

1 **SENATE FLOOR VERSION**

2 April 13, 2022

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 3734

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

6 and

7 Rogers of the Senate

8
9 [medical marijuana - licensing requirements for
10 medical marijuana - temporary and annual licenses -
11 licensing program for certain medical marijuana
12 businesses - medical marijuana transporters -
13 emergency]

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

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

17 Section 421. A. ~~The State Department of Health shall, within~~
18 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
19 Marijuana Authority shall make available on its website in an easy-
20 to-find location an application for a temporary medical marijuana
21 dispensary license and an annual medical marijuana dispensary
22 license. The application fee shall be Two Thousand Five Hundred
23 Dollars (\$2,500.00) fees for the temporary or annual license shall
24 be paid by the applicant in the amounts provided for in Section
427.14 of this title. A method of payment for the application fees

1 shall be provided on the website of the ~~Department~~ Authority.
2 ~~Dispensary~~ Medical marijuana dispensary applicants must all be
3 residents of Oklahoma. Any entity applying for a temporary or
4 annual medical marijuana dispensary license must be owned by an
5 Oklahoma resident and must be registered to do business in Oklahoma.
6 The ~~Department~~ Authority shall have ninety (90) business days to
7 review the application for a temporary medical marijuana dispensary
8 license; approve, reject or deny the application; and mail the
9 approval, rejection or denial letter stating reasons for the
10 rejection or denial to the applicant.

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

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

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

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

21 4. An applying entity may show ownership of non-Oklahoma
22 residents, but that percentage ownership may not exceed twenty-five
23 percent (25%);
24

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

3 6. All applicants must disclose all ownership interests in the
4 dispensary.

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

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

21 D. Only a licensed medical marijuana dispensary may conduct
22 retail sales of marijuana or marijuana derivatives. Beginning on
23 the effective date of this act, licensed medical marijuana
24 dispensaries shall be authorized to package and sell pre-rolled

1 marijuana to licensed medical marijuana patients and licensed
2 caregivers. The products described in this subsection shall contain
3 only the ground parts of the marijuana plant and shall not include
4 marijuana concentrates or derivatives. The total net weight of each
5 pre-roll packaged and sold by a medical marijuana dispensary shall
6 not exceed one (1) gram. These products shall be tested, packaged
7 and labeled in accordance with Oklahoma law and rules promulgated by
8 the ~~State Commissioner of Health~~ Authority.

9 E. No medical marijuana dispensary shall offer or allow a
10 medical marijuana patient licensee, caregiver licensee or other
11 member of the public to handle or otherwise have physical contact
12 with any medical marijuana not contained in a sealed or separate
13 package. Provided, such prohibition shall not preclude an employee
14 of the medical marijuana dispensary from handling loose or
15 nonpackaged medical marijuana to be placed in packaging consistent
16 with the Oklahoma Medical Marijuana and Patient Protection Act and
17 the rules promulgated by the Authority for the packaging of medical
18 marijuana for retail sale. Provided, further, such prohibition
19 shall not prevent a medical marijuana dispensary from displaying
20 samples of its medical marijuana in separate display cases, jars or
21 other containers and allowing medical marijuana patient licensees
22 and caregiver licensees the ability to handle or smell the various
23 samples as long as the sample medical marijuana is used for display
24 purposes only and is not offered for retail sale.

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

3 Section 422. 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~~ applications for a temporary medical
7 marijuana commercial grower license and an annual medical marijuana
8 commercial grower license. The application fee shall be Two
9 Thousand Five Hundred Dollars (\$2,500.00) fees for the temporary or
10 annual license shall be paid by the applicant in the amounts
11 provided for in Section 427.14 of this title. A method of payment
12 for the application fees shall be provided on the website of the
13 ~~Department~~ Authority. ~~The State Department of Health~~ Authority
14 shall have ninety (90) days to review the application for a
15 temporary medical marijuana commercial grower license; approve,
16 reject or deny the application; and mail the approval, rejection or
17 denial letter stating the reasons for the rejection or denial to the
18 applicant.

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

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

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

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

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

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

10 6. All applicants must disclose all ownership interests in the
11 commercial grower operation.

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

17 C. A licensed medical marijuana commercial grower may sell
18 marijuana to a licensed medical marijuana dispensary or a licensed
19 medical marijuana processor. Further, sales by a licensed medical
20 marijuana commercial grower shall be considered wholesale sales and
21 shall not be subject to taxation. Under no circumstances may a
22 licensed medical marijuana commercial grower sell marijuana directly
23 to a licensed medical marijuana patient or licensed medical
24 marijuana caregiver. A licensed medical marijuana commercial grower

1 may only sell at the wholesale level to a licensed medical marijuana
2 dispensary, a licensed medical marijuana commercial grower or a
3 licensed medical marijuana processor. If the federal government
4 lifts restrictions on buying and selling marijuana between states,
5 then a licensed medical marijuana commercial grower would be allowed
6 to sell and buy marijuana wholesale from, or to, an out-of-state
7 wholesale provider. A licensed medical marijuana commercial grower
8 shall be required to complete a monthly yield and sales report to
9 the ~~State Department of Health~~ Authority. This report shall be due
10 on the fifteenth of each month and provide reporting on the previous
11 month. This report shall detail the amount of marijuana harvested
12 in pounds, the amount of drying or dried marijuana on hand, the
13 amount of marijuana sold to licensed processors in pounds, the
14 amount of waste in pounds, and the amount of marijuana sold to
15 licensed medical marijuana dispensaries in pounds. Additionally,
16 this report shall show total wholesale sales in dollars. The ~~State~~
17 ~~Department of Health~~ Authority shall have oversight and auditing
18 responsibilities to ensure that all marijuana being grown by
19 licensed medical marijuana commercial growers is accounted for.

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

22 E. Beginning on the effective date of this act, licensed
23 medical marijuana commercial growers shall be authorized to package
24 and sell pre-rolled marijuana to licensed medical marijuana

1 dispensaries. The products described in this subsection shall
2 contain only the ground parts of the marijuana plant and shall not
3 include marijuana concentrates or derivatives. The total net weight
4 of each pre-roll packaged and sold by medical marijuana commercial
5 growers shall not exceed one (1) gram. These products must be
6 tested, packaged and labeled in accordance with Oklahoma law and
7 rules promulgated by the ~~State Commissioner of Health~~ Authority.

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

10 Section 423. A. The ~~State Department of Health~~ shall, within
11 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
12 Marijuana Authority shall make available on its website in an easy-
13 to-find location an application for a temporary medical marijuana
14 processor license and an annual medical marijuana processing
15 processor license. The ~~Department~~ Authority shall be authorized to
16 issue two types of annual medical marijuana processor licenses based
17 on the level of risk posed by the type of processing conducted:

- 18 1. Nonhazardous medical marijuana processor license; and
- 19 2. Hazardous medical marijuana processor license.

20 The application ~~fee for a nonhazardous or hazardous medical~~
21 ~~marijuana processor license shall be Two Thousand Five Hundred~~
22 ~~Dollars (\$2,500.00)~~ fees for the temporary or annual license shall
23 be paid by the applicant in the amounts provided for in Section
24 427.14 of this title. A method of payment shall be provided on the

1 website of the ~~Department~~ Authority. The ~~State Department of Health~~
2 Authority shall have ninety (90) days to review the temporary
3 medical marijuana processor license application; approve, reject or
4 deny the application; and mail the approval, rejection or denial
5 letter stating the reasons for the rejection or denial to the
6 applicant.

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

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

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

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

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

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

20 6. All applicants must disclose all ownership interests in the
21 processing operation.

22 Applicants with a nonviolent felony conviction in the last two
23 (2) years, any other felony conviction in the last five (5) years,
24 inmates in the custody of the Department of Corrections or any

1 person currently incarcerated shall not qualify for a temporary or
2 annual medical marijuana ~~processing~~ processor license.

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

6 2. ~~As required by subsection D of this section, the State~~
7 ~~Department of Health shall, within sixty (60) days of passage of~~
8 ~~this initiative,~~ The Authority shall make available a set of
9 standards which shall be used by licensed medical marijuana
10 processors in the preparation of edible marijuana products. The
11 standards should be in line with current food preparation
12 guidelines. No excessive or punitive rules may be established by
13 the ~~State Department of Health~~ Authority.

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

22 4. A licensed medical marijuana processor may sell marijuana
23 products it creates to a licensed medical marijuana dispensary or
24 any other licensed medical marijuana processor. All sales by a

1 licensed medical marijuana processor shall be considered wholesale
2 sales and shall not be subject to taxation.

3 5. Under no circumstances may a licensed medical marijuana
4 processor sell marijuana or any marijuana product directly to a
5 licensed medical marijuana patient or licensed medical marijuana
6 caregiver. However, a licensed medical marijuana processor may
7 process cannabis into a concentrated form for a licensed medical
8 marijuana patient for a fee.

9 6. Licensed medical marijuana processors shall be required to
10 complete a monthly yield and sales report to the ~~State Department of~~
11 ~~Health~~ Authority. This report shall be due on the fifteenth of each
12 month and shall provide reporting on the previous month. This
13 report shall detail the amount of marijuana and medical marijuana
14 products purchased in pounds, the amount of marijuana cooked or
15 processed in pounds, and the amount of waste in pounds.
16 Additionally, this report shall show total wholesale sales in
17 dollars. The ~~State Department of Health~~ Authority shall have
18 oversight and auditing responsibilities to ensure that all marijuana
19 being processed is accounted for.

20 D. The ~~Department~~ Authority shall oversee the inspection and
21 compliance of licensed medical marijuana processors producing
22 products with marijuana as an additive. The ~~State Department of~~
23 ~~Health~~ Authority shall be compelled to, ~~within thirty (30) days of~~
24 ~~passage of this initiative,~~ appoint twelve (12) Oklahoma residents

1 to the Medical Marijuana Advisory Council, who are marijuana
2 industry experts, to create a list of food safety standards for
3 processing and handling medical marijuana in Oklahoma. These
4 standards shall be adopted by the ~~Department~~ Authority and the
5 ~~Department~~ Authority may enforce these standards for licensed
6 medical marijuana processors. The ~~Department~~ Authority shall
7 develop a standards review procedure and these standards can be
8 altered by calling another council of twelve (12) Oklahoma marijuana
9 industry experts. A signed letter of twenty operating, licensed
10 processors shall constitute a need for a new council and standards
11 review.

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

14 F. Any device used for the processing or consumption of medical
15 marijuana shall be considered legal to be sold, manufactured,
16 distributed and possessed. No merchant, wholesaler, manufacturer or
17 individual may be unduly harassed or prosecuted for selling,
18 manufacturing or possessing marijuana paraphernalia.

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

21 Section 424. A. A temporary medical marijuana transporter
22 license or an annual medical marijuana transportation transporter
23 license ~~will~~ shall be issued to qualifying applicants for a medical
24 marijuana ~~retail dispensary, growing~~ medical marijuana commercial

1 grower, or processing medical marijuana processor license. The
2 ~~transportation~~ temporary or annual medical marijuana transporter
3 license ~~will~~ shall be issued at the time of approval of a ~~retail,~~
4 ~~growing~~ the temporary or annual medical marijuana dispensary,
5 medical marijuana commercial grower, or processing medical marijuana
6 processor license. The fees for the temporary or annual license
7 shall be paid by the applicant in the amounts provided for in
8 Section 427.14 of this title.

9 B. A ~~transportation~~ medical marijuana transporter license ~~will~~
10 shall allow the holder to transport medical marijuana from an
11 ~~Oklahoma licensed~~ Oklahoma-licensed medical marijuana ~~retailer~~
12 dispensary, licensed growing medical marijuana commercial grower
13 facility, or licensed medical marijuana processor facility to an
14 ~~Oklahoma licensed~~ Oklahoma-licensed medical marijuana ~~retailer~~
15 dispensary, licensed growing medical marijuana commercial grower
16 facility, or licensed medical marijuana processing facility.

17 C. All medical marijuana or medical marijuana products shall be
18 transported in a locked container and clearly labeled "Medical
19 Marijuana or Derivative".

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

22 Section 427.14. A. There is hereby created the medical
23 marijuana business license, which shall include the following
24 categories:

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

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

9 C. The Authority shall make available on its website in an
10 easy-to-find location, applications for a temporary medical
11 marijuana business license and annual medical marijuana business
12 license.

13 ~~D. The annual, nonrefundable application fee for a medical~~
14 ~~marijuana business license shall be Two Thousand Five Hundred~~
15 ~~Dollars (\$2,500.00)~~ Upon the effective date of this act, the
16 Authority shall require all persons or entities seeking initial
17 licensure as a medical marijuana commercial grower, medical
18 marijuana processor, medical marijuana dispensary, or medical
19 marijuana transporter to first apply for a temporary medical
20 marijuana business license.

21 1. A temporary medical marijuana business license is a
22 conditional license and does not authorize the licensee to conduct
23 any sales of medical marijuana or marijuana products, the growing or
24 processing of marijuana, or the transportation of any medical

1 marijuana or marijuana products by the licensee. A temporary
2 medical marijuana business licensee shall follow all applicable
3 rules and regulations promulgated by the Authority.

4 2. A temporary medical marijuana business license does not
5 obligate the Authority to issue an annual medical marijuana business
6 license nor does the temporary medical marijuana business license
7 create a vested right in the holder to either an extension of the
8 temporary medical marijuana business license or to the granting of a
9 subsequent annual medical marijuana business license.

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

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

16 a. an application for an annual license has been
17 submitted to the Authority prior to the initial
18 expiration date of the temporary medical marijuana
19 business license, and

20 b. the Authority determines that the application and
21 required documentation submitted by the applicant for
22 an annual medical marijuana business license is
23 deficient in some manner.

24

1 5. The nonrefundable application fee for a temporary medical
2 marijuana business license shall be One Thousand Dollars
3 (\$1,000.00). A nonrefundable fee of One Thousand Dollars
4 (\$1,000.00) shall be assessed for every ninety-day extension
5 requested by the holder of a temporary medical marijuana business
6 license and subsequently granted by the Authority.

7 6. In addition to the general requirements provided for in
8 subsection E of this section, applicants for a temporary medical
9 marijuana business license or applicants applying to renew a medical
10 marijuana business license shall submit the following to the
11 Authority:

12 a. business-formation documents, which may include, but
13 not be limited to, articles of incorporation,
14 operating agreements, partnership agreements, and
15 fictitious business name statements. The applicant
16 shall also provide all documents filed with the
17 Oklahoma Secretary of State,

18 b. financial information pertaining to the operations of
19 the medical marijuana business, which shall include
20 the following:

21 (1) a list of funds belonging to the applicant held
22 in savings, checking, or other accounts
23 maintained by a financial institution. The
24 applicant shall provide for each account, the

1 name of the financial institution, the address of
2 the financial institution, account type, account
3 number, and the amount of money in the account,

4 (2) a list of loans made to the applicant for the
5 purposes of applying for or operating a medical
6 marijuana business. For each loan, the applicant
7 shall provide the amount of the loan, the date of
8 the loan, term of the loan, security provided for
9 the loan, and the name, address, and phone number
10 of the lender,

11 (3) a list of investments made into the medical
12 marijuana business. For each investment, the
13 applicant shall provide the amount of the
14 investment, the date of the investment, term of
15 the investment, and the name, address, and phone
16 number of the investor,

17 (4) a list of all monetary gifts, equipment, and
18 property of any kind given to the applicant for
19 the purpose of or in exchange for applying for or
20 operating a medical marijuana business. For each
21 gift, the applicant shall provide the value or a
22 description of the gift and the name, address,
23 and phone number of the provider of the gift,

24

1 (5) a complete list of every individual who has a
2 financial interest in the medical marijuana
3 business not otherwise disclosed in divisions (1)
4 through (4) of this subparagraph, along with a
5 description of the financial interest, and
6 (6) whether the applicant has an ownership or a
7 financial interest in any other medical marijuana
8 business licensed under the provisions of the
9 Oklahoma Medical Marijuana and Patient Protection
10 Act,

11 c. a complete and detailed diagram of the proposed
12 premises. If changes to the proposed premises occur
13 during the application period, a revised set of plans
14 shall be submitted to the Authority for final
15 inspection. The diagram shall be to scale and shall
16 show the following:

17 (1) boundaries of the property and the proposed
18 premises to be licensed, showing all boundaries,
19 dimensions, entrances and exits, interior
20 partitions, walls, rooms, windows, doorways, and
21 common or shared entryways, and shall include a
22 brief statement or description of the principal
23 activity to be conducted therein,

1 (2) the location of medical marijuana business

2 activities that will take place in each area of
3 the premises, and limited-access areas,

4 (3) where all cameras are located and a number

5 assigned to each camera for identification
6 purposes, and

7 (4) if the proposed premises consists of only a

8 portion of the property, labels indicating which

9 part of the property is the proposed premises and

10 what the remaining property is used for,

11 d. if the applicant is not the landowner of the real

12 property upon which the premises is located, the

13 applicant shall provide to the Authority a document

14 from the landowner or the agent of the landowner that

15 states that the applicant has the right to occupy the

16 property and acknowledging the applicant may use the

17 property for the medical marijuana business activity

18 for which the applicant is applying for licensure. An

19 applicant shall also provide a copy of the rental

20 agreement, as applicable,

21 e. if the applicant is the landowner of the real property

22 upon which the premises is located, the applicant

23 shall provide to the Authority a copy of the title or

24 deed to the property,

1 f. if the applicant is applying for a medical marijuana
2 commercial grower license, the applicant shall also
3 submit the following:

4 (1) for indoor and mixed light cultivation,
5 identification of all power sources for
6 cultivation activities including, but not limited
7 to, illumination, heating, cooling, and
8 ventilation,

9 (2) if the applicant is proposing to use a diversion
10 from a waterbody, groundwater well, or rain
11 catchment system as a water source for
12 cultivation include the following locations on
13 the property diagram with locations also provided
14 as coordinates in either latitude and longitude
15 or the Oklahoma Coordinate System:

16 (a) sources of water used including the location
17 of waterbody diversion, pump location, and
18 distribution system, and

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

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

24 g. evidence of insurance including, but not limited to:

- 1 (1) general liability insurance,
- 2 (2) workers' compensation insurance or a copy of an
- 3 Affidavit of Exempt Status filed with the
- 4 Workers' Compensation Commission if compensation
- 5 coverage is not required pursuant to the
- 6 Administrative Workers' Compensation Act, and
- 7 (3) product liability insurance.

8 7. The Authority may request additional information from the
9 applicant.

10 8. The Authority may reject an application for an annual
11 medical marijuana business license if the requirements for a
12 temporary medical marijuana business license or any provision of the
13 Oklahoma Medical Marijuana and Patient Protection Act are not
14 satisfied.

15 For purposes of this subsection, "financial interest" shall
16 include any contractual agreements for profit-sharing,
17 subcontracting, or similar financial arrangements; provided, that
18 such disclosures alone shall not automatically indicate ownership of
19 the license or require disclosure as an owner of the license.

20 E. All applicants seeking licensure or licensure renewal as a
21 medical marijuana business shall comply with the following general
22 requirements:
23
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 6. Medical marijuana businesses issued a medical marijuana
5 business license prior to the effective date of this act shall be
6 required to submit business-formation documents, financial
7 information, and insurance information pertaining to the operations
8 of the medical marijuana business, as prescribed in subparagraphs a,
9 b, c, d, and g of paragraph 6 of subsection D of this section, to
10 the Authority upon renewal of the medical marijuana business
11 license. The medical marijuana business licensee shall have ninety
12 (90) days after the date of renewal to submit the required
13 documentation to the Authority. The medical marijuana business
14 licensee shall be authorized to continue operations during the
15 ninety-day period; provided, that if the medical marijuana business
16 licensee fails to submit the required documentation prior to the
17 expiration of the ninety-day period, the license of the medical
18 marijuana business shall be suspended until such time as the
19 documentation is submitted to the Authority.

20 7. Medical marijuana businesses that have been issued a
21 temporary and annual medical marijuana business license pursuant to
22 the provisions of subsection D of this section shall be required to
23 annually submit updated business-formation documents, financial
24 information, and insurance information pertaining to the operations

1 of the medical marijuana business, as prescribed in subparagraphs a,
2 b, c, d, and g of paragraph 6 of subsection D of this section, to
3 the Authority when seeking renewal of the medical marijuana business
4 license.

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

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

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

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

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

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

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

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

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

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

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

15 a. unlawful sales or purchases,

16 b. any fraudulent acts, falsification of records or
17 misrepresentation to the Authority, medical marijuana
18 patient licensees, caregiver licensees or medical
19 marijuana business licensees,

20 c. any grossly inaccurate or fraudulent reporting,

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

- 1 e. knowingly or intentionally refusing to permit the
2 ~~Department~~ Authority access to premises or records,
3 f. using a prohibited, hazardous substance for processing
4 in a residential area,
5 g. criminal acts relating to the operation of a medical
6 marijuana business, or
7 h. any violations that endanger public health and safety
8 or product safety.

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

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

17 K. All applicants and licensees shall submit information to the
18 ~~Department and~~ Authority in a full, faithful, truthful and fair
19 manner. The ~~Department and~~ Authority may recommend denial of an
20 application where the applicant or licensee made misstatements,
21 omissions, misrepresentations or untruths in the application or in
22 connection with the background investigation of the applicant. This
23 type of conduct may be grounds for administrative action against the
24

1 applicant or licensee. Typos and scrivener errors shall not be
2 grounds for denial.

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

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

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

21 O. No medical marijuana business, medical marijuana research
22 facility, medical marijuana education facility or medical marijuana
23 waste disposal facility shall possess, sell or transfer medical
24

1 marijuana or medical marijuana products without a valid, unexpired
2 license issued by the ~~Department~~ Authority.

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

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

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

18 C. A temporary or annual medical marijuana transporter license
19 may also be issued to qualifying applicants who are registered with
20 the Oklahoma Secretary of State and otherwise meet the requirements
21 for a medical marijuana business license set forth in Section 427.14
22 of this title, the Oklahoma Medical Marijuana and Patient Protection
23 Act, and the requirements set forth in this section to provide
24

1 logistics, distribution and storage of medical marijuana, medical
2 marijuana concentrate and medical marijuana products.

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

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

15 F. A medical marijuana transporter licensee may contract with
16 multiple licensed medical marijuana businesses.

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

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

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

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

15 1. In vehicles equipped with Global Positioning System (GPS)
16 trackers;

17 2. In a locked container and clearly labeled "Medical Marijuana
18 or Derivative"; and

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

21 K. A transporter agent may possess marijuana at any location
22 while the transporter agent is transferring marijuana to or from a
23 licensed medical marijuana business, licensed medical marijuana
24 research facility or licensed medical marijuana education facility.

1 The Department shall administer and enforce the provisions of this
2 section concerning transportation.

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

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

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

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

23

24

1 O. If the transporter agent application is denied, the
2 Department shall notify the transporter in writing of the reason for
3 denying the registry identification card.

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

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

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

17 S. Vehicles used in the transport of medical marijuana or
18 medical marijuana product shall be:

- 19 1. Insured at or above the legal requirements in Oklahoma;
- 20 2. Capable of securing medical marijuana during transport; and
- 21 3. In possession of a shipping container as defined in Section
22 427.2 of this title capable of securing all transported products.

23 T. Prior to the transport of any medical marijuana, medical
24 marijuana concentrate or medical marijuana products, an inventory

1 manifest shall be prepared at the origination point of the medical
2 marijuana. The inventory manifest shall include the following
3 information:

- 4 1. For the origination point of the medical marijuana:
 - 5 a. the licensee number for the commercial grower,
6 processor or dispensary,
 - 7 b. address of origination of transport, and
 - 8 c. name and contact information for the originating
9 licensee;

10 2. For the end recipient license holder of the medical
11 marijuana:

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

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

20 4. The date of the transport and the approximate time of
21 departure;

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

23 6. Printed names and signatures of the personnel accompanying
24 the transport; and

1 7. Notation of the transporting licensee.

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

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

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

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

14 SECTION 7. It being immediately necessary for the preservation
15 of the public peace, health or safety, an emergency is hereby
16 declared to exist, by reason whereof this act shall take effect and
17 be in full force from and after its passage and approval.

18 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
19 April 13, 2022 - DO PASS AS AMENDED
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