

1 ENGROSSED HOUSE
2 BILL NO. 3228

By: Echols of the House

3 and

4 Standridge of the Senate

5
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 2,
9 Chapter 509, O.S.L. 2019 (63 O.S. Supp. 2019, Section
10 420), which relates to medical marijuana patient and
11 caregiver licensing requirements; specifying biannual
12 payment of application fees for patient licenses;
13 authorizing the State Department of Health to deny
14 patient license applications; removing recordkeeping
15 requirement related to approved medical marijuana
16 licenses; clarifying types of records and information
17 the Department must seal for privacy; providing for
18 the assessment of late renewal fees for patients
19 attempting to renew licenses after expiration; making
20 renewal fees nonrefundable; prohibiting reinstatement
21 of certain expired licenses; amending Section 2,
22 State Question No. 788, Initiative Petition No. 412
23 (63 O.S. Supp. 2019, Section 421), which relates to
24 dispensary licensing requirements; increasing time
limitation for reviewing medical marijuana dispensary
license applications; authorizing the Department to
deny dispensary license applications; deleting
penalties for gross discrepancy and fraudulent
reporting and fraudulent sales; amending Section 3,
State Question No. 788, Initiative Petition No. 412
(63 O.S. Supp. 2019, Section 422), which relates to
commercial grower licensing requirements; increasing
time limitation for reviewing medical marijuana
commercial grower license applications; authorizing
the Department to deny commercial grower license
applications; authorizing commercial growers to
package and sell pre-rolled cigarettes; deleting
penalties for gross discrepancy and fraudulent
reporting and fraudulent sales; amending Section 4,
State Question No. 788, Initiative Petition No. 412
(63 O.S. Supp. 2019, Section 423), which relates to
medical marijuana processor licensing requirements;

1 increasing time limitation for reviewing medical
2 marijuana processing license applications;
3 authorizing the Department to deny processing license
4 applications; deleting penalties for gross
5 discrepancy and fraudulent reporting; specifying
6 entity that oversees inspection and compliance of
7 processors; amending Section 6, State Question No.
8 788, Initiative Petition No. 412, as amended by
9 Section 3, Chapter 509, O.S.L. 2019 (63 O.S. Supp.
10 2019, Section 425), which relates to protections for
11 medical marijuana licensees; decreasing distance
12 requirement between retail marijuana establishments
13 and public and private schools; specifying manner by
14 which distances between properties shall be measured;
15 updating statutory citation; amending Section 4,
16 Chapter 509, O.S.L. 2019 (63 O.S. Supp. 2019, Section
17 426.1), which relates to licensure revocation and
18 hearings; updating statutory citations; directing the
19 Department to make list of marijuana-licensed
20 premises available to state agencies; requiring
21 marijuana-licensed premises and businesses to submit
22 certain documentation when requesting a location
23 change; amending Section 2, Chapter 11, O.S.L. 2019,
24 as last amended by Section 1, Chapter 390, O.S.L.
2019, 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 477,
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, Section 10,
Chapter 11, O.S.L. 2019, as amended by Section 2,
Chapter 390, O.S.L. 2019, Section 11, Chapter 11,
O.S.L. 2019, Section 13, Chapter 11, O.S.L. 2019,
Section 14, Chapter 11, O.S.L. 2019, as amended by
Section 6, Chapter 509, O.S.L. 2019, Section 16,
Chapter 11, O.S.L. 2019, Section 17, Chapter 11,
O.S.L. 2019, as amended by Section 4, Chapter 312,
O.S.L. 2019, Section 18, Chapter 11, O.S.L. 2019,
Section 19, Chapter 11, O.S.L. 2019, Section 20,
Chapter 11, O.S.L. 2019, Section 22, Chapter 11,
O.S.L. 2019 and Section 23, Chapter 11, O.S.L. 2019,
as amended by Section 11, Chapter 477, O.S.L. 2019
(63 O.S. Supp. 2019, Sections 427.2, 427.3, 427.4,
427.6, 427.7, 427.9, 427.10, 427.11, 427.13, 427.14,
427.16, 427.17, 427.18, 427.19, 427.20, 427.22 and
427.23), which relate to the Oklahoma Medical

1 Marijuana and Patient Protection Act; modifying scope
2 of certain definitions; deleting certain definitions;
3 updating references to certain named act; clarifying
4 duties and functions of the Oklahoma Medical
5 Marijuana Authority; providing for the establishment
6 of a fee schedule and collection of fees under
7 certain circumstances; modifying inspection
8 notification requirement; requiring licensees to
9 submit certain information; providing statutory
10 citations; authorizing on-site inspections or
11 investigations of medical marijuana businesses and
12 certain facilities; authorizing the State Department
13 of Health to enter licensed premises and certain
14 facilities; providing for post-licensure inspections;
15 removing notice requirement; providing for additional
16 investigations and inspections under certain
17 circumstances; authorizing the review of licensed
18 medical marijuana waste disposal facility records;
19 removing provision that allows licensees to secure
20 legal representation prior to interviews conducted by
21 the Department; providing penalties for grossly
22 inaccurate or fraudulent reports; authorizing the
23 Department to issue orders without notice or hearing
24 under certain circumstances; requiring compliance
with provisions of order; affording opportunity to
apply for a hearing after issuance of order;
clarifying privacy requirements for handling records
of patients and caregivers; deleting references to
certain federal act; authorizing the Authority to
contact recommending physicians of licensees;
providing for licenses to be immediately voided
without a hearing under certain circumstances;
allowing patients to request the withdrawal of a
caregiver license; directing withdrawal of caregiver
license without a hearing under certain
circumstances; directing certain facilities to keep
transaction records and utilize seed-to-sale tracking
system; deleting inventory tracking recordkeeping
requirement; modifying certain business licensing
requirement by including research, education and
waste disposal facility applicants and licensees;
requiring criminal history background checks for
license renewals; providing exemption from residency
requirement for certain medical marijuana business
license applicants; deleting certain copy and digital
image identification requirements; providing for the
denial of business applications; updating statutory

1 citations; prohibiting the issuance of research,
2 education and waste disposal facility licenses to
3 certain persons; removing requirement to consider
4 additional information when considering criminal
5 histories of business license applicants; clarifying
6 manner by which the Department may seek
7 administrative action against applicants or
8 licensees; modifying exemption to certain compliance
9 requirement; requiring research, education and waste
10 disposal facility licensees to pay licensure fees
11 prior to receiving license; providing late renewal
12 fee for reinstatement of licenses; making fee
13 nonrefundable; prohibiting reinstatement of certain
14 expired licenses; prohibiting medical marijuana
15 businesses, research, education and waste disposal
16 facilities from operating without a valid, unexpired
17 license; providing for the issuance of transporter
18 licenses to certain entities; reducing transporter
19 agent license fee; providing for the reprint of
20 licenses without charge; stating fee for subsequent
21 license reprints; modifying and deleting certain
22 qualifications for issuing transporter agent registry
23 identification cards; deleting certain inventory
24 manifest prohibition; increasing amount of time
inventory manifests and logs shall be maintained;
removing authority ability of the Oklahoma Medical
Marijuana Authority to develop research practices and
methods; removing requirement that prohibits indirect
beneficial owners from owning a laboratory; narrowing
scope of testing laboratory licenses; requiring
laboratory licensees to comply with application
requirements; authorizing testing laboratories to
accept samples from research and education
facilities; allowing the testing of product to be
conducted at quality assurance laboratories;
directing the State Department of Health to develop
standards and policies for validation procedures;
specifying type of batches and samples that must be
identified and tracked by an inventory tracking
system; increasing amount of time required for
testing laboratories to retain test results; removing
test batch weight limitation; increasing number of
inspections required for testing laboratories after
licensure; authorizing additional investigations and
inspections under certain circumstances; authorizing
commercial growers to transfer certain product to
processors under certain conditions; deleting certain

1 labeling requirement; making payment of research
2 license fees annual; clarifying application process
3 requirements for medical marijuana education facility
4 licenses; authorizing revocation of licenses for
5 violations of applicable laws, rules and regulations;
6 specifying the type of records and information that
7 are considered confidential and exempt from the
8 Oklahoma Open Records Act; authorizing the Department
9 to share certain information with the Oklahoma Tax
10 Commission; modifying name of entity that recommends
11 rules to the State Commissioner of Health;
12 authorizing the State Department of Health to appoint
13 additional members to the Medical Marijuana Advisory
14 Council; authorizing the Department to tag or mark
15 medical marijuana and medical marijuana product under
16 certain conditions; authorizing the Department to
17 embargo medical marijuana and medical marijuana
18 product; making the removal or disposal of embargoed
19 medical marijuana and medical marijuana product
20 without permission unlawful; allowing the State
21 Commissioner of Health to institute actions in
22 district court for the condemnation and destruction
23 of embargoed medical marijuana and medical marijuana
24 product that fails to meet certain requirements;
providing for the removal of embargoed medical
marijuana and medical marijuana product after certain
determination by the Commissioner; providing
exemption from liability; providing for the
destruction of medical marijuana and medical
marijuana product upon findings made by the court;
requiring expenses associated with 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. 2019, Sections 428.1,
429 and 430), which relate to the Oklahoma Medical
Marijuana Waste Management 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; removing requirement for
entities to maintain disposal records for certain
period of time; clarifying manner by which distance
requirements shall be measured for waste disposal

1 facilities; removing alternative financial assurance
2 option; providing for the annual issuance of annual
3 permits; modifying name of revolving fund; updating
4 statutory citations; providing for codification; and
5 providing an effective date.

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

7 SECTION 1. AMENDATORY Section 1, State Question No. 788,
8 Initiative Petition No. 412, as last amended by Section 2, Chapter
9 509, O.S.L. 2019 (63 O.S. Supp. 2019, Section 420), is amended to
10 read as follows:

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

- 13 1. Consume marijuana legally;
- 14 2. Legally possess up to three (3) ounces (84.9 grams) of
15 marijuana on their person;
- 16 3. Legally possess six (6) mature marijuana plants;
- 17 4. Legally possess six (6) seedling plants;
- 18 5. Legally possess one (1) ounce (28.3 grams) of concentrated
19 marijuana;
- 20 6. Legally possess seventy-two (72) ounces (2,037.6 grams) of
21 edible marijuana; and
- 22 7. Legally possess up to eight (8) ounces (226.4 grams) of
23 marijuana in their residence.

1 B. Possession of up to one and one-half (1.5) ounces (42.45
2 grams) of marijuana by persons who can state a medical condition,
3 but not in possession of a state-issued medical marijuana license,
4 shall constitute a misdemeanor offense punishable by a fine not to
5 exceed Four Hundred Dollars (\$400.00) and shall not be subject to
6 imprisonment for the offense. Any law enforcement officer who comes
7 in contact with a person in violation of this subsection and who is
8 satisfied as to the identity of the person, as well as any other
9 pertinent information the law enforcement officer deems necessary,
10 shall issue to the person a written citation containing a notice to
11 answer the charge against the person in the appropriate court. Upon
12 receiving the written promise of the alleged violator to answer as
13 specified in the citation, the law enforcement officer shall release
14 the person upon personal recognizance unless there has been a
15 violation of another provision of law.

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

20 D. The State Department of Health shall within thirty (30) days
21 of passage of this initiative, make available, on their website, in
22 an easy to find location, an application for a medical marijuana
23 license. The license shall be good for two (2) years. The biannual
24 application fee shall be One Hundred Dollars (\$100.00), or Twenty

1 Dollars (\$20.00) for individuals on Medicaid, Medicare or
2 SoonerCare. The methods of payment shall be provided on the
3 website.

4 E. A temporary license application shall also be available on
5 the website of the State Department of Health. A temporary medical
6 marijuana license shall be granted to any medical marijuana license
7 holder from other states, provided that the state has a state
8 regulated medical marijuana program, and the applicant can prove he
9 or she is a member of such. Temporary licenses shall be issued for
10 thirty (30) days. The cost for a temporary license shall be One
11 Hundred Dollars (\$100.00). Renewal will be granted with
12 resubmission of a new application. No additional criteria shall be
13 required.

14 F. Medical marijuana license applicants shall submit his or her
15 application to the State Department of Health for approval. The
16 applicant must be a resident of Oklahoma and shall prove residency
17 by a valid driver license, utility bills, or other accepted methods.

18 G. The State Department of Health shall review the medical
19 marijuana application, approve ~~or~~, reject or deny the application,
20 and mail the approval ~~or~~, rejection or denial letter ~~to the~~
21 ~~applicant~~ stating any reasons for rejection or denial to the
22 applicant within fourteen (14) business days of receipt of the
23 application. Approved applicants shall be issued a medical
24 marijuana license which will act as proof of his or her approved

1 status. Applications may only be rejected or denied based on the
2 applicant not meeting stated criteria or improper completion of the
3 application.

4 ~~H. The State Department of Health shall only keep the following~~
5 ~~records for each approved medical license:~~

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

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

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

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

11 ~~I.~~ The State Department of Health shall make available, both on
12 its website, and through a telephone verification system, an easy
13 method to validate the authenticity of a medical marijuana license
14 by the unique 24-character identification number.

15 ~~J.~~ I. The State Department of Health shall ensure that all
16 ~~application~~ medical marijuana patient and caregiver records and
17 information are sealed to protect the privacy of medical marijuana
18 license applicants.

19 ~~K.~~ J. A caregiver license shall be made available for qualified
20 caregivers of a medical marijuana license holder who is homebound.
21 As provided in Section ~~11 of Enrolled House Bill No. 2612~~ 427.11 of
22 ~~the 1st Session of the 57th Oklahoma Legislature~~ this title, the
23 caregiver license shall provide the caregiver the same rights as the
24 medical marijuana patient licensee, including the ability to possess

1 marijuana, marijuana products and mature and immature plants
2 pursuant to the Oklahoma Medical Marijuana and Patient Protection
3 Act, but excluding the ability to use marijuana or marijuana
4 products unless the caregiver has a medical marijuana patient
5 license. Applicants for a caregiver license shall submit proof of
6 the license status and homebound status of the medical marijuana
7 license holder, that the caregiver is the designee of the medical
8 marijuana license holder, that the caregiver is eighteen (18) years
9 of age or older, and that the caregiver is an Oklahoma resident.
10 This shall be the only criteria for a caregiver license.

11 ~~H.~~ K. All applicants must be eighteen (18) years of age or
12 older. A special exception shall be granted to an applicant under
13 the age of eighteen (18), however these applications must be signed
14 by two (2) physicians and the parent or legal guardian of the
15 applicant.

16 ~~M.~~ L. All applications for a medical marijuana license shall be
17 signed by an Oklahoma physician. There are no qualifying
18 conditions. A medical marijuana license must be recommended
19 according to the accepted standards a reasonable and prudent
20 physician would follow when recommending or approving any
21 medication. No physician may be unduly stigmatized or harassed for
22 signing a medical marijuana license application.

23 ~~N.~~ M. A medical marijuana patient who attempts to renew his or
24 her license more than thirty (30) days after expiration of the

1 license shall pay a late renewal fee in an amount to be determined
2 by the Department to reinstate the license. Late renewal fees are
3 nonrefundable. A license that has been expired for more than ninety
4 (90) days shall not be reinstated.

5 N. Counties and cities may enact medical marijuana guidelines
6 allowing medical marijuana license holders or caregivers to exceed
7 the state limits set forth in subsection A of this section.

8 SECTION 2. AMENDATORY Section 2, State Question No. 788,
9 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 421), is
10 amended to read as follows:

11 Section 421. A. The ~~Oklahoma~~ State Department of Health shall,
12 within thirty (30) days of passage of this initiative, make
13 available, ~~on their~~ its website, ~~in an easy-to-find location,~~ an
14 application for a medical marijuana dispensary license. The
15 application fee shall be Two Thousand Five Hundred Dollars
16 (\$2,500.00) ~~and a.~~ A method of payment ~~will~~ shall be provided on
17 the website. ~~Retail~~ Dispensary applicants must all be Oklahoma
18 state residents. Any entity applying for a ~~retail~~ dispensary
19 license must be owned by an Oklahoma state resident and must be
20 registered to do business in Oklahoma. The ~~Oklahoma~~ State
21 Department of Health shall have ~~two (2) weeks~~ ninety (90) business
22 days to review the application, approve ~~or,~~ reject or deny the
23 application, ~~and mail the approval/rejection~~ approval, rejection or
24

1 denial letter ~~(if rejected,~~ stating any reasons for rejection) or
2 denial to the applicant.

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

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

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

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

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

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

16 6. All applicants must disclose all ownership~~+~~.

17 ~~7. Applicant(s)~~ Applicants with ~~only a~~ nonviolent felony
18 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
19 conviction in ~~5 (years)~~ the last five (5) years, inmates under the
20 custody of the Department of Corrections, or any person currently
21 incarcerated ~~may~~ shall not qualify for a medical marijuana
22 dispensary license.

23 C. ~~Retailers will~~ Dispensaries shall be required to complete a
24 monthly sales report to the ~~Oklahoma~~ State Department of Health.

1 This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month
2 and provide reporting on the previous month. This report ~~will~~ shall
3 detail the weight of marijuana purchased at wholesale and the weight
4 of marijuana sold to card holders, and account for any waste. The
5 report ~~will~~ shall show total sales in dollars, tax collected in
6 dollars, and tax due in dollars. The ~~Oklahoma~~ State Department of
7 Health ~~will~~ shall have oversight and auditing responsibilities to
8 ensure that all marijuana being grown is accounted for. ~~A retailer~~
9 ~~will only be subject to a penalty if a gross discrepancy exists and~~
10 ~~cannot be explained. Penalties for fraudulent reporting occurring~~
11 ~~within any 2 year time period will be an initial fine of Five~~
12 ~~Thousand Dollars (\$5,000.00) (first) and revocation of licensing~~
13 ~~(second).~~

14 D. Only a licensed medical marijuana ~~retailer~~ dispensary may
15 conduct retail sales of marijuana, or marijuana derivatives in the
16 form provided by licensed processors, and these products can only be
17 sold to a licensed medical marijuana ~~license holder~~ patients or
18 ~~their caregiver~~ licensed medical marijuana caregivers. ~~Penalties~~
19 ~~for fraudulent sales occurring within any 2 year time period will be~~
20 ~~an initial fine of Five Thousand Dollars (\$5,000.00) (first) and~~
21 ~~revocation of licensing (second).~~

22 SECTION 3. AMENDATORY Section 3, State Question No. 788,
23 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 422), is
24 amended to read as follows:

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~~7~~ on ~~their~~ its website~~7~~, in an easy-to-find location~~7~~, 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 The methods of payment ~~will~~ shall be provided on the website. The
7 ~~Oklahoma~~ State Department of Health ~~has two (2) weeks~~ shall have
8 ninety (90) business days to review the application, approve ~~or~~,
9 reject or deny the application~~7~~, and mail the ~~approval/rejection~~
10 approval, rejection or denial letter ~~(if rejected, stating reasons~~
11 ~~for rejection)~~ stating reasons for the rejection or denial to the
12 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, 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~~r~~.

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

9 C. A licensed commercial grower may sell marijuana to a
10 licensed retailer~~r~~, or a licensed packager. Beginning November 1,
11 2020, licensed medical marijuana growers shall be authorized to
12 package and sell to licensed medical marijuana dispensaries pre-
13 rolled cigarettes containing pure flower only and no additives.

14 Further, these sales ~~will~~ shall be considered wholesale sales and
15 not subject to taxation. Under no circumstances may a licensed
16 commercial grower sell marijuana directly to a licensed medical
17 marijuana ~~license holder~~ patient. A licensed commercial grower may
18 only sell at the wholesale level to a licensed ~~retailer~~ dispensary
19 or a licensed processor. If the federal government lifts
20 restrictions on buying and selling marijuana between states, then a
21 licensed commercial grower would be allowed to sell and buy
22 marijuana wholesale from, or to, an out of state wholesale provider.
23 A licensed commercial grower ~~will~~ shall be required to complete a
24 monthly yield and sales report to the ~~Oklahoma~~ State Department of

1 Health. This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each
2 month and provide reporting on the previous month. ~~This~~ The report
3 ~~will~~ shall detail the amount of marijuana harvested in pounds, the
4 amount of drying or dried marijuana on hand, the amount of marijuana
5 sold to processors in pounds, the amount of waste in pounds, and the
6 amount of marijuana sold to retailers in ~~lbs~~ pounds. Additionally,
7 ~~this~~ the report ~~will~~ shall show total wholesale sales in dollars.
8 The ~~Oklahoma~~ State Department of Health ~~will~~ shall have oversight
9 and auditing responsibilities to ensure that all marijuana being
10 grown by the licensed commercial grower 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 SECTION 4. AMENDATORY Section 4, State Question No. 788,
19 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 423), is
20 amended to read as follows:

21 Section 423. A. The ~~Oklahoma~~ State Department of Health shall,
22 within thirty (30) days of passage of this initiative, make
23 available~~7~~ on ~~their~~ its website~~7~~, in an easy~~7~~to~~7~~find location~~7~~, an
24 application for a medical marijuana processing license. The

1 application fee shall be Two Thousand Five Hundred Dollars
2 (\$2,500.00) ~~and methods.~~ A method of payment ~~will~~ shall be provided
3 on the website. The ~~Oklahoma~~ State Department of Health shall have
4 ~~two (2) weeks~~ ninety (90) business days to review the application,
5 approve ~~or,~~ reject or deny the application, and mail the
6 ~~approval/rejection~~ approval, rejection or denial letter ~~(if rejected~~
7 ~~stating reasons for rejection)~~ or denial to the applicant.

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

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

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

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

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

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

21 6. All applicants must disclose all ownership~~+~~.

22 ~~7. Applicant(s)~~ Applicants with ~~only~~ a nonviolent felony
23 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
24 conviction in ~~5 (years)~~ the last five (5) years, inmates in the

1 custody of the Department of Corrections, or any person currently
2 incarcerated ~~may~~ shall not qualify for a medical marijuana
3 processing license.

4 C. A licensed processor may take marijuana plants and distill
5 or process these plants into concentrates, edibles, and other forms
6 for consumption. As required by subsection D of this section, the
7 ~~Oklahoma~~ State Department of Health ~~will~~ shall, within sixty (60)
8 days of passage of this initiative, make available a set of
9 standards which ~~will~~ shall be used by licensed processors in the
10 preparation of edible marijuana products. This should be in line
11 with current food preparation guidelines ~~and no.~~ No excessive or
12 punitive rules may be established by the ~~Oklahoma~~ State Department
13 of Health. Once a year, the ~~Oklahoma~~ State Department of Health may
14 inspect a processing operation and determine its compliance with the
15 preparation standards. If deficiencies are found, a written report
16 of deficiency ~~will~~ shall be issued to the processor. The processor
17 ~~will~~ shall have one (1) month to correct the deficiency or be
18 subject to a fine of Five Hundred Dollars (\$500.00) for each
19 deficiency. A licensed processor may sell marijuana products it
20 creates to a licensed ~~retailer,~~ dispensary or any other licensed
21 processor. Further, these sales ~~will~~ shall be considered wholesale
22 sales and not subject to taxation. Under no circumstances may a
23 licensed processor sell marijuana, or any marijuana product,
24 directly to a licensed medical marijuana ~~license holder~~ patient.

1 However, a licensed processor may process cannabis into a
2 concentrated form, for a licensed medical license holder, marijuana
3 patient for a fee. ~~Processors will~~ Licensed processors shall be
4 required to complete a monthly yield and sales report to the
5 ~~Oklahoma~~ State Department of Health. ~~This~~ The report ~~will~~ shall be
6 due on the ~~15th~~ fifteenth of each month and provide reporting on the
7 previous month. ~~This~~ The report ~~will~~ shall detail the amount of
8 marijuana purchased in pounds, the amount of marijuana cooked or
9 processed in pounds, and the amount of waste in pounds.
10 Additionally, ~~this~~ the report ~~will~~ shall show total wholesale sales
11 in dollars. The ~~Oklahoma~~ State Department of Health ~~will~~ shall have
12 oversight and auditing responsibilities to ensure that all marijuana
13 being grown is accounted for. ~~A licensed processor will only be~~
14 ~~subject to a penalty if a gross discrepancy exists and cannot be~~
15 ~~explained. Penalties for fraudulent reporting occurring within any~~
16 ~~2 year time period will be an initial fine of Five Thousand Dollars~~
17 ~~(\$5,000.00) (first) and revocation of licensing (second).~~

18 D. The Department shall oversee inspection and compliance of
19 processors producing products with marijuana as an additive. The
20 ~~Oklahoma State Department of Health will~~ shall be compelled to,
21 within thirty (30) days of passage of this initiative, appoint a
22 ~~board of twelve (12)~~ Oklahoma residents to the Council, who are
23 marijuana industry experts, to create a list of food safety
24 standards for processing and handling medical marijuana in Oklahoma.

1 These standards ~~will~~ shall be adopted by the agency and the agency
2 can enforce these standards for licensed processors. The agency
3 ~~will~~ shall develop a standards review procedure and these standards
4 can be altered by calling another ~~board~~ council of twelve (12)
5 Oklahoma marijuana industry experts. A signed letter of twenty ~~(20)~~
6 operating licensed processors ~~would~~ shall constitute a need for a
7 new ~~board~~ council and ~~standard~~ standards review.

8 E. If it becomes permissible, under federal law, marijuana may
9 be moved across state lines.

10 F. Any device used for the consumption of medical marijuana
11 shall be considered legal to be sold, manufactured, distributed, and
12 possessed. No merchant, wholesaler, manufacturer, or individual may
13 ~~unduly~~ be unduly harassed or prosecuted for selling, manufacturing,
14 or ~~possession of medical~~ possessing marijuana paraphernalia.

15 SECTION 5. AMENDATORY Section 6, State Question No. 788,
16 Initiative Petition No. 412, as amended by Section 3, Chapter 509,
17 O.S.L. 2019 (63 O.S. Supp. 2019, Section 425), is amended to read as
18 follows:

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

1 B. Unless a failure to do so would cause an employer the
2 potential to lose a monetary or licensing-related benefit under
3 federal law or regulations, an employer may not discriminate against
4 a person in hiring, termination or imposing any term or condition of
5 employment or otherwise penalize a person based upon either:

6 1. The status of the person as a medical marijuana license
7 holder; or

8 2. Employers may take action against a holder of a medical
9 marijuana license if the holder uses or possesses marijuana while in
10 his or her place of employment or during the hours of employment.

11 Employers may not take action against the holder of a medical
12 marijuana license solely based upon the status of an employee as a
13 medical marijuana license holder or the results of a drug test
14 showing positive for marijuana or its components.

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

21 D. No medical marijuana license holder may be denied custody of
22 or visitation or parenting time with a minor, and there is no
23 presumption of neglect or child endangerment for conduct allowed
24

1 under this law, unless the behavior of the person creates an
2 unreasonable danger to the safety of the minor.

3 E. No person holding a medical marijuana license may unduly be
4 withheld from holding a state-issued license by virtue of their
5 being a medical marijuana license holder including, but not limited
6 to, a concealed carry permit.

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

10 2. For purposes of this subsection, an undue change or
11 restriction of municipal zoning laws means an act which entirely
12 prevents retail marijuana establishments from operating within
13 municipal boundaries as a matter of law. Municipalities may follow
14 their standard planning and zoning procedures to determine if
15 certain zones or districts would be appropriate for locating
16 marijuana-licensed premises, medical marijuana businesses or any
17 other premises where marijuana or its by-products are cultivated,
18 grown, processed, stored or manufactured.

19 3. For purposes of this section, "retail marijuana
20 establishment" means an entity licensed by the State Department of
21 Health as a medical marijuana dispensary. Retail marijuana
22 establishment does not include those other entities licensed by the
23 Department as marijuana-licensed premises, medical marijuana
24 businesses or other facilities or locations where marijuana or any

1 product containing marijuana or its by-products are cultivated,
2 grown, processed, stored or manufactured.

3 G. The location of any retail marijuana establishment is
4 specifically prohibited within ~~one thousand (1,000)~~ three hundred
5 (300) feet of any public or private school ~~entrance~~. Upon the
6 effective date of this act, the distance indicated in this
7 subsection shall be measured from the nearest property line of the
8 public or private school to the front entrance of the retail
9 marijuana establishment. If any public or private school is
10 established within three hundred (300) feet of any retail marijuana
11 establishment after such retail marijuana establishment has been
12 licensed, the provisions of this section shall not be a deterrent to
13 the renewal of such license or warrant revocation of the license.

14 H. Research shall be provided for under this law. A researcher
15 may apply to the State Department of Health for a special research
16 license. The license shall be granted, provided the applicant meets
17 the criteria listed ~~under subsection B of Section 421 of this title~~
18 in the Oklahoma Medical Marijuana and Patient Protection Act.

19 Research license holders shall be required to file monthly
20 consumption reports to the State Department of Health with amounts
21 of marijuana used for research.

22 SECTION 6. AMENDATORY Section 4, Chapter 509, O.S.L.
23 2019 (63 O.S. Supp. 2019, Section 426.1), is amended to read as
24 follows:

1 Section 426.1 A. ~~Except for revocation hearings concerning~~
2 ~~licensed patients, as~~ As defined in Section ~~2~~ 427.2 of ~~Enrolled~~
3 ~~House Bill No. 2612 of the 1st Session of the 57th Oklahoma~~
4 ~~Legislature~~ this title, all licensure revocation hearings conducted
5 pursuant to marijuana licenses established in the Oklahoma Statutes
6 shall be recorded. A party may request a copy of the recording of
7 the proceedings. Copies shall be provided to local law enforcement
8 if the revocation was based on alleged criminal activity.

9 B. The State Department of Health shall assist any law
10 enforcement officer in the performance of his or her duties upon
11 such request by the law enforcement officer or the request of other
12 local officials having jurisdiction. Except for license information
13 concerning licensed patients, as defined in Section ~~2~~ 427.2 of
14 ~~Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma~~
15 ~~Legislature~~ this title, the Department shall share information with
16 law enforcement agencies upon request without a subpoena or search
17 warrant.

18 C. The State Department of Health shall make available all
19 information displayed on medical marijuana licenses, as well as
20 whether or not the license is valid, to law enforcement
21 electronically through the Oklahoma Law Enforcement
22 Telecommunications System.

23 D. The Department shall make available to Oklahoma state
24 agencies and political subdivisions a list of marijuana-licensed

1 premises, medical marijuana businesses or any other premises where
2 marijuana or its by-products are licensed to be cultivated, grown,
3 processed, stored or manufactured to aid Oklahoma state, county and
4 municipal governments in identifying locations within their
5 jurisdiction and ~~ensure~~ ensuring compliance with ~~local~~ applicable
6 laws, rules and regulations.

7 E. All marijuana-licensed premises, medical marijuana
8 businesses or any other premises where marijuana or its by-products
9 are licensed to be cultivated, grown, processed, stored or
10 manufactured shall submit with ~~their~~ the application or request to
11 change location, after notifying the political subdivision of their
12 intent, a certificate of compliance from the political subdivision
13 where the facility or use of the applicant or ~~use~~ licensee is to be
14 located certifying compliance with zoning classifications,
15 applicable municipal ordinances and all applicable safety,
16 electrical, fire, plumbing, waste, construction and building
17 specification codes.

18 SECTION 7. AMENDATORY Section 2, Chapter 11, O.S.L.
19 2019, as last amended by Section 1, Chapter 390, O.S.L. 2019 (63
20 O.S. Supp. 2019, Section 427.2), is amended to read as follows:

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

23 1. "Advertising" means the act of providing consideration for
24 the publication, dissemination, solicitation, or circulation, of

1 visual, oral, or written communication, to induce directly or
2 indirectly any person to patronize a particular medical marijuana
3 business, or to purchase particular medical marijuana or a medical
4 marijuana product. Advertising includes marketing, but does not
5 include packaging and labeling;

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

7 3. "Batch number" means a unique numeric or alphanumeric
8 identifier assigned prior to testing to allow for inventory tracking
9 and traceability;

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

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

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

16 a. designed or constructed to be significantly difficult
17 for children under five (5) years of age to open and
18 not difficult for normal adults to use properly as
19 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
20 1700.20 (1995),

21 b. opaque so that the outermost packaging does not allow
22 the product to be seen without opening the packaging
23 material, and
24

1 c. resealable to maintain its child-resistant
2 effectiveness for multiple openings for any product
3 intended for more than a single use or containing
4 multiple servings;

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

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

9 9. "Complete application" means a document prepared in
10 accordance with the provisions set forth in this act, rules
11 promulgated pursuant thereto, and the forms and instructions
12 provided by the Department, including any supporting documentation
13 required and the applicable license application fee;

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

15 11. "Director" means the Executive Director of the Oklahoma
16 Medical Marijuana Authority;

17 12. "Dispense" means the selling of medical marijuana or a
18 medical marijuana product to a qualified patient or the designated
19 caregiver of the patient that is packaged in a suitable container
20 appropriately labeled for subsequent administration to or use by a
21 qualifying patient;

22 13. "Dispensary" means a medical marijuana dispensary, an
23 entity that has been licensed by the Department pursuant to this act
24 to purchase medical marijuana or medical marijuana products from a

1 licensed medical marijuana commercial grower or medical marijuana
2 processor, to package pre-rolls, and to sell medical marijuana or
3 medical marijuana products to patients and caregivers as defined
4 under this act, or sell or transfer products to another dispensary;

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

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

12 16. "Flower" means the reproductive organs of the marijuana or
13 cannabis plant referred to as the bud or parts of the plant that are
14 harvested and used to consume in a variety of medical marijuana
15 products;

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

19 18. "Food-based medical marijuana concentrate" means a medical
20 marijuana concentrate that was produced by extracting cannabinoids
21 from medical marijuana through the use of propylene glycol,
22 glycerin, butter, olive oil, coconut oil or other typical food-safe
23 cooking fats;

24

1 19. ~~"Good cause" for purposes of an initial, renewal or~~
2 ~~reinstatement license application, or for purposes of discipline of~~
3 ~~a licensee, means:~~

- 4 a. ~~the licensee or applicant has violated, does not meet,~~
5 ~~or has failed to comply with any of the terms,~~
6 ~~conditions or provisions of the act, any rules~~
7 ~~promulgated pursuant thereto, or any supplemental~~
8 ~~relevant state or local law, rule or regulation,~~
- 9 b. ~~the licensee or applicant has failed to comply with~~
10 ~~any special terms or conditions that were placed upon~~
11 ~~the license pursuant to an order of the State~~
12 ~~Department of Health, Oklahoma Medical Marijuana~~
13 ~~Authority or the municipality, or~~
- 14 c. ~~the licensed premises of a medical marijuana business~~
15 ~~or applicant have been operated in a manner that~~
16 ~~adversely affects the public health or welfare or the~~
17 ~~safety of the immediate vicinity in which the~~
18 ~~establishment is located;~~

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

23 ~~21.~~ 20. "Harvested marijuana" means post-flowering medical
24 marijuana not including trim, concentrate or waste;

1 ~~22.~~ 21. "Heat- or pressure-based medical marijuana concentrate"
2 means a medical marijuana concentrate that was produced by
3 extracting cannabinoids from medical marijuana through the use of
4 heat or pressure;

5 ~~23.~~ 22. "Immature plant" means a nonflowering marijuana plant
6 that has not demonstrated signs of flowering;

7 ~~24.~~ 23. "Inventory tracking system" means the required tracking
8 system that accounts for the entire life span of medical marijuana,
9 from ~~either~~ the seed ~~or immature plant~~ stage until the medical
10 marijuana or medical marijuana product is ~~sold to a patient at a~~
11 ~~medical marijuana dispensary, transferred to a medical marijuana~~
12 ~~research facility,~~ consumed, used, disposed of or otherwise
13 ~~destroyed by a medical marijuana business or used in a research~~
14 ~~project by a medical marijuana research facility;~~

15 ~~25.~~ 24. "Licensed patient" or "patient" means a person who has
16 been issued a medical marijuana patient license by the State
17 Department of Health or Oklahoma Medical Marijuana Authority;

18 ~~26.~~ 25. "Licensed premises" means the premises specified in an
19 application for a medical marijuana business license, medical
20 marijuana research facility license or medical marijuana education
21 facility license pursuant to this act that are owned or in
22 possession of the licensee and within which the licensee is
23 authorized to cultivate, manufacture, distribute, sell, store,
24 transport, test or research medical marijuana or medical marijuana

1 products in accordance with the provisions of this act and rules
2 promulgated pursuant thereto;

3 ~~27.~~ 26. "Manufacture" means the production, propagation,
4 compounding or processing of a medical marijuana product, excluding
5 marijuana plants, either directly or indirectly by extraction from
6 substances of natural or synthetic origin, or independently by means
7 of chemical synthesis, or by a combination of extraction and
8 chemical synthesis;

9 ~~28.~~ 27. "Marijuana" shall have the same meaning as such term is
10 defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this
11 title;

12 ~~29.~~ 28. "Material change" means any change that would ~~require a~~
13 ~~substantive revision to the standard operating procedures of a~~
14 affect the qualifications for licensure of an applicant or licensee
15 ~~for the cultivation or production of medical marijuana, medical~~
16 ~~marijuana concentrate or medical marijuana products;~~

17 ~~30.~~ 29. "Mature plant" means a harvestable female marijuana
18 plant that is flowering;

19 ~~31.~~ 30. "Medical marijuana business (MMB)" means a licensed
20 medical marijuana dispensary, medical marijuana processor, medical
21 marijuana commercial grower, medical marijuana laboratory, medical
22 marijuana business operator, or a medical marijuana transporter;

23 ~~32.~~ 31. "Medical marijuana concentrate" or "concentrate" means
24 a specific subset of medical marijuana that was produced by

1 extracting cannabinoids from medical marijuana. Categories of
2 medical marijuana concentrate include water-based medical marijuana
3 concentrate, food-based medical marijuana concentrate, solvent-based
4 medical marijuana concentrate, and heat- or pressure-based medical
5 marijuana concentrate;

6 ~~33.~~ 32. "Medical marijuana commercial grower" or "commercial
7 grower" means an entity licensed to cultivate, prepare and package
8 medical marijuana, package medical marijuana as pre-rolls, and
9 transfer or contract for transfer medical marijuana and medical
10 marijuana pre-rolls to a medical marijuana dispensary, medical
11 marijuana processor, any other medical marijuana commercial grower,
12 medical marijuana research facility, and medical marijuana education
13 facility ~~and pesticide manufacturers~~. A commercial grower may sell
14 seeds, flower or clones to commercial growers pursuant to this act;

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

23
24

1 ~~35.~~ 34. "Medical-marijuana-infused product" means a product
2 infused with medical marijuana including, but not limited to, edible
3 products, ointments and tinctures;

4 ~~36.~~ 35. "Medical marijuana product" or "product" means a
5 product that contains cannabinoids that have been extracted from
6 plant material or the resin therefrom by physical or chemical means
7 and is intended for administration to a qualified patient including,
8 but not limited to, oils, tinctures, edibles, pills, topical forms,
9 gels, creams, vapors, patches, liquids, and forms administered by a
10 nebulizer, excluding live plant forms which are considered medical
11 marijuana;

12 ~~37.~~ 36. "Medical marijuana processor" means a person or entity
13 licensed pursuant to this act to operate a business including the
14 production, manufacture, extraction, processing, packaging or
15 creation of concentrate, medical-marijuana-infused products or
16 medical marijuana products as described in this act;

17 ~~38.~~ 37. "Medical marijuana research facility" or "research
18 facility" means a person or entity approved pursuant to this act to
19 conduct medical marijuana research. A medical marijuana research
20 facility is not a medical marijuana business;

21 ~~39.~~ 38. "Medical marijuana testing laboratory" or "laboratory"
22 means a public or private laboratory licensed pursuant to this act,
23 to conduct testing and research on medical marijuana and medical
24 marijuana products;

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

8 ~~41.~~ 40. "Medical marijuana waste" or "waste" means unused,
9 surplus, returned or out-of-date marijuana, plant debris of the
10 plant of the genus Cannabis, including dead plants and all unused
11 plant parts and roots;

12 ~~42.~~ 41. "Medical use" means the acquisition, possession, use,
13 delivery, transfer or transportation of medical marijuana, medical
14 marijuana products, medical marijuana devices or paraphernalia
15 relating to the administration of medical marijuana to treat a
16 licensed patient;

17 ~~43.~~ 42. "Mother plant" means a marijuana plant that is grown or
18 maintained for the purpose of generating clones, and that will not
19 be used to produce plant material for sale to a medical marijuana
20 processor or medical marijuana dispensary;

21 ~~44.~~ 43. "Oklahoma physician" or "physician" means a physician
22 licensed by and in good standing with the State Board of Medical
23 Licensure and Supervision, the State Board of Osteopathic Examiners
24 or the Board of Podiatric Medical Examiners;

1 ~~45.~~ 44. "Oklahoma resident" means an individual who can provide
2 proof of residency as required by this act;

3 ~~46.~~ 45. "Owner" means, except where the context otherwise
4 requires, a direct beneficial owner including, but not limited to,
5 all persons or entities as follows:

- 6 a. all shareholders owning an interest of a corporate
7 entity and all officers of a corporate entity,
- 8 b. all partners of a general partnership,
- 9 c. all general partners and all limited partners that own
10 an interest in a limited partnership,
- 11 d. all members that own an interest in a limited
12 liability company,
- 13 e. all beneficiaries that hold a beneficial interest in a
14 trust and all trustees of a trust,
- 15 f. all persons or entities that own interest in a joint
16 venture,
- 17 g. all persons or entities that own an interest in an
18 association,
- 19 h. the owners of any other type of legal entity, and
- 20 i. any other person holding an interest or convertible
21 note in any entity which owns, operates or manages a
22 licensed facility;

1 ~~47.~~ 46. "Package" or "packaging" means any container or wrapper
2 that may be used by a medical marijuana business to enclose or
3 contain medical marijuana;

4 ~~48.~~ 47. "Person" means a natural person, partnership,
5 association, business trust, company, corporation, estate, limited
6 liability company, trust or any other legal entity or organization,
7 or a manager, agent, owner, director, servant, officer or employee
8 thereof, except that "person" does not include any governmental
9 organization;

10 ~~49.~~ 48. "Pesticide" means any substance or mixture of
11 substances intended for preventing, destroying, repelling or
12 mitigating any pest or any substance or mixture of substances
13 intended for use as a plant regulator, defoliant or desiccant,
14 except that the term "pesticide" shall not include any article that
15 is a "new animal drug" as designated by the United States Food and
16 Drug Administration;

17 ~~50.~~ 49. "Production batch" means:

- 18 a. any amount of medical marijuana concentrate of the
19 same category and produced using the same extraction
20 methods, standard operating procedures and an
21 identical group of harvest batch of medical marijuana,
22 or
23 b. any amount of medical marijuana product of the same
24 exact type, produced using the same ingredients,

1 standard operating procedures and the same production
2 batch of medical marijuana concentrate;

3 ~~51.~~ 50. "Public institution" means any entity established or
4 controlled by the federal government, state government, or a local
5 government or municipality including, but not limited to,
6 institutions of higher education or related research institutions;

7 ~~52.~~ 51. "Public money" means any funds or money obtained by the
8 holder from any governmental entity including, but not limited to,
9 research grants;

10 ~~53.~~ 52. "Recommendation" means a document that is signed or
11 electronically submitted by a physician on behalf of a patient for
12 the use of medical marijuana pursuant to this act;

13 ~~54.~~ 53. "Registered to conduct business" means a person that
14 has provided proof that the business applicant or licensee is in
15 good standing with the Oklahoma Secretary of State and Oklahoma Tax
16 Commission;

17 ~~55.~~ 54. "Remediation" means the process by which ~~the medical~~
18 ~~marijuana flower or trim, which has failed microbial testing, is~~
19 ~~processed into solvent based medical marijuana concentrate and a~~
20 harvest batch or production batch that fails testing undergoes a
21 procedure to remedy the harvest batch or production batch and is
22 retested as required by this act in accordance with Oklahoma laws,
23 rules and regulations;
24

1 ~~56.~~ 55. "Research project" means a discrete scientific endeavor
2 to answer a research question or a set of research questions related
3 to medical marijuana and is required for a medical marijuana
4 research license. A research project shall include a description of
5 a defined protocol, clearly articulated goals, defined methods and
6 outputs, and a defined start and end date. The description shall
7 demonstrate that the research project will comply with all
8 requirements in this act and rules promulgated pursuant thereto.
9 All research and development conducted by a medical marijuana
10 research facility shall be conducted in furtherance of an approved
11 research project;

12 ~~57.~~ 56. "Revocation" means the final decision by the Department
13 that any license issued pursuant to this act is rescinded because
14 the individual or entity does not comply with the applicable
15 requirements set forth in this act or rules promulgated pursuant
16 thereto;

17 ~~58.~~ 57. "School" means a public or private preschool or a
18 public or private elementary or secondary school used for school
19 classes and instruction. A homeschool, daycare or child-care
20 facility shall not be considered a "school" as used in this act;

21 ~~59.~~ 58. "Shipping container" means a hard-sided container with
22 a lid or other enclosure that can be secured in place. A shipping
23 container is used solely for the transport of medical marijuana,
24 medical marijuana concentrate, or medical marijuana products between

1 medical marijuana businesses, a medical marijuana research facility,
2 or a medical marijuana education facility;

3 ~~60.~~ 59. "Solvent-based medical marijuana concentrate" means a
4 medical marijuana concentrate that was produced by extracting
5 cannabinoids from medical marijuana through the use of a solvent
6 approved by the Department;

7 ~~61.~~ 60. "State Question" means Oklahoma State Question No. 788,
8 Initiative Petition No. 412, approved by a majority vote of the
9 citizens of Oklahoma on June 26, 2018;

10 ~~62.~~ ~~"Strain" means the classification of marijuana or cannabis~~
11 ~~plants in either pure sativa, indica, afghanica, ruderalis or hybrid~~
12 ~~varieties;~~

13 ~~63.~~ 61. "THC" means tetrahydrocannabinol, which is the primary
14 psychotropic cannabinoid in marijuana formed by decarboxylation of
15 naturally tetrahydrocannabinolic acid, which generally occurs by
16 exposure to heat;

17 ~~64.~~ ~~"Test batch" means with regard to usable marijuana, a~~
18 ~~homogenous, identified quantity of usable marijuana by strain, no~~
19 ~~greater than ten (10) pounds, that is harvested during a seven-day~~
20 ~~period from a specified cultivation area, and with regard to oils,~~
21 ~~vapors and waxes derived from usable marijuana, means an identified~~
22 ~~quantity that is uniform, that is intended to meet specifications~~
23 ~~for identity, strength and composition, and that is manufactured,~~

24

1 ~~packaged and labeled during a specified time period according to a~~
2 ~~single manufacturing, packaging and labeling protocol;~~

3 ~~65.~~ 62. "Transporter agent" means a person who transports
4 medical marijuana or medical marijuana products for a licensed
5 transporter and holds a transporter agent license pursuant to this
6 act;

7 ~~66.~~ 63. "Universal symbol" means the image established by the
8 State Department of Health or Oklahoma Medical Marijuana Authority
9 and made available to licensees through its website indicating that
10 the medical marijuana or the medical marijuana product contains THC;

11 ~~67.~~ 64. "Usable marijuana" means the dried leaves, flowers,
12 oils, vapors, waxes and other portions of the marijuana plant and
13 any mixture or preparation thereof, excluding ~~seed~~ seeds, roots and
14 stalks; and

15 ~~68.~~ 65. "Water-based medical marijuana concentrate" means a
16 concentrate that was produced by extracting cannabinoids from
17 medical marijuana through the use of only water, ice, or dry ice.

18 SECTION 8. AMENDATORY Section 3, Chapter 11, O.S.L.
19 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
20 Supp. 2019, Section 427.3), is amended to read as follows:

21 Section 427.3 A. There is hereby created the Oklahoma Medical
22 Marijuana Authority within the State Department of Health which
23 shall address issues related to the medical marijuana program in
24 Oklahoma including, but not limited to, the issuance of patient

1 licenses and medical marijuana business licenses, and the
2 dispensing, cultivating, processing, testing, transporting, storage,
3 research, and the use of and sale of medical marijuana pursuant to
4 this act.

5 B. The Department shall provide support staff to perform
6 designated duties of the Authority. The Department shall also
7 provide office space for meetings of the Authority.

8 C. The Department shall implement the provisions of this act
9 consistently with the voter-approved State Question No. 788,
10 Initiative Petition No. 412, subject to the provisions of this act.

11 D. The Department shall exercise its respective powers and
12 perform its respective duties and functions as specified in this act
13 and ~~Title 63 of the Oklahoma Statutes~~ this title including, but not
14 limited to, the following:

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

- 19 a. public health policy and public safety policy,
- 20 b. agronomic and horticultural best practices, and
- 21 c. medical and pharmacopoeia best practices;

22 2. Contract with third-party vendors and other governmental
23 entities in order to carry out the respective duties and functions
24 as specified in this act;

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

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

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

11 6. Inspect and examine, ~~with notice provided in accordance with~~
12 ~~this act,~~ all licensed premises of medical marijuana businesses,
13 research facilities ~~and,~~ education facilities and waste disposal
14 facilities in which medical marijuana is cultivated, manufactured,
15 sold, stored, transported, tested ~~or,~~ distributed or disposed;

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

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

23 9. Establish a fee schedule and collect fees for performing
24 background checks as the Commissioner deems appropriate. The fees

1 charged pursuant to this paragraph shall not exceed the actual cost
2 incurred for each background check; and

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

6 SECTION 9. AMENDATORY Section 4, Chapter 11, O.S.L. 2019
7 (63 O.S. Supp. 2019, Section 427.4), is amended to read as follows:

8 Section 427.4 A. The Oklahoma Medical Marijuana Authority, in
9 conjunction with the State Department of Health, shall employ an
10 Executive Director and other personnel as necessary to assist the
11 Authority in carrying out its duties.

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

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

16 2. The individual or his or her spouse, parent, child, spouse
17 of a child, sibling, or spouse of a sibling has an application for a
18 medical marijuana business license pending before the Department or
19 is a member of the board of directors of a medical marijuana
20 business, or is an individual financially interested in any licensee
21 or medical marijuana business.

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

1 D. The Commissioner may delegate to any officer or employee of
2 the Department any of the powers of the Executive Director and may
3 designate any officer or employee of the Department to perform any
4 of the duties of the Executive Director.

5 E. The Executive Director shall be authorized to suggest rules
6 governing the oversight and implementation of this act.

7 F. The Department is hereby authorized to create employment
8 positions necessary for the implementation of its obligations
9 pursuant to this act, including but not limited to Authority
10 investigators and a senior director of enforcement. The Department
11 and the Authority, the senior director of enforcement, the Executive
12 Director, and Department investigators shall have all the powers of
13 any peace officer to:

14 1. Investigate violations or suspected violations of this act
15 and any rules promulgated pursuant thereto;

16 2. Serve all warrants, summonses, subpoenas, administrative
17 citations, notices or other processes relating to the enforcement of
18 laws regulating medical marijuana, concentrate, and medical
19 marijuana product;

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

23 4. Require any business applicant or licensee, ~~upon twenty-four~~
24 ~~(24) hours notice or upon a showing of necessity,~~ to permit an

1 inspection of licensed premises during business hours or at any time
2 of apparent operation, marijuana equipment, and marijuana
3 accessories, or books and records; and to permit the testing of or
4 examination of medical marijuana, concentrate, or product; and

5 5. Require applicants and licensees to submit complete and
6 current applications, submit information and fees required by ~~this~~
7 ~~act and fees,~~ the Oklahoma Medical Marijuana and Patient Protection
8 Act and the Oklahoma Medical Marijuana Waste Management Act, and
9 approve material changes made by the applicant or licensee.

10 SECTION 10. AMENDATORY Section 6, Chapter 11, O.S.L.
11 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S.
12 Supp. 2019, Section 427.6), is amended to read as follows:

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

17 B. 1. The Department or its designee may perform on-site
18 ~~assessments~~ inspections or investigations of a licensee or applicant
19 for any medical marijuana business ~~license issued pursuant to this~~
20 ~~act,~~ research facility, education facility or waste disposal
21 facility to determine compliance with ~~this act~~ applicable laws,
22 rules and regulations or submissions made pursuant to this section.
23 The Department may enter the licensed premises of a medical
24 marijuana business ~~licensee or applicant,~~ research facility,

1 education facility or waste disposal facility to assess or monitor
2 compliance or ensure qualifications for licensure.

3 2. ~~Inspections~~ Post-licensure inspections shall be limited to
4 twice per calendar year ~~and twenty-four (24) hours of notice shall~~
5 ~~be provided to a medical marijuana business applicant or licensee~~
6 ~~prior to an on-site assessment~~. However, investigations and
7 additional inspections may occur when the Department ~~shows that~~
8 believes an investigation or additional inspection is necessary due
9 to a possible violation of this act the applicable laws, rules or
10 regulations. ~~Such inspection may be without notice if the~~
11 ~~Department believes that such notice will result in the destruction~~
12 ~~of evidence~~.

13 3. The Department may review relevant records of a licensed
14 medical marijuana business, licensed medical marijuana research
15 facility ~~or~~, licensed medical marijuana education facility or
16 licensed medical marijuana waste disposal facility, and may require
17 and conduct interviews with such persons or entities and persons
18 affiliated with such entities, for the purpose of determining
19 compliance with Department requirements and applicable laws.
20 ~~However, prior to conducting any interviews with the medical~~
21 ~~marijuana business, research facility or education facility, the~~
22 ~~licensee shall be afforded sufficient time to secure legal~~
23 ~~representation during such questioning if requested by the business~~
24 ~~or facility or any of its agents or employees or contractors~~.

1 4. The Department shall refer complaints alleging criminal
2 activity that are made against a licensee to appropriate Oklahoma
3 state or local law enforcement authorities.

4 C. Disciplinary action may be taken against an applicant or
5 licensee ~~under this act~~ for not adhering to ~~the law~~ applicable laws
6 pursuant to the terms, conditions and guidelines set forth in this
7 act.

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

11 E. Disciplinary actions may be imposed upon a medical marijuana
12 business licensee for:

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

15 2. Falsification or misrepresentation of any material or
16 information submitted to the Department;

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

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

21 5. Failure to submit or disclose information required by ~~this~~
22 ~~section~~ applicable laws, rules or regulations or as otherwise
23 requested by the Department;

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

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

5 8. Failure to pay a required monetary penalty;

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

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

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

12 F. Disciplinary actions against a licensee may include the
13 imposition of monetary penalties, which may be assessed by the
14 Department.

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

20 Penalties for grossly inaccurate or fraudulent reporting occurring
21 within any two-year time period may include an initial fine of One
22 Thousand Dollars (\$1,000.00) for a first violation and a fine of
23 Five Thousand Dollars (\$5,000.00) for any subsequent violations.

24 The medical marijuana business may be subject to a revocation of any

1 license granted pursuant to this act upon a showing that the
2 violation was willful or grossly negligent.

3 H. 1. First offense for intentional and impermissible
4 diversion of medical marijuana, concentrate, or products by a
5 patient or caregiver to an unauthorized person shall not be punished
6 under a criminal statute but may be subject to a fine of Two Hundred
7 Dollars (\$200.00).

8 2. The second offense for impermissible diversion of medical
9 marijuana, concentrate, or products by a patient or caregiver to an
10 unauthorized person shall not be punished under a criminal statute
11 but may be subject to a fine of not to exceed Five Hundred Dollars
12 (\$500.00) and may result in revocation of the license upon a showing
13 that the violation was willful or grossly negligent.

14 I. The following persons or entities may request a hearing to
15 contest an action or proposed action of the Department:

16 1. A medical marijuana business, research facility or education
17 facility licensee whose license has been summarily suspended or who
18 has received a notice of contemplated action to suspend or revoke a
19 license or take other disciplinary action; and

20 2. A patient or caregiver licensee whose license has been
21 summarily suspended or who has received notice of contemplated
22 action to suspend or revoke a license or take other disciplinary
23 action.

24

1 J. Whenever the Department finds that an emergency exists
2 requiring immediate action in order to protect the public health or
3 welfare, the Department may issue an order, without notice or
4 hearing, stating the existence of said emergency and requiring that
5 action be taken as the Department deems necessary to meet the
6 emergency. The order shall be effective immediately upon issuance.
7 Any person to whom the order is directed shall comply immediately
8 with the provisions of the order but, upon application to the
9 Department, shall be offered a hearing within ten (10) days of the
10 issuance of the order. On the basis of said hearing, the Department
11 shall continue the order in effect, revoke or modify the order.

12 K. All hearings held pursuant to this section shall be in
13 accordance with the Oklahoma Administrative Procedures Act, ~~Section~~
14 ~~250 et seq. of Title 75 of the Oklahoma Statutes.~~

15 SECTION 11. AMENDATORY Section 7, Chapter 11, O.S.L.
16 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
17 Supp. 2019, Section 427.7), is amended to read as follows:

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

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

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

5 2. Any court in this state.

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

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

19 E. The Department shall ensure that all ~~application~~ medical
20 marijuana patient and caregiver records and information are sealed
21 to protect the privacy of medical marijuana patient license
22 applicants and licensees.

1 SECTION 12. AMENDATORY Section 9, Chapter 11, O.S.L.
2 2019 (63 O.S. Supp. 2019, Section 427.9), is amended to read as
3 follows:

4 Section 427.9 A. The Authority may contact the recommending
5 physician of a licensee or an applicant for a medical marijuana
6 patient license to verify the need of the applicant or licensee for
7 the license and the information submitted with the application.

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

18 C. The medical marijuana patient license shall be valid for up
19 to two (2) years from the date of issuance, unless the
20 recommendation of the physician is terminated pursuant to ~~this act~~
21 Section 427.10 of this title or revoked by the Department.

22 SECTION 13. AMENDATORY Section 10, Chapter 11, O.S.L.
23 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
24 Supp. 2019, Section 427.10), is amended to read as follows:

1 Section 427.10 A. Only licensed Oklahoma allopathic,
2 osteopathic and podiatric physicians may provide a medical marijuana
3 recommendation for a medical marijuana patient license under this
4 act.

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

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

24

1 D. A physician who recommends use of medical marijuana shall
2 not be located at the same physical address as a dispensary.

3 E. If the physician determines the continued use of medical
4 marijuana by the patient no longer meets the requirements set forth
5 in this act, the physician shall notify the Department and the
6 ~~Authority shall immediately revoke the license~~ shall be immediately
7 voided without a right to an individual hearing.

8 SECTION 14. AMENDATORY Section 11, Chapter 11, O.S.L.
9 2019 (63 O.S. Supp. 2019, Section 427.11), is amended to read as
10 follows:

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

22 B. An individual caregiver shall be limited to exercising the
23 marijuana cultivation rights of no more than five licensed patients
24 as prescribed by this act.

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

9 SECTION 15. AMENDATORY Section 13, Chapter 11, O.S.L.
10 2019 (63 O.S. Supp. 2019, Section 427.13), is amended to read as
11 follows:

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

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

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

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

18 3. Each medical marijuana business, research facility,
19 education facility and waste disposal facility shall use a seed-to-
20 sale tracking system or integrate its own seed-to-sale tracking
21 system with the seed-to-sale tracking system established by the
22 Authority.

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

- a. the name and license number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- b. the address and phone number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- c. the type of product received during the transaction,
- d. the batch number of the marijuana plant used,
- e. the date of the transaction,
- f. the total spent in dollars,
- g. all point-of-sale records,
- h. marijuana excise tax records, and
- i. any additional information as may be reasonably required by the Department.

~~5. All inventory tracking records containing patient information shall comply with all relevant state and federal laws including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and shall not be retained by any medical marijuana business for more than sixty (60) days.~~

SECTION 16. AMENDATORY Section 14, Chapter 11, O.S.L. 2019, as amended by Section 6, Chapter 509, O.S.L. 2019 (63 O.S. Supp. 2019, Section 427.14), is amended to read as follows:

1 Section 427.14 A. There is hereby created the medical
2 marijuana business license, which shall include the following
3 categories:

- 4 1. Medical marijuana commercial grower;
- 5 2. Medical marijuana processor;
- 6 3. Medical marijuana dispensary;
- 7 4. Medical marijuana transporter; and
- 8 5. Medical marijuana testing laboratory.

9 B. The Authority, with the aid of the Office of Management and
10 Enterprise Services, shall develop a website for medical marijuana
11 business applications.

12 C. The Authority shall make available on its website or the
13 website of the Oklahoma Medical Marijuana Authority in an easy-to-
14 find location, applications for a medical marijuana business.

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

18 E. All applicants seeking licensure or licensure renewal as a
19 medical marijuana business shall comply with the following general
20 requirements:

- 21 1. All applications for licenses and registrations authorized
22 pursuant to this section shall be made upon forms prescribed by the
23 Authority;

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

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

6 4. All applications shall be complete and accurate in every
7 detail;

8 5. All applications shall include all attachments or
9 supplemental information required by the forms supplied by the
10 Authority;

11 6. All applications shall be accompanied by a full remittance
12 for the whole amount of the application fees. Application fees are
13 nonrefundable;

14 7. All applicants shall be approved for licensing review that,
15 at a minimum, meets the following criteria:

16 a. all applicants shall be age twenty-five (25) years of
17 age or older,

18 b. any applicant applying as an individual shall show
19 proof that the applicant is an Oklahoma resident
20 pursuant to paragraph 11 of this subsection,

21 c. any applicant applying as an entity shall show that
22 seventy-five percent (75%) of all members, managers,
23 executive officers, partners, board members or any
24

1 other form of business ownership are Oklahoma
2 residents pursuant to paragraph 11 of this subsection,

3 d. all applying individuals or entities shall be
4 registered to conduct business in the State of
5 Oklahoma,

6 e. all applicants shall disclose all ownership interests
7 pursuant to this act, and

8 f. medical marijuana business, research facility,
9 education facility and waste disposal facility

10 applicants and licensees shall not have been convicted
11 of a nonviolent felony in the last two (2) years, and
12 any other felony conviction within the last five (5)
13 years, shall not be current inmates, or currently
14 incarcerated in a jail or corrections facility;

15 8. There shall be no limit to the number of medical marijuana
16 business licenses or categories that an individual or entity can
17 apply for or receive, although each application and each category
18 shall require a separate application and application fee. A
19 commercial grower, processor and dispensary, or any combination
20 thereof, are authorized to share the same address or physical
21 location, subject to the restrictions set forth in this act;

22 9. All applicants for a medical marijuana business license,
23 research facility license or education facility license ~~authorized~~
24 ~~by this act~~ or the renewal of such license shall undergo an Oklahoma

1 criminal history background check conducted by the Oklahoma State
2 Bureau of Investigation (OSBI) within thirty (30) days prior to the
3 application for the license, including:

- 4 a. individual applicants applying on their own behalf,
- 5 b. individuals applying on behalf of an entity,
- 6 c. all principal officers of an entity, and
- 7 d. all owners of an entity as defined by this act;

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

11 11. In order to be considered an Oklahoma resident for purposes
12 of a medical marijuana business application, all applicants shall
13 provide proof of Oklahoma residency for at least two (2) years
14 immediately preceding the date of application or five (5) years of
15 continuous Oklahoma residency during the preceding twenty-five (25)
16 years immediately preceding the date of application. Sufficient
17 documentation of proof of residency shall include a combination of
18 the following:

- 19 a. an unexpired Oklahoma-issued driver license,
- 20 b. an Oklahoma voter identification card,
- 21 c. a utility bill preceding the date of application,
22 excluding cellular telephone and Internet bills,
- 23 d. a residential property deed to property in the State
24 of Oklahoma, and

1 e. a rental agreement preceding the date of application
2 for residential property located in the State of
3 Oklahoma. Applicants who were issued a medical
4 marijuana business license prior to August 30, 2019,
5 and applicants who submitted a complete medical
6 marijuana business license application to the
7 Authority prior to August 30, 2019, and were granted a
8 medical marijuana business license after August 30,
9 2019, are hereby exempt from the two-year or five-year
10 Oklahoma residency requirement mentioned above;

11 12. All license applicants shall be required to submit a
12 registration with the Oklahoma State Bureau of Narcotics and
13 Dangerous Drugs Control as provided in Sections ~~2-202~~ 2-302 through
14 ~~2-204~~ 2-304 of ~~Title 63 of the Oklahoma Statutes~~ this title;

15 13. All applicants shall establish their identity through
16 submission of a color copy or digital image of one of the following
17 unexpired documents:

- 18 a. front ~~and back~~ of an Oklahoma driver license,
- 19 b. front ~~and back~~ of an Oklahoma identification card,
- 20 c. a United States passport or other photo identification
21 issued by the United States government, or
- 22 d. ~~certified copy of the applicant's birth certificate~~
23 ~~for minor applicants who do not possess a document~~
24 ~~listed in this section, or~~

1 ~~e.~~ a tribal identification card approved for
2 identification purposes by the Oklahoma Department of
3 Public Safety; and

4 14. All applicants shall submit an applicant photograph.

5 F. The Authority shall review the medical marijuana business
6 application, approve ~~or~~, reject or deny the application and mail the
7 approval, rejection, denial or status-update letter to the applicant
8 within ninety (90) days of receipt of the application.

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

12 2. Approved applicants shall be issued a medical marijuana
13 business license for the specific category applied under which shall
14 act as proof of their approved status. Rejection and denial letters
15 shall provide a reason for the rejection or denial. Applications
16 may only be rejected or denied based on the applicant not meeting
17 the standards set forth in the provisions of ~~this section~~ the
18 Oklahoma Medical Marijuana and Patient Protection Act and Sections
19 420 through 426.1 of this title, improper completion of the
20 application, or for a reason provided for in ~~this act~~ the Oklahoma
21 Medical Marijuana and Patient Protection Act and Sections 420
22 through 426.1 of this title. If an application is rejected or
23 denied for failure to provide required information, the applicant
24 shall have thirty (30) days to submit the required information for

1 reconsideration. No additional application fee shall be charged for
2 such reconsideration.

3 3. Status-update letters shall provide a reason for delay in
4 either approval ~~or~~, rejection or denial should a situation arise in
5 which an application was submitted properly, but a delay in
6 processing the application occurred.

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

10 H. A medical marijuana business, research facility, education
11 facility or waste disposal facility license shall not be issued to
12 or held by:

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

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

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

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

23

24

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

4 a. file taxes, interest or penalties due related to a
5 medical marijuana business, or

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

8 6. A sheriff, deputy sheriff, police officer or prosecuting
9 officer, or an officer or employee of the Authority or municipality;

10 7. A person whose authority to be a caregiver as defined in
11 this act has been revoked by the Department; or

12 8. A ~~publicly traded company~~ person who was involved in the
13 management or operations of any medical marijuana business, research
14 facility, education facility or waste disposal facility that has had
15 a medical marijuana business license revoked by the Department at
16 any time during the five (5) years preceding submission of the
17 application.

18 I. In investigating the qualifications of an applicant or a
19 licensee, the Department, Authority and municipalities may have
20 access to criminal history record information furnished by a
21 criminal justice agency subject to any restrictions imposed by such
22 an agency. ~~In the event the Department considers the criminal~~
23 ~~history record of the applicant, the Department shall also consider~~
24 ~~any information provided by the applicant regarding such criminal~~

1 ~~history record, including but not limited to evidence of~~
2 ~~rehabilitation, character references and educational achievements,~~
3 ~~especially those items pertaining to the period of time between the~~
4 ~~last criminal conviction of the applicant and the consideration of~~
5 ~~the application for a state license.~~

6 J. The failure of an applicant or licensee to provide the
7 requested information by the Authority deadline may be grounds for
8 denial of the application.

9 K. All applicants and licensees shall submit information to the
10 Department and Authority in a full, faithful, truthful and fair
11 manner. The Department and Authority may recommend denial of an
12 application where the applicant or licensee made misstatements,
13 omissions, misrepresentations or untruths in the application or in
14 connection with the background investigation of the applicant. This
15 type of conduct may be ~~considered as the basis~~ grounds for
16 ~~additional~~ administrative action against the applicant or licensee.
17 Typos and scrivener errors shall not be grounds for denial.

18 L. A licensed medical marijuana business premises shall be
19 subject to and responsible for compliance with applicable provisions
20 for medical marijuana business facilities as described in the most
21 recent versions of the Oklahoma Uniform Building Code, the
22 International Building Code and the International Fire Code, unless
23 granted an exemption by the ~~Authority or municipality~~ entity
24 responsible for enforcement of the applicable code.

1 M. All medical marijuana business, research facility, education
2 facility and waste disposal facility licensees shall pay the
3 relevant licensure fees prior to receiving licensure to operate a
4 ~~medical marijuana business, as defined in this act for each class of~~
5 ~~license.~~

6 N. A medical marijuana business, research facility, education
7 facility or waste disposal facility that attempts to renew its
8 license more than thirty (30) days after expiration of the license
9 shall pay a late renewal fee in an amount to be determined by the
10 Department to reinstate the license. Late renewal fees are
11 nonrefundable. A license that has been expired for more than ninety
12 (90) days shall not be reinstated.

13 O. No medical marijuana business, research facility, education
14 facility or waste disposal facility shall operate without a valid,
15 unexpired license issued by the Department.

16 SECTION 17. AMENDATORY Section 16, Chapter 11, O.S.L.
17 2019 (63 O.S. Supp. 2019, Section 427.16), is amended to read as
18 follows:

19 Section 427.16 A. There is hereby created a medical marijuana
20 transporter license as a category of the medical marijuana business
21 license.

22 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
23 this title, the Oklahoma Medical Marijuana Authority shall issue a
24 medical marijuana transporter license to licensed medical marijuana

1 commercial growers, processors and dispensaries upon issuance of
2 such licenses and upon each renewal. Transporter licenses shall
3 also be issued to licensed research facilities, education facilities
4 and testing laboratories upon issuance of such licenses and upon
5 each renewal.

6 C. A medical marijuana transporter license may also be issued
7 to qualifying applicants who are registered with the Oklahoma
8 Secretary of State and otherwise meet the requirements for a medical
9 marijuana business license set forth in this act and the
10 requirements set forth in this section to provide logistics,
11 distribution and storage of medical marijuana, medical marijuana
12 concentrate and medical marijuana products.

13 D. A medical marijuana transporter license shall be valid for
14 one (1) year and shall not be transferred with a change of
15 ownership. A licensed medical marijuana transporter shall be
16 responsible for all medical marijuana, concentrate and products once
17 the transporter takes control of the product.

18 E. A transporter license shall be required for any person or
19 entity to transport or transfer medical marijuana, concentrate or
20 product from a licensed medical marijuana business to another
21 medical marijuana business, or from a medical marijuana business to
22 a medical marijuana research facility or medical marijuana education
23 facility.

24

1 F. A medical marijuana transporter licensee may contract with
2 multiple licensed medical marijuana businesses.

3 G. A medical marijuana transporter may maintain a licensed
4 premises to temporarily store medical marijuana, concentrate and
5 products and to use as a centralized distribution point. A medical
6 marijuana transporter may store and distribute medical marijuana,
7 concentrate and products from the licensed premises. The licensed
8 premises shall meet all security requirements applicable to a
9 medical marijuana business.

10 H. A medical marijuana transporter licensee shall use the seed-
11 to-sale tracking system developed pursuant to this act to create
12 shipping manifests documenting the transport of medical marijuana,
13 concentrate and products throughout the state.

14 I. A licensed medical marijuana transporter may maintain and
15 operate one or more warehouses in the state to handle medical
16 marijuana, concentrate and products.

17 J. All medical marijuana, concentrate and product shall be
18 transported:

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

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

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

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, medical marijuana research
4 facility or medical marijuana education facility. The Department
5 shall administer and enforce the provisions of this section
6 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 or product.

11 M. The annual fee for a transporter agent license shall be ~~One~~
12 ~~Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be
13 paid by the transporter license holder or the individual applicant.
14 One license reprint within the licensure period shall be granted
15 free of charge. All subsequent license reprints shall incur a fee
16 of Twenty Dollars (\$20.00).

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

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

1 5. Verification of employment with a licensed transporter; and

2 6. The application and affiliated fee; ~~and~~

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

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

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

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

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

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

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

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

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

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

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

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

13 2. For the end recipient license holder of the medical
14 marijuana:

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

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

23 4. The date of the transport and the approximate time of
24 departure;

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

2 6. Printed names and signatures of the personnel accompanying
3 the transport; and

4 7. Notation of the transporting licensee.

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

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

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

14 4. A receiving licensee shall refuse to accept any medical
15 marijuana or product that is not accompanied by an inventory
16 manifest.

17 ~~5.~~ 4. Originating and receiving licensees shall maintain copies
18 of inventory manifests and logs of quantities of medical marijuana
19 received for ~~three (3)~~ seven (7) years from date of receipt.

20 SECTION 18. AMENDATORY Section 17, Chapter 11, O.S.L.
21 2019, as amended by Section 4, Chapter 312, O.S.L. 2019 (63 O.S.
22 Supp. 2019, Section 427.17), is amended to read as follows:

23 Section 427.17 A. There is hereby created a medical marijuana
24 testing laboratory license as a category of the medical marijuana

1 business license. The Oklahoma Medical Marijuana Authority is
2 hereby enabled to monitor, inspect and audit a licensed testing
3 laboratory under this act.

4 B. The Authority is hereby authorized to contract with a
5 private laboratory for the purpose of conducting compliance testing
6 of medical marijuana testing laboratories licensed in this state.
7 Any such laboratory under contract for compliance testing shall be
8 prohibited from conducting any other commercial medical marijuana
9 testing in this state.

10 C. The Authority shall have the authority to develop acceptable
11 testing ~~and research~~ practices, including, but not limited to,
12 testing, standards, quality control analysis, equipment
13 certification and calibration, and chemical identification and
14 substances used ~~in bona fide research methods so long as it complies~~
15 ~~with this act.~~

16 D. A person who is a direct beneficial owner ~~or an indirect~~
17 ~~beneficial owner~~ of a medical marijuana dispensary, medical
18 marijuana commercial grower, or medical marijuana processor shall
19 not be an owner of a laboratory.

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

23 F. A separate license shall be required for each specific
24 laboratory.

1 G. A medical marijuana testing laboratory license may be issued
2 to a person who performs testing ~~and research~~ on medical marijuana
3 and medical marijuana products for medical marijuana businesses,
4 medical marijuana research facilities, medical marijuana education
5 facilities, and testing ~~and research~~ on marijuana and marijuana
6 products grown or produced by a patient or caregiver on behalf of a
7 patient, upon verification of registration. No state-approved
8 medical marijuana testing facility shall operate unless a medical
9 laboratory director is on site during operational hours.

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

16 I. A medical marijuana testing laboratory may accept samples of
17 medical marijuana, medical marijuana concentrate or medical
18 marijuana product from a medical marijuana business, research
19 facility or education facility for testing ~~and research~~ purposes
20 only, which purposes may include the provision of testing services
21 for samples submitted by a medical marijuana business for product
22 development. The Department may require a medical marijuana
23 business to submit a sample of medical marijuana, medical marijuana
24

1 concentrate or medical marijuana product to a medical marijuana
2 testing or quality assurance laboratory upon demand.

3 J. A medical marijuana testing laboratory may accept samples of
4 medical marijuana, medical marijuana concentrate or medical
5 marijuana product from an individual person for testing only under
6 the following conditions:

7 1. The individual person is a patient or caregiver pursuant to
8 this act or is a participant in an approved clinical or
9 observational study conducted by a research facility; and

10 2. The medical marijuana testing laboratory shall require the
11 patient or caregiver to produce a valid patient license and current
12 and valid photo identification.

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

18 L. A medical marijuana testing laboratory may utilize a
19 licensed medical marijuana transporter to transport samples of
20 medical marijuana, medical marijuana concentrate and medical
21 marijuana product for testing, in accordance with this act and the
22 rules adopted pursuant thereto, between the originating medical
23 marijuana business requesting testing services and the destination
24 laboratory performing testing services.

1 M. The medical marijuana testing laboratory shall establish
2 policies to prevent the existence of or appearance of undue
3 commercial, financial or other influences that may diminish the
4 competency, impartiality and integrity of the testing processes or
5 results of the laboratory, or that may diminish public confidence in
6 the competency, impartiality and integrity of the testing processes
7 or results of the laboratory. At a minimum, employees, owners or
8 agents of a medical marijuana testing laboratory who participate in
9 any aspect of the analysis and results of a sample are prohibited
10 from improperly influencing the testing process, improperly
11 manipulating data, or improperly benefiting from any ongoing
12 financial, employment, personal or business relationship with the
13 medical marijuana business that provided the sample.

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

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

21 2. Testing procedures, testing standards for cannabinoid and
22 terpenoid potency and safe levels of contaminants, ~~and~~ remediation
23 procedures and validation procedures;

24

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

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

4 13. The establishment of and adherence to a quality assurance
5 and quality control program to ensure sufficient monitoring of
6 laboratory processes and quality of results reported;

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

10 15. The establishment by the laboratory of a system to retain
11 and maintain all required records, including business records, and
12 processes to ensure results are reported in a timely and accurate
13 manner; and

14 16. Any other aspect of laboratory testing of medical marijuana
15 or medical marijuana product deemed necessary by the Department.

16 O. A medical marijuana testing laboratory shall promptly
17 provide the Department or designee of the Department access to a
18 report of a test and any underlying data that is conducted on a
19 sample at the request of a medical marijuana business or qualified
20 patient. A medical marijuana testing laboratory shall also provide
21 access to the Department or designee of the Department to laboratory
22 premises and to any material or information requested by the
23 Department to determine compliance with the requirements of this
24 section.

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

5 Q. A medical marijuana testing laboratory shall test samples
6 from each harvest batch or product batch, as appropriate, of medical
7 marijuana, medical marijuana concentrate and medical marijuana
8 product for each of the following categories of testing, consistent
9 with standards developed by the Commissioner:

- 10 1. Microbials;
- 11 2. Mycotoxins;
- 12 3. Residual solvents;
- 13 4. Pesticides;
- 14 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 15 6. Terpenoid potency; and
- 16 7. Heavy metals.

17 R. ~~A test batch shall not exceed ten (10) pounds of usable~~
18 ~~marijuana or medical marijuana product, as appropriate.~~ A grower
19 shall separate each harvest lot of usable marijuana into harvest
20 batches containing no more than ten (10) pounds. A processor shall
21 separate each medical marijuana production lot into production
22 batches containing no more than ten (10) pounds.

23 S. Medical marijuana testing laboratory licensure shall be
24 contingent upon successful on-site inspection, successful

1 participation in proficiency testing and ongoing compliance with the
2 applicable requirements in this section.

3 T. A medical marijuana testing laboratory shall be inspected
4 prior to initial licensure and annually up to two times per year
5 thereafter by an inspector approved by the ~~Authority~~ Department.
6 The Department may enter the licensed premises of a testing
7 laboratory to conduct investigations and additional inspections when
8 the Department believes an investigation or additional inspection is
9 necessary due to a possible violation of applicable laws, rules or
10 regulations.

11 U. Beginning on a date determined by the Commissioner, not
12 later than January 1, 2020, medical marijuana testing laboratory
13 licensure shall be contingent upon accreditation by the NELAC
14 Institute (TNI), ANSI/ASQ National Accreditation Board or another
15 accrediting body approved by the Commissioner, and any applicable
16 standards as determined by the Department.

17 V. ~~A~~ Unless otherwise authorized by this section, a commercial
18 grower shall not transfer or sell medical marijuana and a processor
19 shall not transfer, sell or process into a concentrate or product
20 any medical marijuana, medical marijuana concentrate or medical
21 marijuana product unless samples from each harvest batch or
22 production batch from which that medical marijuana, medical
23 marijuana concentrate or medical marijuana product was derived has
24 been tested by a medical marijuana testing facility ~~for contaminants~~

1 and passed all ~~contaminant~~ tests required by ~~this act~~ the Oklahoma
2 Medical Marijuana and Patient Protection Act and applicable laws,
3 rules and regulations.

4 1. A commercial grower may transfer medical marijuana that has
5 failed testing to a processor only for the purposes of remediation
6 and only in accordance with the Oklahoma Medical Marijuana and
7 Patient Protection Act and the rules and regulations of the
8 Department.

9 2. Growers and processors who achieve process validation under
10 the rules and regulations set forth by the Department may transfer,
11 sell or process medical marijuana and medical marijuana products in
12 accordance with those rules and regulations.

13 SECTION 19. AMENDATORY Section 18, Chapter 11, O.S.L.
14 2019 (63 O.S. Supp. 2019, Section 427.18), is amended to read as
15 follows:

16 Section 427.18 A. An Oklahoma medical marijuana business shall
17 not sell, transfer or otherwise distribute medical marijuana or
18 medical marijuana product that has not been packaged and labeled in
19 accordance with this section and rules promulgated by the State
20 Commissioner of Health.

21 B. A medical marijuana dispensary shall return medical
22 marijuana and medical marijuana product that does not meet packaging
23 or labeling requirements in this section or rules promulgated
24 pursuant thereto to the entity who transferred it to the dispensary.

1 The medical marijuana dispensary shall document to whom the item was
2 returned, what was returned and the date of the return or dispose of
3 any usable marijuana that does not meet these requirements in
4 accordance with this act.

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

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

13 3. Labels on a container shall not include any false or
14 misleading statements.

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

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

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

1 D. The State Department of Health shall develop minimum
2 standards for packaging and labeling of medical marijuana and
3 medical marijuana products. Such standards shall include, but not
4 be limited to, the required contents of labels to be affixed to all
5 medical marijuana and medical marijuana products prior to transfer
6 to a licensed patient or caregiver, which shall include, at a
7 minimum:

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

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

11 ~~3.~~ 2. A statement indicating that the product has been tested
12 for contaminants;

13 ~~4.~~ 3. One or more product warnings to be determined by the
14 Department; and

15 ~~5.~~ 4. Any other information the Department deems necessary.

16 SECTION 20. AMENDATORY Section 19, Chapter 11, O.S.L.
17 2019 (63 O.S. Supp. 2019, Section 427.19), is amended to read as
18 follows:

19 Section 427.19 A. A medical marijuana research license may be
20 issued to a person to grow, cultivate, possess and transfer, by sale
21 or donation, marijuana pursuant to this act for the limited research
22 purposes identified in this section.

23 B. The annual fee for a medical marijuana research license
24 shall be Five Hundred Dollars (\$500.00) and shall be payable by an

1 applicant for a medical marijuana research license upon submission
2 of his or her application to the Authority.

3 C. A medical marijuana research license may be issued for the
4 following research purposes:

5 1. To test chemical potency and composition levels;

6 2. To conduct clinical investigations of marijuana-derived
7 medicinal products;

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

10 4. To conduct genomic, horticultural or agricultural research;

11 and

12 5. To conduct research on marijuana-affiliated products or
13 systems.

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

22 2. If the research will be conducted with a public institution
23 or public money, the Department shall review the research project of
24

1 the applicant to determine if it meets the requirements of this
2 section and to assess the following:

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

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

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

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

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

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

14 SECTION 21. AMENDATORY Section 20, Chapter 11, O.S.L.
15 2019 (63 O.S. Supp. 2019, Section 427.20), is amended to read as
16 follows:

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

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

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

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

12 Section 427.22 A. ~~An~~ All patient and caregiver records and
13 information, including, without limitation, an application or
14 renewal and supporting information submitted by a qualifying patient
15 or designated caregiver under the provisions of ~~this act including,~~
16 ~~without limitation,~~ the Oklahoma Medical Marijuana and Patient
17 Protection Act and information regarding the physician of the
18 qualifying patient, shall be considered confidential medical records
19 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 in its
24 application to the Authority or licensee 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 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 reports, inventory tracking and seed-to-sale
14 information, data and records submitted to the Oklahoma Medical
15 Marijuana Authority shall be treated as confidential and are exempt
16 from the Oklahoma Open Records Act.

17 G. Except for license information concerning licensed patients,
18 the Authority may share confidential information with the Oklahoma
19 Tax Commission to assist the Oklahoma Tax Commission in ensuring
20 compliance with applicable laws, rules and regulations.

21 SECTION 23. 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. 2019, 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.

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

15 SECTION 24. 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:

20 1. Any medical marijuana or medical marijuana product fails to
21 meet the requirements of Sections 420 through 426.1 of Title 63 of
22 the Oklahoma Statutes and the Oklahoma Medical Marijuana and Patient
23 Protection Act, as it relates to health and safety;

24

1 2. The medical marijuana or medical marijuana product is
2 handled in violation of applicable laws or rules and regulations of
3 the Department; or

4 3. The medical marijuana or medical marijuana product may be
5 poisonous, deleterious to health, or is otherwise unsafe,
6 a tag or other appropriate marking shall be affixed to the medical
7 marijuana or medical marijuana product. The tag or other
8 appropriate marking shall give notice that the medical marijuana or
9 medical marijuana product is or is suspected of being manufactured,
10 produced, transferred, sold, or offered for sale in violation of
11 applicable laws or rules and regulations of the Department. The tag
12 or other appropriate marking shall also give notice that the medical
13 marijuana or medical marijuana product is embargoed and shall
14 provide a warning that all persons shall be prohibited from removing
15 or disposing of the medical marijuana or medical marijuana product
16 until permission for removal or disposal is given by the State
17 Commissioner of Health. It shall be unlawful for any person to
18 remove or dispose of the embargoed medical marijuana or medical
19 marijuana product without permission.

20 B. 1. If the Commissioner finds that medical marijuana or
21 medical marijuana product embargoed pursuant to subsection A of this
22 section does not meet the requirements of applicable laws or rules
23 and regulations of the Department, or is poisonous, deleterious to
24 health, or otherwise unsafe, the Commissioner may institute an

1 action in the district court, in whose jurisdiction the medical
2 marijuana or medical marijuana product is embargoed, for the
3 condemnation and destruction of the medical marijuana or medical
4 marijuana product.

5 2. If the Commissioner later finds that the embargoed medical
6 marijuana or medical marijuana product does meet the requirements of
7 applicable laws and rules and regulations of the Department and is
8 not poisonous, deleterious to health, or otherwise unsafe, the
9 Commissioner shall remove the embargo.

10 3. In any court proceeding regarding an embargo, the State
11 Department of Health, the Oklahoma Medical Marijuana Authority and
12 the State Commissioner of Health shall not be held liable if the
13 court finds reasonable belief for the embargo.

14 C. If the court finds that the embargoed medical marijuana or
15 medical marijuana product, in whole or in part, is in violation of
16 any applicable laws or Department rules or regulations or is
17 poisonous, deleterious to health, or otherwise unsafe, the medical
18 marijuana or medical marijuana product shall be destroyed under the
19 supervision of the Commissioner and at the expense of the owner or
20 defendant. All court costs, fees, cost of storage and other proper
21 expenses shall be paid by the owner or defendant of the medical
22 marijuana or medical marijuana product. The court may order that
23 the medical marijuana or medical marijuana product be delivered to
24

1 the owner or defendant for appropriate labeling or processing under
2 the supervision of the Commissioner if:

3 1. The violation can be corrected by proper processing of the
4 medical marijuana or medical marijuana product;

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

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

8 The expense of supervision shall be paid to the Commissioner by the
9 person obtaining release of the medical marijuana or medical
10 marijuana product under bond.

11 SECTION 25. AMENDATORY Section 2, Chapter 337, O.S.L.
12 2019 (63 O.S. Supp. 2019, Section 428.1), is amended to read as
13 follows:

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

16 1. "Authority" shall mean the Oklahoma Medical Marijuana
17 Authority, or successor agency;

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

21 3. "Disposal" shall mean the ~~final~~ disposition of medical
22 marijuana waste by ~~either~~ a process which renders the waste unusable
23 and unrecognizable through physical destruction or a recycling
24 process;

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

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

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

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

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

16 SECTION 26. AMENDATORY Section 3, Chapter 337, O.S.L.
17 2019 (63 O.S. Supp. 2019, Section 429), is amended to read as
18 follows:

19 Section 429. A. Medical marijuana waste shall be subject to
20 the provisions of this act and shall not be subject to the
21 provisions of the Uniform Controlled Dangerous Substances Act.
22 Nothing in this act shall alter or affect the jurisdictional areas
23 of environmental responsibility of the Department of Environmental
24 Quality as provided for in Title 27A of the Oklahoma Statutes.

1 B. Commercial licensees, medical marijuana research facilities
2 and medical marijuana education facilities shall be authorized to
3 destroy the following marijuana plant parts without being required
4 to utilize the services of a medical marijuana waste disposal
5 facility:

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

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

17 ~~C. Commercial licensees, medical marijuana research facilities~~
18 ~~and medical marijuana education facilities engaged in the disposal~~
19 ~~of medical marijuana waste shall create and maintain documentation~~
20 ~~on a form prescribed by the Oklahoma Medical Marijuana Authority~~
21 ~~that includes precise weights or counts of medical marijuana waste~~
22 ~~and the manner in which the medical marijuana waste is disposed.~~
23 ~~Such documentation shall contain a witness affidavit and signature~~
24 ~~attesting to the lawful disposal of the medical marijuana waste~~

1 ~~under penalty of perjury. All disposal records shall be maintained~~
2 ~~by commercial licensees, medical marijuana research facilities and~~
3 ~~medical marijuana educational facilities for a period of five (5)~~
4 ~~years and shall be subject to inspection and auditing by the~~
5 ~~Authority.~~

6 SECTION 27. AMENDATORY Section 4, Chapter 337, O.S.L.
7 2019 (63 O.S. Supp. 2019, Section 430), is amended to read as
8 follows:

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

1 the licensure program, issue more than ten licenses. Upon the
2 conclusion of the first year, the Authority shall assess the need
3 for additional licenses and shall, if demonstrated, increase the
4 number of licenses as deemed necessary by the Authority.

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

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

- 9 a. an attestation that the applicant is authorized to
10 make application on behalf of the entity,
- 11 b. full name of the organization,
- 12 c. trade name, if applicable,
- 13 d. type of business organization,
- 14 e. complete mailing address,
- 15 f. an attestation that the commercial entity will not be
16 located on tribal land,
- 17 g. telephone number and email address of the entity, and
- 18 h. name, residential address and date of birth of each
19 owner and each member, manager and board member, if
20 applicable;

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

- a. the first, middle and last name of the applicant and 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 the nearest property line of the public or private

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

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

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

1 ~~assurance, of a type and in an amount acceptable to the Authority,~~
2 ~~may be substituted; provided, that such deposit shall be maintained~~
3 ~~for a period of five (5) years after the date of last operation of~~
4 ~~the facility.~~

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

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

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

8 F. The cost of a medical marijuana waste disposal license shall
9 be Five Thousand Dollars (\$5,000.00) for the initial license. The
10 cost of a medical marijuana waste disposal facility permit shall be
11 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
12 facility permit that has been revoked shall be reinstated upon
13 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
14 to restore the facility permit. All license and permit fees shall
15 be deposited into the ~~Public Health Special Fund~~ Oklahoma Medical
16 Marijuana Authority Revolving Fund as provided in Section ~~1-107~~
17 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

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

22 H. All commercial licensees, as defined in Section ~~2~~ 428.1 of
23 this ~~act~~ title, shall utilize a licensed medical marijuana waste
24

1 disposal service to process all medical marijuana waste generated by
2 the licensee.

3 I. The State Commissioner of Health shall promulgate rules for
4 the implementation of this act. Promulgated rules shall address
5 disposal process standards, site security and any other subject
6 matter deemed necessary by the Authority.

7 SECTION 28. This act shall become effective November 1, 2020.

8 Passed the House of Representatives the 11th day of March, 2020.

9

10

Presiding Officer of the House
of Representatives

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12

Passed the Senate the ___ day of _____, 2020.

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Presiding Officer of the Senate

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