ENGROSSED HOUSE AMENDMENTS
TO
ENGROSSED SENATE BILL NO. 162

By: Standridge and Boggs of the Senate

and

Marti of the House

An Act relating to medical marijuana; amending Provision No. 1, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2018, Section 420), which relates to medical marijuana license; broadening physicians who may sign application; amending Sections 2 and 17 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature, which relate to medical marijuana; setting certain limit on test batch quantity; and providing an effective date.

AMENDMENT NO. 1. Page 1, Section 1, line 15, insert a new SECTION 1 to read as follows:

"SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The provisions of this act shall be implemented in accordance with and subject to the Oklahoma Medical Marijuana and Patient Protection Act."

and renumber subsequent sections

Page 3, Section 1, line 18, delete the word "calendar" and insert in lieu thereof, the word "business"

AMENDMENT NO. 2. Page 28, line 7, delete SECTION 4 in its entirety and replace with a new SECTION 4 to read as follows:

"SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval."

and amend title to conform

Passed the House of Representatives the 23rd day of April, 2019.

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Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2019.

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Presiding Officer of the Senate

ENGROSSED SENATE
BILL NO. 162

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An Act relating to medical marijuana; amending Provision No. 1, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2018, Section 420), which relates to medical marijuana license; broadening physicians who may sign application; amending Sections 2 and 17 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature, which relate to medical marijuana; setting certain limit on test batch quantity; and providing an effective date.

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

SECTION 2. AMENDATORY Section 1, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2018, Section 420), is amended to read as follows:

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

1. Consume marijuana legally;

2. Legally possess up to three (3) ounces of marijuana on their person;

3. Legally possess six (6) mature marijuana plants;

4. Legally possess six (6) seedling plants;

5. Legally possess one (1) ounce of concentrated marijuana;

6. Legally possess seventy-two (72) ounces of edible marijuana; and

7. Legally possess up to eight (8) ounces of marijuana in their residence.

B. Possession of up to one and one-half (1.5) ounces of marijuana by persons who can state a medical condition, but are not in possession of a state issued medical marijuana license, shall constitute a misdemeanor offense with a fine not to exceed Four Hundred Dollars ($400.00).

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

D. The ~~Oklahoma~~ State Department of Health shall, within thirty (30) days of passage of this initiative, make available~~,~~ on ~~their~~ the Department's website, in an easy to find location, an application for a medical marijuana license. The license ~~will be good~~ shall be valid for two (2) years, and the application fee ~~will~~ shall be One Hundred Dollars ($100.00), or Twenty Dollars ($20.00) for individuals on Medicaid, Medicare~~,~~ or SoonerCare. The methods of payment ~~will~~ shall be provided on the Department's website.

E. A temporary license application ~~will~~ shall also be made available on the ~~Oklahoma~~ State Department of Health website. A

temporary medical marijuana license ~~will~~ shall be granted to any medical marijuana license holder from other states, provided that the state has a state regulated medical marijuana program, and the applicant can prove they are a member of such program. Temporary licenses ~~will~~ shall be issued for thirty (30) days. The cost for a temporary license shall be One Hundred Dollars ($100.00). Renewal ~~will~~ shall be granted with resubmission of a new application. No additional criteria ~~will~~ shall be required.

F. Medical marijuana license applicants ~~will~~ shall submit their application to the ~~Oklahoma~~ State Department of Health for approval ~~and that the applicant must~~. The applicant shall be an Oklahoma state resident and shall prove residency by a valid ~~driver's~~ driver license, utility bills, or other accepted methods.

G. The ~~Oklahoma~~ State Department of Health shall review the medical marijuana application, ~~approve/reject~~ approve or reject the application, and mail the applicant's approval or rejection letter ~~(stating reasons for rejection)~~, stating any reasons for rejection, to the applicant within fourteen (14) calendar days of receipt of the application. Approved applicants ~~will~~ shall be issued a medical marijuana license which ~~will~~ shall act as proof of their approved status. Applications may only be rejected based on the applicant not meeting stated criteria or improper completion of the application.

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

1. A digital photograph of the license holder;

2. The expiration date of the license;

3. The county where the card was issued; and

4. A unique ~~24 character~~ twenty-four-character identification number assigned to the license.

I. The State Department of Health ~~will~~ shall make available, both on ~~its~~ the Department's website~~,~~ and through a telephone verification system, an easy method to validate a medical marijuana license ~~holders~~ holder's authenticity by the unique ~~24 character~~ twenty-four-character identifier.

J. The State Department of Health ~~will~~ shall ensure that all application records and information are sealed to protect the privacy of medical marijuana license applicants.

K. A caregiver license ~~will~~ shall be made available for qualified caregivers of a medical marijuana license holder who is homebound. The caregiver license ~~will~~ shall give the caregiver the same rights as the medical marijuana license holder. Applicants for a caregiver license ~~will~~ shall submit proof of the medical marijuana license holder's license status and homebound status, proof that they are the designee of the medical marijuana license holder, ~~must submit~~ proof that the caregiver is age eighteen (18) or older, and

~~must submit~~ proof the caregiver is an Oklahoma resident. This ~~will~~ shall be the only criteria for a caregiver license.

L. All applicants ~~must~~ shall be eighteen (18) years or older. A special exception ~~will~~ shall be granted to an applicant under the age of eighteen (18), however these applications ~~must~~ shall be signed by two (2) physicians and the applicant's parent or legal guardian.

M. All applications for a medical marijuana license ~~must~~ shall be signed by an Oklahoma ~~Board certified~~ physician licensed by and in good standing with the State Board of Medical Licensure and Supervision or the State Board of Osteopathic Examiners. There are no qualifying conditions. A medical marijuana license ~~must~~ shall be recommended according to the accepted standards a reasonable and prudent physician would follow when recommending or approving any medication. No physician may be unduly stigmatized or harassed for signing a medical marijuana license application.

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

SECTION 3. AMENDATORY Section 2 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is amended to read as follows:

Section 2. As used in this act:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13. "Dispensary" means a medical marijuana dispensary, an entity that has been licensed by the Department pursuant to this act to purchase medical marijuana or medical marijuana products from a licensed medical marijuana commercial grower or medical marijuana processor, sell medical marijuana or medical marijuana products to patients and caregivers as defined under this act, or sell or transfer products to another dispensary;

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

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

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

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

18. "Food-based medical marijuana concentrate" means a medical marijuana concentrate that was produced by extracting cannabinoids from medical marijuana through the use of propylene glycol,

glycerin, butter, olive oil, coconut oil or other typical food-safe cooking fats;

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

a. the licensee or applicant has violated, does not meet, or has failed to comply with any of the terms, conditions or provisions of the act, any rules promulgated pursuant thereto, or any supplemental relevant state or local law, rule or regulation,

b. the licensee or applicant has failed to comply with any special terms or conditions that were placed upon the license pursuant to an order of the State Department of Health, Oklahoma Medical Marijuana Authority or the municipality, or

c. the licensed premises of a medical marijuana business or applicant have been operated in a manner that adversely affects the public health or welfare or the safety of the immediate vicinity in which the establishment is located;

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

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

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

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

24. "Inventory tracking system" means the required tracking system that accounts for medical marijuana from either the seed or immature plant stage until the medical marijuana or medical marijuana product is sold to a patient at a medical marijuana dispensary, transferred to a medical marijuana research facility, destroyed by a medical marijuana business or used in a research project by a medical marijuana research facility;

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

26. "Licensed premises" means the premises specified in an application for a medical marijuana business license, medical marijuana research facility license or medical marijuana education facility license pursuant to this act that are owned or in possession of the licensee and within which the licensee is authorized to cultivate, manufacture, distribute, sell, store,

transport, test or research medical marijuana or medical marijuana products in accordance with the provisions of this act and rules promulgated pursuant thereto;

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

28. "Marijuana" shall have the same meaning as such term is defined in Section 2-101 of Title 63 of the Oklahoma Statutes;

29. "Material change" means any change that would require a substantive revision to the standard operating procedures of a licensee for the cultivation or production of medical marijuana, medical marijuana concentrate or medical marijuana products;

30. "Mature plant" means a harvestable female marijuana plant that is flowering;

31. "Medical marijuana business (MMB)" means a licensed medical marijuana dispensary, medical marijuana processor, medical marijuana commercial grower, medical marijuana laboratory, medical marijuana business operator, or a medical marijuana transporter;

32. "Medical marijuana concentrate" or "concentrate" means a specific subset of medical marijuana that was produced by extracting cannabinoids from medical marijuana. Categories of medical

marijuana concentrate include water-based medical marijuana concentrate, food-based medical marijuana concentrate, solvent-based medical marijuana concentrate, and heat- or pressure-based medical marijuana concentrate;

33. "Medical marijuana commercial grower" or "commercial grower" means an entity licensed to cultivate, prepare and package medical marijuana and transfer or contract for transfer medical marijuana to a medical marijuana dispensary, medical marijuana processor, any other medical marijuana commercial grower, medical marijuana research facility, medical marijuana education facility and pesticide manufacturers. A commercial grower may sell seeds, flower or clones to commercial growers pursuant to this act;

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

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

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

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

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

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

40. "Medical marijuana transporter" or "transporter" means a person or entity that is licensed pursuant to this act. A medical marijuana transporter does not include a medical marijuana business

that transports its own medical marijuana, medical marijuana concentrate or medical marijuana products to a property or facility adjacent to or connected to the licensed premises if the property is another licensed premises of the same medical marijuana business;

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

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

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

44. "Oklahoma physician" or "physician" means a physician licensed by and in good standing with the State Board of Medical Licensure and Supervision or the State Board of Osteopathic Examiners;

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

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

a. all shareholders owning an interest of a corporate entity and all officers of a corporate entity,

b. all partners of a general partnership,

c. all general partners and all limited partners that own an interest in a limited partnership,

d. all members that own an interest in a limited liability company,

e. all beneficiaries that hold a beneficial interest in a trust and all trustees of a trust,

f. all persons or entities that own interest in a joint venture,

g. all persons or entities that own an interest in an association,

h. the owners of any other type of legal entity, and

i. any other person holding an interest or convertible note in any entity which owns, operates or manages a licensed facility;

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

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

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

50. "Production batch" means:

a. any amount of medical marijuana concentrate of the same category and produced using the same extraction methods, standard operating procedures and an identical group of harvest batch of medical marijuana, or

b. any amount of medical marijuana product of the same exact type, produced using the same ingredients, standard operating procedures and the same production batch of medical marijuana concentrate;

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

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

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

54. "Registered to conduct business" means a person that has provided proof that the business applicant is in good standing with the Oklahoma Secretary of State and Oklahoma Tax Commission;

55. "Remediation" means the process by which the medical marijuana flower or trim, which has failed microbial testing, is processed into solvent-based medical marijuana concentrate and retested as required by this act;

56. "Research project" means a discrete scientific endeavor to answer a research question or a set of research questions related to medical marijuana and is required for a medical marijuana research license. A research project shall include a description of a defined protocol, clearly articulated goals, defined methods and outputs, and a defined start and end date. The description shall demonstrate that the research project will comply with all

requirements in this act and rules promulgated pursuant thereto. All research and development conducted by a medical marijuana research facility shall be conducted in furtherance of an approved research project;

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

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

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

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

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

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

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

64. "Test batch" means with regard to usable marijuana, a homogenous, identified quantity of usable marijuana by strain, no greater than ten (10) pounds, that is harvested during a seven-day period from a specified cultivation area, and with regard to oils, vapors and waxes derived from usable marijuana, means an identified quantity that is uniform, that is intended to meet specifications for identity, strength and composition, and that is manufactured, packaged and labeled during a specified time period according to a single manufacturing, packaging and labeling protocol;

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

66. "Universal symbol" means the image established by the State Department of Health or Oklahoma Medical Marijuana Authority and

made available to licensees through its website indicating that the medical marijuana or the medical marijuana product contains THC;

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

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

SECTION 4. AMENDATORY Section 17 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is amended to read as follows:

Section 17. A. There is hereby created a medical marijuana testing laboratory license as a category of the medical marijuana business license. The Authority is hereby enabled to monitor, inspect and audit a licensed testing laboratory under this act.

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

C. The Authority shall have the authority to develop acceptable testing and research practices, including but not limited to

testing, standards, quality control analysis, equipment certification and calibration, and chemical identification and substances used in bona fide research methods so long as it complies with this act.

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

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

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

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

H. A laboratory applicant shall comply with the application requirements of this section and shall submit such other information

as required for a medical marijuana business applicant, in addition to any information the Authority may request for initial approval and periodic evaluations during the approval period.

I. A medical marijuana testing laboratory may accept samples of medical marijuana, medical marijuana concentrate or medical marijuana product from a medical marijuana business for testing and research purposes only, which purposes may include the provision of testing services for samples submitted by a medical marijuana business for product development. The Department may require a medical marijuana business to submit a sample of medical marijuana, medical marijuana concentrate or medical marijuana product to a medical marijuana testing laboratory upon demand.

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

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

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

K. A medical marijuana testing laboratory may transfer samples to another medical marijuana testing laboratory for testing. All

laboratory reports provided to or by a medical marijuana business or to a patient or caregiver shall identify the medical marijuana testing laboratory that actually conducted the test.

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

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

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

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

2. Testing procedures, testing standards for cannabinoid and terpenoid potency and safe levels of contaminants, ~~batch size~~ and remediation procedures;

3. Controlled access areas for storage of medical marijuana and medical marijuana product test samples, waste and reference standards;

4. Records to be retained and computer systems to be utilized by the laboratory;

5. The possession, storage and use by the laboratory of reagents, solutions and reference standards;

6. A certificate of analysis (COA) for each lot of reference standard;

7. The transport and disposal of unused marijuana, marijuana products and waste;

8. The mandatory use by a laboratory of an inventory tracking system to ensure all test batches or samples containing medical marijuana, medical marijuana concentrate or medical marijuana

products are identified and tracked from the point they are transferred from a medical marijuana business, a patient or a caregiver through the point of transfer, destruction or disposal. The inventory tracking system reporting shall include the results of any tests that are conducted on medical marijuana, medical marijuana concentrate or medical marijuana product;

9. Standards of performance;

10. The employment of laboratory personnel;

11. A written standard operating procedure manual to be maintained and updated by the laboratory;

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

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

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

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

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

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

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

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

1. Microbials;

2. Mycotoxins;

3. Residual solvents;

4. Pesticides;

5. Tetrahydrocannabinol (THC) and other cannabinoid potency;

6. Terpenoid potency; and

7. Heavy metals.

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

S. Medical marijuana testing laboratory licensure shall be contingent upon successful on-site inspection, successful participation in proficiency testing and ongoing compliance with the applicable requirements in this section.

~~S.~~ T. A medical marijuana testing laboratory shall be inspected prior to initial licensure and annually thereafter by an inspector approved by the Authority.

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

~~U.~~ V. A commercial grower shall not transfer or sell medical marijuana and a processor shall not transfer, sell or process into a

concentrate or product any medical marijuana, medical marijuana concentrate or medical marijuana product unless samples from each harvest batch or production batch from which that medical marijuana, medical marijuana concentrate or medical marijuana product was derived has been tested by a medical marijuana testing facility for contaminants and passed all contaminant tests required by this act.

SECTION 5. This act shall become effective November 1, 2019.

Passed the Senate the 13th day of March, 2019.

_____
Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2019.

_____
Presiding Officer of the House of Representatives