

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2004

By: Fetgatter of the House

and

Rogers of the Senate

7
8
9
10 COMMITTEE SUBSTITUTE

11 An Act relating to medical marijuana; amending
12 Section 1, State Question No. 788, Initiative
13 Petition No. 412, as last amended by Section 44,
14 Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section
15 420), which relates to medical marijuana patient and
16 caregiver licensing requirements; specifying
17 marijuana amounts in grams; allowing for the
18 possession of additional mature plants; deleting
19 seedling plants from list of allowable marijuana
20 products; clarifying elements of certain offense;
21 specifying biannual payment of application fees for
22 patient licenses; providing discounted patient
23 license fee for certain veterans; providing for
24 license reprints; stating fee; broadening eligibility
 requirements for temporary license; extending license
 period of temporary license; providing physician
 recommendation requirements for renewal applications;
 authorizing the Oklahoma Medical Marijuana Authority
 to promulgate certain rules; authorizing the
 Authority to deny patient license applications;
 removing recordkeeping requirement related to
 approved medical marijuana licenses; clarifying types
 of records and information the Authority shall seal
 to protect privacy; prohibiting the Authority from
 sharing records with other state agencies or
 political subdivisions; providing cultivation
 restrictions for caregiver licensees; requiring

1 applications to be signed by certain physicians who
2 are licensed and in good standing with their
3 respective boards; prohibiting the assessment of fee
4 by counties, cities or political subdivisions;
5 amending Section 2, State Question No. 788,
6 Initiative Petition No. 412 (63 O.S. Supp. 2020,
7 Section 421), which relates to dispensary licensing
8 requirements; increasing time limitation for
9 reviewing medical marijuana dispensary license
10 applications; authorizing the Authority to deny
11 dispensary license applications; increasing
12 percentage amount for nonresident ownership; deleting
13 penalties for gross discrepancy and fraudulent
14 reporting and fraudulent sales; authorizing the sale
15 of pre-rolled marijuana; providing specifications for
16 pre-rolled products; requiring certain testing,
17 packaging and labeling; amending Section 3, State
18 Question No. 788, Initiative Petition No. 412 (63
19 O.S. Supp. 2020, Section 422), which relates to
20 commercial grower licensing requirements; increasing
21 time limitation for reviewing medical marijuana
22 commercial grower license applications; authorizing
23 the Authority to deny commercial grower license
24 applications; authorizing commercial growers to
package and sell pre-rolled marijuana; providing
specifications for pre-rolled products; directing the
Authority to promulgate rules to govern sales across
state lines; deleting penalties for gross discrepancy
and fraudulent reporting and fraudulent sales;
amending Section 4, State Question No. 788,
Initiative Petition No. 412 (63 O.S. Supp. 2020,
Section 423), which relates to medical marijuana
processor licensing requirements; increasing time
limitation for reviewing medical marijuana processing
license applications; authorizing the Authority to
deny processing license applications; providing for
twice yearly inspections; exempting processors from
obtaining sales tax permit for licensure; providing
sales and excise tax exemption; deleting penalties
for gross discrepancy and fraudulent reporting;
specifying entity that oversees inspection and
compliance of processors; amending Section 6, State
Question No. 788, Initiative Petition No. 412, as
last amended by Section 46, Chapter 161, O.S.L. 2020
(63 O.S. Supp. 2020, Section 425), which relates to
protections for medical marijuana patient licensees;
clarifying certain protections for patient licensees

1 and business licensees; providing standard related to
2 child endangerment; providing certain exception;
3 clarifying zoning restrictions; establishing distance
4 requirement after certain date; deleting definition;
5 specifying manner by which distances between certain
6 properties shall be measured; conforming language;
7 amending Section 7, State Question 788, Initiative
8 Petition No. 412 (63 O.S. Supp. 2020, Section 426),
9 which relates to taxes on retail sales of medical
10 marijuana; authorizing certain veterans to apply for
11 an excise tax waiver; providing procedures for waiver
12 requests; modifying manner by which certain funds are
13 apportioned; amending Section 4, Chapter 509, O.S.L.
14 2019 (63 O.S. Supp. 2020, Section 426.1), which
15 relates to licensure revocation and hearings;
16 removing certain exception; directing the Authority
17 to make certain information available through an
18 online verification system; directing the Authority
19 to make list of marijuana-licensed premises available
20 to state agencies; requiring certain marijuana-
21 licensed premises and businesses to submit certain
22 documentation when requesting a location change;
23 allowing single certificate of compliance except
24 under certain conditions; amending Section 2, Chapter
11, O.S.L. 2019, as last amended by Section 48,
Chapter 161, O.S.L. 2020, Section 3, Chapter 11,
O.S.L. 2019, as amended by Section 6, Chapter 477,
O.S.L. 2019, Section 4, Chapter 11, O.S.L. 2019,
Section 6, Chapter 11, O.S.L. 2019, as amended by
Section 7, Chapter 477, O.S.L. 2019, Section 7,
Chapter 11, O.S.L. 2019, as amended by Section 5,
Chapter 509, O.S.L. 2019, Section 9, Chapter 11,
O.S.L. 2019, Section 10, Chapter 11, O.S.L. 2019, as
amended by Section 2, Chapter 390, O.S.L. 2019,
Section 11, Chapter 11, O.S.L. 2019, Section 13,
Chapter 11, O.S.L. 2019, Section 14, Chapter 11,
O.S.L. 2019, as last amended by Section 51, Chapter
161, O.S.L. 2020, Section 16, Chapter 11, O.S.L.
2019, Section 17, Chapter 11, O.S.L. 2019, as amended
by Section 4, Chapter 312, O.S.L. 2019, Section 18,
Chapter 11, O.S.L. 2019, Section 19, Chapter 11,
O.S.L. 2019, Section 20, Chapter 11, O.S.L. 2019,
Section 22, Chapter 11, O.S.L. 2019 and Section 23,
Chapter 11, O.S.L. 2019, as amended by Section 11,
Chapter 477, O.S.L. 2019 (63 O.S. Supp. 2020,
Sections 427.2, 427.3, 427.4, 427.6, 427.7, 427.9,
427.10, 427.11, 427.13, 427.14, 427.16, 427.17,

1 427.18, 427.19, 427.20, 427.22 and 427.23), which
2 relate to the Oklahoma Medical Marijuana and Patient
3 Protection Act; replacing references to the State
4 Department of Health with the Oklahoma Medical
5 Marijuana Authority; modifying scope of certain
6 definitions; deleting and adding certain definitions;
7 updating references to certain named act; adding and
8 clarifying duties and functions of the Authority;
9 requiring licensees to submit certain information;
10 requiring licensees to submit samples or units to
11 testing laboratories under certain circumstances;
12 authorizing on-site inspections or investigations of
13 medical marijuana businesses and certain facilities;
14 authorizing the Authority to enter licensed premises
15 and certain facilities; providing for post-licensure
16 inspections; deleting notice requirement; providing
17 for investigations and additional inspections under
18 certain circumstances; authorizing the Executive
19 Director of the Authority to prescribe certain
20 penalties; defining term; authorizing the review of
21 licensed medical marijuana waste disposal facility
22 records; removing provision that allows licensees to
23 secure legal representation prior to interviews
24 conducted by the Authority; authorizing the
suspension or revocation of business license for
nonpayment of monetary penalties; providing penalties
for grossly inaccurate or fraudulent reports;
providing procedures for issuing certain written
orders; authorizing the Authority to issue orders
without notice or hearing under certain
circumstances; requiring compliance with provisions
of order; providing for the assessment of monetary
penalties; affording opportunity to apply for a
hearing after issuance of order; clarifying privacy
requirements for handling records of licensed
patients and caregivers; deleting references to
certain federal act; authorizing the Authority to
contact recommending physicians of applicants or
licensees; expanding certain protections to
podiatrists; providing for patient license
revocation; allowing patients to request the
withdrawal of a caregiver license; directing
withdrawal of caregiver license without a hearing
under certain circumstances; directing certain
facilities to keep transaction records and utilize
seed-to-sale tracking system; deleting inventory
tracking recordkeeping requirement; adding medical

1 marijuana wholesaler license; providing certain
2 exception related to fees; modifying certain business
3 licensing requirements by including medical marijuana
4 research facility, education facility and waste
5 disposal facility applicants and licensees; requiring
6 criminal history background checks for license
7 renewals; modifying documentation requirement for
8 proof of residency; providing exemption from
9 residency requirement for certain medical marijuana
10 business license applicants; modifying and deleting
11 certain identification requirements; providing for
12 the denial of business applications; prohibiting the
13 issuance of medical marijuana research facility,
14 education facility and waste disposal facility
15 licenses to certain persons; removing requirement to
16 consider additional information when considering
17 criminal histories of business license applicants;
18 clarifying manner by which the Authority may seek
19 administrative action against applicants or
20 licensees; modifying exemption to certain compliance
21 requirement; requiring medical marijuana research
22 facility, education facility and waste disposal
23 facility licensees to pay licensure fees prior to
24 receiving license; providing late renewal fee for
reinstatement of licenses; making fee nonrefundable;
prohibiting reinstatement of certain expired
licenses; prohibiting medical marijuana businesses,
medical marijuana research facilities, education
facilities and waste disposal facilities from
operating without a valid, unexpired license;
providing for the issuance of transporter licenses to
certain entities; providing construing provision;
providing for the issuance of medical marijuana
wholesaler licenses; modifying certain transporter
and wholesaler requirements for contracting with
other businesses, security, seed-to-sale tracking and
warehousing products; deleting certain transporting
requirements; prohibiting delivery to certain
locations; reducing transporter agent license fee;
providing for the reprint of licenses without charge;
stating fee for subsequent license reprints;
modifying and deleting certain qualifications for
issuing transporter agent registry identification
cards; deleting certain inventory manifest
prohibition; increasing amount of time inventory
manifests and logs shall be maintained; clarifying
authorization of the Authority to develop certain

1 practices and methods; removing requirement that
2 prohibits indirect beneficial owners from owning a
3 laboratory; narrowing scope of testing laboratory
4 licenses; allowing laboratory licensees to conduct
5 certain research; requiring laboratory licensees to
6 comply with application requirements; authorizing
7 testing laboratories to accept samples from licensed
8 medical marijuana research facilities and education
9 facilities; allowing the testing of product to be
10 conducted at testing laboratories for quality
11 assurance purposes; directing the Authority to
12 develop standards and policies for validation
13 procedures; specifying type of batches and samples
14 that must be identified and tracked by an inventory
15 tracking system; providing for the immediate recall
16 of certain products; increasing amount of time
17 required for testing laboratories to retain test
18 results; removing test batch weight limitation;
19 removing harvest batch and production batch weight
20 limitations; directing the Authority to establish
21 regulations for determining batch sizes; increasing
22 number of inspections required for testing
23 laboratories after licensure; authorizing
24 investigations and additional inspections under
certain circumstances; modifying certain date;
authorizing commercial growers to transfer certain
product to processors under certain conditions;
directing the Authority to establish process
validation requirements; deleting and modifying
certain labeling and packaging requirements; making
payment of research license and education license
fees annual; clarifying application process
requirements for medical marijuana education facility
licenses; authorizing revocation of licenses for
violations of applicable laws, rules and regulations;
specifying the type of records and information that
are considered confidential and exempt from the
Oklahoma Open Records Act; authorizing the Authority
to share certain information with the Oklahoma Tax
Commission; modifying name of entity that recommends
rules to the Executive Director of the Authority;
authorizing the Authority to appoint additional
members to the Medical Marijuana Advisory Council;
authorizing the Authority to tag or mark medical
marijuana, medical marijuana concentrate and medical
marijuana product under certain conditions;
authorizing the Authority to embargo medical

1 marijuana, medical marijuana concentrate and medical
2 marijuana product; making the removal or disposal of
3 embargoed medical marijuana, medical marijuana
4 concentrate and medical marijuana product without
5 permission unlawful; allowing the Executive Director
6 of the Authority to institute actions in district
7 court for the condemnation and destruction of
8 embargoed medical marijuana, medical marijuana
9 concentrate and medical marijuana product that fails
10 to meet certain requirements; providing for the
11 removal of embargo after certain determination by the
12 Executive Director; providing exemption from
13 liability; providing for the destruction of medical
14 marijuana, medical marijuana concentrate and medical
15 marijuana product upon findings made by the court;
16 requiring expenses associated with destruction, court
17 costs and fees to be paid by owner or defendant;
18 authorizing courts to order delivery of medical
19 marijuana, medical marijuana concentrate and medical
20 marijuana product to owner or defendant under certain
21 circumstances; directing expenses for supervision be
22 paid to the Authority by certain person; amending
23 Sections 2, 3 and 4, Chapter 337, O.S.L. 2019 (63
24 O.S. Supp. 2020, Sections 428.1, 429 and 430), which
relate to the Oklahoma Medical Marijuana Waste
Management Act; modifying scope of certain
definitions; authorizing the destruction of marijuana
roots and stalks; eliminating limit on number of
licenses; deleting documentation requirements for
entities that engage in the disposal of medical
marijuana waste; removing requirement for entities to
maintain disposal records for certain period of time;
providing for the unlimited issuance of medical
marijuana waste disposal licenses; clarifying manner
by which distance requirements shall be measured for
waste disposal facilities; removing alternative
financial assurance option; providing for the annual
issuance of permits; directing deposits into
different fund; updating statutory citations;
clarifying language; providing for codification; and
declaring an emergency.

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

1 SECTION 1. AMENDATORY Section 1, State Question No. 788,
2 Initiative Petition No. 412, as last amended by Section 44, Chapter
3 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), is amended to
4 read as follows:

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

- 7 1. Consume marijuana legally;
- 8 2. Legally possess up to three (3) ounces or eighty-four and
9 nine-tenths (84.9) grams of marijuana on ~~their~~ his or her person;
- 10 3. Legally possess ~~six~~ twelve mature marijuana plants;
- 11 4. ~~Legally possess six seedling plants;~~
- 12 ~~5.~~ Legally possess one (1) ounce or twenty-eight and three-
13 tenths (28.3) grams of concentrated marijuana;
- 14 ~~6.~~ 5. Legally possess seventy-two (72) ounces or two thousand
15 thirty-seven and six-tenths (2,037.6) grams of edible marijuana; and
- 16 ~~7.~~ 6. Legally possess up to eight (8) ounces or two hundred
17 twenty-six and four-tenths (226.4) grams of marijuana in ~~their~~ his
18 or her residence.

19 B. Possession of up to one and one-half (1.5) ounces or forty-
20 two and forty-five one-hundredths (42.45) grams of marijuana by
21 persons ~~who can state a medical condition, but are not in possession~~
22 ~~of a state-issued~~ without a medical marijuana patient license, shall
23 constitute a ~~misdemeanor~~ an offense not subject to imprisonment,
24 punishable by a fine and court costs not to exceed Four Hundred

1 Dollars (\$400.00) ~~and shall not be subject to imprisonment for the~~
2 ~~offense.~~ Any law enforcement officer who comes in contact with a
3 person in violation of this subsection ~~and who is satisfied as to~~
4 shall verify the identity of the person, as well as any other
5 pertinent information the law enforcement officer deems necessary,
6 ~~shall~~ and upon such verification, issue to the person a written
7 citation containing a notice to answer the ~~charge~~ citation against
8 the person in the appropriate court. Upon receiving the written
9 promise of the alleged violator to answer as specified in the
10 citation, the law enforcement officer shall release the person upon
11 personal recognizance unless there has been a violation of another
12 provision of law.

13 C. A regulatory office, to be known as the Oklahoma Medical
14 Marijuana Authority, shall be established under the State Department
15 of Health which shall receive applications for medical marijuana
16 patient and caregiver license recipients, dispensaries, growers, and
17 ~~packagers~~ processors within sixty (60) days of the passage of this
18 initiative.

19 D. The ~~State Department of Health~~ shall, within thirty (30)
20 days of passage of this initiative, make available on ~~its~~ the
21 website, of the Oklahoma Medical Marijuana Authority in an easy-to-
22 find location, an application for a medical marijuana patient
23 license. The license shall be ~~good~~ valid for two (2) years. The
24 biannual application fee shall be One Hundred Dollars (\$100.00), or

1 Twenty Dollars (\$20.00) for veterans, as defined in Section 2 of
2 Title 72 of the Oklahoma Statutes, with a disability rating at or in
3 excess of fifty percent (50%) and individuals on Medicaid, Medicare
4 or SoonerCare. The methods of payment shall be provided on the
5 website ~~of the Department~~. Reprints of the medical marijuana
6 patient license shall incur a fee of Twenty Dollars (\$20.00).

7 E. A short-term medical marijuana patient license application
8 shall also be made available on the website of the ~~State Department~~
9 ~~of Health~~ Authority. A short-term medical marijuana patient license
10 shall be granted to any applicant who can meet the requirements for
11 a two-year medical marijuana patient license, but whose physician
12 recommendation for medical marijuana is only valid for sixty (60)
13 days. Short-term medical marijuana patient licenses shall be ~~issued~~
14 valid for sixty (60) days. The fee for a short-term medical
15 marijuana patient license, reprints of the short-term medical
16 marijuana patient license and the procedure for extending or
17 renewing the license shall be determined by the ~~Department~~
18 Authority.

19 F. A temporary medical marijuana patient license application
20 shall also be made available on the website of the ~~Department~~
21 Authority for residents of other states. A temporary medical
22 marijuana patient license shall be granted to ~~any medical marijuana~~
23 ~~license holder from other states, provided that the state has a~~
24 ~~state-regulated medical marijuana program, and the applicant can~~

1 ~~prove he or she is a member of such program~~ applicants who meet all
2 requirements applicable to medical marijuana patient license
3 applicants prescribed by law or rule, except the residency
4 requirement provided for in subsection G of this section. Temporary
5 medical marijuana patient licenses issued pursuant to this
6 subsection shall be issued valid for thirty (30) one hundred twenty
7 (120) days. The cost for a temporary medical marijuana patient
8 license issued pursuant to this subsection shall be One Hundred
9 Dollars (\$100.00). Renewal of the license shall be granted with
10 resubmission of a ~~new~~ renewal application. Such renewal application
11 shall not require a new physician recommendation unless:

12 1. One (1) year has elapsed from the date of the original
13 physician recommendation; or

14 2. The originally submitted physician recommendation limited
15 the recommendation to a specified time period of less than one (1)
16 year.

17 No additional criteria shall be required. The Authority shall be
18 authorized to promulgate rules related to the manner in which the
19 Authority will extend a temporary medical marijuana patient license
20 issued upon a renewal application as authorized by this subsection.

21 G. Medical marijuana patient license applicants shall submit
22 ~~his or her~~ their applications to the ~~State Department of Health~~
23 Authority for approval. The applicant shall be an Oklahoma state
24 resident and shall prove residency by a valid driver license,

1 utility bills, or ~~other accepted methods~~ by such other method as
2 authorized by the Authority to verify residency.

3 H. ~~The State Department of Health~~ Authority shall review the
4 medical marijuana patient license application~~;~~ approve ~~or,~~ reject
5 or deny the application~~;~~ and mail the approval ~~or,~~ rejection or
6 denial letter stating ~~any~~ the reasons for rejection or denial to the
7 applicant within fourteen (14) business days of receipt of the
8 application. Approved applicants shall be issued a medical
9 marijuana patient license which shall act as proof of his or her
10 approved status. Applications may only be rejected or denied based
11 on the applicant not meeting stated criteria or improper completion
12 of the application.

13 I. ~~The State Department of Health shall only keep the following~~
14 ~~records for each approved medical marijuana license:~~

- 15 1. ~~A digital photograph of the license holder;~~
- 16 2. ~~The expiration date of the license;~~
- 17 3. ~~The county where the card was issued; and~~
- 18 4. ~~A unique 24-character identification number assigned to the~~
19 ~~license.~~

20 J. ~~The State Department of Health~~ Authority shall make
21 available, both on its website and through a telephone verification
22 system, an easy method to validate the authenticity of the medical
23 marijuana patient license by the unique ~~24-character~~ ten- to twenty-
24 four-character identification number.

1 ~~K. J.~~ The State Department of Health Authority shall ensure
2 that all ~~application~~ medical marijuana patient and caregiver records
3 and information are sealed to protect the privacy of medical
4 marijuana license applicants and such records shall not be shared
5 with any other state agency or political subdivision without a
6 warrant issued by a court of competent jurisdiction.

7 ~~E. K.~~ A caregiver license shall be made available for qualified
8 caregivers of a medical marijuana ~~license holder~~ patient licensee
9 who is homebound. As provided in Section ~~11 of Enrolled House Bill~~
10 ~~No. 2612~~ 427.11 of the ~~1st Session of the 57th Oklahoma Legislature~~
11 this title, the caregiver license shall provide the caregiver the
12 same rights as the medical marijuana patient licensee, including the
13 ability to possess medical marijuana, medical marijuana products and
14 mature and immature plants or cultivate medical marijuana pursuant
15 to the Oklahoma Medical Marijuana and Patient Protection Act, but
16 excluding the ability to use medical marijuana or medical marijuana
17 products unless the caregiver has a medical marijuana patient
18 license. ~~An applicant~~ All applicants for a caregiver license shall
19 submit proof of the license status ~~and homebound status~~ of the
20 medical marijuana patient and proof that the applicant is the
21 designee of the medical marijuana patient. The applicant shall also
22 submit proof that he or she is eighteen (18) years of age or older
23 and proof of his or her Oklahoma residency. ~~This shall be the only~~
24 ~~criteria for a caregiver license.~~ A licensed caregiver shall not

1 cultivate medical marijuana for more than five medical marijuana
2 patient licensees and shall not charge a medical marijuana patient
3 licensee for cultivating medical marijuana in excess of the actual
4 costs incurred in cultivating said medical marijuana.

5 ~~M.~~ L. All applicants for a medical marijuana patient license
6 shall be eighteen (18) years of age or older. A special exception
7 shall be granted to an applicant under the age of eighteen (18);
8 however, these applications shall be signed by two physicians and
9 the parent or legal guardian of the applicant.

10 ~~N.~~ M. All applications for a medical marijuana patient license
11 shall be signed by an Oklahoma physician licensed by and in good
12 standing with the State Board of Medical Licensure, the State Board
13 of Osteopathic Examiners or the Board of Podiatric Medical
14 Examiners. There are no qualifying conditions. A medical marijuana
15 patient license ~~must~~ shall be recommended according to the accepted
16 standards a reasonable and prudent physician would follow when
17 recommending or approving any medication. No physician may be
18 unduly stigmatized, penalized, subjected to discipline, sanctioned,
19 reprimanded or harassed for signing a medical marijuana patient
20 license application; provided, that the physician acted in
21 accordance with the provisions of this subsection and all other
22 rules governing the medical license of the physician in this state.

23 ~~O.~~ N. Counties and, cities and other political subdivisions in
24 this state may enact medical marijuana guidelines allowing medical

1 marijuana ~~license holders~~ patient licensees or ~~caregivers~~ caregiver
2 licensees to exceed the state limits set forth in subsection A of
3 this section. No county, city or other political subdivision in
4 this state shall have the authority to charge any fee to a medical
5 marijuana patient licensee residing in its jurisdiction for the use
6 of medical marijuana or for the cultivation of medical marijuana by
7 a medical marijuana patient licensee or caregiver licensee as
8 authorized herein.

9 SECTION 2. AMENDATORY Section 2, State Question No. 788,
10 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 421), is
11 amended to read as follows:

12 Section 421. A. The ~~Oklahoma~~ State Department of Health shall,
13 within thirty (30) days of passage of this initiative, make
14 available~~r~~ on ~~their~~ the website~~r~~, of the Oklahoma Medical Marijuana
15 Authority in an easy-to-find location~~r~~, an application for a medical
16 marijuana dispensary license. The application fee shall be Two
17 Thousand Five Hundred Dollars (\$2,500.00) ~~and a.~~ A method of
18 payment ~~will~~ shall be provided on the website of the Authority.
19 ~~Retail~~ Dispensary applicants must all be ~~Oklahoma state~~ residents of
20 Oklahoma. Any entity applying for a ~~retail~~ dispensary license must
21 be owned by an Oklahoma ~~state~~ resident and must be registered to do
22 business in Oklahoma. The ~~Oklahoma State Department of Health~~
23 Authority shall have ~~two (2) weeks~~ ninety (90) business days to
24 review the application~~r~~; approve ~~or~~, reject or deny the

1 application~~;~~ and mail the ~~approval/rejection~~ approval, rejection or
2 denial letter ~~(if rejected,~~ stating the reasons for rejection~~) or~~
3 denial to the applicant.

4 B. The ~~Oklahoma State Department of Health~~ Authority shall
5 approve all applications which meet the following criteria:

6 1. ~~Applicant~~ The applicant must be ~~age~~ twenty-five (25) years
7 of age or older;

8 2. ~~Any~~ The applicant, if applying as an individual, must show
9 residency in the State of Oklahoma;

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

12 4. An applying entity may show ownership of non-Oklahoma
13 residents, but that percentage ownership may not exceed ~~twenty-five~~
14 ~~percent (25%)~~ forty-nine percent (49%);

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

17 6. All applicants must disclose all ownership~~;~~ interests in the
18 dispensary.

19 ~~7. Applicant(s)~~ Applicants with ~~only a~~ nonviolent felony
20 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
21 conviction in ~~5 (years)~~ the last five (5) years, inmates in the
22 custody of the Department of Corrections, or any person currently
23 incarcerated ~~may~~ shall not qualify for a medical marijuana
24 dispensary license.

1 C. ~~Retailers will~~ Licensed medical marijuana dispensaries
2 shall, in the manner and form prescribed by the Authority, be
3 required to complete a monthly sales report to the ~~Oklahoma~~
4 ~~Department of Health~~ Authority. This report ~~will~~ shall be due on
5 the ~~15th~~ fifteenth of each month and provide reporting on the
6 previous month. This report ~~will~~ shall detail the weight of
7 marijuana purchased at wholesale and the weight of marijuana sold to
8 ~~card holders,~~ licensed medical marijuana patients and licensed
9 medical marijuana caregivers and account for any waste. The report
10 ~~will~~ shall show total sales in dollars, tax collected in dollars,
11 and tax due in dollars. The ~~Oklahoma State Department of Health~~
12 ~~will~~ Authority shall have oversight and auditing responsibilities to
13 ensure that all marijuana being ~~grown~~ sold is accounted for. ~~A~~
14 ~~retailer will only be subject to a penalty if a gross discrepancy~~
15 ~~exists and cannot be explained. Penalties for fraudulent reporting~~
16 ~~occurring within any 2 year time period will be an initial fine of~~
17 ~~Five Thousand Dollars (\$5,000.00) (first) and revocation of~~
18 ~~licensing (second).~~

19 D. Only a licensed medical marijuana ~~retailer may~~ dispensary
20 shall conduct retail sales of marijuana, or marijuana derivatives in
21 the form provided by licensed processors, and these products ~~can~~
22 shall only be sold to a medical marijuana ~~license holder~~ patient
23 licensees or their caregiver. ~~Penalties for fraudulent sales~~
24 ~~occurring within any 2 year time period will be an initial fine of~~

1 ~~Five Thousand Dollars (\$5,000.00) (first) and revocation of~~
2 ~~licensing (second) caregiver licensees. Beginning on the effective~~
3 ~~date of this act, licensed medical marijuana dispensaries shall be~~
4 ~~authorized to package and sell pre-rolled marijuana to medical~~
5 ~~marijuana patient licensees and caregiver licensees. The products~~
6 ~~described in this subsection shall contain only the ground parts of~~
7 ~~the marijuana plant and shall not include concentrates, hash or~~
8 ~~derivatives. These products shall be tested, packaged and labeled~~
9 ~~in accordance with Oklahoma law and rules promulgated by the~~
10 ~~Authority.~~

11 SECTION 3. AMENDATORY Section 3, State Question No. 788,
12 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 422), is
13 amended to read as follows:

14 Section 422. A. The ~~Oklahoma~~ State Department of Health ~~will~~
15 shall, within thirty (30) days of passage of this initiative, make
16 available, on ~~their~~ the website, of the Oklahoma Medical Marijuana
17 Authority in an easy-to-find location, an application for a
18 commercial grower license. The application fee ~~will~~ shall be Two
19 Thousand Five Hundred Dollars (\$2,500.00) ~~and methods.~~ A method of
20 payment ~~will~~ shall be provided on the website of the Authority. The
21 ~~Oklahoma State Department of Health has two (2) weeks~~ Authority
22 shall have ninety (90) business days to review the application, ;
23 approve ~~or~~, reject or deny the application, ; and mail the
24 ~~approval/rejection~~ approval, rejection or denial letter ~~(if~~

1 ~~rejected, stating reasons for rejection)~~ stating the reasons for
2 rejection or denial to the applicant.

3 B. ~~The Oklahoma State Department of Health must~~ Authority shall
4 approve all applications which meet the following criteria:

5 1. ~~Applicant~~ The applicant must be ~~age~~ at least twenty-five (25) years
6 of age or older;

7 2. ~~Any~~ The applicant, if applying as an individual, must show
8 residency in the State of Oklahoma;

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

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

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

16 6. All applicants must disclose all ownership ~~of~~ interests in the
17 commercial grower operation.

18 7. ~~Applicant(s)~~ Applicants with ~~only a~~ only a nonviolent felony
19 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
20 conviction in ~~5 (years)~~ the last five (5) years, inmates in the
21 custody of the Department of Corrections, or any person currently
22 incarcerated ~~may~~ shall not qualify for a commercial grower license.

23
24

1 C. 1. A licensed commercial grower may sell marijuana to a
2 licensed ~~retailer~~, commercial grower, licensed dispensary or a
3 licensed ~~packager~~ processor.

4 2. Beginning on the effective date of this act, licensed
5 commercial growers shall be authorized to package and sell pre-
6 rolled marijuana containing only ground parts of the marijuana
7 plant, excluding any concentrates, hash or derivatives, to licensed
8 medical marijuana dispensaries. ~~Further, these~~

9 3. All sales will by a licensed commercial grower shall be
10 considered wholesale sales and shall not be subject to taxation.

11 4. Under no circumstances may a licensed commercial grower sell
12 marijuana directly to a medical marijuana ~~license holder~~ patient
13 licensee or caregiver licensee. A licensed commercial grower may
14 only sell at the wholesale level to a licensed ~~retailer~~ commercial
15 grower, licensed dispensary, or a licensed processor. If the
16 federal government lifts restrictions on buying and selling
17 marijuana between states, then a licensed commercial grower ~~would~~
18 shall be allowed to sell and buy marijuana wholesale from, or to, an
19 out-of-state wholesale provider. The Authority shall promulgate
20 rules to govern the sale of medical marijuana across state lines
21 within thirty (30) days of becoming federally legal to do so.

22 5. ~~A licensed~~ Licensed commercial grower ~~will be required to~~
23 growers shall, in the manner and form prescribed by the Authority,
24 complete a monthly yield and sales report to the ~~Oklahoma Department~~

1 ~~of Health Authority.~~ This report ~~will~~ shall be due on the ~~15th~~
2 fifteenth of each month and provide reporting on the previous month.
3 ~~This~~ The report ~~will~~ shall, among other items prescribed by the
4 Authority, detail the amount of marijuana harvested ~~in pounds~~, the
5 amount of drying or dried marijuana on hand, the amount of marijuana
6 sold ~~to processors in pounds~~, the amount of waste ~~in pounds~~, and the
7 amount of marijuana sold to retailers in lbs. ~~Additionally, this~~
8 ~~report will show~~ and total wholesale sales in dollars. The ~~Oklahoma~~
9 ~~State Department of Health will~~ Authority shall have oversight and
10 auditing responsibilities to ensure that all marijuana being grown
11 by the licensed commercial grower is accounted for. ~~A licensed~~
12 ~~grower will only be subject to a penalty if a gross discrepancy~~
13 ~~exists and cannot be explained. Penalties for fraudulent reporting~~
14 ~~or sales occurring within any 2 year time period will be an initial~~
15 ~~fine of Five Thousand Dollars (\$5,000.00) (first) and revocation of~~
16 ~~licensing (second).~~

17 D. There shall be no limits on how much marijuana a licensed
18 commercial grower can grow.

19 SECTION 4. AMENDATORY Section 4, State Question No. 788,
20 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 423), is
21 amended to read as follows:

22 Section 423. A. The ~~Oklahoma~~ State Department of Health shall,
23 within thirty (30) days of passage of this initiative, make
24 available, ~~on their~~ the website, of the Oklahoma Medical Marijuana

1 Authority in an easy-to-find location, an application for a medical
2 marijuana processing license. The application fee shall be Two
3 Thousand Five Hundred Dollars (\$2,500.00) ~~and methods.~~ A method of
4 payment ~~will~~ shall be provided on the website of the Authority. The
5 ~~Oklahoma State Department of Health Authority~~ shall have ~~two (2)~~
6 ~~weeks~~ ninety (90) business days to review the application, approve
7 ~~or,~~ reject or deny the application, and mail the ~~approval/rejection~~
8 approval, rejection or denial letter ~~(if rejected,~~ stating the
9 ~~reasons for rejection)~~ or denial to the applicant.

10 B. The ~~Oklahoma State Department of Health~~ Authority shall
11 approve all applications which meet the following criteria:

12 1. ~~Applicant~~ The applicant must be ~~age~~ twenty-five (25) years
13 of age or older;

14 2. ~~Any~~ The applicant, if applying as an individual, must show
15 residency in the State of Oklahoma;

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

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

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

23 6. All applicants must disclose all ownership, interests in the
24 processing operation.

1 7. ~~Applicant(s)~~ Applicants with ~~only~~ a nonviolent felony
2 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
3 ~~conviction in 5 (years)~~ the last five (5) years, inmates in the
4 custody of the Department of Corrections, or any person currently
5 incarcerated ~~may~~ shall not qualify for a medical marijuana
6 processing license.

7 C. 1. A licensed processor may ~~take marijuana plants and~~
8 distill or process ~~these~~ marijuana plants into concentrates,
9 edibles, and other forms for consumption.

10 2. As required by subsection D of this section, the ~~Oklahoma~~
11 ~~State Department of Health will~~ Authority shall, within sixty (60)
12 days of passage of this initiative, make available a set of
13 standards which ~~will~~ shall be used by licensed processors in the
14 preparation of edible marijuana products. This should be in line
15 with current food preparation guidelines ~~and no.~~ No excessive or
16 punitive rules may be established by the ~~Oklahoma State Department~~
17 ~~of Health~~ Authority.

18 3. ~~Once a~~ Up to two times per year, the ~~Oklahoma State~~
19 ~~Department of Health~~ Authority may inspect a processing operation
20 and determine its compliance with the preparation standards. If any
21 deficiencies are found, a written report of ~~deficiency will~~ the
22 deficiencies shall be issued to the processor. The processor ~~will~~
23 shall have ~~one (1) month~~ thirty (30) business days to correct the
24

1 ~~deficiency~~ deficiencies or be subject to a fine of Five Hundred
2 Dollars (\$500.00) for each deficiency.

3 4. A licensed medical marijuana processor may sell marijuana
4 products it creates to a licensed ~~retailer,~~ medical marijuana
5 dispensary or any other licensed medical marijuana processor.
6 ~~Further, these~~ All sales ~~will~~ by a licensed medical marijuana
7 processor shall be considered wholesale sales and shall not be
8 subject to taxation. A licensed medical marijuana processor shall
9 not be required to obtain an Oklahoma sales tax permit in order to
10 apply for or renew a medical marijuana processor license.

11 5. Under no circumstances may a licensed medical marijuana
12 processor sell medical marijuana, or any medical marijuana product,
13 directly to a medical marijuana ~~license holder~~ patient licensee or
14 caregiver licensee. However, a licensed processor may process
15 ~~cannabis~~ marijuana into a concentrated form, for a medical ~~license~~
16 ~~holder,~~ marijuana patient licensee or caregiver licensee for a fee
17 and such fee shall constitute a service that shall not be subject to
18 any sales tax or excise tax. ~~Processors will be required to~~

19 6. Licensed medical marijuana processors shall, in the manner
20 and form prescribed by the Authority, complete a monthly yield and
21 sales report to the ~~Oklahoma State Department of Health~~ Authority.
22 This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month
23 and shall provide reporting on the previous month. ~~This~~ The report
24 ~~will~~ shall detail the amount of medical marijuana and medical

1 marijuana products purchased in pounds, the amount of marijuana
2 cooked or processed in pounds, and the amount of waste in pounds.
3 Additionally, this report ~~will~~ shall show total wholesale sales in
4 dollars. The ~~Oklahoma State Department of Health will~~ Authority
5 shall have oversight and auditing responsibilities to ensure that
6 all marijuana being ~~grown~~ processed is accounted for. ~~A licensed~~
7 ~~processor will only be subject to a penalty if a gross discrepancy~~
8 ~~exists and cannot be explained. Penalties for fraudulent reporting~~
9 ~~occurring within any 2 year time period will be an initial fine of~~
10 ~~Five Thousand Dollars (\$5,000.00) (first) and revocation of~~
11 ~~licensing (second).~~

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

1 twenty ~~(20)~~ operating, licensed processors ~~would~~ shall constitute a
2 need for a new ~~board~~ council and ~~standard~~ standards review.

3 E. ~~If it becomes permissible, under federal law, marijuana may~~
4 ~~be moved across state lines.~~

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

11 SECTION 5. AMENDATORY Section 6, State Question No. 788,
12 Initiative Petition No. 412, as last amended by Section 46, Chapter
13 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 425), is amended to
14 read as follows:

15 Section 425. A. No school or landlord may refuse to enroll or
16 lease to and may not otherwise penalize a person solely for his or
17 her status as a medical marijuana ~~license holder~~ patient licensee,
18 unless failing to do so would cause the school or landlord the
19 potential to lose a monetary or licensing-related benefit under
20 federal law or regulations.

21 B. Unless a failure to do so would cause an employer the
22 potential to lose a monetary or licensing-related benefit under
23 federal law or regulations, an employer may not discriminate against
24

1 a person in hiring, termination or imposing any term or condition of
2 employment or otherwise penalize a person based upon ~~either:~~

3 1. ~~The~~ the status of the person as a medical marijuana ~~license~~
4 ~~holder~~ patient licensee; ~~or~~

5 2. ~~Employers~~ provided, however, employers may take action
6 against a ~~holder of a~~ medical marijuana ~~license~~ patient licensee if
7 the ~~holder~~ licensee uses or possesses marijuana while in his or her
8 place of employment or during the hours of employment. Employers
9 may not take action against the ~~holder of a~~ medical marijuana
10 ~~license~~ patient licensee solely based upon the status of an employee
11 as a medical marijuana ~~license holder~~ patient licensee or the
12 results of a drug test showing positive for marijuana or its
13 components.

14 C. For the purposes of medical care, including organ
15 transplants, the authorized use of marijuana by a medical marijuana
16 ~~license holder~~ patient licensee shall be considered the equivalent
17 of the use of any other medication under the direction of a
18 physician and does not constitute the use of an illicit substance or
19 otherwise disqualify a registered qualifying patient from medical
20 care.

21 D. No medical marijuana ~~license holder~~ patient licensee may be
22 denied custody of ~~or~~, visitation or parenting time with a minor
23 child, and there is no presumption of neglect or child endangerment
24 for conduct allowed under this law, unless, by clear and convincing

1 evidence, it is established that the behavior of the ~~person~~ medical
2 ~~marijuana patient licensee~~ creates an ~~unreasonable danger~~ a risk of
3 ~~irreparable harm~~ to the ~~safety of the~~ minor child.

4 E. No person ~~holding~~ who possesses a medical marijuana patient
5 license may ~~unduly be withheld from holding~~ be denied or restricted
6 from holding a state-issued license by virtue of their being a
7 licensed medical marijuana ~~license holder~~ patient including, but not
8 limited to, a concealed carry permit.

9 F. 1. No city or ~~local municipality~~ political subdivision in
10 this state may unduly change or restrict zoning laws to prevent the
11 opening of a ~~retail marijuana establishment~~ medical marijuana
12 business. Any city or political subdivision in this state enacting
13 zoning requirements related to a medical marijuana business shall
14 treat such business as it does other businesses lawfully engaged in
15 similar business activities; provided, however, the city or
16 political subdivision may restrict medical marijuana dispensaries
17 opening after September 1, 2021, from being located within one
18 thousand (1,000) feet of an existing medical marijuana dispensary.

19 2. ~~For purposes of this subsection, an undue change or~~
20 ~~restriction of municipal zoning laws means an act which entirely~~
21 ~~prevents retail marijuana establishments from operating within~~
22 ~~municipal boundaries as a matter of law. Municipalities~~ Except as
23 provided in paragraph 1 of this subsection, cities and political
24 subdivisions may follow their standard planning and zoning

1 procedures to determine if certain zones or districts would be
2 appropriate for locating marijuana-licensed premises, medical
3 marijuana businesses or any other premises where marijuana or its
4 by-products are cultivated, grown, processed, stored or
5 manufactured.

6 ~~3. For purposes of this section, "retail marijuana~~
7 ~~establishment" means an entity licensed by the State Department of~~
8 ~~Health as a medical marijuana dispensary. Retail marijuana~~
9 ~~establishment does not include those other entities licensed by the~~
10 ~~Department as marijuana-licensed premises, medical marijuana~~
11 ~~businesses or other facilities or locations where marijuana or any~~
12 ~~product containing marijuana or its by-products are cultivated,~~
13 ~~grown, processed, stored or manufactured.~~

14 G. The location of any ~~retail marijuana establishment~~ medical
15 marijuana dispensary is specifically prohibited within one thousand
16 (1,000) feet of any public or private school ~~entrance~~ unless the
17 dispensary was granted a medical marijuana dispensary license by the
18 Oklahoma Medical Marijuana Authority for that location prior to the
19 effective date of this act. Upon the effective date of this act,
20 the distance indicated in this subsection shall be measured from the
21 nearest property line of the public or private school to the nearest
22 property line of the dispensary. If a public or private school is
23 established within one thousand (1,000) feet of a medical marijuana
24 dispensary after such dispensary has been licensed, the provisions

1 of this section shall not be a deterrent to the renewal of such
2 license or warrant revocation of the license.

3 H. Research shall be provided for under this law. A researcher
4 may apply to the ~~State Department of Health~~ Authority for a special
5 research license. The research license shall be granted, provided
6 the applicant meets the criteria ~~listed under subsection B of~~
7 ~~Section 421 of this title~~ provided for in the Oklahoma Medical
8 Marijuana and Patient Protection Act. Research ~~license holders~~
9 licensees shall be required to file monthly consumption reports to
10 the ~~State Department of Health~~ Authority with amounts of marijuana
11 used for research. Biomedical and clinical research which is
12 subject to federal regulations and institutional oversight shall not
13 be subject to ~~State Department of Health~~ oversight by the Authority.

14 SECTION 6. AMENDATORY Section 7, State Question No. 788,
15 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426), is
16 amended to read as follows:

17 Section 426. A. 1. The tax on retail medical marijuana sales
18 ~~will~~ shall be established at seven percent (7%) of the gross amount
19 received by the seller.

20 2. All veterans, as defined in Section 2 of Title 72 of the
21 Oklahoma Statutes, with a disability rating of twenty-five percent
22 (25%) or more may apply to the Oklahoma Tax Commission for a medical
23 marijuana excise tax waiver. Upon receipt of the application and
24 verification of the disability status of the veteran, the Oklahoma

1 Tax Commission shall issue an exception authorization to the
2 Oklahoma Medical Marijuana Authority which shall note on the license
3 of the medical marijuana patient that he or she is not required to
4 pay any excise tax on the purchase of medical marijuana. The
5 Oklahoma Tax Commission and Oklahoma Medical Marijuana Authority are
6 hereby authorized to promulgate any rules necessary to implement the
7 provisions of this paragraph.

8 B. ~~This~~ The excise tax ~~will~~ shall be collected at the point of
9 sale. ~~Tax proceeds will be applied primarily to finance the~~
10 ~~regulatory office.~~

11 C. If proceeds from the levy authorized by subsection A of this
12 section exceed the budgeted amount for running the ~~regulatory office~~
13 Oklahoma Medical Marijuana Authority, any surplus shall be
14 apportioned with seventy-five percent (75%) going to the General
15 Revenue Fund ~~and may only be expended for common education. Twenty-~~
16 ~~five percent (25%) shall be apportioned to the Oklahoma State~~
17 ~~Department of Health and earmarked for drug and alcohol~~
18 ~~rehabilitation and prevention.~~

19 SECTION 7. AMENDATORY Section 4, Chapter 509, O.S.L.
20 2019 (63 O.S. Supp. 2020, Section 426.1), is amended to read as
21 follows:

22 Section 426.1 A. ~~Except for revocation hearings concerning~~
23 ~~licensed patients, as defined in Section 2 of Enrolled House Bill~~
24 ~~No. 2612 of the 1st Session of the 57th Oklahoma Legislature, all~~

1 All licensure revocation hearings conducted pursuant to marijuana
2 licenses established in the Oklahoma Statutes shall be recorded. A
3 party may request a copy of the recording of the proceedings.
4 Copies shall be provided to local law enforcement if the revocation
5 was based on alleged criminal activity.

6 B. ~~The State Department of Health~~ Oklahoma Medical Marijuana
7 Authority shall assist any law enforcement officer in the
8 performance of his or her duties upon such request by the law
9 enforcement officer or the request of other local officials having
10 jurisdiction. Except for license information concerning ~~licensed~~
11 medical marijuana patients and caregivers, as defined in Section ~~2~~
12 427.2 of ~~Enrolled House Bill No. 2612 of the 1st Session of the 57th~~
13 ~~Oklahoma Legislature~~ this title, the ~~Department~~ Authority shall
14 share information with law enforcement agencies upon request without
15 a subpoena or search warrant.

16 C. ~~The State Department of Health~~ Authority shall make
17 available all information displayed on a medical marijuana licenses
18 business license and medical marijuana transporter agent license, as
19 well as whether or not the business or transporter agent license is
20 valid, to law enforcement electronically through ~~the Oklahoma Law~~
21 ~~Enforcement Telecommunications System~~ an online verification system.

22 D. ~~The Department~~ Authority shall make available to Oklahoma
23 state agencies and political subdivisions a list of marijuana-
24 licensed premises, medical marijuana businesses or any other

1 premises where marijuana or its by-products are licensed to be
2 cultivated, grown, processed, stored or manufactured by a medical
3 marijuana business to aid ~~county and municipal governments~~ Oklahoma
4 state agencies and political subdivisions in identifying locations
5 within their ~~jurisdiction~~ jurisdictions and ~~ensure~~ ensuring
6 compliance with ~~local~~ applicable laws, rules and regulations.

7 E. ~~All~~ If located within the incorporated boundaries of any
8 municipality, all marijuana-licensed premises, medical marijuana
9 businesses or any other premises where marijuana or its by-products
10 are licensed to be cultivated, grown, processed, stored or
11 manufactured shall submit with ~~their~~ the application or request to
12 change location, after notifying the ~~political subdivision~~
13 municipality of their intent, a certificate of compliance from the
14 ~~political subdivision~~ municipality where the facility of the
15 applicant or ~~use~~ licensee is to be located, and its intended use,
16 certifying compliance with zoning classifications, applicable
17 municipal ordinances and all applicable safety, electrical, fire,
18 plumbing, waste, construction and building specification codes.
19 Once a certificate of compliance has been submitted to the Oklahoma
20 Medical Marijuana Authority showing full compliance as outlined in
21 this section, no additional certificate of compliance shall be
22 required for license renewal unless a change of use or occupancy
23 occurs, or there is any change concerning the facility or location

24

1 that would by law require additional inspection, licensure or
2 permitting by the state or municipality.

3 SECTION 8. AMENDATORY Section 2, Chapter 11, O.S.L.
4 2019, as last amended by Section 48, Chapter 161, O.S.L. 2020 (63
5 O.S. Supp. 2020, Section 427.2), is amended to read as follows:

6 Section 427.2 As used in ~~this act~~ the Oklahoma Medical
7 Marijuana and Patient Protection Act:

8 1. "Advertising" means the act of providing consideration for
9 the publication, dissemination, solicitation, or circulation⁷ of
10 visual, oral, or written communication to induce directly or
11 indirectly any person to patronize a particular medical marijuana
12 business, or to purchase particular medical marijuana or a medical
13 marijuana product. Advertising includes marketing, but does not
14 include packaging and labeling;

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

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

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

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

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

- 1 a. designed or constructed to be significantly difficult
2 for children under five (5) years of age to open and
3 not difficult for normal adults to use properly as
4 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
5 1700.20 (1995),
- 6 b. opaque so that the outermost packaging does not allow
7 the product to be seen without opening the packaging
8 material, and
- 9 c. resealable to maintain its child-resistant
10 effectiveness for multiple openings for any product
11 intended for more than a single use or containing
12 multiple servings;

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

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

17 9. "Complete application" means a document prepared in
18 accordance with the provisions set forth in ~~this act~~ the Oklahoma
19 Medical Marijuana and Patient Protection Act, rules promulgated
20 pursuant thereto, and the forms and instructions provided by the
21 ~~Department~~ Authority, including any supporting documentation
22 required and the applicable license application fee;

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

24

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

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

8 13. "Dispensary" means a medical marijuana dispensary, an
9 entity that has been licensed by the ~~Department~~ Authority pursuant
10 to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
11 Act to purchase medical marijuana or medical marijuana products from
12 a licensed medical marijuana commercial grower or licensed medical
13 marijuana processor, to prepare and package pre-rolls, and to sell
14 medical marijuana or medical marijuana products to licensed patients
15 and caregivers as defined ~~under~~ in this act section, or sell or
16 transfer products to another licensed dispensary;

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

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

24

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

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

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

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

- 16 a. ~~the licensee or applicant has violated, does not meet,
17 or has failed to comply with any of the terms,
18 conditions or provisions of the act, any rules
19 promulgated pursuant thereto, or any supplemental
20 relevant state or local law, rule or regulation,~~
- 21 b. ~~the licensee or applicant has failed to comply with
22 any special terms or conditions that were placed upon
23 the license pursuant to an order of the State~~
- 24

1 ~~Department of Health, Oklahoma Medical Marijuana~~
2 ~~Authority or the municipality, or~~

3 e. ~~the licensed premises of a medical marijuana business~~
4 ~~or applicant have been operated in a manner that~~
5 ~~adversely affects the public health or welfare or the~~
6 ~~safety of the immediate vicinity in which the~~
7 ~~establishment is located;~~

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

13 ~~21.~~ 20. "Harvested marijuana" means post-flowering medical
14 marijuana not including trim, concentrate or waste;

15 ~~22.~~ 21. "Heat- or pressure-based medical marijuana concentrate"
16 means a medical marijuana concentrate that was produced by
17 extracting cannabinoids from medical marijuana through the use of
18 heat or pressure;

19 ~~23.~~ 22. "Immature plant" means a nonflowering marijuana plant
20 that has not demonstrated signs of flowering;

21 ~~24.~~ 23. "Inventory tracking system" means the required tracking
22 system that accounts for the entire life span of medical marijuana
23 ~~from either the seed or immature plant stage until the medical~~
24 ~~marijuana or~~ and medical marijuana product is sold to a patient at a

1 ~~medical marijuana dispensary, transferred to a medical marijuana~~
2 ~~research facility, destroyed by a medical marijuana business or used~~
3 ~~in a research project by a medical marijuana research facility~~
4 products, including any testing samples thereof and medical
5 marijuana waste;

6 ~~25.~~ 24. "Licensed patient" or "patient" means a person who has
7 been issued a medical marijuana patient license by the ~~State~~
8 ~~Department of Health or~~ Oklahoma Medical Marijuana Authority;

9 ~~26.~~ 25. "Licensed premises" means the premises specified in an
10 application for a medical marijuana business license, medical
11 marijuana research facility license or medical marijuana education
12 facility license pursuant to ~~this act~~ the Oklahoma Medical Marijuana
13 and Patient Protection Act that are owned or in possession of the
14 licensee and within which the licensee is authorized to cultivate,
15 manufacture, distribute, sell, store, transport, test or research
16 medical marijuana or medical marijuana products in accordance with
17 the provisions of ~~this act~~ the Oklahoma Medical Marijuana and
18 Patient Protection Act and rules promulgated pursuant thereto;

19 ~~27.~~ 26. "Manufacture" means the production, propagation,
20 compounding or processing of a medical marijuana product, excluding
21 marijuana plants, either directly or indirectly by extraction from
22 substances of natural or synthetic origin, or independently by means
23 of chemical synthesis, or by a combination of extraction and
24 chemical synthesis;

1 ~~28.~~ 27. "Marijuana" shall not include seeds but shall otherwise
2 have the same meaning as such term is defined in Section 2-101 of
3 ~~Title 63 of the Oklahoma Statutes~~ this title and shall also include
4 any plant or material containing delta-8 or delta-10
5 tetrahydrocannabinol which is not grown, processed or sold pursuant
6 to the provisions of the Oklahoma Industrial Hemp Program;

7 ~~29.~~ 28. "Material change" means any change that would ~~require a~~
8 ~~substantive revision to the standard operating procedures of a~~
9 affect the qualifications for licensure of an applicant or licensee
10 ~~for the cultivation or production of medical marijuana, medical~~
11 ~~marijuana concentrate or medical marijuana products;~~

12 ~~30.~~ 29. "Mature plant" means a harvestable female marijuana
13 plant that is flowering;

14 ~~31.~~ 30. "Medical marijuana business (MMB)" means a licensed
15 medical marijuana dispensary, medical marijuana processor, medical
16 marijuana commercial grower, medical marijuana laboratory, medical
17 marijuana business operator, medical marijuana wholesaler or a
18 medical marijuana transporter;

19 ~~32.~~ 31. "Medical marijuana concentrate" or "concentrate" means
20 a specific subset of medical marijuana that was produced by
21 extracting cannabinoids from medical marijuana. Categories of
22 medical marijuana concentrate include water-based medical marijuana
23 concentrate, food-based medical marijuana concentrate, solvent-based
24

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

3 ~~33.~~ 32. "Medical marijuana commercial grower" or "commercial
4 grower" means an entity licensed to cultivate, prepare and package
5 medical marijuana, package pre-rolled marijuana, and transfer or
6 contract for the transfer of medical marijuana and pre-rolled
7 marijuana to a medical marijuana dispensary, medical marijuana
8 processor, any other medical marijuana commercial grower, medical
9 marijuana research facility, or medical marijuana education facility
10 ~~and pesticide manufacturers.~~ A commercial grower may sell seeds,
11 flower or clones to commercial growers pursuant to ~~this act~~ the
12 Oklahoma Medical Marijuana and Patient Protection Act;

13 ~~34.~~ 33. "Medical marijuana education facility" or "education
14 facility" means a person or entity approved pursuant to ~~this act~~ the
15 Oklahoma Medical Marijuana and Patient Protection Act to operate a
16 facility providing training and education to individuals involving
17 the cultivation, growing, harvesting, curing, preparing, packaging
18 or testing of medical marijuana, or the production, manufacture,
19 extraction, processing, packaging or creation of medical-marijuana-
20 infused products or medical marijuana products as described in ~~this~~
21 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

22 ~~35.~~ 34. "Medical-marijuana-infused product" means a product
23 infused with medical marijuana including, but not limited to, edible
24 products, ointments and tinctures, except pre-rolled marijuana that

1 does not contain medical marijuana concentrate shall not constitute
2 a medical-marijuana-infused product;

3 ~~36.~~ 35. "Medical marijuana product" or "product" means a
4 product that contains cannabinoids that have been extracted from
5 plant material or the resin therefrom by physical or chemical means
6 and is intended for administration to a qualified patient including,
7 but not limited to, oils, tinctures, edibles, pills, topical forms,
8 gels, creams, vapors, patches, liquids, and forms administered by a
9 nebulizer, excluding live plant forms which are considered medical
10 marijuana;

11 ~~37.~~ 36. "Medical marijuana processor" means a person or entity
12 licensed pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
13 Patient Protection Act to operate a business including the
14 production, manufacture, extraction, processing, packaging or
15 creation of concentrate, medical-marijuana-infused products or
16 medical marijuana products as described in ~~this act~~ the Oklahoma
17 Medical Marijuana and Patient Protection Act;

18 ~~38.~~ 37. "Medical marijuana research facility" or "research
19 facility" means a person or entity approved pursuant to ~~this act~~ the
20 Oklahoma Medical Marijuana and Patient Protection Act to conduct
21 medical marijuana research. A medical marijuana research facility
22 is not a medical marijuana business;

23 ~~39.~~ 38. "Medical marijuana testing laboratory" or "laboratory"
24 means a public or private laboratory licensed pursuant to ~~this act,~~

1 the Oklahoma Medical Marijuana and Patient Protection Act to conduct
2 testing and research on medical marijuana and medical marijuana
3 products;

4 ~~40.~~ 39. "Medical marijuana transporter" or "transporter" means
5 a person or entity that is licensed pursuant to ~~this act~~ the
6 Oklahoma Medical Marijuana and Patient Protection Act. A medical
7 marijuana transporter does not include a medical marijuana business
8 that transports its own medical marijuana, medical marijuana
9 concentrate or medical marijuana products to a property or facility
10 adjacent to or connected to the licensed premises if the property is
11 another licensed premises of the same medical marijuana business;

12 ~~41.~~ 40. "Medical marijuana waste" or "waste" means unused,
13 surplus, returned or out-of-date marijuana, plant debris of the
14 plant of the genus Cannabis, including dead plants and all unused
15 plant parts and roots, except the term shall not include roots,
16 stems, stalks and fan leaves;

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

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

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

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

14 45. "Oklahoma resident" means an individual who can provide
15 proof of residency as required by ~~this act~~ the Oklahoma Medical
16 Marijuana and Patient Protection Act;

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

- 20 a. all shareholders owning an interest of a corporate
21 entity and all officers of a corporate entity,
- 22 b. all partners of a general partnership,
- 23 c. all general partners and all limited partners that own
24 an interest in a limited partnership,

- 1 d. all members that own an interest in a limited
2 liability company,
- 3 e. all beneficiaries that hold a beneficial interest in a
4 trust and all trustees of a trust,
- 5 f. all persons or entities that own an interest in a
6 joint venture,
- 7 g. all persons or entities that own an interest in an
8 association,
- 9 h. the owners of any other type of legal entity, and
- 10 i. any other person ~~holding an interest or convertible~~
11 ~~note in any entity which owns, operates or manages a~~
12 ~~licensed facility~~ or entity which contracts for or
13 receives more than ten percent (10%) of the gross
14 monthly income or profit of the medical marijuana
15 business or which is compensated, in whole or in part,
16 based on an allocation of a percentage of sales,
17 income or profit of the medical marijuana business if
18 such allocation exceeds ten percent (10%) of the gross
19 monthly sales or income of the medical marijuana
20 business. For purposes of this subparagraph, any
21 person or entity who receives such compensation from a
22 medical marijuana business that was issued a license
23 prior to the effective date of this act shall not be
24 considered an owner of that medical marijuana business

1 but shall disclose such financial interest in the
2 medical marijuana business to the Oklahoma Medical
3 Marijuana Authority upon request or otherwise as
4 prescribed by the Authority. This exception applies
5 only to persons or entities who received such
6 compensation or entered into contracts for such
7 compensation prior to the effective date of this act;

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

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

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

24 50. "Production batch" means:

- 1 a. any amount of medical marijuana concentrate of the
2 same category ~~and,~~ produced using the same extraction
3 methods, and standard operating procedures ~~and an~~
4 ~~identical group of harvest batch of medical marijuana,~~
5 or
6 b. any amount of medical marijuana product of the same
7 ~~exact~~ type, produced using the same ingredients,
8 standard operating procedures and the same production
9 batch of medical marijuana concentrate;

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

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

17 53. "Recommendation" means a document that is signed or
18 electronically submitted by a physician on behalf of a patient for
19 the use of medical marijuana pursuant to ~~this act~~ the Oklahoma
20 Medical Marijuana and Patient Protection Act;

21 54. "Registered to conduct business" means a person that has
22 provided proof that the business applicant or business licensee is
23 in good standing with the Oklahoma Secretary of State, if such
24 registration is required under Oklahoma law and, if the business is

1 a medical marijuana dispensary proof that the medical marijuana
2 dispensary is in good standing with the Oklahoma Tax Commission. In
3 the event the medical marijuana dispensary is not in good standing
4 with the Oklahoma Tax Commission, the business applicant or business
5 licensee shall provide proof that it has entered into a mutually
6 agreeable payment plan with the Oklahoma Tax Commission;

7 55. "Remediation" means the process by which ~~the medical~~
8 ~~marijuana flower or trim, which has failed microbial testing, is~~
9 ~~processed into solvent-based medical marijuana concentrate and a~~
10 harvest batch, production batch or other medical marijuana or
11 medical marijuana product produced pursuant to the Oklahoma Medical
12 Marijuana and Patient Protection Act undergoes a procedure, prior to
13 laboratory testing or after the medical marijuana or medical
14 marijuana product has failed laboratory testing for any reason, to
15 remedy any deficiencies or failures and is retested as required by
16 this act in accordance with Oklahoma laws, rules and regulations;

17 56. "Research project" means a discrete scientific endeavor to
18 answer a research question or a set of research questions related to
19 medical marijuana and is required for a medical marijuana research
20 license. A research project shall include a description of a
21 defined protocol, clearly articulated goals, defined methods and
22 outputs, and a defined start and end date. The description shall
23 demonstrate that the research project will comply with all
24 requirements in ~~this act~~ the Oklahoma Medical Marijuana and Patient

1 Protection Act and rules promulgated pursuant thereto. All research
2 and development conducted by a medical marijuana research facility
3 shall be conducted in furtherance of an approved research project;

4 57. "Revocation" means the final decision by the ~~Department~~
5 Authority that any license issued pursuant to ~~this act~~ the Oklahoma
6 Medical Marijuana and Patient Protection Act is rescinded because
7 the individual or entity does not comply with the applicable
8 requirements set forth in ~~this act~~ the Oklahoma Medical Marijuana
9 and Patient Protection Act or rules promulgated pursuant thereto;

10 58. "School" means a state-licensed public or private ~~preschool~~
11 ~~or a public or private elementary, middle or secondary high school~~
12 which is primarily used for school classes and classroom
13 instruction. ~~A~~ An athletic field, homeschool, daycare or child-care
14 facility shall not be considered a "school" as used in ~~this act~~ the
15 Oklahoma Medical Marijuana and Patient Protection Act;

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

22 60. "Solvent-based medical marijuana concentrate" means a
23 medical marijuana concentrate that was produced by extracting
24

1 cannabinoids from medical marijuana through the use of a solvent
2 approved by the ~~Department~~ Authority;

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

6 62. "Strain" means the ~~classification~~ name given to a
7 particular variety of medical marijuana ~~or cannabis plants in either~~
8 ~~pure sativa, indica, afghanica, ruderalis or hybrid varieties that~~
9 is based on a combination of factors which may include, but are not
10 limited to, botanical lineage, appearance, chemical profile and
11 accompanying effects. An example of a strain of medical marijuana
12 would be "OG Kush" or "Pineapple Express";

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

17 64. ~~"Test batch" means with regard to usable marijuana, a~~
18 ~~homogenous, identified quantity of usable marijuana by strain, no~~
19 ~~greater than ten (10) pounds, that is harvested during a seven day~~
20 ~~period from a specified cultivation area, and with regard to oils,~~
21 ~~vapors and waxes derived from usable marijuana, means an identified~~
22 ~~quantity that is uniform, that is intended to meet specifications~~
23 ~~for identity, strength and composition, and that is manufactured,~~

24

1 ~~packaged and labeled during a specified time period according to a~~
2 ~~single manufacturing, packaging and labeling protocol;~~

3 ~~65.~~ "Transporter agent" means a person who transports medical
4 marijuana or medical marijuana products ~~for~~ as an employee of a
5 ~~licensed transporter~~ medical marijuana business and holds a
6 transporter agent license specific to that business pursuant to ~~this~~
7 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

8 ~~66.~~ 65. "Universal symbol" means the image established by the
9 ~~State Department of Health or~~ Oklahoma Medical Marijuana Authority
10 and made available to licensees through its website indicating that
11 the medical marijuana or the medical marijuana product contains THC;

12 ~~67.~~ 66. "Usable marijuana" means the dried leaves, flowers,
13 oils, vapors, waxes and other portions of the marijuana plant and
14 any mixture or preparation thereof, excluding ~~seed~~ seeds, roots,
15 stems, stalks and fan leaves; and

16 ~~68.~~ 67. "Water-based medical marijuana concentrate" means a
17 concentrate that was produced by extracting cannabinoids from
18 medical marijuana through the use of only water, ice, or dry ice.

19 SECTION 9. AMENDATORY Section 3, Chapter 11, O.S.L.
20 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
21 Supp. 2020, Section 427.3), is amended to read as follows:

22 Section 427.3 A. There is hereby created the Oklahoma Medical
23 Marijuana Authority within the State Department of Health which
24 shall address issues related to the medical marijuana program in

1 Oklahoma including, but not limited to, the issuance of patient and
2 caregiver licenses and medical marijuana business licenses, and the
3 dispensing, cultivating, processing, testing, transporting, storage,
4 research, and the use of and sale of medical marijuana pursuant to
5 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

6 B. The Department shall provide support staff to perform
7 designated duties of the Authority. The Department shall also
8 provide office space for meetings of the Authority.

9 C. ~~The Department~~ Authority shall implement the provisions of
10 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act
11 consistently with the voter-approved State Question No. 788,
12 Initiative Petition No. 412, subject to the provisions of ~~this act~~
13 the Oklahoma Medical Marijuana and Patient Protection Act.

14 D. ~~The Department~~ Authority shall exercise its respective
15 powers and perform its respective duties and functions as specified
16 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
17 Act and ~~Title 63 of the Oklahoma Statutes~~ this title including, but
18 not limited to, the following:

19 1. Determine steps the state shall take, whether administrative
20 or legislative in nature, to ensure that research on medical
21 marijuana and medical marijuana products is being conducted for
22 public purposes, including the advancement of:

- 23 a. public health policy and public safety policy,
- 24 b. agronomic and horticultural best practices, and

1 c. medical and pharmacopoeia best practices;

2 2. Contract with third-party vendors and other governmental
3 entities in order to carry out the respective duties and functions
4 as specified in ~~this act~~ the Oklahoma Medical Marijuana and Patient
5 Protection Act;

6 3. Upon complaint or upon its own motion and upon a completed
7 investigation, levy fines as prescribed in ~~this act~~ applicable laws,
8 rules and regulations and suspend ~~or,~~ revoke or not renew licenses
9 pursuant to ~~this act~~ applicable laws, rules and regulations;

10 4. Issue subpoenas for the appearance or production of persons,
11 records and things in connection with disciplinary or contested
12 cases considered by the ~~Department~~ Authority;

13 5. Apply for injunctive or declaratory relief to enforce the
14 provisions of ~~this section and any~~ applicable laws, rules
15 ~~promulgated pursuant to this section and regulations~~;

16 6. Inspect and examine, ~~with notice provided in accordance with~~
17 ~~this act,~~ all licensed premises of medical marijuana businesses,
18 medical marijuana research facilities ~~and,~~ medical marijuana
19 education facilities and medical marijuana waste disposal facilities
20 in which medical marijuana is cultivated, manufactured, sold,
21 stored, transported, tested ~~or,~~ distributed or disposed;

22 7. Upon action by the federal government by which the
23 production, sale and use of marijuana in Oklahoma does not violate
24 federal law, work with the Oklahoma State Banking Department and the

1 State Treasurer to develop good practices and standards for banking
2 and finance for medical marijuana businesses;

3 8. Establish internal control procedures for licenses including
4 accounting procedures, reporting procedures and personnel policies;

5 9. Establish a fee schedule and collect fees for performing
6 background checks as the ~~Commissioner~~ Executive Director deems
7 appropriate. The fees charged pursuant to this paragraph shall not
8 exceed the actual cost incurred for each background check; ~~and~~

9 10. ~~Require verification for sources of finance for medical~~
10 ~~marijuana businesses~~ Establish a fee schedule and collect fees for
11 material changes requested by the licensee; and

12 11. Establish regulations which require a medical marijuana
13 business to submit information to the Oklahoma Medical Marijuana
14 Authority deemed reasonably necessary to assist the Authority in the
15 prevention of diversion of medical marijuana by a licensed medical
16 marijuana business. Such information required by the Authority may
17 include, but is not limited to:

18 a. the square footage of a licensed premises,

19 b. a diagram of a licensed premises,

20 c. the number and type of lights at a licensed medical
21 marijuana commercial grower business,

22 d. the number, type, and production capacity of equipment
23 located at a medical marijuana processing facility,

24

- 1 e. the names, addresses and telephone numbers of
2 employees or agents of a medical marijuana business,
3 f. employment manuals and standard operating procedures
4 for a medical marijuana business, and
5 g. such other information as the Authority reasonably
6 deems necessary.

7 The disclosure of this information shall not constitute a
8 prerequisite of licensure, and the Authority shall not require
9 disclosure of the financial information of any owner for any purpose
10 related to obtaining or renewing a medical marijuana business
11 license.

12 SECTION 10. AMENDATORY Section 4, Chapter 11, O.S.L.
13 2019 (63 O.S. Supp. 2020, Section 427.4), is amended to read as
14 follows:

15 Section 427.4 A. The Oklahoma Medical Marijuana Authority, in
16 conjunction with the State Department of Health, shall employ an
17 Executive Director and other personnel as necessary to assist the
18 Authority in carrying out its duties.

19 B. The Authority shall not employ an individual if any of the
20 following circumstances exist:

21 1. The individual has a direct or indirect interest in a
22 licensed medical marijuana business; or

23 2. The individual or his or her spouse, parent, child, spouse
24 of a child, sibling, or spouse of a sibling has an application for a

1 medical marijuana business license pending before the ~~Department~~
2 Authority or is a member of the board of directors of a medical
3 marijuana business, or is an individual financially interested in
4 any licensee or medical marijuana business.

5 C. All officers and employees of the Authority shall be in the
6 exempt unclassified service as provided for in Section 840-5.5 of
7 Title 74 of the Oklahoma Statutes.

8 D. The Commissioner may delegate to any officer or employee of
9 the Department any of the powers of the Executive Director and may
10 designate any officer or employee of the Department to perform any
11 of the duties of the Executive Director.

12 E. The Executive Director shall be authorized to suggest rules
13 governing the oversight and implementation of ~~this act~~ the Oklahoma
14 Medical Marijuana and Patient Protection Act.

15 F. The Department is hereby authorized to create employment
16 positions necessary for the implementation of its obligations
17 pursuant to ~~this act~~, the Oklahoma Medical Marijuana and Patient
18 Protection Act including, but not limited to, Authority
19 investigators and a senior director of enforcement. The Department
20 and the Authority, the senior director of enforcement, the Executive
21 Director, and Department investigators shall have all the powers of
22 any peace officer to:
23
24

1 1. Investigate violations or suspected violations of ~~this act~~
2 the Oklahoma Medical Marijuana and Patient Protection Act and any
3 rules promulgated pursuant thereto;

4 2. Serve all warrants, summonses, subpoenas, administrative
5 citations, notices or other processes relating to the enforcement of
6 laws regulating medical marijuana, medical marijuana concentrate,
7 and medical marijuana product;

8 3. Assist or aid any law enforcement officer in the performance
9 of his or her duties upon such law enforcement officer's request or
10 the request of other local officials having jurisdiction;

11 4. ~~Require~~ As provided in Section 427.6 of this title, require
12 any business applicant or licensee, ~~upon twenty-four (24) hours~~
13 ~~notice or upon a showing of necessity~~, to permit an inspection of
14 licensed premises, during business hours or at any time of apparent
15 operation, marijuana equipment, ~~and~~ marijuana accessories, ~~or~~ books
16 and records or any other information required by the Oklahoma
17 Medical Marijuana and Patient Protection Act or regulation of the
18 Authority required to be on-site of the medical marijuana business;
19 and to permit the testing ~~of~~ or examination of medical marijuana,
20 medical marijuana concentrate, or medical marijuana product; ~~and~~

21 5. Require applicants and licensees to submit complete and
22 current applications, submit information and fees required by ~~this~~
23 ~~act and fees~~, the Oklahoma Medical Marijuana and Patient Protection
24

1 Act and the Oklahoma Medical Marijuana Waste Management Act, and
2 approve material changes made by the applicant or licensee;

3 6. Require medical marijuana business licensees to submit
4 samples or units of medical marijuana or medical marijuana products
5 to the medical marijuana testing laboratory when the Authority has
6 reason to believe the medical marijuana or medical marijuana
7 products may be unsafe for patient consumption or inhalation or have
8 not been tested in accordance with the provisions of the Oklahoma
9 Medical Marijuana and Patient Protection Act and the rules and
10 regulations of the Authority. The licensee shall provide the
11 samples or units of medical marijuana or medical marijuana products
12 at its own expense but shall not be responsible for the costs of
13 testing; and

14 7. Require medical marijuana business licensees to periodically
15 submit samples or units of medical marijuana or medical marijuana
16 products to the testing laboratory for quality assurance purposes.
17 Licensed medical marijuana commercial growers, medical marijuana
18 processors, medical marijuana dispensaries and medical marijuana
19 transporters shall not be required to submit samples or units of
20 medical marijuana or medical marijuana products more than twice a
21 year. The medical marijuana business licensee shall provide the
22 samples or units of medical marijuana or medical marijuana products
23 at its own expense but shall not be responsible for the costs of
24 testing.

1 SECTION 11. AMENDATORY Section 6, Chapter 11, O.S.L.
2 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S.
3 Supp. 2020, Section 427.6), is amended to read as follows:

4 Section 427.6 A. The ~~State Department of Health~~ Oklahoma
5 Medical Marijuana Authority shall address issues related to the
6 medical marijuana program in Oklahoma including, but not limited to,
7 monitoring and disciplinary actions as they relate to the medical
8 marijuana program.

9 B. 1. The ~~Department~~ Authority or its designee may perform on-
10 site ~~assessments~~ inspections or investigations of a licensee or
11 applicant for any medical marijuana business ~~license issued pursuant~~
12 ~~to this act,~~ medical marijuana research facility, medical marijuana
13 education facility or medical marijuana waste disposal facility to
14 determine compliance with ~~this act~~ applicable laws, rules and
15 regulations or submissions made pursuant to this section. The
16 ~~Department~~ Authority may enter the licensed premises of a medical
17 marijuana business ~~licensee or applicant,~~ medical marijuana research
18 facility, medical marijuana education facility or medical marijuana
19 waste disposal facility to assess or monitor compliance or ensure
20 qualifications for licensure.

21 2. ~~Inspections~~ Post-licensure inspections shall be limited to
22 twice per calendar year ~~and twenty-four (24) hours of notice shall~~
23 ~~be provided to a medical marijuana business applicant or licensee~~
24 ~~prior to an on-site assessment.~~ However, investigations and

1 additional inspections may occur when the ~~Department shows that~~
2 Authority believes an investigation or additional inspection is
3 necessary due to a possible violation of ~~this act.~~ ~~Such inspection~~
4 ~~may be without notice if the Department believes that such notice~~
5 ~~will result in the destruction of evidence~~ applicable laws, rules or
6 regulations. The Executive Director of the Authority may adopt
7 rules imposing penalties including, but not limited to, monetary
8 penalties and revocation of license, for failure to allow the
9 Authority reasonable access to the licensed premises for purposes of
10 conducting an inspection. As used in this paragraph, "reasonable
11 access" shall include, but not be limited to, access during normal
12 business hours of operation after twenty-four (24) hours of notice
13 has been provided or, for investigations or additional inspections,
14 access during normal business hours of operation.

15 3. The ~~Department~~ Authority may review relevant records of a
16 licensed medical marijuana business, licensed medical marijuana
17 research facility ~~or,~~ licensed medical marijuana education facility
18 or licensed medical marijuana waste disposal facility, and may
19 require and conduct interviews with such persons or entities and
20 persons affiliated with such entities, for the purpose of
21 determining compliance with ~~Department~~ Authority requirements and
22 applicable laws. ~~However, prior to conducting any interviews with~~
23 ~~the medical marijuana business, research facility or education~~
24 ~~facility, the licensee shall be afforded sufficient time to secure~~

1 ~~legal representation during such questioning if requested by the~~
2 ~~business or facility or any of its agents or employees or~~
3 ~~contractors, rules and regulations.~~

4 4. The ~~Department shall~~ Authority may refer complaints alleging
5 criminal activity that are made against a licensee to appropriate
6 Oklahoma state or local law enforcement authorities.

7 C. Disciplinary action may be taken against an applicant or
8 licensee ~~under this act~~ for not adhering to ~~the law~~ applicable laws,
9 rules and regulations pursuant to the terms, conditions and
10 guidelines set forth in ~~this act~~ the Oklahoma Medical Marijuana and
11 Patient Protection Act.

12 D. Disciplinary actions may include revocation, suspension or
13 denial of an application, license or final authorization and other
14 action deemed appropriate by the ~~Department~~ Authority.

15 E. Disciplinary actions may be imposed upon a medical marijuana
16 business licensee for:

17 1. Failure to comply with or satisfy any provision of ~~this~~
18 ~~section~~ applicable laws, rules or regulations;

19 2. Falsification or misrepresentation of any material or
20 information submitted to the ~~Department~~ Authority;

21 3. Failing to allow or impeding a ~~monitoring visit~~ entry by
22 authorized representatives of the ~~Department~~ Authority;

23 4. Failure to adhere to any acknowledgement, verification or
24 other representation made to the ~~Department~~ Authority;

1 5. Failure to submit or disclose information required by ~~this~~
2 ~~section~~ applicable laws, rules or regulations or as otherwise
3 requested by the ~~Department~~ Authority;

4 6. Failure to correct any violation of this section cited as a
5 result of a review or audit of financial records or other materials;

6 7. Failure to comply with requested access by the ~~Department~~
7 Authority to the licensed premises or materials;

8 8. Failure to pay a required monetary penalty;

9 9. Diversion of medical marijuana or any medical marijuana
10 product, as determined by the ~~Department~~ Authority;

11 10. Threatening or harming a medical marijuana patient
12 licensee, caregiver licensee, a medical practitioner or an employee
13 of the ~~Department~~ Authority; and

14 11. Any other basis indicating a violation of the applicable
15 laws, rules and regulations as identified by the ~~Department~~
16 Authority.

17 F. Disciplinary actions against a licensee may include the
18 imposition of monetary penalties, which may be assessed by the
19 ~~Department~~ Authority. The Authority may suspend or revoke a medical
20 marijuana business license for failure to pay any monetary penalty
21 lawfully assessed by the Authority against a medical marijuana
22 business licensee.

23 G. Penalties for sales or purchases by a medical marijuana
24 business to persons other than those allowed by law occurring within

1 any two-year time period may include an initial fine of up to One
2 Thousand Dollars (\$1,000.00) for a first violation and a fine of up
3 to Five Thousand Dollars (\$5,000.00) for any subsequent violation.
4 Penalties for grossly inaccurate or fraudulent reporting occurring
5 within any two-year time period may include an initial fine of One
6 Thousand Dollars (\$1,000.00) for a first violation and a fine of
7 Five Thousand Dollars (\$5,000.00) for any subsequent violation. The
8 medical marijuana business may be subject to a revocation of any
9 license granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana
10 and Patient Protection Act upon a showing that the violation was
11 willful or grossly negligent.

12 H. 1. ~~First~~ The first offense for intentional and
13 impermissible diversion of medical marijuana, medical marijuana
14 concentrate, or medical marijuana products by a patient or caregiver
15 licensee to an unauthorized person shall not be punished under a
16 criminal statute but may be subject to a fine of Two Hundred Dollars
17 (\$200.00).

18 2. The second offense for impermissible diversion of medical
19 marijuana, medical marijuana concentrate, or medical marijuana
20 products by a patient or caregiver licensee to an unauthorized
21 person shall not be punished under a criminal statute but may be
22 subject to a fine of ~~not~~ up to exceed Five Hundred Dollars (\$500.00)
23 and may result in revocation of the license upon a showing that the
24 violation was willful or grossly negligent.

1 I. ~~The following persons or entities may request a hearing~~ In
2 addition to contest an action or proposed action of any other
3 remedies provided by law, the ~~Department:~~ Authority, pursuant to its
4 rules and regulations, may issue a written order to any medical
5 marijuana business licensee the Authority has reason to believe has
6 violated the Oklahoma Medical Marijuana and Patient Protection Act,
7 the Oklahoma Medical Marijuana Waste Management Act, or any rules
8 promulgated by the Executive Director of the Authority and to whom
9 the Authority has served, not less than thirty (30) days previously,
10 a written notice of violation of such statutes or rules.

11 1. ~~A medical marijuana business, research facility or education~~
12 ~~facility licensee whose license has been summarily suspended or who~~
13 ~~has received a notice of contemplated action to suspend or revoke a~~
14 ~~license or take other~~ The written order shall state with specificity
15 the nature of the violation. The Authority may impose any
16 disciplinary action; and authorized under the provisions of this
17 section including, but not limited to, the assessment of monetary
18 penalties.

19 2. ~~A patient or caregiver licensee whose license has been~~
20 ~~summarily suspended or who has received notice of contemplated~~
21 ~~action to suspend or revoke a license or take other disciplinary~~
22 ~~action~~ Any order issued pursuant to the provisions of this section
23 shall become a final order unless, not more than thirty (30) days
24 after the order is served to the medical marijuana business

1 licensee, the licensee requests an administrative hearing in
2 accordance with the rules and regulations of the Authority. Upon
3 such request, the Authority shall promptly initiate administrative
4 proceedings.

5 J. Whenever the Authority finds, upon clear and convincing
6 evidence, that an emergency exists requiring immediate action in
7 order to protect the public health or welfare, the Authority may
8 issue an order, without notice or hearing, stating the existence of
9 the emergency and requiring that action be taken as the Authority
10 deems necessary to meet the emergency. The order shall be effective
11 immediately upon issuance. Any licensee to whom the order is
12 directed shall comply immediately with the provisions of the order.
13 The Authority may assess a penalty not to exceed Ten Thousand
14 Dollars (\$10,000.00) per day for noncompliance with the order. In
15 assessing such a penalty, the Authority shall consider the
16 seriousness of the violation and any efforts to comply with
17 applicable requirements. Upon application to the Authority, the
18 licensee shall be offered a hearing within ten (10) days of the
19 issuance of the order. No order issued pursuant to this subsection
20 may prohibit a licensed medical marijuana commercial grower from
21 continuing to care for, grow, cure or store medical marijuana plants
22 or medical marijuana until such time as a hearing occurs. On the
23 basis of the hearing, the Authority shall continue the order in
24 effect or revoke or modify the order.

1 ~~J. K.~~ All hearings held pursuant to this section shall be in
2 accordance with the Oklahoma Administrative Procedures Act, ~~Section~~
3 ~~250 et seq. of Title 75 of the Oklahoma Statutes.~~

4 SECTION 12. AMENDATORY Section 7, Chapter 11, O.S.L.
5 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
6 Supp. 2020, Section 427.7), is amended to read as follows:

7 Section 427.7 A. The Oklahoma Medical Marijuana Authority
8 shall create a medical marijuana use registry of licensed patients
9 and caregivers as provided under this section. The handling of any
10 records maintained in the registry shall comply with all ~~relevant~~
11 applicable state and federal privacy laws ~~including, but not limited~~
12 ~~to, the Health Insurance Portability and Accountability Act of 1996~~
13 ~~(HIPAA).~~

14 B. The medical marijuana use registry shall be accessible to:

15 1. Oklahoma-licensed medical marijuana dispensaries to verify
16 the license of a patient or caregiver by the ten- to twenty-four-
17 character identifier; and

18 2. Any court in this state.

19 C. All other records regarding a medical marijuana patient or
20 caregiver licensee shall be maintained by the Authority and shall be
21 deemed confidential. The handling of any records maintained by the
22 Authority shall comply with all ~~relevant~~ applicable state and
23 federal privacy laws ~~including, but not limited to, the Health~~
24 ~~Insurance Portability and Accountability Act of 1996 (HIPAA).~~ Such

1 records shall be marked as confidential, shall not be made available
2 to the public, and shall only be made available to the licensee,
3 designee of the licensee, any physician of the licensee or the
4 caregiver of the licensee.

5 D. A log shall be kept with the file of the licensee to record
6 any event in which the records of the licensee were made available
7 and to whom the records were provided.

8 E. The ~~Department~~ Authority shall ensure that all ~~application~~
9 medical marijuana patient and caregiver records and information are
10 sealed to protect the privacy of medical marijuana patient and
11 caregiver license applicants and licensees.

12 SECTION 13. AMENDATORY Section 9, Chapter 11, O.S.L.
13 2019 (63 O.S. Supp. 2020, Section 427.9), is amended to read as
14 follows:

15 Section 427.9 A. The Oklahoma Medical Marijuana Authority may
16 contact the recommending physician of an applicant for a medical
17 marijuana patient license or current medical marijuana patient
18 licensee to verify the need of the applicant or licensee for the
19 license and the information submitted with the application.

20 B. An applicant for a medical marijuana patient license who can
21 demonstrate his or her status as a ~~one-hundred-percent-disabled~~
22 twenty-five-percent-disabled veteran as determined by the U.S.
23 Department of Veterans Affairs and codified at 38 C.F.R., Section
24 3.340(a) (2013) shall pay a reduced biannual application fee of

1 Twenty Dollars (\$20.00). The methods of payment, as determined by
2 the Authority, shall be provided on the website. However, the
3 Authority shall ensure that all applicants have an option to submit
4 the license application and payment by means other than solely by
5 submission of the application and fee online.

6 C. The medical marijuana patient license shall be valid for up
7 to two (2) years from the date of issuance, unless the
8 recommendation of the physician is terminated pursuant to ~~this act~~
9 Section 427.10 of this title or revoked by the ~~Department~~ Authority.

10 SECTION 14. AMENDATORY Section 10, Chapter 11, O.S.L.
11 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
12 Supp. 2020, Section 427.10), is amended to read as follows:

13 Section 427.10 A. Only licensed Oklahoma allopathic,
14 osteopathic and podiatric physicians may provide a medical marijuana
15 recommendation for a medical marijuana patient license under ~~this~~
16 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

17 B. A physician who has not completed his or her first residency
18 shall not meet the definition of "physician" under this section and
19 any recommendation for a medical marijuana patient license shall not
20 be processed by the Authority.

21 C. No physician shall be subject to arrest, prosecution or
22 penalty in any manner or denied any right or privilege under
23 Oklahoma state, municipal or county statute, ordinance or
24 resolution, including without limitation a civil penalty or

1 disciplinary action by the State Board of Medical Licensure and
2 Supervision ~~or~~, the State Board of Osteopathic Examiners or the
3 Board of Podiatric Medical Examiners or by any other business,
4 occupation or professional licensing board or bureau, solely for
5 providing a medical marijuana recommendation for a patient or for
6 monitoring, treating or prescribing scheduled medication to patients
7 who are medical marijuana patient licensees. The provisions of this
8 subsection shall not prevent the relevant professional licensing
9 boards from sanctioning a physician for failing to properly evaluate
10 the medical condition of a patient or for otherwise violating the
11 applicable physician-patient standard of care.

12 D. A physician who recommends use of medical marijuana shall
13 not be located at the same physical address as a medical marijuana
14 dispensary.

15 E. If the physician determines the continued use of medical
16 marijuana by the patient no longer meets the requirements set forth
17 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
18 Act, the physician shall notify the ~~Department~~ Authority and the
19 Authority shall ~~immediately~~ notify the patient
20 of the revocation and provide the patient thirty (30) days to submit
21 a new recommendation. If the patient fails to supply the Authority
22 with a new physician recommendation within thirty (30) days, the
23 patient license shall be immediately voided without a right to an
24 individual hearing.

1 SECTION 15. AMENDATORY Section 11, Chapter 11, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 427.11), is amended to read as
3 follows:

4 Section 427.11 A. The caregiver license shall provide the
5 caregiver licensee the same rights as the medical marijuana patient
6 licensee, including the ability to possess medical marijuana,
7 medical marijuana products, and mature and immature plants pursuant
8 to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
9 Act, but excluding the ability to use medical marijuana or medical
10 marijuana products unless the caregiver licensee has a medical
11 marijuana patient license. ~~Caregivers~~ Licensed caregivers shall be
12 authorized to deliver medical marijuana and medical marijuana
13 products to their authorized patients. ~~Caregivers~~ Licensed
14 caregivers shall be authorized to possess medical marijuana and
15 medical marijuana products up to the sum of the possession limits
16 for the patients under ~~his or her~~ their care pursuant to ~~this act~~
17 the Oklahoma Medical Marijuana and Patient Protection Act.

18 B. An individual caregiver licensee shall be limited to
19 exercising the marijuana cultivation rights of no more than five
20 licensed medical marijuana patients as prescribed by ~~this act~~ the
21 Oklahoma Medical Marijuana and Patient Protection Act.

22 C. The license of a caregiver shall not extend beyond the
23 expiration date of the underlying patient license regardless of the
24 issue date.

1 D. A medical marijuana patient licensee may request, at any
2 time, to withdraw the license of his or her caregiver. In the event
3 that such a request is made or upon the expiration of the license of
4 the patient, the caregiver license shall be immediately withdrawn by
5 the Authority without a right to a hearing.

6 SECTION 16. AMENDATORY Section 13, Chapter 11, O.S.L.
7 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as
8 follows:

9 Section 427.13 A. All medical marijuana and medical marijuana
10 products shall be purchased solely from an Oklahoma-licensed medical
11 marijuana business, and shall not be purchased from any out-of-state
12 providers.

13 B. 1. The Oklahoma Medical Marijuana Authority shall have
14 oversight and auditing responsibilities to ensure that all marijuana
15 being grown in Oklahoma is accounted for and shall implement an
16 inventory tracking system. Pursuant to these duties, the Authority
17 shall require that each licensed medical marijuana business, medical
18 marijuana research facility, medical marijuana education facility
19 and medical marijuana waste disposal facility keep records for every
20 transaction with another licensed medical marijuana business,
21 medical marijuana patient or medical marijuana caregiver licensee.
22 Inventory shall be tracked and updated after each individual sale
23 and reported to the Authority.

1 2. The inventory tracking system licensees use shall allow for
2 integration of other seed-to-sale systems and, at a minimum, shall
3 include the following:

- 4 a. notification of when marijuana seeds are planted,
- 5 b. notification of when marijuana plants are harvested
6 and destroyed,
- 7 c. notification of when marijuana is transported, sold,
8 stolen, diverted or lost,
- 9 d. a complete inventory of all marijuana, ~~seeds, plant~~
10 ~~tissue, clones, marijuana plants, usable marijuana or~~
11 ~~trim, leaves and other plant matter, batches of~~
12 ~~extract, products~~ and marijuana concentrates,
- 13 e. all samples of marijuana or marijuana products sent to
14 a testing laboratory, an unused portion of a sample
15 returned to a licensee, all samples utilized by
16 licensee for purposes of negotiating a sale, and
- 17 f. all samples used for quality testing by a licensee.

18 3. Each medical marijuana business, medical marijuana research
19 facility, medical marijuana education facility and medical marijuana
20 waste disposal facility shall develop written standard operating
21 procedures outlining the manner in which they operate as prescribed
22 by the Authority and shall use a seed-to-sale tracking system or
23 integrate its own seed-to-sale tracking system with the seed-to-sale
24

1 tracking system established by the Authority in accordance with the
2 limitations set forth herein.

3 4. These records shall include, but not be limited to, the
4 following:

5 a. the name and license number of the medical marijuana
6 business that cultivated, manufactured or sold the
7 medical marijuana or medical marijuana product,

8 b. the address and phone number of the medical marijuana
9 business that cultivated, manufactured or sold the
10 medical marijuana or medical marijuana product,

11 c. the type of product received during the transaction,

12 d. the batch number of the marijuana plant used,

13 e. the date of the transaction,

14 f. the total spent in dollars,

15 g. all point-of-sale records,

16 h. marijuana excise tax records, and

17 i. any additional information as may be reasonably
18 required by the ~~Department~~ Authority.

19 ~~5. All inventory tracking records containing patient~~
20 ~~information shall comply with all relevant state and federal laws~~
21 ~~including, but not limited to, the Health Insurance Portability and~~
22 ~~Accountability Act of 1996 (HIPAA), and shall not be retained by any~~
23 ~~medical marijuana business for more than sixty (60) days.~~

24

1 SECTION 17. AMENDATORY Section 14, Chapter 11, O.S.L.
2 2019, as last amended by Section 51, Chapter 161, O.S.L. 2020 (63
3 O.S. Supp. 2020, Section 427.14), is amended to read as follows:

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

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

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

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

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

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

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,
17 unless otherwise prescribed by the Authority, are nonrefundable;

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

20 a. ~~all applicants shall be age~~ twenty-five (25) years of
21 age or older,

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

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

23 8. There shall be no limit to the number of medical marijuana
24 business licenses or categories that an individual or entity can

1 apply for or receive, although each application and each category
2 shall require a separate application and application fee. A
3 licensed medical marijuana commercial grower, processor and
4 dispensary, or any combination thereof, are authorized to share the
5 same address or physical location, subject to the restrictions set
6 forth in ~~this act~~ the Oklahoma Medical Marijuana and Patient
7 Protection Act;

8 9. All applicants for a medical marijuana business license,
9 medical marijuana research facility license or medical marijuana
10 education facility license ~~authorized by this act~~ or the renewal of
11 such license shall undergo an Oklahoma criminal history background
12 check conducted by the Oklahoma State Bureau of Investigation (OSBI)
13 within thirty (30) days prior to the application for the license or
14 renewal of such license, including:

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

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

23 11. In order to be considered an Oklahoma resident for purposes
24 of a medical marijuana business license application, all applicants

1 shall provide proof of Oklahoma residency for at least two (2) years
2 immediately preceding the date of application or five (5) years of
3 continuous Oklahoma residency during the preceding twenty-five (25)
4 years immediately preceding the date of application. Sufficient
5 documentation of proof of residency shall include a combination of
6 the following:

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

18 Applicants that were issued a medical marijuana business license
19 prior to ~~the enactment of the Oklahoma Medical Marijuana and Patient~~
20 ~~Protection Act~~ August 30, 2019; applicants who submitted a complete
21 medical marijuana business license application to the Authority
22 prior to August 30, 2019, and were granted a medical marijuana
23 business license after August 30, 2019; and medical marijuana
24 testing laboratories that were licensed by the Oklahoma State Bureau

1 of Narcotics and Dangerous Drugs Control prior to August 30, 2019,
2 are hereby exempt from the two-year or five-year Oklahoma ~~residence~~
3 residency requirement mentioned above provided by this paragraph.
4 Upon the effective date of this act, an applicant for a medical
5 marijuana transporter agent license shall be exempt from the two-
6 year or five-year Oklahoma residency requirement provided by this
7 paragraph;

8 12. All license applicants shall be required to submit a
9 registration with the Oklahoma State Bureau of Narcotics and
10 Dangerous Drugs Control as provided in Sections 2-302 through 2-304
11 of ~~Title 63 of the Oklahoma Statutes~~ this title;

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

- 15 a. ~~front and back of an Oklahoma~~ a state-issued driver
16 license,
- 17 b. ~~front and back of an Oklahoma~~ a state-issued
18 identification card,
- 19 c. a United States passport or other photo identification
20 issued by the United States government, or
- 21 d. ~~certified copy of the applicant's birth certificate~~
22 ~~for minor applicants who do not possess a document~~
23 ~~listed in this section, or~~

24

1 ~~e.~~ a tribal identification card approved for
2 identification purposes by the Oklahoma Department of
3 Public Safety; and

4 14. All applicants shall submit an applicant photograph.

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

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

12 2. Approved applicants shall be issued a medical marijuana
13 business license for the specific category applied under which shall
14 act as proof of their approved status. Rejection and denial letters
15 shall provide a reason for the rejection or denial. Applications
16 may only be rejected or denied based on the applicant not meeting
17 the standards set forth in the provisions of ~~this section~~ the
18 Oklahoma Medical Marijuana and Patient Protection Act and Sections
19 420 through 426.1 of this title, improper completion of the
20 application, or for a reason provided for in ~~this act~~ the Oklahoma
21 Medical Marijuana and Patient Protection Act and Sections 420
22 through 426.1 of this title. If an application is rejected or
23 denied for failure to provide required information, the applicant
24 shall have thirty (30) days to submit the required information for

1 reconsideration. No additional application fee shall be charged for
2 such reconsideration. Unless the Authority determines otherwise, an
3 application that has been resubmitted but is still incomplete or
4 contains errors that are not clerical or typographical in nature
5 shall be denied and the application fee refunded.

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

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

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

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

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

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

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

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

5 a. file taxes, interest or penalties due related to a
6 medical marijuana business, or

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

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

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

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

22 a. unlawful sales or purchases,

23 b. any fraudulent acts, falsification of records or

24 misrepresentation to the Authority, medical marijuana

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

3 c. any grossly inaccurate or fraudulent reporting,

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

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

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

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

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

15 I. In investigating the qualifications of an applicant or a
16 licensee, the ~~Department,~~ Authority and municipalities may have
17 access to criminal history record information furnished by a
18 criminal justice agency subject to any restrictions imposed by such
19 an agency. ~~In the event the Department considers the criminal~~
20 ~~history record of the applicant, the Department shall also consider~~
21 ~~any information provided by the applicant regarding such criminal~~
22 ~~history record, including but not limited to evidence of~~
23 ~~rehabilitation, character references and educational achievements,~~
24 ~~especially those items pertaining to the period of time between the~~

1 ~~last criminal conviction of the applicant and the consideration of~~
2 ~~the application for a state license.~~

3 J. The failure of an applicant or licensee to provide the
4 requested information by the Authority deadline may be grounds for
5 denial of the application.

6 K. All applicants and licensees shall submit information to the
7 ~~Department and~~ Authority in a full, faithful, truthful and fair
8 manner. The ~~Department and~~ Authority may recommend denial of an
9 application where the applicant or licensee made material
10 misstatements, omissions, misrepresentations or untruths in the
11 application or in connection with the background investigation of
12 the applicant. This type of conduct may be ~~considered as the basis~~
13 grounds for ~~additional~~ administrative action against the applicant
14 or licensee. Typos and scrivener errors shall not be grounds for
15 denial.

16 L. A licensed medical marijuana business premises shall be
17 subject to and responsible for compliance with applicable provisions
18 for medical marijuana business facilities as described in the most
19 recent versions of the Oklahoma Uniform Building Code, the
20 International Building Code and the International Fire Code, unless
21 granted an exemption by the ~~Authority or municipality~~ entity
22 responsible for enforcement of the applicable code.

23 M. All medical marijuana business, medical marijuana research
24 facility, medical marijuana education facility and medical marijuana

1 waste disposal facility licensees shall pay the relevant licensure
2 fees prior to receiving licensure to operate a ~~medical marijuana~~
3 ~~business, as defined in this act for each class of license.~~

4 N. A medical marijuana business, medical marijuana research
5 facility, medical marijuana education facility or medical marijuana
6 waste disposal facility that attempts to renew its license more than
7 thirty (30) days after expiration of the license shall pay a late
8 renewal fee in an amount to be determined by the Authority to
9 reinstate the license. Late renewal fees are nonrefundable. A
10 license that has been expired for more than ninety (90) days shall
11 not be reinstated.

12 O. No medical marijuana business, medical marijuana research
13 facility, medical marijuana education facility or medical marijuana
14 waste disposal facility shall possess, sell or transfer medical
15 marijuana, medical marijuana concentrate or medical marijuana
16 products without a valid, unexpired license issued by the Authority,
17 unless a renewal application has been submitted to the Authority.

18 SECTION 18. AMENDATORY Section 16, Chapter 11, O.S.L.
19 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as
20 follows:

21 Section 427.16 A. There is hereby created a medical marijuana
22 transporter license as a category of the medical marijuana business
23 license.

24

1 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
2 this title, the Oklahoma Medical Marijuana Authority shall issue a
3 medical marijuana transporter license to licensed medical marijuana
4 commercial growers, processors and dispensaries upon issuance of
5 such licenses and upon each renewal. Transporter licenses shall
6 also be issued to licensed medical marijuana research facilities,
7 medical marijuana education facilities and medical marijuana testing
8 laboratories upon issuance of such licenses and upon each renewal.
9 Nothing in this section shall be construed as prohibiting or
10 otherwise limiting a medical marijuana business from selling,
11 storing, marketing or otherwise engaging in the transportation of
12 any medical marijuana, medical marijuana concentrate or medical
13 marijuana products it produces pursuant to any valid license issued
14 by the Authority.

15 C. ~~A~~ Aside from the medical marijuana transporter license
16 issued to a licensed medical marijuana dispensary, medical marijuana
17 commercial grower, medical marijuana processor, medical marijuana
18 research facility or medical marijuana education facility in
19 conjunction with its business license, a medical marijuana
20 transporter license may also be issued to qualifying applicants who
21 are registered with the Oklahoma Secretary of State and otherwise
22 meet the requirements for a medical marijuana business license set
23 forth in ~~this act~~ the Oklahoma Medical Marijuana and Patient
24 Protection Act and the requirements set forth in this section to

1 provide logistics, distribution and storage of medical marijuana,
2 medical marijuana concentrate and medical marijuana products. The
3 license, when not issued in conjunction with a medical marijuana
4 dispensary, medical marijuana commercial grower, medical marijuana
5 processor, medical marijuana research facility or medical marijuana
6 education facility license, shall be known as a "medical marijuana
7 wholesaler license" or "wholesaler license".

8 D. A medical marijuana transporter license or wholesaler
9 license shall be valid for one (1) year and shall not be transferred
10 with a change of ownership. A licensed medical marijuana
11 transporter or wholesaler shall be responsible for all medical
12 marijuana, concentrate and products once the transporter or
13 wholesaler takes control of the product.

14 E. A transporter or wholesaler license shall be required for
15 any person or entity to transport or transfer medical marijuana,
16 medical marijuana concentrate or medical marijuana product from a
17 ~~licensed medical marijuana business to another medical marijuana~~
18 ~~business, or from a medical marijuana business to a medical~~
19 ~~marijuana research facility or medical marijuana education facility:~~

20 1. A licensed medical marijuana business to another licensed
21 medical marijuana business; or

22 2. A licensed medical marijuana business to a licensed medical
23 marijuana research facility or licensed medical marijuana education
24 facility.

1 F. ~~A~~ Only a medical marijuana transporter wholesaler licensee
2 may contract with multiple licensed medical marijuana businesses to
3 package, store and transport medical marijuana, medical marijuana
4 concentrate and medical marijuana products on its behalf in the
5 State of Oklahoma.

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

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

1 transport of medical marijuana, medical marijuana concentrate and
2 medical marijuana products throughout the state.

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

8 J. All medical marijuana, medical marijuana concentrate and
9 ~~product~~ medical marijuana products shall be transported:

10 1. ~~In vehicles equipped with Global Positioning System (GPS)~~
11 ~~trackers;~~

12 2. ~~In a locked container and clearly labeled "Medical Marijuana~~
13 ~~or Derivative"; and~~

14 3. ~~In a secured area of the vehicle that is not accessible by~~
15 ~~the driver during transit~~ in a manner prescribed by the Authority.

16 K. 1. A transporter agent may possess marijuana at any
17 location while the transporter agent is transferring marijuana to or
18 from a licensed medical marijuana business, licensed medical
19 marijuana research facility or licensed medical marijuana education
20 facility.

21 2. The delivery of medical marijuana, medical marijuana
22 concentrate or medical marijuana products to a public or private
23 elementary, middle or high school, the campus of any institution of
24 higher education or any other public property is hereby prohibited.

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

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

8 M. The annual fee for a transporter agent license shall be ~~One~~
9 ~~Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be
10 paid by the transporter ~~license holder~~ or wholesaler licensee or the
11 individual applicant. One license reprint within the licensure
12 period shall be granted free of charge. All subsequent license
13 reprints shall incur a fee of Twenty Dollars (\$20.00).

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

- 16 1. The name, address and date of birth of the person;
17 2. ~~Proof of residency as required for a medical marijuana~~
18 ~~business license;~~

19 ~~3.~~ Proof of identity as required for a medical marijuana
20 business license;

21 ~~4.~~ 3. Possession of a valid ~~Oklahoma~~ state-issued driver
22 license;

23 ~~5.~~ 4. Verification of employment with a licensed transporter;
24 and

1 ~~6.~~ 5. The application and affiliated fee; ~~and~~

2 ~~7.~~ ~~A criminal background check conducted by the Oklahoma State~~
3 ~~Bureau of Investigation, paid for by the applicant.~~

4 O. If the transporter agent application is denied, the
5 ~~Department~~ Authority shall notify the transporter or wholesaler in
6 writing of the reason for denying the registry identification card.

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

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

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

21 S. Vehicles used in the transport of medical marijuana, medical
22 marijuana concentrate or medical marijuana ~~product~~ products shall
23 be:

24 1. Insured at or above the legal requirements in Oklahoma;

1 2. Capable of securing medical marijuana, medical marijuana
2 concentrate or medical marijuana products during transport; and

3 3. In possession of a shipping container, as defined in ~~this~~
4 act Section 427.2 of this title, capable of securing all transported
5 product products. However, for purposes of this subsection,
6 products shall not include plants or clones.

7 T. Prior to the transport of any medical marijuana, medical
8 marijuana concentrate or medical marijuana products, an inventory
9 manifest shall be prepared at the origination point of the medical
10 marijuana. The inventory manifest shall include the following
11 information:

12 1. For the origination point of the medical marijuana:

- 13 a. the licensee number for the commercial grower,
14 processor or dispensary,
- 15 b. address of origination of transport, and
- 16 c. name and contact information for the originating
17 licensee;

18 2. For the end recipient license holder of the medical
19 marijuana:

- 20 a. the license number for the medical marijuana
21 dispensary, medical marijuana commercial grower,
22 medical marijuana processor, medical marijuana
23 research facility or medical marijuana education
24 facility destination,

1 b. address of the destination, and

2 c. name and contact information for the destination
3 licensee;

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

6 4. The date of the transport and the approximate time of
7 departure;

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

9 6. Printed names and signatures of the personnel accompanying
10 the transport; and

11 7. Notation of the transporting licensee.

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

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

18 3. ~~An inventory manifest shall not be altered after departing~~
19 ~~the originating premises other than in cases where the printed name~~
20 ~~and signature of receipt by the receiving licensee is necessary.~~

21 4. A receiving licensee shall refuse to accept any medical
22 marijuana, medical marijuana concentrate or medical marijuana
23 product that is not accompanied by an inventory manifest.

1 ~~5.~~ 4. Originating and receiving licensees shall maintain copies
2 of inventory manifests and logs of quantities of medical marijuana
3 received for ~~three (3)~~ seven (7) years from date of receipt.

4 SECTION 19. AMENDATORY Section 17, Chapter 11, O.S.L.
5 2019, as amended by Section 4, Chapter 312, O.S.L. 2019 (63 O.S.
6 Supp. 2020, Section 427.17), is amended to read as follows:

7 Section 427.17 A. There is hereby created a medical marijuana
8 testing laboratory license as a category of the medical marijuana
9 business license. The Oklahoma Medical Marijuana Authority is
10 hereby enabled to monitor, inspect and audit a licensed testing
11 laboratory under ~~this act~~ the Oklahoma Medical Marijuana and Patient
12 Protection Act.

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

19 C. The Authority shall ~~have the authority~~ be authorized to
20 develop acceptable testing ~~and research~~ practices, including, but
21 not limited to, testing, standards, quality control analysis,
22 equipment certification and calibration, and chemical and substance
23 identification ~~and substances used in bona fide research methods so~~
24 ~~long as it complies with this act.~~

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

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

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

10 G. A medical marijuana testing laboratory license may be issued
11 to a person who performs testing ~~and research~~ on medical marijuana
12 and medical marijuana products for medical marijuana businesses,
13 medical marijuana research facilities, medical marijuana education
14 facilities, and testing ~~and research~~ on marijuana and marijuana
15 products grown or produced by a patient or caregiver on behalf of a
16 patient, upon verification of registration. A medical marijuana
17 testing laboratory may also conduct research related to the
18 development and improvement of its testing practices and procedures.

19 No state-approved medical marijuana testing facility shall operate
20 unless a medical laboratory director is on site during operational
21 hours.

22 H. ~~A laboratory applicant~~ Laboratory applicants and licensees
23 shall comply with the application requirements of this section and
24 shall submit such other information as required for a medical

1 marijuana business applicant, in addition to any information the
2 Authority may request for initial approval and periodic evaluations
3 during the approval period.

4 I. A medical marijuana testing laboratory may accept samples of
5 medical marijuana, medical marijuana concentrate or medical
6 marijuana product from a medical marijuana business, medical
7 marijuana research facility or medical marijuana education facility
8 for testing ~~and research~~ purposes only, which purposes may include
9 the provision of testing services for samples submitted by a medical
10 marijuana business for product development. The ~~Department~~
11 Authority may require a medical marijuana business to submit a
12 sample of medical marijuana, medical marijuana concentrate or
13 medical marijuana product to a medical marijuana testing laboratory
14 upon demand.

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

19 1. The individual person is a medical marijuana patient
20 licensee or caregiver licensee pursuant to ~~this act~~ the Oklahoma
21 Medical Marijuana and Patient Protection Act or is a participant in
22 an approved clinical or observational study conducted by a research
23 facility; and

24

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

5 K. A medical marijuana testing laboratory may transfer samples
6 to another medical marijuana testing laboratory for testing. All
7 laboratory reports provided to or by a medical marijuana business or
8 to a patient or caregiver shall identify the medical marijuana
9 testing laboratory that actually conducted the test.

10 L. A medical marijuana testing laboratory may utilize a
11 licensed medical marijuana transporter or wholesaler to transport
12 samples of medical marijuana, medical marijuana concentrate and
13 medical marijuana product for testing, in accordance with ~~this act~~
14 the Oklahoma Medical Marijuana and Patient Protection Act and the
15 rules adopted pursuant thereto, between the originating medical
16 marijuana business requesting testing services and the destination
17 laboratory performing testing services.

18 M. The medical marijuana testing laboratory shall establish
19 policies to prevent the existence of or appearance of undue
20 commercial, financial or other influences that may diminish the
21 competency, impartiality and integrity of the testing processes or
22 results of the laboratory, or that may diminish public confidence in
23 the competency, impartiality and integrity of the testing processes
24 or results of the laboratory. At a minimum, employees, owners or

1 agents of a medical marijuana testing laboratory who participate in
2 any aspect of the analysis and results of a sample are prohibited
3 from improperly influencing the testing process, improperly
4 manipulating data, or improperly benefiting from any ongoing
5 financial, employment, personal or business relationship with the
6 medical marijuana business that provided the sample.

7 N. The ~~Department~~ Authority, pursuant to rules promulgated by
8 the ~~State Commissioner of Health~~ Executive Director, shall develop
9 standards, policies and procedures as necessary for:

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

14 2. Testing procedures, testing standards for cannabinoid and
15 terpenoid potency and safe levels of contaminants, ~~and~~ remediation
16 procedures and validation procedures;

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

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

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

24

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

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

5 8. The mandatory use by a laboratory of an inventory tracking
6 system to ensure all ~~test~~ harvest and production batches or samples
7 containing medical marijuana, medical marijuana concentrate or
8 medical marijuana products are identified and tracked from the point
9 they are transferred from a medical marijuana business, a patient or
10 a caregiver through the point of transfer, destruction or disposal.
11 The inventory tracking system reporting shall include the results of
12 any tests that are conducted on medical marijuana, medical marijuana
13 concentrate or medical marijuana product;

14 9. Standards of performance;

15 10. The employment of laboratory personnel;

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

18 12. The successful participation in a ~~Department-approved~~ an
19 Authority-approved proficiency testing program for each testing
20 category listed in this section, in order to obtain and maintain
21 certification;

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

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

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

8 16. Any other aspect of laboratory testing of medical marijuana
9 or medical marijuana product deemed necessary by the ~~Department~~
10 Authority; and

11 17. The immediate recall of medical marijuana or medical
12 marijuana products that test above allowable thresholds or are
13 otherwise determined to be unsafe.

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

23 P. A medical marijuana testing laboratory shall retain all
24 results of laboratory tests conducted on marijuana or products for a

1 period of at least ~~two (2)~~ seven (7) years and shall make them
2 available to the ~~Department~~ Authority upon request.

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

- 8 1. Microbials;
- 9 2. Mycotoxins;
- 10 3. Residual solvents;
- 11 4. Pesticides;
- 12 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 13 6. Terpenoid potency; and
- 14 7. Heavy metals.

15 R. ~~A test batch shall not exceed ten (10) pounds of usable~~
16 ~~marijuana or medical marijuana product, as appropriate. A grower~~
17 ~~shall separate each harvest lot of usable marijuana into harvest~~
18 ~~batches containing no more than ten (10) pounds. A processor shall~~
19 ~~separate each medical marijuana production lot into production~~
20 ~~batches containing no more than ten (10) pounds~~ The Authority shall
21 establish reasonable regulations, after consultation with and input
22 from medical marijuana businesses, specifying what shall constitute
23 a batch size for testing purposes for all types of medical
24

1 marijuana, medical marijuana concentrate and medical marijuana
2 products.

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

7 T. A medical marijuana testing laboratory shall be inspected
8 prior to initial licensure and ~~annually~~ up to two times per year
9 thereafter by an inspector approved by the Authority. The Authority
10 may enter the licensed premises of a testing laboratory to conduct
11 investigations and additional inspections when the Authority
12 believes an investigation or additional inspection is necessary due
13 to a possible violation of applicable laws, rules or regulations.

14 U. Beginning on a date determined by the ~~Commissioner~~ Executive
15 Director, not later than January 1, ~~2020~~ 2022, medical marijuana
16 testing laboratory licensure shall be contingent upon accreditation
17 by the NELAC Institute (TNI), ~~ANSI/ASQ~~ ANSI National Accreditation
18 Board (ANAB) or another accrediting body approved by the
19 ~~Commissioner~~ Executive Director, and any applicable standards as
20 determined by the ~~Department~~ Authority.

21 V. ~~A~~ 1. Unless otherwise authorized by this section, a
22 commercial grower shall not transfer or sell medical marijuana and a
23 processor shall not transfer, sell or process into a concentrate or
24 product any medical marijuana, medical marijuana concentrate or

1 medical marijuana product unless samples from each harvest batch or
2 production batch from which that medical marijuana, medical
3 marijuana concentrate or medical marijuana product was derived has
4 been tested by a medical marijuana testing facility ~~for contaminants~~
5 and passed all ~~contaminant~~ tests required by ~~this act~~ the Oklahoma
6 Medical Marijuana and Patient Protection Act and applicable laws,
7 rules and regulations.

8 2. A licensed medical marijuana commercial grower may transfer
9 medical marijuana that has failed testing to a licensed medical
10 marijuana processor only for the purposes of remediation and only in
11 accordance with the Oklahoma Medical Marijuana and Patient
12 Protection Act and the rules and regulations of the Authority.

13 3. The Authority shall establish process validation
14 requirements related to testing, and all growers and processors who
15 achieve process validation under the rules and regulations set forth
16 by the Authority may transfer, sell or process medical marijuana,
17 medical marijuana concentrate and medical marijuana products in
18 accordance with those rules and regulations related to batch
19 testing.

20 SECTION 20. AMENDATORY Section 18, Chapter 11, O.S.L.
21 2019 (63 O.S. Supp. 2020, Section 427.18), is amended to read as
22 follows:

23 Section 427.18 A. An Oklahoma medical marijuana business shall
24 not sell, transfer or otherwise distribute medical marijuana,

1 medical marijuana concentrate or medical marijuana product that has
2 not been packaged and labeled in accordance with this section and
3 rules promulgated by the ~~State Commissioner of Health~~ Oklahoma
4 Medical Marijuana Authority.

5 B. A medical marijuana dispensary shall return medical
6 marijuana, medical marijuana concentrate and medical marijuana
7 ~~product~~ products that ~~does~~ do not meet packaging or labeling
8 requirements in this section or rules promulgated pursuant thereto
9 to the entity who transferred it to the dispensary. The medical
10 marijuana dispensary shall document to whom the item was returned,
11 what was returned and the date of the return or dispose of any
12 usable marijuana that does not meet these requirements in accordance
13 with ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
14 Act.

15 C. 1. Medical marijuana packaging shall be packaged to
16 minimize its appeal to children and shall not depict images other
17 than the business name logo of the medical marijuana producer and
18 image of the product.

19 2. A medical marijuana business shall not place any content on
20 a container in a manner that reasonably appears to target
21 individuals under the age of twenty-one (21), including but not
22 limited to cartoon characters or similar images.

23 3. Labels on a container shall not include any false or
24 misleading statements.

1 4. No container shall be intentionally or knowingly labeled so
2 as to cause a reasonable patient confusion as to whether the medical
3 marijuana, medical marijuana concentrate or medical marijuana
4 product is a trademarked product or labeled in a manner that
5 violates any federal trademark law or regulation.

6 5. The label on the container shall not make any claims
7 regarding health or physical benefits to the medical marijuana
8 patient licensee.

9 6. All medical marijuana, medical marijuana concentrate and
10 medical marijuana products sold at a licensed medical marijuana
11 dispensary shall be packaged in a child-resistant container ~~at the~~
12 ~~point of transfer to the patient or caregiver.~~

13 D. ~~The State Department of Health~~ Oklahoma Medical Marijuana
14 Authority shall develop minimum standards for packaging and labeling
15 of medical marijuana, medical marijuana concentrate and medical
16 marijuana products. Such standards shall include, but not be
17 limited to, the required contents of labels to be affixed to all
18 medical marijuana, medical marijuana concentrate and medical
19 marijuana products prior to transfer to a ~~licensed~~ medical marijuana
20 patient licensee or caregiver licensee, which shall include, at a
21 minimum:

22 1. ~~A universal symbol indicating that the product contains~~
23 ~~tetrahydrocannabinol (THC);~~

24 ~~2.~~ THC and other cannabinoid potency, and terpenoid potency;

1 ~~3.~~ 2. A statement indicating that the product has been tested
2 for contaminants;

3 ~~4.~~ 3. One or more product warnings to be determined by the
4 ~~Department~~ Authority; and

5 ~~5.~~ 4. Any other information the ~~Department~~ Authority deems
6 necessary.

7 SECTION 21. AMENDATORY Section 19, Chapter 11, O.S.L.
8 2019 (63 O.S. Supp. 2020, Section 427.19), is amended to read as
9 follows:

10 Section 427.19 A. A medical marijuana research license may be
11 issued to a person to grow, cultivate, possess and transfer, by sale
12 or donation, marijuana pursuant to ~~this act~~ the Oklahoma Medical
13 Marijuana and Patient Protection Act for the limited research
14 purposes identified in this section.

15 B. The annual fee for a medical marijuana research license
16 shall be Five Hundred Dollars (\$500.00) and shall be payable by an
17 applicant for a medical marijuana research license upon submission
18 of his or her application to the Oklahoma Medical Marijuana
19 Authority.

20 C. A medical marijuana research license may be issued for the
21 following research purposes:

- 22 1. To test chemical potency and composition levels;
23 2. To conduct clinical investigations of marijuana-derived
24 medicinal products;

1 3. To conduct research on the efficacy and safety of
2 administering marijuana as part of medical treatment;

3 4. To conduct genomic, horticultural or agricultural research;
4 and

5 5. To conduct research on marijuana-affiliated products or
6 systems.

7 D. 1. As part of the application process for a medical
8 marijuana research license, an applicant shall submit to the
9 Authority a description of the research that the applicant intends
10 to conduct and whether the research will be conducted with a public
11 institution or using public money. If the research will not be
12 conducted with a public institution or with public money, the
13 Authority shall grant the application if it determines that the
14 applicant meets the criteria in this section.

15 2. If the research will be conducted with a public institution
16 or public money, the ~~Department~~ Authority shall review the research
17 project of the applicant to determine if it meets the requirements
18 of this section and to assess the following:

19 a. the quality, study design, value or impact of the
20 project,

21 b. whether the applicant has the appropriate personnel,
22 expertise, facilities, infrastructure, funding and
23 human, animal or other approvals in place to
24 successfully conduct the project, and

1 c. whether the amount of marijuana to be grown by the
2 applicant is consistent with the scope and goals of
3 the project.

4 3. If the Authority determines that the research project does
5 not meet the requirements of this section or assesses the criteria
6 to be inadequate, the application shall be denied.

7 E. A medical marijuana research licensee may only transfer, by
8 sale or donation, marijuana grown within its operation to other
9 medical marijuana research licensees. The ~~Department~~ Authority may
10 revoke a medical marijuana research license for violations of this
11 section and any other violation of ~~this act~~ the Oklahoma Medical
12 Marijuana and Patient Protection Act.

13 F. A medical marijuana research licensee may contract to
14 perform research in conjunction with a public higher education
15 research institution or another medical marijuana research licensee.

16 G. The growing, cultivating, possessing or transferring, by
17 sale or donation, of marijuana in accordance with this section and
18 the rules promulgated pursuant thereto, by a medical marijuana
19 research licensee shall not be a criminal or civil offense under
20 state law. A medical marijuana research license shall be issued in
21 the name of the applicant and shall specify the location in Oklahoma
22 at which the medical marijuana research licensee intends to operate.
23 A medical marijuana research licensee shall not allow any other
24 person to exercise the privilege of the license.

1 H. If the research conducted includes a public institution or
2 public money, the Authority shall review any reports made by medical
3 marijuana research licensees under state licensing authority rule
4 and provide the Authority with its determination on whether the
5 research project continues to meet research qualifications pursuant
6 to this section.

7 SECTION 22. AMENDATORY Section 20, Chapter 11, O.S.L.
8 2019 (63 O.S. Supp. 2020, Section 427.20), is amended to read as
9 follows:

10 Section 427.20 A. There is hereby created a medical marijuana
11 education facility license.

12 B. A medical marijuana education facility license may be issued
13 to a person to possess or cultivate marijuana for the limited
14 education and research purposes identified in this section.

15 C. A medical marijuana education facility license may only be
16 granted to a not-for-profit organization structured under Section
17 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
18 not-for-profit registered organization with the Office of the
19 Secretary of State.

20 D. A medical marijuana education facility license may only be
21 granted upon the submission of ~~a~~ an annual fee of Five Hundred
22 Dollars (\$500.00) to the Oklahoma Medical Marijuana Authority.

23 E. A medical marijuana education facility license may be issued
24 for the following education and research purposes:

1 1. To test cultivation techniques, strategies, infrastructure,
2 mediums, lighting and other related technology;

3 2. To demonstrate cultivation techniques, strategies,
4 infrastructure, mediums, lighting and other related technology;

5 3. To demonstrate the application and use of product
6 manufacturing technologies;

7 4. To conduct genomic, horticultural or agricultural research;
8 and

9 5. To conduct research on marijuana-affiliated products or
10 systems.

11 F. As part of the application process for a medical marijuana
12 education facility license, an applicant shall submit to the
13 Authority a description of the project and curriculum that the
14 applicant intends to conduct and whether the project and curriculum
15 will be conducted with a public institution or using public money.
16 If the ~~research~~ project and curriculum will not be conducted with a
17 public institution or with public money, the Authority shall grant
18 the application. If the research will be conducted with a public
19 institution or public money, the Authority shall review the research
20 project of the applicant to determine if it meets the requirements
21 of this section and to assess the following:

22 1. The quality, study design, value or impact of the project;
23
24

1 2. Whether the applicant has the appropriate personnel,
2 expertise, facilities, infrastructure, funding, and human, animal or
3 other approvals in place to successfully conduct the project; and

4 3. Whether the amount of marijuana to be grown by the applicant
5 is consistent with the scope and goals of the project.

6 If the Authority determines that the education project does not meet
7 the requirements of this section or assesses the criteria to be
8 inadequate, the application shall be denied.

9 G. A medical marijuana education facility licensee may only
10 transfer, by sale or donation, marijuana grown within its operation
11 to medical marijuana research licensees. The ~~Department~~ Authority
12 may revoke a medical marijuana education facility license for
13 violations of this section and any other violation of ~~this act~~
14 applicable laws, rules and regulations.

15 H. A medical marijuana education facility licensee may contract
16 to perform research in conjunction with a public higher education
17 research institution or another research licensee.

18 I. The growing, cultivating, possessing or transferring, by
19 sale or donation, of marijuana in accordance with this section and
20 the rules and regulations promulgated pursuant thereto, by a medical
21 marijuana education facility licensee shall not be a criminal or
22 civil offense under state law. A medical marijuana education
23 facility license shall be issued in the name of the applicant and
24 shall specify the location in Oklahoma at which the medical

1 marijuana education facility licensee intends to operate. A medical
2 marijuana education facility licensee shall not allow any other
3 person to exercise the privilege of the license.

4 SECTION 23. AMENDATORY Section 22, Chapter 11, O.S.L.
5 2019 (63 O.S. Supp. 2020, Section 427.22), is amended to read as
6 follows:

7 Section 427.22 A. ~~An~~ All medical marijuana patient and
8 caregiver licensee records and information, including, without
9 limitation, an application or renewal and supporting information
10 submitted by a qualifying patient or designated caregiver under the
11 provisions of ~~this act including, without limitation,~~ the Oklahoma
12 Medical Marijuana and Patient Protection Act and information
13 regarding the physician of the qualifying patient, shall be
14 considered confidential medical records that are exempt from the
15 Oklahoma Open Records Act.

16 B. The licensed medical marijuana dispensary records with
17 patient information shall be treated as confidential records that
18 are exempt from the Oklahoma Open Records Act.

19 C. All financial information provided by an applicant or
20 licensee in its application to the Authority shall be treated as
21 confidential records that are exempt from the Oklahoma Open Records
22 Act.

23 D. All information provided by an applicant or licensee that
24 constitutes private business information shall be treated as

1 confidential records that are exempt from the Oklahoma Open Records
2 Act.

3 E. As used in this section, "private business information"
4 means information that, if disclosed, would give advantage to
5 competitors or bidders including, but not limited to, information
6 related to the planning, ~~site location~~, operations, strategy, or
7 product development and marketing of an applicant or licensee,
8 unless approval for release of those records is granted by the
9 business.

10 F. All monthly reports, inventory tracking and seed-to-sale
11 information, data and records submitted to the Oklahoma Medical
12 Marijuana Authority shall be treated as confidential and are exempt
13 from the Oklahoma Open Records Act.

14 G. Except for license information concerning licensed medical
15 marijuana patients or licensed caregivers, the Authority may share
16 confidential information with the Oklahoma Tax Commission to assist
17 the Oklahoma Tax Commission in ensuring compliance with applicable
18 laws, rules and regulations.

19 SECTION 24. AMENDATORY Section 23, Chapter 11, O.S.L.
20 2019, as amended by Section 11, Chapter 477, O.S.L. 2019 (63 O.S.
21 Supp. 2020, Section 427.23), is amended to read as follows:

22 Section 427.23 A. ~~The State Commissioner of Health~~ Executive
23 Director of the Oklahoma Medical Marijuana Authority, the Oklahoma
24 Tax Commission, the State Treasurer, the Secretary of State and the

1 Director of the Office of Management and Enterprise Services shall
2 promulgate rules to implement the provisions of ~~this act~~ the
3 Oklahoma Medical Marijuana and Patient Protection Act.

4 B. ~~The Food Safety Standards Board~~ Medical Marijuana Advisory
5 Council, in addition to the powers and duties granted in Section 423
6 of ~~Title 63 of the Oklahoma Statutes~~ this title, may recommend to
7 the ~~State Commissioner of Health~~ Executive Director of the Authority
8 rules relating to all aspects of the safe cultivation and
9 ~~manufacture~~ manufacturing of medical marijuana products. In
10 addition to the twelve members required in Section 423 of this
11 title, the Authority may appoint up to eight additional members.
12 The makeup of the Medical Marijuana Advisory Council shall include
13 medical marijuana industry representation.

14 SECTION 25. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 427.24 of Title 63, unless there
16 is created a duplication in numbering, reads as follows:

17 A. Whenever an authorized agent of the Oklahoma Medical
18 Marijuana Authority finds, in whole or in part, that:

19 1. Any medical marijuana, medical marijuana concentrate or
20 medical marijuana product fails to meet the requirements of Sections
21 420 through 426.1 of Title 63 of the Oklahoma Statutes and the
22 Oklahoma Medical Marijuana and Patient Protection Act, as it relates
23 to health and safety;

24

1 2. The medical marijuana, medical marijuana concentrate or
2 medical marijuana product is handled in violation of applicable laws
3 or rules and regulations of the Authority; or

4 3. The medical marijuana, medical marijuana concentrate or
5 medical marijuana product may be poisonous, deleterious to health or
6 is otherwise unsafe,

7 a tag or other appropriate marking shall be affixed to the medical
8 marijuana, medical marijuana concentrate or medical marijuana
9 product. The tag or other appropriate marking shall give notice
10 that the medical marijuana, medical marijuana concentrate or medical
11 marijuana product is or is suspected of being manufactured,
12 produced, transferred, sold or offered for sale in violation of
13 applicable laws or rules and regulations of the Authority. The tag
14 or other appropriate marking shall also give notice that the medical
15 marijuana, medical marijuana concentrate or medical marijuana
16 product is embargoed and shall provide a warning that all persons
17 shall be prohibited from removing or disposing of the medical
18 marijuana, medical marijuana concentrate or medical marijuana
19 product until permission for removal or disposal is given by the
20 Executive Director of the Authority. It shall be unlawful for any
21 person to remove or dispose of the embargoed medical marijuana,
22 medical marijuana concentrate or medical marijuana product without
23 permission.

24

1 B. 1. If the Executive Director finds that the medical
2 marijuana, medical marijuana concentrate or medical marijuana
3 product embargoed pursuant to subsection A of this section does not
4 meet the requirements of applicable laws or rules and regulations of
5 the Authority, or is poisonous, deleterious to health or otherwise
6 unsafe, the Executive Director may institute an action in the
7 district court, in whose jurisdiction the medical marijuana, medical
8 marijuana concentrate or medical marijuana product is embargoed, for
9 the condemnation and destruction of the medical marijuana, medical
10 marijuana concentrate or medical marijuana product.

11 2. If the Executive Director later finds that the embargoed
12 medical marijuana or medical marijuana product does meet the
13 requirements of applicable laws or rules and regulations of the
14 Authority and is not poisonous, deleterious to health or otherwise
15 unsafe, the Executive Director shall remove the embargo.

16 3. In any court proceeding regarding an embargo, the State
17 Department of Health, the Oklahoma Medical Marijuana Authority, the
18 State Commissioner of Health and the Executive Director of the
19 Authority shall not be held liable if the court finds reasonable
20 belief for the embargo.

21 C. If the court finds that the embargoed medical marijuana,
22 medical marijuana concentrate or medical marijuana product, in whole
23 or in part, is in violation of any applicable laws or rules and
24 regulations of the Authority or is poisonous, deleterious to health,

1 or otherwise unsafe, the medical marijuana, medical marijuana
2 concentrate or medical marijuana product shall be destroyed under
3 the supervision of the Executive Director and at the expense of the
4 owner or defendant. All court costs, fees, cost of storage and
5 other proper expenses shall be paid by the owner or defendant of the
6 medical marijuana, medical marijuana concentrate or medical
7 marijuana product. The court may order that the medical marijuana,
8 medical marijuana concentrate or medical marijuana product be
9 delivered to the owner or defendant for appropriate labeling or
10 processing under the supervision of the Executive Director if:

11 1. The violation can be corrected by proper processing of the
12 medical marijuana, medical marijuana concentrate or medical
13 marijuana product;

14 2. All costs, fees and expenses have been paid; and

15 3. A sufficient bond is executed and conditioned for
16 appropriate labeling or processing as the court may require.

17 The expense of supervision shall be paid to the Authority by the
18 person obtaining release of the medical marijuana, medical marijuana
19 concentrate or medical marijuana product under bond.

20 SECTION 26. AMENDATORY Section 2, Chapter 337, O.S.L.
21 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as
22 follows:

23 Section 428.1 As used in ~~this act~~ the Oklahoma Medical
24 Marijuana Waste Management Act:

1 1. "Authority" shall mean the Oklahoma Medical Marijuana
2 Authority, or successor agency;

3 2. "Commercial licensee" shall mean any person or entity issued
4 a license by the Oklahoma Medical Marijuana Authority, or successor
5 agency, to conduct commercial business in this state;

6 3. "Disposal" shall mean the ~~final~~ disposition of medical
7 marijuana waste by ~~either~~ a process which renders the waste unusable
8 and unrecognizable through physical destruction or a recycling
9 process;

10 4. "Facility" shall mean ~~a location~~ the licensed or permitted
11 premises where the disposal of medical marijuana waste takes place
12 by a licensee;

13 5. "License" shall mean a medical marijuana waste disposal
14 license;

15 6. "Licensee" shall mean the holder of a medical marijuana
16 waste disposal license;

17 7. "Medical marijuana waste" shall mean:

18 a. unused, surplus, returned or out-of-date marijuana and
19 plant debris of the plant of the genus Cannabis,
20 including dead plants and all unused plant parts,
21 except the term shall not include seeds, roots, stems,
22 stalks and fan leaves,

23 b. all product which is deemed to fail laboratory testing
24 and cannot be remediated, and

1 c. all product and inventory from commercial licensees,
2 medical marijuana research facilities and medical
3 marijuana education facilities that have gone out of
4 business and are not subject to the provisions of
5 Section 1560 of Title 12 of the Oklahoma Statutes; and

6 8. "Medical marijuana waste disposal license" shall mean a
7 license issued by the Oklahoma Medical Marijuana Authority, or
8 successor agency.

9 SECTION 27. AMENDATORY Section 3, Chapter 337, O.S.L.
10 2019 (63 O.S. Supp. 2020, Section 429), is amended to read as
11 follows:

12 Section 429. A. Medical marijuana waste shall be subject to
13 the provisions of ~~this act~~ the Oklahoma Medical Marijuana Waste
14 Management Act and shall not be subject to the provisions of the
15 Uniform Controlled Dangerous Substances Act. Nothing in ~~this act~~
16 the Oklahoma Medical Marijuana Waste Management Act shall alter or
17 affect the jurisdictional areas of environmental responsibility of
18 the Department of Environmental Quality as provided for in Title 27A
19 of the Oklahoma Statutes.

20 B. Commercial licensees, medical marijuana research facilities
21 and medical marijuana education facilities shall be authorized to
22 destroy the following marijuana plant parts without being required
23 to utilize the services of a medical marijuana waste disposal
24 facility:

- 1 1. ~~Root balls~~ Roots;
- 2 2. Stems;
- 3 3. Fan leaves; ~~and~~
- 4 4. Seeds; and
- 5 5. Stalks.

6 Unless restricted by local ordinance, commercial licensees,
7 medical marijuana research facilities and medical marijuana
8 education facilities shall be authorized to destroy the above-listed
9 marijuana plant parts on-site by open burning, incineration,
10 burying, mulching, composting or any other technique approved by the
11 Department of Environmental Quality.

12 ~~C. Commercial licensees, medical marijuana research facilities~~
13 ~~and medical marijuana education facilities engaged in the disposal~~
14 ~~of medical marijuana waste shall create and maintain documentation~~
15 ~~on a form prescribed by the Oklahoma Medical Marijuana Authority~~
16 ~~that includes precise weights or counts of medical marijuana waste~~
17 ~~and the manner in which the medical marijuana waste is disposed.~~
18 ~~Such documentation shall contain a witness affidavit and signature~~
19 ~~attesting to the lawful disposal of the medical marijuana waste~~
20 ~~under penalty of perjury. All disposal records shall be maintained~~
21 ~~by commercial licensees, medical marijuana research facilities and~~
22 ~~medical marijuana educational facilities for a period of five (5)~~
23 ~~years and shall be subject to inspection and auditing by the~~
24 ~~Authority.~~

1 SECTION 28. AMENDATORY Section 4, Chapter 337, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 430), is amended to read as
3 follows:

4 Section 430. A. There is hereby created and authorized a
5 medical marijuana waste disposal license. A person or entity in
6 possession of a medical marijuana waste disposal license shall be
7 entitled to possess, transport and dispose of medical marijuana
8 waste. No person or entity shall possess, transport or dispose of
9 medical marijuana waste without a valid medical marijuana waste
10 disposal license. The Oklahoma Medical Marijuana Authority shall
11 issue licenses upon proper application by a licensee and
12 determination by the Authority that the proposed site and facility
13 are physically and technically suitable. Upon a finding that a
14 proposed medical marijuana waste disposal facility is not physically
15 or technically suitable, the Authority shall deny the license. The
16 Authority may, upon determining that public health or safety
17 requires emergency action, issue a temporary license for treatment
18 or storage of medical marijuana waste for a period not to exceed
19 ninety (90) days. The Authority shall not, ~~for the first year of~~
20 ~~the licensure program~~ until November 1, 2021, issue more than ten
21 licenses. ~~Upon the conclusion of the first year, the Authority~~
22 ~~shall assess the need for additional licenses and shall, if~~
23 ~~demonstrated, increase~~ Beginning November 1, 2021, there shall be no
24

1 limit to the number of medical marijuana waste disposal licenses as
2 ~~deemed necessary~~ issued by the Authority.

3 B. Entities applying for a medical marijuana waste disposal
4 license shall undergo the following screening process:

5 1. Complete an application form, as prescribed by the
6 Authority, which shall include:

7 a. an attestation that the applicant is authorized to
8 make application on behalf of the entity,

9 b. full name of the organization,

10 c. trade name, if applicable,

11 d. type of business organization,

12 e. complete mailing address,

13 f. an attestation that the commercial entity will not be
14 located on tribal land,

15 g. telephone number and email address of the entity, and

16 h. name, residential address and date of birth of each
17 owner and each member, manager and board member, if
18 applicable;

19 2. The application for a medical marijuana waste disposal
20 license made by an individual on his or her own behalf shall be on
21 the form prescribed by the Authority and shall include, but not be
22 limited to:

23 a. the first, middle and last name of the applicant and
24 suffix, if applicable,

- b. the residence address and mailing address of the applicant,
- c. the date of birth of the applicant,
- d. the preferred telephone number and email address of the applicant,
- e. an attestation that the information provided by the applicant is true and correct, and
- f. a statement signed by the applicant pledging not to divert marijuana to any individual or entity that is not lawfully entitled to possess marijuana; and

3. Each application shall be accompanied by the following documentation:

- a. a list of all persons or entities that have an ownership interest in the entity,
- b. a certificate of good standing from the Oklahoma Secretary of State, if applicable,
- c. an Affidavit of Lawful Presence for each owner,
- d. proof that the proposed location of the disposal facility is at least one thousand (1,000) feet from a public or private elementary, middle or high school. The distance indicated in this subparagraph shall be measured from ~~any entrance~~ the nearest property line of the public or private elementary, middle or high school to the ~~nearest property line point~~ front

1 entrance of the disposal facility. If any public or
2 private elementary, middle or high school is
3 established within one thousand (1,000) feet of any
4 disposal facility after such disposal facility has
5 been licensed, the provisions of this subparagraph
6 shall not be a deterrent to the renewal of such
7 license or warrant revocation of the license, and

8 e. documents establishing the applicant, the members,
9 managers and board members, if applicable, and
10 seventy-five percent (75%) of the ownership interests
11 are Oklahoma residents as established in Section 420
12 ~~et seq. of Title 63 of the Oklahoma Statutes~~ of this
13 title, as it relates to proof of residency.

14 C. No license shall be issued except upon proof of sufficient
15 liability insurance and financial responsibility. Liability
16 insurance shall be provided by the applicant and shall apply to
17 sudden and nonsudden bodily injury or property damage on, below or
18 above the surface, as required by the rules of the Authority. Such
19 insurance shall be maintained for the period of operation of the
20 facility and shall provide coverage for damages resulting from
21 operation of the facility during operation and after closing. ~~In~~
22 ~~lieu of liability insurance required by this subsection, an~~
23 ~~equivalent amount of cash, securities, bond or alternate financial~~
24 ~~assurance, of a type and in an amount acceptable to the Authority,~~

1 ~~may be substituted; provided, that such deposit shall be maintained~~
2 ~~for a period of five (5) years after the date of last operation of~~
3 ~~the facility.~~

4 D. Submission of an application for a medical marijuana waste
5 disposal license shall constitute permission for entry to and
6 inspection of the facility of the licensee during hours of operation
7 and other reasonable times. Refusal to permit such entry of
8 inspection shall constitute grounds for the nonrenewal, suspension
9 or revocation of a license. The Authority may perform an annual
10 unannounced on-site inspection of the operations and any facility of
11 the licensee. If the Authority receives a complaint concerning
12 noncompliance by a licensee with the provisions of ~~this act~~ the
13 Oklahoma Medical Marijuana Waste Management Act, the Authority may
14 conduct additional unannounced, on-site inspections beyond an annual
15 inspection. The Authority shall refer all complaints alleging
16 criminal activity that are made against a licensed facility to
17 appropriate state or local law enforcement authorities.

18 E. The Authority shall issue ~~a~~ an annual permit for each
19 medical marijuana waste disposal facility operated by a licensee. A
20 permit shall be issued only upon proper application by a licensee
21 and determination by the Authority that the proposed site and
22 facility are physically and technically suitable. Upon a finding
23 that a proposed medical marijuana waste disposal facility is not
24 physically or technically suitable, the Authority shall deny the

1 permit. The Authority shall have the authority to revoke a permit
2 upon a finding that the site and facility are not physically and
3 technically suitable for processing. The Authority may, upon
4 determining that public health or safety requires emergency action,
5 issue a temporary permit for treatment or storage of medical
6 marijuana waste for a period not to exceed ninety (90) days.

7 F. The cost of a medical marijuana waste disposal license shall
8 be Five Thousand Dollars (\$5,000.00) for the initial license. The
9 cost of a medical marijuana waste disposal facility permit shall be
10 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
11 facility permit that has been revoked shall be reinstated upon
12 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
13 to restore the facility permit. All license and permit fees shall
14 be deposited into the ~~Public Health Special Fund~~ Oklahoma Medical
15 Marijuana Authority Revolving Fund as provided in Section ~~1-107~~
16 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

17 G. The holder of a medical marijuana waste disposal license
18 shall not be required to obtain a medical marijuana transporter
19 license provided for in the Oklahoma Medical Marijuana and Patient
20 Protection Act for purposes of transporting medical marijuana waste.

21 H. All commercial licensees, as defined in Section ~~2~~ 428.1 of
22 this ~~act~~ title, shall utilize a licensed medical marijuana waste
23 disposal service to process all medical marijuana waste generated by
24 the licensee.

1 I. ~~The State Commissioner of Health~~ Oklahoma Medical Marijuana
2 Authority shall promulgate rules for the implementation of ~~this act~~
3 the Oklahoma Medical Marijuana Waste Management Act. Promulgated
4 rules shall address disposal process standards, site security and
5 any other subject matter deemed necessary by the Authority.

6 SECTION 29. It being immediately necessary for the preservation
7 of the public peace, health or safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval.

10
11 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED
12 SUBSTANCES, dated 03/01/2021 - DO PASS, As Amended and Coauthored.

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