

FEBRUARY 2021



MONTH IN REVIEW



FROM THE EXECUTIVE DIRECTOR

PCC Members -

February may be the shortest month of the year but it certainly provided plenty of excitement for cannabis in the Commonwealth. We have made important strides in our efforts to amend Act 16 to make it better for both patients and the industry. Department of Health promulgated proposed final program relations and we saw the introduction of a BIPARTISAN Adult Use Cannabis Bill for the first time in Pennsylvania. Our lobbying and public relations teams have been hard at work to ensure PCC plays a crucial role in all three of these important matters. Your feedback matters on all of these items. Please do not hesitate to call or email to share your suggestions.

Big goals require big resources. We have three ways to ensure we have the resources to accomplish our goals; bringing our dues structure in line with other cannabis associations, adding Affiliate Members and growing the Political Action Committee. How can you help? Connect me with your vendors, get your PAC contributions in and provide us with feedback about your experiences with other associations.

Please let me know if I can answer any questions - I can always be reached at Meredith@pcanna.org or 717-220-3508

Best,

Meredith V. Buettner
Executive Director

PENNSYLVANIA CANNABIS COALITION

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LEGISLATIVE ADVOCACY UPDATES

- Act 16
 - Representative Schemel has agreed to work with PCC on a series of amendments to his Act 16 Modernization Bill
 - PCC has secured a sponsor in the Senate to carry a companion bill
- Proposed Final Program Regulation
 - Regulations become public on 3/6/21 kicking off the 30-day comment period
 - PCC will quarterback an effort to submit comments
- Senators Street & Laughlin announced a Bipartisan Adult Use Bill
 - PCC is diving into the language and providing feedback

BEAM APPOINTED SECRETARY OF HEALTH

Allison Beam was named Acting Secretary of Health by Governor Wolf on January 23, 2021 following President Biden's nomination of Secretary Levine to his administration. Beam served as Deputy Chief of Staff to Governor Tom Wolf, coordinating initiatives and resources across Pennsylvania's departments of Health, Human Services, Drug & Alcohol Programs, Aging and Insurance, as well as the Office of Advocacy and Reform. She has helped coordinate the administration's COVID-19 pandemic response; the rollout of Pennie, Pennsylvania's health insurance marketplace; the Reach Out PA campaign; and the Wolf Administration's health care reform plan. Prior to transitioning to the Governor's Office, Beam served as Chief of Staff to the Pennsylvania Insurance Commissioner. She previously served as Director of Public Policy and Associate Counsel for Independence Health Group in Philadelphia, Pennsylvania.

DOH/PROGRAM UPDATES*

Market

PA Market at \$1.7 Billion
Represents 30% growth since August
\$680M GP to Dispensaries
Weekly Dispensary sales at \$21 million
Growing at a rate of 2% per week

Operational Permits

27 GPs (Includes operational CRs)
97 Dispensaries (Over 100 by end of 2020)

Chapter 20 Update

Initial research published
Additional Studies approved
Virtual Research Summit held in December

Patients

460,000 registered
425,000 certified
~ 280,000 active per week
140,000 weekly visits up from 120,000 in August
Weekly purchases approaching 400,000 units up from 370,000 in August

Physicians

2,000 registered in the program
1,500 completed training
Still a need for pediatric physicians

Top Conditions - 1) Pain 2) Anxiety 3) PTSD

**Data is from November 2020 Medical Marijuana Advisory Board Meeting.* - The February 2021 MMAB Meeting was canceled. PCC will distribute program updates when received.

PC PAC INFORMATION

The Pennsylvania Cannabis Political Action Committee is the bipartisan political action committee of PCC. The goal of the PC PAC is to support candidates seeking elective office that advocate for access to medical and/or adult-use cannabis in Pennsylvania.

Suggested initial contributions to PC PAC:

Grower Processors: \$5,000

Dispensaries \$2,500

Clinical Registrants: \$2,500

Laboratories & Affiliates: \$1,000

Please mail your contributions to:

PC PAC | 204 State Street | Harrisburg, PA 17101

Corporate contributions cannot be made to PC PAC.

State Senators Unveil Bipartisan Plan To Legalize Weed, Expunge Records

By Stephen Caruso | Pennsylvania Capital-Star

Pennsylvania faces a potential multi-billion dollar budget hole, a Republican and Democratic state senator are introducing a bipartisan proposal to legalize and tax recreational cannabis.

The sponsors, senators Dan Laughlin, R-Erie, and Sharif Street, D-Philadelphia, cited shifting public attitudes, as well as the potential gain from a new crop for farmers, a fresh start for those with a possession arrest on their record, and a boast to the state's bottom line.

"I pledged to never raise taxes when I ran for this seat, and I refuse to see a single tax raised on Pennsylvanians when an opportunity for new revenue to balance our state budget is right in front of us," Laughlin said during a Wednesday news conference at the Capitol.

Under their plan, people age 21 and older could purchase marijuana. And, as is the case with cigarettes, marketing directed to children would be banned.

The plan also would allow state medical marijuana patients — but not recreational users — to grow their own cannabis at home.

The senators added that their plan would also expunge non-violent marijuana convictions, decriminalize weed up to a certain limit, and enable the state's independent farmers to grow pot as a crop. They are already allowed to grow hemp, a less potent form of cannabis.

Licenses would also be given to "social and economic equity applicants," according to a memo to Senate colleagues. "We want to make sure this is not just a boon for the big guys," Street said. Exact language of the proposal still hasn't been released.

As for revenue, Laughlin cited the state's Independent Fiscal Office, a non-partisan policy analysis agency, to claim the state could bring in up to \$1 billion a year in revenue.

Matt Knittel, the office's executive director, said in an email that his agency had not officially researched the subject. Instead, the number Laughlin used was a ballpark estimate Knittel offered up last week in response to a question at a budget hearing.

In response, Knittel said that based on other states' tax revenues, Pennsylvania could raise "somewhere between California and Colorado," or between \$400 million to \$1 billion a year.

The proposal has the support of the Pennsylvania Cannabis Coalition, an industry group of medical cannabis growers, processors, sellers and researchers. Coalition Executive Director Meredith Buettner said the group was "ready to work" with lawmakers to develop a safe, beneficial outcome for the commonwealth.

It also excited grassroots cannabis advocates. Patrick Nightingale, president of the Pittsburgh chapter of NORML, a nationwide cannabis advocacy group, pointed to the legalization of home growth as a key feature. Such a provision allows low-income patients who can't afford Pennsylvania's highly priced medical weed to save money on their medicine, he said.

And regardless of the specifics, seeing a Republican back the proposal was akin to hitting the jackpot, Nightingale argued. "We understand it may not be the perfect bill cannabis activists want to see," he said. But "the fact we're having this conversation in earnest with our conservative friends and allies" could bring with it reform this year.

Laughlin first signaled support for legalization last year, and now fresh off reelection to a four-year term, he argued that supporting legalization was consistent with his, and his parties' conservative values. "Republicans stand for freedom, and I don't know what is more Republican than this," Laughlin said.

But other members of his party haven't bought into the hype. Republican leadership in the General Assembly has consistently opposed legalizing it.

As recently as August 2020, House Majority Leader Kerry Benninghoff, R-Centre, has called legalization "utterly irresponsible." Senate President Pro Tempore Jake Corman, R-Centre, has previously called it "reckless and irresponsible."

As of Feb. 2021, Laughlin said Senate GOP leadership had at least given him the go ahead to pursue the issue. A spokesperson for Corman said he would let the committee process play out.

Jason Gottesman, a spokesperson for Benninghoff, pointed out that the state's medical marijuana program, which Benninghoff voted for, passed just five years ago.

That program needs more time to research the effects of marijuana use before the General Assembly takes further action, he added.

Legalizing weed first started to appear on Harrisburg's agenda when a statewide Democrat, former Auditor General Eugene DePasquale, signaled support in 2017. He was joined by newly elected Lt. Gov. John Fetterman in 2018. In late 2019, Gov. Tom Wolf, at first a skeptic, also backed legalization.

Public polling has shown majority support for legalization. Fetterman meanwhile conducted a non-scientific listening tour of the state to gauge support for legalization.

He found widespread anecdotal backing, with fall off only among some rural central Pennsylvania counties. Decriminalization, which eliminates criminal penalties but prevents the legal sale of marijuana, had even broader support. It has also generated a little more support among Republicans in the past years. But Laughlin and Street didn't think it was right to take a half measure. "We don't want to build a black market. We want to eliminate it," Street said.

A bill just signed into law in neighboring New Jersey legalized recreational cannabis this week. New York, where Democrats control the executive and legislative branches, could be next.

So far, 14 states nationwide have legalized recreational marijuana.

LEGISLATOR SPOTLIGHT: REPRESENTATIVE JAKE WHEATLEY

State Representative Jake Wheatley represents parts of Allegheny county.

He is a recognized United States Marine combat veteran of Operation Desert Storm who received the Combat Action Ribbon, National Defense Service Medal and the Kuwait Liberation Medal. He is a proud resident of the City of Pittsburgh. Rep. Wheatley holds a bachelor's degree in political science from North Carolina A&T State University, where he graduated with honors. He went on to receive a master's degree in public administration from the University of Pittsburgh.



He was first elected in 2002 and Representative Wheatley has faithfully served and provided leadership for his own and other surrounding districts for almost 20 years. He is a member of community boards and agencies too numerous to list. Committed to fighting for what is right for the people of his district and throughout the Commonwealth for positive change in the quality of their communities and their lives. Pushing for economic development, mass transit, true education funding and academic advancements for all children, as well as providing leadership on covering every Pennsylvanian with quality and affordable healthcare.

Representative Wheatley has made his stance on cannabis very clear, "Make your voice heard on legalizing adult-use cannabis" can be seen at the top of his website. Late February of 2020, Rep. Wheatley announced a bill that would legalize recreational marijuana and include "clean slate" provisions, which would expunge the record for people charged with non-violent, cannabis-related offenses. While the bill's primary focus would legalize the sale of cannabis for adult recreational use through a permitting structure for growers, processors and dispensaries, it would also: Create a grant program to help minority and women-owned businesses. Provide funds to support social programs, including after-school programs, student loan forgiveness and affordable housing. Allow for the expungement of cannabis-related offenses for non-violent drug offenders.

Something he takes very seriously is a quote from Speaker Kirkland Leroy Ivis' who said, "Through us, they speak" as he carries on the message of Ivis referring to his own office as the people's office and making it clear he will not stop fighting for those people.

Bio adapted from PCC Intern, Bryce Stewart's introduction of Representative Wheatley for PCC's First Quarter Virtual Meeting

PCC PRIORITIES: MODERNIZING ACT 16

- Adequate Supply for Patients
 - Increase Patient Supply by allowing for product remediation
 - Allow patients and certifiers a wider variety of medical marijuana choices for the treatment of allowable conditions
 - Allow Hemp-derived Ingredients to be added to medical marijuana to increase the supply of high-cbd products
- Patient Access
 - Increase accessibility by allowing dispensaries to relocate to where patients are
 - Allow MMOs to use Application-Programming Interface
- Social Equity
 - Allow individuals with misdemeanor drug - related convictions to be employed in the medical marijuana industry

PCC PRIORITIES: DOH PROPOSED FINAL PROGRAM REGULATIONS

- DOH sent proposed final regulations for the MMJ program to the Independent Regulatory Review Commission (IRRC)
- Proposed regulations will be published in the Pennsylvania Bulletin on March 6, 2021 triggering the 30-day comment period
- Public Comment closes April 5, 2021
- IRRC comments are due by 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
- PCC will be coordinating comments on the proposed regulations through our lobbying team.
- We will not only address issues with proposed final regulations but will make an effort to address program related issues such as pesticides and the alignment of public & private companies as well as others through this process.
- One good comment about an issue is more valuable than 100 comments about the same issue
- Send your questions, comments and concerns to Meredith via email at Meredith@pcanna.org



PCC PRIORITIES: ADULT USE CANNABIS

- 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

MEMBERS IN THE NEWS

Verano Launches Another Zen Leaf Store In PA

MCR Labs Opens Pennsylvania Location

Crime Victim Center receives more funding for Sexual Assault Resource Center in Erie

Nazareth area medical marijuana dispensary approved

Healing Center to open marijuana growing facility and dispensary in Chester

MEMBER SPOTLIGHT

**Hamburg, Rubin, Mullin, Maxwell & Lupin
PCC Affiliate Member**

William G. Roark is a Principal of HRMM&L and chair of the firm's medical marijuana practice. He represents individuals and businesses in the medical marijuana industry by helping them comply with Pennsylvania's Medical Marijuana Act. He assists clients to understand the permitting application process and the requirements associated with entering this industry. Because he has remained on the forefront of the legislative development and implementation of the Act, Bill has been asked to plan and present at various educational seminars teaching other professionals about this new law. Since 2014, he has devoted his time to expanding the legal profession's knowledge and awareness of the Medical Marijuana Act and its precursors so that the profession can be better prepared to meet the numerous legal needs on the horizon. He currently serves as co-chair of the Pennsylvania Bar Association's Medical Marijuana and Hemp Law Committee.

AFFILIATE MEMBERSHIP

The PCC Affiliate Membership program brings together the greater Pennsylvania Cannabis Community in order to advance legislation, regulations and implementation of Pennsylvania's cannabis program. Affiliate Membership is open to any entity who supports the purposes of PCC and is engaged in the business of supplying current permit holders with goods and services. Examples of Affiliate Member businesses include but are not limited to cannabis accessories; cultivation equipment or supplies; dispensary equipment or supplies; financial, legal, advocacy or insurance services; packaging, security or software companies.

Affiliate Members may participate in all PCC programming, meetings and receive coalition communications. Affiliate Members may join relevant committees but are not eligible for membership on the Executive Committee as they are classified as Non-Voting. Affiliate Members will receive an updated business-to-business contact sheet for all members on a quarterly basis and have logo and company information displayed on the Affiliate Member page of the PCC Website. Opportunities for advertising in PCC communications and presenting at membership meetings are also available to Affiliate Members.

Affiliate Membership is \$1,000 per quarter

If you have a vendor who may be interested in becoming an affiliate member please email Meredith@Pcanna.org.

IMPORTANT DATES

ACT 16 Five Year Anniversary
April 17, 2021

PCC Virtual Lobbying Day
TBD

PA DOH MMMAB Virtual Meeting
Tuesday, May 18, 2021
10:00am
LINK WILL BE EMAILED WHEN AVAILABLE

PCC 2Q Quarter Virtual Membership Meeting
Thursday, May 20, 2021
12:00pm Via Zoom

MEMBERSHIP INFO

Dues invoices are emailed quarterly to your billing contact. To check or update your billing information please email Meredith@pcanna.org

PCC 2021 Dues Schedule PER PERMIT
GPs: \$3,000/quarter
Dispensaries: \$1,500/quarter
Labs: \$1,500/quarter
Clinical Registrants: \$4,500/quarter
Affiliates: \$1,000/quarter

**CLICK HERE TO ACCESS PCC
MEMBER RESOURCES PAGE**