

1 **SENATE FLOOR VERSION**

2 April 14, 2022

3 **AS AMENDED**

4 ENGROSSED HOUSE

5 BILL NO. 3634

6 By: Fetgatter, Davis, Talley,
7 and McDugle of the House

8 and

9 Rogers of the Senate

10 [medical marijuana - providing for the issuance of
11 medical marijuana wholesaler licenses - providing
12 requirements for warehousing medical marijuana
13 products - effective date]

14 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

15 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.2, is
16 amended to read as follows:

17 Section 427.2 As used in the Oklahoma Medical Marijuana and
18 Patient Protection Act:

19 1. "Advertising" means the act of providing consideration for
20 the publication, dissemination, solicitation, or circulation, of
21 visual, oral, or written communication to induce directly or
22 indirectly any person to patronize a particular medical marijuana
23 business, or to purchase particular medical marijuana or a medical
24 marijuana product. Advertising includes marketing, but does not
include packaging and labeling;

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

- 1 3. "Batch number" means a unique numeric or alphanumeric
2 identifier assigned prior to testing to allow for inventory tracking
3 and traceability;
- 4 4. "Cannabinoid" means any of the chemical compounds that are
5 active principles of marijuana;
- 6 5. "Caregiver" means a family member or assistant who regularly
7 looks after a medical marijuana license holder whom a physician
8 attests needs assistance;
- 9 6. "Child-resistant" means special packaging that is:
- 10 a. designed or constructed to be significantly difficult
11 for children under five (5) years of age to open and
12 not difficult for normal adults to use properly as
13 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
14 1700.20 (1995),
- 15 b. opaque so that the outermost packaging does not allow
16 the product to be seen without opening the packaging
17 material, and
- 18 c. resealable to maintain its child-resistant
19 effectiveness for multiple openings for any product
20 intended for more than a single use or containing
21 multiple servings;
- 22 7. "Clone" means a nonflowering plant cut from a mother plant
23 that is capable of developing into a new plant and has shown no
24 signs of flowering;

- 1 8. "Commissioner" means the State Commissioner of Health;
- 2 9. "Complete application" means a document prepared in
3 accordance with the provisions set forth in the Oklahoma Medical
4 Marijuana and Patient Protection Act, rules promulgated pursuant
5 thereto, and the forms and instructions provided by the Department,
6 including any supporting documentation required and the applicable
7 license application fee;
- 8 10. "Department" means the State Department of Health;
- 9 11. "Director" means the Executive Director of the Oklahoma
10 Medical Marijuana Authority;
- 11 12. "Dispense" means the selling of medical marijuana or a
12 medical marijuana product to a qualified patient or the designated
13 caregiver of the patient that is packaged in a suitable container
14 appropriately labeled for subsequent administration to or use by a
15 qualifying patient;
- 16 13. "Dispensary" means a medical marijuana dispensary, an
17 entity that has been licensed by the Department pursuant to the
18 Oklahoma Medical Marijuana and Patient Protection Act to purchase
19 medical marijuana or medical marijuana products from a licensed
20 medical marijuana commercial grower or licensed medical marijuana
21 processor, to prepare and package noninfused pre-rolled medical
22 marijuana, and to sell medical marijuana or medical marijuana
23 products to licensed patients and caregivers as defined in this
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1 section, or sell or transfer products to another licensed
2 dispensary;

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

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

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

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

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

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

3 20. "Harvested marijuana" means postflowering medical marijuana
4 not including trim, concentrate or waste;

5 21. "Heat- or pressure-based medical marijuana concentrate"
6 means a medical marijuana concentrate that was produced by
7 extracting cannabinoids from medical marijuana through the use of
8 heat or pressure;

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

11 23. "Inventory tracking system" means the required tracking
12 system that accounts for the entire life span of medical marijuana
13 and medical marijuana products, including any testing samples
14 thereof and medical marijuana waste;

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

18 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 the Oklahoma Medical Marijuana and
22 Patient Protection Act that are owned or in possession of the
23 licensee and within which the licensee is authorized to cultivate,
24 manufacture, distribute, sell, store, transport, test or research

1 medical marijuana or medical marijuana products in accordance with
2 the provisions of the Oklahoma Medical Marijuana and Patient
3 Protection Act and rules promulgated pursuant thereto;

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

10 27. "Marijuana" shall have the same meaning as such term is
11 defined in Section 2-101 of this title;

12 28. "Material change" means any change that would affect the
13 qualifications for licensure of an applicant or licensee;

14 29. "Mature plant" means a harvestable female marijuana plant
15 that is flowering;

16 30. "Medical marijuana business (MMB)" means a licensed medical
17 marijuana dispensary, medical marijuana processor, medical marijuana
18 commercial grower, medical marijuana laboratory, medical marijuana
19 business operator ~~or a~~, medical marijuana transporter, or a medical
20 marijuana wholesaler;

21 31. "Medical marijuana concentrate" or "concentrate" means a
22 specific subset of medical marijuana that was produced by extracting
23 cannabinoids from medical marijuana. Categories of medical
24 marijuana concentrate include water-based medical marijuana

1 concentrate, food-based medical marijuana concentrate, solvent-based
2 medical marijuana concentrate, and heat- or pressure-based medical
3 marijuana concentrate;

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

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

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

4 35. "Medical marijuana product" or "product" means a product
5 that contains cannabinoids that have been extracted from plant
6 material or the resin therefrom by physical or chemical means and is
7 intended for administration to a qualified patient including, but
8 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 36. "Medical marijuana processor" means a person or entity
13 licensed pursuant to the Oklahoma Medical Marijuana and Patient
14 Protection Act to operate a business including the production,
15 manufacture, extraction, processing, packaging or creation of
16 concentrate, medical-marijuana-infused products or medical marijuana
17 products as described in the Oklahoma Medical Marijuana and Patient
18 Protection Act;

19 37. "Medical marijuana research facility" or "research
20 facility" means a person or entity approved pursuant to the Oklahoma
21 Medical Marijuana and Patient Protection Act to conduct medical
22 marijuana research. A medical marijuana research facility is not a
23 medical marijuana business;

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1 38. "Medical marijuana testing laboratory" or "laboratory"
2 means a public or private laboratory licensed pursuant to the
3 Oklahoma Medical Marijuana and Patient Protection Act to conduct
4 testing and research on medical marijuana and medical marijuana
5 products;

6 39. "Medical marijuana transporter" or "transporter" means a
7 person or entity that is licensed pursuant to the Oklahoma Medical
8 Marijuana and Patient Protection Act. A medical marijuana
9 transporter does not include a medical marijuana business that
10 transports its own medical marijuana, medical marijuana concentrate
11 or medical marijuana products to a property or facility adjacent to
12 or connected to the licensed premises if the property is another
13 licensed premises of the same medical marijuana business;

14 40. "Medical marijuana waste" or "waste" means unused, surplus,
15 returned or out-of-date marijuana, plant debris of the plant of the
16 genus Cannabis including dead plants and all unused plant parts and
17 roots, except the term shall not include roots, stems, stalks and
18 fan leaves;

19 41. "Medical marijuana wholesaler" or "wholesaler" means an
20 entity licensed by the Oklahoma Medical Marijuana Authority to
21 acquire, possess, sell, or distribute medical marijuana or medical
22 marijuana products on behalf of another licensed medical marijuana
23 business in the State of Oklahoma. A medical marijuana wholesaler
24 does not include a medical marijuana business which grows, produces

1 and sells its own medical marijuana, medical marijuana concentrate,
2 or medical marijuana products;

3 42. "Medical use" means the acquisition, possession, use,
4 delivery, transfer or transportation of medical marijuana, medical
5 marijuana products, medical marijuana devices or paraphernalia
6 relating to the administration of medical marijuana to treat a
7 licensed patient;

8 ~~42.~~ 43. "Mother plant" means a marijuana plant that is grown or
9 maintained for the purpose of generating clones, and that will not
10 be used to produce plant material for sale to a medical marijuana
11 processor or medical marijuana dispensary;

12 ~~43.~~ 44. "Oklahoma physician" or "physician" means a physician
13 licensed by and in good standing with the State Board of Medical
14 Licensure and Supervision, the State Board of Osteopathic Examiners
15 or the Board of Podiatric Medical Examiners;

16 ~~44.~~ 45. "Oklahoma resident" means an individual who can provide
17 proof of residency as required by the Oklahoma Medical Marijuana and
18 Patient Protection Act;

19 ~~45.~~ 46. "Owner" means, except where the context otherwise
20 requires, a direct beneficial owner including, but not limited to,
21 all persons or entities as follows:

- 22 a. all shareholders owning an interest of a corporate
23 entity and all officers of a corporate entity,
24 b. all partners of a general partnership,

- 1 c. all general partners and all limited partners that own
2 an interest in a limited partnership,
3 d. all members that own an interest in a limited
4 liability company,
5 e. all beneficiaries that hold a beneficial interest in a
6 trust and all trustees of a trust,
7 f. all persons or entities that own interest in a joint
8 venture,
9 g. all persons or entities that own an interest in an
10 association,
11 h. the owners of any other type of legal entity, and
12 i. any other person holding an interest or convertible
13 note in any entity which owns, operates or manages a
14 licensed facility;

15 ~~46.~~ 47. "Package" or "packaging" means any container or wrapper
16 that may be used by a medical marijuana business to enclose or
17 contain medical marijuana;

18 ~~47.~~ 48. "Person" means a natural person, partnership,
19 association, business trust, company, corporation, estate, limited
20 liability company, trust or any other legal entity or organization,
21 or a manager, agent, owner, director, servant, officer or employee
22 thereof, except that "person" does not include any governmental
23 organization;

1 ~~48.~~ 49. "Pesticide" means any substance or mixture of
2 substances intended for preventing, destroying, repelling or
3 mitigating any pest or any substance or mixture of substances
4 intended for use as a plant regulator, defoliant or desiccant,
5 except that the term "pesticide" shall not include any article that
6 is a "new animal drug" as designated by the United States Food and
7 Drug Administration;

8 ~~49.~~ 50. "Production batch" means:

- 9 a. any amount of medical marijuana concentrate of the
10 same category and produced using the same extraction
11 methods, standard operating procedures and an
12 identical group of harvest batch of medical marijuana,
13 or
14 b. any amount of medical marijuana product of the same
15 exact type, produced using the same ingredients,
16 standard operating procedures and the same production
17 batch of medical marijuana concentrate;

18 ~~50.~~ 51. "Public institution" means any entity established or
19 controlled by the federal government, state government, or a local
20 government or municipality including, but not limited to,
21 institutions of higher education or related research institutions;

22 ~~51.~~ 52. "Public money" means any funds or money obtained by the
23 holder from any governmental entity including, but not limited to,
24 research grants;

1 ~~52.~~ 53. "Recommendation" means a document that is signed or
2 electronically submitted by a physician on behalf of a patient for
3 the use of medical marijuana pursuant to the Oklahoma Medical
4 Marijuana and Patient Protection Act;

5 ~~53.~~ 54. "Registered to conduct business" means a person that
6 has provided proof that the business applicant or licensee is in
7 good standing with the Oklahoma Secretary of State;

8 ~~54.~~ 55. "Remediation" means the process by which a harvest
9 batch or production batch that fails testing undergoes a procedure
10 to remedy the harvest batch or production batch and is retested in
11 accordance with Oklahoma laws, rules and regulations;

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

23 ~~56.~~ 57. "Revocation" means the final decision by the Department
24 that any license issued pursuant to the Oklahoma Medical Marijuana

1 and Patient Protection Act is rescinded because the individual or
2 entity does not comply with the applicable requirements set forth in
3 the Oklahoma Medical Marijuana and Patient Protection Act or rules
4 promulgated pursuant thereto;

5 ~~57.~~ 58. "School" means a public or private elementary, middle
6 or high school used for school classes and instruction. A
7 homeschool, daycare or child-care facility shall not be considered a
8 "school" as used in the Oklahoma Medical Marijuana and Patient
9 Protection Act;

10 ~~58.~~ 59. "Shipping container" means a hard-sided container with
11 a lid or other enclosure that can be secured in place. A shipping
12 container is used solely for the transport of medical marijuana,
13 medical marijuana concentrate, or medical marijuana products between
14 medical marijuana businesses, a medical marijuana research facility,
15 or a medical marijuana education facility;

16 ~~59.~~ 60. "Solvent-based medical marijuana concentrate" means a
17 medical marijuana concentrate that was produced by extracting
18 cannabinoids from medical marijuana through the use of a solvent
19 approved by the Department;

20 ~~60.~~ 61. "State Question" means Oklahoma State Question No. 788,
21 Initiative Petition No. 412, approved by a majority vote of the
22 citizens of Oklahoma on June 26, 2018;

23 ~~61.~~ 62. "Strain" means the name given to a particular variety
24 of medical marijuana that is based on a combination of factors which

1 may include, but is not limited to, botanical lineage, appearance,
2 chemical profile and accompanying effects. An example of a "strain"
3 would be "OG Kush" or "Pineapple Express";

4 ~~62.~~ 63. "THC" means tetrahydrocannabinol, which is the primary
5 psychotropic cannabinoid in marijuana formed by decarboxylation of
6 naturally tetrahydrocannabinolic acid, which generally occurs by
7 exposure to heat;

8 ~~63.~~ 64. "Transporter agent" means a person who transports
9 medical marijuana or medical marijuana products as an employee of a
10 licensed medical marijuana business and holds a transporter agent
11 license specific to that business pursuant to the Oklahoma Medical
12 Marijuana and Patient Protection Act;

13 ~~64.~~ 65. "Universal symbol" means the image established by the
14 State Department of Health or Oklahoma Medical Marijuana Authority
15 and made available to licensees through its website indicating that
16 the medical marijuana or the medical marijuana product contains THC;

17 ~~65.~~ 66. "Usable marijuana" means the dried leaves, flowers,
18 oils, vapors, waxes and other portions of the marijuana plant and
19 any mixture or preparation thereof, excluding seeds, roots, stems,
20 stalks and fan leaves; and

21 ~~66.~~ 67. "Water-based medical marijuana concentrate" means a
22 concentrate that was produced by extracting cannabinoids from
23 medical marijuana through the use of only water, ice or dry ice.

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1 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.14, is
2 amended to read as follows:

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

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

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

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

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

21 E. All applicants seeking licensure or licensure renewal as a
22 medical marijuana business shall comply with the following general
23 requirements:

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

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

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

9 4. All applications shall be complete and accurate in every
10 detail;

11 5. All applications shall include all attachments or
12 supplemental information required by the forms supplied by the
13 Authority;

14 6. All applications shall be accompanied by a full remittance
15 for the whole amount of the application fees. Application fees are
16 nonrefundable;

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

19 a. twenty-five (25) years of age or older,

20 b. if applying as an individual, proof that the applicant
21 is an Oklahoma resident pursuant to paragraph 11 of
22 this subsection,

23 c. if applying as an entity, proof that seventy-five
24 percent (75%) of all members, managers, executive

1 officers, partners, board members or any other form of
2 business ownership are Oklahoma residents pursuant to
3 paragraph 11 of this subsection,

4 d. if applying as an individual or entity, proof that the
5 individual or entity is registered to conduct business
6 in the State of Oklahoma,

7 e. disclosure of all ownership interests pursuant to the
8 Oklahoma Medical Marijuana and Patient Protection Act,
9 and

10 f. proof that the medical marijuana business, medical
11 marijuana research facility, medical marijuana
12 education facility and medical marijuana waste
13 disposal facility applicant or licensee has not been
14 convicted of a nonviolent felony in the last two (2)
15 years, or any other felony conviction within the last
16 five (5) years, is not a current inmate in the custody
17 of the Department of Corrections, or currently
18 incarcerated in a jail or corrections facility;

19 8. There shall be no limit to the number of medical marijuana
20 business licenses or categories that an individual or entity can
21 apply for or receive, although each application and each category
22 shall require a separate application and application fee. A
23 commercial grower, processor and dispensary, or any combination
24 thereof, are authorized to share the same address or physical

1 location, subject to the restrictions set forth in the Oklahoma
2 Medical Marijuana and Patient Protection Act;

3 9. All applicants for a medical marijuana business license,
4 research facility license or education facility license authorized
5 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
6 a renewal of such license, shall undergo an Oklahoma criminal
7 history background check conducted by the Oklahoma State Bureau of
8 Investigation (OSBI) within thirty (30) days prior to the
9 application for the license, including:

- 10 a. individual applicants applying on their own behalf,
- 11 b. individuals applying on behalf of an entity,
- 12 c. all principal officers of an entity, and
- 13 d. all owners of an entity as defined by the Oklahoma
14 Medical Marijuana and Patient Protection Act;

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

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

- 3 a. an unexpired Oklahoma-issued driver license,
- 4 b. an Oklahoma identification card,
- 5 c. a utility bill preceding the date of application,
6 excluding cellular telephone and Internet bills,
- 7 d. a residential property deed to property in the State
8 of Oklahoma, and
- 9 e. a rental agreement preceding the date of application
10 for residential property located in the State of
11 Oklahoma.

12 Applicants that were issued a medical marijuana business license
13 prior to August 30, 2019, are hereby exempt from the two-year or
14 five-year Oklahoma residence requirement mentioned above;

15 12. All license applicants shall be required to submit a
16 registration with the Oklahoma State Bureau of Narcotics and
17 Dangerous Drugs Control as provided in Sections 2-302 through 2-304
18 of this title;

19 13. All applicants shall establish their identity through
20 submission of a color copy or digital image of one of the following
21 unexpired documents:

- 22 a. front of an Oklahoma driver license,
- 23 b. front of an Oklahoma identification card,

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- 1 c. a United States passport or other photo identification
2 issued by the United States government, or
3 d. a tribal identification card approved for
4 identification purposes by the Oklahoma Department of
5 Public Safety; and

6 14. All applicants shall submit an applicant photograph.

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

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

14 2. Approved applicants shall be issued a medical marijuana
15 business license for the specific category applied under, which
16 shall act as proof of their approved status. Rejection and denial
17 letters shall provide a reason for the rejection or denial.

18 Applications may only be rejected or denied based on the applicant
19 not meeting the standards set forth in the provisions of the
20 Oklahoma Medical Marijuana and Patient Protection Act and Sections
21 420 through 426.1 of this title, improper completion of the
22 application, or for a reason provided for in the Oklahoma Medical
23 Marijuana and Patient Protection Act and Sections 420 through 426.1
24 of this title. If an application is rejected for failure to provide

1 required information, the applicant shall have thirty (30) days to
2 submit the required information for reconsideration. No additional
3 application fee shall be charged for such reconsideration. Unless
4 the Department determines otherwise, an application that has been
5 resubmitted but is still incomplete or contains errors that are not
6 clerical or typographical in nature shall be denied.

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

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

14 H. A license for a medical marijuana business, medical
15 marijuana research facility, medical marijuana education facility or
16 medical marijuana waste disposal facility shall not be issued to or
17 held by:

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

19 2. A person who 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 3. A corporation, if the criminal history of any of its
23 officers, directors or stockholders indicates that the officer,
24 director or stockholder has been convicted of a nonviolent felony

1 within two (2) years of the date of application, or within five (5)
2 years for any other felony;

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

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

7 a. file taxes, interest or penalties due related to a
8 medical marijuana business, or

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

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

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

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

22 a. unlawful sales or purchases,

23 b. any fraudulent acts, falsification of records or

24 misrepresentation to the Authority, medical marijuana

1 patient licensees, caregiver licensees or medical
2 marijuana business licensees,

3 c. any grossly inaccurate or fraudulent reporting,

4 d. threatening or harming any medical marijuana patient,
5 caregiver, medical practitioner or employee of the
6 Department,

7 e. knowingly or intentionally refusing to permit the
8 Department access to premises or records,

9 f. using a prohibited, hazardous substance for processing
10 in a residential area,

11 g. criminal acts relating to the operation of a medical
12 marijuana business, or

13 h. any violations that endanger public health and safety
14 or product safety.

15 I. In investigating the qualifications of an applicant or a
16 licensee, the Department, Authority and municipalities may have
17 access to criminal history record information furnished by a
18 criminal justice agency subject to any restrictions imposed by such
19 an agency.

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

23 K. All applicants and licensees shall submit information to the
24 Department and Authority in a full, faithful, truthful and fair

1 manner. The Department and Authority may recommend denial of an
2 application where the applicant or licensee made misstatements,
3 omissions, misrepresentations or untruths in the application or in
4 connection with the background investigation of the applicant. This
5 type of conduct may be grounds for administrative action against the
6 applicant or licensee. Typos and scrivener errors shall not be
7 grounds for denial.

8 L. A licensed medical marijuana business premises shall be
9 subject to and responsible for compliance with applicable provisions
10 consistent with the zoning where such business is located as
11 described in the most recent versions of the Oklahoma Uniform
12 Building Code, the International Building Code and the International
13 Fire Code, unless granted an exemption by a municipality or
14 appropriate code enforcement entity.

15 M. All medical marijuana business, medical marijuana research
16 facility, medical marijuana education facility and medical marijuana
17 waste disposal facility licensees shall pay the relevant licensure
18 fees prior to receiving licensure to operate.

19 N. A medical marijuana business, medical marijuana research
20 facility, medical marijuana education facility or medical marijuana
21 waste disposal facility that attempts to renew its license after the
22 expiration date of the license shall pay a late renewal fee in an
23 amount to be determined by the Department to reinstate the license.

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1 Late renewal fees are nonrefundable. A license that has been
2 expired for more than ninety (90) days shall not be renewed.

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

8 SECTION 3. AMENDATORY 63 O.S. 2021, Section 427.16, is
9 amended to read as follows:

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

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

21 C. A Aside from a medical marijuana transporter license issued
22 to a licensed medical marijuana dispensary, medical marijuana
23 commercial grower, medical marijuana processor, medical marijuana
24 research facility, or medical marijuana education facility in

1 conjunction with its business license, a medical marijuana
2 transporter license may also be issued to qualifying applicants who
3 are registered with the Oklahoma Secretary of State and otherwise
4 meet the requirements for a medical marijuana business license set
5 forth in the Oklahoma Medical Marijuana and Patient Protection Act
6 and the requirements set forth in this section to provide logistics,
7 distribution and storage of medical marijuana, medical marijuana
8 concentrate and medical marijuana products. The license, when not
9 issued in conjunction with a medical marijuana dispensary, medical
10 marijuana commercial grower, medical marijuana processor, medical
11 marijuana research facility, or medical marijuana education facility
12 license, shall be known as a "medical marijuana wholesaler license"
13 or "wholesaler license".

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

21 E. A transporter license or wholesaler license shall be
22 required for any person or entity to transport or transfer medical
23 marijuana, medical marijuana concentrate or medical marijuana
24 products from a licensed medical marijuana business to another

1 medical marijuana business, or from a medical marijuana business to
2 a medical marijuana research facility or medical marijuana education
3 facility.

4 F. A medical marijuana transporter or wholesaler licensee may
5 contract with multiple licensed medical marijuana businesses to
6 package, store, and transport medical marijuana, medical marijuana
7 concentrate, and medical marijuana products on its behalf in the
8 State of Oklahoma.

9 G. A medical marijuana transporter or wholesaler may maintain a
10 licensed premises to ~~temporarily~~ store medical marijuana, medical
11 marijuana concentrate and medical marijuana products and to use as a
12 centralized packaging and distribution point. A medical marijuana
13 transporter or wholesaler and its employees may broker, package,
14 store and, market, or distribute medical marijuana, medical
15 marijuana concentrate and medical marijuana products ~~from the~~
16 ~~licensed premises~~ in the State of Oklahoma on behalf of another
17 medical marijuana business licensee. The licensed premises of the
18 wholesaler shall meet all security requirements applicable to a
19 medical marijuana business.

20 H. A medical marijuana transporter or wholesaler licensee shall
21 use the seed-to-sale tracking system developed pursuant to the
22 Oklahoma Medical Marijuana and Patient Protection Act to track all
23 medical marijuana, medical marijuana concentrate, and medical
24 marijuana products received, packaged, stored, or distributed by a

1 transporter or wholesaler and to create shipping manifests
2 documenting the transport of medical marijuana, medical marijuana
3 concentrate and medical marijuana products throughout the state.

4 I. A licensed medical marijuana transporter or wholesaler may
5 maintain and operate one or more warehouses in the state to handle
6 medical marijuana, medical marijuana concentrate and medical
7 marijuana products. Each location shall be registered and inspected
8 by the Authority prior to its use.

9 J. With the exception of a lawful transfer between medical
10 marijuana businesses who are licensed to operate at the same
11 physical address, all medical marijuana, medical marijuana
12 concentrate and medical marijuana products shall be transported:

13 1. In vehicles equipped with Global Positioning System (GPS)
14 trackers;

15 2. In a locked container and clearly labeled "Medical Marijuana
16 or Derivative"; and

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

19 K. A transporter agent may possess marijuana at any location
20 while the transporter agent is transferring marijuana to or from a
21 licensed medical marijuana business, licensed medical marijuana
22 research facility or licensed medical marijuana education facility.
23 The Department shall administer and enforce the provisions of this
24 section concerning transportation.

1 L. The Authority shall issue a transporter agent license to
2 individual ~~agents~~, employees, officers or owners of a transporter or
3 wholesaler license in order for the ~~individual~~ employees, officers,
4 or owners to qualify to transport medical marijuana, medical
5 marijuana concentrate or medical marijuana products.

6 M. The annual fee for a transporter agent license shall be
7 Twenty-five Dollars (\$25.00) and shall be paid by the transporter
8 ~~license holder~~ or wholesaler licensee or the individual applicant.
9 Transporter license reprints shall be Twenty Dollars (\$20.00).

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

- 12 1. The name, address and date of birth of the person;
- 13 2. Proof of current Oklahoma residency;
- 14 3. Proof of identity as required for a medical marijuana
15 business license;
- 16 4. Possession of a valid Oklahoma driver license;
- 17 5. Verification of employment with a licensed transporter;
- 18 6. The application and affiliated fee; and
- 19 7. A copy of the criminal background check conducted by the
20 Oklahoma State Bureau of Investigation, paid for by the applicant.

21 O. If the transporter agent application is denied, the
22 Department shall notify the transporter or wholesaler in writing of
23 the reason for denying the registry identification card.

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

5 Q. The Department may revoke the registry identification card
6 of a transporter agent who knowingly violates any provision of this
7 section, and the transporter or wholesaler is subject to any other
8 penalties established by law for the violation.

9 R. The Department may revoke or suspend the transporter license
10 of a transporter or wholesaler that the Department determines
11 knowingly aided or facilitated a violation of any provision of this
12 section, and the license holder is subject to any other penalties
13 established in law for the violation.

14 S. Vehicles used in the transport of medical marijuana or
15 medical marijuana product shall be:

- 16 1. Insured at or above the legal requirements in Oklahoma;
- 17 2. Capable of securing medical marijuana during transport; and
- 18 3. In possession of a shipping container as defined in Section
19 427.2 of this title capable of securing all transported products.

20 T. Prior to the transport of any medical marijuana, medical
21 marijuana concentrate or medical marijuana products, an inventory
22 manifest shall be prepared at the origination point of the medical
23 marijuana. The inventory manifest shall include the following
24 information:

- 1 1. For the origination point of the medical marijuana:
 - 2 a. the licensee number for the commercial grower,
 - 3 processor or dispensary,
 - 4 b. address of origination of transport, and
 - 5 c. name and contact information for the originating
 - 6 licensee;
- 7 2. For the end recipient license holder of the medical
- 8 marijuana:
 - 9 a. the license number for the dispensary, commercial
 - 10 grower, processor, research facility or education
 - 11 facility destination,
 - 12 b. address of the destination, and
 - 13 c. name and contact information for the destination
 - 14 licensee;
- 15 3. Quantities by weight or unit of each type of medical
- 16 marijuana product contained in transport;
- 17 4. The date of the transport and the approximate time of
- 18 departure;
- 19 5. The arrival date and estimated time of arrival;
- 20 6. Printed names and signatures of the personnel accompanying
- 21 the transport; and
- 22 7. Notation of the transporting licensee.
- 23 U. 1. A separate inventory manifest shall be prepared for each
- 24 licensee receiving the medical marijuana.

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

5 3. A receiving licensee shall refuse to accept any medical
6 marijuana, medical marijuana concentrate or medical marijuana
7 products that are not accompanied by an inventory manifest.

8 4. Originating and receiving licensees shall maintain copies of
9 inventory manifests and logs of quantities of medical marijuana
10 received for seven (7) years from date of receipt.

11 SECTION 4. This act shall become effective November 1, 2022.

12 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM
13 April 14, 2022 - DO PASS AS AMENDED

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