

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 3734

6 By: Fetgatter

7 COMMITTEE SUBSTITUTE

8 An Act relating to medical marijuana; amending 63  
9 O.S. 2021, Sections 421, 422, 423 and 424, which  
10 relate to licensing requirements for medical  
11 marijuana dispensaries, commercial growers,  
12 processors, and transporters; providing for temporary  
13 and annual licenses; providing statutory references  
14 for fees; updating language; amending 63 O.S. 2021,  
15 Sections 427.14 and 427.16, which relate to the  
16 Oklahoma Medical Marijuana and Patient Protection  
17 Act; creating temporary and annual licensing program  
18 for certain medical marijuana businesses; stating  
19 conditions for temporary licenses; requiring  
20 adherence to certain rules and regulations;  
21 clarifying obligations of the Oklahoma Medical  
22 Marijuana Authority when issuing temporary licenses;  
23 stating length of term of temporary licenses;  
24 providing for extensions under certain circumstances;  
establishing fees for temporary licenses and  
extensions; requiring submission of certain  
information to the Authority; authorizing rejection  
of applications; clarifying circumstances that allow  
for the issuance of annual medical marijuana business  
licenses; updating language; creating temporary  
licensing program for medical marijuana transporters;  
and declaring an emergency.

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

1 SECTION 1. AMENDATORY 63 O.S. 2021, Section 421, is  
2 amended to read as follows:

3 Section 421. A. ~~The State Department of Health shall, within~~  
4 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical  
5 Marijuana Authority shall make available on its website in an easy-  
6 to-find location an application for a temporary medical marijuana  
7 dispensary license and an annual medical marijuana dispensary  
8 license. ~~The application fee shall be Two Thousand Five Hundred~~  
9 ~~Dollars (\$2,500.00)~~ fees for the temporary or annual license shall  
10 be paid by the applicant in the amounts provided for in Section  
11 427.14 of this title. A method of payment for the application fees  
12 shall be provided on the website of the ~~Department~~ Authority.  
13 ~~Dispensary~~ Medical marijuana dispensary applicants must all be  
14 residents of Oklahoma. Any entity applying for a temporary or  
15 annual medical marijuana dispensary license must be owned by an  
16 Oklahoma resident and must be registered to do business in Oklahoma.  
17 The ~~Department~~ Authority shall have ninety (90) business days to  
18 review the application for a temporary medical marijuana dispensary  
19 license; approve, reject or deny the application; and mail the  
20 approval, rejection or denial letter stating reasons for the  
21 rejection or denial to the applicant.

22 B. ~~The State Department of Health~~ In addition to the  
23 requirements provided for in the Oklahoma Medical Marijuana and  
24

1 Patient Protection Act, the Authority shall approve all applications  
2 which meet the following criteria:

3 1. The applicant must be twenty-five (25) years of age or  
4 older;

5 2. The applicant, if applying as an individual, must show  
6 residency in the State of Oklahoma;

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

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

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

14 6. All applicants must disclose all ownership interests in the  
15 dispensary.

16 Applicants with a nonviolent felony conviction in the last two  
17 (2) years, any other felony conviction in the last five (5) years,  
18 inmates in the custody of the Department of Corrections or any  
19 person currently incarcerated shall not qualify for a temporary or  
20 annual medical marijuana dispensary license.

21 C. Licensed medical marijuana dispensaries shall be required to  
22 complete a monthly sales report to the ~~State Department of Health~~  
23 Authority. This report shall be due on the fifteenth of each month  
24 and provide reporting on the previous month. This report shall

1 detail the weight of marijuana purchased at wholesale and the weight  
2 of marijuana sold to licensed medical marijuana patients and  
3 licensed caregivers and account for any waste. The report shall  
4 show total sales in dollars, tax collected in dollars, and tax due  
5 in dollars. The ~~State Department of Health~~ Authority shall have  
6 oversight and auditing responsibilities to ensure that all marijuana  
7 being grown is accounted for.

8 D. Only a licensed medical marijuana dispensary may conduct  
9 retail sales of marijuana or marijuana derivatives. Beginning on  
10 the effective date of this act, licensed medical marijuana  
11 dispensaries shall be authorized to package and sell pre-rolled  
12 marijuana to licensed medical marijuana patients and licensed  
13 caregivers. The products described in this subsection shall contain  
14 only the ground parts of the marijuana plant and shall not include  
15 marijuana concentrates or derivatives. The total net weight of each  
16 pre-roll packaged and sold by a medical marijuana dispensary shall  
17 not exceed one (1) gram. These products shall be tested, packaged  
18 and labeled in accordance with Oklahoma law and rules promulgated by  
19 the ~~State Commissioner of Health~~ Authority.

20 E. No medical marijuana dispensary shall offer or allow a  
21 medical marijuana patient licensee, caregiver licensee or other  
22 member of the public to handle or otherwise have physical contact  
23 with any medical marijuana not contained in a sealed or separate  
24 package. Provided, such prohibition shall not preclude an employee

1 of the medical marijuana dispensary from handling loose or  
2 nonpackaged medical marijuana to be placed in packaging consistent  
3 with the Oklahoma Medical Marijuana and Patient Protection Act and  
4 the rules promulgated by the Authority for the packaging of medical  
5 marijuana for retail sale. Provided, further, such prohibition  
6 shall not prevent a medical marijuana dispensary from displaying  
7 samples of its medical marijuana in separate display cases, jars or  
8 other containers and allowing medical marijuana patient licensees  
9 and caregiver licensees the ability to handle or smell the various  
10 samples as long as the sample medical marijuana is used for display  
11 purposes only and is not offered for retail sale.

12 SECTION 2. AMENDATORY 63 O.S. 2021, Section 422, is  
13 amended to read as follows:

14 Section 422. A. ~~The State Department of Health shall, within~~  
15 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical  
16 Marijuana Authority shall make available on its website in an easy-  
17 to-find location an application applications for a temporary medical  
18 marijuana commercial grower license and an annual medical marijuana  
19 commercial grower license. The application fee shall be Two  
20 Thousand Five Hundred Dollars (\$2,500.00) fees for the temporary or  
21 annual license shall be paid by the applicant in the amounts  
22 provided for in Section 427.14 of this title. A method of payment  
23 for the application fees shall be provided on the website of the  
24 ~~Department Authority.~~ The State Department of Health Authority

1 shall have ninety (90) days to review the application for a  
2 temporary medical marijuana commercial grower license; approve,  
3 reject or deny the application; and mail the approval, rejection or  
4 denial letter stating the reasons for the rejection or denial to the  
5 applicant.

6 B. ~~The State Department of Health~~ In addition to the  
7 requirements provided for in the Oklahoma Medical Marijuana and  
8 Patient Protection Act, the Authority shall approve all applications  
9 which meet the following criteria:

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

12 2. The applicant, if 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 interests in the  
22 commercial grower operation.

23 Applicants with a nonviolent felony conviction in the last two  
24 (2) years, any other felony conviction in the last five (5) years,

1 inmates in the custody of the Department of Corrections or any  
2 person currently incarcerated shall not qualify for a temporary or  
3 annual medical marijuana commercial grower license.

4 C. A licensed medical marijuana commercial grower may sell  
5 marijuana to a licensed medical marijuana dispensary or a licensed  
6 medical marijuana processor. Further, sales by a licensed medical  
7 marijuana commercial grower shall be considered wholesale sales and  
8 shall not be subject to taxation. Under no circumstances may a  
9 licensed medical marijuana commercial grower sell marijuana directly  
10 to a licensed medical marijuana patient or licensed medical  
11 marijuana caregiver. A licensed medical marijuana commercial grower  
12 may only sell at the wholesale level to a licensed medical marijuana  
13 dispensary, a licensed medical marijuana commercial grower or a  
14 licensed medical marijuana processor. If the federal government  
15 lifts restrictions on buying and selling marijuana between states,  
16 then a licensed medical marijuana commercial grower would be allowed  
17 to sell and buy marijuana wholesale from, or to, an out-of-state  
18 wholesale provider. A licensed medical marijuana commercial grower  
19 shall be required to complete a monthly yield and sales report to  
20 the ~~State Department of Health~~ Authority. This report shall be due  
21 on the fifteenth of each month and provide reporting on the previous  
22 month. This report shall detail the amount of marijuana harvested  
23 in pounds, the amount of drying or dried marijuana on hand, the  
24 amount of marijuana sold to licensed processors in pounds, the

1 amount of waste in pounds, and the amount of marijuana sold to  
2 licensed medical marijuana dispensaries in pounds. Additionally,  
3 this report shall show total wholesale sales in dollars. The ~~State~~  
4 ~~Department of Health~~ Authority shall have oversight and auditing  
5 responsibilities to ensure that all marijuana being grown by  
6 licensed medical marijuana commercial growers is accounted for.

7 D. There shall be no limits on how much marijuana a licensed  
8 medical marijuana commercial grower can grow.

9 E. Beginning on the effective date of this act, licensed  
10 medical marijuana commercial growers shall be authorized to package  
11 and sell pre-rolled marijuana to licensed medical marijuana  
12 dispensaries. The products described in this subsection shall  
13 contain only the ground parts of the marijuana plant and shall not  
14 include marijuana concentrates or derivatives. The total net weight  
15 of each pre-roll packaged and sold by medical marijuana commercial  
16 growers shall not exceed one (1) gram. These products must be  
17 tested, packaged and labeled in accordance with Oklahoma law and  
18 rules promulgated by the ~~State Commissioner of Health~~ Authority.

19 SECTION 3. AMENDATORY 63 O.S. 2021, Section 423, is  
20 amended to read as follows:

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



1 processor license and an annual medical marijuana processing  
2 processor license. The ~~Department~~ Authority shall be authorized to  
3 issue two types of annual medical marijuana processor licenses based  
4 on the level of risk posed by the type of processing conducted:

- 5 1. Nonhazardous medical marijuana processor license; and
- 6 2. Hazardous medical marijuana processor license.

7 The application ~~fee for a nonhazardous or hazardous medical~~  
8 ~~marijuana processor license shall be Two Thousand Five Hundred~~  
9 ~~Dollars (\$2,500.00)~~ fees for the temporary or annual license shall  
10 be paid by the applicant in the amounts provided for in Section  
11 427.14 of this title. A method of payment shall be provided on the  
12 website of the ~~Department~~ Authority. The ~~State Department of Health~~  
13 Authority shall have ninety (90) days to review the temporary  
14 medical marijuana processor license application; approve, reject or  
15 deny the application; and mail the approval, rejection or denial  
16 letter stating the reasons for the rejection or denial to the  
17 applicant.

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

- 20 1. The applicant must be twenty-five (25) years of age or  
21 older;
- 22 2. The applicant, if applying as an individual, must show  
23 residency in the State of Oklahoma;

24

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

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

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

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

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

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

18 2. ~~As required by subsection D of this section, the State~~  
19 ~~Department of Health shall, within sixty (60) days of passage of~~  
20 ~~this initiative,~~ The Authority shall make available a set of  
21 standards which shall be used by licensed medical marijuana  
22 processors in the preparation of edible marijuana products. The  
23 standards should be in line with current food preparation  
24

1 guidelines. No excessive or punitive rules may be established by  
2 the ~~State Department of Health~~ Authority.

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

11 4. A licensed medical marijuana processor may sell marijuana  
12 products it creates to a licensed medical marijuana dispensary or  
13 any other licensed medical marijuana processor. All sales by a  
14 licensed medical marijuana processor shall be considered wholesale  
15 sales and shall not be subject to taxation.

16 5. Under no circumstances may a licensed medical marijuana  
17 processor sell marijuana or any marijuana product directly to a  
18 licensed medical marijuana patient or licensed medical marijuana  
19 caregiver. However, a licensed medical marijuana processor may  
20 process cannabis into a concentrated form for a licensed medical  
21 marijuana patient for a fee.

22 6. Licensed medical marijuana processors shall be required to  
23 complete a monthly yield and sales report to the ~~State Department of~~  
24 ~~Health~~ Authority. This report shall be due on the fifteenth of each

1 month and shall provide reporting on the previous month. This  
2 report shall detail the amount of marijuana and medical marijuana  
3 products purchased in pounds, the amount of marijuana cooked or  
4 processed in pounds, and the amount of waste in pounds.  
5 Additionally, this report shall show total wholesale sales in  
6 dollars. The ~~State Department of Health~~ Authority shall have  
7 oversight and auditing responsibilities to ensure that all marijuana  
8 being processed is accounted for.

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

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

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

8 SECTION 4. AMENDATORY 63 O.S. 2021, Section 424, is  
9 amended to read as follows:

10 Section 424. A. A temporary medical marijuana transporter  
11 license or an annual medical marijuana transportation transporter  
12 license will shall be issued to qualifying applicants for a medical  
13 marijuana retail dispensary, growing medical marijuana commercial  
14 grower, or processing medical marijuana processor license. The  
15 transportation temporary or annual medical marijuana transporter  
16 license will shall be issued at the time of approval of a retail,  
17 growing the temporary or annual medical marijuana dispensary,  
18 medical marijuana commercial grower, or processing medical marijuana  
19 processor license. The fees for the temporary or annual license  
20 shall be paid by the applicant in the amounts provided for in  
21 Section 427.14 of this title.

22 B. A medical marijuana transportation transporter license will  
23 shall allow the holder to transport medical marijuana from an  
24 Oklahoma-licensed medical marijuana retailer dispensary, licensed

1 ~~growing~~ medical marijuana commercial grower facility, or ~~licensed~~  
2 medical marijuana processor facility to an Oklahoma-licensed medical  
3 marijuana ~~retailer~~ dispensary, ~~licensed growing~~ medical marijuana  
4 commercial grower facility, or ~~licensed~~ medical marijuana processing  
5 facility.

6 C. All medical marijuana or medical marijuana products shall be  
7 transported in a locked container and clearly labeled "Medical  
8 Marijuana or Derivative".

9 SECTION 5. AMENDATORY 63 O.S. 2021, Section 427.14, is  
10 amended to read as follows:

11 Section 427.14 A. There is hereby created the medical  
12 marijuana business license, which shall include the following  
13 categories:

- 14 1. Medical marijuana commercial grower;
- 15 2. Medical marijuana processor;
- 16 3. Medical marijuana dispensary;
- 17 4. Medical marijuana transporter; and
- 18 5. Medical marijuana testing laboratory.

19 B. The Oklahoma Medical Marijuana Authority, with the aid of  
20 the Office of Management and Enterprise Services, shall develop a  
21 website for medical marijuana business license applications.

22 C. The Authority shall make available on its website in an  
23 easy-to-find location, applications for a temporary medical  
24

1 marijuana business license and annual medical marijuana business  
2 license.

3 D. ~~The annual, nonrefundable application fee for a medical~~  
4 ~~marijuana business license shall be Two Thousand Five Hundred~~  
5 ~~Dollars (\$2,500.00)~~ Upon the effective date of this act, the  
6 Authority shall require all persons or entities seeking licensure as  
7 a medical marijuana commercial grower, medical marijuana processor,  
8 medical marijuana dispensary, or medical marijuana transporter to  
9 first apply for a temporary medical marijuana business license.

10 1. A temporary medical marijuana business license is a  
11 conditional license and does not authorize the licensee to conduct  
12 any sales of medical marijuana or marijuana products, the growing or  
13 processing of marijuana, or the transportation of any medical  
14 marijuana or marijuana products by the licensee. A temporary  
15 medical marijuana business licensee shall follow all applicable  
16 rules and regulations promulgated by the Authority.

17 2. A temporary medical marijuana business license does not  
18 obligate the Authority to issue an annual medical marijuana business  
19 license nor does the temporary medical marijuana business license  
20 create a vested right in the holder to either an extension of the  
21 temporary medical marijuana business license or to the granting of a  
22 subsequent annual medical marijuana business license.

23  
24

1       3. A temporary medical marijuana business license issued under  
2 the provisions of this subsection shall be valid for one hundred  
3 eighty (180) days from its effective date.

4       4. A temporary medical marijuana business license may be  
5 extended by the Authority for additional ninety-day periods not to  
6 exceed eighteen (18) months if:

7           a. an application for an annual license has been  
8           submitted to the Authority prior to the initial  
9           expiration date of the temporary medical marijuana  
10           business license, and

11           b. the Authority determines that the application and  
12           required documentation submitted by the applicant for  
13           an annual medical marijuana business license is  
14           deficient in some manner.

15       5. The nonrefundable application fee for a temporary medical  
16 marijuana business license shall be One Thousand Dollars  
17 (\$1,000.00). A nonrefundable fee of One Thousand Dollars  
18 (\$1,000.00) shall be assessed for every ninety-day extension  
19 requested by the holder of a temporary medical marijuana business  
20 license and subsequently granted by the Authority.

21       6. In addition to the general requirements provided for in  
22 subsection E of this section, persons or entities applying for a  
23 temporary medical marijuana business license or applying to renew a  
24



1 medical marijuana business license shall submit the following to the  
2 Authority:

3 a. business-formation documents, which may include, but  
4 not be limited to, articles of incorporation,  
5 operating agreements, partnership agreements, and  
6 fictitious business name statements. The applicant  
7 shall also provide all documents filed with the  
8 Oklahoma Secretary of State,

9 b. financial information pertaining to the operations of  
10 the medical marijuana business, which shall include  
11 the following:

12 (1) a list of funds belonging to the applicant held  
13 in savings, checking, or other accounts  
14 maintained by a financial institution. The  
15 applicant shall provide for each account, the  
16 name of the financial institution, the address of  
17 the financial institution, account type, account  
18 number, and the amount of money in the account,

19 (2) a list of loans made to the applicant. For each  
20 loan, the applicant shall provide the amount of  
21 the loan, the date of the loan, term of the loan,  
22 security provided for the loan, and the name,  
23 address, and phone number of the lender,

1           (3) a list of investments made into the medical  
2           marijuana business. For each investment, the  
3           applicant shall provide the amount of the  
4           investment, the date of the investment, term of  
5           the investment, and the name, address, and phone  
6           number of the investor, and

7           (4) a list of all gifts of any kind given to the  
8           applicant for its use in conducting medical  
9           marijuana business activities. For each gift,  
10           the applicant shall provide the value or a  
11           description of the gift and the name, address,  
12           and phone number of the provider of the gift,

13       c. a complete list of every individual who has a  
14       financial interest in the medical marijuana business  
15       who is not an owner of the medical marijuana business,

16       d. whether the applicant has an ownership or a financial  
17       interest in any other medical marijuana business  
18       licensed under the provisions of the Oklahoma Medical  
19       Marijuana and Patient Protection Act,

20       e. a complete and detailed diagram of the proposed  
21       premises. The diagram shall be to scale and shall  
22       show the following:

23           (1) boundaries of the property and the proposed  
24           premises to be licensed, showing all boundaries,

1 dimensions, entrances and exits, interior  
2 partitions, walls, rooms, windows, doorways, and  
3 common or shared entryways, and shall include a  
4 brief statement or description of the principal  
5 activity to be conducted therein,

6 (2) the location of medical marijuana business  
7 activities that will take place in each area of  
8 the premises, and limited-access areas,

9 (3) where all cameras are located and a number  
10 assigned to each camera for identification  
11 purposes, and

12 (4) if the proposed premises consists of only a  
13 portion of the property, labels indicating which  
14 part of the property is the proposed premises and  
15 what the remaining property is used for,

16 f. if the applicant is not the landowner of the real  
17 property upon which the premises is located, the  
18 applicant shall provide to the Authority a document  
19 from the landowner or the agent of the landowner that  
20 states that the applicant has the right to occupy the  
21 property and acknowledging the applicant may use the  
22 property for the medical marijuana business activity  
23 for which the applicant is applying for licensure. An  
24

1 applicant shall also provide a copy of the rental  
2 agreement, as applicable,

3 g. if the applicant is the landowner of the real property  
4 upon which the premises is located, the applicant  
5 shall provide to the Authority a copy of the title or  
6 deed to the property,

7 h. if the applicant is applying for a medical marijuana  
8 commercial grower license, the applicant shall also  
9 submit the following:

10 (1) for indoor and mixed light cultivation,  
11 identification of all power sources for  
12 cultivation activities including, but not limited  
13 to, illumination, heating, cooling, and  
14 ventilation,

15 (2) if the applicant is proposing to use a diversion  
16 from a waterbody, groundwater well, or rain  
17 catchment system as a water source for  
18 cultivation, include the following locations on  
19 the property diagram with locations also provided  
20 as coordinates in either latitude and longitude  
21 or the Oklahoma Coordinate System:

22 (a) sources of water used, including the  
23 location of waterbody diversion, pump  
24 location, and distribution system, and

1                    (b) location, type, and capacity of each storage  
2                    unit to be used for cultivation, and

3                    (3) a proposed cultivation plan, which shall include  
4                    identification of all water sources used for  
5                    cultivation activities, and

6                    i. evidence of insurance including, but not limited to:

7                    (1) general liability insurance,

8                    (2) workers' compensation insurance or a copy of an

9                    Affidavit of Exempt Status filed with the

10                    Workers' Compensation Commission if compensation

11                    coverage is not required pursuant to the

12                    Administrative Workers' Compensation Act, and

13                    (3) product liability insurance.

14                    7. The Authority may request additional information from the  
15 applicant.

16                    8. The Authority may reject an application for an annual  
17 medical marijuana business license if the requirements for a  
18 temporary medical marijuana business license or any provision of the  
19 Oklahoma Medical Marijuana and Patient Protection Act are not  
20 satisfied.

21                    E. All applicants seeking licensure or licensure renewal as a  
22 medical marijuana business shall comply with the following general  
23 requirements:  
24

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~~ Authority before the application may be accepted or  
9 considered;

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

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

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

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

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

21 b. if applying as an individual, proof that the applicant  
22 is an Oklahoma resident pursuant to paragraph 11 of  
23 this subsection,  
24

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

21 8. There shall be no limit to the number of medical marijuana  
22 business licenses or categories that an individual or entity can  
23 apply for or receive, although each application and each category  
24 shall require a separate application and application fee. A

1 commercial grower, processor and dispensary, or any combination  
2 thereof, are authorized to share the same address or physical  
3 location, subject to the restrictions set forth in the Oklahoma  
4 Medical Marijuana and Patient Protection Act;

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

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

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

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



1 years immediately preceding the date of application. Sufficient  
2 documentation of proof of residency shall include a combination of  
3 the following:

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

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

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

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

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

- 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 temporary medical marijuana  
8 business license application; approve, reject or deny the  
9 application; and mail the approval, rejection, denial or status-  
10 update letter to the applicant within ninety (90) business days of  
11 receipt of the application.

12 G. 1. The Authority shall review the temporary medical  
13 marijuana business license applications and conduct all  
14 investigations, inspections and interviews before approving the  
15 application for an annual medical marijuana business license.

16 2. The annual, nonrefundable application fee for a medical  
17 marijuana business license shall be One Thousand Five Hundred  
18 Dollars (\$1,500.00).

19 3. Approved applicants shall be issued a an annual medical  
20 marijuana business license for the specific category applied under,  
21 which shall act as proof of their approved status. Rejection and  
22 denial letters shall provide a reason for the rejection or denial.  
23 Applications for an annual medical marijuana business license may  
24 only be rejected or denied based on the applicant not meeting the

1 standards set forth in the provisions of subsection D of this  
2 section for a temporary medical marijuana business license, the  
3 provisions of the Oklahoma Medical Marijuana and Patient Protection  
4 Act and Sections 420 through 426.1 of this title, improper  
5 completion of the application, or for a reason provided for in the  
6 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
7 420 through 426.1 of this title. If an application for an annual  
8 medical marijuana business license is rejected for failure to  
9 provide required information, the applicant shall ~~have thirty (30)~~  
10 ~~days~~ be granted an extension of time as provided for in paragraph 4  
11 of subsection D of this section to submit the required information  
12 for reconsideration. ~~No additional application fee and~~ shall be  
13 ~~charged for such reconsideration~~ assessed a nonrefundable fee of One  
14 Thousand Dollars (\$1,000.00) for every ninety-day extension  
15 requested by the applicant and subsequently granted by the  
16 Authority. Unless the Department determines otherwise, an  
17 application that has been resubmitted but is still incomplete or  
18 contains errors that are not clerical or typographical in nature  
19 shall be denied.

20 ~~3.~~ 4. Status-update letters shall provide a reason for delay in  
21 either approval, rejection or denial should a situation arise in  
22 which an application was submitted properly but a delay in  
23 processing the application occurred.

24

1       4. 5. Approval, rejection, denial or status-update letters  
2 shall be sent to the applicant in the same method the application  
3 was submitted to the ~~Department~~ Authority.

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

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

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

12           3. A corporation, if the criminal history of any of its  
13 officers, directors or stockholders indicates that the officer,  
14 director or stockholder 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           4. A person under twenty-five (25) years of age;

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

21               a. file taxes, interest or penalties due related to a  
22               medical marijuana business, or

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

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

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

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

- 13           a. unlawful sales or purchases,
- 14           b. any fraudulent acts, falsification of records or  
15           misrepresentation to the Authority, medical marijuana  
16           patient licensees, caregiver licensees or medical  
17           marijuana business licensees,
- 18           c. any grossly inaccurate or fraudulent reporting,
- 19           d. threatening or harming any medical marijuana patient,  
20           caregiver, medical practitioner or employee of the  
21           ~~Department~~ Authority,
- 22           e. knowingly or intentionally refusing to permit the  
23           ~~Department~~ Authority access to premises or records,

24

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

7           I.    In investigating the qualifications of an applicant or a  
8 licensee, the ~~Department~~, Authority and municipalities may have  
9 access to criminal history record information furnished by a  
10 criminal justice agency subject to any restrictions imposed by such  
11 an agency.

12           J.    The failure of an applicant or licensee to provide the  
13 requested information by the Authority deadline may be grounds for  
14 denial of the application.

15           K.    All applicants and licensees shall submit information to the  
16 ~~Department and~~ Authority in a full, faithful, truthful and fair  
17 manner.   The ~~Department and~~ Authority may recommend denial of an  
18 application where the applicant or licensee made misstatements,  
19 omissions, misrepresentations or untruths in the application or in  
20 connection with the background investigation of the applicant.   This  
21 type of conduct may be grounds for administrative action against the  
22 applicant or licensee.   Typos and scrivener errors shall not be  
23 grounds for denial.

1 L. A licensed medical marijuana business premises shall be  
2 subject to and responsible for compliance with applicable provisions  
3 consistent with the zoning where such business is located as  
4 described in the most recent versions of the Oklahoma Uniform  
5 Building Code, the International Building Code and the International  
6 Fire Code, unless granted an exemption by a municipality or  
7 appropriate code enforcement entity.

8 M. All medical marijuana business, medical marijuana research  
9 facility, medical marijuana education facility and medical marijuana  
10 waste disposal facility licensees shall pay the relevant licensure  
11 fees prior to receiving licensure to operate.

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

19 O. No medical marijuana business, medical marijuana research  
20 facility, medical marijuana education facility or medical marijuana  
21 waste disposal facility shall possess, sell or transfer medical  
22 marijuana or medical marijuana products without a valid, unexpired  
23 license issued by the ~~Department~~ Authority.

24

1 SECTION 6. AMENDATORY 63 O.S. 2021, Section 427.16, is  
2 amended to read as follows:

3 Section 427.16 A. There is hereby created a medical marijuana  
4 transporter license as a category of the medical marijuana business  
5 license.

6 B. Pursuant to Section 424 of this title, the Oklahoma Medical  
7 Marijuana Authority shall issue a temporary and an annual medical  
8 marijuana transporter license to licensed medical marijuana  
9 commercial growers, licensed medical marijuana processors, and  
10 licensed medical marijuana dispensaries upon issuance of such  
11 licenses and upon each renewal. Medical marijuana transporter  
12 licenses shall also be issued to licensed medical marijuana research  
13 facilities, licensed medical marijuana education facilities and  
14 licensed medical marijuana testing laboratories upon issuance of  
15 such licenses and upon each renewal.

16 C. A temporary or annual medical marijuana transporter license  
17 may also be issued to qualifying applicants who are registered with  
18 the Oklahoma Secretary of State and otherwise meet the requirements  
19 for a medical marijuana business license set forth in Section 427.14  
20 of this title, the Oklahoma Medical Marijuana and Patient Protection  
21 Act, and the requirements set forth in this section to provide  
22 logistics, distribution and storage of medical marijuana, medical  
23 marijuana concentrate and medical marijuana products.

24



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

7 E. A transporter license shall be required for any person or  
8 entity to transport or transfer medical marijuana, medical marijuana  
9 concentrate or medical marijuana products from a licensed medical  
10 marijuana business to another medical marijuana business, or from a  
11 medical marijuana business to a medical marijuana research facility  
12 or medical marijuana education facility.

13 F. A medical marijuana transporter licensee may contract with  
14 multiple licensed medical marijuana businesses.

15 G. A medical marijuana transporter may maintain a licensed  
16 premises to temporarily store medical marijuana, medical marijuana  
17 concentrate and medical marijuana products and to use as a  
18 centralized distribution point. A medical marijuana transporter may  
19 store and distribute medical marijuana, medical marijuana  
20 concentrate and medical marijuana products from the licensed  
21 premises. The licensed premises shall meet all security  
22 requirements applicable to a medical marijuana business.

23 H. A medical marijuana transporter licensee shall use the seed-  
24 to-sale tracking system developed pursuant to the Oklahoma Medical

1 Marijuana and Patient Protection Act 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 may maintain and  
5 operate one or more warehouses in the state to handle medical  
6 marijuana, medical marijuana concentrate and medical marijuana  
7 products. Each location shall be registered and inspected by the  
8 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  
3 license in order for the individual to qualify to transport medical  
4 marijuana, medical marijuana concentrate or medical marijuana  
5 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 the individual applicant. Transporter license  
9 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 in writing of the reason for  
23 denying the registry identification card.

24

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 license that the transporter  
4 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 is subject to any other penalties  
8 established by law for the violation.

9 R. The Department may revoke or suspend the transporter license  
10 of a transporter that the Department determines knowingly aided or  
11 facilitated a violation of any provision of this section, and the  
12 license holder is subject to any other penalties established in law  
13 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 7. It being immediately necessary for the preservation  
12 of the public peace, health or safety, an emergency is hereby  
13 declared to exist, by reason whereof this act shall take effect and  
14 be in full force from and after its passage and approval.

15

16           58-2-10955           JM           03/02/22

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