1	HOUSE OF REPRESENTATIVES - FLOOR VERSION
2	STATE OF OKLAHOMA
3	1st Session of the 57th Legislature (2019)
4	COMMITTEE SUBSTITUTE FOR ENGROSSED
5	SENATE BILL NO. 1030 By: Paxton of the Senate
6	and
7	Bush of the House
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10	COMMITTEE SUBSTITUTE
11	[medical marijuana - codification -
12	emergency]
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14	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
15	SECTION 1. AMENDATORY Section 6, State Question No. 788,
16	Initiative Petition No. 412 (63 O.S. Supp. 2018, Section 425), is
17	amended to read as follows:
18	Section 425. A. No school or landlord may refuse to enroll or
19	lease to and may not otherwise penalize a person solely for his <u>or</u>
20	her status as a medical marijuana license holder, unless failing to
21	do so would imminently cause the school or landlord the potential to
22	lose a monetary or licensing-related benefit under federal law or
23	regulations.
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- B. Unless a failure to do so would cause an employer the potential to imminently lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination or imposing any term or condition of employment or otherwise penalize a person based upon either:
 - 1. The person's status of the person as a medical marijuana license holder; or
 - 2. Employers may take action against a holder of a medical marijuana license holder if the holder uses or possesses marijuana while in the holder's his or her place of employment or during the hours of employment. Employers may not take action against the holder of a medical marijuana license solely based upon the status of an employee as a medical marijuana license holder or the results of a drug test showing positive for marijuana or its components.
 - C. For the purposes of medical care, including organ transplants, a medical marijuana license holder's the authorized use of marijuana must by a medical marijuana license holder shall be considered the equivalent of the use of any other medication under the direction of a physician and does not constitute the use of an illicit substance or otherwise disqualify a registered qualifying patient from medical care.
 - D. No medical marijuana license holder may be denied custody of or visitation or parenting time with a minor, and there is no

- presumption of neglect or child endangerment for conduct allowed under this law, unless the <u>person's</u> behavior <u>of the person</u> creates an unreasonable danger to the safety of the minor.
- E. No person holding a medical marijuana license may unduly be withheld from holding a state issued license by virtue of their being a medical marijuana license holder. This would include such things as including, but not limited to, a concealed carry permit.
- F. $\underline{1.}$ No city or local municipality may unduly change or restrict zoning laws to prevent the opening of a retail marijuana establishment.
- 2. For purposes of this subsection, an undue change or restriction of municipal zoning laws means an act which entirely prevents retail marijuana establishments from operating within municipal boundaries as a matter of law. Municipalities may follow their standard planning and zoning procedures to determine if certain zones or districts would be appropriate for locating marijuana-licensed premises, medical marijuana businesses or any other premises where marijuana or its by-products are cultivated, grown, processed, stored or manufactured.
- 3. For purposes of this section, "retail marijuana establishment" means an entity licensed by the State Department of

 Health as a medical marijuana dispensary. Retail marijuana establishment does not include those other entities licensed by the Department as marijuana-licensed premises, medical marijuana

- businesses or other facilities or locations where marijuana or any
 product containing marijuana or its by-products are cultivated,
 grown, processed, stored or manufactured.
 - G. The location of any retail marijuana establishment is specifically prohibited within one thousand (1,000) feet $\frac{\text{from of}}{\text{one}}$ any public or private school entrance.
 - H. Research will shall be provided for under this law. A researcher may apply to the Oklahoma State Department of Health for a special research license. That license will The license shall be granted, provided the applicant meets the criteria listed under Section 421.B subsection B of Section 421 of this title. Research license holders will shall be required to file monthly consumption reports to the Oklahoma State Department of Health with amounts of marijuana used for research.
 - SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 427 of Title 63, unless there is created a duplication in numbering, reads as follows:
 - A. All licensure revocation hearings conducted pursuant to the penalties set forth in Sections 421, 422 and 423 of Title 63 of the Oklahoma Statutes shall be recorded. A party may request a copy of the recording of the proceedings. Copies shall be provided to local law enforcement if the revocation was based on alleged criminal activity.

- B. The State Department of Health shall assist any law enforcement officer in the performance of his or her duties upon such request by the law enforcement officer or the request of other local officials having jurisdiction. The Department shall share information with law enforcement agencies upon request without a subpoena or search warrant.
- C. The State Department of Health shall make available all information displayed on medical marijuana licenses, as well as whether or not the license is valid, to law enforcement electronically through the Oklahoma Law Enforcement Telecommunications System.
- D. The Department shall make available to political subdivisions a list of marijuana-licensed premises, medical marijuana businesses or any other premises where marijuana or its by-products are licensed to be cultivated, grown, processed, stored or manufactured to aid county and municipal governments to identify locations within their jurisdiction and ensure compliance with local regulations.
- E. All marijuana-licensed premises, medical marijuana businesses or any other premises where marijuana or its by-products are licensed to be cultivated, grown, processed, stored or manufactured shall submit with their application, after notifying the political subdivision of their intent, a certificate of compliance from the political subdivision where the facility of the

applicant or use is to be located certifying compliance with zoning classifications, applicable municipal ordinances and all applicable safety, electrical, fire, plumbing, waste, construction and building

SECTION 3. AMENDATORY Section 7 of Enrolled House Bill
No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is
amended to read as follows:

Section 7. A. The Oklahoma Medical Marijuana Authority shall create a medical marijuana use registry of patients and caregivers as provided under this section. The handling of any records maintained in the registry shall comply with all relevant state and federal laws including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

- B. The medical marijuana use registry shall be accessible to $\underline{:}$
- 1. Oklahoma-licensed medical marijuana dispensaries to verify the license of a patient or caregiver by the twenty-four-character identifier; and
 - 2. Any court in this state.

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specification codes.

C. All other records regarding a medical marijuana licensee shall be maintained by the Authority and shall be deemed confidential. The handling of any records maintained by the Authority shall comply with all relevant state and federal laws including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Such records shall be marked as

- 1 | confidential, shall not be made available to the public and shall
- 2 only be made available to the licensee, designee of the licensee,
- 3 any physician of the licensee or the caregiver of the licensee. No
- 4 personally identifiable information, as defined under HIPAA, shall
- 5 be stored at the Department.
- 6 D. A log shall be kept with the file of the licensee to record
- 7 any event in which the records of the licensee were made available
- 8 and to whom the records were provided.
- 9 E. The Department shall ensure that all application records and
- 10 | information are sealed to protect the privacy of medical marijuana
- 11 patient license applicants.
- 12 | SECTION 4. AMENDATORY Section 14 of Enrolled House Bill
- 13 No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is
- 14 amended to read as follows:
- 15 Section 14. A. There is hereby created the medical marijuana
- 16 | business license, which shall include the following categories:
- 17 | 1. Medical marijuana commercial grower;
 - 2. Medical marijuana processor;
 - 3. Medical marijuana dispensary;
- 4. Medical marijuana transporter; and
- 5. Medical marijuana testing laboratory.
- B. The Authority, with the aid of the Office of Management and
- 23 Enterprise Services, shall develop a website for medical marijuana
- 24 business applications.

- C. The Authority shall make available on its website or the website of the Oklahoma Medical Marijuana Authority in an easy-to-find location, applications for a medical marijuana business.
- D. The nonrefundable application fee for a medical marijuana business license shall be Two Thousand Five Hundred Dollars (\$2,500.00).
- E. All applicants seeking licensure as a medical marijuana business shall comply with the following general requirements:
- 1. All applications for licenses and registrations authorized pursuant to this section shall be made upon forms prescribed by the Authority;
- 2. Each application shall identify the city or county in which the applicant seeks to obtain licensure as a medical marijuana business;
- 3. Applicants shall submit a complete application to the Department before the application may be accepted or considered;
- 4. All applications shall be complete and accurate in every detail:
- 5. All applications shall include all attachments or supplemental information required by the forms supplied by the Authority;
- 6. All applications shall be accompanied by a full remittance for the whole amount of the application fees. Application fees are nonrefundable;

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- 7. All applicants shall be approved for licensing review that, at a minimum, meets the following criteria:
 - a. all applicants shall be age twenty-five (25) <u>years of</u> age or older,
 - b. any applicant applying as an individual shall show proof that the applicant is an Oklahoma resident pursuant to paragraph 11 of this subsection,
 - c. any applicant applying as an entity shall show that seventy-five percent (75%) of all members, managers, executive officers, partners, board members or any other form of business ownership are Oklahoma residents pursuant to paragraph 11 of this subsection,
 - d. all applying individuals or entities shall be registered to conduct business in the State of Oklahoma,
 - e. all applicants shall disclose all ownership interests pursuant to this act, and
 - f. applicants shall not have been convicted of a nonviolent felony in the last two (2) years, and any other felony conviction within the last five (5) years, shall not be current inmates, or currently incarcerated in a jail or corrections facility;
- 8. There shall be no limit to the number of medical marijuana business licenses or categories that an individual or entity can

apply for or receive, although each application and each category
shall require a separate application and application fee. A

commercial grower, processor and dispensary, or any combination
thereof, are authorized to share the same address or physical
location, subject to the restrictions set forth in this act;

- 9. All applicants for a medical marijuana business license, research facility license or education facility license authorized by this act shall undergo an Oklahoma criminal history background check conducted by the Oklahoma State Bureau of Investigation (OSBI) within thirty (30) days prior to the application for the license, including:
 - a. individual applicants applying on their own behalf,
 - b. individuals applying on behalf of an entity,
 - c. all principal officers of an entity, and
 - d. all owners of an entity as defined by this act;
- 10. All applicable fees charged by OSBI are the responsibility of the applicant and shall not be higher than fees charged to any other person or industry for such background checks;
- 11. In order to be considered an Oklahoma resident for purposes of a medical marijuana business application, all applicants shall provide proof of Oklahoma residency for at least two (2) years immediately preceding the date of application or five (5) years of continuous Oklahoma residency during the preceding twenty-five (25) years immediately preceding the date of application. Sufficient

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1 documentation of proof of residency shall include a combination of 2 the following: 3 an unexpired Oklahoma-issued driver license, a. an Oklahoma voter identification card, 4 b. 5 C. a utility bill preceding the date of application, excluding cellular telephone and Internet bills, 6 7 d. a residential property deed to property in the State of Oklahoma, and 8 9 a rental agreement preceding the date of application е. 10 for residential property located in the State of Oklahoma; 11 12 All license applicants shall be required to submit a 13 registration with the Oklahoma State Bureau of Narcotics and 14 Dangerous Drugs Control as provided in Sections 2-202 through 2-204 15 of Title 63 of the Oklahoma Statutes: 16 All applicants shall establish their identity through 17 submission of a color copy or digital image of one of the following 18 unexpired documents: 19 front and back of an Oklahoma driver license, a. 20 b. front and back of an Oklahoma identification card, 2.1 a United States passport or other photo identification C. 22 issued by the United States government, 23

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- d. certified copy of the applicant's birth certificate

 for minor applicants who do not possess a document

 listed in this section, or
 - e. a tribal identification card approved for identification purposes by the Oklahoma Department of Public Safety; and
 - 14. All applicants shall submit an applicant photograph.
 - F. The Authority shall review the medical marijuana business application, approve or reject the application and mail the approval, rejection or status-update letter to the applicant within ninety (90) days of receipt of the application.
 - G. 1. The Authority shall review the medical marijuana business applications and conduct all investigations, inspections and interviews before approving the application.
 - 2. Approved applicants shall be issued a medical marijuana business license for the specific category applied under which shall act as proof of their approved status. Rejection letters shall provide a reason for the rejection. Applications may only be rejected based on the applicant not meeting the standards set forth in the provisions of this section, improper completion of the application, or for a reason provided for in this act. If an application is rejected for failure to provide required information, the applicant shall have thirty (30) days to submit the required

- information for reconsideration. No additional application fee shall be charged for such reconsideration.
- 3. Status-update letters shall provide a reason for delay in either approval or rejection should a situation arise in which an application was submitted properly, but a delay in processing the application occurred.
- 4. Approval, rejection or status-update letters shall be sent to the applicant in the same method the application was submitted to the Department.
- H. A license provided by this act or by Section 421, 422, 423 or 425 of Title 63 of the Oklahoma Statutes shall not be issued until all relevant local licenses and permits have been issued by the municipality, including but not limited to an occupancy permit or certificate of compliance.
- T. In the event that an applicant has not received the necessary permits, certificates or licenses from a municipality, but the applicant has fulfilled all other obligations required by this act, the Authority shall grant a conditional license. A conditional license shall remain valid for a period of one (1) year or until the applicant obtains the necessary local permits, certificates or licenses. An applicant shall not transfer any medical marijuana, concentrate or products to a medical marijuana business, patient or caregiver until approval is received from the Authority.

- 1 J. A medical marijuana business license shall not be issued to 2 or held by:
 - 1. A person until all required fees have been paid;

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- 2. A person who has been convicted of a nonviolent felony within two (2) years of the date of application, or within five (5) years for any other felony;
- 3. A corporation, if the criminal history of any of its officers, directors or stockholders indicates that the officer, director or stockholder has been convicted of a nonviolent felony within two (2) years of the date of application, or within five (5) years for any other felony;
 - 4. A person under twenty-five (25) years of age;
- 5. A person licensed pursuant to this section who, during a period of licensure, or who, at the time of application, has failed to:
 - a. file taxes, interest or penalties due related to a medical marijuana business, or
 - b. pay taxes, interest or penalties due related to a medical marijuana business;
- 6. A sheriff, deputy sheriff, police officer or prosecuting officer, or an officer or employee of the Authority or municipality;
- 7. A person whose authority to be a caregiver as defined in this act has been revoked by the Department; or
 - 8. A publicly traded company.

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

 $\frac{L}{L}$. The failure of an applicant to provide the requested information by the Authority deadline may be grounds for denial of the application.

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

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1	$rac{ extsf{N.}}{ extsf{L.}}$ A licensed medical marijuana business premises shall be
2	subject to and responsible for compliance with applicable provisions
3	for medical marijuana business facilities as described in the most
4	recent versions of the Oklahoma Uniform Building Code, the
5	International Building Code and the International Fire Code, unless
6	granted an exemption by the Authority or municipality.
7	Θ . M. All medical marijuana business licensees shall pay the
8	relevant licensure fees prior to receiving licensure to operate a
9	medical marijuana business, as defined in this act for each class of
10	license.
11	SECTION 5. 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.
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16	COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 04/11/2019 - DO PASS, As Amended.
17	As Amended.
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