

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 2646

By: Echols

4
5 AS INTRODUCED

6 An Act relating to medical marijuana; amending
7 Section 1, State Question No. 788, Initiative
8 Petition No. 412, as last amended by Section 44,
9 Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section
10 420), which relates to patient and caregiver
11 licensing requirements; specifying measurements in
12 grams; clarifying scope of certain offense; updating
13 references to licensees; specifying biannual payment
14 of application fees for patient licenses; providing
15 for reprints of licenses; setting fee amount;
16 authorizing the State Department of Health to deny
17 patient license applications; removing certain
18 recordkeeping requirement; specifying types of
19 records the Department shall seal to protect privacy;
20 updating statutory references; clarifying application
21 requirements; amending Section 2, State Question No.
22 788, Initiative Petition No. 412 (63 O.S. Supp. 2020,
23 Section 421), which relates to dispensary licensing
24 requirements; updating language; increasing time
limitation for reviewing dispensary license
applications; authorizing the Department to deny
dispensary license applications; deleting penalties
for inaccurate reports and fraudulent sales;
authorizing licensed dispensaries to sell pre-rolled
marijuana; specifying types of products that can be
used for pre-rolled marijuana; providing testing,
packaging and labeling requirements; amending Section
3, State Question No. 788, Initiative Petition No.
412 (63 O.S. Supp. 2020, Section 422), which relates
to commercial grower licensing requirements;
increasing time limitation for reviewing commercial
grower license applications; authorizing the
Department to deny commercial grower license
applications; authorizing licensed commercial growers
to sell to other licensed commercial growers;
deleting penalties for inaccurate reports and
fraudulent sales; authorizing licensed commercial

1 growers to sell pre-rolled marijuana; specifying
2 types of products that can be used for pre-rolled
3 marijuana; providing testing, packaging and labeling
4 requirements; amending Section 4, State Question No.
5 788, Initiative Petition No. 412 (63 O.S. Supp. 2020,
6 Section 423), which relates to medical marijuana
7 processor licensing requirements; updating language;
8 increasing time limitation for reviewing processor
9 license applications; authorizing the Department to
10 deny processor license applications; providing for
11 twice-yearly inspections of processing operations;
12 deleting penalties for inaccurate reports and
13 fraudulent sales; specifying name of council
14 responsible for creating certain standards; amending
15 Section 6, State Question No. 788, Initiative
16 Petition No. 412, as last amended by Section 46,
17 Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section
18 425), which relates to protections for medical
19 marijuana patient licensees; updating language;
20 deleting certain definition; specifying manner by
21 which distances between certain properties shall be
22 measured; providing exceptions; specifying name of
23 certain act; amending Section 7, State Question No.
24 788, Initiative Petition No. 412 (63 O.S. Supp. 2020,
Section 426), which relates to the taxation of
medical marijuana; updating language and name of
state agency; authorizing the State Department of
Health to use funds for drug and alcohol prevention;
amending Section 4, Chapter 509, O.S.L. 2019 (63 O.S.
Supp. 2020, Section 426.1), which relates to license
revocations and hearings; deleting certain exception;
updating language and statutory citations; modifying
information the State Department of Health may share
with law enforcement; providing for an online
verification system; directing the Department to
share list of marijuana-licensed premises with state
agencies; directing marijuana-licensed businesses to
submit certain documentation when requesting a change
in location; amending Section 2, Chapter 11, O.S.L.
2019, as last amended by Section 48, Chapter 161,
O.S.L. 2020, Section 3, Chapter 11, O.S.L. 2019, as
amended by Section 6, Chapter 477, O.S.L. 2019,
Section 4, Chapter 11, O.S.L. 2019, Section 6,
Chapter 11, O.S.L. 2019, as amended by Section 7,
Chapter 11, O.S.L. 2019, Section 7, Chapter 11,
O.S.L. 2019, as amended by Section 5, Chapter 509,
O.S.L. 2019, Section 9, Chapter 11, O.S.L. 2019,

1 Section 10, Chapter 11, O.S.L. 2019, as amended by
2 Section 2, Chapter 390, O.S.L. 2019, Section 11,
3 Chapter 11, O.S.L. 2019, Section 13, Chapter 11,
4 O.S.L. 2019, Section 14, Chapter 11, O.S.L. 2019, as
5 last amended by Section 51, Chapter 161, O.S.L. 2020,
6 Section 16, Chapter 11, O.S.L. 2019, Section 17,
7 Chapter 11, O.S.L. 2019, as amended by Section 4,
8 Chapter 312, O.S.L. 2019, Section 18, Chapter 11,
9 O.S.L. 2019, Section 19, Chapter 11, O.S.L. 2019,
10 Section 20, Chapter 11, O.S.L. 2019, Section 22,
11 Chapter 11, O.S.L. 2019 and Section 23, Chapter 11,
12 O.S.L. 2019, as amended by Section 11, Chapter 477,
13 O.S.L. 2019 (63 O.S. Supp. 2020, Sections 427.2,
14 427.3, 427.4, 427.6, 427.7, 427.9, 427.10, 427.11,
15 427.13, 427.14, 427.16, 427.17, 427.18, 427.19,
16 427.20, 427.22 and 427.23), which relate to the
17 Oklahoma Medical Marijuana and Patient Protection
18 Act; updating references to certain named act;
19 modifying scope of certain definitions; deleting
20 certain definitions; clarifying duties of the
21 Oklahoma Medical Marijuana Authority; authorizing the
22 Authority to establish fee schedule and collect fees;
23 removing notice requirement for inspections;
24 requiring medical marijuana business licensees to
submit samples to a quality assurance laboratory
under certain circumstances; allowing for on-site
inspections and investigations of medical marijuana
businesses and certain facilities; authorizing the
State Department of Health to enter certain
facilities; providing for postlicensure inspections;
providing for additional inspections under certain
circumstances; deleting notice provision; removing
option for licensees to obtain legal representation
prior to certain interview; providing for the
suspension or revocation of licenses for nonpayment
of penalties; establishing penalties for inaccurate
or fraudulent reports; authorizing the issuance of
written orders for alleged violations; specifying
contents of written orders; authorizing the
Department to impose disciplinary actions and
monetary penalties; allowing licensees to request an
administrative hearing; directing the Department to
initiate administrative proceedings upon such
request; authorizing the Department to issue certain
emergency order without notice or hearing; requiring
immediate compliance with provisions of the order;
providing for the assessment of penalties;

1 authorizing licensees to request a hearing;
2 clarifying privacy requirements for handling records
3 of patients and caregivers; deleting references to
4 certain federal act; directing the Authority to
5 protect patient and caregiver records and
6 information; authorizing the Authority to contact
7 recommending physicians of patient licensees;
8 clarifying term of application fee for disabled
9 veterans; expanding certain criminal and civil
10 protections to podiatrists; directing the Department
11 to immediately void licenses under certain
12 circumstances; allowing patients to request the
13 withdrawal of a caregiver license; providing for such
14 withdrawal without the right to a hearing; requiring
15 certain facilities to keep transaction records and
16 utilize seed-to-sale tracking system; directing
17 medical marijuana businesses and facilities that
18 retain inventory tracking records to comply with
19 state and federal privacy laws; deleting inventory
20 tracking records retention requirement; clarifying
21 term of application fee for medical marijuana
22 businesses; directing license renewal applicants to
23 comply with certain requirements; clarifying criteria
24 provisions for licensees; requiring criminal history
background checks for license renewal applicants;
modifying certain identification document
requirement; providing exemption from residency
requirement for certain medical marijuana business
license applicants; modifying list of identification
documents necessary for licensure; providing for the
denial of business license applications; providing
for the denial of resubmitted applications under
certain circumstances; prohibiting the issuance of
research, education and waste disposal facility
licenses to certain persons; removing directive to
consider additional information about applicants with
criminal history records; requesting licensees to
provide certain information to the Authority;
requiring medical marijuana research, education and
waste disposal facility licensees to pay licensure
fees prior to receiving license; establishing renewal
fee for expired licenses; making late renewal fees
nonrefundable; prohibiting the renewal of certain
expired licenses; prohibiting medical marijuana
businesses, research, education and waste disposal
facilities from operating without a valid, unexpired
license; allowing certain licensed medical marijuana

1 facilities to obtain medical marijuana transporter
2 licenses; reducing fee amount of annual transporter
3 agent license; establishing transporter agent license
4 reprint fee; clarifying residency requirement;
5 deleting certain inventory manifest requirement;
6 extending time limitation for maintaining copies of
7 inventory manifests and logs; modifying scope of
8 duties related to the development of testing
9 practices and research methods; providing
10 restrictions on laboratory ownership and the
11 employment of certain persons; removing mandate that
12 prohibits indirect beneficial owners from owning a
13 laboratory; allowing medical marijuana testing
14 laboratories to conduct certain research; authorizing
15 medical marijuana testing laboratories to accept
16 samples from licensed research and education
17 facilities; directing the Department to develop
18 standards and policies for validation procedures and
19 inventory tracking systems; prohibiting the testing
20 of samples from certain businesses; directing the
21 Department to develop standards and policies for the
22 immediate recall of medical marijuana products;
23 increasing time limitation for medical marijuana
24 testing laboratories to retain test results; removing
test-batch weight requirement; providing exception to
harvest-batch weight limitation; increasing number of
inspections required for medical marijuana testing
laboratories; allowing for additional investigations
and inspections of testing laboratories under certain
circumstances; modifying accreditation requirements
for testing laboratories; allowing licensed
commercial growers to transfer certain product to
licensed processors for decontamination or
remediation; authorizing licensed commercial growers
and licensed processors to transfer, sell or process
medical marijuana and medical marijuana products upon
achieving process validation; prohibiting the sale or
transfer of kief; providing an exception; eliminating
certain labeling requirement; clarifying terms of
application fee for medical marijuana research
license and medical marijuana education facility
license; clarifying certain application process
requirement for medical marijuana education facility
license applicants; declaring all medical marijuana
patient and caregiver records confidential and exempt
from the Oklahoma Open Records Act; making certain
records submitted to the Department confidential and

1 exempt from the Oklahoma Open Records Act;
2 authorizing the Department to share confidential
3 information with other state agencies; modifying name
4 of entity that recommends certain rules to the State
5 Commissioner of Health; authorizing the Department to
6 appoint additional members to the Medical Marijuana
7 Advisory Council; specifying makeup of Council;
8 authorizing the Department to tag or mark medical
9 marijuana and medical marijuana product under certain
10 conditions; authorizing the Department to embargo
11 medical marijuana and medical marijuana product;
12 making the removal or disposal of embargoed medical
13 marijuana and medical marijuana product without
14 permission unlawful; allowing the State Commissioner
15 of Health to institute actions in district court for
16 the condemnation and destruction of embargoed medical
17 marijuana and medical marijuana product that fails to
18 meet certain requirements; providing for the removal
19 of embargo after certain determination by the
20 Commissioner; providing exemption from liability;
21 providing for the destruction of medical marijuana
22 and medical marijuana product upon findings made by
23 the court; requiring expenses associated with
24 destruction, court costs and fees to be paid by owner
or defendant; authorizing courts to order delivery of
medical marijuana and medical marijuana product to
owner or defendant under certain circumstances;
directing expenses for supervision be paid to
Commissioner by certain person; amending Sections 2,
3 and 4, Chapter 337, O.S.L. 2019 (63 O.S. Supp.
2020, Sections 428.1, 429 and 430), which relate to
the Oklahoma Medical Marijuana Waste Management Act;
updating name of act; modifying scope of certain
definitions; authorizing the destruction of marijuana
roots and stalks; deleting documentation requirements
for entities that engage in the disposal of medical
marijuana waste; deleting requirement to maintain
disposal records; clarifying scope of certain
prohibited act; specifying manner by which distance
requirements shall be measured for waste disposal
facilities; removing alternative options for
liability insurance requirement; providing for annual
permits; directing the deposit of license and permit
fees into different revolving fund; providing for
codification; and providing an effective date.

1 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

2 SECTION 1. AMENDATORY Section 1, State Question No. 788,
3 Initiative Petition No. 412, as last amended by Section 44, Chapter
4 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), is amended to
5 read as follows:

6 Section 420. A. A person in possession of a state-issued
7 medical marijuana patient license shall be able to:

8 1. Consume marijuana legally;

9 2. Legally possess up to three (3) ounces or eighty-four and
10 nine-tenths (84.9) grams of marijuana on their person;

11 3. Legally possess six mature marijuana plants;

12 4. Legally possess six seedling plants;

13 5. Legally possess one (1) ounce or twenty-eight and three-
14 tenths (28.3) grams of concentrated marijuana;

15 6. Legally possess seventy-two (72) ounces or two thousand
16 thirty-seven and six-tenths (2,037.6) grams of edible marijuana; and

17 7. Legally possess up to eight (8) ounces or two hundred
18 twenty-six and four-tenths (226.4) grams of marijuana in their
19 residence.

20 B. Possession of up to one and one-half (1.5) ounces or forty-
21 two and forty-five one-hundredths (42.45) grams of marijuana by
22 persons who can state a medical condition, but are not in possession
23 of a state-issued medical marijuana patient license, shall
24 constitute a misdemeanor offense not subject to imprisonment but

1 punishable by a fine not to exceed Four Hundred Dollars (\$400.00)
2 ~~and shall not be subject to imprisonment for the offense.~~ Any law
3 enforcement officer who comes in contact with a person in violation
4 of this subsection and who is satisfied as to the identity of the
5 person, as well as any other pertinent information the law
6 enforcement officer deems necessary, shall issue to the person a
7 written citation containing a notice to answer the charge against
8 the person in the appropriate court. Upon receiving the written
9 promise of the alleged violator to answer as specified in the
10 citation, the law enforcement officer shall release the person upon
11 personal recognizance unless there has been a violation of another
12 provision of law.

13 C. A regulatory office shall be established under the State
14 Department of Health which shall receive applications for medical
15 marijuana patient and caregiver license recipients, dispensaries,
16 growers, and ~~packagers~~ processors within sixty (60) days of the
17 passage of this initiative.

18 D. The State Department of Health shall, within thirty (30)
19 days of passage of this initiative, make available on its website,
20 in an easy-to-find location, an application for a medical marijuana
21 patient license. The license shall be ~~good~~ valid for two (2) years.
22 The biannual application fee shall be One Hundred Dollars (\$100.00),
23 or Twenty Dollars (\$20.00) for individuals on Medicaid, Medicare or
24 SoonerCare. The methods of payment shall be provided on the website

1 of the Department. Reprints of the medical marijuana patient
2 license shall be Twenty Dollars (\$20.00).

3 E. A short-term medical marijuana patient license application
4 shall also be made available on the website of the State Department
5 of Health. A short-term medical marijuana patient license shall be
6 granted to any applicant who can meet the requirements for a two-
7 year medical marijuana patient license, but whose physician
8 recommendation for medical marijuana is only valid for sixty (60)
9 days. Short-term medical marijuana patient licenses shall be issued
10 for sixty (60) days. The fee for a short-term medical marijuana
11 patient license, reprints of the short-term medical marijuana
12 patient license, and the procedure for extending or renewing the
13 license shall be determined by the Department.

14 F. A temporary medical marijuana patient license application
15 shall also be ~~made~~ available on the website of the State Department
16 of Health for residents of other states. A temporary medical
17 marijuana patient license shall be granted to any medical marijuana
18 license holder from other states, provided that the state has a
19 state-regulated medical marijuana program, and the applicant can
20 prove he or she is a member of such program. Temporary medical
21 marijuana patient licenses shall be issued for thirty (30) days.
22 The cost for a temporary medical marijuana patient license shall be
23 One Hundred Dollars (\$100.00). Renewal shall be granted with
24 resubmission of a new application. No additional criteria shall be

1 required. Reprints of the temporary medical marijuana patient
2 license shall be Twenty Dollars (\$20.00).

3 G. Medical marijuana patient license applicants shall submit
4 ~~his or her~~ their applications to the State Department of Health for
5 approval. The applicant shall be ~~an~~ a resident of Oklahoma ~~state~~
6 ~~resident~~ and shall prove residency by a valid driver license,
7 utility bills, or other accepted methods.

8 H. The State Department of Health shall review the medical
9 marijuana patient license application~~;~~ approve ~~or~~ reject or deny
10 the application~~;~~ and mail the approval ~~or~~ rejection or denial
11 letter stating any reasons for the rejection or denial to the
12 applicant within fourteen (14) business days of receipt of the
13 application. Approved applicants shall be issued a medical
14 marijuana patient license which shall act as proof of his or her
15 approved status. Applications may only be rejected or denied based
16 on the applicant not meeting stated criteria or improper completion
17 of the application.

18 I. ~~The State Department of Health shall only keep the following~~
19 ~~records for each approved medical marijuana license:~~

20 1. ~~A digital photograph of the license holder;~~

21 2. ~~The expiration date of the license;~~

22 3. ~~The county where the card was issued; and~~

23 4. ~~A unique 24-character identification number assigned to the~~
24 ~~license.~~

1 ~~J.~~ The State Department of Health shall make available, both on
2 its website and through a telephone verification system, an easy
3 method to validate the authenticity of the medical marijuana patient
4 license by the unique 24-character identification number.

5 ~~K.~~ J. The State Department of Health shall ensure that all
6 ~~application~~ medical marijuana patient and caregiver records and
7 information are sealed to protect the privacy of medical marijuana
8 patient license applicants.

9 ~~H.~~ K. A caregiver license shall be made available for qualified
10 caregivers of a medical marijuana patient license holder who is
11 homebound. As provided in Section ~~41~~ 427.11 of ~~Enrolled House Bill~~
12 ~~No. 2612 of the 1st Session of the 57th Oklahoma Legislature~~ this
13 title, the caregiver license shall provide the caregiver the same
14 rights as the medical marijuana patient licensee, including the
15 ability to possess marijuana, marijuana products and mature and
16 immature plants pursuant to the Oklahoma Medical Marijuana and
17 Patient Protection Act, but excluding the ability to use marijuana
18 or marijuana products unless the caregiver has a medical marijuana
19 patient license. ~~An applicant~~ Applicants for a caregiver license
20 shall submit proof of the license status and homebound status of the
21 medical marijuana patient and proof that the applicant is the
22 designee of the medical marijuana patient. The applicant shall also
23 submit proof that he or she is eighteen (18) years of age or older
24

1 and proof of his or her Oklahoma residency. ~~This shall be the only~~
2 ~~criteria for a caregiver license.~~

3 ~~M.~~ L. All applicants for a medical marijuana patient license
4 shall be eighteen (18) years of age or older. A special exception
5 shall be granted to an applicant under the age of eighteen (18);
6 however, these applications shall be signed by two physicians and
7 the parent or legal guardian of the applicant.

8 ~~N.~~ M. All applications for a medical marijuana patient license
9 shall be signed by an Oklahoma physician licensed by and in good
10 standing with the State Board of Medical Licensure and Supervision
11 or the State Board of Osteopathic Examiners. There are no
12 qualifying conditions. A medical marijuana patient license ~~must~~
13 shall be recommended according to the accepted standards a
14 reasonable and prudent physician would follow when recommending or
15 approving any medication. No physician may be unduly stigmatized or
16 harassed for signing a medical marijuana patient license
17 application.

18 ~~O.~~ N. Counties and cities may enact medical marijuana
19 guidelines allowing medical marijuana patient license holders or
20 ~~caregivers~~ caregiver license holders to exceed the state limits set
21 forth in subsection A of this section.

22 SECTION 2. AMENDATORY Section 2, State Question No. 788,
23 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 421), is
24 amended to read as follows:

1 Section 421. A. The ~~Oklahoma~~ State Department of Health shall,
2 within thirty (30) days of passage of this initiative, make
3 available, ~~on their~~ its website, ~~in an easy-to-find location,~~ an
4 application for a medical marijuana dispensary license. The
5 application fee shall be Two Thousand Five Hundred Dollars
6 (\$2,500.00) ~~and a.~~ A method of payment ~~will~~ shall be provided on
7 the website of the Department. ~~Retail~~ Dispensary applicants must
8 all be ~~Oklahoma state~~ residents of Oklahoma. Any entity applying
9 for a ~~retail~~ dispensary license must be owned by an Oklahoma ~~state~~
10 resident and must be registered to do business in Oklahoma. The
11 ~~Oklahoma~~ State Department of Health shall have ~~two (2) weeks~~ ninety
12 (90) business days to review the application, ~~approve or,~~ reject or
13 deny the application, ~~and mail the approval/rejection~~ approval,
14 rejection or denial letter ~~(if rejected,~~ stating reasons for
15 ~~rejection)~~ the rejection or denial to the applicant.

16 B. The ~~Oklahoma~~ State Department of Health ~~must~~ shall approve
17 all applications which meet the following criteria:

18 1. ~~Applicant~~ The applicant must be ~~age~~ twenty-five (25) years
19 of age or older;

20 2. ~~Any~~ The applicant, if applying as an individual, must show
21 residency in the State of Oklahoma;

22 3. All applying entities must show that all members, managers,
23 and board members are Oklahoma residents;

24

1 4. An applying entity may show ownership of non-Oklahoma
2 residents, but that percentage ownership may not exceed twenty-five
3 percent (25%);

4 5. All applying individuals or entities must be registered to
5 conduct business in the State of Oklahoma; and

6 6. All applicants must disclose all ownership ~~+~~ interests in the
7 dispensary.

8 ~~7. Applicant(s)~~ Applicants with ~~only~~ a nonviolent felony
9 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
10 conviction in ~~five 5 (years)~~ the last five (5) years, inmates in the
11 custody of the Department of Corrections, or any person currently
12 incarcerated ~~may~~ shall not qualify for a medical marijuana
13 dispensary license.

14 C. ~~Retailers will~~ Licensed medical marijuana dispensaries shall
15 be required to complete a monthly sales report to the ~~Oklahoma~~ State
16 Department of Health. This report ~~will~~ shall be due on the 15th
17 fifteenth of each month and provide reporting on the previous month.
18 This report ~~will~~ shall detail the weight of marijuana purchased at
19 wholesale and the weight of marijuana sold to ~~card holders~~ licensed
20 medical marijuana patients and licensed caregivers, and account for
21 any waste. The report ~~will~~ shall show total sales in dollars, tax
22 collected in dollars, and tax due in dollars. The ~~Oklahoma~~ State
23 Department of Health ~~will~~ shall have oversight and auditing
24 responsibilities to ensure that all marijuana being grown is

1 | accounted for. ~~A retailer will only be subject to a penalty if a~~
2 | ~~gross discrepancy exists and cannot be explained. Penalties for~~
3 | ~~fraudulent reporting occurring within any 2 year time period will be~~
4 | ~~an initial fine of Five Thousand Dollars (\$5,000.00) (first) and~~
5 | ~~revocation of licensing (second).~~

6 | D. Only a licensed medical marijuana ~~retailer~~ dispensary may
7 | conduct retail sales of marijuana, or marijuana derivatives ~~in the~~
8 | ~~form provided by licensed processors, and these products can only be~~
9 | ~~sold to a medical marijuana license holder or their caregiver.~~
10 | ~~Penalties for fraudulent sales occurring within any 2 year time~~
11 | ~~period will be an initial fine of Five Thousand Dollars (\$5,000.00)~~
12 | ~~(first) and revocation of licensing (second).~~ Beginning on the
13 | effective date of this act, licensed medical marijuana dispensaries
14 | shall be authorized to package and sell pre-rolled marijuana to
15 | licensed medical marijuana patients and licensed caregivers. The
16 | products described in this subsection shall contain only the ground
17 | parts of the marijuana plant and shall not include marijuana
18 | concentrates or derivatives. These products shall be tested,
19 | packaged and labeled in accordance with Oklahoma law and rules
20 | promulgated by the State Commissioner of Health.

21 | SECTION 3. AMENDATORY Section 3, State Question No. 788,
22 | Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 422), is
23 | amended to read as follows:
24 |

1 Section 422. A. The ~~Oklahoma~~ State Department of Health ~~will~~
2 shall, within thirty (30) days of passage of this initiative, make
3 available, ~~on their~~ its website, ~~in an easy-to-find~~ location, an
4 application for a commercial grower license. The application fee
5 ~~will~~ shall be Two Thousand Five Hundred Dollars (\$2,500.00) ~~and~~
6 ~~methods.~~ A method of payment ~~will~~ shall be provided on the website
7 of the Department. The ~~Oklahoma~~ State Department of Health ~~has two~~
8 ~~(2) weeks~~ shall have ninety (90) days to review the application, ~~;~~
9 approve ~~or~~, reject or deny the application, ~~;~~ and mail the
10 ~~approval/rejection~~ approval, rejection or denial letter ~~(if~~
11 ~~rejected,~~ stating the reasons for ~~rejection)~~ the rejection or denial
12 to the applicant.

13 B. The ~~Oklahoma~~ State Department of Health ~~must~~ shall approve
14 all applications which meet the following criteria:

15 1. ~~Applicant~~ The applicant must be ~~age~~ twenty-five (25) years
16 of age or older;

17 2. ~~Any~~ The applicant, if applying as an individual, must show
18 residency in the State of Oklahoma;

19 3. All applying entities must show that all members, managers,
20 and board members are Oklahoma residents;

21 4. An applying entity may show ownership of non-Oklahoma
22 residents, but that percentage ownership may not exceed twenty-five
23 percent (25%);

24

1 5. All applying individuals or entities must be registered to
2 conduct business in the State of Oklahoma; and

3 6. All applicants must disclose all ownership ~~+~~ interests in the
4 commercial grower operation.

5 7. ~~Applicant(s)~~ Applicants with ~~only~~ a nonviolent felony
6 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
7 conviction in the last five (5) years, inmates in the custody of the
8 Department of Corrections, or any person currently incarcerated ~~may~~
9 shall not qualify for a commercial grower license.

10 C. A licensed commercial grower may sell marijuana to a
11 licensed ~~retailer~~, dispensary or a licensed ~~packager~~ processor.
12 Further, ~~these sales will~~ by a licensed commercial grower shall be
13 considered wholesale sales and shall not be subject to taxation.

14 Under no circumstances may a licensed commercial grower sell
15 marijuana directly to a licensed medical marijuana ~~license holder~~
16 patient or licensed caregiver. A licensed commercial grower may
17 only sell at the wholesale level to a licensed ~~retailer~~ dispensary,
18 a licensed grower or a licensed processor. If the federal
19 government lifts restrictions on buying and selling marijuana
20 between states, then a licensed commercial grower would be allowed
21 to sell and buy marijuana wholesale from, or to, an out-of-state
22 wholesale provider. A licensed commercial grower ~~will~~ shall be
23 required to complete a monthly yield and sales report to the
24 ~~Oklahoma~~ State Department of Health. This report ~~will~~ shall be due

1 on the 15th fifteenth of each month and provide reporting on the
2 previous month. This report ~~will~~ shall detail the amount of
3 marijuana harvested in pounds, the amount of drying or dried
4 marijuana on hand, the amount of marijuana sold to licensed
5 processors in pounds, the amount of waste in pounds, and the amount
6 of marijuana sold to ~~retailers~~ licensed dispensaries in ~~lbs~~ pounds.
7 Additionally, this report ~~will~~ shall show total wholesale sales in
8 dollars. The ~~Oklahoma~~ State Department of Health ~~will~~ shall have
9 oversight and auditing responsibilities to ensure that all marijuana
10 being grown by licensed commercial growers is accounted for. A
11 ~~licensed grower will only be subject to a penalty if a gross~~
12 ~~discrepancy exists and cannot be explained. Penalties for~~
13 ~~fraudulent reporting or sales occurring within any 2 year time~~
14 ~~period will be an initial fine of Five Thousand Dollars (\$5,000.00)~~
15 ~~(first) and revocation of licensing (second).~~

16 D. There shall be no limits on how much marijuana a licensed
17 commercial grower can grow.

18 E. Beginning on the effective date of this act, licensed
19 commercial growers shall be authorized to package and sell pre-
20 rolled marijuana to licensed medical marijuana dispensaries. The
21 products described in this subsection shall contain only the ground
22 parts of the marijuana plant and shall not include marijuana
23 concentrates or derivatives. These products must be tested,
24

1 packaged and labeled in accordance with Oklahoma law and rules
2 promulgated by the State Commissioner of Health.

3 SECTION 4. AMENDATORY Section 4, State Question No. 788,
4 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 423), is
5 amended to read as follows:

6 Section 423. A. The ~~Oklahoma~~ State Department of Health shall,
7 within thirty (30) days of passage of this initiative, make
8 available ~~on their~~ its website ~~in an easy-to-find location~~ an
9 application for a medical marijuana processing license. The
10 application fee shall be Two Thousand Five Hundred Dollars
11 (\$2,500.00) ~~and methods.~~ A method of payment will shall be provided
12 on the website of the Department. The ~~Oklahoma~~ State Department of
13 Health shall have ~~two (2) weeks~~ ninety (90) days to review the
14 application~~;~~ approve or, reject or deny the application~~;~~ and mail
15 the ~~approval/rejection~~ approval, rejection or denial letter ~~(if~~
16 ~~rejected,~~ stating the reasons for rejection) the rejection or denial
17 to the applicant.

18 B. The ~~Oklahoma~~ State Department of Health ~~must~~ shall approve
19 all applications which meet the following criteria:

20 1. ~~Applicant~~ The applicant must be ~~age~~ twenty-five (25) years
21 of age or older;

22 2. ~~Any~~ The applicant, if applying as an individual, must show
23 residency in the State of Oklahoma;

24

1 3. All applying entities must show that all members, managers,
2 and board members are Oklahoma residents;

3 4. An applying entity may show ownership of non-Oklahoma
4 residents, but that percentage ownership may not exceed twenty-five
5 percent (25%);

6 5. All applying individuals or entities must be registered to
7 conduct business in the State of Oklahoma; and

8 6. All applicants must disclose all ownership ~~+~~ interests in the
9 processing operation.

10 ~~7. Applicant(s)~~ Applicants with ~~only a~~ conviction(s) conviction in the last two (2) years, any other felony
11 conviction in the last five (5) years, inmates in the custody of the
12 Department of Corrections, or any person currently incarcerated ~~may~~
13 shall not qualify for a medical marijuana processing license.

14 C. 1. A licensed processor may take marijuana plants and
15 distill or process these plants into concentrates, edibles, and
16 other forms for consumption.

17 2. As required by subsection D of this section, the ~~Oklahoma~~
18 State Department of Health ~~will~~ shall, within sixty (60) days of
19 passage of this initiative, make available a set of standards which
20 ~~will~~ shall be used by licensed processors in the preparation of
21 edible marijuana products. ~~This~~ The standards should be in line
22 with current food preparation guidelines ~~and no.~~ No excessive or
23
24

1 punitive rules may be established by the ~~Oklahoma~~ State Department
2 of Health. ~~Once~~

3 3. Up to two times a year, the ~~Oklahoma~~ State Department of
4 Health may inspect a processing operation and determine its
5 compliance with the preparation standards. If deficiencies are
6 found, a written report of deficiency ~~will~~ shall be issued to the
7 licensed processor. The licensed processor ~~will~~ shall have one (1)
8 month to correct the deficiency or be subject to a fine of Five
9 Hundred Dollars (\$500.00) for each deficiency.

10 4. A licensed processor may sell marijuana products it creates
11 to a licensed ~~retailer,~~ dispensary or any other licensed processor.
12 ~~Further, these~~ All sales ~~will~~ by a licensed processor shall be
13 considered wholesale sales and shall not be subject to taxation.

14 5. Under no circumstances may a licensed processor sell
15 marijuana~~,~~ or any marijuana product~~,~~ directly to a licensed medical
16 marijuana ~~license holder~~ patient or licensed caregiver. However, a
17 licensed processor may process cannabis into a concentrated form~~,~~
18 for a licensed medical ~~license holder,~~ marijuana patient for a fee.
19 ~~Processors will~~

20 6. Licensed processors shall be required to complete a monthly
21 yield and sales report to the ~~Oklahoma~~ State Department of Health.
22 This report ~~will~~ shall be due on the 15th fifteenth of each month and
23 shall provide reporting on the previous month. This report ~~will~~
24 shall detail the amount of marijuana and medical marijuana products

1 purchased in pounds, the amount of marijuana cooked or processed in
2 pounds, and the amount of waste in pounds. Additionally, this
3 report ~~will~~ shall show total wholesale sales in dollars. The
4 ~~Oklahoma~~ State Department of Health ~~will~~ shall have oversight and
5 auditing responsibilities to ensure that all marijuana being ~~grown~~
6 processed is accounted for. ~~A licensed processor will only be~~
7 ~~subject to a penalty if a gross discrepancy exists and cannot be~~
8 ~~explained. Penalties for fraudulent reporting occurring within any~~
9 ~~2 year time period will be an initial fine of Five Thousand Dollars~~
10 ~~(\$5,000.00) (first) and revocation of licensing (second).~~

11 D. The Department shall oversee the inspection and compliance
12 of licensed processors producing products with marijuana as an
13 additive. The ~~Oklahoma~~ State Department of Health ~~will~~ shall be
14 compelled to, within thirty (30) days of passage of this initiative,
15 appoint ~~a board of~~ twelve (12) Oklahoma residents to the Medical
16 Marijuana Advisory Council, who are marijuana industry experts, to
17 create a list of food safety standards for processing and handling
18 medical marijuana in Oklahoma. These standards ~~will~~ shall be
19 adopted by the ~~agency~~ Department and the ~~agency can~~ Department may
20 enforce these standards for licensed processors. The ~~agency will~~
21 Department shall develop a standards review procedure and these
22 standards can be altered by calling another ~~board~~ council of twelve
23 (12) Oklahoma marijuana industry experts. A signed letter of twenty
24

1 ~~(20)~~ operating, licensed processors ~~would~~ shall constitute a need
2 for a new ~~board~~ council and ~~standard~~ standards review.

3 E. If it becomes permissible~~7~~ under federal law, marijuana may
4 be moved across state lines.

5 F. Any device used for the processing or consumption of medical
6 marijuana shall be considered legal to be sold, manufactured,
7 distributed~~7~~ and possessed. No merchant, wholesaler, manufacturer~~7~~
8 or individual may ~~unduly~~ be unduly harassed or prosecuted for
9 selling, manufacturing~~7~~ or ~~possession of medical~~ possessing
10 marijuana paraphernalia.

11 SECTION 5. AMENDATORY Section 6, State Question No. 788,
12 Initiative Petition No. 412, as last amended by Section 46, Chapter
13 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 425), is amended to
14 read as follows:

15 Section 425. A. No school or landlord may refuse to enroll or
16 lease to and may not otherwise penalize a person solely for his or
17 her status as a medical marijuana ~~license holder~~ patient licensee,
18 unless failing to do so would cause the school or landlord the
19 potential to lose a monetary or licensing-related benefit under
20 federal law or regulations.

21 B. Unless a failure to do so would cause an employer the
22 potential to lose a monetary or licensing-related benefit under
23 federal law or regulations, an employer may not discriminate against
24

1 a person in hiring, termination or imposing any term or condition of
2 employment or otherwise penalize a person based upon ~~either:~~

3 1. ~~The~~ the status of the person as a medical marijuana ~~license~~
4 ~~holder; or~~

5 2. patient licensee. Employers may take action against a ~~holder~~
6 ~~of a~~ medical marijuana ~~license~~ patient licensee if the ~~holder~~
7 licensee uses or possesses marijuana while in his or her place of
8 employment or during the hours of employment. Employers may not
9 take action against ~~the holder of~~ a medical marijuana ~~license~~
10 patient licensee solely based upon the status of an employee as a
11 medical marijuana ~~license holder~~ patient licensee or the results of
12 a drug test showing positive for marijuana or its components.

13 C. For the purposes of medical care, including organ
14 transplants, the authorized use of marijuana by a medical marijuana
15 ~~license holder~~ patient licensee shall be considered the equivalent
16 of the use of any other medication under the direction of a
17 physician and does not constitute the use of an illicit substance or
18 otherwise disqualify a registered qualifying patient from medical
19 care.

20 D. No medical marijuana ~~license holder~~ patient licensee may be
21 denied custody of or visitation or parenting time with a minor
22 child, and there is no presumption of neglect or child endangerment
23 for conduct allowed under this law, unless the behavior of the
24

1 ~~person~~ medical marijuana patient licensee creates an unreasonable
2 danger to the safety of the minor child.

3 E. No person ~~holding~~ who possesses a medical marijuana patient
4 license may be unduly ~~be~~ withheld from holding a state-issued
5 license by virtue of ~~their being~~ his or her status as a medical
6 marijuana ~~license holder~~ patient licensee including, but not limited
7 to, a concealed carry permit.

8 F. 1. No city or local municipality may unduly change or
9 restrict zoning laws to prevent the opening of a ~~retail~~ medical
10 marijuana ~~establishment~~ dispensary.

11 2. For purposes of this subsection, an undue change or
12 restriction of municipal zoning laws means an act which entirely
13 prevents ~~retail~~ medical marijuana ~~establishments~~ dispensaries from
14 operating within municipal boundaries as a matter of law.

15 Municipalities may follow their standard planning and zoning
16 procedures to determine if certain zones or districts would be
17 appropriate for locating marijuana-licensed premises, medical
18 marijuana businesses or any other premises where marijuana or its
19 by-products are cultivated, grown, processed, stored or
20 manufactured.

21 3. ~~For purposes of this section, "retail marijuana~~
22 ~~establishment" means an entity licensed by the State Department of~~
23 ~~Health as a medical marijuana dispensary. Retail~~ A medical
24 marijuana ~~establishment~~ dispensary does not include those other

1 entities licensed by the Department as marijuana-licensed premises,
2 medical marijuana businesses or other facilities or locations where
3 marijuana or any product containing marijuana or its by-products are
4 cultivated, grown, processed, stored or manufactured.

5 G. The location of any ~~retail~~ medical marijuana establishment
6 dispensary is specifically prohibited within one thousand (1,000)
7 feet of any public or private school ~~entrance~~. The distance
8 indicated in this section shall be measured from the nearest
9 property line of such public or private school to the nearest
10 perimeter wall of the licensed premises of such medical marijuana
11 dispensary. If a medical marijuana dispensary met the requirements
12 of this subsection at the time of its initial licensure, the medical
13 marijuana dispensary licensee shall be permitted to continue
14 operating at the licensed premises in the same manner, and not be
15 subject to nonrenewal or revocation, despite subsequent events or
16 changes in regulations occurring after licensure that would render
17 the medical marijuana dispensary in violation by being within one
18 thousand (1,000) feet of a public or private school. If any public
19 or private school is established within one thousand (1,000) feet of
20 any medical marijuana dispensary after such dispensary has been
21 licensed, the provisions of this subsection shall not be a deterrent
22 to the renewal of such license or warrant revocation of the license.
23 For purposes of this subsection, a property owned, used or operated
24 by a public or private school that is not used for classroom

1 instruction on core curriculum, such as an administrative building,
2 athletic facility, ballpark, field or stadium, shall not constitute
3 a public or private school unless such property is located on the
4 same campus as a building used for classroom instruction on core
5 curriculum.

6 H. Research shall be provided for under this law. A researcher
7 may apply to the State Department of Health for a special research
8 license. The research license shall be granted, provided the
9 applicant meets the criteria listed ~~under subsection B of Section~~
10 ~~421 of this title~~ in the Medical Marijuana and Patient Protection
11 Act. Research ~~license holders~~ licensees shall be required to file
12 monthly consumption reports to the State Department of Health with
13 amounts of marijuana used for research. Biomedical and clinical
14 research which is subject to federal regulations and institutional
15 oversight shall not be subject to oversight by the State Department
16 of Health ~~oversight~~.

17 SECTION 6. AMENDATORY Section 7, State Question No. 788,
18 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426), is
19 amended to read as follows:

20 Section 426. A. The tax on retail medical marijuana sales ~~will~~
21 shall be established at seven percent (7%) of the gross amount
22 received by the seller.

23
24

1 B. This tax ~~will~~ shall be collected at the point of sale. Tax
2 proceeds ~~will~~ shall be applied primarily to finance the regulatory
3 office.

4 C. If proceeds from the levy authorized by subsection A of this
5 section exceed the budgeted amount for running the regulatory
6 office, any surplus shall be apportioned with seventy-five percent
7 (75%) going to the General Revenue Fund and may only be expended for
8 common education. Twenty-five percent (25%) shall be apportioned to
9 the ~~Oklahoma~~ State Department of Health and earmarked for drug and
10 alcohol rehabilitation and prevention.

11 SECTION 7. AMENDATORY Section 4, Chapter 509, O.S.L.
12 2019 (63 O.S. Supp. 2020, Section 426.1), is amended to read as
13 follows:

14 Section 426.1 A. ~~Except for revocation hearings concerning~~
15 ~~licensed patients, as defined in Section 2 of Enrolled House Bill~~
16 ~~No. 2612 of the 1st Session of the 57th Oklahoma Legislature, all~~
17 All licensure revocation hearings conducted pursuant to marijuana
18 licenses established in the Oklahoma Statutes shall be recorded. A
19 party may request a copy of the recording of the proceedings.
20 Copies shall be provided to local law enforcement if the revocation
21 was based on alleged criminal activity.

22 B. The State Department of Health shall assist any law
23 enforcement officer in the performance of his or her duties upon
24 such request by the law enforcement officer or the request of other

1 local officials having jurisdiction. Except for license information
2 concerning licensed patients, as defined in Section ~~2~~ 427.2 of
3 ~~Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma~~
4 ~~Legislature~~ this title, the Department shall share information with
5 law enforcement agencies upon request without a subpoena or search
6 warrant.

7 C. The State Department of Health shall make available all
8 information ~~displayed on medical marijuana licenses, as well as on~~
9 whether or not ~~the~~ a medical marijuana patient or caregiver license
10 is valid, to law enforcement electronically through ~~the Oklahoma Law~~
11 ~~Enforcement Telecommunications System~~ an online verification system.

12 D. The Department shall make available to Oklahoma state
13 agencies and political subdivisions a list of marijuana-licensed
14 premises, medical marijuana businesses or any other premises where
15 marijuana or its by-products are licensed to be cultivated, grown,
16 processed, stored or manufactured to aid Oklahoma state agencies and
17 county and municipal governments in identifying locations within
18 their jurisdiction and ~~ensure~~ ensuring compliance with ~~local~~
19 applicable law, rules and regulations.

20 E. All marijuana-licensed premises, medical marijuana
21 businesses or any other premises where marijuana or its by-products
22 are licensed to be cultivated, grown, processed, stored or
23 manufactured shall submit with their application or request to
24 change location, after notifying the political subdivision of their

1 intent, a certificate of compliance from the political subdivision
2 where the facility of the applicant or ~~use~~ licensee is to be located
3 certifying compliance with zoning classifications, applicable
4 municipal ordinances and all applicable safety, electrical, fire,
5 plumbing, waste, construction and building specification codes.

6 SECTION 8. AMENDATORY Section 2, Chapter 11, O.S.L.
7 2019, as last amended by Section 48, Chapter 161, O.S.L. 2020 (63
8 O.S. Supp. 2020, Section 427.2), is amended to read as follows:

9 Section 427.2 As used in ~~this act~~ the Oklahoma Medical
10 Marijuana and Patient Protection Act:

11 1. "Advertising" means the act of providing consideration for
12 the publication, dissemination, solicitation, or circulation, of
13 visual, oral, or written communication to induce directly or
14 indirectly any person to patronize a particular medical marijuana
15 business, or to purchase particular medical marijuana or a medical
16 marijuana product. Advertising includes marketing, but does not
17 include packaging and labeling;

18 2. "Authority" means the Oklahoma Medical Marijuana Authority;

19 3. "Batch number" means a unique numeric or alphanumeric
20 identifier assigned prior to testing to allow for inventory tracking
21 and traceability;

22 4. "Cannabinoid" means any of the chemical compounds that are
23 active principles of marijuana;

24

1 5. "Caregiver" means a family member or assistant who regularly
2 looks after a medical marijuana license holder whom a physician
3 attests needs assistance;

4 6. "Child-resistant" means special packaging that is:

5 a. designed or constructed to be significantly difficult
6 for children under five (5) years of age to open and
7 not difficult for normal adults to use properly as
8 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
9 1700.20 (1995),

10 b. opaque so that the outermost packaging does not allow
11 the product to be seen without opening the packaging
12 material, and

13 c. resealable to maintain its child-resistant
14 effectiveness for multiple openings for any product
15 intended for more than a single use or containing
16 multiple servings;

17 7. "Clone" means a nonflowering plant cut from a mother plant
18 that is capable of developing into a new plant and has shown no
19 signs of flowering;

20 8. "Commissioner" means the State Commissioner of Health;

21 9. "Complete application" means a document prepared in
22 accordance with the provisions set forth in ~~this act~~ the Oklahoma
23 Medical Marijuana and Patient Protection Act, rules promulgated
24 pursuant thereto, and the forms and instructions provided by the

1 Department, including any supporting documentation required and the
2 applicable license application fee;

3 10. "Department" means the State Department of Health;

4 11. "Director" means the Executive Director of the Oklahoma
5 Medical Marijuana Authority;

6 12. "Dispense" means the selling of medical marijuana or a
7 medical marijuana product to a qualified patient or the designated
8 caregiver of the patient that is packaged in a suitable container
9 appropriately labeled for subsequent administration to or use by a
10 qualifying patient;

11 13. "Dispensary" means a medical marijuana dispensary, an
12 entity that has been licensed by the Department pursuant to ~~this act~~
13 the Oklahoma Medical Marijuana and Patient Protection Act to
14 purchase medical marijuana or medical marijuana products from a
15 licensed medical marijuana commercial grower or licensed medical
16 marijuana processor, to package pre-rolls, and to sell medical
17 marijuana or medical marijuana products to licensed patients and
18 caregivers as defined ~~under~~ in this act section, or sell or transfer
19 products to another licensed dispensary;

20 14. "Edible medical marijuana product" means any medical-
21 marijuana-infused product for which the intended use is oral
22 consumption including, but not limited to, any type of food, drink
23 or pill;

24

1 15. "Entity" means an individual, general partnership, limited
2 partnership, limited liability company, trust, estate, association,
3 corporation, cooperative, or any other legal or commercial entity;

4 16. "Flower" means the reproductive organs of the marijuana or
5 cannabis plant referred to as the bud or parts of the plant that are
6 harvested and used ~~to consume~~ for consumption in a variety of
7 medical marijuana products;

8 17. "Flowering" means the reproductive state of the marijuana
9 or cannabis plant in which there are physical signs of flower or
10 budding out of the nodes of the stem;

11 18. "Food-based medical marijuana concentrate" means a medical
12 marijuana concentrate that was produced by extracting cannabinoids
13 from medical marijuana through the use of propylene glycol,
14 glycerin, butter, olive oil, coconut oil or other typical food-safe
15 cooking fats;

16 19. ~~"Good cause" for purposes of an initial, renewal or~~
17 ~~reinstatement license application, or for purposes of discipline of~~
18 ~~a licensee, means:~~

- 19 a. ~~the licensee or applicant has violated, does not meet,~~
20 ~~or has failed to comply with any of the terms,~~
21 ~~conditions or provisions of the act, any rules~~
22 ~~promulgated pursuant thereto, or any supplemental~~
23 ~~relevant state or local law, rule or regulation,~~

- 1 ~~b. the licensee or applicant has failed to comply with~~
2 ~~any special terms or conditions that were placed upon~~
3 ~~the license pursuant to an order of the State~~
4 ~~Department of Health, Oklahoma Medical Marijuana~~
5 ~~Authority or the municipality, or~~
6 ~~c. the licensed premises of a medical marijuana business~~
7 ~~or applicant have been operated in a manner that~~
8 ~~adversely affects the public health or welfare or the~~
9 ~~safety of the immediate vicinity in which the~~
10 ~~establishment is located;~~

11 ~~20.~~ "Harvest batch" means a specifically identified quantity of
12 medical marijuana that is uniform in strain, cultivated utilizing
13 the same cultivation practices, harvested at the same time from the
14 same location and cured under uniform conditions;

15 ~~21.~~ 20. "Harvested marijuana" means ~~post-flowering~~
16 postflowering medical marijuana not including trim, concentrate or
17 waste;

18 ~~22.~~ 21. "Heat- or pressure-based medical marijuana concentrate"
19 means a medical marijuana concentrate that was produced by
20 extracting cannabinoids from medical marijuana through the use of
21 heat or pressure;

22 ~~23.~~ 22. "Immature plant" means a nonflowering marijuana plant
23 that has not demonstrated signs of flowering;

1 ~~24.~~ 23. "Inventory tracking system" means the required tracking
2 system that accounts for the entire life span of medical marijuana
3 ~~from either the seed or immature plant stage until the medical~~
4 ~~marijuana or~~ and medical marijuana ~~product is sold to a patient at a~~
5 products, including any testing samples thereof and medical
6 marijuana dispensary, ~~transferred to a medical marijuana research~~
7 ~~facility, destroyed by a medical marijuana business or used in a~~
8 ~~research project by a medical marijuana research facility~~ waste;

9 ~~25.~~ 24. "Licensed patient" or "patient" means a person who has
10 been issued a medical marijuana patient license by the State
11 Department of Health or Oklahoma Medical Marijuana Authority;

12 ~~26.~~ 25. "Licensed premises" means the premises specified in an
13 application for a medical marijuana business license, medical
14 marijuana research facility license or medical marijuana education
15 facility license pursuant to ~~this act~~ the Oklahoma Medical Marijuana
16 and Patient Protection Act that are owned or in possession of the
17 licensee and within which the licensee is authorized to cultivate,
18 manufacture, distribute, sell, store, transport, test or research
19 medical marijuana or medical marijuana products in accordance with
20 the provisions of ~~this act~~ the Oklahoma Medical Marijuana and
21 Patient Protection Act and rules promulgated pursuant thereto;

22 ~~27.~~ 26. "Manufacture" means the production, propagation,
23 compounding or processing of a medical marijuana product, excluding
24 marijuana plants, either directly or indirectly by extraction from

1 substances of natural or synthetic origin, or independently by means
2 of chemical synthesis, or by a combination of extraction and
3 chemical synthesis;

4 ~~28.~~ 27. "Marijuana" shall have the same meaning as such term is
5 defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this
6 title;

7 ~~29.~~ 28. "Material change" means any change that would ~~require a~~
8 ~~substantive revision to the standard operating procedures of a~~
9 ~~licensee for the cultivation or production of medical marijuana,~~
10 ~~medical marijuana concentrate or medical marijuana products~~ affect
11 the qualifications for licensure of an applicant or licensee;

12 ~~30.~~ 29. "Mature plant" means a harvestable female marijuana
13 plant that is flowering;

14 ~~31.~~ 30. "Medical marijuana business (MMB)" means a licensed
15 medical marijuana dispensary, medical marijuana processor, medical
16 marijuana commercial grower, medical marijuana laboratory, medical
17 marijuana business operator, or a medical marijuana transporter;

18 ~~32.~~ 31. "Medical marijuana concentrate" or "concentrate" means
19 a specific subset of medical marijuana that was produced by
20 extracting cannabinoids from medical marijuana. Categories of
21 medical marijuana concentrate include water-based medical marijuana
22 concentrate, food-based medical marijuana concentrate, solvent-based
23 medical marijuana concentrate, and heat- or pressure-based medical
24 marijuana concentrate;

1 ~~33.~~ 32. "Medical marijuana commercial grower" or "commercial
2 grower" means an entity licensed to cultivate, prepare and package
3 medical marijuana or package medical marijuana as pre-rolls, and
4 transfer or contract for transfer medical marijuana and medical
5 marijuana pre-rolls to a medical marijuana dispensary, medical
6 marijuana processor, any other medical marijuana commercial grower,
7 medical marijuana research facility~~7~~, and medical marijuana education
8 facility ~~and pesticide manufacturers~~. A commercial grower may sell
9 seeds, flower or clones to commercial growers pursuant to ~~this act~~
10 the Oklahoma Medical Marijuana and Patient Protection Act;

11 ~~34.~~ 33. "Medical marijuana education facility" or "education
12 facility" means a person or entity approved pursuant to ~~this act~~ the
13 Oklahoma Medical Marijuana and Patient Protection Act to operate a
14 facility providing training and education to individuals involving
15 the cultivation, growing, harvesting, curing, preparing, packaging
16 or testing of medical marijuana, or the production, manufacture,
17 extraction, processing, packaging or creation of medical-marijuana-
18 infused products or medical marijuana products as described in ~~this~~
19 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

20 ~~35.~~ 34. "Medical-marijuana-infused product" means a product
21 infused with medical marijuana including, but not limited to, edible
22 products, ointments and tinctures;

23 ~~36.~~ 35. "Medical marijuana product" or "product" means a
24 product that contains cannabinoids that have been extracted from

1 plant material or the resin therefrom by physical or chemical means
2 and is intended for administration to a qualified patient including,
3 but not limited to, oils, tinctures, edibles, pills, topical forms,
4 gels, creams, vapors, patches, liquids, and forms administered by a
5 nebulizer, excluding live plant forms which are considered medical
6 marijuana;

7 ~~37.~~ 36. "Medical marijuana processor" means a person or entity
8 licensed pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
9 Patient Protection Act to operate a business including the
10 production, manufacture, extraction, processing, packaging or
11 creation of concentrate, medical-marijuana-infused products or
12 medical marijuana products as described in ~~this act~~ the Oklahoma
13 Medical Marijuana and Patient Protection Act;

14 ~~38.~~ 37. "Medical marijuana research facility" or "research
15 facility" means a person or entity approved pursuant to ~~this act~~ the
16 Oklahoma Medical Marijuana and Patient Protection Act to conduct
17 medical marijuana research. A medical marijuana research facility
18 is not a medical marijuana business;

19 ~~39.~~ 38. "Medical marijuana testing laboratory" or "laboratory"
20 means a public or private laboratory licensed pursuant to ~~this act~~
21 the Oklahoma Medical Marijuana and Patient Protection Act, to
22 conduct testing and research on medical marijuana and medical
23 marijuana products;

24

1 ~~40.~~ 39. "Medical marijuana transporter" or "transporter" means
2 a person or entity that is licensed pursuant to ~~this act~~ the
3 Oklahoma Medical Marijuana and Patient Protection Act. A medical
4 marijuana transporter does not include a medical marijuana business
5 that transports its own medical marijuana, medical marijuana
6 concentrate or medical marijuana products to a property or facility
7 adjacent to or connected to the licensed premises if the property is
8 another licensed premises of the same medical marijuana business;

9 ~~41.~~ 40. "Medical marijuana waste" or "waste" means unused,
10 surplus, returned or out-of-date marijuana, plant debris of the
11 plant of the genus Cannabis, including dead plants and all unused
12 plant parts and roots, except the term shall not include roots,
13 stems, stalks and fan leaves;

14 ~~42.~~ 41. "Medical use" means the acquisition, possession, use,
15 delivery, transfer or transportation of medical marijuana, medical
16 marijuana products, medical marijuana devices or paraphernalia
17 relating to the administration of medical marijuana to treat a
18 licensed patient;

19 ~~43.~~ 42. "Mother plant" means a marijuana plant that is grown or
20 maintained for the purpose of generating clones, and that will not
21 be used to produce plant material for sale to a medical marijuana
22 processor or medical marijuana dispensary;

23 ~~44.~~ 43. "Oklahoma physician" or "physician" means a physician
24 licensed by and in good standing with the State Board of Medical

1 Licensure and Supervision, the State Board of Osteopathic Examiners
2 or the Board of Podiatric Medical Examiners;

3 ~~45.~~ 44. "Oklahoma resident" means an individual who can provide
4 proof of residency as required by ~~this act~~ the Oklahoma Medical
5 Marijuana and Patient Protection Act;

6 ~~46.~~ 45. "Owner" means, except where the context otherwise
7 requires, a direct beneficial owner including, but not limited to,
8 all persons or entities as follows:

- 9 a. all shareholders owning an interest of a corporate
10 entity and all officers of a corporate entity,
- 11 b. all partners of a general partnership,
- 12 c. all general partners and all limited partners that own
13 an interest in a limited partnership,
- 14 d. all members that own an interest in a limited
15 liability company,
- 16 e. all beneficiaries that hold a beneficial interest in a
17 trust and all trustees of a trust,
- 18 f. all persons or entities that own interest in a joint
19 venture,
- 20 g. all persons or entities that own an interest in an
21 association,
- 22 h. the owners of any other type of legal entity, and
23
24

1 i. any other person holding an interest or convertible
2 note in any entity which owns, operates or manages a
3 licensed facility;

4 ~~47.~~ 46. "Package" or "packaging" means any container or wrapper
5 that may be used by a medical marijuana business to enclose or
6 contain medical marijuana;

7 ~~48.~~ 47. "Person" means a natural person, partnership,
8 association, business trust, company, corporation, estate, limited
9 liability company, trust or any other legal entity or organization,
10 or a manager, agent, owner, director, servant, officer or employee
11 thereof, except that "person" does not include any governmental
12 organization;

13 ~~49.~~ 48. "Pesticide" means any substance or mixture of
14 substances intended for preventing, destroying, repelling or
15 mitigating any pest or any substance or mixture of substances
16 intended for use as a plant regulator, defoliant or desiccant,
17 except that the term "pesticide" shall not include any article that
18 is a "new animal drug" as designated by the United States Food and
19 Drug Administration;

20 ~~50.~~ 49. "Production batch" means:

21 a. any amount of medical marijuana concentrate of the
22 same category and produced using the same extraction
23 methods, standard operating procedures and an
24

1 identical group of harvest batch of medical marijuana,
2 or

3 b. any amount of medical marijuana product of the same
4 exact type, produced using the same ingredients,
5 standard operating procedures and the same production
6 batch of medical marijuana concentrate;

7 ~~51.~~ 50. "Public institution" means any entity established or
8 controlled by the federal government, state government, or a local
9 government or municipality including, but not limited to,
10 institutions of higher education or related research institutions;

11 ~~52.~~ 51. "Public money" means any funds or money obtained by the
12 holder from any governmental entity including, but not limited to,
13 research grants;

14 ~~53.~~ 52. "Recommendation" means a document that is signed or
15 electronically submitted by a physician on behalf of a patient for
16 the use of medical marijuana pursuant to ~~this act~~ the Oklahoma
17 Medical Marijuana and Patient Protection Act;

18 ~~54.~~ 53. "Registered to conduct business" means a person that
19 has provided proof that the business applicant or licensee is in
20 good standing with the Oklahoma Secretary of State ~~and Oklahoma Tax~~
21 ~~Commission~~;

22 ~~55.~~ 54. "Remediation" means the process by which ~~the medical~~
23 ~~marijuana flower or trim, which has failed microbial~~ a harvest batch
24 or production batch that fails testing, is processed into solvent-

1 ~~based medical marijuana concentrate~~ undergoes a procedure to remedy
2 the harvest batch or production batch and is retested ~~as required by~~
3 ~~this act~~ in accordance with Oklahoma laws, rules and regulations;

4 ~~56.~~ 55. "Research project" means a discrete scientific endeavor
5 to answer a research question or a set of research questions related
6 to medical marijuana and is required for a medical marijuana
7 research license. A research project shall include a description of
8 a defined protocol, clearly articulated goals, defined methods and
9 outputs, and a defined start and end date. The description shall
10 demonstrate that the research project will comply with all
11 requirements in ~~this act~~ the Oklahoma Medical Marijuana and Patient
12 Protection Act and rules promulgated pursuant thereto. All research
13 and development conducted by a medical marijuana research facility
14 shall be conducted in furtherance of an approved research project;

15 ~~57.~~ 56. "Revocation" means the final decision by the Department
16 that any license issued pursuant to ~~this act~~ the Oklahoma Medical
17 Marijuana and Patient Protection Act is rescinded because the
18 individual or entity does not comply with the applicable
19 requirements set forth in ~~this act~~ the Oklahoma Medical Marijuana
20 and Patient Protection Act or rules promulgated pursuant thereto;

21 ~~58.~~ 57. "School" means a ~~public or private preschool or a~~
22 ~~public or private elementary, middle or secondary~~ high school used
23 for school classes and instruction. A homeschool, daycare or child-

1 care facility shall not be considered a "school" as used in ~~this act~~
2 the Oklahoma Medical Marijuana and Patient Protection Act;

3 ~~59.~~ 58. "Shipping container" means a hard-sided container with
4 a lid or other enclosure that can be secured in place. A shipping
5 container is used solely for the transport of medical marijuana,
6 medical marijuana concentrate, or medical marijuana products between
7 medical marijuana businesses, a medical marijuana research facility,
8 or a medical marijuana education facility;

9 ~~60.~~ 59. "Solvent-based medical marijuana concentrate" means a
10 medical marijuana concentrate that was produced by extracting
11 cannabinoids from medical marijuana through the use of a solvent
12 approved by the Department;

13 ~~61.~~ 60. "State Question" means Oklahoma State Question No. 788,
14 Initiative Petition No. 412, approved by a majority vote of the
15 citizens of Oklahoma on June 26, 2018;

16 ~~62.~~ 61. "Strain" means the ~~classification~~ name given to a
17 particular variety of medical marijuana or cannabis plants in either
18 pure sativa, indica, afghanica, ruderalis or hybrid varieties that
19 is based on a combination of factors which may include, but is not
20 limited to, botanical lineage, appearance, chemical profile and
21 accompanying effects. An example of a "strain" would be "OG Kush"
22 or "Pineapple Express";

23 ~~63.~~ 62. "THC" means tetrahydrocannabinol, which is the primary
24 psychotropic cannabinoid in marijuana formed by decarboxylation of

1 naturally tetrahydrocannabinolic acid, which generally occurs by
2 exposure to heat;

3 ~~64. "Test batch" means with regard to usable marijuana, a~~
4 ~~homogenous, identified quantity of usable marijuana by strain, no~~
5 ~~greater than ten (10) pounds, that is harvested during a seven-day~~
6 ~~period from a specified cultivation area, and with regard to oils,~~
7 ~~vapors and waxes derived from usable marijuana, means an identified~~
8 ~~quantity that is uniform, that is intended to meet specifications~~
9 ~~for identity, strength and composition, and that is manufactured,~~
10 ~~packaged and labeled during a specified time period according to a~~
11 ~~single manufacturing, packaging and labeling protocol;~~

12 ~~65.~~ 63. "Transporter agent" means a person who transports
13 medical marijuana or medical marijuana products for a licensed
14 transporter and holds a transporter agent license pursuant to ~~this~~
15 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

16 ~~66.~~ 64. "Universal symbol" means the image established by the
17 State Department of Health or Oklahoma Medical Marijuana Authority
18 and made available to licensees through its website indicating that
19 the medical marijuana or the medical marijuana product contains THC;

20 ~~67.~~ 65. "Usable marijuana" means the dried leaves, flowers,
21 oils, vapors, waxes and other portions of the marijuana plant and
22 any mixture or preparation thereof, excluding ~~seed~~ seeds, roots,
23 stems, stalks and fan leaves; and

24

1 ~~68.~~ 66. "Water-based medical marijuana concentrate" means a
2 concentrate that was produced by extracting cannabinoids from
3 medical marijuana through the use of only water, ice, or dry ice.

4 SECTION 9. AMENDATORY Section 3, Chapter 11, O.S.L.
5 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
6 Supp. 2020, Section 427.3), is amended to read as follows:

7 Section 427.3 A. There is hereby created the Oklahoma Medical
8 Marijuana Authority within the State Department of Health which
9 shall address issues related to the medical marijuana program in
10 Oklahoma including, but not limited to, the issuance of patient
11 licenses and medical marijuana business licenses, and the
12 dispensing, cultivating, processing, testing, transporting, storage,
13 research, and the use of and sale of medical marijuana pursuant to
14 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

15 B. The Department shall provide support staff to perform
16 designated duties of the Authority. The Department shall also
17 provide office space for meetings of the Authority.

18 C. The Department shall implement the provisions of ~~this act~~
19 the Oklahoma Medical Marijuana and Patient Protection Act
20 consistently with the voter-approved State Question No. 788,
21 Initiative Petition No. 412, subject to the provisions of ~~this act~~
22 the Oklahoma Medical Marijuana and Patient Protection Act.

23 D. The Department shall exercise its respective powers and
24 perform its respective duties and functions as specified in ~~this act~~

1 the Oklahoma Medical Marijuana and Patient Protection Act and ~~Title~~
2 ~~63 of the Oklahoma Statutes~~ this title including, but not limited
3 to, the following:

4 1. Determine steps the state shall take, whether administrative
5 or legislative in nature, to ensure that research on marijuana and
6 marijuana products is being conducted for public purposes, including
7 the advancement of:

- 8 a. public health policy and public safety policy,
- 9 b. agronomic and horticultural best practices, and
- 10 c. medical and pharmacopoeia best practices;

11 2. Contract with third-party vendors and other governmental
12 entities in order to carry out the respective duties and functions
13 as specified in ~~this act~~ the Oklahoma Medical Marijuana and Patient
14 Protection Act;

15 3. Upon complaint or upon its own motion and upon a completed
16 investigation, levy fines as prescribed in ~~this act~~ applicable laws,
17 rules and regulations and suspend ~~or~~, revoke or not renew licenses
18 pursuant to ~~this act~~ applicable laws, rules and regulations;

19 4. Issue subpoenas for the appearance or production of persons,
20 records and things in connection with disciplinary or contested
21 cases considered by the Department;

22 5. Apply for injunctive or declaratory relief to enforce the
23 provisions of ~~this section~~ applicable laws, rules and ~~any rules~~
24 ~~promulgated pursuant to this section~~ regulations;

1 6. Inspect and examine, ~~with notice provided in accordance with~~
2 ~~this act,~~ all licensed premises of medical marijuana businesses,
3 research facilities ~~and,~~ education facilities and waste disposal
4 facilities in which medical marijuana is cultivated, manufactured,
5 sold, stored, transported, tested ~~or,~~ distributed or disposed of;

6 7. Upon action by the federal government by which the
7 production, sale and use of marijuana in Oklahoma does not violate
8 federal law, work with the Oklahoma State Banking Department and the
9 State Treasurer to develop good practices and standards for banking
10 and finance for medical marijuana businesses;

11 8. Establish internal control procedures for licenses including
12 accounting procedures, reporting procedures and personnel policies;

13 9. Establish a fee schedule and collect fees for performing
14 background checks as the Commissioner deems appropriate. The fees
15 charged pursuant to this paragraph shall not exceed the actual cost
16 incurred for each background check; and

17 10. ~~Require verification for sources of finance for medical~~
18 ~~marijuana businesses~~ Establish a fee schedule and collect fees for
19 material changes requested by the licensee.

20 SECTION 10. AMENDATORY Section 4, Chapter 11, O.S.L.
21 2019 (63 O.S. Supp. 2020, Section 427.4), is amended to read as
22 follows:

23 Section 427.4 A. The Oklahoma Medical Marijuana Authority, in
24 conjunction with the State Department of Health, shall employ an

1 Executive Director and other personnel as necessary to assist the
2 Authority in carrying out its duties.

3 B. The Authority shall not employ an individual if any of the
4 following circumstances exist:

5 1. The individual has a direct or indirect interest in a
6 licensed medical marijuana business; or

7 2. The individual or his or her spouse, parent, child, spouse
8 of a child, sibling, or spouse of a sibling has an application for a
9 medical marijuana business license pending before the Department or
10 is a member of the board of directors of a medical marijuana
11 business, or is an individual financially interested in any licensee
12 or medical marijuana business.

13 C. All officers and employees of the Authority shall be in the
14 exempt unclassified service as provided for in Section 840-5.5 of
15 Title 74 of the Oklahoma Statutes.

16 D. The Commissioner may delegate to any officer or employee of
17 the Department any of the powers of the Executive Director and may
18 designate any officer or employee of the Department to perform any
19 of the duties of the Executive Director.

20 E. The Executive Director shall be authorized to suggest rules
21 governing the oversight and implementation of ~~this act~~ the Oklahoma
22 Medical Marijuana and Patient Protection Act.

23 F. The Department is hereby authorized to create employment
24 positions necessary for the implementation of its obligations

1 pursuant to ~~this act~~, the Oklahoma Medical Marijuana and Patient
2 Protection Act including, but not limited to, Authority
3 investigators and a senior director of enforcement. The Department
4 and the Authority, the senior director of enforcement, the Executive
5 Director, and Department investigators shall have all the powers of
6 any peace officer to:

7 1. Investigate violations or suspected violations of ~~this act~~
8 the Oklahoma Medical Marijuana and Patient Protection Act and any
9 rules promulgated pursuant thereto;

10 2. Serve all warrants, summonses, subpoenas, administrative
11 citations, notices or other processes relating to the enforcement of
12 laws regulating medical marijuana, concentrate, and medical
13 marijuana product;

14 3. Assist or aid any law enforcement officer in the performance
15 of his or her duties upon such law enforcement officer's request or
16 the request of other local officials having jurisdiction;

17 4. Require any business licensee, ~~upon twenty-four (24) hours~~
18 ~~notice or upon a showing of necessity~~, to permit an inspection of
19 licensed premises during business hours or at any time of apparent
20 operation, marijuana equipment, and marijuana accessories, or books
21 and records; and to permit the testing of or examination of medical
22 marijuana, concentrate, or product; ~~and~~

23 5. Require applicants to submit complete and current
24 applications, information required by ~~this act~~ the Oklahoma Medical

1 Marijuana and Patient Protection Act, the Oklahoma Medical Marijuana
2 Waste Management Act and Sections 420 through 426.1 of this title,
3 and fees, and approve material changes made by the applicant or
4 licensee;

5 6. Require medical marijuana business licensees to submit a
6 sample or unit of medical marijuana or medical marijuana product to
7 the quality assurance laboratory when the Department has reason to
8 believe the medical marijuana or medical marijuana product may be
9 unsafe for patient consumption or inhalation or has not been tested
10 in accordance with the provisions of the Oklahoma Medical Marijuana
11 and Patient Protection Act and the rules and regulations of the
12 Department. The licensee shall provide the samples or units of
13 medical marijuana or medical marijuana products at its own expense
14 but shall not be responsible for the costs of testing; and

15 7. Require medical marijuana business licensees to periodically
16 submit samples or units of medical marijuana or medical marijuana
17 products to the quality assurance lab for quality assurance
18 purposes. Licensed growers, processors, dispensaries and
19 transporters shall not be required to submit samples or units of
20 medical marijuana or medical marijuana products more than twice a
21 year. The licensee shall provide the samples or units of medical
22 marijuana or medical marijuana products at its own expense but shall
23 not be responsible for the costs of testing.

24

1 SECTION 11. AMENDATORY Section 6, Chapter 11, O.S.L.
2 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S.
3 Supp. 2020, Section 427.6), is amended to read as follows:

4 Section 427.6 A. The State Department of Health shall address
5 issues related to the medical marijuana program in Oklahoma
6 including, but not limited to, monitoring and disciplinary actions
7 as they relate to the medical marijuana program.

8 B. 1. The Department or its designee may perform on-site
9 ~~assessments~~ inspections or investigations of a licensee or applicant
10 for any medical marijuana business license ~~issued pursuant to this~~
11 ~~act,~~ research facility, education facility or waste disposal
12 facility to determine compliance with ~~this act~~ applicable laws,
13 rules and regulations or submissions made pursuant to this section.
14 The Department may enter the licensed premises of a medical
15 marijuana business, research facility, education facility or waste
16 disposal facility licensee or applicant to assess or monitor
17 compliance.

18 2. ~~Inspections~~ Postlicensure inspections shall be limited to
19 twice per calendar year ~~and twenty-four (24) hours of notice shall~~
20 ~~be provided to a medical marijuana business applicant or licensee~~
21 ~~prior to an on-site assessment.~~ However, investigations and
22 additional inspections may occur when the Department ~~shows that~~
23 believes an investigation or additional inspection is necessary due
24 to a possible violation of ~~this act~~ applicable laws, rules or

1 regulations. ~~Such inspection may be without notice if the~~
2 ~~Department believes that such notice will result in the destruction~~
3 ~~of evidence.~~

4 3. The Department may review relevant records of a licensed
5 medical marijuana business, licensed medical marijuana research
6 facility ~~or~~, licensed medical marijuana education facility or
7 licensed medical marijuana waste disposal facility, and may require
8 and conduct interviews with such persons or entities and persons
9 affiliated with such entities, for the purpose of determining
10 compliance with Department requirements and applicable laws.
11 ~~However, prior to conducting any interviews with the medical~~
12 ~~marijuana business, research facility or education facility, the~~
13 ~~licensee shall be afforded sufficient time to secure legal~~
14 ~~representation during such questioning if requested by the business~~
15 ~~or facility or any of its agents or employees or contractors.~~

16 4. The Department ~~shall~~ may refer complaints alleging criminal
17 activity that are made against a licensee to appropriate Oklahoma
18 state or local law enforcement authorities.

19 C. Disciplinary action may be taken against an applicant or
20 licensee ~~under this act~~ for not adhering to ~~the law~~ applicable laws
21 pursuant to the terms, conditions and guidelines set forth in ~~this~~
22 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

23
24

1 D. Disciplinary actions may include revocation, suspension or
2 denial of an application, license or final authorization and other
3 action deemed appropriate by the Department.

4 E. Disciplinary actions may be imposed upon a medical marijuana
5 business licensee for:

6 1. Failure to comply with or satisfy any provision of ~~this~~
7 ~~section~~ applicable laws, rules or regulations;

8 2. Falsification or misrepresentation of any material or
9 information submitted to the Department or other licensees;

10 3. Failing to allow or impeding ~~a monitoring visit~~ entry by
11 authorized representatives of the Department;

12 4. Failure to adhere to any acknowledgement, verification or
13 other representation made to the Department;

14 5. Failure to submit or disclose information required by ~~this~~
15 ~~section~~ applicable laws, rules or regulations or otherwise requested
16 by the Department;

17 6. Failure to correct any violation of this section cited as a
18 result of a review or audit of financial records or other materials;

19 7. Failure to comply with requested access by the Department to
20 the licensed premises or materials;

21 8. Failure to pay a required monetary penalty;

22 9. Diversion of medical marijuana or any medical marijuana
23 product, as determined by the Department;

24

1 10. Threatening or harming a patient, a medical practitioner or
2 an employee of the Department; and

3 11. Any other basis indicating a violation of the applicable
4 laws and regulations as identified by the Department.

5 F. Disciplinary actions against a licensee may include the
6 imposition of monetary penalties, which may be assessed by the
7 Department. The Department may suspend or revoke a license for
8 failure to pay any monetary penalty lawfully assessed by the
9 Department against a licensee.

10 G. Penalties for sales or purchases by a medical marijuana
11 business to persons other than those allowed by law occurring within
12 any two-year time period may include an initial fine of One Thousand
13 Dollars (\$1,000.00) for a first violation and a fine of Five
14 Thousand Dollars (\$5,000.00) for any subsequent violation.

15 Penalties for grossly inaccurate or fraudulent reporting occurring
16 within any two-year time period may include an initial fine of One
17 Thousand Dollars (\$1,000.00) for a first violation and a fine of
18 Five Thousand Dollars (\$5,000.00) for any subsequent violation. The
19 medical marijuana business may be subject to a revocation of any
20 license granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana
21 and Patient Protection Act upon a showing that the violation was
22 willful or grossly negligent.

23 H. 1. First offense for intentional and impermissible
24 diversion of medical marijuana, concentrate, or products by a

1 patient or caregiver to an unauthorized person shall not be punished
2 under a criminal statute but may be subject to a fine of Two Hundred
3 Dollars (\$200.00).

4 2. The second offense for impermissible diversion of medical
5 marijuana, concentrate, or products by a patient or caregiver to an
6 unauthorized person shall not be punished under a criminal statute
7 but may be subject to a fine of not to exceed Five Hundred Dollars
8 (\$500.00) and may result in revocation of the license upon a showing
9 that the violation was willful or grossly negligent.

10 I. ~~The following persons or entities may request a hearing to~~
11 ~~contest an action or proposed action of~~ In addition to any other
12 remedies provided for by law, the Department:

13 1. ~~A medical marijuana business, research facility or education~~
14 ~~facility licensee whose license has been summarily suspended or who~~
15 ~~has received a notice of contemplated action to suspend or revoke a~~
16 ~~license or take other,~~ pursuant to its rules and regulations, may
17 issue a written order to any licensee the Department has reason to
18 believe has violated Sections 420 through 426.1 of this title, the
19 Oklahoma Medical Marijuana and Patient Protection Act, the Oklahoma
20 Medical Marijuana Waste Management Act, or any rules promulgated by
21 the State Commissioner of Health and to whom the Department has
22 served, not less than thirty (30) days previously, a written notice
23 of violation of such statutes or rules.

24

1 1. The written order shall state with specificity the nature of
2 the violation. The Department may impose any disciplinary action,
3 and

4 ~~2. A patient or caregiver licensee whose license has been~~
5 ~~summarily suspended or who has received notice of contemplated~~
6 ~~action to suspend or revoke a license or take other disciplinary~~
7 ~~action~~ authorized under the provisions of this section including,
8 but not limited to, the assessment of monetary penalties.

9 2. Any order issued pursuant to the provisions of this section
10 shall be come a final order unless, not more than thirty (30) days
11 after the order is served to the licensee, the licensee requests an
12 administrative hearing in accordance with the rules and regulations
13 of the Department. Upon such request, the Department shall promptly
14 initiate administrative proceedings.

15 J. Whenever the Department finds that an emergency exists
16 requiring immediate action in order to protect the health or welfare
17 of the public, the Department may issue an order, without providing
18 notice or hearing, stating the existence of said emergency and
19 requiring that action be taken as the Department deems necessary to
20 meet the emergency. Such action may include, but is not limited to,
21 ordering the licensee to immediately cease and desist operations by
22 the licensee. The order shall be effective immediately upon
23 issuance. Any person to whom the order is directed shall comply
24 immediately with the provisions of the order. The Department may

1 assess a penalty not to exceed Ten Thousand Dollars (\$10,000.00) per
2 day of noncompliance with the order. In assessing such a penalty,
3 the Department shall consider the seriousness of the violation and
4 any efforts to comply with applicable requirements. Upon
5 application to the Department, the licensee shall be offered a
6 hearing within ten (10) days of the issuance of the order.

7 K. All hearings held pursuant to this section shall be in
8 accordance with the Oklahoma Administrative Procedures Act, ~~Section~~
9 ~~250 et seq. of Title 75 of the Oklahoma Statutes.~~

10 SECTION 12. AMENDATORY Section 7, Chapter 11, O.S.L.
11 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
12 Supp. 2020, Section 427.7), is amended to read as follows:

13 Section 427.7 A. The Oklahoma Medical Marijuana Authority
14 shall create a medical marijuana use registry of patients and
15 caregivers as provided under this section. The handling of any
16 records maintained in the registry shall comply with all ~~relevant~~
17 applicable state and federal privacy laws ~~including, but not limited~~
18 ~~to, the Health Insurance Portability and Accountability Act of 1996~~
19 ~~(HIPAA).~~

20 B. The medical marijuana use registry shall be accessible to:

21 1. Oklahoma-licensed medical marijuana dispensaries to verify
22 the license of a patient or caregiver by the twenty-four-character
23 identifier; and

24 2. Any court in this state.

1 C. All other records regarding a medical marijuana patient or
2 caregiver licensee shall be maintained by the Authority and shall be
3 deemed confidential. The handling of any records maintained by the
4 Authority shall comply with all ~~relevant~~ applicable state and
5 federal privacy laws ~~including, but not limited to, the Health~~
6 ~~Insurance Portability and Accountability Act of 1996 (HIPAA)~~. Such
7 records shall be marked as confidential, shall not be made available
8 to the public, and shall only be made available to the licensee,
9 designee of the licensee, any physician of the licensee or the
10 caregiver of the licensee.

11 D. A log shall be kept with the file of the licensee to record
12 any event in which the records of the licensee were made available
13 and to whom the records were provided.

14 E. The ~~Department~~ Authority shall ensure that all ~~application~~
15 medical marijuana patient and caregiver records and information are
16 sealed to protect the privacy of medical marijuana patient license
17 applicants and licensees.

18 SECTION 13. AMENDATORY Section 9, Chapter 11, O.S.L.
19 2019 (63 O.S. Supp. 2020, Section 427.9), is amended to read as
20 follows:

21 Section 427.9 A. The Oklahoma Medical Marijuana Authority may
22 contact the recommending physician of an applicant for a medical
23 marijuana patient license or current holder of a medical marijuana
24

1 patient license to verify the need of the applicant or licensee for
2 the license and the information submitted with the application.

3 B. An applicant for a medical marijuana patient license who can
4 demonstrate his or her status as a one-hundred-percent-disabled
5 veteran as determined by the U.S. Department of Veterans Affairs and
6 codified at 38 C.F.R., Section 3.340(a) (2013) shall pay a reduced
7 biannual application fee of Twenty Dollars (\$20.00). The methods of
8 payment, as determined by the Authority, shall be provided on the
9 website. However, the Authority shall ensure that all applicants
10 have an option to submit the license application and payment by
11 means other than solely by submission of the application and fee
12 online.

13 C. The patient license shall be valid for up to two (2) years
14 from the date of issuance, unless the recommendation of the
15 physician is terminated pursuant to ~~this act~~ the Oklahoma Medical
16 Marijuana and Patient Protection Act or revoked by the Department.

17 SECTION 14. AMENDATORY Section 10, Chapter 11, O.S.L.
18 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
19 Supp. 2020, Section 427.10), is amended to read as follows:

20 Section 427.10 A. Only licensed Oklahoma allopathic,
21 osteopathic and podiatric physicians may provide a medical marijuana
22 recommendation for a medical marijuana patient license under ~~this~~
23 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

1 B. A physician who has not completed his or her first residency
2 shall not meet the definition of "physician" under this section and
3 any recommendation for a medical marijuana patient license shall not
4 be processed by the Authority.

5 C. No physician shall be subject to arrest, prosecution or
6 penalty in any manner or denied any right or privilege under
7 Oklahoma state, municipal or county statute, ordinance or
8 resolution, including without limitation a civil penalty or
9 disciplinary action by the State Board of Medical Licensure and
10 Supervision ~~or~~, the State Board of Osteopathic Examiners, the Board
11 of Podiatric Medical Examiners, or by any other business, occupation
12 or professional licensing board or bureau, solely for providing a
13 medical marijuana recommendation for a patient or for monitoring,
14 treating or prescribing scheduled medication to patients who are
15 medical marijuana licensees. The provisions of this subsection
16 shall not prevent the relevant professional licensing boards from
17 sanctioning a physician for failing to properly evaluate the medical
18 condition of a patient or for otherwise violating the applicable
19 physician-patient standard of care.

20 D. A physician who recommends use of medical marijuana shall
21 not be located at the same physical address as a licensed medical
22 marijuana dispensary.

23 E. If the physician determines the continued use of medical
24 marijuana by the patient no longer meets the requirements set forth

1 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
2 Act, the physician shall notify the Department and ~~the Authority~~
3 ~~shall immediately revoke the license~~ shall be immediately voided
4 without right to an individual proceeding.

5 SECTION 15. AMENDATORY Section 11, Chapter 11, O.S.L.
6 2019 (63 O.S. Supp. 2020, Section 427.11), is amended to read as
7 follows:

8 Section 427.11 A. The caregiver license shall provide the
9 caregiver the same rights as the medical marijuana patient licensee,
10 including the ability to possess marijuana, marijuana products, and
11 mature and immature plants pursuant to ~~this act~~ the Oklahoma Medical
12 Marijuana and Patient Protection Act, but excluding the ability to
13 use marijuana or marijuana products unless the caregiver has a
14 medical marijuana patient license. Caregivers shall be authorized
15 to deliver marijuana and products to their authorized patients.
16 Caregivers shall be authorized to possess medical marijuana and
17 medical marijuana products up to the sum of the possession limits
18 for the patients under his or her care pursuant to ~~this act~~ the
19 Oklahoma Medical Marijuana and Patient Protection Act.

20 B. An individual caregiver shall be limited to exercising the
21 marijuana cultivation rights of no more than five licensed patients
22 as prescribed by ~~this act~~ the Oklahoma Medical Marijuana and Patient
23 Protection Act.

24

1 C. The license of a caregiver shall not extend beyond the
2 expiration date of the underlying patient license regardless of the
3 issue date.

4 D. A medical marijuana patient license holder may request, at
5 any time, to withdraw the license of his or her caregiver. In the
6 event that such a request is made or upon the expiration of the
7 medical marijuana license of the patient, the license of the
8 caregiver shall be immediately withdrawn by the Department without
9 the right to a hearing.

10 SECTION 16. AMENDATORY Section 13, Chapter 11, O.S.L.
11 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as
12 follows:

13 Section 427.13 A. All medical marijuana and medical marijuana
14 products shall be purchased solely from an Oklahoma-licensed medical
15 marijuana business, and shall not be purchased from any out-of-state
16 providers.

17 B. 1. The Authority shall have oversight and auditing
18 responsibilities to ensure that all marijuana being grown in
19 Oklahoma is accounted for and shall implement an inventory tracking
20 system. Pursuant to these duties, the Authority shall require that
21 each medical marijuana business, medical marijuana research
22 facility, medical marijuana education facility and medical marijuana
23 waste disposal facility keep records for every transaction with
24 another medical marijuana business, patient or caregiver. Inventory

1 shall be tracked and updated after each individual sale and reported
2 to the Authority.

3 2. The inventory tracking system licensees use shall allow for
4 integration of other seed-to-sale systems and, at a minimum, shall
5 include the following:

- 6 a. notification of when marijuana seeds and clones are
7 planted,
- 8 b. notification of when marijuana plants are harvested
9 and destroyed,
- 10 c. notification of when marijuana is transported, sold,
11 stolen, diverted or lost,
- 12 d. a complete inventory of all marijuana, seeds, plant
13 tissue, clones, plants, usable marijuana or trim,
14 leaves and other plant matter, batches of extract, and
15 marijuana concentrates,
- 16 e. all samples sent to a testing laboratory, an unused
17 portion of a sample returned to a licensee, all
18 samples utilized by licensee for purposes of
19 negotiating a sale, and
- 20 f. all samples used for quality testing by a licensee.

21 3. Each medical marijuana business, medical marijuana research
22 facility, medical marijuana education facility and medical marijuana
23 waste disposal facility shall use a seed-to-sale tracking system or
24

1 integrate its own seed-to-sale tracking system with the seed-to-sale
2 tracking system established by the Authority.

3 4. These records shall include, but not be limited to, the
4 following:

5 a. the name and license number of the medical marijuana
6 business that cultivated, manufactured or sold the
7 medical marijuana or medical marijuana product,

8 b. the address and phone number of the medical marijuana
9 business that cultivated, manufactured or sold the
10 medical marijuana or medical marijuana product,

11 c. the type of product received during the transaction,

12 d. the batch number of the marijuana plant used,

13 e. the date of the transaction,

14 f. the total spent in dollars,

15 g. all point-of-sale records,

16 h. marijuana excise tax records, and

17 i. any additional information as may be reasonably
18 required by the Department.

19 5. All inventory tracking records retained by a medical
20 marijuana business, medical marijuana research facility, medical
21 marijuana education facility or medical marijuana waste disposal
22 facility containing medical marijuana patient or caregiver

23 information shall comply with all relevant state and federal laws

24 including, but not limited to, the Health Insurance Portability and

1 Accountability Act of 1996 (HIPAA), ~~and shall not be retained by any~~
2 ~~medical marijuana business for more than sixty (60) days.~~

3 SECTION 17. AMENDATORY Section 14, Chapter 11, O.S.L.
4 2019, as last amended by Section 51, Chapter 161, O.S.L. 2020 (63
5 O.S. Supp. 2020, Section 427.14), is amended to read as follows:

6 Section 427.14 A. There is hereby created the medical
7 marijuana business license, which shall include the following
8 categories:

- 9 1. Medical marijuana commercial grower;
- 10 2. Medical marijuana processor;
- 11 3. Medical marijuana dispensary;
- 12 4. Medical marijuana transporter; and
- 13 5. Medical marijuana testing laboratory.

14 B. The Oklahoma Medical Marijuana Authority, with the aid of
15 the Office of Management and Enterprise Services, shall develop a
16 website for medical marijuana business applications.

17 C. The Authority shall make available on its website in an
18 easy-to-find location, applications for a medical marijuana
19 business.

20 D. The annual, nonrefundable application fee for a medical
21 marijuana business license shall be Two Thousand Five Hundred
22 Dollars (\$2,500.00).

23
24

1 E. All applicants seeking licensure or licensure renewal as a
2 medical marijuana business shall comply with the following general
3 requirements:

4 1. All applications for licenses and registrations authorized
5 pursuant to this section shall be made upon forms prescribed by the
6 Authority;

7 2. Each application shall identify the city or county in which
8 the applicant seeks to obtain licensure as a medical marijuana
9 business;

10 3. Applicants shall submit a complete application to the
11 Department before the application may be accepted or considered;

12 4. All applications shall be complete and accurate in every
13 detail;

14 5. All applications shall include all attachments or
15 supplemental information required by the forms supplied by the
16 Authority;

17 6. All applications shall be accompanied by a full remittance
18 for the whole amount of the application fees. Application fees are
19 nonrefundable;

20 7. All applicants shall be approved for licensing review that,
21 at a minimum, ~~meets~~ meet the following criteria:

- 22 a. ~~all applicants shall be age~~ twenty-five (25) years of
23 age or older,
24

- 1 b. ~~any applicant~~ if applying as an individual ~~shall show,~~
2 proof that the applicant is an Oklahoma resident
3 pursuant to paragraph 11 of this subsection,
- 4 c. ~~any applicant~~ if applying as an entity ~~shall show,~~
5 proof that seventy-five percent (75%) of all members,
6 managers, executive officers, partners, board members
7 or any other form of business ownership are Oklahoma
8 residents pursuant to paragraph 11 of this subsection,
- 9 d. ~~all~~ if applying ~~individuals~~ as an individual or
10 ~~entities shall be~~ entity, proof that the individual or
11 entity is registered to conduct business in the State
12 of Oklahoma,
- 13 e. ~~all applicants shall disclose~~ disclosure of all
14 ownership interests pursuant to ~~this act~~ the Oklahoma
15 Medical Marijuana and Patient Protection Act, and
- 16 f. ~~applicants shall~~ proof that the medical marijuana
17 business, medical marijuana research facility, medical
18 marijuana education facility and medical marijuana
19 waste disposal facility applicant or licensee has not
20 ~~have~~ been convicted of a nonviolent felony in the last
21 two (2) years, ~~and~~ or any other felony conviction
22 within the last five (5) years, ~~shall~~ is not ~~be~~ a
23 current ~~inmates~~ inmate in the custody of the
- 24

1 Department of Corrections, or currently incarcerated
2 in a jail or corrections facility;

3 8. There shall be no limit to the number of medical marijuana
4 business licenses or categories that an individual or entity can
5 apply for or receive, although each application and each category
6 shall require a separate application and application fee. A
7 commercial grower, processor and dispensary, or any combination
8 thereof, are authorized to share the same address or physical
9 location, subject to the restrictions set forth in ~~this act~~ the
10 Oklahoma Medical Marijuana and Patient Protection Act;

11 9. All applicants for a medical marijuana business license,
12 research facility license or education facility license authorized
13 by ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
14 Act, or renewal of such license, shall undergo an Oklahoma criminal
15 history background check conducted by the Oklahoma State Bureau of
16 Investigation (OSBI) within thirty (30) days prior to the
17 application for the license, including:

- 18 a. individual applicants applying on their own behalf,
- 19 b. individuals applying on behalf of an entity,
- 20 c. all principal officers of an entity, and
- 21 d. all owners of an entity as defined by ~~this act~~ the
22 Oklahoma Medical Marijuana and Patient Protection Act;

1 10. All applicable fees charged by the OSBI are the
2 responsibility of the applicant and shall not be higher than fees
3 charged to any other person or industry for such background checks;

4 11. In order to be considered an Oklahoma resident for purposes
5 of a medical marijuana business application, all applicants shall
6 provide proof of Oklahoma residency for at least two (2) years
7 immediately preceding the date of application or five (5) years of
8 continuous Oklahoma residency during the preceding twenty-five (25)
9 years immediately preceding the date of application. Sufficient
10 documentation of proof of residency shall include a combination of
11 the following:

- 12 a. an unexpired Oklahoma-issued driver license,
- 13 b. an Oklahoma ~~voter~~ identification card,
- 14 c. a utility bill preceding the date of application,
15 excluding cellular telephone and Internet bills,
- 16 d. a residential property deed to property in the State
17 of Oklahoma, and
- 18 e. a rental agreement preceding the date of application
19 for residential property located in the State of
20 Oklahoma.

21 Applicants that were issued a medical marijuana business license
22 prior to ~~the enactment of the Oklahoma Medical Marijuana and Patient~~
23 ~~Protection Act~~ August 30, 2019, are hereby exempt from the two-year
24 or five-year Oklahoma residence requirement mentioned above;

1 12. All license applicants shall be required to submit a
2 registration with the Oklahoma State Bureau of Narcotics and
3 Dangerous Drugs Control as provided in Sections 2-302 through 2-304
4 of ~~Title 63 of the Oklahoma Statutes~~ this title;

5 13. All applicants shall establish their identity through
6 submission of a color copy or digital image of one of the following
7 unexpired documents:

- 8 a. front ~~and back~~ of an Oklahoma driver license,
- 9 b. front ~~and back~~ of an Oklahoma identification card,
- 10 c. a United States passport or other photo identification
11 issued by the United States government, or
- 12 d. ~~certified copy of the applicant's birth certificate~~
13 ~~for minor applicants who do not possess a document~~
14 ~~listed in this section, or~~
- 15 e. a tribal identification card approved for
16 identification purposes by the Oklahoma Department of
17 Public Safety; and

18 14. All applicants shall submit an applicant photograph.

19 F. The Authority shall review the medical marijuana business
20 application; approve or ~~reject~~ or deny the application; and mail
21 the approval, rejection, denial or status-update letter to the
22 applicant within ninety (90) business days of receipt of the
23 application.

1 G. 1. The Authority shall review the medical marijuana
2 business applications and conduct all investigations, inspections
3 and interviews before approving the application.

4 2. Approved applicants shall be issued a medical marijuana
5 business license for the specific category applied under which shall
6 act as proof of their approved status. Rejection and denial letters
7 shall provide a reason for the rejection or denial. Applications
8 may only be rejected or denied based on the applicant not meeting
9 the standards set forth in the provisions of ~~this section~~ the
10 Oklahoma Medical Marijuana and Patient Protection Act and Sections
11 420 through 426.1 of this title, improper completion of the
12 application, or for a reason provided for in ~~this act~~ the Oklahoma
13 Medical Marijuana and Patient Protection Act and Sections 420
14 through 426.1 of this title. If an application is rejected for
15 failure to provide required information, the applicant shall have
16 thirty (30) days to submit the required information for
17 reconsideration. No additional application fee shall be charged for
18 such reconsideration. Unless the Department determines otherwise,
19 an application that has been resubmitted but is still incomplete or
20 contains errors that are not clerical or typographical in nature
21 shall be denied.

22 3. Status-update letters shall provide a reason for delay in
23 either approval ~~or~~, rejection or denial should a situation arise in
24

1 which an application was submitted properly⁷ but a delay in
2 processing the application occurred.

3 4. Approval, rejection, denial or status-update letters shall
4 be sent to the applicant in the same method the application was
5 submitted to the Department.

6 H. A license for a medical marijuana business license, medical
7 marijuana research facility, medical marijuana education facility or
8 medical marijuana waste disposal facility shall not be issued to or
9 held by:

10 1. A person until all required fees have been paid;

11 2. A person who has been convicted of a nonviolent felony
12 within two (2) years of the date of application, or within five (5)
13 years for any other felony;

14 3. A corporation, if the criminal history of any of its
15 officers, directors or stockholders indicates that the officer,
16 director or stockholder has been convicted of a nonviolent felony
17 within two (2) years of the date of application, or within five (5)
18 years for any other felony;

19 4. A person under twenty-five (25) years of age;

20 5. A person licensed pursuant to this section who, during a
21 period of licensure, or who, at the time of application, has failed
22 to:

23 a. file taxes, interest or penalties due related to a
24 medical marijuana business, or

1 b. pay taxes, interest or penalties due related to a
2 medical marijuana business;

3 6. A sheriff, deputy sheriff, police officer or prosecuting
4 officer, or an officer or employee of the Authority or municipality;
5 ~~or~~

6 7. A person whose authority to be a caregiver, as defined in
7 ~~this act~~ Section 427.2 of this title, has been revoked by the
8 Department; or

9 8. A person who was involved in the management or operations of
10 any medical marijuana business, medical marijuana research facility,
11 medical marijuana education facility or medical marijuana waste
12 disposal facility that, after the initiation of a disciplinary
13 action, has had a medical marijuana license revoked, not renewed, or
14 surrendered during the five (5) years preceding submission of the
15 application and for the following violations:

16 a. unlawful sales or purchases,

17 b. any fraudulent acts, falsification of records or
18 misrepresentation to the Department or consumers,

19 c. any grossly inaccurate or fraudulent reporting,

20 d. threatening or harming any medical marijuana patient,
21 caregiver, medical practitioner or employee of the
22 Department,

23 e. knowingly or intentionally refusing to permit the
24 Department access to premises or records,

- 1 f. using a prohibited, hazardous substance for processing
2 in a residential area,
3 g. criminal acts relating to the operation of a medical
4 marijuana business, or
5 h. any violations that endanger public health and safety
6 or product safety.

7 I. In investigating the qualifications of an applicant or a
8 licensee, the Department, Authority and municipalities may have
9 access to criminal history record information furnished by a
10 criminal justice agency subject to any restrictions imposed by such
11 an agency. ~~In the event the Department considers the criminal~~
12 ~~history record of the applicant, the Department shall also consider~~
13 ~~any information provided by the applicant regarding such criminal~~
14 ~~history record, including but not limited to evidence of~~
15 ~~rehabilitation, character references and educational achievements,~~
16 ~~especially those items pertaining to the period of time between the~~
17 ~~last criminal conviction of the applicant and the consideration of~~
18 ~~the application for a state license.~~

19 J. The failure of an applicant or licensee to provide the
20 requested information by the Authority deadline may be grounds for
21 denial of the application.

22 K. All applicants and licensees shall submit information to the
23 Department and Authority in a full, faithful, truthful and fair
24 manner. The Department and Authority may recommend denial of an

1 application where the applicant or licensee made misstatements,
2 omissions, misrepresentations or untruths in the application or in
3 connection with the background investigation of the applicant. This
4 type of conduct may be ~~considered as the basis~~ grounds for
5 ~~additional~~ administrative action against the applicant or licensee.
6 Typos and scrivener errors shall not be grounds for denial.

7 L. A licensed medical marijuana business premises shall be
8 subject to and responsible for compliance with applicable provisions
9 for medical marijuana business facilities as described in the most
10 recent versions of the Oklahoma Uniform Building Code, the
11 International Building Code and the International Fire Code, ~~unless~~
12 ~~granted an exemption by the Authority or municipality~~.

13 M. All medical marijuana business, medical marijuana research
14 facility, medical marijuana education facility and medical marijuana
15 waste disposal facility licensees shall pay the relevant licensure
16 fees prior to receiving licensure to operate a ~~medical marijuana~~
17 ~~business, as defined in this act for each class of license~~.

18 N. A medical marijuana business, medical marijuana research
19 facility, medical marijuana education facility or medical marijuana
20 waste disposal facility that attempts to renew its license after the
21 expiration date of the license shall pay a late renewal fee in an
22 amount to be determined by the Department to reinstate the license.
23 Late renewal fees are nonrefundable. A license that has been
24 expired for more than ninety (90) days shall not be renewed.

1 O. No medical marijuana business, medical marijuana research
2 facility, medical marijuana education facility or medical marijuana
3 waste disposal facility shall possess, sell or transfer medical
4 marijuana or medical marijuana products without a valid, unexpired
5 license issued by the Department.

6 SECTION 18. AMENDATORY Section 16, Chapter 11, O.S.L.
7 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as
8 follows:

9 Section 427.16 A. There is hereby created a medical marijuana
10 transporter license as a category of the medical marijuana business
11 license.

12 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
13 this title, the Oklahoma Medical Marijuana Authority shall issue a
14 medical marijuana transporter license to licensed medical marijuana
15 commercial growers, processors and dispensaries upon issuance of
16 such licenses and upon each renewal. Medical marijuana transporter
17 licenses shall also be issued to licensed medical marijuana research
18 facilities, medical marijuana education facilities and medical
19 marijuana testing laboratories upon issuance of such license and
20 upon renewal.

21 C. A medical marijuana transporter license may also be issued
22 to qualifying applicants who are registered with the Oklahoma
23 Secretary of State and otherwise meet the requirements for a medical
24 marijuana business license set forth in ~~this act~~ the Oklahoma

1 Medical Marijuana and Patient Protection Act and the requirements
2 set forth in this section to provide logistics, distribution and
3 storage of medical marijuana, medical marijuana concentrate and
4 medical marijuana products.

5 D. A medical marijuana transporter license shall be valid for
6 one (1) year and shall not be transferred with a change of
7 ownership. A licensed medical marijuana transporter shall be
8 responsible for all medical marijuana, medical marijuana concentrate
9 and medical marijuana products once the transporter takes control of
10 the product.

11 E. A transporter license shall be required for any person or
12 entity to transport or transfer medical marijuana, medical marijuana
13 concentrate or ~~product~~ medical marijuana products from a licensed
14 medical marijuana business to another medical marijuana business, or
15 from a medical marijuana business to a medical marijuana research
16 facility or medical marijuana education facility.

17 F. A medical marijuana transporter licensee may contract with
18 multiple licensed medical marijuana businesses.

19 G. A medical marijuana transporter may maintain a licensed
20 premises to temporarily store medical marijuana, medical marijuana
21 concentrate and medical marijuana products and to use as a
22 centralized distribution point. A medical marijuana transporter may
23 store and distribute medical marijuana, medical marijuana
24 concentrate and medical marijuana products from the licensed

1 premises. The licensed premises shall meet all security
2 requirements applicable to a medical marijuana business.

3 H. A medical marijuana transporter licensee shall use the seed-
4 to-sale tracking system developed pursuant to ~~this act~~ the Oklahoma
5 Medical Marijuana and Patient Protection Act to create shipping
6 manifests documenting the transport of medical marijuana, medical
7 marijuana concentrate and medical marijuana products throughout the
8 state.

9 I. A licensed medical marijuana transporter may maintain and
10 operate one or more warehouses in the state to handle medical
11 marijuana, medical marijuana concentrate and medical marijuana
12 products.

13 J. ~~All~~ With the exception of a lawful transfer between medical
14 marijuana businesses who are licensed to operate at the same
15 physical address, all medical marijuana, medical marijuana
16 concentrate and ~~product~~ medical marijuana products shall be
17 transported:

18 1. In vehicles equipped with Global Positioning System (GPS)
19 trackers;

20 2. In a locked container and clearly labeled "Medical Marijuana
21 or Derivative"; and

22 3. In a secured area of the vehicle that is not accessible by
23 the driver during transit.

24

1 K. A transporter agent may possess marijuana at any location
2 while the transporter agent is transferring marijuana to or from a
3 licensed medical marijuana business, licensed medical marijuana
4 research facility or licensed medical marijuana education facility.
5 The Department shall administer and enforce the provisions of this
6 section concerning transportation.

7 L. The Authority shall issue a transporter agent license to
8 individual agents, employees, officers or owners of a transporter
9 license in order for the individual to qualify to transport medical
10 marijuana, medical marijuana concentrate or ~~product~~ medical
11 marijuana products.

12 M. The annual fee for a transporter agent license shall be ~~One~~
13 ~~Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be
14 paid by the transporter license holder or the individual applicant.
15 Transporter license reprints shall be Twenty Dollars (\$20.00).

16 N. The Authority shall issue each transporter agent a registry
17 identification card within thirty (30) days of receipt of:

- 18 1. The name, address and date of birth of the person;
- 19 2. Proof of current Oklahoma residency ~~as required for a~~
20 ~~medical marijuana business license;~~
- 21 3. Proof of identity as required for a medical marijuana
22 business license;
- 23 4. Possession of a valid Oklahoma driver license;
- 24 5. Verification of employment with a licensed transporter;

1 6. The application and affiliated fee; and

2 7. A copy of the criminal background check conducted by the
3 Oklahoma State Bureau of Investigation, paid for by the applicant.

4 O. If the transporter agent application is denied, the
5 Department shall notify the transporter in writing of the reason for
6 denying the registry identification card.

7 P. A registry identification card for a transporter shall
8 expire one (1) year after the date of issuance or upon notification
9 from the holder of the transporter license that the transporter
10 agent ceases to work as a transporter.

11 Q. The Department may revoke the registry identification card
12 of a transporter agent who knowingly violates any provision of this
13 section, and the transporter is subject to any other penalties
14 established by law for the violation.

15 R. The Department may revoke or suspend the transporter license
16 of a transporter that the Department determines knowingly aided or
17 facilitated a violation of any provision of this section, and the
18 licenseholder is subject to any other penalties established in law
19 for the violation.

20 S. Vehicles used in the transport of medical marijuana or
21 medical marijuana product shall be:

22 1. Insured at or above the legal requirements in Oklahoma;

23 2. Capable of securing medical marijuana during transport; and
24

1 3. In possession of a shipping container as defined in Section
2 427.2 of this act title capable of securing all transported ~~product~~
3 products.

4 T. Prior to the transport of any medical marijuana, medical
5 marijuana concentrate or medical marijuana products, an inventory
6 manifest shall be prepared at the origination point of the medical
7 marijuana. The inventory manifest shall include the following
8 information:

9 1. For the origination point of the medical marijuana:

- 10 a. the licensee number for the commercial grower,
11 processor or dispensary,
- 12 b. address of origination of transport, and
- 13 c. name and contact information for the originating
14 licensee;

15 2. For the end recipient license holder of the medical
16 marijuana:

- 17 a. the license number for the dispensary, commercial
18 grower, processor, research facility or education
19 facility destination,
- 20 b. address of the destination, and
- 21 c. name and contact information for the destination
22 licensee;

23 3. Quantities by weight or unit of each type of medical
24 marijuana product contained in transport;

1 4. The date of the transport and the approximate time of
2 departure;

3 5. The arrival date and estimated time of arrival;

4 6. Printed names and signatures of the personnel accompanying
5 the transport; and

6 7. Notation of the transporting licensee.

7 U. 1. A separate inventory manifest shall be prepared for each
8 licensee receiving the medical marijuana.

9 2. The transporter agent shall provide the other medical
10 marijuana business with a copy of the inventory manifest at the time
11 the product changes hands and after the other licensee prints his or
12 her name and signs the inventory manifest.

13 3. ~~An inventory manifest shall not be altered after departing~~
14 ~~the originating premises other than in cases where the printed name~~
15 ~~and signature of receipt by the receiving licensee is necessary.~~

16 4. A receiving licensee shall refuse to accept any medical
17 marijuana, medical marijuana concentrate or product medical
18 marijuana products that ~~is~~ are not accompanied by an inventory
19 manifest.

20 ~~5.~~ 4. Originating and receiving licensees shall maintain copies
21 of inventory manifests and logs of quantities of medical marijuana
22 received for ~~three (3)~~ seven (7) years from date of receipt.

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1 SECTION 19. AMENDATORY Section 17, Chapter 11, O.S.L.
2 2019, as amended by Section 4, Chapter 312, O.S.L. 2019 (63 O.S.
3 Supp. 2020, Section 427.17), is amended to read as follows:

4 Section 427.17 A. There is hereby created a medical marijuana
5 testing laboratory license as a category of the medical marijuana
6 business license. The Oklahoma Medical Marijuana Authority is
7 hereby enabled to monitor, inspect and audit a licensed testing
8 laboratory under ~~this act~~ the Oklahoma Medical Marijuana and Patient
9 Protection Act.

10 B. The Authority is hereby authorized to contract with a private
11 laboratory for the purpose of conducting compliance testing of
12 medical marijuana testing laboratories licensed in this state. Any
13 such laboratory under contract for compliance testing shall be
14 prohibited from conducting any other commercial medical marijuana
15 testing in this state. The laboratory the Authority contracts with
16 for compliance testing shall not employ, or be owned by, the
17 following:

18 1. Any individual that has a direct or indirect interest in a
19 licensed medical marijuana business; or

20 2. Any individual or his or her spouse, parent, child, spouse
21 of a child, sibling, or spouse of a sibling that has an application
22 for a medical marijuana business license pending before the
23 Department or is a member of the board of directors of a medical
24

1 marijuana business, or is an individual financially interested in
2 any licensee or medical marijuana business.

3 C. The Authority shall ~~have the authority to~~ develop acceptable
4 testing ~~and research~~ practices, including, but not limited to,
5 testing, standards, quality control analysis, equipment
6 certification and calibration, and chemical identification and
7 substances used ~~in bona fide research methods so long as it complies~~
8 ~~with this act.~~

9 D. A person who is a direct beneficial owner ~~or an indirect~~
10 ~~beneficial owner~~ of a medical marijuana dispensary, medical
11 marijuana commercial grower, or medical marijuana processor shall
12 not be an owner of a laboratory.

13 E. A laboratory and a laboratory applicant shall comply with
14 all applicable local ordinances, including but not limited to
15 zoning, occupancy, licensing and building codes.

16 F. A separate license shall be required for each specific
17 laboratory.

18 G. A medical marijuana testing laboratory license may be issued
19 to a person who performs testing ~~and research~~ on medical marijuana
20 and medical marijuana products for medical marijuana businesses,
21 medical marijuana research facilities, medical marijuana education
22 facilities, and testing ~~and research~~ on marijuana and marijuana
23 products grown or produced by a patient or caregiver on behalf of a
24 patient, upon verification of registration. A medical marijuana

1 testing laboratory may also conduct research related to the
2 development and improvement of its testing practices and procedures.

3 No state-approved medical marijuana testing facility shall operate
4 unless a medical laboratory director is on site during operational
5 hours.

6 H. ~~A laboratory applicant~~ Laboratory applicants and licensees
7 shall comply with the application requirements of this section and
8 shall submit such other information as required for a medical
9 marijuana business applicant, in addition to any information the
10 Authority may request for initial approval and periodic evaluations
11 during the approval period.

12 I. A medical marijuana testing laboratory may accept samples of
13 medical marijuana, medical marijuana concentrate or medical
14 marijuana product from a medical marijuana business, medical
15 marijuana research facility or medical marijuana education facility
16 for testing ~~and research~~ purposes only, which purposes may include
17 the provision of testing services for samples submitted by a medical
18 marijuana business for product development. The Department may
19 require a medical marijuana business to submit a sample of medical
20 marijuana, medical marijuana concentrate or medical marijuana
21 product to a medical marijuana testing or quality assurance
22 laboratory upon demand.

23 J. A medical marijuana testing laboratory may accept samples of
24 medical marijuana, medical marijuana concentrate or medical

1 marijuana product from an individual person for testing only under
2 the following conditions:

3 1. The individual person is a patient or caregiver pursuant to
4 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act
5 or is a participant in an approved clinical or observational study
6 conducted by a research facility; and

7 2. The medical marijuana testing laboratory shall require the
8 patient or caregiver to produce a valid patient license and current
9 and valid photo identification.

10 K. A medical marijuana testing laboratory may transfer samples
11 to another medical marijuana testing laboratory for testing. All
12 laboratory reports provided to or by a medical marijuana business or
13 to a patient or caregiver shall identify the medical marijuana
14 testing laboratory that actually conducted the test.

15 L. A medical marijuana testing laboratory may utilize a
16 licensed medical marijuana transporter to transport samples of
17 medical marijuana, medical marijuana concentrate and medical
18 marijuana product for testing, in accordance with ~~this act~~ the
19 Oklahoma Medical Marijuana and Patient Protection Act and the rules
20 adopted pursuant thereto, between the originating medical marijuana
21 business requesting testing services and the destination laboratory
22 performing testing services.

23 M. The medical marijuana testing laboratory shall establish
24 policies to prevent the existence of or appearance of undue

1 commercial, financial or other influences that may diminish the
2 competency, impartiality and integrity of the testing processes or
3 results of the laboratory, or that may diminish public confidence in
4 the competency, impartiality and integrity of the testing processes
5 or results of the laboratory. At a minimum, employees, owners or
6 agents of a medical marijuana testing laboratory who participate in
7 any aspect of the analysis and results of a sample are prohibited
8 from improperly influencing the testing process, improperly
9 manipulating data, or improperly benefiting from any ongoing
10 financial, employment, personal or business relationship with the
11 medical marijuana business that provided the sample. A medical
12 marijuana testing laboratory shall not test samples for any medical
13 marijuana business in which an owner, employee or agent of the
14 medical marijuana testing laboratory has any form of ownership or
15 financial interest in the medical marijuana business.

16 N. The Department, pursuant to rules promulgated by the State
17 Commissioner of Health, shall develop standards, policies and
18 procedures as necessary for:

19 1. The cleanliness and orderliness of a laboratory premises and
20 the location of the laboratory in a secure location, and inspection,
21 cleaning and maintenance of any equipment or utensils used for the
22 analysis of test samples;

23
24

- 1 2. Testing procedures, testing standards for cannabinoid and
2 terpenoid potency and safe levels of contaminants, ~~and~~ remediation
3 procedures and validation procedures;
- 4 3. Controlled access areas for storage of medical marijuana and
5 medical marijuana product test samples, waste and reference
6 standards;
- 7 4. Records to be retained and computer systems to be utilized
8 by the laboratory;
- 9 5. The possession, storage and use by the laboratory of
10 reagents, solutions and reference standards;
- 11 6. A certificate of analysis (COA) for each lot of reference
12 standard;
- 13 7. The transport and disposal of unused marijuana, marijuana
14 products and waste;
- 15 8. The mandatory use by a laboratory of an inventory tracking
16 system to ensure all ~~test~~ harvest and production batches or samples
17 containing medical marijuana, medical marijuana concentrate or
18 medical marijuana products are identified and tracked from the point
19 they are transferred from a medical marijuana business, a patient or
20 a caregiver through the point of transfer, destruction or disposal.
21 The inventory tracking system reporting shall include the results of
22 any tests that are conducted on medical marijuana, medical marijuana
23 concentrate or medical marijuana product;
- 24 9. Standards of performance;

1 10. The employment of laboratory personnel;

2 11. A written standard operating procedure manual to be
3 maintained and updated by the laboratory;

4 12. The successful participation in a Department-approved
5 proficiency testing program for each testing category listed in this
6 section, in order to obtain and maintain certification;

7 13. The establishment of and adherence to a quality assurance
8 and quality control program to ensure sufficient monitoring of
9 laboratory processes and quality of results reported;

10 14. The immediate recall of medical marijuana or medical
11 marijuana products that test above allowable thresholds or are
12 otherwise determined to be unsafe;

13 15. The establishment by the laboratory of a system to document
14 the complete chain of custody for samples from receipt through
15 disposal;

16 ~~15.~~ 16. The establishment by the laboratory of a system to
17 retain and maintain all required records, including business
18 records, and processes to ensure results are reported in a timely
19 and accurate manner; and

20 ~~16.~~ 17. Any other aspect of laboratory testing of medical
21 marijuana or medical marijuana product deemed necessary by the
22 Department.

23 O. A medical marijuana testing laboratory shall promptly
24 provide the Department or designee of the Department access to a

1 report of a test and any underlying data that is conducted on a
2 sample at the request of a medical marijuana business or qualified
3 patient. A medical marijuana testing laboratory shall also provide
4 access to the Department or designee of the Department to laboratory
5 premises and to any material or information requested by the
6 Department to determine compliance with the requirements of this
7 section.

8 P. A medical marijuana testing laboratory shall retain all
9 results of laboratory tests conducted on marijuana or products for a
10 period of at least ~~two (2)~~ seven (7) years and shall make them
11 available to the Department upon request.

12 Q. A medical marijuana testing laboratory shall test samples
13 from each harvest batch or product batch, as appropriate, of medical
14 marijuana, medical marijuana concentrate and medical marijuana
15 product for each of the following categories of testing, consistent
16 with standards developed by the Commissioner:

- 17 1. Microbials;
- 18 2. Mycotoxins;
- 19 3. Residual solvents;
- 20 4. Pesticides;
- 21 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 22 6. Terpenoid ~~potency~~ type and concentration; and
- 23 7. Heavy metals.

24

1 R. ~~A test batch shall not exceed ten (10) pounds of usable~~
2 ~~marijuana or medical marijuana product, as appropriate.~~ A grower
3 shall separate each harvest lot of usable marijuana into harvest
4 batches containing no more than ten (10) pounds, with the exception
5 of harvest batches of fresh, uncured medical marijuana or fresh,
6 frozen medical marijuana to be sold to a processor in order to make
7 a concentrate, which may be separated into batches containing no
8 more than thirty-five (35) pounds. A processor shall separate each
9 medical marijuana production lot into production batches containing
10 no more than ten (10) pounds.

11 S. Medical marijuana testing laboratory licensure shall be
12 contingent upon successful on-site inspection, successful
13 participation in proficiency testing and ongoing compliance with the
14 applicable requirements in this section.

15 T. A medical marijuana testing laboratory shall be inspected
16 prior to initial licensure and ~~annually~~ up to two (2) times per year
17 thereafter by an inspector approved by the Authority. The Authority
18 may enter the licensed premises of a testing laboratory to conduct
19 investigations and additional inspections when the Authority
20 believes an investigation or additional inspection is necessary due
21 to a possible violation of applicable laws, rules or regulations.

22 U. ~~Beginning on a date determined by the Commissioner, not~~
23 ~~later than January 1, 2020, medical~~ Medical marijuana testing
24 ~~laboratory licensure~~ laboratories shall be ~~contingent upon~~ obtain

1 accreditation by ~~the NELAC Institute (TNI), ANSI/ASQ National~~
2 ~~Accreditation Board or another~~ an accrediting body approved by the
3 Commissioner, ~~and any applicable standards as determined by the~~
4 ~~Department~~ within one (1) year of the date the initial license is
5 issued. Renewal of any medical marijuana testing laboratory license
6 shall be contingent upon accreditation in accordance with this
7 subsection.

8 V. A Unless authorized by the provisions of this section, a
9 commercial grower shall not transfer or sell medical marijuana and a
10 processor shall not transfer, sell or process into a concentrate or
11 product any medical marijuana, medical marijuana concentrate or
12 medical marijuana product unless samples from each harvest batch or
13 production batch from which that medical marijuana, medical
14 marijuana concentrate or medical marijuana product was derived has
15 been tested by a medical marijuana testing ~~facility for contaminants~~
16 laboratory and passed all contaminant tests required by ~~this act~~ the
17 Oklahoma Medical Marijuana and Patient Protection Act and applicable
18 laws, rules and regulations.

19 1. A licensed commercial grower may transfer medical marijuana
20 that has failed testing to a licensed processor only for the
21 purposes of decontamination or remediation and only in accordance
22 with the provisions of the Oklahoma Medical Marijuana and Patient
23 Protection Act and the rules and regulations of the Department.
24

1 2. Licensed commercial growers and licensed processors who
2 achieve process validation under the rules and regulations set forth
3 by the Oklahoma State Department of Health may transfer, sell or
4 process medical marijuana and medical marijuana products in
5 accordance with those rules and regulations.

6 W. Kief shall not be transferred or sold except as authorized
7 in the rules and regulations of the Department.

8 SECTION 20. AMENDATORY Section 18, Chapter 11, O.S.L.
9 2019 (63 O.S. Supp. 2020, Section 427.18), is amended to read as
10 follows:

11 Section 427.18 A. An Oklahoma medical marijuana business shall
12 not sell, transfer or otherwise distribute medical marijuana or
13 medical marijuana product that has not been packaged and labeled in
14 accordance with this section and rules promulgated by the State
15 Commissioner of Health.

16 B. A medical marijuana dispensary shall return medical
17 marijuana and medical marijuana product that does not meet packaging
18 or labeling requirements in this section or rules promulgated
19 pursuant thereto to the entity who transferred it to the dispensary.
20 The medical marijuana dispensary shall document to whom the item was
21 returned, what was returned and the date of the return or dispose of
22 any usable marijuana that does not meet these requirements in
23 accordance with ~~this act~~ the Oklahoma Medical Marijuana and Patient
24 Protection Act.

1 C. 1. Medical marijuana packaging shall be packaged to
2 minimize its appeal to children and shall not depict images other
3 than the business name logo of the medical marijuana producer and
4 image of the product.

5 2. A medical marijuana business shall not place any content on
6 a container in a manner that reasonably appears to target
7 individuals under the age of twenty-one (21), including but not
8 limited to cartoon characters or similar images.

9 3. Labels on a container shall not include any false or
10 misleading statements.

11 4. No container shall be intentionally or knowingly labeled so
12 as to cause a reasonable patient confusion as to whether the medical
13 marijuana, medical marijuana concentrate or medical marijuana
14 product is a trademarked product or labeled in a manner that
15 violates any federal trademark law or regulation.

16 5. The label on the container shall not make any claims
17 regarding health or physical benefits to the patient.

18 6. All medical marijuana, medical marijuana concentrate and
19 medical marijuana products shall be in a child-resistant container
20 at the point of transfer to the patient or caregiver.

21 D. The State Department of Health shall develop minimum
22 standards for packaging and labeling of medical marijuana and
23 medical marijuana products. Such standards shall include, but not
24 be limited to, the required contents of labels to be affixed to all

1 medical marijuana and medical marijuana products prior to transfer
2 to a licensed patient or caregiver, which shall include, at a
3 minimum:

4 1. ~~A universal symbol indicating that the product contains~~
5 ~~tetrahydrocannabinol (THC);~~

6 ~~2.~~ THC and other cannabinoid potency, and terpenoid potency;

7 ~~3.~~ 2. A statement indicating that the product has been tested
8 for contaminants;

9 ~~4.~~ 3. One or more product warnings to be determined by the
10 Department; and

11 ~~5.~~ 4. Any other information the Department deems necessary.

12 SECTION 21. AMENDATORY Section 19, Chapter 11, O.S.L.
13 2019 (63 O.S. Supp. 2020, Section 427.19), is amended to read as
14 follows:

15 Section 427.19 A. A medical marijuana research license may be
16 issued to a person to grow, cultivate, possess and transfer, by sale
17 or donation, marijuana pursuant to ~~this act~~ the Oklahoma Medical
18 Marijuana and Patient Protection Act for the limited research
19 purposes identified in this section.

20 B. The annual fee for a medical marijuana research license
21 shall be Five Hundred Dollars (\$500.00) and shall be payable by an
22 applicant for a medical marijuana research license upon submission
23 of his or her application to the Authority.

24

1 C. A medical marijuana research license may be issued for the
2 following research purposes:

3 1. To test chemical potency and composition levels;

4 2. To conduct clinical investigations of marijuana-derived
5 medicinal products;

6 3. To conduct research on the efficacy and safety of
7 administering marijuana as part of medical treatment;

8 4. To conduct genomic, horticultural or agricultural research;
9 and

10 5. To conduct research on marijuana-affiliated products or
11 systems.

12 D. 1. As part of the application process for a medical
13 marijuana research license, an applicant shall submit to the
14 Authority a description of the research that the applicant intends
15 to conduct and whether the research will be conducted with a public
16 institution or using public money. If the research will not be
17 conducted with a public institution or with public money, the
18 Authority shall grant the application if it determines that the
19 applicant meets the criteria in this section.

20 2. If the research will be conducted with a public institution
21 or public money, the Department shall review the research project of
22 the applicant to determine if it meets the requirements of this
23 section and to assess the following:

- a. the quality, study design, value or impact of the project,
- b. whether the applicant has the appropriate personnel, expertise, facilities, infrastructure, funding and human, animal or other approvals in place to successfully conduct the project, and
- c. whether the amount of marijuana to be grown by the applicant is consistent with the scope and goals of the project.

3. If the Authority determines that the research project does not meet the requirements of this section or assesses the criteria to be inadequate, the application shall be denied.

E. A medical marijuana research licensee may only transfer, by sale or donation, marijuana grown within its operation to other medical marijuana research licensees. The Department may revoke a medical marijuana research license for violations of this section and any other violation of ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

F. A medical marijuana research licensee may contract to perform research in conjunction with a public higher education research institution or another medical marijuana research licensee.

G. The growing, cultivating, possessing or transferring, by sale or donation, of marijuana in accordance with this section and the rules promulgated pursuant thereto, by a medical marijuana

1 research licensee shall not be a criminal or civil offense under
2 state law. A medical marijuana research license shall be issued in
3 the name of the applicant and shall specify the location in Oklahoma
4 at which the medical marijuana research licensee intends to operate.
5 A medical marijuana research licensee shall not allow any other
6 person to exercise the privilege of the license.

7 H. If the research conducted includes a public institution or
8 public money, the Authority shall review any reports made by medical
9 marijuana research licensees under state licensing authority rule
10 and provide the Authority with its determination on whether the
11 research project continues to meet research qualifications pursuant
12 to this section.

13 SECTION 22. AMENDATORY Section 20, Chapter 11, O.S.L.
14 2019 (63 O.S. Supp. 2020, Section 427.20), is amended to read as
15 follows:

16 Section 427.20 A. There is hereby created a medical marijuana
17 education facility license.

18 B. A medical marijuana education facility license may be issued
19 to a person to possess or cultivate marijuana for the limited
20 education and research purposes identified in this section.

21 C. A medical marijuana education facility license may only be
22 granted to a not-for-profit organization structured under Section
23 501(c) (3) of the Internal Revenue Code, operating as an Oklahoma
24

1 not-for-profit registered organization with the Office of the
2 Secretary of State.

3 D. A medical marijuana education facility license may only be
4 granted upon the submission of ~~a~~ an annual fee of Five Hundred
5 Dollars (\$500.00) to the Authority.

6 E. A medical marijuana education facility license may be issued
7 for the following education and research purposes:

8 1. To test cultivation techniques, strategies, infrastructure,
9 mediums, lighting and other related technology;

10 2. To demonstrate cultivation techniques, strategies,
11 infrastructure, mediums, lighting and other related technology;

12 3. To demonstrate the application and use of product
13 manufacturing technologies;

14 4. To conduct genomic, horticultural or agricultural research;
15 and

16 5. To conduct research on marijuana-affiliated products or
17 systems.

18 F. As part of the application process for a medical marijuana
19 education facility license, an applicant shall submit to the
20 Authority a description of the project and curriculum that the
21 applicant intends to conduct and whether the project and curriculum
22 will be conducted with a public institution or using public money.
23 If the ~~research~~ project and curriculum will not be conducted with a
24 public institution or with public money, the Authority shall grant

1 the application. If the research will be conducted with a public
2 institution or public money, the Authority shall review the research
3 project of the applicant to determine if it meets the requirements
4 of this section and to assess the following:

- 5 1. The quality, study design, value or impact of the project;
- 6 2. Whether the applicant has the appropriate personnel,
7 expertise, facilities, infrastructure, funding, and human, animal or
8 other approvals in place to successfully conduct the project; and
- 9 3. Whether the amount of marijuana to be grown by the applicant
10 is consistent with the scope and goals of the project.

11 If the Authority determines that the education project does not meet
12 the requirements of this section or assesses the criteria to be
13 inadequate, the application shall be denied.

14 G. A medical marijuana education facility licensee may only
15 transfer, by sale or donation, marijuana grown within its operation
16 to medical marijuana research licensees. The Department may revoke
17 a medical marijuana education facility license for violations of
18 this section and any other violation of ~~this act~~ applicable laws,
19 rules and regulations.

20 H. A medical marijuana education facility licensee may contract
21 to perform research in conjunction with a public higher education
22 research institution or another research licensee.

23 I. The growing, cultivating, possessing or transferring, by
24 sale or donation, of marijuana in accordance with this section and

1 the rules promulgated pursuant thereto, by a medical marijuana
2 education facility licensee shall not be a criminal or civil offense
3 under state law. A medical marijuana education facility license
4 shall be issued in the name of the applicant and shall specify the
5 location in Oklahoma at which the medical marijuana education
6 facility licensee intends to operate. A medical marijuana education
7 facility licensee shall not allow any other person to exercise the
8 privilege of the license.

9 SECTION 23. AMENDATORY Section 22, Chapter 11, O.S.L.
10 2019 (63 O.S. Supp. 2020, Section 427.22), is amended to read as
11 follows:

12 Section 427.22 A. ~~An~~ All medical marijuana patient and
13 caregiver records and information including, but not limited to, any
14 application or renewal and supporting information submitted by a
15 qualifying patient or designated caregiver under the provisions of
16 ~~this act including, without limitation,~~ the Oklahoma Medical
17 Marijuana and Patient Protection Act and information regarding the
18 physician of the qualifying patient shall be considered confidential
19 medical records that are exempt from the Oklahoma Open Records Act.

20 B. The dispensary records with patient information shall be
21 treated as confidential records that are exempt from the Oklahoma
22 Open Records Act.

23 C. All financial information provided by an applicant or a
24 licensee in ~~its~~ an application to the Authority shall be treated as

1 confidential records that are exempt from the Oklahoma Open Records
2 Act.

3 D. All information provided by an applicant or a licensee that
4 constitutes private business information shall be treated as
5 confidential records that are exempt from the Oklahoma Open Records
6 Act.

7 E. As used in this section, "private business information"
8 means information that, if disclosed, would give advantage to
9 competitors or bidders including, but not limited to, information
10 related to the planning, site location, operations, strategy, or
11 product development and marketing of an applicant, unless approval
12 for release of those records is granted by the business.

13 F. All monthly report, inventory tracking and seed-to-sale
14 information, data and records submitted to the Department shall be
15 treated as confidential records and are exempt from the Oklahoma
16 Open Records Act.

17 G. Except for license information concerning licensed patients,
18 the Department may share confidential information with the other
19 Oklahoma state agencies to assist those agencies in ensuring
20 compliance with applicable laws, rules and regulations.

21 SECTION 24. AMENDATORY Section 23, Chapter 11, O.S.L.
22 2019, as amended by Section 11, Chapter 477, O.S.L. 2019 (63 O.S.
23 Supp. 2020, Section 427.23), is amended to read as follows:

24

1 Section 427.23 A. The State Commissioner of Health, the
2 Oklahoma Tax Commission, the State Treasurer, the Secretary of State
3 and the Director of the Office of Management and Enterprise Services
4 shall promulgate rules to implement the provisions of ~~this act~~ the
5 Oklahoma Medical Marijuana and Patient Protection Act.

6 B. ~~The Food Safety Standards Board~~ Medical Marijuana Advisory
7 Council, in addition to the powers and duties granted in Section 423
8 of ~~Title 63 of the Oklahoma Statutes~~ this title, may recommend to
9 the State Commissioner of Health rules relating to all aspects ~~of~~
10 ~~the~~ regarding the safe cultivation and ~~manufacture~~ manufacturing of
11 medical marijuana products. In addition to the twelve members
12 required in Section 423 of this title, the State Department of
13 Health may appoint up to eight additional members. The makeup of
14 the Council shall include medical marijuana industry representation.

15 SECTION 25. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 427.24 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 A. Whenever an authorized agent of the State Department of
19 Health finds, in whole or in part, that the medical marijuana or
20 medical marijuana product fails to meet the requirements of Sections
21 420 through 426.1 of Title 63 of the Oklahoma Statutes or the
22 Oklahoma Medical Marijuana and Patient Protection Act as it relates
23 to health and safety, the medical marijuana or medical marijuana
24 product is handled in violation of applicable laws or rules and

1 regulations of the Department, or the medical marijuana or medical
2 marijuana product may be poisonous, deleterious to health or is
3 otherwise unsafe, an electronic or physical tag or other appropriate
4 marking or hold shall be affixed to the medical marijuana or medical
5 marijuana product which shall give notice that the medical marijuana
6 or medical marijuana product is or is suspected of being
7 manufactured, produced, transferred, sold or offered for sale in
8 violation of applicable laws or rules and regulations of the
9 Department and is embargoed. The notice shall further provide a
10 warning to all persons not to remove or dispose of the medical
11 marijuana or medical marijuana product until permission for removal
12 or disposal is given by the Department. It shall be unlawful for
13 any person to remove or dispose of the medical marijuana or medical
14 marijuana product embargoed without permission by the Department.

15 B. If the State Commissioner of Health finds that medical
16 marijuana or medical marijuana product embargoed pursuant to
17 subsection A of this section does not meet the requirements of
18 applicable laws or rules and regulations of the Department, or is
19 poisonous, deleterious to health or otherwise unsafe, the
20 Commissioner may institute an action in the district court in whose
21 jurisdiction the medical marijuana or medical marijuana product is
22 embargoed for the condemnation and destruction of the medical
23 marijuana or medical marijuana product. If the Commissioner finds
24 that the medical marijuana or medical marijuana product embargoed

1 does meet the requirements of applicable laws and the rules and
2 regulations of the Department and is not poisonous, deleterious to
3 health or otherwise unsafe, the Commissioner shall remove the
4 embargo. In any court proceeding regarding an embargo, neither the
5 State Department of Health, the Oklahoma Medical Marijuana Authority
6 or the Commissioner shall be held liable if the court finds
7 reasonable belief for the embargo.

8 C. Except as otherwise provided in subsection D of this
9 section, if the court finds that the embargoed medical marijuana or
10 medical marijuana product, in whole or in part, is in violation of
11 any applicable laws or rules and regulations of the Department or is
12 poisonous, deleterious to health, or otherwise unsafe, the medical
13 marijuana or medical marijuana product shall be destroyed at the
14 expense of the defendant under the supervision of the Commissioner.
15 All court costs, fees, costs of storage and disposal and other
16 proper expenses shall be paid by the defendant of the medical
17 marijuana or medical marijuana product.

18 D. The court may order that the medical marijuana or medical
19 marijuana product be delivered to the defendant for appropriate
20 labeling or processing under the supervision of the Commissioner
21 only if:

22 1. The violation can be corrected by proper processing of
23 medical marijuana or medical marijuana product;

24 2. All costs, fees and expenses have been paid; and

1 3. A sufficient bond is executed and conditioned for
2 appropriate labeling or processing as the court may require.

3 The expense of supervision shall be paid to the Commissioner by
4 the person obtaining release of the medical marijuana or medical
5 marijuana product under bond.

6 SECTION 26. AMENDATORY Section 2, Chapter 337, O.S.L.
7 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as
8 follows:

9 Section 428.1 As used in ~~this act~~ the Oklahoma Medical
10 Marijuana Waste Management Act:

11 1. "Authority" shall mean the Oklahoma Medical Marijuana
12 Authority, or successor agency;

13 2. "Commercial licensee" shall mean any person or entity issued
14 a license by the Oklahoma Medical Marijuana Authority, or successor
15 agency, to conduct commercial business in this state;

16 3. "Disposal" shall mean the ~~final~~ disposition of medical
17 marijuana waste by ~~either~~ a process which renders the waste unusable
18 through physical destruction or a recycling process;

19 4. "Facility" shall mean ~~a location~~ the licensed or permitted
20 premises where the disposal of medical marijuana waste takes place
21 by a licensee;

22 5. "License" shall mean a medical marijuana waste disposal
23 license;

24

1 6. "Licensee" shall mean the holder of a medical marijuana
2 waste disposal license;

3 7. "Medical marijuana waste" shall mean unused, surplus,
4 returned or out-of-date marijuana and plant debris of the plant of
5 the genus Cannabis, including dead plants and all unused plant
6 parts, except the term shall not include seeds, roots, stems, stalks
7 and fan leaves; and

8 8. "Medical marijuana waste disposal license" shall mean a
9 license issued by the Oklahoma Medical Marijuana Authority, or
10 successor agency.

11 SECTION 27. AMENDATORY Section 3, Chapter 337, O.S.L.
12 2019 (63 O.S. Supp. 2020, Section 429), is amended to read as
13 follows:

14 Section 429. A. Medical marijuana waste shall be subject to
15 the provisions of ~~this act~~ the Oklahoma Medical Marijuana Waste
16 Management Act and shall not be subject to the provisions of the
17 Uniform Controlled Dangerous Substances Act. Nothing in ~~this act~~
18 the Oklahoma Medical Marijuana Waste Management Act shall alter or
19 affect the jurisdictional areas of environmental responsibility of
20 the Department of Environmental Quality as provided for in Title 27A
21 of the Oklahoma Statutes.

22 B. Commercial licensees, medical marijuana research facilities
23 and medical marijuana education facilities shall be authorized to
24 destroy the following marijuana plant parts without being required

1 to utilize the services of a medical marijuana waste disposal
2 facility:

- 3 1. ~~Root balls~~ Roots;
- 4 2. Stems;
- 5 3. Fan leaves; ~~and~~
- 6 4. Seeds; and
- 7 5. Stalks.

8 Unless restricted by local ordinance, commercial licensees,
9 medical marijuana research facilities and medical marijuana
10 education facilities shall be authorized to destroy the above-listed
11 marijuana plant parts ~~on-site~~ on site by open burning, incineration,
12 burying, mulching, composting or any other technique approved by the
13 Department of Environmental Quality.

14 ~~C. Commercial licensees, medical marijuana research facilities~~
15 ~~and medical marijuana education facilities engaged in the disposal~~
16 ~~of medical marijuana waste shall create and maintain documentation~~
17 ~~on a form prescribed by the Oklahoma Medical Marijuana Authority~~
18 ~~that includes precise weights or counts of medical marijuana waste~~
19 ~~and the manner in which the medical marijuana waste is disposed.~~
20 ~~Such documentation shall contain a witness affidavit and signature~~
21 ~~attesting to the lawful disposal of the medical marijuana waste~~
22 ~~under penalty of perjury. All disposal records shall be maintained~~
23 ~~by commercial licensees, medical marijuana research facilities and~~
24 ~~medical marijuana educational facilities for a period of five (5)~~

1 ~~years and shall be subject to inspection and auditing by the~~
2 ~~Authority.~~

3 SECTION 28. AMENDATORY Section 4, Chapter 337, O.S.L.
4 2019 (63 O.S. Supp. 2020, Section 430), is amended to read as
5 follows:

6 Section 430. A. There is hereby created and authorized a
7 medical marijuana waste disposal license. A person or entity in
8 possession of a medical marijuana waste disposal license shall be
9 entitled to possess, transport and dispose of medical marijuana
10 waste. No person or entity shall ~~possess, transport or~~ dispose of
11 medical marijuana waste without a valid medical marijuana waste
12 disposal license. The Oklahoma Medical Marijuana Authority shall
13 issue licenses upon proper application by a licensee and
14 determination by the Authority that the proposed site and facility
15 are physically and technically suitable. Upon a finding that a
16 proposed medical marijuana waste disposal facility is not physically
17 or technically suitable, the Authority shall deny the license. The
18 Authority may, upon determining that public health or safety
19 requires emergency action, issue a temporary license for treatment
20 or storage of medical marijuana waste for a period not to exceed
21 ninety (90) days. The Authority shall not, for the first year of
22 the licensure program, issue more than ten medical marijuana waste
23 disposal licenses. Upon the conclusion of the first year, the
24 Authority shall assess the need for additional medical marijuana

1 waste disposal licenses and shall, if demonstrated, increase the
2 number of licenses as deemed necessary by the Authority.

3 B. Entities applying for a medical marijuana waste disposal
4 license shall undergo the following screening process:

5 1. Complete an application form, as prescribed by the
6 Authority, which shall include:

7 a. an attestation that the applicant is authorized to
8 make application on behalf of the entity,

9 b. full name of the organization,

10 c. trade name, if applicable,

11 d. type of business organization,

12 e. complete mailing address,

13 f. an attestation that the commercial entity will not be
14 located on tribal land,

15 g. telephone number and email address of the entity, and

16 h. name, residential address and date of birth of each
17 owner and each member, manager and board member, if
18 applicable;

19 2. The application for a medical marijuana waste disposal
20 license made by an individual on his or her own behalf shall be on
21 the form prescribed by the Authority and shall include, but not be
22 limited to:

23 a. the first, middle and last name of the applicant and
24 suffix, if applicable,

- b. the residence address and mailing address of the applicant,
- c. the date of birth of the applicant,
- d. the preferred telephone number and email address of the applicant,
- e. an attestation that the information provided by the applicant is true and correct, and
- f. a statement signed by the applicant pledging not to divert marijuana to any individual or entity that is not lawfully entitled to possess marijuana; and

3. Each application shall be accompanied by the following documentation:

- a. a list of all persons or entities that have an ownership interest in the entity,
- b. a certificate of good standing from the Oklahoma Secretary of State, if applicable,
- c. an Affidavit of Lawful Presence for each owner,
- d. proof that the proposed location of the disposal facility is at least one thousand (1,000) feet from a public or private school. The distance indicated in this subparagraph shall be measured from ~~any entrance of the nearest property line of such public or private school to the nearest property line point~~ perimeter wall of the premises of such disposal facility. If

1 any public or private school is established within one
2 thousand (1,000) feet of any disposal facility after
3 such disposal facility has been licensed, the
4 provisions of this subparagraph shall not be a
5 deterrent to the renewal of such license or warrant
6 revocation of the license, and

7 e. documents establishing the applicant, the members,
8 managers and board members, if applicable, and
9 seventy-five percent (75%) of the ownership interests
10 are Oklahoma residents as established in Section 420
11 et seq. of ~~Title 63 of the Oklahoma Statutes~~ this
12 title, as it relates to proof of residency.

13 C. No license shall be issued except upon proof of sufficient
14 liability insurance and financial responsibility. Liability
15 insurance shall be provided by the applicant and shall apply to
16 sudden and nonsudden bodily injury or property damage on, below or
17 above the surface, as required by the rules of the Authority. Such
18 insurance shall be maintained for the period of operation of the
19 facility and shall provide coverage for damages resulting from
20 operation of the facility during operation and after closing. ~~In~~
21 ~~lieu of liability insurance required by this subsection, an~~
22 ~~equivalent amount of cash, securities, bond or alternate financial~~
23 ~~assurance, of a type and in an amount acceptable to the Authority,~~
24 ~~may be substituted; provided, that such deposit shall be maintained~~

1 ~~for a period of five (5) years after the date of last operation of~~
2 ~~the facility.~~

3 D. Submission of an application for a medical marijuana waste
4 disposal license shall constitute permission for entry to and
5 inspection of the facility of the licensee during hours of operation
6 and other reasonable times. Refusal to permit such entry of
7 inspection shall constitute grounds for the nonrenewal, suspension
8 or revocation of a license. The Authority may perform an annual
9 unannounced on-site inspection of the operations and any facility of
10 the licensee. If the Authority receives a complaint concerning
11 noncompliance by a licensee with the provisions of ~~this act~~ the
12 Oklahoma Medical Marijuana Waste Management Act, the Authority may
13 conduct additional unannounced, on-site inspections beyond an annual
14 inspection. The Authority ~~shall~~ may refer all complaints alleging
15 criminal activity that are made against a licensed facility to
16 appropriate state or local law enforcement authorities.

17 E. The Authority shall issue ~~a~~ an annual permit for each
18 medical marijuana waste disposal facility operated by a licensee. A
19 permit shall be issued only upon proper application by a licensee
20 and determination by the Authority that the proposed site and
21 facility are physically and technically suitable. Upon a finding
22 that a proposed medical marijuana waste disposal facility is not
23 physically or technically suitable, the Authority shall deny the
24 permit. The Authority shall have the authority to revoke a permit

1 upon a finding that the site and facility are not physically and
2 technically suitable for processing. The Authority may, upon
3 determining that public health or safety requires emergency action,
4 issue a temporary permit for treatment or storage of medical
5 marijuana waste for a period not to exceed ninety (90) days.

6 F. The cost of a medical marijuana waste disposal license shall
7 be Five Thousand Dollars (\$5,000.00) for the initial license. The
8 cost of a medical marijuana waste disposal facility permit shall be
9 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
10 facility permit that has been revoked shall be reinstated upon
11 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
12 to restore the facility permit. All license and permit fees shall
13 be deposited into the ~~Public Health Special~~ Oklahoma Medical
14 Marijuana Authority Revolving Fund as provided in Section ~~1-107~~
15 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

16 G. The holder of a medical marijuana waste disposal license
17 shall not be required to obtain a medical marijuana transporter
18 license provided for in the Oklahoma Medical Marijuana and Patient
19 Protection Act for purposes of transporting medical marijuana waste.

20 H. All commercial licensees, as defined in Section ~~2~~ 428.1 of
21 this ~~act~~ title, shall utilize a licensed medical marijuana waste
22 disposal service to process all medical marijuana waste generated by
23 the licensee.

24

1 I. The State Commissioner of Health shall promulgate rules for
2 the implementation of ~~this act~~ the Oklahoma Medical Marijuana Waste
3 Management Act. Promulgated rules shall address disposal process
4 standards, site security and any other subject matter deemed
5 necessary by the Authority.

6 SECTION 29. This act shall become effective November 1, 2021.

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