
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2309 Session of
2026

INTRODUCED BY MALAGARI, SANCHEZ, MADDEN, GIRAL, HILL-EVANS,
BRENNAN, KINKEAD AND BOROWSKI, MARCH 20, 2026

REFERRED TO COMMITTEE ON HEALTH, MARCH 20, 2026

AN ACT

1 Amending the act of April 12, 1951 (P.L.90, No.21), entitled "An
2 act relating to alcoholic liquors, alcohol and malt and
3 brewed beverages; amending, revising, consolidating and
4 changing the laws relating thereto; regulating and
5 restricting the manufacture, purchase, sale, possession,
6 consumption, importation, transportation, furnishing, holding
7 in bond, holding in storage, traffic in and use of alcoholic
8 liquors, alcohol and malt and brewed beverages and the
9 persons engaged or employed therein; defining the powers and
10 duties of the Pennsylvania Liquor Control Board; providing
11 for the establishment and operation of State liquor stores,
12 for the payment of certain license fees to the respective
13 municipalities and townships, for the abatement of certain
14 nuisances and, in certain cases, for search and seizure
15 without warrant; prescribing penalties and forfeitures;
16 providing for local option, and repealing existing laws," in
17 preliminary provisions, further providing for definitions; in
18 Pennsylvania Liquor Control Board, further providing for
19 general powers of board, for restrictions on members of the
20 board and certain employees of Commonwealth, for enforcement
21 and for biennial reports; in licenses and regulations,
22 liquor, alcohol and malt and brewed beverages, further
23 providing for malt and brewed beverages manufacturers',
24 distributors' and importing distributors' licenses, for
25 number and kinds of licenses allowed same licensee, for
26 responsible alcohol management, for surrender of restaurant,
27 eating place retail dispenser, hotel, club, catering club,
28 importing distributor and distributor license for benefit of
29 licensee, for unlawful acts relative to malt or brewed
30 beverages and licensees and for liability of licensees;
31 providing for hemp-derived cannabinoid beverages;
32 establishing the Local Hemp Sharing Fund; and imposing
33 penalties.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

3 Section 1. The definitions of "alcohol service personnel,"
4 "case," "catered function," "container" and "manufacture" in
5 section 102 of the act of April 12, 1951 (P.L.90, No.21), known
6 as the Liquor Code, are amended and the section is amended by
7 adding definitions to read:

8 Section 102. Definitions.--The following words or phrases,
9 unless the context clearly indicates otherwise, shall have the
10 meanings ascribed to them in this section:

11 * * *

12 "Alcohol service personnel" shall mean any employe of a
13 licensee such as a bartender, waiter or, in the case of a
14 distributor or importing distributor, a salesperson whose
15 primary responsibility includes the resale, furnishing or
16 serving of liquor or malt or brewed beverages. It shall also
17 mean any employe, such as a doorperson, whose primary
18 responsibility is to ascertain the age of individuals who are
19 attempting to enter the licensed premises. An employe of an
20 alcohol licensee, distributor or importing distributor may be
21 simultaneously considered to be cannabinoid service personnel.

22 * * *

23 "Cannabinoid service personnel" shall mean an employe of a
24 hemp-derived cannabinoid licensee such as a bartender, waiter
25 or, in the case of a hemp-derived cannabinoid beverage
26 distributor or hemp-derived cannabinoid beverage importing
27 distributor, a salesperson whose primary responsibility includes
28 the resale, furnishing or serving of hemp-derived cannabinoid
29 beverages. The term shall also mean an employe, such as a
30 doorperson, whose primary responsibility is to ascertain the age

1 of individuals who are attempting to enter the licensed
2 premises. An employe of a hemp-derived cannabinoid licensee,
3 hemp-derived cannabinoid beverage distributor or hemp-derived
4 cannabinoid beverage importing distributor may be simultaneously
5 considered to be alcohol service personnel.

6 "Case" shall mean a package prepared by the manufacturer for
7 sale or distribution of twelve or more original containers
8 totaling two hundred sixty-four or more fluid ounces of malt or
9 brewed beverages excepting those packages containing twenty-four
10 or more original containers each holding seven fluid ounces or
11 more. In the context of hemp-derived cannabinoid beverages, the
12 term shall mean a package prepared by the manufacturer for sale
13 or distribution of four or more final containers, totaling at
14 least forty-eight fluid ounces of hemp-derived cannabinoid
15 beverage.

16 "Catered function" shall mean the furnishing of food prepared
17 on the premises or brought onto the premises already prepared in
18 conjunction with alcoholic beverages and hemp-derived
19 cannabinoid beverages for the accommodation of a person or an
20 identifiable group of people, not the general public, who made
21 arrangements for the function at least thirty days in advance.

22 * * *

23 "Container" shall mean and include any receptacle, vessel or
24 form of package, tank, vat, cask, barrel, drum, keg, can, bottle
25 or conduit used or capable of use for holding, storing,
26 transferring or shipment of alcohol, liquor [or], malt or brewed
27 beverages or hemp-derived cannabinoid beverages.

28 * * *

29 "Final container" shall mean a bottle, can, keg or other
30 suitable container that has been securely capped, sealed or

1 corked by the manufacturer of a hemp-derived cannabinoid
2 beverage at the place of manufacture, with the name and address
3 of the manufacturer permanently affixed to the bottle, can, keg
4 or other suitable container or, in the case of a bottle or can,
5 to the cap or cork used in sealing the bottle or can or to a
6 label securely affixed to a bottle or can.

7 * * *

8 "Hemp" shall mean the plant Cannabis sativa L. and any part
9 of the plant, whether growing or not, with a delta-9
10 tetrahydrocannabinol concentration of not more than 0.3% on a
11 dry-weight basis.

12 "Hemp-derived cannabinoid beverage" shall mean a beverage
13 containing THC derived solely and exclusively from hemp.

14 * * *

15 "Manufacture", when the term is applied to malt or brewed
16 beverages, shall mean and include all means, methods and
17 processes used, employed and made use of, to produce, make and
18 manufacture for commercial purposes, malt or brewed beverages
19 from raw materials; when applied otherwise, it shall mean and
20 include all means, methods and processes used, employed and made
21 use of, to produce and make alcohol or liquor from raw
22 materials, and shall mean and include rectification and blending
23 of alcohol and liquor, the production, recovery or reuse of
24 alcohol in the making, developing, using in the process of
25 manufacture, denaturing, redistilling or recovering of any
26 alcohol or liquor in distilleries, denaturing plants and
27 wineries. When the term is applied to hemp-derived cannabinoid
28 beverages, the term shall mean and include all means, methods
29 and processes used, employed and made use of to derive THC from
30 hemp and blend or otherwise add the THC to other ingredients to

1 make an ingestible mixture or preparation.

2 * * *

3 "THC" shall mean tetrahydrocannabinols.

4 * * *

5 Section 2. Sections 207(b)(1), 210(a) introductory
6 paragraph, 211(a)(1), (2), (3), (4) and (7), 217(a) and (b),
7 431(a.2), 438(b) and (c) and 471.1(a), (b), (d), (e), (f) and
8 (h) of the act are amended to read:

9 Section 207. General Powers of Board.--Under this act, the
10 board shall have the power and its duty shall be:

11 * * *

12 (b) The following shall apply:

13 (1) To control the manufacture, possession, sale,
14 consumption, importation, use, storage, transportation and
15 delivery of liquor, alcohol [and], malt or brewed beverages and
16 hemp-derived cannabinoid beverages in accordance with the
17 provisions of this act, and to fix the wholesale and retail
18 prices at which liquors and alcohol shall be sold at
19 Pennsylvania Liquor Stores.

20 * * *

21 Section 210. Restrictions on Members of the Board and
22 Certain Employes of Commonwealth.--(a) A member or employe of
23 the board or enforcement bureau or a member of the immediate
24 family of a member or employe of the board or enforcement bureau
25 shall not be directly or indirectly interested or engaged in any
26 other business or undertaking within the Commonwealth dealing in
27 liquor, alcohol, [or] malt or brewed beverages or hemp-derived
28 cannabinoid beverages, whether as owner, part owner, partner,
29 member of syndicate, holder of stock exceeding five percent (5%)
30 of the equity at fair market value of the business, independent

1 contractor or manager of a licensed establishment required under
2 40 Pa. Code § 5.23 (relating to appointment of managers), and
3 whether for his own benefit or in a fiduciary capacity for some
4 other person. For the purpose of this subsection only, "employee
5 of the board or Enforcement Bureau" shall mean any individual
6 employed by the board or Enforcement Bureau who is responsible
7 for taking or recommending official action of a nonministerial
8 nature with regard to:

9 * * *

10 Section 211. Enforcement.--(a) There is created within the
11 Pennsylvania State Police a Bureau of Liquor Control Enforcement
12 which shall be responsible for enforcing this act and any
13 regulations promulgated pursuant thereto. Officers and
14 investigators assigned to the bureau shall have the power and
15 their duty shall be:

16 (1) To investigate whenever there are reasonable grounds to
17 believe liquor, alcohol [or], malt or brewed beverages or hemp-
18 derived cannabinoid beverages are being sold on premises not
19 licensed under the provisions of this act. If the investigation
20 produces evidence of the unlawful sale of liquor [or], malt or
21 brewed beverages or hemp-derived cannabinoid beverages or any
22 other violation of the provisions of this act, the officer
23 involved in the investigation shall institute criminal
24 proceedings against the person or persons believed to have been
25 criminally liable, as otherwise provided by law or rule of
26 court.

27 (2) To arrest on view, except in private homes, without
28 warrant, any person actually engaged in the unlawful sale,
29 importation, manufacture or transportation or having unlawful
30 possession of liquor, alcohol [or], malt or brewed beverages or

1 hemp-derived cannabinoid beverages contrary to the provisions of
2 this act or any other law of this Commonwealth or any person
3 whom the officer/investigator, while in the performance of his
4 assigned duties under and pursuant to this act and any
5 regulations promulgated under this act, observes to be in
6 violation of any of the following provisions:

7 18 Pa.C.S. § 3302 (relating to causing or risking
8 catastrophe).

9 18 Pa.C.S. § 3304 (relating to criminal mischief).

10 18 Pa.C.S. § 4101 (relating to forgery).

11 18 Pa.C.S. § 5503 (relating to disorderly conduct).

12 18 Pa.C.S. § 5505 (relating to public drunkenness).

13 18 Pa.C.S. § 5512 (relating to lotteries, etc.).

14 18 Pa.C.S. § 5513 (relating to gambling devices,
15 gambling, etc.).

16 18 Pa.C.S. § 5514 (relating to pool selling and
17 bookmaking).

18 18 Pa.C.S. § 6307 (relating to misrepresentation of age
19 to secure liquor or malt or brewed beverages).

20 18 Pa.C.S. § 6308 (relating to purchase, consumption,
21 possession or transportation of liquor or malt or brewed
22 beverages).

23 18 Pa.C.S. § 6309 (relating to representing that minor is
24 of age).

25 18 Pa.C.S. § 6310.1 (relating to selling or furnishing
26 liquor or malt or brewed beverages to minors).

27 18 Pa.C.S. § 6310.3 (relating to carrying a false
28 identification card).

29 (3) Upon reasonable and probable cause, to search for and to
30 seize, without warrant or process, except in private homes, any

1 liquor, alcohol [or], malt or brewed beverages or hemp-derived
2 cannabinoid beverages unlawfully possessed, manufactured, sold,
3 imported or transported and any stills, equipment, materials,
4 utensils, vehicles, boats, vessels, animals, aircraft, or any of
5 them, which are or have been used in the unlawful manufacture,
6 sale, importation or transportation of the same. Such liquor,
7 alcohol, malt or brewed beverages, hemp-derived cannabinoid
8 beverages, stills, equipment, materials, utensils, vehicles,
9 boats, vessels, animals or aircraft so seized shall be disposed
10 of as hereinafter provided.

11 (4) To investigate and issue citations for any violations of
12 this act or any laws of this Commonwealth relating to liquor,
13 alcohol [or], malt or brewed beverages or hemp-derived
14 cannabinoid beverages, or any regulations of the board adopted
15 pursuant to such laws or any violation of any laws of this
16 Commonwealth or of the Federal Government, relating to the
17 payment of taxes on liquor, alcohol [or], malt or brewed
18 beverages or hemp-derived cannabinoid beverages by any licensee,
19 his officers, servants, agents or employees.

20 * * *

21 (7) To arrange for the administration of chemical tests of
22 breath, blood or urine, including preliminary breath tests, to
23 persons for the purpose of determining the alcoholic content of
24 blood or the presence of a controlled substance by qualified
25 personnel of a State or local police department or qualified
26 personnel of a clinical laboratory licensed and approved by the
27 Department of Health. The following apply:

28 (i) The presence of THC in an individual tested by the
29 bureau shall be considered to be a result of the lawful use of
30 hemp-derived cannabinoid beverages as outlined in this act

1 unless the totality of the circumstances indicates otherwise.

2 (ii) Nothing in this section shall be construed to prevent
3 officers of the bureau or investigators of the bureau from
4 investigating, detaining, taking into custody or conducting
5 other actions that are considered standard when interacting with
6 an individual intoxicated by alcohol when officers and
7 investigators interact with an individual intoxicated by hemp-
8 derived THC.

9 * * *

10 Section 217. Biennial Reports.--(a) The board's Bureau of
11 Alcohol Education shall prepare a report on [underage alcohol
12 drinking and high-risk college alcohol drinking] the underage
13 consumption of alcohol and hemp-derived cannabinoid beverages
14 in this Commonwealth.

15 (b) A report shall be prepared biennially and shall address
16 the following:

17 (1) Current levels and trends of underage [alcohol drinking]
18 and high-risk college [alcohol drinking] consumption of alcohol
19 and hemp-derived cannabinoid beverages in this Commonwealth.

20 (2) Current programs conducted by State agencies to prevent
21 underage alcohol drinking and high-risk college [alcohol
22 drinking] consumption of alcohol and hemp-derived cannabinoid
23 beverages.

24 (3) Current science that better defines and suggests proven
25 prevention strategies for underage [alcohol drinking] and high-
26 risk college [alcohol drinking] consumption of alcohol and hemp-
27 derived cannabinoid beverages.

28 * * *

29 Section 431. Malt and Brewed Beverages Manufacturers',
30 Distributors' and Importing Distributors' Licenses.--* * *

1 (a.2) The board shall issue to a holder of a manufacturer's
2 license no more than [two] five storage licenses per
3 manufacturer to cover storage facilities separate from the
4 location of the manufacturing facility. A manufacturer may use
5 its storage facilities to receive, store, repackage, sell and
6 distribute malt or brewed beverages in the same manner as it can
7 at its place of manufacture or it may rent, lease or otherwise
8 acquire space from an importing distributor or bailee for hire
9 authorized by this act in the same manner as an out of State
10 manufacturer as set forth in subsection (a.1). A separate
11 written application must be filed to acquire storage licenses,
12 and the board is empowered to establish what information must be
13 provided on that application. Nothing in this act authorizing
14 off-site storage facilities for manufacturers is intended to
15 make any change in the manner malt or brewed beverages are
16 distributed through the three-tier system.

17 * * *

18 Section 438. Number and Kinds of Licenses Allowed Same
19 Licensee.--* * *

20 (b) No person shall possess or be issued more than one
21 distributor's or importing distributor's license[.], except that
22 a person may possess both a hemp-derived cannabinoid beverage
23 distributor's license and a distributor's license, or a person
24 may possess both a hemp-derived cannabinoid beverage importing
25 distributor's license and an importing distributor's license.

26 (c) No person shall possess more than one class of license,
27 except that [a]:

28 (1) A holder of a retail dispenser's license may also be a
29 holder of a retail liquor license: Provided, however, That
30 nothing contained in this section shall be construed to prohibit

1 a member of the governing board of a public authority created
2 under subdivision (n) of Article XXIII of the act of August 9,
3 1955 (P.L.323, No.130), known as "The County Code," from having
4 an interest in a distributor or importing distributor license
5 notwithstanding the fact that the public authority has an
6 interest in one or more retail licenses or acts as a landlord
7 for one or more retail licenses: And, provided further, That,
8 notwithstanding any other provision of this section, an entity
9 may acquire both a manufacturer's license or a limited winery
10 license and a hotel, restaurant or retail dispenser license for
11 use at the same location and more than one location may be so
12 licensed. The licenses and a person's interest in the licenses
13 or in the entity holding the licenses shall not be subject to
14 this section.

15 (2) A holder of a license that grants the ability to
16 manufacture, sell, transport, distribute or import alcohol may
17 also hold a hemp-derived cannabinoid beverage license of the
18 same or equivalent class. The board shall promulgate regulations
19 clarifying equivalent classes between alcohol licenses and hemp-
20 derived cannabinoid beverages licenses.

21 Section 471.1. Responsible Alcohol Management.--(a) The
22 board is authorized to offer a responsible alcohol service
23 program to licensees. The program shall consist of four parts:
24 new employe orientation, training for [alcohol]
25 alcohol/cannabinoid service personnel, manager/owner training
26 and the displaying of responsible alcohol and hemp-derived
27 cannabinoid beverage service signage. New employe orientation
28 shall consist of orienting newly hired [alcohol]
29 alcohol/cannabinoid service personnel as to Pennsylvania law
30 relating to the sale, furnishing or serving of alcoholic

1 beverages and hemp-derived cannabinoid beverages to minors and
2 visibly intoxicated persons. It shall also mean orienting newly
3 hired [alcohol] alcohol/cannabinoid service personnel to
4 responsible server practices, as the term is defined by the
5 board, through regulation. Training for [alcohol]
6 alcohol/cannabinoid service personnel shall be as set forth by
7 the board, but at minimum it shall consist of training to
8 prevent service of alcohol and hemp-derived cannabinoid
9 beverages to minors and to visibly intoxicated persons.
10 Manager/owner training shall be as set forth by the board, but
11 at a minimum it shall consist of training on how to monitor
12 employes, proper service of alcohol and hemp-derived cannabinoid
13 beverages and how to develop an appropriate alcohol and hemp-
14 derived cannabinoid beverage service policy. The responsible
15 alcohol and hemp-derived cannabinoid beverage service signage
16 shall be as set forth by the board and shall consist of signage
17 dealing with the licensee's policy against sales to minors and
18 visibly intoxicated persons. [Alcohol] Alcohol/cannabinoid
19 service personnel training may be conducted by the board or by
20 an entity certified by the board to conduct such training.

21 (b) The board shall be authorized to certify and decertify
22 entities that wish to offer training for [alcohol]
23 alcohol/cannabinoid service personnel. The training entity and
24 the board shall maintain records establishing the names of
25 individuals who have successfully undergone [alcohol]
26 alcohol/cannabinoid service personnel training.

27 * * *

28 (d) In order to be considered in compliance with this
29 section for purposes of section 471, a restaurant, retail
30 dispenser, eating place, hotel, club, catering club, distributor

1 and importing distributor or hemp-derived cannabinoid beverage
2 retail licensee shall:

3 (1) have at least fifty per centum of its [alcohol]
4 alcohol/cannabinoid service personnel certified as having
5 successfully completed an [alcohol] alcohol/cannabinoid beverage
6 servers training;

7 (2) have its manager or owner certified as having
8 successfully completed manager/owner training;

9 (3) have all [alcohol] alcohol/cannabinoid service personnel
10 undergo new employe orientation; and

11 (4) have appropriate responsible [alcohol]
12 alcohol/cannabinoid service signage posted on the licensed
13 premises.

14 For purposes of this section, an owner is an individual who owns
15 at least twenty-five per centum of the licensed entity.

16 (e) Licensees ordered to comply with this act pursuant to
17 section 471 who change managers shall have sixty calendar days
18 to have the new manager trained as required by this section. If
19 a licensee ordered to comply with this act pursuant to section
20 471 hires additional [alcohol] alcohol/cannabinoid service
21 personnel, those additional employes shall be deemed to have
22 been certified from their date of hire if they successfully
23 complete an [alcohol] alcohol/cannabinoid serving program within
24 sixty days of their date of hire.

25 (f) Upon completion of a certified [alcohol]
26 alcohol/cannabinoid service personnel program or the board's
27 owner/manager training program, the participant will be
28 certified by the training entity or the board as having
29 successfully completed the program. Said certification will be
30 valid for two years. The licensee shall keep records of the

1 certification status of its employes, managers and owners,
2 including the name of the employe, manager or owner and the date
3 of that individual's certification, in the same manner as it
4 keeps other business records pursuant to [section] sections
5 493(12) and 419-A. The licensee shall also keep records of its
6 new employe orientation program and records of its responsible
7 [alcohol] alcohol/cannabinoid service signage as set forth by
8 the board by regulation.

9 * * *

10 (h) Unless successfully completed prior to being hired, all
11 [alcohol] alcohol/cannabinoid service personnel shall be
12 required to complete the training for [alcohol]
13 alcohol/cannabinoid service personnel under subsection (b)
14 within six months of being hired by a licensed establishment.

15 Section 3. Section 474.1 heading, (a) and (g) (2) of the act,
16 amended July 15, 2024 (P.L.700, No.57), are amended and the
17 section is amended by adding a subsection to read:

18 Section 474.1. Surrender of Restaurant, Eating Place Retail
19 Dispenser, Hotel, Club, Catering Club, Importing Distributor
20 [and], Distributor, Hemp-Derived Cannabinoid Importing
21 Distributor, Hemp-Derived Cannabinoid Distributor and Hemp-
22 Derived Cannabinoid Retail License for Benefit of Licensee.--(a)

23 A restaurant, eating place retail dispenser, hotel, club,
24 catering club, importing distributor [and], distributor, hemp-
25 derived cannabinoid importing distributor, hemp-derived
26 cannabinoid distributor and hemp-derived cannabinoid retail

27 licensee whose licensed establishment is not in operation for
28 fifteen consecutive days shall return its license for
29 safekeeping with the board no later than at the expiration of
30 the fifteen-day period. The license may only be reissued from

1 safekeeping in the manner set forth by the board through
2 regulation. The regulation shall not differ from regulation
3 outlining the reissuance of alcohol licenses from safekeeping.

4 (a.1) The surrender and reissuance of the license holder's
5 alcohol and hemp-derived cannabinoid beverage licenses may be
6 conducted together, and if a license holder surrenders both the
7 alcohol and hemp-derived cannabinoid beverage licenses, both
8 licenses shall be maintained, stored and otherwise safeguarded
9 together.

10 * * *

11 (g) * * *

12 (2) [(Reserved).] If a licensee has a hemp-derived
13 cannabinoid beverage license and an alcohol license in
14 safekeeping with the board and they request, under paragraph
15 (1), that the licenses remain in safekeeping for an additional
16 year, the board shall only charge a fee for one license.

17 Section 4. Sections 492(11) and 497 of the act are amended
18 to read:

19 Section 492. Unlawful Acts Relative to Malt or Brewed
20 Beverages and Licensees.--

21 It shall be unlawful--

22 * * *

23 (11) Delivery of Malt or Brewed Beverages With Other
24 Commodities. For any manufacturer, importing distributor or
25 distributor, or his servants, agents or employes, except with
26 board approval, to deliver or transport any malt or brewed
27 beverages in any vehicle in which any other commodity is being
28 transported. The term "commodity" does not include hemp-derived
29 cannabinoid beverages.

30 * * *

1 Section 497. Liability of Licensees.--No licensee shall be
2 liable to third persons on account of damages inflicted upon
3 them off of the licensed premises by customers of the licensee
4 unless the customer who inflicts the damages was sold, furnished
5 or given liquor [or], malt or brewed beverages or hemp-derived
6 cannabinoid beverages by the said licensee or his agent, servant
7 or employe when the said customer was visibly intoxicated.

8 Section 5. The act is amended by adding an article to read:

9 ARTICLE IV-A

10 HEMP-DERIVED CANNABINOID BEVERAGES

11 Section 401-A. Definitions.

12 The following words and phrases when used in this article
13 shall have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Business associate." A person that is a customer or
16 supplier of goods or services to or for the benefit of a
17 legitimate hemp-derived cannabinoid beverage business or
18 licensed THC extractor or an officer or director, owner,
19 operator, shareholder, member, employee, agent or financial
20 backer of a legitimate hemp-derived cannabinoid beverage
21 business or THC extractor.

22 "Department." The Department of Revenue of the Commonwealth.

23 "Depository institution." As follows:

24 (1) a depository institution as defined in section 3(c)
25 of the Federal Deposit Insurance Act (64 Stat. 873, 12 U.S.C.
26 § 1811 et seq.);

27 (2) a Federal credit union as defined in section 101 of
28 the Federal Credit Union Act (48 Stat. 1216, 12 U.S.C. § 1751
29 et seq.); or

30 (3) a State credit union as defined in section 101 of

1 the Federal Credit Union Act.

2 "Distributor." A person licensed by the board to engage in
3 the purchase of hemp-derived cannabinoid beverages only from
4 Pennsylvania manufacturers of hemp-derived cannabinoid beverages
5 and from importing distributors of hemp-derived cannabinoid
6 beverages and the resale of hemp-derived cannabinoid beverages,
7 except to importing distributors and distributors.

8 "Federal financial regulatory agency." The Federal Reserve
9 System, the United States Treasury, the Comptroller of the
10 Currency, the National Credit Union Administration, the Federal
11 Deposit Insurance Corporation, the Securities and Exchange
12 Commission and the Consumer Financial Protection Bureau.

13 "Financial institution." A depository institution, trust
14 company, licensee, a person subject to the jurisdiction of a
15 Federal financial regulatory agency or a person subject to the
16 jurisdiction of the Department of Banking and Securities under
17 the act of December 5, 1972 (P.L.1280, No.284), known as the
18 Pennsylvania Securities Act of 1972.

19 "Financial services."

20 (1) A financial product or service:

21 (i) as defined by section 1002 of the Dodd-Frank
22 Wall Street Reform and Consumer Protection Act (Public
23 Law 111-203, 12 U.S.C. § 5301 et seq.), regardless of
24 whether the customer receiving the product or service is
25 a consumer or a commercial entity; or

26 (ii) permitted to be provided under the authority
27 of:

28 (A) a national bank or a financial subsidiary
29 under 12 U.S.C. §§ 24 (42 Stat. 767), 24a (113 Stat.
30 1373) and 92a (76 Stat. 668);

1 (B) a Federal credit union under the Federal
2 Credit Union Act;

3 (C) an incorporated institution under the act of
4 November 30, 1965 (P.L.847, No.356), known as the
5 Banking Code of 1965;

6 (D) a credit union under 17 Pa.C.S. (relating to
7 credit unions);

8 (E) a person registered, or exempt from
9 registration, to offer or sell a security or to act
10 as a broker, dealer, transfer agency, clearing agency
11 or investment company under the Investment Company
12 Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et
13 seq.);

14 (F) a person registered, or exempt from
15 registration, to:

16 (I) offer or sell a security, under the
17 Securities Act of 1933 (48 Stat. 74, 15 U.S.C. §
18 77a et seq.);

19 (II) act as an exchange, a broker, dealer,
20 transfer agent or clearing agent under the
21 Securities Exchange Act of 1934 (48 Stat. 881, 15
22 U.S.C. § 78a et seq.);

23 (III) act as an investment adviser under the
24 Investment Advisers Act of 1940 (54 Stat. 847, 15
25 U.S.C. § 80b-1 et seq.); or

26 (IV) act as an investment company under the
27 Investment Company Act of 1940; or

28 (G) a person acting as a broker-dealer, agent,
29 investment adviser or investment adviser
30 representative in this Commonwealth under the

1 Pennsylvania Securities Act of 1972.

2 (2) The term includes a service, whether performed
3 directly or indirectly, authorizing, processing, clearing,
4 settling, billing, transferring for deposit, transmitting,
5 delivering, instructing to be delivered, reconciling,
6 collecting or otherwise effectuating or facilitating the
7 payments of funds, where funds payments or funds are made or
8 transferred by any means, including by the use of credit
9 cards, debit cards or other access devices, accounts,
10 original or substitute checks or electronic funds transfers.

11 "Hemp-derived cannabinoid beverage licensee." A person who
12 holds a license under this article.

13 "Importing distributor." A person licensed by the board to
14 engage in:

15 (1) The purchase of hemp-derived cannabinoid beverages
16 from:

17 (i) manufacturers of hemp-derived cannabinoid
18 beverages;

19 (ii) other persons located outside this
20 Commonwealth;

21 (iii) persons licensed under this act as
22 manufacturers of hemp-derived cannabinoid beverages; and

23 (iv) importing distributors of hemp-derived
24 cannabinoid beverages.

25 (2) The resale of hemp-derived cannabinoid beverages.

26 "Insurance service." A service provided by an insurer in
27 this Commonwealth.

28 "Insurer." An entity or person authorized by the Insurance
29 Department to transact the business of insurance in this
30 Commonwealth or designated as an eligible surplus lines insurer

1 as defined in section 1602 of the act of May 17, 1921 (P.L.682,
2 No.284), known as The Insurance Company Law of 1921. The term
3 includes a person licensed by the Insurance Department to sell,
4 solicit or negotiate insurance, and that person's officers,
5 directors, agents and employees.

6 "Manufacturer." A person, association or corporation engaged
7 in the production or manufacturing of hemp-derived cannabinoid
8 beverages in this Commonwealth or elsewhere.

9 "Principal display panel." As defined in 3 Pa.C.S. § 5722
10 (relating to definitions).

11 "Trust company." The term includes:

12 (1) a national bank authorized to exercise trust powers
13 as authorized by 12 U.S.C. § 92a;

14 (2) a trust company as defined by section 102 of the
15 Banking Code of 1965; or

16 (3) an interstate bank as defined in section 102 of the
17 Banking Code of 1965 authorized to exercise the powers of a
18 trust company in this Commonwealth.

19 Section 402-A. Authority to issue hemp-derived cannabinoid
20 beverage licenses and THC extraction licenses.

21 The board shall issue licenses regarding:

22 (1) the sale, manufacture, importation, distribution,
23 furnishing and transportation of hemp-derived cannabinoid
24 beverages; and

25 (2) the extraction of THC from hemp and the manufacture,
26 sale and transportation of emulsions, mixtures, concentrates
27 or other products made from THC as provided for in this
28 article.

29 Section 403-A. THC extraction license.

30 (a) Issuance.--The board shall issue to a resident of this

1 Commonwealth of good repute who applies for, and pays the
2 license fee prescribed, a THC extraction license to extract
3 naturally occurring THC from hemp for use in hemp-derived
4 cannabinoid beverages.

5 (b) Production of beverages prohibited.--The granting of a
6 THC extraction license to an applicant does not entitle the
7 applicant to produce hemp-derived cannabinoid beverages for sale
8 to:

9 (1) the general public; or

10 (2) distributors for resale.

11 (c) Sale to manufacturer.--The licensee may produce
12 emulsions, mixes, concentrations or other products containing
13 THC extracted from hemp for sale to and use by a licensed
14 manufacturer of hemp-derived cannabinoid beverages.

15 (d) Sales to nonlicensed persons prohibited.--The licensee
16 shall not sell extractions, concentrations, mixes or other
17 ingredients containing THC to a nonlicensed person in or outside
18 of this Commonwealth, except that the licensee may sell
19 products to persons outside of this Commonwealth who are
20 licensed in their state, territory or country of origin.

21 (e) THC extraction prohibited without license.--It shall be
22 unlawful for a person who does not apply for, receive and hold a
23 THC extraction license to extract THC from hemp and produce
24 emulsions, mixtures, concentrations or other ingredients
25 containing THC. A person who does not apply for, receive and
26 hold a THC extraction license is not entitled to the exemptions
27 and protections offered by section 431-A.

28 (f) Requirements for licensure.--Requirements for and
29 information furnished in the application for a THC extraction
30 license shall mirror the requirements established in section

1 410-A. An applicant who willfully furnishes false information in
2 the application and review process for a THC extraction license
3 shall be guilty of a misdemeanor and subject to the penalties
4 outlined in this article.

5 (g) Regulations.--The board shall promulgate regulations as
6 necessary to enforce this section.

7 Section 404-A. Records to be maintained by holders of THC
8 extraction license.

9 (a) Maintenance of records.--A THC extraction licensee shall
10 maintain, in addition to any other records required to be
11 maintained by this article, a complete and truthful record of
12 the licensee's operation that covers the preceding five-year
13 period.

14 (b) Records to be maintained.--The information and records
15 to be maintained are as follows:

16 (1) Dates of acquisition of raw hemp or other hemp
17 products, the amount received and from whom the material was
18 received.

19 (2) Amount of THC extracted daily and what the THC was
20 used for.

21 (3) Amount/volume of emulsions, concentrations or other
22 hemp-derived cannabinoid beverage ingredients produced from
23 the material received under paragraph (1).

24 (4) Sales of products produced from the material
25 received under paragraph (1), including to whom the products
26 were sold and how much was sold.

27 (5) Method of delivery of the products sold and delivery
28 manifests.

29 (6) Test results of batches of emulsions, concentrations
30 or other hemp-derived cannabinoid beverage ingredients that

1 attest to the THC content of the ingredients or seek to
2 measure the number of contaminants in the ingredients, if the
3 tests are performed.

4 (c) Access to records.--The board, enforcement bureau and
5 their authorized representatives shall have full access to the
6 records outlined in this section. Records must be made available
7 to the board, enforcement bureau or their authorized
8 representatives within 72 hours of the request for access being
9 made.

10 (d) Regulations.--The board may promulgate regulations
11 concerning how information in subsection (b) is to be recorded
12 and may develop documents on which information is to be
13 recorded.

14 Section 405-A. Hemp-derived cannabinoid beverage retail license
15 and eligible establishments.

16 (a) Board authority.--The board may issue a hemp-derived
17 cannabinoid beverage retail license to an eligible applicant and
18 establishment. The license shall permit the holder to purchase
19 hemp-derived cannabinoid beverages and keep the beverages on the
20 premises and to sell the hemp-derived cannabinoid beverages to
21 guests, patrons or members for consumption on the licensed
22 establishment's premises and up to 192 fluid ounces for
23 consumption off-premises.

24 (b) Eligible establishments.--Eligible establishments for
25 hemp-derived cannabinoid beverage retail licenses shall include:

26 (1) Restaurants, hotels and clubs.

27 (2) Public venues, as defined by the board, with the
28 following restrictions on sales of hemp-derived cannabinoid
29 beverages:

30 (i) Sales may only be made one hour before, during

1 and one hour after an athletic performance, performing
2 arts event, trade show, convention, banquet or any other
3 performance at the facility.

4 (ii) Sales may not be made from 2 a.m. to 7 a.m.
5 Sales may not occur prior to 11 a.m. on Sunday.

6 (3) Performing arts facilities, as defined by the board,
7 with the following restrictions on sales of hemp-derived
8 cannabinoid beverages:

9 (i) Sales may be made two hours before, during and
10 one hour after a performance at the facility.

11 (ii) Sales may not be made from 2 a.m. to 7 a.m.
12 Sales may not occur prior to 10 a.m. or after 10 p.m. on
13 Sunday.

14 (4) Continuing care retirement communities, as defined
15 by the board, with the following restrictions and privileges:

16 (i) Sales of hemp-derived cannabinoid beverages may
17 not occur from 2 a.m. to 7 a.m. Sales may not occur prior
18 to 1 p.m. or after 10 p.m. on Sunday.

19 (ii) Hemp-derived cannabinoid beverages sold or
20 furnished by the licensee may be possessed anywhere
21 within the continuing care retirement community
22 regardless of whether that portion of the premises is
23 licensed. Hemp-derived cannabinoid beverages sold or
24 furnished by the licensee may not be taken beyond the
25 confines of the continuing care retirement community.

26 (iii) Sales of hemp-derived cannabinoid beverages
27 may occur in those portions of the premises licensed by
28 the board as well as in rooms that are lived in or used
29 by residents of the continuing care retirement community.
30 Sales of hemp-derived cannabinoid beverages shall be

1 limited to residents of the continuing care retirement
2 community and the guests of residents in conjunction with
3 the normal, regularly scheduled dining, entertainment or
4 social activities of the continuing care retirement
5 community.

6 (c) Catering licenses and temporary catering permits.--The
7 board may issue hemp-derived cannabinoid beverage catering
8 licenses and temporary hemp-derived cannabinoid beverage
9 catering permits, subject to the following:

10 (1) The holder of a hemp-derived cannabinoid beverage
11 catering license or temporary hemp-derived cannabinoid
12 beverage catering permit may engage in the sale of hemp-
13 derived cannabinoid beverages at places besides the physical
14 premises for which the license holder maintains a hemp-
15 derived cannabinoid beverage retail license. Sales made under
16 a hemp-derived cannabinoid beverage catering license or
17 temporary hemp-derived cannabinoid beverage catering permit
18 shall be for immediate consumption on the catered premises
19 only. A hemp-derived cannabinoid beverage catering license
20 shall only be issued to a holder of a hemp-derived
21 cannabinoid beverage retail permit. There shall be no
22 licensing prerequisite for obtaining a hemp-derived
23 cannabinoid beverage catering permit.

24 (2) Notice of the catered events must be submitted to
25 the board within seven days of the event taking place. The
26 board may promulgate regulations that require additional
27 information, as deemed necessary by the board, to be
28 furnished regarding the catered event. The board may deny a
29 hemp-derived cannabinoid beverage catering license holder or
30 temporary hemp-derived cannabinoid beverage catering permit

1 holder the ability to engage in the sale of hemp-derived
2 cannabinoid beverages at a catered event if the board deems
3 that the sales will result in unlawful consumption, activity
4 or sales.

5 (3) A temporary hemp-derived cannabinoid catering permit
6 may not have a date of expiration later than 30 days from the
7 date of issue.

8 (4) The same restrictions that exist for operations of
9 and sales by hemp-derived cannabinoid beverage retail license
10 holders shall apply, as much as applicable as determined by
11 the board, to a hemp-derived cannabinoid beverage catering
12 license holder or temporary hemp-derived cannabinoid beverage
13 catering permit holder.

14 Section 405.1-A. Sunday sales.

15 (a) Authorization.--A hemp-derived cannabinoid beverage
16 licensee whose license allows the sale of hemp-derived
17 cannabinoid beverages for consumption off-premises or on-
18 premises may apply to the board for and receive a license
19 allowing sales of hemp-derived cannabinoid beverages from 9 a.m.
20 on Sunday until 2 a.m. on Monday. The license allowing Sunday
21 sales under this subsection shall be in addition to any license
22 or permit issued under this act allowing the sale of alcohol on
23 Sundays.

24 (b) Fees.--

25 (1) Each application under this section shall be
26 accompanied by a \$100 filing fee.

27 (2) An annual renewal application of a license under
28 this section shall be accompanied by a \$100 renewal fee.

29 (c) Action by board.--Upon receiving a proper application
30 and fee under this section, the board shall issue or renew a

1 license unless the applicant is, or has in the preceding year,
2 been out of compliance with the provisions of this article.

3 (d) Appeal.--Section 424-A shall govern the appeal of an
4 adverse action taken by the board under this section.

5 Section 406-A. Application for hemp-derived cannabinoid
6 beverage retail license.

7 (a) Application.--

8 (1) An applicant for a hemp-derived cannabinoid beverage
9 retail license or the transfer of an existing license to
10 another premises not licensed or to another person shall file
11 a written application with the board in the form and
12 containing information that the board shall prescribe, which
13 shall be accompanied by a filing fee and an annual license
14 fee as prescribed in section 414-A.

15 (2) The application must:

16 (i) Contain a description of the part of the
17 establishment for which the applicant desires a license.

18 (ii) Specify other material information,
19 descriptions or plans of that part of the establishment
20 where it is proposed to keep and sell hemp-derived
21 cannabinoid beverages as may be required by the
22 regulations of the board.

23 (3) The descriptions, information and plans in paragraph
24 (2) must:

25 (i) Show the establishment, or the proposed location
26 for the construction of an establishment, at the time the
27 application is made.

28 (ii) Show alterations proposed to be made to the
29 establishment or the new building proposed to be
30 constructed after the approval by the board of the

1 application for a license or transfer of an existing
2 license to another premises not licensed or to another
3 person.

4 (b) Physical alterations, improvements or changes to
5 establishments.--

6 (1) The board may not require physical alterations,
7 improvements or changes to be made to an establishment or the
8 construction of a new building for any purpose until approval
9 of the application for license or transfer of an existing
10 license to another premises not licensed or to another
11 person.

12 (2) (i) After approval of the application, the licensee
13 shall make the physical alterations, improvements and
14 changes to the licensed premises or shall construct the
15 new building in the manner specified by the board at the
16 time of approval.

17 (ii) The licensee may not transact any business
18 under the license until the board:

19 (A) has approved the completed physical
20 alterations, improvements and changes to the licensed
21 premises or the completed construction of the new
22 building as conforming to the specifications required
23 by the board at the time of issuance or transfer of
24 the license; and

25 (B) is satisfied that the establishment is
26 eligible for a hemp-derived cannabinoid beverage
27 license under section 405-A.

28 (3) The board may require that all alterations or
29 construction or conformity to definition be completed within
30 six months from the time of issuance or transfer of the

1 license. The time between the approval of the initial
2 application and issuance of operating authority to the
3 licensee shall be considered as time in safekeeping.

4 (4) Failure to comply with the requirements of this
5 section shall be considered cause for revocation of the
6 license.

7 (5) A license shall not be transferable between the time
8 of issuance or transfer of the license and the approval of
9 the completed alterations or construction by the board and
10 full compliance by the licensee with the requirements of this
11 article, unless the transfer application is accompanied by a
12 surcharge, which shall be:

13 (i) \$15,000 for a license located in a county of the
14 first class, county of the second class or county of the
15 third class.

16 (ii) \$5,000 for a license located in a county not
17 enumerated in subparagraph (i).

18 (c) Conditions for applicants.--

19 (1) If the applicant is an individual, the applicant
20 must show that the individual is a citizen of the United
21 States and a resident of this Commonwealth.

22 (2) If the applicant is an association, the applicant
23 must state the names and addresses of the persons
24 constituting the association.

25 (3) If the applicant is a corporation, the applicant
26 must:

27 (i) State the names and addresses of the principal
28 officers of the corporation.

29 (ii) Show that:

30 (A) the corporation was created under the laws

1 of this Commonwealth or holds a certificate of
2 authority to transact business in this Commonwealth;

3 (B) all officers, directors and stockholders of
4 the corporation are citizens of the United States;
5 and

6 (C) the manager of the hotel, restaurant or club
7 is a citizen of the United States.

8 (4) A club applicant shall file as a part of the
9 application a list of the names and addresses of the members,
10 directors, officers, agents and employees of the club,
11 together with the dates of their admission, election or
12 employment and other information with respect to the club
13 applicant's affairs as the board shall require.

14 (5) An application must be signed and verified by oath
15 or affirmation by any of the following persons, accompanied
16 by written evidence of the person's authority to do so:

17 (i) If the applicant is an individual, by the owner.

18 (ii) If the applicant is an association, by a member
19 or partner of the association.

20 (iii) If the applicant is a corporation, by an
21 executive officer of the corporation or a person
22 specifically authorized by the corporation to sign the
23 application.

24 (6) The board shall refuse to issue a license to a club
25 when it appears that the operation of the licensed business
26 would inure to the benefit of individual members, officers,
27 agents or employees of the club, rather than to the benefit
28 of the entire membership of the club.

29 (7) If a false statement is intentionally made in any
30 part of the application, the affiant shall be deemed guilty

1 of a misdemeanor and subject to the penalties outlined in
2 this article.

3 (d) Notice of application.--

4 (1) An applicant for a new license or the transfer of an
5 existing license shall post a notice of the application:

6 (i) for a period of at least 30 days beginning with
7 the day the application is filed with the board; and

8 (ii) in a conspicuous place on the outside of the
9 premises or at the proposed new location for which the
10 license is applied.

11 (2) The notice under paragraph (1) must be in the form
12 and size and contain provisions that the board may require by
13 regulation.

14 (3) Proof of the posting of the notice under paragraph
15 (1) shall be filed with the board.

16 (4) The posting requirement imposed by this subsection
17 shall not apply to license applications submitted for public
18 venues.

19 (e) Notification to municipality.--Upon receipt of an
20 application for a new license or transfer of an existing license
21 to a new location, the board shall immediately notify in writing
22 the municipality in which the premises proposed to be licensed
23 are located.

24 Section 407-A. License hearings and license period.

25 (a) Hearings.--

26 (1) The board shall hold a hearing on an application for
27 a new license or transfer of an existing license to a new
28 location as the board deems necessary, at the time fixed for
29 the purpose of hearing testimony.

30 (2) The board shall hold a hearing on an application for

1 a new hemp-derived cannabinoid beverage retail license or the
2 transfer of a license to a new location, upon the request of
3 a person with standing to testify under subsection (b) if the
4 request is filed with the board no later than 15 days after
5 posting of the notice of application under section 406-A(d).

6 (3) The board may provide for the holding of hearings by
7 hearing examiners learned in the law, to be appointed by the
8 Governor, who shall not be subject to 71 Pa.C.S. Pt. III
9 (relating to civil service reform). The hearing examiners
10 shall make a report to the board in each case with
11 recommendations.

12 (4) The board may fix the license period for each
13 separate license so that the expiration dates are staggered.

14 (b) Right to testify.--A resident residing within a radius
15 of 500 feet of the premises applying for a new hemp-derived
16 cannabinoid beverage license or the transfer of a license to a
17 new location shall have standing to testify at a hearing held
18 under subsection (a). The board and hearing examiner shall give
19 appropriate evidentiary weight to testimony of the residents
20 given at the hearing.

21 (c) Construction.--This section shall not be construed to
22 grant standing to residents residing within 500 feet of a public
23 venue or performing arts facility.

24 Section 408-A. Hemp-derived cannabinoid beverage distributor's
25 license.

26 (a) Issuance of license and operations generally.--The board
27 shall issue to a reputable person who applies and pays the
28 license fee prescribed in this article a hemp-derived
29 cannabinoid beverage distributor's license for the place which
30 the person desires to maintain for the sale of hemp-derived

1 cannabinoid beverages, not for consumption on the premises where
2 sold, and in quantities of not less than a case or final
3 container containing not less than 128 ounces which may be sold
4 separately as prepared for the market by the manufacturer at the
5 place of manufacture. A hemp-derived cannabinoid beverage
6 distributor's license holder may sell hemp-derived cannabinoid
7 beverages in any amount to a person not licensed by the board
8 for off-premises consumption. The sales shall not be required to
9 be in the package configuration designated by the manufacturer.

10 (b) Refusal of license.--The board may refuse to issue a
11 hemp-derived cannabinoid beverage distributor's license to a
12 person, corporation, partnership or association if the person,
13 or officer or director of the corporation, or member or partner
14 of the partnership or association has been convicted or found
15 guilty of a felony within a period of five years immediately
16 preceding the date of application for the license.

17 (c) Licensing restrictions.--

18 (1) The board may refuse to approve a new hemp-derived
19 cannabinoid beverage distributor's license or the transfer of
20 a license to a new location if:

21 (i) the location proposed to be licensed is within
22 300 feet of a church, hospital, charitable institution,
23 school or public playground; or

24 (ii) the new hemp-derived cannabinoid beverage
25 distributor's license or the transfer of a license to a
26 new location is applied for a place within 200 feet of
27 any other premises which is licensed by the board.

28 (2) The board shall refuse an application for a new
29 hemp-derived cannabinoid beverage distributor's license or
30 the transfer of a license to a new location if, in the

1 board's opinion, the new hemp-derived cannabinoid beverage
2 distributor's license or the transfer of a license to a new
3 location would be detrimental to the welfare, health, peace
4 and morals of the inhabitants of the neighborhood within a
5 radius of 500 feet of the location proposed to be licensed.

6 (3) The board may enter into an agreement with the
7 applicant concerning additional restrictions on the license
8 in question, subject to the following:

9 (i) If the board and the applicant enter into an
10 agreement, the agreement shall be binding on the
11 applicant.

12 (ii) Failure by the applicant to adhere to the
13 agreement will be sufficient cause to form the basis for
14 a citation under section 423-A and nonrenewal of the
15 license.

16 (iii) If the board enters into an agreement with an
17 applicant concerning additional restrictions, the
18 restrictions shall be binding on subsequent holders of
19 the hemp-derived cannabinoid beverage distributor's
20 license until the license is transferred to a new
21 location or until the board enters into a subsequent
22 agreement removing the restrictions.

23 (d) Notice required.--The board shall require notice to be
24 posted on the property or premises upon which the applicant
25 plans to engage in the sale of hemp-derived cannabinoid
26 beverages. The notice shall be similar to the notice required of
27 hemp-derived cannabinoid retail licensees.

28 (e) Authority of license.--A hemp-derived cannabinoid
29 beverage distributor's license authorizes the holder to sell or
30 deliver hemp-derived cannabinoid beverages in quantities

1 specified in this article anywhere within this Commonwealth that
2 have been purchased only from persons licensed under this
3 article as a hemp-derived cannabinoid beverage manufacturer or
4 hemp-derived cannabinoid beverage importing distributor.

5 (f) Contracts.--

6 (1) Distributors, importing distributors and
7 manufacturers of hemp-derived cannabinoid beverages may enter
8 into contracts with one another in which both parties may:

9 (i) form a mutual agreement regarding distribution
10 of hemp-derived cannabinoid beverages in certain
11 geographic areas; and

12 (ii) place limits on distribution in certain
13 geographic areas.

14 (2) No other provisions of this act which may regulate
15 the distribution of beverages or other products produced by
16 licensees under this article based on geographic areas,
17 distribution agreements, franchise agreements or any other
18 analogous system shall apply to hemp-derived cannabinoid
19 beverage distributor's licenses.

20 Section 409-A. Hemp-derived cannabinoid beverage importing
21 distributor's license.

22 (a) Duty of board.--The board shall issue a hemp-derived
23 cannabinoid beverage importing distributor's license to a
24 reputable person who applies for, and pays the license fee
25 prescribed in this article, for the place that the person
26 desires to maintain for the sale of hemp-derived cannabinoid
27 beverages, not for consumption on the premises where sold, and
28 in quantities of not less than a case or final container
29 containing at least 128 ounces which may be sold separately as
30 prepared for the market by the manufacturer at the place of

1 manufacture.

2 (b) Decision making.--In the board's decision making on the
3 issuing of a license under this article, section 408-A(b), (c)
4 and (d) apply.

5 (c) Scope of license.--A hemp-derived cannabinoid beverage
6 importing distributor's license authorizes the holder to sell or
7 deliver hemp-derived cannabinoid beverages in quantities
8 specified in this article anywhere within this Commonwealth that
9 have been purchased from manufacturers or importing distributors
10 licensed under this article, or from manufacturers and persons
11 outside this Commonwealth engaged in the sale of hemp-derived
12 cannabinoid beverages, if the sales are legal under the laws of
13 the state from which the beverages originate.

14 (d) Authority of license holder.--The holder of a hemp-
15 derived cannabinoid beverage importing distributor's license
16 shall be authorized to store and repackage hemp-derived
17 cannabinoid beverages owned by a manufacturer at a segregated
18 portion of a warehouse or other storage facility authorized by
19 this article. The license holder shall be authorized to deliver,
20 on behalf of the manufacturer, hemp-derived cannabinoid
21 beverages to other importing distributors. The license holder
22 may collect a fee from the manufacturer for related storage,
23 repackaging or delivery services.

24 Section 410-A. Application for hemp-derived cannabinoid
25 beverage distributor's and importing distributor's
26 license.

27 An application for a hemp-derived cannabinoid beverage
28 distributor's license and a hemp-derived cannabinoid beverage
29 importing distributor's license shall mirror the requirements in
30 section 436(a), (b), (c), (d), (e), (f), (g), (h), (i) and (j).

1 Section 411-A. Hemp-derived cannabinoid beverage manufacturer's
2 license.

3 (a) Authority of board.--

4 (1) The board shall issue a hemp-derived cannabinoid
5 beverage manufacturer's license to a resident of this
6 Commonwealth of good repute who applies for and pays the
7 license fee prescribed in this article to produce and
8 manufacture hemp-derived cannabinoid beverages and to
9 transport, sell and deliver hemp-derived cannabinoid
10 beverages from the place of manufacture only in final
11 containers, in quantities of not less than a case or in final
12 containers of at least 128 ounces.

13 (2) The application for a license shall be in the form
14 and contain information as required by the board.

15 (3) Licenses shall be granted for a license period to be
16 determined by the board.

17 (b) Records.--A hemp-derived cannabinoid beverage
18 manufacturer's license holder shall keep at the principal place
19 of business within this Commonwealth daily permanent records
20 that include:

21 (1) The quantities of raw materials and hemp-derived THC
22 received and used in the manufacture of hemp-derived
23 cannabinoid beverages and the quantities of hemp-derived
24 cannabinoid beverages manufactured and stored.

25 (2) The sales of hemp-derived cannabinoid beverages.

26 (3) The quantities of hemp-derived cannabinoid beverages
27 stored for hire or transported for hire by or for the
28 licensee.

29 (4) The names and addresses of the purchasers or other
30 recipients.

1 (c) Inspection of premises.--

2 (1) A hemp-derived cannabinoid beverage manufacturer
3 license holder's premises shall be subject to inspection by
4 members of the board or persons authorized and designated by
5 the board at any time as deemed necessary for the detection
6 of violations of this article or rules and regulations of the
7 board, or for the purpose of ascertaining the correctness of
8 the records required to be kept by a licensee.

9 (2) The books and records of a hemp-derived cannabinoid
10 beverage manufacturer license holder shall at all times be
11 open to inspection by members of the board or persons
12 authorized and designated by the board. Members of the board
13 and persons authorized and designated by the board shall have
14 the right, without hindrance, to enter any place subject to
15 inspection under this article or any place where records are
16 kept for the purpose of making inspections and making
17 transcripts of inspections.

18 (d) Out-of-State manufacturers.--A manufacturer of hemp-
19 derived cannabinoid beverages located outside this Commonwealth
20 may rent, lease or otherwise acquire space from an importing
21 distributor or bailee for hire authorized by this article at no
22 more than two locations per manufacturer for use of a segregated
23 portion of a warehouse or other storage facility owned or
24 operated by the importing distributor at which the out-of-State
25 manufacturer may store, repackage and sell hemp-derived
26 cannabinoid beverages to an importing distributor or a purchaser
27 outside this Commonwealth for delivery outside this
28 Commonwealth, if the sale is legal in the state to which the
29 beverages shall be delivered. The manufacturer may compensate
30 the importing distributor or bailee for hire for related

1 storage, repackaging or delivery services.

2 (e) Storage licenses.--

3 (1) The board shall issue to a hemp-derived cannabinoid
4 beverage manufacturer license holder no more than five
5 storage licenses per manufacturer to cover storage facilities
6 separate from the location of the manufacturing facility.

7 (2) A manufacturer may use the storage facilities to
8 receive, store, repackage, sell and distribute hemp-derived
9 cannabinoid beverages in the same manner as at the
10 manufacturer's place of manufacture or the manufacturer may
11 rent, lease or otherwise acquire space from an importing
12 distributor or bailee for hire authorized by this article in
13 the same manner as an out-of-State manufacturer as specified
14 in subsection (d).

15 (3) A hemp-derived cannabinoid beverage manufacturer
16 license holder shall file a separate written application to
17 acquire storage licenses.

18 (4) The board shall determine what information shall be
19 provided on a storage license application.

20 (5) Nothing in this article authorizing off-site storage
21 facilities for a hemp-derived cannabinoid beverage
22 manufacturer license holder is intended to make any change in
23 the manner hemp-derived cannabinoid beverages are distributed
24 through the three-tier system.

25 (f) Sales to include food.--

26 (1) A hemp-derived cannabinoid beverage manufacturer
27 license holder under this section may sell, at the licensed
28 place of manufacture, hemp-derived cannabinoid beverages for
29 consumption on premises to nonlicensees if food is also
30 served and there are at least 10 seats for use by patrons.

1 (2) Food must consist of at least potato chips, pretzels
2 and similar foods.

3 (3) Food may be prepared by the licensee or by a third
4 party.

5 (g) Sales of beverages not produced by license holder.--

6 (1) A hemp-derived cannabinoid beverage manufacturer
7 license holder under this section may sell hemp-derived
8 cannabinoid beverages not produced by the license holder if
9 the sales do not constitute more than 50% of the on-premises
10 sales of the manufacturer's hemp-derived cannabinoid
11 beverages for the preceding calendar year.

12 (2) If a hemp-derived cannabinoid beverage manufacturer
13 license holder did not operate for an entire calendar year
14 during the preceding year, the license holder's combined
15 sales of hemp-derived cannabinoid beverages produced by
16 another manufacturer may not, on a yearly basis, exceed 50%
17 of the on-premises sales of the manufacturer's hemp-derived
18 cannabinoid beverages for that year.

19 (h) Restaurant.--A hemp-derived cannabinoid beverage
20 manufacturer license holder under this section may apply for and
21 hold a hemp-derived cannabinoid beverage retail license for a
22 restaurant to be opened at or attached to the premises for which
23 they hold a manufacturer's license. The restaurant for which the
24 hemp-derived cannabinoid beverage retail license is held may
25 exceed the 50% sales threshold established in subsection (f).
26 Section 412-A. Application for hemp-derived cannabinoid
27 beverage manufacturer's license.

28 (a) Application.--

29 (1) An applicant for a hemp-derived cannabinoid beverage
30 manufacturer's license shall file with the board a written

1 application in the form as the board shall require.

2 (2) The application shall be accompanied by a filing fee
3 of \$100.

4 (3) The application must include:

5 (i) The legal names of the applicant and the owner
6 of the place where business under the license will be
7 carried on, along with the residence addresses by street
8 and number of the following:

9 (A) If the applicant is an individual, the
10 individual.

11 (B) If the applicant is a partnership, each
12 partner.

13 (C) If the applicant is a corporation, each
14 officer of the corporation.

15 (ii) All of the following:

16 (A) The exact location of the place of business
17 and of every place to be occupied or used in
18 connection with the business.

19 (B) The productive capacity of each plant where
20 a hemp-derived cannabinoid beverage is to be
21 manufactured, produced, blended or developed.

22 (C) The capacity of each warehouse or other
23 place where the beverages are to be held or stored
24 for hire or the equipment to be used where a
25 transportation business is to be carried on under the
26 license.

27 (iii) Proof that the applicant is a citizen of the
28 United States.

29 (iv) Other relevant information that the board shall
30 require by rule or regulation.

1 (b) Verification by affidavit.--An application must be
2 verified by affidavit of the applicant made before an officer
3 legally qualified to administer oaths. If a false statement is
4 willfully made in any part of the application, the applicant
5 shall be guilty of a misdemeanor and subject to the penalties
6 outlined in this article.

7 Section 413-A. Expedited applications for holders of equivalent
8 classes of alcohol licenses.

9 (a) Duty of board.--The board shall promulgate regulations
10 that establish a process by which applications for hemp-derived
11 cannabinoid beverage licenses that are submitted by an applicant
12 who holds an alcohol license of an equivalent class may be
13 expedited for review and final determination.

14 (b) Regulations.--The regulations as promulgated by the
15 board under subsection (a) shall apply to applications for
16 alcohol licenses which are submitted by an applicant who holds a
17 hemp-derived cannabinoid beverage license of an equivalent
18 class.

19 (c) Applicability.--Subsections (a) and (b) shall apply to
20 hemp-derived cannabinoid beverage retail licenses and
21 restaurant, hotel and club liquor licenses if the licenses have
22 been first acquired through a transfer, auction or, in the case
23 of hemp-derived cannabinoid beverage retail licenses, an initial
24 offering under section 447-A.

25 (d) Construction.--Nothing in this section shall be
26 construed to allow for lower approval standards in the board's
27 review and final determination of expedited applications, or to
28 prioritize holders of alcohol or hemp-derived cannabinoid
29 beverage licenses over others in the auction process.

30 Section 414-A. License fees.

1 (a) Fees.--The board shall charge fees for the following
2 purposes and in the following amounts:

3 (1) Hemp-derived cannabinoid beverage retail
4 licenses:

5 (i) Application filing fee \$700

6 (ii) Renewal filing fee 30

7 (iii) License fee:

8 (A) Municipalities with a population of
9 less than 1,500 250

10 (B) Municipalities, except townships,
11 with a population of 1,500 - 9,999 300

12 (C) Municipalities, townships with a
13 population of 1,500 - 11,999 300

14 (D) Municipalities, except townships,
15 with a population of 10,000 - 49,999 400

16 (E) Municipalities, townships with a
17 population of 12,000 - 49,999 400

18 (F) Municipalities with a population of
19 50,000 - 99,999 500

20 (G) Municipalities with a population of
21 100,000 - 149,999 600

22 (H) Municipalities with a population of
23 150,000 or more 700

24 (iv) Transfer fee:

25 (A) Person to person 650

26 (B) Place to place 550

27 (C) Person to person and place to place
28 transfer 700

29 (2) Hemp-derived cannabinoid beverage importing
30 distributor:

1	<u>(i) Application filing fee</u>	<u>700</u>
2	<u>(ii) Renewal filing fee</u>	<u>30</u>
3	<u>(iii) License fee</u>	<u>1,350</u>
4	<u>(iv) Transfer fee:</u>	
5	<u>(A) Person to person transfer</u>	<u>650</u>
6	<u>(B) Place to place</u>	<u>550</u>
7	<u>(C) Person to person and place to place</u>	
8	<u>transfer</u>	<u>700</u>
9	<u>(3) Hemp-derived cannabinoid beverage</u>	
10	<u>distributor:</u>	
11	<u>(i) Application filing fee</u>	<u>700</u>
12	<u>(ii) Renewal filing fee</u>	<u>30</u>
13	<u>(iii) License fee</u>	<u>600</u>
14	<u>(iv) Transfer fee:</u>	
15	<u>(A) Person to person</u>	<u>650</u>
16	<u>(B) Place to place</u>	<u>550</u>
17	<u>(C) Person to person and place to place</u>	
18	<u>transfer</u>	<u>700</u>
19	<u>(4) THC extraction license:</u>	
20	<u>(i) Application filing fee</u>	<u>2,000</u>
21	<u>(ii) Renewal filing fee</u>	<u>50</u>
22	<u>(iii) License fee</u>	<u>1,800</u>
23	<u>(iv) Transfer fee</u>	<u>800</u>
24	<u>(5) Hemp-derived cannabinoid beverage</u>	
25	<u>manufacturer:</u>	
26	<u>(i) Application filing fee</u>	<u>1,000</u>
27	<u>(ii) Renewal filing fee</u>	<u>30</u>
28	<u>(iii) License fee</u>	<u>1,500</u>
29	<u>(iv) Transfer fee</u>	<u>800</u>
30	<u>(6) Hemp-derived cannabinoid beverage catering</u>	

1	<u>license:</u>	
2	<u>(i) Application filing fee</u>	<u>700</u>
3	<u>(ii) Renewal filing fee</u>	<u>30</u>
4	<u>(iii) License fee</u>	<u>250</u>
5	<u>(iv) Transfer fee:</u>	
6	<u>(A) Person to person</u>	<u>650</u>
7	<u>(B) Place to place</u>	<u>550</u>
8	<u>(C) Person to person and place to place</u>	
9	<u>transfer</u>	<u>700</u>
10	<u>(7) Hemp-derived cannabinoid beverage catering</u>	
11	<u>permit:</u>	
12	<u>(i) Application filing fee</u>	<u>300</u>
13	<u>(ii) Renewal filing fee before expiration of</u>	
14	<u>previous permit</u>	<u>30</u>
15	<u>(iii) License fee:</u>	
16	<u>(A) Less than 11 days</u>	<u>75</u>
17	<u>(B) 11 - 30 days</u>	<u>150</u>
18	<u>(b) Other fees.--A fee for a permit or license relating to</u>	
19	<u>hemp-derived cannabinoid beverages that is not provided for in</u>	
20	<u>this section shall have the same fees assigned to it as assigned</u>	
21	<u>to its equivalent alcohol license or permit. The board shall</u>	
22	<u>determine equivalency.</u>	
23	<u>(c) Use of fees.--License fees authorized under this section</u>	
24	<u>shall be collected by the board for the use of the</u>	
25	<u>municipalities in which the fees were collected.</u>	
26	<u>(d) Returned checks.--</u>	
27	<u>(1) If a check issued in payment of a filing or license</u>	
28	<u>fee under this article is returned to the board as</u>	
29	<u>dishonored, the board shall charge a fee of \$5 per \$100, or a</u>	
30	<u>fractional part thereof, plus all protest fees, to the maker</u>	

1 of the check submitted to the board.

2 (2) Failure to make full payment or pay the face amount
3 of the check in full and all charges as required in this
4 section within 10 days after demand has been made by the
5 board upon the maker of the check, or upon notification to
6 the board by the Department of Revenue or the Department of
7 Labor and Industry of an objection, the license of the person
8 shall immediately become invalid and shall remain invalid
9 until payment and all charges are received by the board.

10 (e) Transfer.--If a license is transferred, no license or
11 other fees shall be required from the persons to whom the
12 transfer is made for the portion of the license period for which
13 the license fee has been paid by the transferor, except for
14 transfer fees provided in this section.

15 Section 415-A. License renewals.

16 (a) Time for filing.--An application for renewal of a
17 license issued under this article shall be filed at least 60
18 days before the the expiration date of the license, along with
19 any tax clearance that may be required by the board. The board
20 may accept a renewal application filed less than 60 days before
21 the expiration date of the license with the required fees, upon
22 reasonable cause shown and the payment of an additional filing
23 fee of \$100 for late filing.

24 (b) Final determination.--If a license renewal application
25 is filed less than 60 days before the expiration date, or
26 subsequent to the expiration date, a license shall not be issued
27 upon the filing of the renewal application until the matter is
28 finally determined by the board and, if an appeal is taken from
29 the board's action, the courts shall not order the issuance of
30 the renewal license until final determination of the matter by

1 the courts.

2 (c) Agreements and additional restrictions.--

3 (1) The board may enter into an agreement with the
4 applicant concerning additional restrictions on the license
5 or permit in question.

6 (2) If the board and the applicant enter into an
7 agreement, the agreement shall be binding on the applicant.

8 (3) Failure by the applicant to adhere to the agreement
9 will be sufficient cause to form the basis for a citation
10 under section 423-A and for nonrenewal of the license under
11 this section.

12 (d) Catering permit renewal.--An application for renewal of
13 a hemp-derived cannabinoid beverage catering permit shall be
14 filed at least:

15 (1) one day prior to expiration if the permit is valid
16 for less than 11 days; or

17 (2) five days prior to expiration if the permit is valid
18 for less than 31 days.

19 (e) License renewal.--

20 (1) A license renewal application will not be considered
21 filed unless accompanied by the requisite filing and license
22 fees and any additional filing fee required by this section.

23 (2) The license of a licensee shall be renewed unless:

24 (i) the board gave 10 days' previous notice to the
25 applicant of objections to the renewal of the license
26 based upon violation by the licensee or the licensee's
27 servants, agents or employees of any of the laws of this
28 Commonwealth or regulations of the board relating to the
29 manufacture, transportation, use, storage, importation,
30 possession or sale of hemp-derived cannabinoid beverages;

1 (ii) the conduct of a licensed establishment is
2 deemed in violation of this article;

3 (iii) the applicant has by the applicant's own act
4 become a person of ill repute; or

5 (iv) the premises do not meet the requirements of
6 this article or the regulations of the board.

7 (3) A noise violation shall not be the sole basis for
8 objection by the board to the renewal of a license unless the
9 licensee has received three prior adjudicated noise citations
10 within a 24-month period.

11 (f) Fees.--A renewal of a hemp-derived cannabinoid beverage
12 catering permit will not be considered filed unless accompanied
13 by the requisite filing and license fees and any additional
14 filing fee required by this section. The board may decline to
15 renew a catering permit without cause.

16 Section 416-A. License to be displayed.

17 (a) License displayed.--

18 (1) A license issued under this article shall be
19 constantly and conspicuously displayed under transparent
20 substance on the licensed premises.

21 (2) A license shall not authorize sales until the
22 licensee complies with this section.

23 (b) Permit displayed.--A permit issued under this article
24 shall be constantly and conspicuously displayed adjacent to the
25 area of the catered premise that is serving hemp-derived
26 cannabinoid beverages. A permit may not authorize sales or
27 furnishment of hemp-derived cannabinoid beverages until the
28 permit holder complies with this section.

29 Section 417-A. Premises and records subject to inspections.

30 The premises of a license or permit holder where THC is

1 extracted from hemp or hemp-derived cannabinoid beverage covered
2 by the license is manufactured, produced, developed, stored for
3 hire or in connection with a licensee's business shall be
4 subject to inspection by members of the board or by persons duly
5 authorized and designated by the board at any time as they may
6 deem necessary for:

7 (1) the detection of violations of this article or of
8 the rules and regulations of the board promulgated under the
9 authority of this article; or

10 (2) the purpose of ascertaining the correctness of the
11 records required by this article to be kept by licensees and
12 the books and records of licensees, and the books and records
13 of their customers as they relate to purchases from the
14 licensees, shall at all times be open to inspection by the
15 members of the board or by persons duly authorized and
16 designated by the board for the purpose of making inspections
17 as authorized by this section. Members of the board and the
18 persons duly authorized and designated by the board shall
19 have the right, without fee or hindrance, to enter any place
20 which is subject to inspection under this section, or any
21 place where records subject to inspection under this article
22 are kept, for the purpose of making inspections.

23 Section 418-A. Number and kinds of licensees allowed same
24 licensee.

25 (a) Number of licenses allowed.--

26 (1) A person shall not possess or be issued more than
27 one hemp-derived cannabinoid beverage distributor or hemp-
28 derived cannabinoid beverage importing distributor's license.

29 (2) A person may possess both a hemp-derived cannabinoid
30 beverage distributor's license and a distributor's license.

1 (3) A person may possess both a hemp-derived cannabinoid
2 beverage importing distributor's license and an importing
3 distributor's license.

4 (4) A person may possess both a hemp-derived cannabinoid
5 beverage manufacturer's license and a THC extraction license.

6 (b) Definitions.--As used in this section, the following
7 words and phrases shall have the meanings given to them in this
8 subsection unless the context clearly indicates otherwise:

9 "Distributor." As defined in section 102.

10 "Importing distributor." As defined in section 102.

11 Section 419-A. Records to be kept.

12 (a) Complete and truthful records.--A person holding a hemp-
13 derived cannabinoid beverage retail license, hemp-derived
14 cannabinoid beverage distributor license or hemp-derived
15 cannabinoid beverage importing distributor license issued under
16 this article shall keep complete and truthful daily records
17 covering the operation of the licensed business, particularly
18 showing the date of all purchases of hemp-derived cannabinoid
19 beverages, the actual price paid and the name of the vendor.

20 (b) Time frame.--The records under this section must cover
21 at least the most recent two-year period.

22 (c) Maintenance location.--

23 (1) The records under this section from the most recent
24 six-month period must be maintained on the licensed premises.

25 (2) The records under this section for the remainder of
26 the two-year period may be kept off the licensed premises if
27 the records are returned to the licensed premises within 24
28 hours of a request by the board or enforcement bureau.

29 (d) Removal of records.--A licensee may remove the records
30 for the most recent six-month period from the licensed premises

1 only for a lawful business purpose provided that they are
2 returned to the premises when that business is completed.
3 Section 420-A. Hemp-derived cannabinoid beverage licensees
4 restrictions on sales and storage.

5 (a) Applicable law.--

6 (1) Except as otherwise provided by this article, the
7 restrictions under section 406 that apply to the places, days
8 and times for sales by liquor licensees shall apply to hemp-
9 derived cannabinoid beverage retail licensees.

10 (2) The board may prescribe other conditions relating to
11 the places, days and times for the sale of hemp-derived
12 cannabinoid beverages, consistent with this article. In
13 prescribing other conditions, the board shall transmit notice
14 of the changes to the Legislative Reference Bureau for
15 publication in the next available issue of the Pennsylvania
16 Bulletin. The changes shall take effect upon the publication
17 in the Pennsylvania Bulletin.

18 (3) This section shall not be construed to expand the
19 type of eligible establishment that may apply for and hold a
20 hemp-derived cannabinoid beverage license as provided for in
21 section 405-A.

22 (4) A license or permit authorizing sales on Sunday in
23 the context of hemp-derived cannabinoid beverages shall be
24 governed by section 405.1-A.

25 (b) Restrictions.--Restrictions for distributors and
26 importing distributors are as follows:

27 (1) A distributor or importing distributor shall not
28 purchase, receive or resell hemp-derived cannabinoid
29 beverages except:

30 (i) in the original containers as prepared for the

1 market by the manufacturer at the place of manufacture or
2 in the original cases as received by the manufacturer; or
3 (ii) in the case of identical containers repackaged
4 in the manner described in this section.

5 (2) Hemp-derived cannabinoid beverages sold or delivered
6 shall not be consumed upon the premises of the distributor or
7 importing distributor.

8 (3) A distributor or importing distributor shall not
9 maintain or operate any place where sales are made other than
10 that for which the license is granted.

11 (4) To salvage one or more salable cases from one or
12 more damaged cases, cartons or packages of hemp-derived
13 cannabinoid beverages, a distributor or importing distributor
14 may repackage consequent to inadvertent damage and sell a
15 case, carton or package of identical units of hemp-derived
16 cannabinoid beverages. Repackaging is permissible only to the
17 extent made necessary by inadvertent damage. Repackaging not
18 consequent to damage is prohibited. As used in this
19 paragraph, the term "identical units" means undamaged bottles
20 or cans of identical brand, package and volume.

21 (5) All hemp-derived cannabinoid beverages purchased by
22 an importing distributor from a Pennsylvania manufacturer of
23 hemp-derived cannabinoid beverages or from a person located
24 outside this Commonwealth for resale shall be invoiced to the
25 importing distributor, come physically into the possession of
26 the importing distributor and be unloaded into and
27 distributed from the licensed premises of the importing
28 distributor. The board may act to further define and control
29 the storage and distribution of hemp-derived cannabinoid
30 beverages in conformity with this section and this article.

1 (6) A distributor or importing distributor may not be
2 required to collect the name, address or any other
3 identifying information of a private individual for the
4 purpose of keeping a record of the quantity of cases or
5 volume of hemp-derived cannabinoid beverages purchased.

6 Section 421-A. Unlawful acts relative to hemp-derived
7 cannabinoid beverages.

8 The following acts are unlawful:

9 (1) Sales of cannabinoid beverages. A person or employee
10 or agent of a person may not keep for sale, or directly or
11 indirectly, or upon any pretense or upon any device, sell or
12 offer to sell a hemp-derived cannabinoid beverage within this
13 Commonwealth, except in accordance with this article and the
14 regulations of the board. A person found to be in violation
15 is subject to section 422-A(a) in addition to any other
16 provision of law.

17 (2) Importation or delivery into the Commonwealth. A
18 person may not transport into this Commonwealth hemp-derived
19 cannabinoid beverages from another state, territory, foreign
20 country or insular possession of the United States for any
21 reason. This paragraph shall not apply to a person with a
22 hemp-derived cannabinoid beverage importer's license issued
23 by the board.

24 (3) Purchase of cannabinoid beverages. A person may not
25 purchase or attempt to purchase, barter, trade or otherwise
26 exchange something of value, perceived or tangible, for hemp-
27 derived cannabinoid beverages from any person or source other
28 than those licensed under this article or regulations of the
29 board.

30 (4) Sales by hemp-derived cannabinoid beverage retail

1 licensees. A hemp-derived cannabinoid beverage retail
2 licensee and the licensee's servants, agents or employees may
3 not sell any hemp-derived cannabinoid beverages for
4 consumption on the licensed premises except in a room or
5 rooms or place on the licensed premises at all times
6 accessible to the use and accommodation of the general
7 public. This section shall not be interpreted to prohibit a
8 hemp-derived cannabinoid beverage retail licensee from
9 providing private affairs, the primary function of which is
10 for catering only to weddings or special occasions arranged
11 24 hours in advance, nor to prohibit a restaurant that holds
12 a hemp-derived cannabinoid beverage retail license that is
13 located in a hotel from selling hemp-derived cannabinoid
14 beverages in any room of the hotel occupied by a bona fide
15 guest.

16 (5) Sales by manufacturers. A manufacturer of hemp-
17 derived cannabinoid beverages may not sell or offer for sale
18 hemp-derived cannabinoid beverages to any person for any
19 reason except in accordance with this article and regulations
20 of the board.

21 (6) Manufacturing without license. A person may not
22 manufacture hemp-derived cannabinoid beverages unless the
23 person holds a valid hemp-derived cannabinoid beverage
24 manufacturer's license issued by the board.

25 (7) Transportation of cannabinoid beverages. A person
26 may not transport hemp-derived cannabinoid beverages except
27 in the original containers. A person may not transport hemp-
28 derived cannabinoid beverages for another person who is
29 engaged in selling hemp-derived cannabinoid beverages unless
30 the person holds a license to transport for hire alcohol,

1 liquor and malt and brewed beverages or a permit issued by
2 the board. This paragraph shall not be construed to prohibit
3 transportation of hemp-derived cannabinoid beverages through
4 this Commonwealth and not for delivery in this Commonwealth
5 if the transporting is done in accordance with the rules and
6 regulations of the board.

7 (8) Transportation by licensee. A licensee shall deliver
8 or transport hemp-derived cannabinoid beverages in a vehicle
9 bearing the name and address and license number of the
10 licensee painted or affixed on each side of the vehicle in
11 letters no smaller than two inches in height.

12 (9) Selling to persons doing illegal business. A
13 licensee or the licensee's servants, agents or employees,
14 shall not knowingly sell hemp-derived cannabinoid beverages
15 to a person engaged in the business of illegally selling
16 hemp-derived cannabinoid beverages.

17 (10) Coercing distributors and importing distributors. A
18 manufacturer or an officer, agent or representative of a
19 manufacturer shall not coerce or persuade or attempt to
20 coerce or persuade a licensee to:

21 (i) sell or distribute hemp-derived cannabinoid
22 beverages wholesale or retail;

23 (ii) establish selling prices for the products;

24 (iii) enter into any contracts or agreements,
25 whether written or oral; or

26 (iv) take any action which will violate this article
27 or any of the rules or regulations promulgated by the
28 board under this article.

29 (11) Furnishing cannabinoid beverages to certain
30 persons. A licensee or an employee, servant or agent of the

1 licensee shall not sell, furnish or give hemp-derived
2 cannabinoid beverages or to permit hemp-derived cannabinoid
3 beverages to be sold, furnished or given to a visibly
4 intoxicated person or to a minor.

5 (12) Failure to have records on premises. A licensee
6 shall properly maintain records as required under this
7 article or by regulation of the board.

8 (13) Employment of minors. The following shall apply:

9 (i) A hemp-derived cannabinoid beverage retail
10 licensee shall not employ or permit a minor under 18
11 years of age to serve any hemp-derived cannabinoid
12 beverages or employ or permit a minor under 16 years of
13 age to render any service in the licensed premises, nor
14 shall any entertainer under the age of 18 be employed or
15 permitted to perform in a licensed premises in violation
16 of the labor laws of this Commonwealth.

17 (ii) In accordance with board regulations, minors
18 between 16 and 18 years of age may be employed to serve
19 food, clear tables and perform other similar duties, not
20 including the dispensing or serving of hemp-derived
21 cannabinoid beverages.

22 (iii) A hemp-derived cannabinoid beverage retail
23 licensee may allow students receiving instruction in a
24 performing art to perform an exhibition if the students
25 are not compensated and are under proper supervision.
26 Written notice of the performance must be provided to the
27 enforcement bureau prior to the performance.

28 (14) Refusing the right of inspection. A licensee under
29 this article, or the licensee's servants, agents or
30 employees, shall not refuse the board or the enforcement

1 bureau or any of their authorized employees the right to
2 inspect the entire licensed premises at any time during which
3 the premises are open for the transaction of business, or
4 when patrons, guests or members are in that portion of the
5 licensed premises where hemp-derived cannabinoid beverages
6 are sold.

7 (15) Consumption of cannabinoid beverages while tending
8 bar. A licensee or the licensee's servants, agents or
9 employees shall not consume hemp-derived cannabinoid
10 beverages while tending bar or otherwise serving hemp-derived
11 cannabinoid beverages. No action shall be taken against a
12 licensee under this paragraph unless the licensee is the
13 individual consuming hemp-derived cannabinoid beverages.

14 (16) Permitting undesirable persons or minors to
15 frequent premises. The following shall apply:

16 (i) A hemp-derived cannabinoid beverage retail
17 licensee or the licensee's servants, agents or employees
18 shall not permit persons of ill repute or prostitutes to
19 frequent the licensed premises or any premises operated
20 in connection with this article.

21 (ii) Minors may only frequent a licensed premises
22 if:

23 (A) they are accompanied by a parent;

24 (B) they are accompanied by a legal guardian;

25 (C) they are under proper supervision;

26 (D) they are attending a social gathering; or

27 (E) the hemp-derived cannabinoid beverage retail

28 licensee has gross sales of food and nonalcoholic

29 beverages equal to 50% or more of the licensee's

30 combined gross sale of both food and alcoholic

1 beverages.

2 (iii) If a minor is frequenting a hemp-derived
3 cannabinoid beverage retail licensee under subparagraph
4 (ii) (E), the minor may not sit at the bar section of the
5 premises, nor may any hemp-derived cannabinoid beverages
6 be served at the table or booth at which the minor is
7 seated unless the minor is with a parent or legal
8 guardian or under proper supervision.

9 (iv) If a hemp-derived cannabinoid beverage retail
10 licensee is hosting a social gathering under subparagraph
11 (ii) (D), written notice at least 48 hours in advance of
12 the gathering shall be given to the Bureau of
13 Enforcement.

14 (v) If a minor is frequenting licensed premises with
15 proper supervision under subparagraph (ii) (C), each
16 supervisor can supervise up to 20 minors, except for
17 premises located in cities of the first class, where each
18 supervisor can supervise up to five minors.

19 (vi) If a minor is on the premises as part of a
20 school-endorsed function, each supervisor can supervise
21 50 minors. Nothing in this paragraph shall be construed
22 to make it unlawful for minors to frequent public venues
23 and performing arts facilities.

24 (17) Furnishing or delivering hemp-derived cannabinoid
25 beverages at unlawful hours. A licensee or the licensee's
26 servants, agents or employees shall not give, furnish, trade,
27 barter, serve or deliver hemp-derived cannabinoid beverages
28 to any person during hours or on days when the licensee is
29 prohibited by this article from serving hemp-derived
30 cannabinoid beverages.

1 (18) Use of hemp-derived cannabinoid beverages while
2 underage. An individual under 21 years of age shall not
3 attempt to purchase, purchase, consume, possess or knowingly
4 and intentionally transport hemp-derived cannabinoid
5 beverages. A person who violates this paragraph shall be
6 subject to the penalty prescribed in section 422-A(c).

7 Section 422-A. Penalties.

8 (a) Misdemeanor.--A person convicted of a violation of this
9 article that is graded as a misdemeanor shall be sentenced as
10 follows:

11 (1) For a first offense, to pay a fine of not less than
12 \$100 nor more than \$500 and, upon failure to pay the fine, to
13 imprisonment for a period of not less than one month, nor
14 more than three months.

15 (2) For a second or subsequent offense, to pay a fine of
16 not less than \$300 nor more than \$500, or to imprisonment for
17 a period of not less than three months nor more than one
18 year, or both.

19 (b) Unlicensed sales.--A person convicted of selling or
20 offering to sell a hemp-derived cannabinoid beverage without
21 being licensed is in violation of this article and shall, in
22 addition to any other penalty described by law, be sentenced to
23 pay a fine of \$10 per fluid ounce for each container of hemp-
24 derived cannabinoid beverage found on the premises where the
25 sale was made or attempted. The following apply:

26 (1) The amount of fine per container will be based upon
27 the capacity of the container when full, whether or not the
28 container is full at the time of the attempted sale.

29 (2) All hemp-derived cannabinoid beverages shall be
30 confiscated.

1 (3) If a person fails to pay the full amount of the fine
2 levied under this subsection, the premises on which the hemp-
3 derived cannabinoid beverage was found shall be subject to a
4 lien in the amount of the unpaid fine if the premises are
5 owned by the person against whom the fine was levied or by
6 any other person who had knowledge of the proscribed
7 activity. The lien shall be superior to any other liens on
8 the premises other than a duly recorded mortgage.

9 (c) Summary offense.--A violation of section 421-A(18) is a
10 summary offense. A person convicted of a violation may be
11 sentenced to pay a fine of not more than \$500 for the first
12 violation and not more than \$1,000 for the second and each
13 subsequent violation. The following shall apply:

14 (1) When a person is charged with violating section 421-
15 A(18), the magisterial district judge may admit the offender
16 to the adjudication alternative as authorized in 42 Pa.C.S. §
17 1520 (relating to adjudication alternative program) or any
18 other preadjudication disposition if the offender has not
19 previously received a preadjudication disposition for
20 violating section 421-A(18).

21 (2) The use of a preadjudication disposition shall be
22 considered a first or subsequent offense, whichever is
23 applicable, for the purpose of further adjudication of
24 violations of section 421-A(18).

25 (d) Suspension and revocation.--The right to suspend and
26 revoke licenses granted under this article shall be in addition
27 to the penalty specified in this section.

28 Section 423-A. Revocation and suspension of hemp-derived
29 cannabinoid beverage licenses.

30 (a) Notice.--Upon learning of a violation of this article,

1 any regulations of the board or any laws of this Commonwealth
2 relating to the payment of taxes on hemp-derived cannabinoid
3 beverages by a licensee or the licensee's officers, servants,
4 agents or employees, or upon any other sufficient cause shown,
5 the enforcement bureau may, within one year from the date of the
6 violation or cause appearing, cite the licensee to appear before
7 an administrative law judge, not less than 10 nor more than 60
8 days from the date of sending the licensee, by registered mail,
9 a notice addressed to the licensee at the licensed premises, to
10 show cause why the license should not be suspended or revoked or
11 a fine imposed, or both. The bureau shall send a copy of the
12 hearing notice to the municipality in which the premises is
13 located.

14 (b) Hearing.--

15 (1) A hearing on the citation shall be held in the same
16 manner as provided in section 407-A for hearings on
17 applications for license.

18 (2) If, as a result of the hearing, the administrative
19 law judge is satisfied that a violation has occurred or for
20 other sufficient cause, the administrative law judge shall
21 immediately suspend or revoke the license or impose a fine of
22 not less than \$50 nor more than \$1,000, or both.

23 (3) The administrative law judge shall notify the
24 licensee of the decision resulting from the hearing by
25 registered letter addressed to the licensee's licensed
26 premises.

27 (c) Violations.--If a licensee has been cited and found to
28 have violated section 421-A(11), (14), (16) or (17), or if the
29 owner or operator of the licensed premises or an authorized
30 agent of the owner or operator has been convicted of a violation

1 of the act of April 14, 1972 (P.L.233, No.64), known as The
2 Controlled Substance, Drug, Device and Cosmetic Act or 18
3 Pa.C.S. § 5902 (relating to prostitution and related offenses)
4 or 6301 (relating to corruption of minors), the administrative
5 law judge shall immediately suspend or revoke the license or
6 impose a fine of not less than \$1,000 nor more than \$5,000, or
7 both.

8 (d) Partial compliance.--If a licensee has been cited and
9 found to have violated section 421-A(11) but at the time of the
10 sale the licensee was in compliance with the requirements
11 specified in section 471.1 and the licensee had not sold to
12 minors or visibly intoxicated persons in the previous four
13 years, the administrative law judge shall immediately suspend or
14 revoke the license or impose a fine of not less than \$50 nor
15 more than \$1,000, or both.

16 (e) Notification and time limit for payment.--The
17 administrative law judge shall notify the licensee by registered
18 mail, addressed to the licensed premises, of the suspension,
19 revocation or fine. If the fine is not paid within 20 days of
20 the adjudication, the administrative law judge shall suspend or
21 revoke the license and notify the licensee by registered mail
22 addressed to the licensed premises.

23 (f) Effect of suspensions and revocations.--Suspensions and
24 revocations shall not go into effect until 30 days after the
25 date of the adjudication during which time the licensee may take
26 an appeal as provided for in section 424-A.

27 (g) Time for ineligibility.--A hemp-derived cannabinoid
28 beverage licensee whose license is revoked shall be ineligible
29 for a hemp-derived cannabinoid beverage license or alcohol
30 license under this article until the expiration of three years

1 from the date the license was revoked.

2 (h) Other license affected.--If a licensee holds both a
3 hemp-derived cannabinoid beverage license and an alcohol
4 license, and either license is revoked or suspended, the other
5 license shall also be revoked or suspended.

6 (i) No fines or penalties.--A license that is suspended or
7 revoked solely on the basis of a separate license's revocation
8 or suspension in accordance with subsection (h) shall not be
9 subject to fines or other monetary penalties.

10 (j) Time limit for license or transfer.--If a license is
11 revoked, a license shall not be granted for the premises or
12 transferred to the premises in which the license was conducted
13 for a period of at least one year after the date of the
14 revocation of the license conducted at the premises, except in
15 cases where the licensee or a member of the licensee's immediate
16 family is not the owner of the premises, in which case the board
17 may issue or transfer a license within the year.

18 (k) Prior citation history.--The administrative law judge
19 may consider the licensee's prior citation history when imposing
20 a penalty. If the violation in question is a third or subsequent
21 violation of an offense referred to in subsection (b) or 18
22 Pa.C.S. (relating to crimes and offenses) occurring within a
23 period of four years, the administrative law judge shall impose
24 a suspension or revocation. Violations related both to alcohol
25 licenses and hemp-derived cannabinoid beverage licenses may be
26 counted together.

27 (l) Responsible alcohol management.--If a licensee has been
28 cited and found to have violated section 421-A(11) regarding
29 sales to minors or visibly intoxicated person, the
30 administrative law judge shall require the licensee to comply

1 with the requirements specified in section 471.1 pertaining to
2 responsible alcohol management.

3 (m) Nonpayment of fines.--If the fine is not paid within 20
4 days of the adjudication, the administrative law judge shall
5 suspend or revoke the license, and notify the licensee by
6 registered mail addressed to the licensed premises.

7 Section 424-A. Appeals for revocation or suspension of hemp-
8 derived cannabinoid beverage license.

9 (a) Appeal to board.--If the bureau or person who was fined
10 or whose license was suspended or revoked feels aggrieved by the
11 adjudication of the administrative law judge, there shall be a
12 right to appeal to the board. The appeal shall be based solely
13 on the record before the administrative law judge. The board
14 shall only reverse the decision of the administrative law judge
15 if the administrative law judge committed an error of law,
16 abused the administrative law judge's discretion or if the
17 decision is not based on substantial evidence.

18 (b) Appeal to court of common pleas.--If the bureau or
19 person who was fined or whose license was suspended or revoked
20 feels aggrieved by the decision of the board, there shall be a
21 right to appeal to the court of common pleas in the same manner
22 as provided for appeals from refusals to grant licenses in
23 section 464, except that the court of common pleas shall base
24 its decision on the administrative record and may not conduct a
25 de novo hearing as to questions of fact, administrative
26 discretion and other matters involved.

27 (c) Supersedeas.--An appeal shall act as a supersedeas
28 unless, upon sufficient cause shown, the reviewing authority
29 shall determine otherwise. If the licensee has been cited and
30 found to have violated section 421-A(11), (14), (16) or (17), or

1 if the owner or operator of the licensed premises or an
2 authorized agent of the owner or operator has been convicted of
3 a violation of the act of April 14, 1972 (P.L.233, No.64), known
4 as The Controlled Substance, Drug, Device and Cosmetic Act, or
5 18 Pa.C.S. § 5902 (relating to prostitution and related
6 offenses) or 6301 (relating to corruption of minors), the
7 licensee's appeal shall not act as a supersedeas unless the
8 reviewing authority determines otherwise upon sufficient cause
9 shown.

10 (d) Consideration of authority.--In a hearing on an
11 application for a supersedeas under this section, the reviewing
12 authority may consider, in addition to other relevant evidence,
13 documentary evidence, including records of the bureau, showing
14 the prior history of citations, fines, suspensions or
15 revocations against the licensee. The reviewing authority may
16 also consider, in addition to other relevant evidence, evidence
17 of any recurrence of the unlawful activity occurring between the
18 date of the citation which is the subject of the appeal and the
19 date of the hearing. If the reviewing authority is the board, no
20 hearing shall be held on the application for a supersedeas, but
21 a decision shall be made based on the application, answer and
22 documentary evidence under this subsection.

23 Section 425-A. Hearings upon refusal of hemp-derived
24 cannabinoid beverage license renewal or transfer and
25 appeals.

26 If an applicant for a hemp-derived cannabinoid beverage
27 license or THC extraction license has the application or request
28 for license denied, the applicant is entitled to a hearing and
29 an appeal. The hearings and appeals process shall mirror the
30 process outlined in section 464.

1 Section 426-A. Transportation of hemp-derived beverages.

2 (a) License required.--A person who transports hemp-derived
3 cannabinoid beverages for another who is engaged in selling
4 hemp-derived cannabinoid beverages shall hold a license to
5 transport for hire alcohol, liquor and malt or brewed beverages.

6 (b) Construction.--Nothing in this section shall be
7 construed as to prevent the transportation of malt or brewed
8 beverages together with hemp-derived cannabinoid beverages.

9 Section 427-A. Imposition of hemp-derived cannabinoid beverage
10 tax.

11 (a) Tax authorized.--There is imposed upon each purchase at
12 retail of hemp-derived cannabinoid beverages a tax of 12% of the
13 purchase price to be collected from the purchaser by the seller
14 of the beverage.

15 (b) Disposition of tax.--The amount collected under
16 subsection (a) shall be transmitted quarterly to the board by
17 the collector of the tax. The board shall pay the money
18 collected, along with money collected by the board under
19 subsection (a), into the State Treasury and 20% of the total
20 shall be transferred to the Local Hemp Sharing Fund. The
21 remainder shall be transferred to the General Fund.

22 (c) Receipt and tracking system.--The board shall promulgate
23 regulations that provide for an appropriate receipt and tracking
24 system to be utilized by all sellers of hemp-derived cannabinoid
25 beverages subject to the collection of the tax that provides the
26 municipality of origin from which the tax money paid originate
27 from.

28 (d) Definitions.--As used in this section, the following
29 words and phrases shall have the meanings given to them in this
30 subsection unless the context clearly indicates otherwise:

1 "Purchase at retail."

2 (1) Purchases made by a person for any reason from a
3 licensed hemp-derived cannabinoid beverage distributor,
4 licensed hemp-derived cannabinoid beverage importing
5 distributor or Pennsylvania Liquor Store.

6 (2) The term includes purchases made by a hemp-derived
7 cannabinoid beverage retail license holder from a licensed
8 hemp-derived cannabinoid beverage manufacturer.

9 (3) The term does not include:

10 (i) Purchases made by a hemp-derived cannabinoid
11 beverage distributor, hemp-derived cannabinoid beverage
12 importing distributor, or Pennsylvania Liquor Store from
13 a hemp-derived cannabinoid beverage importing
14 distributor.

15 (ii) Purchases made by a person from a hemp-derived
16 cannabinoid beverage retail license holder for
17 consumption on premises.

18 Section 428-A. Exemption from sales tax.

19 Sales of hemp-derived cannabinoid beverages from a hemp-
20 derived cannabinoid beverage retail license holder to a person
21 for consumption on premises is exempt from the sales and use tax
22 imposed in section 202 of the act of March 4, 1971 (P.L.6,
23 No.2), known as the Tax Reform Code of 1971.

24 Section 429-A. Establishment of and disbursements from Local
25 Hemp Sharing Fund.

26 (a) Establishment.--The Local Hemp Sharing Fund is
27 established within the State Treasury. Money in the Local Hemp
28 Sharing Fund shall be appropriated on a continuing basis for the
29 purposes described under this section.

30 (b) Assessment by department.--The department shall annually

1 assess the total amount of revenue raised by the tax imposed in
2 section 427-A and determine the amount received from each
3 municipality who has, in their jurisdiction, a vendor or
4 manufacturer of hemp-derived cannabinoid beverages that has
5 collected the tax.

6 (c) Disbursement.--The department shall disburse, on an
7 annual basis, to each municipality who has, in their
8 jurisdiction, a vendor or manufacturer of hemp-derived
9 cannabinoid beverages that has collected the tax under section
10 427-A in the preceding calendar year a portion equal to 10% of
11 the total tax received from vendors and manufacturers of hemp-
12 derived cannabinoid beverages located in the municipality.

13 Section 430-A. THC not to be considered adulterant.

14 THC that is derived solely and exclusively from hemp and used
15 in food and beverage preparations that are manufactured, sold,
16 transported or otherwise used in compliance with this article
17 shall not be considered by the Commonwealth or any of its
18 agencies to be an adulterant or poison or have any other
19 designation attached to the THC that would render it unfit or
20 unsafe for use in beverages and food meant for human
21 consumption.

22 Section 431-A. Exemption from existing law.

23 (a) Exemption from The Controlled Substance, Drug, Device
24 and Cosmetic Act.--Hemp, THC exclusively and solely derived from
25 hemp or mixtures, preparations and beverages containing THC that
26 are exclusively and solely derived from hemp that are used in
27 compliance with this article or were lawfully manufactured under
28 this article or lawfully manufactured in the jurisdiction of
29 another state shall not be subject to the act of April 14, 1972
30 (P.L.233, No.64), known as The Controlled Substance, Drug,

1 Device and Cosmetic Act, or be subject to any other laws of this
2 Commonwealth, outside of this article, that would otherwise
3 prohibit the use, possession, sale, transport or manufacture of
4 hemp, beverages, mixtures or preparations on account of the
5 hemp, beverages, mixtures or preparations containing THC.

6 (b) Regulations.--The board shall promulgate regulations
7 that determine the actions that may be taken if a licensee has
8 its license revoked, suspended or otherwise removed, and the
9 former licensee still has in its possession hemp-derived
10 cannabinoid beverages, hemp, hemp-derived THC mixtures,
11 emulsions, concentrate or any other hemp-derived product
12 containing THC. The regulations shall include a reasonable
13 period of time for the former license holder to responsibly
14 dispose of the remaining stock. Sale, barter, trade, donation or
15 any other transfer of remaining stock, whether or not for
16 monetary gain, shall not be considered a method of responsible
17 disposal.

18 (c) Exemption for former license holder.--A former license
19 holder who is in compliance with the rules promulgated by the
20 board under subsection (b) may not be criminally charged or
21 otherwise subject to The Controlled Substance, Drug, Device and
22 Cosmetic Act or any other laws of this Commonwealth that would
23 otherwise prohibit the use, possession, sale, transport or
24 manufacture of the beverages on account of the beverages
25 containing THC, in relation to any remaining stock of hemp-
26 derived cannabinoid beverages, hemp, hemp-derived THC mixtures,
27 emulsions, concentrate or any other hemp-derived product
28 containing THC that the former license holder has in their
29 possession.

30 (d) Rules and regulations.--The board shall promulgate rules

1 and regulations as necessary to protect licensees, former
2 licensees and applicants who are acting in good faith to comply
3 with this article from criminal or civil penalties that would be
4 levied by The Controlled Substance, Drug, Device and Cosmetic
5 Act or any other laws of this Commonwealth that would otherwise
6 prohibit the use, possession, sale, transport or manufacture of
7 hemp, THC or mixtures and preparations containing THC in
8 relation to hemp-derived cannabinoid beverages, or ingredients
9 containing THC used in the manufacture of the products that the
10 license holder or former license holder may have in their
11 possession.

12 (e) Violation by minor.--An individual under 21 years of age
13 who attempts to purchase, purchases, consumes, possesses or
14 knowingly and intentionally transports a hemp-derived
15 cannabinoid beverage shall not be subject to The Controlled
16 Substance, Drug, Device and Cosmetic Act in relation to the
17 attempted purchase, purchase, consumption, possession or
18 transportation of the hemp-derived cannabinoid beverages. The
19 individual shall only be subject to section 422-A(c) with regard
20 to the actions.

21 (f) Construction.--Nothing in this section shall be
22 construed to exempt an individual under the influence of hemp-
23 derived cannabinoid beverages from 75 Pa.C.S. § 3735.1 (relating
24 to aggravated assault by vehicle while driving under the
25 influence), 3802 (relating to driving under influence of alcohol
26 or controlled substance), 3803 (relating to grading), 3804
27 (relating to penalties) or 7726 (relating to operation in safe
28 manner). For the purposes of those sections only, hemp-derived
29 cannabinoid beverages, THC derived solely and exclusively from
30 hemp or a product made from the THC shall be considered a

1 controlled substance.

2 Section 432-A. Federal cooperation prohibited.

3 (a) Prohibition.--A government official, government
4 employee, law enforcement officer, law enforcement agency or
5 government agency that has jurisdiction anywhere in this
6 Commonwealth shall not provide information, funding, material
7 support or any other assistance to Federal law enforcement,
8 Federal Government agencies, or other Federal bodies as it
9 relates to investigations and civil or criminal actions against
10 a person licensed under this article who is alleged to have
11 violated Federal laws or regulations related to hemp or THC.

12 (b) Investigations and actions.--The prohibition in
13 subsection (a) shall also apply to Federal investigations and
14 civil or criminal actions against a person who consumes,
15 possesses, transports, purchases or attempts to purchase hemp-
16 derived cannabinoid beverages lawfully manufactured under this
17 article or lawfully manufactured in the jurisdiction of another
18 state.

19 (c) Nonapplicability.--The prohibition in subsection (a)
20 does not apply to investigations and civil or criminal actions
21 concerning THC that is not derived solely and exclusively from
22 hemp, products made from THC that is not derived solely and
23 exclusively from hemp or marijuana as defined by section 2 of
24 the act of April 14, 1972 (P.L.233, No.64), known as The
25 Controlled Substance, Drug, Device and Cosmetic Act, or section
26 102 of the Controlled Substances Act (Public Law 91-513, 84
27 Stat. 1236).

28 Section 433-A. Financial and insurance services to licensees.

29 (a) Financial services.--A financial institution authorized
30 to engage in business in this Commonwealth may provide financial

1 services to or for the benefit of a hemp-derived cannabinoid
2 beverage licensee and the business associates of a hemp-derived
3 cannabinoid beverage licensee, subject to:

4 (1) The laws and regulations applicable to the provision
5 of financial services to other customers of the financial
6 institution.

7 (2) Applicable consumer protection laws of this
8 Commonwealth.

9 (3) Additional requirements applicable to the
10 institution established for the provision of services to
11 hemp-derived cannabinoid beverage licensees or their business
12 associates by the Department of Banking and Securities or a
13 financial regulatory agency of the state under which the
14 institution is organized.

15 (4) The extent the institution is providing services to
16 a hemp-derived cannabinoid beverage licensee or their
17 business associates in another jurisdiction, additional
18 requirements applicable to the institution established for
19 the provision of the services by a financial regulatory
20 agency of that jurisdiction.

21 (b) Insurance services.--An insurer may provide insurance
22 services to or for the benefit of a hemp-derived cannabinoid
23 beverage licensee or their business associates, subject to:

24 (1) The laws and regulations applicable to the provision
25 of insurance services to other customers of the insurer.

26 (2) Applicable consumer protection laws of this
27 Commonwealth.

28 (3) Additional requirements applicable to the insurer
29 established for the provision of services to hemp-derived
30 cannabinoid beverage licensees or their business associates

1 by the Insurance Department.

2 (4) The extent the insurer is providing services to
3 hemp-derived cannabinoid beverage licensees or their business
4 associates in another jurisdiction, additional requirements
5 applicable to the insurer established for the provision of
6 the services by an insurance regulatory agency of that
7 jurisdiction.

8 (c) No requirement.--Nothing in this article shall require a
9 depository institution, an entity performing a financial service
10 for or in association with a financial institution or an insurer
11 to provide financial or insurance services to hemp-derived
12 cannabinoid beverage licensees or the business associates of the
13 licensees or to any other business.

14 Section 434-A. Protections for financial institutions and
15 insurers.

16 (a) Restrictions.--An agency or political subdivision of
17 this Commonwealth may not:

18 (1) Prohibit, penalize or otherwise discourage a
19 financial institution or insurer from providing financial or
20 insurance services to a hemp-derived cannabinoid beverage
21 licensee or their business associates.

22 (2) Recommend, incentivize or encourage a financial
23 institution or insurer not to offer financial or insurance
24 services to an account holder, or downgrade or cancel
25 services provided to the account holder, solely because the
26 account holder is a hemp-derived cannabinoid beverage
27 licensee or a business associate of a hemp-derived
28 cannabinoid beverage licensee.

29 (3) Take adverse or corrective supervisory action on a
30 loan made to a hemp-derived cannabinoid beverage licensee or

1 a business associate of a hemp-derived cannabinoid beverage
2 licensee solely because the loan has been made to a hemp-
3 derived cannabinoid beverage licensee or a business associate
4 of a hemp-derived cannabinoid beverage licensee.

5 (4) Prohibit or penalize a financial institution or
6 insurer performing financial or insurance services in
7 association with another financial institution or insurer
8 from providing financial or insurance services to a hemp-
9 derived cannabinoid beverage licensee or a business associate
10 of a hemp-derived cannabinoid beverage licensee.

11 (5) Subject the legal interest of a financial
12 institution in the collateral for a loan or another financial
13 service provided to a hemp-derived cannabinoid beverage
14 licensee or the business associates of a hemp-derived
15 cannabinoid beverage licensee to civil or criminal forfeiture
16 under any laws of this Commonwealth or initiate or
17 participate in proceedings for the civil or criminal
18 forfeiture of a legal interest under Federal law or under the
19 laws of another state.

20 (b) Enforcement actions.--Nothing in this article shall
21 prevent the Department of Banking and Securities, the Insurance
22 Department or the Attorney General, in a manner consistent with
23 the requirements of section 506 of the act of May 15, 1933
24 (P.L.565, No.111), known as the Department of Banking and
25 Securities Code, from undertaking an enforcement action for
26 compliance with section 433-A(a) and (b) in a manner consistent
27 with subsection (a).

28 (c) Not subject to criminal prosecution, sanction or
29 claim.--Subject to subsection (g), a financial institution or
30 insurer, or the directors, officers, employees, agents, owners,

1 shareholders or members of a financial institution or insurer,
2 shall not be subject to criminal prosecution, sanction or claim
3 for damages or any equitable remedy, solely because the
4 institution or insurer is providing financial or insurance
5 services to or for the benefit of a hemp-derived cannabinoid
6 beverage licensee or the business associates of a hemp-derived
7 cannabinoid beverage licensee.

8 (d) Proceeds.--The proceeds of a transaction involving the
9 activities of a hemp-derived cannabinoid beverage licensee may
10 not be considered proceeds from an unlawful activity solely
11 because the transaction involves the proceeds from a hemp-
12 derived cannabinoid beverage licensee or a business associate of
13 a hemp-derived cannabinoid beverage licensee.

14 (e) Rights and privileges.--A hemp-derived cannabinoid
15 beverage licensee, or a business associate of a hemp-derived
16 cannabinoid beverage licensee, shall not be denied a right or
17 privilege by a State agency solely because of the licensee's or
18 business associate's status as a hemp-derived cannabinoid
19 beverage licensee or business associate of a hemp-derived
20 cannabinoid beverage licensee.

21 (f) Failure to provide notice.--If a hemp-derived
22 cannabinoid beverage licensee fails to provide the notice
23 required under subsection (h) to a financial institution or
24 insurer, the financial institution or insurer shall not be
25 deemed in violation of this chapter solely because the financial
26 institution or insurer was not notified and continued to provide
27 services beyond the date when the services should have been
28 terminated as a result of the suspension or revocation of the
29 license or permit.

30 (g) Compliance.--The protections provided by this section to

1 a financial institution or insurer and to the directors,
2 officers, employees, agents, owners, shareholders or members of
3 the institution or insurer are subject to the institution's or
4 insurer's material compliance with the requirements of section
5 433-A(a) and (b) and reasonable due diligence to determine that
6 a hemp-derived cannabinoid beverage licensee or a business
7 associate of a hemp-derived cannabinoid beverage licensee is in
8 compliance with the laws of this Commonwealth and the laws of
9 other states in which the hemp-derived cannabinoid beverage
10 licensee is located that provide authorization for the operation
11 of hemp-derived cannabinoid beverage businesses.

12 (h) Notice.--If a hemp-derived cannabinoid beverage licensee
13 obtains financial or insurance services from a financial
14 institution or insurer doing business in this Commonwealth, the
15 licensee shall, within five business days, provide notice to the
16 financial institution or insurer if a hemp-derived cannabinoid
17 beverage related license or permit held by the licensee or their
18 affiliates under the laws of this Commonwealth or a law
19 established by another state is suspended or revoked.

20 (i) Policy and regulations.--The Department of Banking and
21 Securities and the Insurance Department may adopt statements of
22 policy or regulations to implement this section and section 433-
23 A and provide further protection and guidance for financial
24 institutions and insurers providing financial or insurance
25 services to a hemp-derived cannabinoid beverage licensee and
26 business associates of a hemp-derived cannabinoid beverage
27 licensee.

28 Section 435-A. Food and beverage facility oversight.

29 (a) Duty of department.--The Department of Agriculture, in
30 accordance with 3 Pa.C.S. (relating to agriculture), shall have

1 oversight and inspection authority with regard to food safety of
2 a facility that manufactures, packages, stores or transports
3 hemp-derived cannabinoid beverages or any other food ingredient,
4 hemp product, hemp byproduct or THC product that is used in the
5 manufacture, mixing, blending or other creation of hemp-derived
6 cannabinoid beverages. The Department of Agriculture shall
7 promulgate food safety rules and regulations that provide for
8 the safe handling, storage, mixing and other activities related
9 to the manufacture of hemp-derived cannabinoid beverages.

10 (b) Inspection.--A person licensed under this article to
11 manufacture or produce hemp-derived cannabinoid beverages or
12 related ingredients may not manufacture or produce hemp-derived
13 cannabinoid beverages or related ingredients before passing a
14 facility inspection by the Department of Agriculture with regard
15 to food safety standards and hemp-derived cannabinoid beverage
16 manufacturing standards.

17 (c) Authority of board.--The board shall have inspection and
18 oversight authority of a facility that manufactures, packages,
19 stores or transports hemp-derived cannabinoid beverages or any
20 other food ingredient, hemp product, hemp byproduct or THC
21 product that is used in the manufacture, mixing, blending or
22 other creation of hemp-derived cannabinoid beverages with regard
23 to nonfood safety violations or suspected violations of this
24 article. This subsection shall not be construed to deny
25 oversight authority to other relevant State agencies concerning
26 their respective oversight duties.

27 (d) Referral to board.--The Department of Agriculture shall
28 refer any suspected nonfood safety violations the Department of
29 Agriculture finds, in the course of a food safety inspection or
30 investigation, to the board for investigation. The board shall

1 refer any suspected food safety violations found in the course
2 of a nonfood safety inspection or investigation to the
3 Department of Agriculture for investigation.

4 Section 436-A. Packaging and labeling.

5 (a) Display information.--A licensed manufacturer of hemp-
6 derived cannabinoid beverages shall include the following on the
7 final container's principal display panel:

8 (1) A label that clearly indicates through text or
9 symbol that the product is only intended for use by
10 individuals 21 years of age and older.

11 (2) A statement of identity that includes the name of
12 the product.

13 (3) A clear description of the product, including:

14 (i) A statement that makes clear that the product
15 contains THC.

16 (ii) A statement that makes clear that the product
17 does not contain alcohol.

18 (4) The total milligram count of all cannabinoids in
19 each serving.

20 (5) A statement encouraging consumers to consume the
21 product slowly and consume products with lower THC content if
22 the consumer is not experienced in the consumption of such
23 products. Acceptable statements may include "Start low, go
24 slow" or "Please consume responsibly."

25 (6) A warning not to consume the product concurrently
26 with alcohol.

27 (b) Final container information.--A licensed manufacturer of
28 hemp-derived cannabinoid beverages shall include the following
29 on the final container's information panel:

30 (1) The total amount of cannabinoids in milligrams that

1 the product contains.

2 (2) Any functional ingredients that may be in the
3 product, including caffeine.

4 (c) Label information.--A licensed manufacturer of hemp-
5 derived cannabinoid beverages shall include the following on the
6 final container's label:

7 (1) A link or scannable code that connects
8 electronically through the Internet to a certificate of
9 analysis and report of laboratory testing for the specific
10 product batch under section 438-A.

11 (2) The manufacturing batch number of the product.

12 (3) Statements that advise of the possible impacts of
13 consuming hemp-derived cannabinoid products, including:

14 (i) "Keep out of reach of children and pets."

15 (ii) "Consuming this product may result in a
16 positive drug test for THC."

17 (iii) "Do not consume this product if you are
18 nursing or pregnant."

19 (iv) "Do not operate a motor vehicle or heavy
20 machinery if under the influence of THC or using this
21 product."

22 (d) Variance.--The variance between what information is
23 listed on the nutrition label and what is actually present in
24 the product shall be whichever is the greater of:

25 (1) 0.25 milligrams of THC; or

26 (2) 10% of the label's stated cannabinoid potency.

27 (e) Dispensing of product.--If a hemp-derived cannabinoid
28 beverage is being served outside of the final container by a
29 person licensed under this article, the licensee must have
30 available upon request by the consumer the information outlined

1 in subsections (a), (b) and (c). The dispensing of a hemp-
2 derived cannabinoid beverage from a spigot, fountain or other
3 similar device shall be considered to be served outside of the
4 final container.

5 (f) Tamper-evident containers.--Final containers of hemp-
6 derived cannabinoid beverages shall be tamper-evident and
7 indicate to a reasonable consumer if the final container has
8 been opened or compromised.

9 Section 437-A. Advertising of hemp-derived cannabinoid
10 beverages.

11 (a) Advertisements permitted.--Manufacturers, wholesalers,
12 retailers and shippers, whether from outside or inside this
13 Commonwealth, and licensees under this article are permitted to
14 advertise hemp-derived cannabinoid beverages and their prices in
15 this Commonwealth. Advertisements shall be subject to all other
16 State laws and regulations. The following apply:

17 (1) Advertisements shall not target or otherwise promote
18 or advertise hemp-derived cannabinoid beverages to
19 individuals under 21 years of age.

20 (2) Product labels or containers shall not include
21 designs, names or features designed to appeal to children or
22 individuals under 21 years of age.

23 (3) Product labels and marketing shall not be designed
24 in a way that a person could reasonably mistake the product
25 for a non-hemp-derived cannabinoid product.

26 (4) Product labels and marketing shall not be designed
27 in a way that infringes on third-party copyright or the
28 intellectual property of existing products.

29 (5) A licensee may not distribute, by mail, personally
30 or through servants, agents or employees, price lists,

1 circulars or handbills off the licensed premises to the
2 general public as a means of advertising hemp-derived
3 cannabinoid beverages.

4 (6) Print advertisement of hemp-derived cannabinoid
5 beverages shall not be permitted within 300 feet of a church,
6 school or public playground. This prohibition shall not
7 preclude any point of sale advertisement, menus or other
8 print advertisement regarding hemp-derived cannabinoid
9 beverages inside the licensed premises.

10 (7) Advertisement shall not be permitted in any booklet,
11 program book, yearbook, magazine, newspaper, periodical,
12 brochure, circular or other similar publication published by,
13 for or on behalf of an educational institution.

14 (8) An advertisement may not contain statements that are
15 false, deceptive, or misleading.

16 (b) Definition.--For purposes of this section, the terms
17 "advertisement" and "marketing" shall mean advertising of hemp-
18 derived cannabinoid beverages through the medium of radio
19 broadcast, television broadcast, newspapers, periodicals or
20 other publication, outdoor advertisement, any form of electronic
21 transmission or any other printed or graphic matter, including
22 booklets, flyers or cards, or on the product label or attachment
23 itself.

24 Section 438-A. Testing requirements.

25 (a) Testing required.--A manufacturer of hemp-derived
26 cannabinoid beverages shall test every manufactured batch of
27 hemp-derived cannabinoid beverages using an independent, third-
28 party testing facility.

29 (b) Testing facility standards.--A testing facility used by
30 a manufacturer for the testing of hemp-derived cannabinoid

1 beverages shall meet the following standards:

2 (1) Must be accredited by the state in which the testing
3 facility operates, maintain an International Organization for
4 Standardization/International Electrotechnical Commission
5 17025 accreditation for the facility and be licensed by the
6 state in which the testing facility operates to test cannabis
7 products.

8 (2) Must maintain a scope of accreditation for analytes
9 as required in subsection (c).

10 (3) Must maintain testing records, validation reports
11 and standard operating procedures for all tests performed for
12 at least 10 years after the date the test was performed.

13 (c) Concentrations.--A testing facility shall test for the
14 concentrations of the following analytes:

15 (1) Delta-9-tetrahydrocannabinol.

16 (2) Cannabidiol.

17 (3) Cannabidiolic Acid.

18 (4) Cannabigerol.

19 (5) Cannabinol.

20 (6) Delta-8-tetrahydrocannabinol.

21 (7) Other analytes prescribed by the Department of
22 Agriculture.

23 (d) Certificate of analysis.--A testing facility shall issue
24 a certificate of analysis that attests to the concentrations of
25 the analytes outlined in subsection (c).

26 (e) Location of testing facility.--A testing facility may or
27 may not reside in the same state in which the tested product is
28 produced or sold.

29 (f) Rules and regulations.--The Department of Agriculture
30 shall promulgate rules and regulations as necessary to provide

1 for the health and safety of the public as it relates to testing
2 requirements for hemp-derived cannabinoid beverages.

3 (g) Adulterated product.--A hemp-derived cannabinoid
4 beverage for which a certificate of analysis cannot be presented
5 shall be considered to be adulterated and subject to detention
6 and condemnation under 3 Pa.C.S. § 5726 (relating to detention
7 and condemnation).

8 Section 439-A. Electronic tracking systems.

9 (a) Duty of grower and provider.--A grower and provider of
10 hemp to persons licensed under this article to manufacture hemp-
11 derived cannabinoid beverages or persons licensed to extract THC
12 from hemp shall implement an electronic seed-to-sale tracking
13 system that tracks the hemp from seed to plant until the hemp is
14 sold to a manufacturer or person licensed under this article to
15 extract THC from hemp. The following apply:

16 (1) The system shall include a daily log of each day's
17 beginning inventory, acquisitions, amounts purchased and
18 sold, disbursement, disposals and ending inventory. The
19 tracking system shall include prices paid and amounts
20 collected from manufacturers or persons licensed to extract
21 THC.

22 (2) The system shall include a mechanism for the recall
23 of defective hemp. For purposes of this paragraph, the term
24 "defective hemp" shall mean hemp with a THC content greater
25 than that specified under the definition of "hemp" under
26 section 102.

27 (b) Duty of manufacturer.--A manufacturer of hemp-derived
28 cannabinoid beverages shall implement an electronic tracking
29 system that tracks hemp or THC extracted from hemp, in whatever
30 form the hemp or THC is received in, from acquisition to

1 production of a hemp-derived cannabinoid beverage to final
2 delivery to a distributor, importing distributor or other final
3 customer. The following apply:

4 (1) The system shall include a daily log of each day's
5 beginning inventory, acquisitions, amounts purchased and
6 sold, disbursement, disposals and ending inventory. The
7 tracking system shall include prices paid and amounts
8 collected from hemp providers or persons licensed to extract
9 THC.

10 (2) The system shall include a mechanism for the recall
11 of adulterated products.

12 (c) Duty of extractor.--A person licensed under this article
13 to extract THC from hemp shall implement an electronic tracking
14 system that tracks the hemp used in extraction from acquisition
15 to processing to sale to a manufacturer. The system shall
16 include a daily log of each day's beginning inventory,
17 acquisitions, amounts purchased and sold, disbursement,
18 disposals and ending inventory. The tracking system shall
19 include prices paid and amounts collected from manufacturers of
20 hemp-derived cannabinoid beverages.

21 (d) Adulterated product.--A manufacturer of hemp-derived
22 cannabinoid beverages or person licensed to extract THC from
23 hemp shall not accept any hemp or hemp-derived THC extraction
24 from a person who cannot provide appropriate records as outlined
25 in this section. A hemp or THC extract from hemp that cannot be
26 accounted for in an electronic tracking system as outlined in
27 this section, as well as hemp-derived cannabinoid beverages from
28 the hemp or THC extract from hemp shall be considered to be
29 adulterated and subject to detention and condemnation under 3
30 Pa.C.S. § 5726 (relating to detention and condemnation).

1 (e) Out-of-state manufacturer information.--The board shall
2 determine what information manufacturers of hemp-derived
3 cannabinoid beverages that reside outside of this Commonwealth
4 must furnish, upon request, to satisfy the tracking and
5 recordkeeping requirements of this section. The determinations
6 shall not result in a lower standard of information and
7 recordkeeping than is outlined in this section.

8 (f) Rules and regulations.--The Department of Agriculture
9 shall promulgate rules and regulations as necessary to enforce
10 this section.

11 Section 440-A. Forms and applications may be aligned.

12 The board, for the convenience of the board, licensees and
13 applicants, may align relevant forms, notification requirements,
14 correspondence and applications as needed to include both
15 alcohol and hemp-derived cannabinoid beverages.

16 Section 441-A. Pennsylvania Hemp Marketing Board.

17 (a) Establishment.--The Pennsylvania Hemp Marketing Board is
18 established.

19 (b) Membership.--The Pennsylvania Hemp Marketing Board shall
20 be composed of the following members:

21 (1) One member appointed by the Governor.

22 (2) Four members appointed by the General Assembly as
23 follows:

24 (i) One individual appointed by the President pro
25 tempore of the Senate.

26 (ii) One individual appointed by the Minority Leader
27 of the Senate.

28 (iii) One individual appointed by the Speaker of the
29 House of Representatives.

30 (iv) One individual appointed by the Minority Leader

1 of the House of Representatives.

2 (c) Qualifications.--A member of the board must be a
3 resident of this Commonwealth and have substantial experience or
4 expertise in the hemp or hemp-derived cannabinoid beverage
5 industry.

6 (d) Service.--A member shall serve at the pleasure of the
7 appointing authority.

8 (e) Powers and duties.--The Pennsylvania Hemp Marketing
9 Board has the following powers and duties:

10 (1) Make recommendations to the Secretary of Agriculture
11 to award grants to entities for the purpose of increasing the
12 production of Pennsylvania-made hemp-derived cannabinoid
13 beverages and foods and enhancing the Pennsylvania hemp
14 industry through promotion, marketing and research-based
15 programs and projects. Grants shall be awarded through a
16 competitive grant review process. The application for a grant
17 shall include the following information:

18 (i) Purpose for which the grant will be utilized.

19 (ii) Need for the grant.

20 (iii) Estimated budget.

21 (iv) Method for measuring outcome.

22 (v) Other criteria required by the Pennsylvania Hemp
23 Marketing Board.

24 (2) Require a grant recipient to provide full and
25 complete access to all records relating to the performance of
26 the grant and to submit accurate information.

27 (3) Conduct a thorough annual evaluation of a program
28 for which a grant under this section is made.

29 (4) Seek repayment of money upon a determination that
30 the money was not utilized for the original stated purpose.

1 (5) Submit an annual report to the General Assembly
2 detailing all grants and other actions.

3 (f) Duties of department.--The Department of Agriculture
4 shall assist the Pennsylvania Hemp Marketing Board in carrying
5 out its powers and duties. Final decisions for awarding grants
6 under subsection (e) (1) shall be made by the Secretary of
7 Agriculture.

8 (g) Transfer.--Annually, the department shall transfer money
9 left in the Local Hemp Sharing Fund after disbursement in
10 compliance with section 403-A(c) to the Pennsylvania Hemp
11 Marketing Board account.

12 (h) Grants.--The Pennsylvania Hemp Marketing Board shall
13 allocate money under this subsection for the purpose of awarding
14 grants under subsection (e) (1). The following apply:

15 (1) The Pennsylvania Hemp Marketing Board may deduct
16 money from the allocation under this subsection to cover the
17 Department of Agriculture's expenses in assisting the
18 Pennsylvania Hemp Marketing Board.

19 (2) In a fiscal year when grant money authorized under
20 this section remains unallocated, the remaining amount of
21 money shall be made available for grants in subsequent fiscal
22 years.

23 (3) All of the obligations of the board under this
24 section are fulfilled by virtue of the transfer of the annual
25 allocation under this subsection to the Pennsylvania Hemp
26 Marketing Board.

27 Section 442-A. Restriction on contents.

28 (a) Potency.--A serving of hemp-derived cannabinoid beverage
29 shall not contain more than 10 milligrams of hemp-derived THC,
30 and no final container of hemp-derived cannabinoid beverage

1 shall contain more than 20 milligrams of hemp-derived THC.

2 (b) Kegs exempt.--A keg or other container whose contents
3 are meant to be dispensed through a fountain, spigot, tap or
4 other similar device may contain more than two 10 milligram
5 servings as provided for in subsection (a). Kegs shall dispense
6 servings of at least 300 milliliters, and the total THC in a
7 serving shall not exceed 10 milligrams. A keg shall have uniform
8 milligram levels of THC throughout its contents.

9 (c) Alcohol.--A hemp-derived cannabinoid beverage or hemp-
10 derived cannabinoid food shall not contain alcohol in excess of
11 0.5% alcohol by volume, whether in the final container or mixed
12 with a noncannabinoid beverage and served by a person licensed
13 under this article.

14 (d) Cannabinoid content.--The following apply to hemp-
15 derived cannabinoid beverages:

16 (1) Cannabinoids used in hemp-derived cannabinoid
17 beverages must be derived from, naturally occurring in and
18 directly extracted from the hemp plant.

19 (2) The principal cannabinoid that shall be used in the
20 production of hemp-derived cannabinoid beverages shall be
21 delta-9-THC.

22 (3) Hemp-derived cannabinoid beverages shall not contain
23 delta-9(11) exo-tetrahydrocannabinol, delta-10 THC, THC-O
24 acetate, THC-O-phosphate or hexahydrocannabinol.

25 (4) Hemp-derived cannabinoid beverages shall not contain
26 synthetic cannabinoids or other artificially derived
27 cannabinoids, nor shall they contain any cannabinoids derived
28 from any cannabis plant other than hemp.

29 (5) Hemp-derived cannabinoid beverages shall be free of
30 microbials such as yeast, mold, bacteria and aspergillus.

1 (6) Hemp-derived cannabinoid beverages shall be free of
2 contaminants such as mycotoxins, residual solvents, heavy
3 metals and foreign matter.

4 (e) Adulterated product.--A hemp-derived cannabinoid
5 beverage that fails to meet the standards outlined in this
6 section shall be considered adulterated and subject to detention
7 and condemnation under 3 Pa.C.S. § 5726 (relating to detention
8 and condemnation).

9 (f) Rules and regulations.--The Department of Agriculture
10 shall promulgate rules and regulations to enforce this section
11 and provide for the health and safety of the public with respect
12 to the contents of hemp-derived cannabinoid beverages.

13 Section 443-A. Training required before licensees can sell or
14 manufacture hemp-derived cannabinoid products.

15 (a) Training required.--A person licensed under this article
16 to sell or manufacture hemp-derived cannabinoid beverages or
17 hemp-derived cannabinoid beverage ingredients that contain hemp-
18 derived THC shall not sell or manufacture hemp-derived
19 cannabinoid beverages or hemp-derived cannabinoid beverage
20 ingredients that contain hemp-derived THC until completion of a
21 training program offered by the board.

22 (b) Training program.--The board shall develop a hemp-
23 derived cannabinoid beverage training program. The training
24 program shall include the following:

25 (1) An explanation of the provisions of this article as
26 they relate to hemp-derived cannabinoid beverages and hemp-
27 derived ingredients.

28 (2) An explanation of what is expected of the licensee,
29 depending on their licensure, to come into and remain in
30 compliance with this article as it relates to hemp-derived

1 cannabinoid beverages and hemp-derived ingredients.

2 (3) A guide on how to encourage safe and responsible use
3 of hemp-derived cannabinoid beverages.

4 (4) A guide on how to keep minors from accessing hemp-
5 derived cannabinoid beverages.

6 (5) How to report suspected violations of the law to the
7 board or the Department of Agriculture.

8 Section 444-A. Hemp-derived cannabinoid beverages and alcohol
9 served or manufactured in same establishment.

10 (a) Sales of alcohol and hemp-derived cannabinoid
11 beverages.--A licensee who holds both a license to serve alcohol
12 for on-premise consumption and a license to serve hemp-derived
13 cannabinoid beverages for on-premise consumption, or who holds a
14 license allowing for the sale of alcohol for off-premise
15 consumption and a license allowing for the sale of hemp-derived
16 cannabinoid beverages for off-premises consumption, shall be
17 permitted to sell both alcohol and hemp-derived cannabinoid
18 beverages in the same physical areas and at the same points of
19 sale if each license would independently permit sales of alcohol
20 or hemp-derived cannabinoid beverages in the physical areas or
21 at the points of sale.

22 (b) Applicability.--This section shall apply to a holder of
23 a hemp-derived cannabinoid beverage catering license and permit
24 who also holds a catering license or permit or special occasion
25 permit that allows them to serve or sell alcohol.

26 (c) Construction.--Nothing in this article shall be
27 construed to prevent the manufacture of hemp-derived cannabinoid
28 beverages and alcohol at the same licensed establishment,
29 provided that the manufacturer of the hemp-derived cannabinoid
30 beverages and/or alcohol holds both a hemp-derived cannabinoid

1 beverage manufacturer's license and a license to manufacture
2 alcohol.

3 (d) Calculation of fluid ounces.--In calculating total fluid
4 ounces in accordance with sections 401 and 405-A, fluid ounces
5 of hemp-derived cannabinoid beverages shall be calculated
6 separately from fluid ounces of malt and brewed beverages sold,
7 so that a licensee may sell 192 fluid ounces of hemp-derived
8 cannabinoid beverages and 192 fluid ounces of malt and brewed
9 beverages in the same transaction.

10 (e) Posted warning.--A licensee shall post, at the point of
11 sale for alcohol and hemp-derived cannabinoid beverages meant to
12 be consumed on premises, a warning that states that hemp-derived
13 cannabinoid beverages and alcohol should never be consumed
14 concurrently. The board shall promulgate rules dictating the
15 content, dimensions and form of the postings.

16 Section 445-A. Number of licenses to be issued.

17 (a) Additional licenses.--Additional hemp-derived
18 cannabinoid beverage retail licenses shall not be issued in a
19 county if the total number of hemp-derived cannabinoid beverage
20 retail licenses is greater than one license for each 2,000
21 inhabitants, except the board may issue licenses to public
22 venues, performing arts facilities, hotels and continuing care
23 retirement communities, which are not subject to the limitations
24 of this section.

25 (b) Consideration of licenses.--When determining the number
26 of hemp-derived cannabinoid beverage retail licenses already
27 issued in a county, for the purposes of this section, licenses
28 issued to public venues, performing arts facilities, hotels and
29 continuing care retirement communities shall not be considered.

30 (c) Hotels.--

1 (1) As used in this section, the term "hotel" shall mean
2 a reputable place operated by a responsible person of good
3 reputation where the public may, for a consideration, obtain
4 sleeping accommodations, and which shall have the number of
5 bedrooms and requirements as specified in paragraph (2) and:

6 (i) at least one-half of the required number of
7 bedrooms shall be regularly available to transient guests
8 seven days weekly, except in resort areas;

9 (ii) at least one-third of the bedrooms shall be
10 equipped with hot and cold water, a lavatory, commode,
11 bathtub or shower and a clothes closet; and

12 (iii) an additional one-third of the total of the
13 required rooms shall be equipped with lavatory and
14 commode:

15 (2) Bedrooms and requirements:

16 (i) In municipalities having a population of less
17 than 3,000, a hotel shall have at least 12 permanent
18 bedrooms for the use of guests.

19 (ii) In municipalities having a population of at
20 least 3,000 but less than 10,000, a hotel shall have at
21 least 16 permanent bedrooms for the use of guests.

22 (iii) In municipalities having a population of at
23 least 10,000 but less than 25,000, a hotel shall have at
24 least 30 permanent bedrooms for the use of guests.

25 (iv) In municipalities having a population of at
26 least 25,000 but less than 100,000, a hotel shall have at
27 least 40 permanent bedrooms for the use of guests.

28 (v) In municipalities having a population of at
29 least 100,000, a hotel shall have at least 50 permanent
30 bedrooms for the use of guests.

1 (vi) In a public dining room or rooms operated by
2 the same management accommodating at least 30 persons at
3 one time, a hotel shall have a kitchen, apart from the
4 dining room or rooms, in which food is regularly prepared
5 for the public.

6 (vii) Each room to be considered a bedroom under the
7 requirements of this section shall have an area of not
8 less than 80 square feet and an outside window.

9 Section 446-A. Hemp-derived cannabinoid beverage retail license
10 auctions.

11 (a) Conditions for auction.--A hemp-derived cannabinoid
12 beverage retail license shall become available for auction by
13 the board under the following conditions:

14 (1) the license has not been renewed under section 415-
15 A;

16 (2) the license has been revoked under section 423-A; or

17 (3) the licensee has failed to meet the requirements
18 under section 474.1.

19 (b) Unsold licenses.--A license not sold shall be available
20 for sale at a future auctions. No more than 50 licenses shall be
21 auctioned in any county per year.

22 (c) Applicability.--Subsection (b) shall not apply until the
23 auction of all initial offering licenses under section 447-A are
24 complete.

25 (d) Availability of licenses.--A license shall become
26 available for auction by the board the day after the deadline
27 has passed for appealing a decision revoking or not renewing the
28 license.

29 (e) Conduct of auction.--The auction shall be conducted in
30 the manner specified by the board and at the date and time

1 selected by the board. After the auction, the board shall
2 provisionally award to the person making the highest bid for the
3 license the right to file an application for the license. The
4 board shall not accept a bid lower than \$25,000.

5 (f) Time limit for payment.--The winning bidder shall pay to
6 the board the bid amount within two weeks. Payment shall be by
7 cashier's check, certified check or any other method acceptable
8 to the board. If the winning bidder does not pay the bid amount
9 within two weeks, the second highest bidder shall be awarded the
10 right to file an application for the license, as long as the bid
11 amount is in accordance with subsection (e). The board shall
12 hold the bid amount in escrow until the license is approved.

13 (g) Transfer of license.--Within six months of being awarded
14 the license, the bidder or its assignee shall file an
15 application to transfer the license. The application shall be
16 processed in the same manner as any other transfer application
17 and shall be subject to the same restrictions as any other
18 transfer application, including any conditional licensing
19 agreements and county quota restrictions under section 445-A.
20 The board shall only approve the transfer of a license under
21 this section to a municipality, other than the municipality it
22 last operated in, upon approval by the governing body of the
23 municipality.

24 (h) Unpaid fines, unserved suspensions, liens or judgments
25 not applicable.--Once a license has become available as
26 specified in this section, the license may no longer be subject
27 to unpaid fines, unserved suspensions, liens or judgments
28 accrued by the previous license holder. A winning bidder under
29 this section shall not be required to supply any information
30 about or secure any information from the previous license holder

1 during the application process. A license acquired under this
2 section may subsequently be transferred subject to any
3 restrictions that would otherwise be applicable to the transfer
4 of the license.

5 Section 447-A. Hemp-derived cannabinoid beverage retail license
6 initial offering.

7 (a) Initial offering.--No later than one year after the
8 effective date of this article, the board shall hold in each
9 county an initial offering of hemp-derived cannabinoid beverage
10 retail licenses.

11 (b) Auctions.--The offering shall consist of an initial
12 auction with not less than one-third and not more than one-half
13 of the available hemp-derived cannabinoid beverage retail
14 licenses available for bidding. The second auction, which shall
15 be held no less than 30 days and no more than 45 days after the
16 initial auction, shall have all remaining licenses available for
17 bidding.

18 (c) Manner of auctions.--The auctions conducted under this
19 section shall be in the same manner as auctions conducted by the
20 board under section 446-A.

21 Section 448-A. Sales of hemp-derived cannabinoid beverages by
22 Pennsylvania Liquor Stores.

23 (a) Offering.--The board may offer for sale in Pennsylvania
24 Liquor Stores hemp-derived cannabinoid beverages for consumption
25 off-premises.

26 (b) Regulations.--The board may, in the context of retail
27 sales of hemp-derived cannabinoid beverages by Pennsylvania
28 Liquor Stores, adopt regulations regarding:

29 (1) The acquisition of hemp-derived cannabinoid
30 beverages for retail sale in Pennsylvania Liquor Stores.

1 (2) The varieties and brands of hemp-derived cannabinoid
2 beverages to be kept and sold in Pennsylvania Liquor Stores.

3 (3) The pricing of hemp-derived cannabinoid beverages
4 sold in Pennsylvania Liquor Stores. The pricing scheme may
5 offer flexibility in maximizing the return on hemp-derived
6 cannabinoid beverage products sold by Pennsylvania Liquor
7 Stores and discounting discontinued items.

8 (4) The conduct of employees regarding the acquisition,
9 sale, transportation, handling, and storage of hemp-derived
10 cannabinoid beverages.

11 (5) The books and records to be kept regarding the sale,
12 transportation, handling and storage of hemp-derived
13 cannabinoid beverages.

14 (c) Special orders.--The board may choose not to accept
15 special orders for hemp-derived cannabinoid beverages. If the
16 board chooses to accept special orders, the process shall mirror
17 as close as possible the process for special orders of alcohol.

18 (d) Uniform prices.--The retail price of hemp-derived
19 cannabinoid beverages offered for sale by the board shall be
20 uniform across all Pennsylvania Liquor Stores.

21 (e) Pennsylvania Liquor Stores.--A hemp-derived cannabinoid
22 beverage final container shall not be opened on the premises of
23 a Pennsylvania Liquor Store. A manager or other employee of the
24 board employed in a Pennsylvania Liquor Store shall not allow
25 any hemp-derived cannabinoid beverages to be consumed on the
26 store premises.

27 Section 449-A. Regulations generally.

28 (a) Authorization.--In accordance with this article, the
29 board, the Department of Banking and Securities and the
30 Department of Agriculture shall each promulgate regulations as

1 may be necessary and appropriate to carry out the provisions of
2 this article.

3 (b) Temporary regulations.--

4 (1) To facilitate the prompt implementation of this
5 article and in accordance with this article, the board, the
6 Department of Banking and Securities and the Department of
7 Agriculture shall each issue temporary regulations as may be
8 necessary and appropriate to carry out the provisions of this
9 article. The following shall apply to the temporary
10 regulations:

11 (i) The board, the Department of Banking and
12 Securities and the Department of Agriculture must issue
13 the temporary regulations within six months of the
14 effective date of this subsection. Regulations adopted
15 after this six-month period shall be promulgated as
16 provided by statute.

17 (ii) Upon the issuance of their respective temporary
18 regulations, the board, the Department of Banking and
19 Securities and the Department of Agriculture shall
20 transmit notice of the issuance of the temporary
21 regulations to the Legislative Reference Bureau for
22 publication in the next available issue of the
23 Pennsylvania Bulletin.

24 (iii) The board, the Department of Banking and
25 Securities and the Department of Agriculture shall post
26 their respective temporary regulations on their
27 respective publicly accessible Internet websites.

28 (iv) The temporary regulations shall expire no later
29 than two years following publication of the temporary
30 regulations in the Pennsylvania Bulletin.

1 (2) The temporary regulations under paragraph (1) shall
2 be exempt from the following:

3 (i) Section 612 of the act of April 9, 1929
4 (P.L.177, No.175), known as The Administrative Code of
5 1929.

6 (ii) Sections 201, 202, 203, 204 and 205 of the act
7 of July 31, 1968 (P.L.769, No.240), referred to as the
8 Commonwealth Documents Law.

9 (iii) Sections 204(b) and 301(10) of the act of
10 October 15, 1980 (P.L.950, No.164), known as the
11 Commonwealth Attorneys Act.

12 (iv) The act of June 25, 1982 (P.L.633, No.181),
13 known as the Regulatory Review Act.

14 (c) Permanent regulations.--Prior to the expiration of the
15 temporary regulations, the board, the Department of Banking and
16 Securities and the Department of Agriculture shall each propose
17 for approval permanent regulations as provided by statute.

18 Section 6. This act shall take effect as follows:

19 (1) The following shall take effect immediately:

20 The addition of section 449-A of the act.

21 This section.

22 (2) The remainder of this act shall take effect upon the
23 publication of the last of the temporary regulations issued
24 by the board, the Department of Banking and Securities and
25 the Department of Agriculture in accordance with section 449-
26 A of the act.