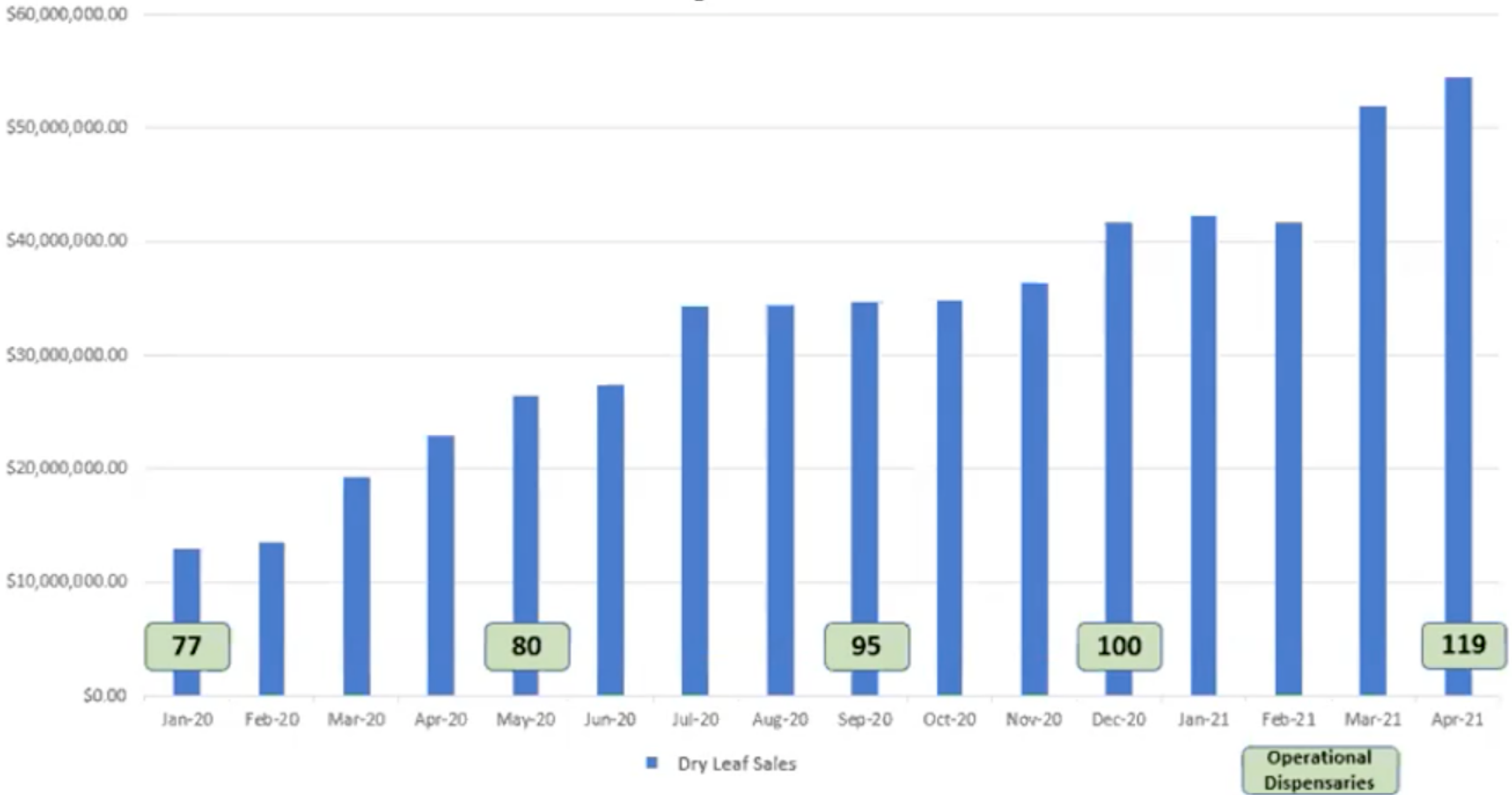
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johncollins

Sales Volume Increases as Demand and Operational Dispensaries Grow

## Dry Leaf Sales



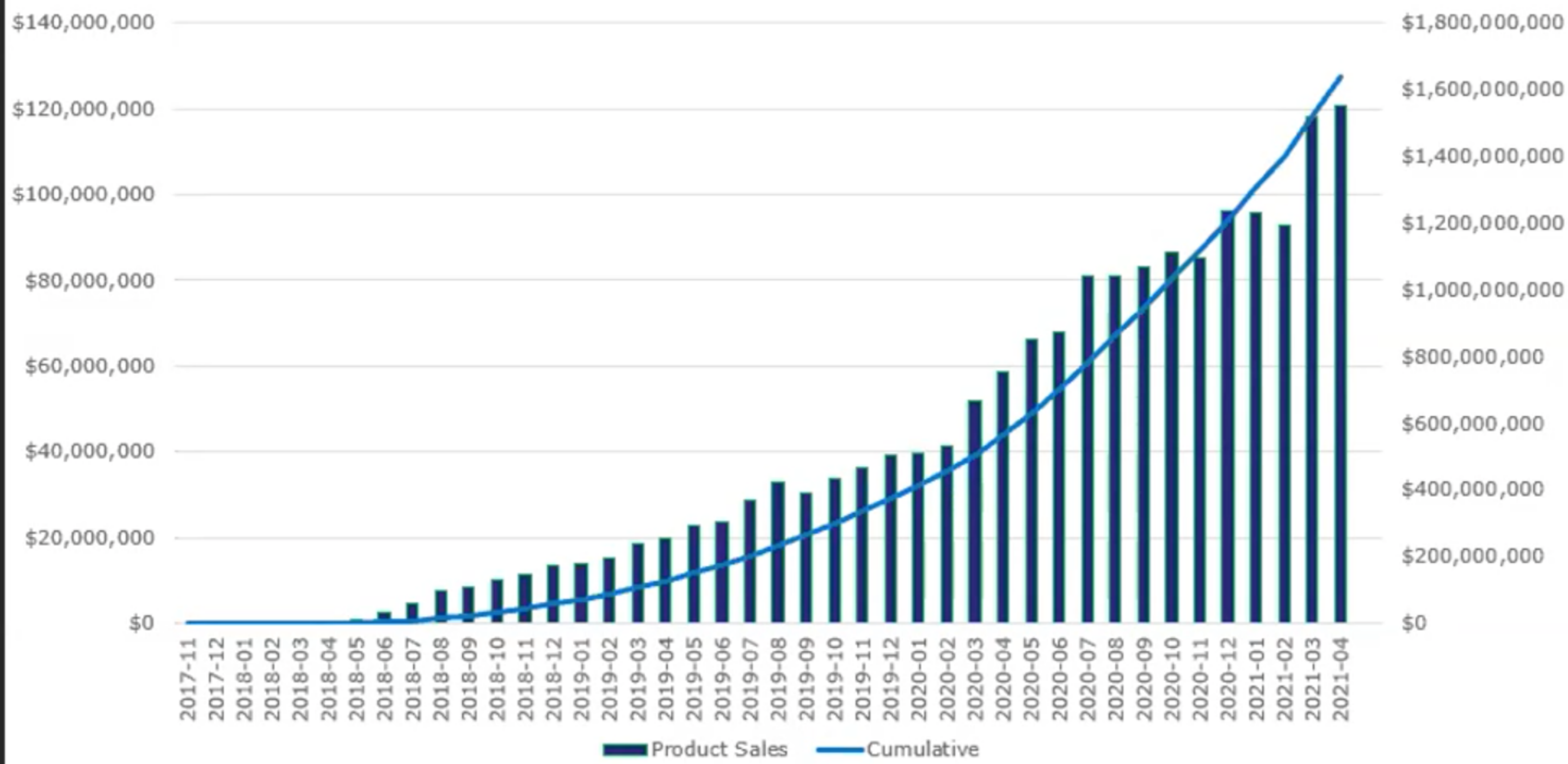


# Medical Marijuana Program Update



johncollins

## Total Dispensary Sales

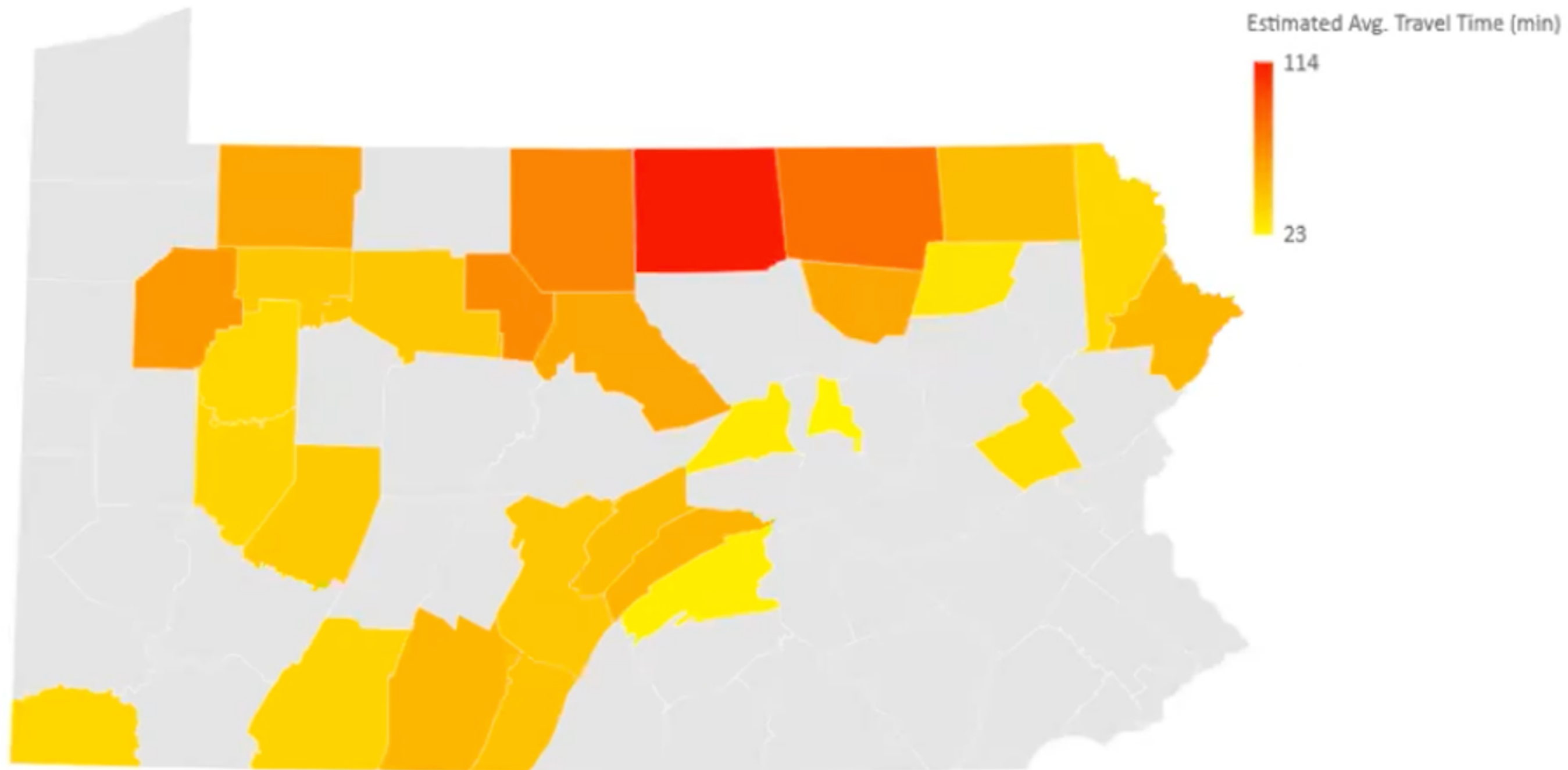




# Medical Marijuana Program Update

johcollins

## Estimated Average Travel Time for Unserved\* Counties



\* No current or planned dispensary locations

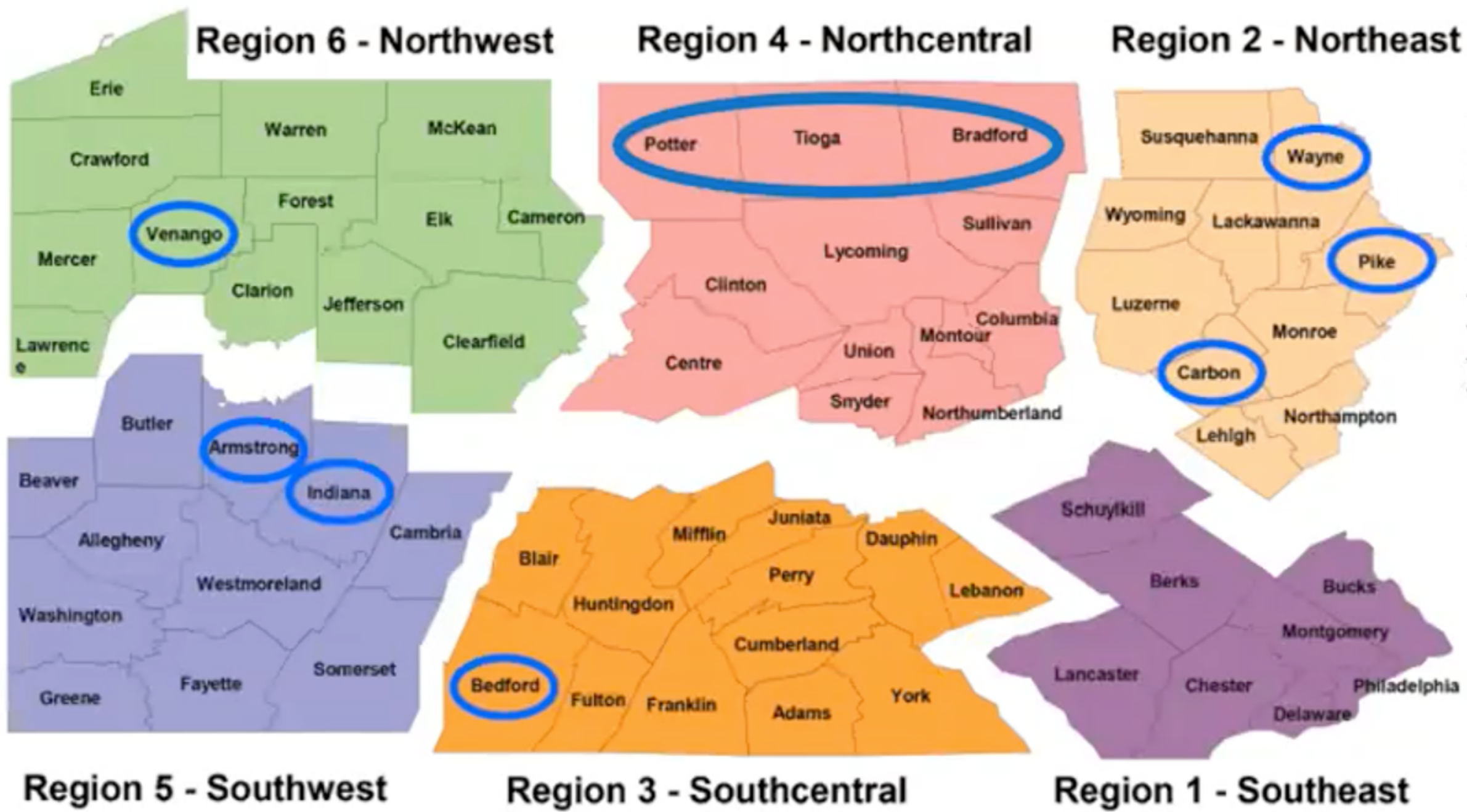


# Medical Marijuana Program Update



johncollins

Greater than 2,000 Patients without a Dispensary Location



Circled county or area has > 2000 patients, > 30 min. avg. travel time, and no current or planned dispensary locations.



# Patient Hardship Fund

- Department's position is that it cannot be enacted for a period of time after the final regulations are filed and the \$3million loan from the state to start the program is repaid
- Recap: Act 16 provides that the Office of Medical Marijuana establish a patient hardship fund to help patients with the cost of medicine
  - The Medical Marijuana Fund had \$40million last fall
  - The General Assembly took \$20million to balance the budget shortfall created by covid
  - We will continue to work with patient advocates to establish the hardship fund as a means to reduce patient costs



# Welcome to our New PCC Members



Cerealia Group





# MEMBERSHIP RESOURCES

- NEW PASSWORD PROTECTED AREA OF PCANNA.ORG
- CLICK ON MEMBER RESOURCES
- PASSWORD: PCC 2021
- WHAT'S THERE?
  - WHITE PAPERS
  - POLLING
  - MEMBERSHIP MEETING RECORDINGS AND DECKS
  - PCC LETTERS, COMMENTS & TESTIMONY
  - DOH GUIDANCE
  - BILL TRACKING
  - PRESS RELEASES
  - PERMIT HOLDER DIRECTORY
  - PUBLIC RELATIONS RESOURCES
- WHAT'S MISSING?





# COMMITTEE MEETING SCHEDULE

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Dispensary Committee: First Tuesday @ 1PM EST

GP Committee: Second Tuesday @ 1PM EST

Adult Use Committee: Second Wednesday @ 1PM EST

Advocacy & Outreach Committee: Third Tuesday @ 1PM EST

Legislative Input Committee: Fourth Tuesday @ 2PM EST





UPCOMING DATES

# THIRD QUARTER MMAB MTG

August 17, 2021

# THIRD QUARTER PCC MTG

August 19, 2021 [Tentative]

# FOURTH QUARTER MMAB MTG

November 16, 2021

# FOURTH QUARTER PCC MTG

November 18, 2021 [Tentative]





**OTHER BUSINESS**

**PCC**

