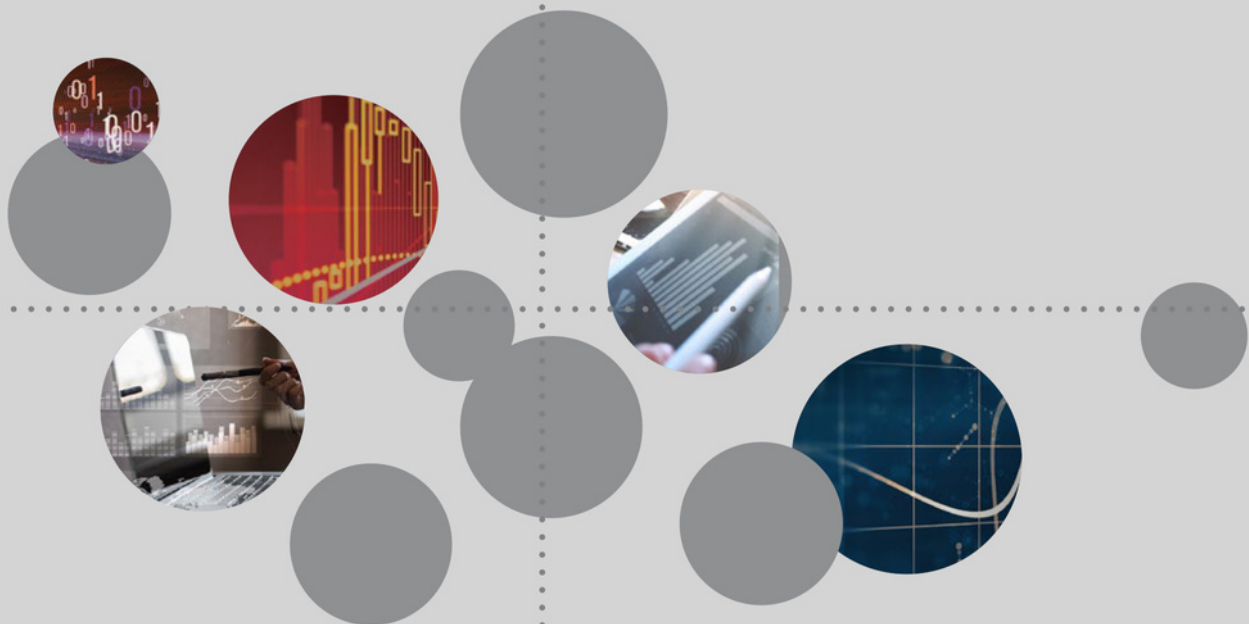


Policy Tracker

The Institute

Turning Information into Insight

THE INSTITUTE FOR PUBLIC POLICY & ECONOMIC DEVELOPMENT



Issue 11: Quarter 3, 2023

CANNABIS LEGALIZATION



SENATE BILL 846

SB 846 would amend Titles 35 (Health and Safety) and 75 (Vehicles) of the Pennsylvania Consolidated Statutes to introduce regulations for adult use cannabis.

Cannabis Legalization Considered in Pennsylvania

by Marissa Alexis Renea Cruse, Research Intern

Currently, in Pennsylvania, cannabis use is only legal for medicinal purposes and, more specifically, for medical marijuana card holders. In 2015, Pennsylvania reduced penalties for cannabis possession but has yet to decriminalize or fully legalize cannabis. Some larger cities, such as Philadelphia, have decriminalized cannabis within the municipality.

Senate Bill 846 would amend Titles 35 (Health and Safety) and 75 (Vehicles) of the Pennsylvania Consolidated Statutes to introduce regulations for adult use cannabis. It establishes the Cannabis Regulatory Control Board with specific powers and responsibilities, including the creation of the Cannabis Business Development Fund. The Act also addresses social and economic equity, regulates cannabis business establishments, and covers various aspects such as testing, advertising, taxes, and labeling cannabis products. It imposes sales and excise taxes, creating the Cannabis Regulation Fund. Additionally, it introduces provisions for a cannabis clean slate and consolidates medical marijuana regulations. The Act also amends laws related to driving under the influence of alcohol or drugs. Finally, it includes provisions for repealing certain existing laws.

As of July 6th, 2023, the bill was referred to the Senate Law and Justice Committee.

Criminal Justice

Understanding the way in which current cannabis laws are being enforced is essential to understanding the relationship between cannabis legalization and the criminal justice system. There are racial disparities in the enforcement of cannabis policy, and the American Civil Liberties Union investigated this: Black Americans were 3.64 times more likely in 2018 to be arrested for cannabis possession than White Americans. On average, the ACLU found that states with legal cannabis possession had lower disparity rates in 2018 when compared to states with illegal cannabis and states that have decriminalized cannabis use.

Northeast Pennsylvania's statistics regarding racial disparities in cannabis-related arrests are similar to national trends. Based on 2021 Pennsylvania Uniform Crime Reporting data, Black people accounted for 12.7 percent of Pennsylvania's population but 38.0 percent of cannabis possession arrests. More specifically, in Northeast Pennsylvania, where Black people account for 4.5 percent of the population, Black people accounted for 31.0 percent of marijuana arrests. (Counties included in this calculation: Bradford, Carbon, Lackawanna, Luzerne, Lycoming, Monroe, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, and Wyoming)

Policymakers can look to studies that have attempted to measure the impact of legalization or decriminalization on arrest rates. For example, an article published by the Drug and Alcohol Dependence Journal studied the effect of the cannabis decriminalization policy on arrest rates in the city of Philadelphia. This study found that absolute/relative disparity decreased for possession arrests. Likewise, the State Epidemiological Outcomes Workgroup reported a 40.3 percent decrease in cannabis arrests among Black adults. SB 846 has the potential to address some of the disparities that arise under current cannabis regulation. SB 846 contains a Cannabis Clean Slate rule allowing for criminal record expunging for individuals who have been convicted, charged, or arrested under current cannabis regulations (applies to nonviolent offenses). This rule would reinstate licenses and motor vehicle operation privileges and release inmates convicted of cannabis-related charges.

(continued on the next page)

CANNABIS LEGALIZATION



Cannabis Legalization Considered in Pennsylvania (cont.)

ECONOMIC IMPACT

SB 846 imposes an eight percent sales tax and five percent excise tax on cannabis sales and seeks to better understand the possible implications of cannabis legalization through an economic lens.

Economics of Cannabis

SB 846 also includes relevant tax and economic legislation. SB 846 imposes an eight percent sales tax and five percent excise tax on cannabis sales and seeks to better understand the possible implications of cannabis legalization through an economic lens. The Marijuana Policy Project offers insight into the economic impact of cannabis legalization through the lens of Colorado. The year after legalizing cannabis (2015), Colorado experienced a 4.4 percent increase in GDP. Furthermore, as of June 2020, Colorado reported over 40,000 active cannabis licenses held to work in the cannabis industry, possibly indicating that cannabis legalization can increase jobs and small business ownership. Lastly, Colorado has added millions of dollars worth of tax revenue through cannabis sales. In 2019, cannabis tax revenue was over \$300 million. The economic impact of cannabis legalization has been observed beyond Colorado as well. In 2020, Forbes reported 250,000 full-time jobs in the cannabis industry nationwide.

Additionally, Forbes reported that national legalization could potentially raise \$128.8 billion in tax dollars. Specifically, SB 846 has the potential to support small and minority-owned cannabis dispensaries if the bill is passed. Sec 9141 of SB 846 outlines plans to provide low-interest loans, reduce any identified barriers to entry, and establish a grant and loan program to provide financial and technical assistance to applicants classified as social and economic equity applicants.

Conclusion

Senate Bill 846 is a bipartisan effort with the potential to address disparities in the criminal justice system, increase jobs, increase the state and local tax bases, and invest in small business ownership. When weighing the costs and benefits of cannabis legalization, criminal justice reform and economic opportunity are relevant factors for decision-makers and community members. As outlined in SB 846, the effectiveness of a portion of this bill will be measured beginning January 1, 2024, and each year after based on the number of persons or businesses receiving financial assistance, the amount of financial assistance awarded in aggregate, outstanding loans, grants awarded, locations of the projects, the number of new jobs and other economic output created.



STATE LEGISLATIVE BRIEFING

A curated briefing of state legislative proposals and recent legislative actions

STATE BRIEFINGS

- 2023-24 Budget
- Ready-to-Work Pilot
- Expanding the Workforce
- Increased Opportunities for Small and Diverse Businesses

Pennsylvania State Senate Moves Two Budget Bills

While Democratic Gov. Josh Shapiro signed the commonwealth's budget in early August, the legislation that directs that spending — known as code bills — has remained unfinished after talks deteriorated over a school voucher program that Republicans considered a priority.

On August 30th, lawmakers moved a step closer to finalizing the state budget and freeing up some of the stalled \$1.1 billion in spending. The Pennsylvania Senate moved two code bills to try and finish up the state budget process. However, some cash for schools is still a debate. Senate Bill 1300 passed and will provide cash for community colleges, libraries, and free breakfast for all school kids. Senate Bill 757 includes more controversial topics like private school vouchers, which the Governor already vetoed. The measure passed 28 to 19.

Updating the Medical Marijuana Permitting Program

Senate Bill 773, introduced in June 2023, would amend the Medical Marijuana Act's provisions on permits and licenses and provide additional dispensary permits. Latest action: Referred to Health, Sept. 21, 2023 [House]

State Senate Bill Would Establish Statewide Recovery-to-Work Pilot

A Senate bill introduced earlier this year, SB 69, would establish Recovery-to-work as a pilot program within the Department of Labor and Industry, provide for local recovery-to-work pilot programs, and incentivize business participation.

The bill funds local workforce development boards, business partners, and other agencies to develop collaborative recovery-to-work programs that would provide career opportunities to individuals in recovery from drug and alcohol addiction. Programming includes career readiness skills training and support services for participants' continued recovery.

SB 69 was re-referred to Appropriations on June 22nd.

Senate Confirms Governor Shapiro's Appointee to Serve on Pennsylvania Public Utility Commission

On August 30th, the Pennsylvania Senate unanimously voted to confirm Governor Josh Shapiro's appointment of Kimberly Barrow, Esq. to the Pennsylvania Utility Commission (PUC). The Public Utility Commission is charged with ensuring consumers have reliable access to safe and affordable electricity, water services, and more. Steve DeFrank, who previously served as Vice Chairman of the Commission, was appointed Chairman.





STATE LEGISLATIVE BRIEFING

A curated briefing of state legislative proposals and recent legislative actions

STATE BRIEFINGS

- 2023-24 Budget
- Ready-to-Work Pilot
- Expanding the Workforce
- Increased Opportunities for Small and Diverse Businesses

Governor Shapiro Announces New Partnership with Google, PASSHE to Train and Expand Commonwealth's Workforce for High-Growth Jobs

On August 29th, Governor Shapiro announced a new public-private partnership between Google and the Pennsylvania State System of Higher Education (PASSHE) that makes industry-recognized Google Career Certificates available to students and the public to help them secure good-paying jobs.

This new public-private partnership will enable PASSHE students to earn a Google Career Certificate during their regular undergraduate programs, allowing them to earn college credit and an industry-recognized certificate at the same time. To support continuing education efforts, PASSHE universities can also offer credentials to the public through non-credit courses and workshops, giving those who complete the program access to Google's employer consortium.

PASSHE is the first higher education system in Pennsylvania to partner with Google to offer Google Career Certificates. The program offers skills training in the fields of cybersecurity, data analytics, digital marketing and e-commerce, business intelligence, IT support, project management, and user experience (UX design), with no experience required.

PASSHE will reach thousands of students and workers across the Commonwealth to provide them with skills for some of the state's most in-demand jobs. Pennsylvania residents who are not enrolled at a PASSHE university can also access the certificates at nonprofit organizations throughout the state, including the YWCA, Family Promise, Raices Cyber Org, and more.

Governor Josh Shapiro Signs Executive Order to Increase Opportunities for Small and Diverse Businesses

Governor Josh Shapiro signed an executive order on September 5th to increase opportunities for small and small diverse businesses to compete for state contracts, make the Commonwealth procurement process more accessible, and take steps to help small businesses and small, diverse businesses grow, succeed, and create good-paying jobs.

The executive order directs the Department of General Services (DGS) to lead and coordinate efforts with agencies to increase their total operational spending and participation in the commonwealth's Small Business Reserve (SBR) program, foster more competitive procurement, and increase the amount of money that goes into the hands of small and small diverse businesses.





FEDERAL LEGISLATIVE BRIEFING

A curated briefing of federal legislative proposals and recent legislative actions

FEDERAL BRIEFINGS

- Small Business Child Care Investment
- Pandemic Federal Funding
- American Aviation Act
- CURE Act
- Federal Privacy Legislation

Small Business Child Care Investment Act

Senate Bill 673 deems certain nonprofit childcare providers to be small business concerns so that they may participate in specified loan programs administered by the Small Business Administration (e.g., the 7(a) loan program). It was referred to the Senate Committee on Small Business and Entrepreneurship.

Securing Growth and Robust Leadership in American Aviation Act

H.R. 3935 reauthorizes the Federal Aviation Administration (FAA) through FY2028, including activities and programs related to airport planning and development, facilities and equipment, and operations. The National Transportation Safety Board is also reauthorized through FY2028.

The bill also addresses a wide range of issues, such as:

- directing the FAA to increase air traffic controller hiring targets;
- establishing a workforce development program to support the education, recruitment, and retention of aviation professionals;
- raising the commercial airline pilot retirement age to 67 (currently 65);
- prohibiting aircraft dispatchers from working remotely, with limited exceptions for emergencies;
- requiring the Department of Transportation (DOT) to establish standards to ensure the aircraft boarding and deplaning process is accessible for individuals with disabilities, including for individuals who use wheelchairs

Latest action: 09/21/2023 Cloture motion on the motion to proceed to the measure presented in Senate.

Note: Invoking cloture places a time limit on a bill's consideration and provides it with a path to move forward. In 1917 the Senate adopted a rule to allow a two-thirds majority to end a filibuster, the procedure known as "cloture." In 1975 the Senate reduced the number of votes required for cloture from two-thirds of senators voting to three-fifths of all senators duly chosen and sworn, or 60 of the 100-member Senate.

Pandemic Federal Funding for Child Care Ending

A total of \$39 billion was allocated for child care funding under the American Rescue Plan Act, which was passed in March 2021.

The money went to states that provided grants to childcare facilities.

The pandemic federal funding for child care providers is set to end on September 30th. This ultimately means thousands of programs across the country at risk of closing.

A report by The Century Foundation from June found that 70,000 childcare programs could close, which would leave approximately 3.2 million children without care.

The report from The Century Foundation also projects millions of parents will have to leave the workforce or reduce their hours, costing families nearly \$9 billion each year in lost earnings.



FEDERAL LEGISLATIVE BRIEFING

A curated briefing of federal legislative proposals and recent legislative actions

FEDERAL BRIEFINGS

- Small Business Child Care Investment
- Pandemic Federal Funding
- American Aviation Act
- CURE Act
- Federal Privacy Legislation

House Committee Advances Legislation Easing Hiring Restrictions for Those with a History of Marijuana Use

Members of the U.S. House of Representatives, Oversight and Accountability Committee voted 30-14 on September 20th in favor of bipartisan legislation, H.R. 5040: The Cannabis Users' Restoration of Eligibility (CURE) Act, which expands federal employment and advancement opportunities for those with a history of past cannabis use.

As amended and passed by the Committee, the legislation limits federal agencies' ability to consider an applicant's past cannabis use when making security clearance or federal employment suitability decisions.

The act would also allow previous denials for employment or security clearances based on marijuana use to be reviewed.

Federal Privacy Legislation Update

In 2019, the US data privacy framework changed significantly with the emergence of the California Consumer Privacy Act.

Since then, activity at the state level has increased as more states look to establish data privacy laws in the absence of a comprehensive data privacy law at the federal level.

Currently, a total of thirteen states have passed comprehensive data privacy laws in the United States: California, Virginia, Colorado, Connecticut, Utah, Iowa, Indiana, Tennessee, Texas, Florida, Montana, Oregon, and Delaware. Of those thirteen, California, Colorado, Connecticut, and Virginia's laws are currently effective.

Comprehensive federal privacy legislation remains under discussion in the House Energy and Commerce Committee after a version of the American Data Privacy and Protection Act (ADPPA) failed to make it to the floor last year despite a 53-2 vote in committee.

The Institute

Turning Information into Insight

THE INSTITUTE FOR PUBLIC POLICY & ECONOMIC DEVELOPMENT



Policy Tracker

The Institute Contributors

Lead Editor

Jolene Carey-Pace, Ed.D.

Senior Research & Policy Analyst

Funding Support

Funding for the Policy Tracker has been generously provided by:



MOSES TAYLOR
FOUNDATION
Advancing Our Legacy of Health

The Institute Staff

Teri Ooms

President & CEO

Jill Avery-Stoss

Chief Operating Officer

Jolene Carey-Pace, Ed.D.

Senior Research & Policy Analyst

Andrew Chew

Research Consultant

Mark Schafer

Research Analyst

Sarah Bender

Research Assistant

Ethan Van Gorden

Research Assistant

Emily Bauer

Research and Administrative Coordinator