

# An Act

ENROLLED HOUSE  
BILL NO. 2646

By: Echols and Davis of the  
House

and

Taylor and Rogers of the  
Senate

An Act relating to medical marijuana; amending Section 1, State Question No. 788, Initiative Petition No. 412, as last amended by Section 44, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), which relates to patient and caregiver licensing requirements; modifying language; specifying measurements in grams; clarifying scope of certain offense; updating references to licensees; specifying biannual payment of application fees for patient licenses; providing for reprints of licenses; setting fee amount; providing a temporary medical marijuana patient license for nonresident medical marijuana licensee; authorizing the State Department of Health to deny patient license applications; removing certain recordkeeping requirement; specifying types of records the Department shall seal to protect privacy; updating statutory references; clarifying application requirements; amending Section 2, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 421), which relates to dispensary licensing requirements; updating language; increasing time limitation for reviewing dispensary license applications; authorizing the Department to deny dispensary license applications; deleting penalties for fraudulent reports and fraudulent sales; authorizing licensed dispensaries to sell pre-rolled marijuana; specifying types of products that can be used for pre-rolled marijuana; providing testing, packaging and labeling requirements; prohibiting physical handling of medical marijuana; providing exceptions; amending

Section 3, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 422), which relates to commercial grower licensing requirements; modifying language; increasing time limitation for reviewing commercial grower license applications; authorizing the Department to deny commercial grower license applications; authorizing licensed commercial growers to sell to other licensed commercial growers; deleting penalties for fraudulent reports; authorizing licensed commercial growers to sell pre-rolled marijuana; specifying types of products that can be used for pre-rolled marijuana; providing testing, packaging and labeling requirements; 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; updating language; increasing time limitation for reviewing processor license applications; authorizing the Department to deny processor license applications; providing for twice-yearly inspections of processing operations; deleting penalties for fraudulent reports; declaring the Medical Marijuana Advisory Council as the entity responsible for creating certain standards; 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; updating language; deleting certain definition; specifying manner by which distances between certain properties shall be measured; providing exceptions; specifying name of certain act; amending Section 7, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426), which relates to the taxation of medical marijuana; updating language and name of state agency; amending Section 4, Chapter 509, O.S.L. 2019 (63 O.S. Supp. 2020, Section 426.1), which relates to license revocations and hearings; deleting certain exception; updating language and statutory references; modifying information the Department may share with law enforcement; providing for an online verification system; directing the Department to share list of marijuana-licensed premises with state agencies; directing marijuana-licensed businesses to

submit certain documentation when requesting a change in location; modifying certificate of compliance requirements; recognizing previously submitted certificates of compliance for licensure renewals; providing certain exceptions; 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, 427.18, 427.19, 427.20, 427.22 and 427.23), which relate to the Oklahoma Medical Marijuana and Patient Protection Act; updating references to certain named act; modifying scope of certain definitions; deleting certain definitions; clarifying duties of the State Department of Health; authorizing the Department to establish fee schedule and collect fees; providing for regulations on information to be submitted; specifying information to be submitted; removing notice requirement for inspections; requiring medical marijuana business licensees to submit samples to a quality assurance laboratory under certain circumstances; limiting samples to certain number per year; providing for cost of submitted samples; allowing for on-site inspections and investigations of medical marijuana businesses and certain facilities; authorizing the Department to enter

certain facilities; providing for post-licensure inspections; providing for additional inspections under certain circumstances; deleting notice provision; removing option for licensees to obtain legal representation prior to certain interview; providing for the suspension or revocation of licenses for nonpayment of penalties; establishing penalties for inaccurate or fraudulent reports; making certain acts unlawful; providing penalties; providing construing provision regarding the diversion of medical marijuana; authorizing the issuance of written orders for alleged violations; specifying contents of written orders; authorizing the Department to impose disciplinary actions and monetary penalties; allowing licensees to request an administrative hearing; directing the Department to initiate administrative proceedings upon such request; authorizing the Department to issue certain emergency order without notice or hearing; requiring immediate compliance with provisions of the order; providing for the assessment of penalties; offering licensees a hearing; clarifying privacy requirements for handling records of patients and caregivers; deleting references to certain federal act; directing the Authority to protect patient and caregiver records and information; authorizing the Authority to contact recommending physicians of patient licensees; expanding certain criminal and civil protections to podiatrists; directing the Department to immediately void licenses under certain circumstances; allowing patients to request the withdrawal of a caregiver license; providing for such withdrawal without the right to a hearing; requiring certain facilities to keep transaction records and utilize seed-to-sale tracking system; directing medical marijuana businesses and facilities that retain inventory tracking records to comply with state and federal privacy laws; deleting inventory tracking records retention requirement; clarifying term of application fee for medical marijuana businesses; directing license renewal applicants to comply with certain requirements; clarifying criteria provisions for licensees; requiring criminal history background checks for license renewal applicants; modifying certain identification document requirement;

modifying list of identification documents necessary for licensure; providing for the denial of business license applications; providing for the denial of resubmitted applications under certain circumstances; prohibiting the issuance of research, education and waste disposal facility licenses to certain persons; removing directive to consider additional information about applicants with criminal history records; requesting licensees to provide certain information to the Authority; requiring medical marijuana research, education and waste disposal facility licensees to pay licensure fees prior to receiving license; establishing late renewal fee for expired licenses; making late renewal fees nonrefundable; prohibiting the renewal of certain expired licenses; prohibiting medical marijuana businesses, research, education and waste disposal facilities from operating without a valid, unexpired license; allowing certain licensed medical marijuana facilities to obtain medical marijuana transporter licenses; reducing fee amount of annual transporter agent license; establishing transporter agent license reprint fee; clarifying residency requirement; deleting certain inventory manifest requirement; extending time limitation for maintaining copies of inventory manifests and logs; providing restrictions on laboratory ownership and the employment of certain persons; modifying scope of duties related to the development of testing practices and research methods; removing mandate that prohibits indirect beneficial owners from owning a laboratory; allowing medical marijuana testing laboratories to conduct certain research; authorizing medical marijuana testing laboratories to accept samples from licensed research and education facilities; prohibiting the testing of samples from certain businesses; directing the Department to develop standards and policies for the immediate recall of medical marijuana products; increasing time limitation for medical marijuana testing laboratories to retain test results; requiring test of individual harvest batch; providing test exception for certain plant materials of certain weight; changing batch weight; limiting testing of certain final products to specific grams of tetrahydrocannabinol; defining term; increasing

number of inspections required for medical marijuana testing laboratories; allowing for additional investigations and inspections of testing laboratories under certain circumstances; modifying accreditation requirements for testing laboratories; making renewal subject to accreditation; requiring accreditation for licensure; allowing licensed commercial growers to transfer medical marijuana to licensed processors for decontamination or remediation; prohibiting the sale or transfer of kief; eliminating certain labeling requirement; clarifying terms of application fee for medical marijuana research license and medical marijuana education facility license; clarifying certain application process requirement for medical marijuana education facility license applicants; declaring all medical marijuana patient and caregiver records confidential and exempt from the Oklahoma Open Records Act; making certain records submitted to the Department confidential and exempt from the Oklahoma Open Records Act; authorizing the Department to share confidential information with other state agencies; modifying name of entity that recommends certain rules to the State Commissioner of Health; authorizing the Department to appoint additional members to the Medical Marijuana Advisory Council; specifying makeup of Council; authorizing the Department to tag or mark medical marijuana and medical marijuana product under certain conditions; authorizing the Department to embargo medical marijuana and medical marijuana product; making the removal or disposal of embargoed medical marijuana and medical marijuana product without permission unlawful; allowing the State Commissioner of Health to institute actions in district court for the condemnation and destruction of embargoed medical marijuana and medical marijuana product that fails to meet certain requirements; providing for the removal of embargo after certain determination by the Commissioner; providing exemption from liability; providing for the destruction of medical marijuana and medical marijuana product upon findings made by the court; requiring expenses associated with storage and disposal, court costs and fees to be paid by the defendant; authorizing court to order delivery of

medical marijuana and medical marijuana product to the defendant under certain circumstances; directing expenses for supervision be paid to Commissioner by certain person; amending Sections 2, 3 and 4, Chapter 337, O.S.L. 2019 (63 O.S. Supp. 2020, Sections 428.1, 429 and 430), which relate to the Oklahoma Medical Marijuana Waste Management Act; updating references to certain named act; modifying scope of certain definitions; authorizing the destruction of marijuana roots and stalks; deleting documentation requirements for entities that engage in the disposal of medical marijuana waste; deleting requirement to maintain disposal records; clarifying scope of certain prohibited act; specifying manner by which distance requirements shall be measured for waste disposal facilities; removing alternative options for liability insurance requirement; providing for annual permits; directing the deposit of license and permit fees into different revolving fund; amending 63 O.S. 2011, Section 2-302, as last amended by Section 57, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 2-302), which relates to regulation of manufacturing; requiring certain manufacturer registration; making manufacturer subject to same jurisdiction authority as registrant; amending 63 O.S. 2011, Section 2-304, as amended by Section 1, Chapter 1, O.S.L. 2015 (63 O.S. Supp. 2020, Section 2-304), which relates to revocation of manufacturer registration; providing criminal and administrative penalties for providing false information; amending 63 O.S. 2011, Section 2-305, which relates to order to show cause before revocation of registration; including administrative action on nonregistrant engaged in manufacturing a controlled dangerous substance; providing for codification; and providing an effective date.

SUBJECT: Medical marijuana

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

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

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

1. Consume marijuana legally;
2. Legally possess up to three (3) ounces or eighty-four and nine-tenths (84.9) grams of marijuana on their person;
3. Legally possess six mature marijuana plants and the harvested marijuana therefrom;
4. Legally possess six seedling plants;
5. Legally possess one (1) ounce or twenty-eight and three-tenths (28.3) grams of concentrated marijuana;
6. Legally possess seventy-two (72) ounces or two thousand thirty-seven and six-tenths (2,037.6) grams of edible marijuana; ~~and~~
7. Legally possess up to eight (8) ounces or two hundred twenty-six and four-tenths (226.4) grams of marijuana in their residence; and
8. Legally possess seventy-two (72) ounces of topical marijuana.

B. Possession of up to one and one-half (1.5) ounces or forty-two and forty-five one-hundredths (42.45) grams of marijuana by persons who can state a medical condition, but are not in possession of a state-issued medical marijuana patient license, shall constitute a misdemeanor offense not subject to imprisonment but punishable by a fine not to exceed Four Hundred Dollars (\$400.00) ~~and shall not be subject to imprisonment for the offense.~~ Any law enforcement officer who comes in contact with a person in violation of this subsection and who is satisfied as to the identity of the person, as well as any other pertinent information the law enforcement officer deems necessary, shall issue to the person a written citation containing a notice to answer the charge against the person in the appropriate court. Upon receiving the written promise of the alleged violator to answer as specified in the



citation, the law enforcement officer shall release the person upon personal recognizance unless there has been a violation of another provision of law.

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

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

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

F. A temporary medical marijuana patient license application shall also be ~~made~~ available on the website of the State Department of Health for residents of other states. ~~A temporary~~ Temporary medical marijuana ~~license~~ patient licenses shall be granted to ~~any~~ medical marijuana license ~~holder~~ holders from other states, provided that ~~the state has a~~ such states have state-regulated medical marijuana ~~program,~~ programs and ~~the applicant~~ applicants can prove ~~he or she is a member~~ they are members of such ~~program~~ programs. Temporary medical marijuana patient licenses shall be issued for thirty (30) days. The cost for a temporary medical marijuana patient license shall be One Hundred Dollars (\$100.00). Renewal shall be granted with resubmission of a new application. No

additional criteria shall be required. Reprints of the temporary medical marijuana patient license shall be Twenty Dollars (\$20.00).

G. Medical marijuana patient license applicants shall submit ~~his or her~~ their applications to the State Department of Health for approval. The applicant shall be ~~an~~ a resident of Oklahoma ~~state resident~~ and shall prove residency by a valid driver license, utility bills, or other accepted methods.

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

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

~~1. A digital photograph of the license holder;~~

~~2. The expiration date of the license;~~

~~3. The county where the card was issued; and~~

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

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

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

~~L. K. A caregiver license shall be made available for qualified caregivers of a medical marijuana patient license holder who is homebound. As provided in Section ~~44~~ 427.11 of ~~Enrolled House Bill~~~~

~~No. 2612 of the 1st Session of the 57th Oklahoma Legislature this title,~~ the caregiver license shall provide the caregiver the same rights as the medical marijuana patient licensee, including the ability to possess marijuana, marijuana products and mature and immature plants pursuant to the Oklahoma Medical Marijuana and Patient Protection Act, but excluding the ability to use marijuana or marijuana products unless the caregiver has a medical marijuana patient license. ~~An applicant~~ Applicants for a caregiver license shall submit proof of the license status and homebound status of the medical marijuana patient and proof that the applicant is the designee of the medical marijuana patient. The applicant shall also submit proof that he or she is eighteen (18) years of age or older and proof of his or her Oklahoma residency. ~~This shall be the only criteria for a caregiver license.~~

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

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

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

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

Section 421. A. The ~~Oklahoma~~ State Department of Health shall, within thirty (30) days of passage of this initiative, make available, ~~on their~~ its website, in an ~~easy to find~~ easy-to-find location, an application for a medical marijuana dispensary license.

The application fee shall be Two Thousand Five Hundred Dollars (\$2,500.00) ~~and a.~~ A method of payment will shall be provided on the website of the Department. Retail Dispensary applicants must all be ~~Oklahoma state~~ residents of Oklahoma. Any entity applying for a ~~retail dispensary~~ license must be owned by an Oklahoma ~~state~~ resident and must be registered to do business in Oklahoma. The ~~Oklahoma State Department of Health~~ shall have ~~two (2) weeks~~ ninety (90) business days to review the application; approve or, reject or deny the application; and mail the ~~approval/rejection~~ approval, rejection or denial letter ~~(if rejected,~~ stating reasons for ~~rejection)~~ the rejection or denial to the applicant.

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

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

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

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

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

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

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

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

C. ~~Retailers will~~ Licensed medical marijuana dispensaries shall be required to complete a monthly sales report to the ~~Oklahoma State~~ Department of Health. This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month and provide reporting on the previous month.

This report ~~will~~ shall detail the weight of marijuana purchased at wholesale and the weight of marijuana sold to ~~card holders,~~ licensed medical marijuana patients and licensed caregivers and account for any waste. The report ~~will~~ shall show total sales in dollars, tax collected in dollars, and tax due in dollars. The ~~Oklahoma~~ State Department of Health ~~will~~ shall have oversight and auditing responsibilities to ensure that all marijuana being grown is accounted for. ~~A retailer will only be subject to a penalty if a gross discrepancy exists and cannot be explained. Penalties for fraudulent reporting occurring within any 2 year time period will be an initial fine of Five Thousand Dollars (\$5,000.00) (first) and revocation of licensing (second).~~

D. Only a licensed medical marijuana ~~retailer~~ dispensary may conduct retail sales of marijuana, or marijuana derivatives ~~in the form provided by licensed processors, and these products can only be sold to a medical marijuana license holder or their caregiver.~~ Penalties for fraudulent sales occurring within any 2 year time period ~~will be an initial fine of Five Thousand Dollars (\$5,000.00) (first) and revocation of licensing (second).~~ Beginning on the effective date of this act, licensed medical marijuana dispensaries shall be authorized to package and sell pre-rolled marijuana to licensed medical marijuana patients and licensed caregivers. The products described in this subsection shall contain only the ground parts of the marijuana plant and shall not include marijuana concentrates or derivatives. The total net weight of each pre-roll packaged and sold by a medical marijuana dispensary shall not exceed one (1) gram. These products shall be tested, packaged and labeled in accordance with Oklahoma law and rules promulgated by the State Commissioner of Health.

E. No medical marijuana dispensary shall offer or allow a medical marijuana patient licensee, caregiver licensee or other member of the public to handle or otherwise have physical contact with any medical marijuana not contained in a sealed or separate package. Provided, such prohibition shall not preclude an employee of the medical marijuana dispensary from handling loose or nonpackaged medical marijuana to be placed in packaging consistent with the Oklahoma Medical Marijuana and Patient Protection Act and the rules promulgated by the Authority for the packaging of medical marijuana for retail sale. Provided, further, such prohibition shall not prevent a medical marijuana dispensary from displaying samples of its medical marijuana in separate display cases, jars or other containers and allowing medical marijuana patient licensees and caregiver licensees the ability to handle or smell the various

samples as long as the sample medical marijuana is used for display purposes only and is not offered for retail sale.

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

Section 422. A. The ~~Oklahoma~~ State Department of Health ~~will~~ shall, within thirty (30) days of passage of this initiative, make available ~~on their~~ its website ~~in an easy to find~~ easy-to-find location ~~an application for a commercial grower license. The application fee will~~ shall be Two Thousand Five Hundred Dollars (\$2,500.00) ~~and methods. A method of payment will~~ shall be provided on the website of the Department. The ~~Oklahoma~~ State Department of Health ~~has two (2) weeks~~ shall have ninety (90) days to review the application~~; approve or, reject or deny the application; and mail the approval/rejection~~ approval, rejection or denial letter (if rejected, stating the reasons for rejection) the rejection or denial to the applicant.

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

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

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

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

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

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

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

7. ~~Applicant(s)~~ Applicants with ~~only~~ a nonviolent felony ~~conviction(s)~~ conviction in the last two (2) years, any other felony conviction in the last five (5) years, ~~inmates, in the custody of~~

the Department of Corrections or any person currently incarcerated ~~may~~ shall not qualify for a commercial grower license.

C. A licensed commercial grower may sell marijuana to a licensed ~~retailer~~, dispensary or a licensed ~~packager~~ processor. Further, ~~these sales will~~ by a licensed commercial grower shall be considered wholesale sales and shall not be subject to taxation. Under no circumstances may a licensed commercial grower sell marijuana directly to a licensed medical marijuana license holder patient or licensed caregiver. A licensed commercial grower may only sell at the wholesale level to a licensed ~~retailer~~ dispensary, a licensed grower or a licensed processor. If the federal government lifts restrictions on buying and selling marijuana between states, then a licensed commercial grower would be allowed to sell and buy marijuana wholesale from, or to, an ~~out-of-state~~ out-of-state wholesale provider. A licensed commercial grower ~~will~~ shall be required to complete a monthly yield and sales report to the ~~Oklahoma~~ State Department of Health. This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month and provide reporting on the previous month. This report ~~will~~ shall detail the amount of marijuana harvested in pounds, the amount of drying or dried marijuana on hand, the amount of marijuana sold to licensed processors in pounds, the amount of waste in pounds, and the amount of marijuana sold to ~~retailers~~ licensed dispensaries in ~~lbs~~ pounds. Additionally, this report ~~will~~ shall show total wholesale sales in dollars. The ~~Oklahoma~~ State Department of Health ~~will~~ shall have oversight and auditing responsibilities to ensure that all marijuana being grown by licensed commercial growers is accounted for. ~~A licensed grower will only be subject to a penalty if a gross discrepancy exists and cannot be explained. Penalties for fraudulent reporting or sales occurring within any 2 year time period will be an initial fine of Five Thousand Dollars (\$5,000.00) (first) and revocation of licensing (second).~~

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

E. Beginning on the effective date of this act, licensed commercial growers shall be authorized to package and sell pre-rolled marijuana to licensed medical marijuana dispensaries. The products described in this subsection shall contain only the ground parts of the marijuana plant and shall not include marijuana concentrates or derivatives. The total net weight of each pre-roll packaged and sold by medical marijuana commercial growers shall not exceed one (1) gram. These products must be tested, packaged and

labeled in accordance with Oklahoma law and rules promulgated by the State Commissioner of Health.

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

Section 423. A. ~~The Oklahoma~~ State Department of Health shall, within thirty (30) days of passage of this initiative, make available, ~~on their~~ its website, in an ~~easy to find~~ easy-to-find location, an application for a medical marijuana processing license. The Department shall be authorized to issue two types of medical marijuana processor licenses based on the level of risk posed by the type of processing conducted:

1. Nonhazardous medical marijuana processor license; and
2. Hazardous medical marijuana processor license.

The application fee for a nonhazardous or hazardous medical marijuana processor license shall be Two Thousand Five Hundred Dollars (\$2,500.00) ~~and methods.~~ A method of payment will shall be provided on the website of the Department. ~~The Oklahoma~~ State Department of Health shall have ~~two (2) weeks~~ ninety (90) days to review the application, ~~approve or, reject or deny~~ the application, and mail the ~~approval/rejection~~ approval, rejection or denial letter ~~(if rejected, stating the reasons for rejection)~~ the rejection or denial to the applicant.

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

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

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

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

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



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

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

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

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

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

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

4. A licensed processor may sell marijuana products it creates to a licensed ~~retailer,~~ dispensary or any other licensed processor. ~~Further, these~~ All sales will by a licensed processor shall be considered wholesale sales and shall not be subject to taxation.

5. Under no circumstances may a licensed processor sell marijuana ~~or any marijuana product,~~ directly to a licensed medical marijuana license holder patient or licensed caregiver. However, a licensed processor may process cannabis into a concentrated form ~~for a licensed medical license holder,~~ marijuana patient for a fee. ~~Processors will~~

6. Licensed processors shall be required to complete a monthly yield and sales report to the ~~Oklahoma~~ State Department of Health. This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month and shall provide reporting on the previous month. This report ~~will~~ shall detail the amount of marijuana and medical marijuana products purchased in pounds, the amount of marijuana cooked or processed in pounds, and the amount of waste in pounds. Additionally, this report ~~will~~ shall show total wholesale sales in dollars. The ~~Oklahoma~~ State Department of Health ~~will~~ shall have oversight and auditing responsibilities to ensure that all marijuana being ~~grown~~ processed is accounted for. ~~A licensed processor will only be subject to a penalty if a gross discrepancy exists and cannot be explained. Penalties for fraudulent reporting occurring within any 2 year time period will be an initial fine of Five Thousand Dollars (\$5,000.00) (first) and revocation of licensing (second).~~

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

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

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

SECTION 5. AMENDATORY 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), is amended to read as follows:

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

B. Unless a failure to do so would cause an employer the potential to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination or imposing any term or condition of employment or otherwise penalize a person based upon ~~either:~~

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

~~2. patient licensee.~~ Employers may take action against a ~~holder of a~~ medical marijuana ~~license~~ patient licensee if the ~~holder licensee~~ uses or possesses marijuana while in his or her place of employment or during the hours of employment. Employers may not take action against ~~the holder of a~~ medical marijuana ~~license~~ patient licensee solely based upon the status of an employee as a medical marijuana ~~license holder~~ patient licensee or the results of a drug test showing positive for marijuana or its components.

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

D. No medical marijuana ~~license holder~~ patient licensee may be denied custody of or visitation or parenting time with a minor child, and there is no presumption of neglect or child endangerment for conduct allowed under this law, unless the behavior of the ~~person~~ medical marijuana patient licensee creates an unreasonable danger to the safety of the minor child.

E. No person ~~holding~~ who possesses a medical marijuana patient license may be unduly ~~be~~ withheld from holding a another state-

issued license by virtue of ~~their being~~ his or her status as a medical marijuana license holder patient licensee including, but not limited to, a concealed carry permit.

F. 1. No city or local municipality may unduly change or restrict zoning laws to prevent the opening of a ~~retail~~ medical marijuana establishment dispensary.

2. For purposes of this subsection, an undue change or restriction of municipal zoning laws means an act which entirely prevents ~~retail medical marijuana establishments~~ dispensaries from operating within municipal boundaries as a matter of law. Municipalities may follow their standard planning and zoning procedures to determine if certain zones or districts would be appropriate for locating marijuana-licensed premises, medical marijuana businesses or any other premises where marijuana or its by-products are cultivated, grown, processed, stored or manufactured.

3. ~~For purposes of this section, "retail marijuana establishment" means an entity licensed by the State Department of Health as a medical marijuana dispensary. Retail~~ A medical marijuana establishment dispensary does not include those other entities licensed by the ~~Department~~ Oklahoma Medical Marijuana Authority as marijuana-licensed premises, medical marijuana businesses or other facilities or locations where marijuana or any product containing marijuana or its by-products are cultivated, grown, processed, stored or manufactured.

G. The location of any ~~retail~~ medical marijuana establishment dispensary is specifically prohibited within one thousand (1,000) feet of any public school or private school ~~entrance~~. The distance indicated in this subsection shall be measured from the nearest property line of such public school or private school to the nearest perimeter wall of the licensed premises of such medical marijuana dispensary. If a medical marijuana dispensary met the requirements of this subsection at the time of its initial licensure, the medical marijuana dispensary licensee shall be permitted to continue operating at the licensed premises in the same manner and not be subject to nonrenewal or revocation due to subsequent events or changes in regulations occurring after licensure that would render the medical marijuana dispensary in violation by being within one thousand (1,000) feet of a public school or private school. If any public school or private school is established within one thousand (1,000) feet of any medical marijuana dispensary after such medical

marijuana dispensary has been licensed, the provisions of this subsection shall not be a deterrent to the renewal of such license or warrant revocation of the license. For purposes of this subsection, a property owned, used or operated by a public school or by a private school that is not used for classroom instruction on core curriculum, such as an administrative building, athletic facility, ballpark, field or stadium, shall not constitute a public school or private school unless such property is located on the same campus as a building used for classroom instruction on core curriculum.

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

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

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

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

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

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

Section 426.1 A. ~~Except for revocation hearings concerning licensed patients, as defined in Section 2 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature, all~~ All licensure revocation hearings conducted pursuant to marijuana licenses established in the Oklahoma Statutes shall be recorded. A party may request a copy of the recording of the proceedings. Copies shall be provided to local law enforcement if the revocation was based on alleged criminal activity.

B. The State Department of Health shall assist any law enforcement officer in the performance of his or her duties upon such request by the law enforcement officer or the request of other local officials having jurisdiction. ~~Except for license information concerning licensed patients, as defined in Section 2 427.2 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature~~ this title, the Department shall share information with law enforcement agencies upon request without a subpoena or search warrant.

C. The State Department of Health shall make available all information ~~displayed on medical marijuana licenses, as well as on whether or not~~ the a medical marijuana patient or caregiver license is valid, to law enforcement electronically through ~~the Oklahoma Law Enforcement Telecommunications System~~ an online verification system.

D. The Department shall make available to Oklahoma state agencies and political subdivisions a list of marijuana-licensed premises, medical marijuana businesses or any other premises where marijuana or its by-products are licensed to be cultivated, grown, processed, stored or manufactured to aid Oklahoma state agencies and county and municipal governments in identifying locations within their jurisdiction and ~~ensure~~ ensuring compliance with ~~local~~ applicable laws, rules and regulations.

E. ~~All~~ Any marijuana-licensed premises, medical marijuana ~~businesses~~ business or any other premises where marijuana or its by-products are licensed to be cultivated, grown, processed, stored or manufactured shall submit with ~~their~~ its application or request to change location, after notifying the political subdivision of ~~their~~ its intent, a certificate of compliance from the political subdivision where the facility of the applicant or ~~use~~ licensee is

to be located certifying compliance with zoning classifications, applicable municipal ordinances and all applicable safety, electrical, fire, plumbing, waste, construction and building specification codes.

Once a certificate of compliance has been submitted to the Oklahoma Medical Marijuana Authority showing full compliance as outlined in this subsection, no additional certificate of compliance shall be required for license renewal unless a change of use or occupancy occurs, or there is any change concerning the facility or location that would, by law, require additional inspection, licensure or permitting by the state or municipality.

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

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

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

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

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

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

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

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

- a. designed or constructed to be significantly difficult for children under five (5) years of age to open and

not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R. 1700.20 (1995),

- b. opaque so that the outermost packaging does not allow the product to be seen without opening the packaging material, and
- c. resealable to maintain its child-resistant effectiveness for multiple openings for any product intended for more than a single use or containing multiple servings;

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

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

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

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

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

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

13. "Dispensary" means a medical marijuana dispensary, an entity that has been licensed by the Department pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act to purchase medical marijuana or medical marijuana products from a licensed medical marijuana commercial grower or licensed medical marijuana processor, to prepare and package noninfused pre-rolled medical marijuana, and to sell medical marijuana or medical marijuana products to licensed patients and caregivers as defined



~~under in this act section,~~ or sell or transfer products to another licensed dispensary;

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

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

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

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

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

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

- ~~a. the licensee or applicant has violated, does not meet, or has failed to comply with any of the terms, conditions or provisions of the act, any rules promulgated pursuant thereto, or any supplemental relevant state or local law, rule or regulation,~~
- ~~b. the licensee or applicant has failed to comply with any special terms or conditions that were placed upon the license pursuant to an order of the State Department of Health, Oklahoma Medical Marijuana Authority or the municipality, or~~
- ~~c. the licensed premises of a medical marijuana business or applicant have been operated in a manner that~~

~~adversely affects the public health or welfare or the safety of the immediate vicinity in which the establishment is located;~~

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

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

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

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

~~24.~~ 23. "Inventory tracking system" means the required tracking system that accounts for the entire life span of medical marijuana ~~from either the seed or immature plant stage until the medical marijuana or and medical marijuana product is sold to a patient at a products, including any testing samples thereof and medical marijuana dispensary, transferred to a medical marijuana research facility, destroyed by a medical marijuana business or used in a research project by a medical marijuana research facility~~ waste;

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

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

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

~~28.~~ 27. "Marijuana" shall have the same meaning as such term is defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this title;

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

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

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

~~32.~~ 31. "Medical marijuana concentrate" or "concentrate" means a specific subset of medical marijuana that was produced by extracting cannabinoids from medical marijuana. Categories of medical marijuana concentrate include water-based medical marijuana concentrate, food-based medical marijuana concentrate, solvent-based medical marijuana concentrate, and heat- or pressure-based medical marijuana concentrate;

~~33.~~ 32. "Medical marijuana commercial grower" or "commercial grower" means an entity licensed to cultivate, prepare and package medical marijuana or package medical marijuana as pre-rolls, and transfer or contract for transfer medical marijuana and medical marijuana pre-rolls to a medical marijuana dispensary, medical marijuana processor, any other medical marijuana commercial grower, medical marijuana research facility, ~~or~~ medical marijuana education facility and pesticide manufacturers. A commercial grower may sell seeds, flower or clones to commercial growers pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

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

~~35.~~ 34. "Medical-marijuana-infused product" means a product infused with medical marijuana including, but not limited to, edible products, ointments and tinctures;

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

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

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

~~39.~~ 38. "Medical marijuana testing laboratory" or "laboratory" means a public or private laboratory licensed pursuant to ~~this act~~, the Oklahoma Medical Marijuana and Patient Protection Act to conduct testing and research on medical marijuana and medical marijuana products;

~~40.~~ 39. "Medical marijuana transporter" or "transporter" means a person or entity that is licensed pursuant to ~~this act~~ the

Oklahoma Medical Marijuana and Patient Protection Act. A medical marijuana transporter does not include a medical marijuana business that transports its own medical marijuana, medical marijuana concentrate or medical marijuana products to a property or facility adjacent to or connected to the licensed premises if the property is another licensed premises of the same medical marijuana business;

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

~~42.~~ 41. "Medical use" means the acquisition, possession, use, delivery, transfer or transportation of medical marijuana, medical marijuana products, medical marijuana devices or paraphernalia relating to the administration of medical marijuana to treat a licensed patient;

~~43.~~ 42. "Mother plant" means a marijuana plant that is grown or maintained for the purpose of generating clones, and that will not be used to produce plant material for sale to a medical marijuana processor or medical marijuana dispensary;

~~44.~~ 43. "Oklahoma physician" or "physician" means a physician licensed by and in good standing with the State Board of Medical Licensure and Supervision, the State Board of Osteopathic Examiners or the Board of Podiatric Medical Examiners;

~~45.~~ 44. "Oklahoma resident" means an individual who can provide proof of residency as required by ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

~~46.~~ 45. "Owner" means, except where the context otherwise requires, a direct beneficial owner including, but not limited to, all persons or entities as follows:

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

- d. all members that own an interest in a limited liability company,
- e. all beneficiaries that hold a beneficial interest in a trust and all trustees of a trust,
- f. all persons or entities that own interest in a joint venture,
- g. all persons or entities that own an interest in an association,
- h. the owners of any other type of legal entity, and
- i. any other person holding an interest or convertible note in any entity which owns, operates or manages a licensed facility;

~~47.~~ 46. "Package" or "packaging" means any container or wrapper that may be used by a medical marijuana business to enclose or contain medical marijuana;

~~48.~~ 47. "Person" means a natural person, partnership, association, business trust, company, corporation, estate, limited liability company, trust or any other legal entity or organization, or a manager, agent, owner, director, servant, officer or employee thereof, except that "person" does not include any governmental organization;

~~49.~~ 48. "Pesticide" means any substance or mixture of substances intended for preventing, destroying, repelling or mitigating any pest or any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant, except that the term "pesticide" shall not include any article that is a "new animal drug" as designated by the United States Food and Drug Administration;

~~50.~~ 49. "Production batch" means:

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

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

~~51.~~ 50. "Public institution" means any entity established or controlled by the federal government, state government, or a local government or municipality including, but not limited to, institutions of higher education or related research institutions;

~~52.~~ 51. "Public money" means any funds or money obtained by the holder from any governmental entity including, but not limited to, research grants;

~~53.~~ 52. "Recommendation" means a document that is signed or electronically submitted by a physician on behalf of a patient for the use of medical marijuana pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

~~54.~~ 53. "Registered to conduct business" means a person that has provided proof that the business applicant or licensee is in good standing with the Oklahoma Secretary of State ~~and Oklahoma Tax Commission~~;

~~55.~~ 54. "Remediation" means the process by which ~~the medical marijuana flower or trim, which has failed microbial~~ a harvest batch or production batch that fails testing, is processed into solvent-based medical marijuana concentrate undergoes a procedure to remedy the harvest batch or production batch and is retested as required by this act in accordance with Oklahoma laws, rules and regulations;

~~56.~~ 55. "Research project" means a discrete scientific endeavor to answer a research question or a set of research questions related to medical marijuana and is required for a medical marijuana research license. A research project shall include a description of a defined protocol, clearly articulated goals, defined methods and outputs, and a defined start and end date. The description shall demonstrate that the research project will comply with all requirements in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act and rules promulgated pursuant thereto. All research and development conducted by a medical marijuana research facility shall be conducted in furtherance of an approved research project;

~~57.~~ 56. "Revocation" means the final decision by the Department that any license issued pursuant to ~~this act~~ the Oklahoma Medical

Marijuana and Patient Protection Act is rescinded because the individual or entity does not comply with the applicable requirements set forth in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act or rules promulgated pursuant thereto;

~~58.~~ 57. "School" means a ~~public or private preschool or a~~ public or private elementary, middle or ~~secondary~~ high school used for school classes and instruction. A homeschool, daycare or child-care facility shall not be considered a "school" as used in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

~~59.~~ 58. "Shipping container" means a hard-sided container with a lid or other enclosure that can be secured in place. A shipping container is used solely for the transport of medical marijuana, medical marijuana concentrate, or medical marijuana products between medical marijuana businesses, a medical marijuana research facility, or a medical marijuana education facility;

~~60.~~ 59. "Solvent-based medical marijuana concentrate" means a medical marijuana concentrate that was produced by extracting cannabinoids from medical marijuana through the use of a solvent approved by the Department;

~~61.~~ 60. "State Question" means Oklahoma State Question No. 788, Initiative Petition No. 412, approved by a majority vote of the citizens of Oklahoma on June 26, 2018;

~~62.~~ 61. "Strain" means the ~~classification~~ name given to a particular variety of medical marijuana or cannabis plants in either pure sativa, indica, afghanica, ruderalis or hybrid varieties that is based on a combination of factors which may include, but is not limited to, botanical lineage, appearance, chemical profile and accompanying effects. An example of a "strain" would be "OG Kush" or "Pineapple Express";

~~63.~~ 62. "THC" means tetrahydrocannabinol, which is the primary psychotropic cannabinoid in marijuana formed by decarboxylation of naturally tetrahydrocannabinolic acid, which generally occurs by exposure to heat;

~~64.~~ "Test batch" means with regard to usable marijuana, a homogenous, identified quantity of usable marijuana by strain, no greater than ten (10) pounds, that is harvested during a seven-day period from a specified cultivation area, and with regard to oils, vapors and waxes derived from usable marijuana, means an identified



~~quantity that is uniform, that is intended to meet specifications for identity, strength and composition, and that is manufactured, packaged and labeled during a specified time period according to a single manufacturing, packaging and labeling protocol;~~

~~65.~~ 63. "Transporter agent" means a person who transports medical marijuana or medical marijuana products ~~for~~ as an employee of a licensed transporter medical marijuana business and holds a transporter agent license specific to that business pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

~~66.~~ 64. "Universal symbol" means the image established by the State Department of Health or Oklahoma Medical Marijuana Authority and made available to licensees through its website indicating that the medical marijuana or the medical marijuana product contains THC;

~~67.~~ 65. "Usable marijuana" means the dried leaves, flowers, oils, vapors, waxes and other portions of the marijuana plant and any mixture or preparation thereof, excluding ~~seed~~ seeds, roots, stems, stalks and fan leaves; and

~~68.~~ 66. "Water-based medical marijuana concentrate" means a concentrate that was produced by extracting cannabinoids from medical marijuana through the use of only water, ice, or dry ice.

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

Section 427.3 A. There is hereby created the Oklahoma Medical Marijuana Authority within the State Department of Health which shall address issues related to the medical marijuana program in Oklahoma including, but not limited to, the issuance of patient licenses and medical marijuana business licenses, and the dispensing, cultivating, processing, testing, transporting, storage, research, and the use of and sale of medical marijuana pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

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

C. The Department shall implement the provisions of ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act consistently with the voter-approved State Question No. 788,

Initiative Petition No. 412, subject to the provisions of ~~this act~~  
the Oklahoma Medical Marijuana and Patient Protection Act.

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

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

- a. public health policy and public safety policy,
- b. agronomic and horticultural best practices, and
- c. medical and pharmacopoeia best practices;

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

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

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

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

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

7. Upon action by the federal government by which the production, sale and use of marijuana in Oklahoma does not violate federal law, work with the Oklahoma State Banking Department and the State Treasurer to develop good practices and standards for banking and finance for medical marijuana businesses;

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

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

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

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

- a. the square footage of the licensed premises,
- b. a diagram of the licensed premises,
- c. the number and type of lights at the licensed medical marijuana commercial grower business,
- d. the number, type and production capacity of equipment located at the medical marijuana processing facility,
- e. the names, addresses and telephone numbers of employees or agents of a medical marijuana business,
- f. employment manuals and standard operating procedures for the medical marijuana business, and
- g. any other information as the Authority reasonably deems necessary.

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

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

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

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

2. The individual or his or her spouse, parent, child, spouse of a child, sibling, or spouse of a sibling has an application for a medical marijuana business license pending before the Department or is a member of the board of directors of a medical marijuana business, or is an individual financially interested in any licensee or medical marijuana business.

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

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

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

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

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

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

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

4. Require any business applicant or licensee, ~~upon twenty-four (24) hours notice or upon a showing of necessity~~, to permit an inspection of licensed premises during business hours or at any time of apparent operation, marijuana equipment, and marijuana accessories, or books and records; and to permit the testing of or examination of medical marijuana, concentrate, or product; ~~and~~

5. Require applicants and licensees to submit complete and current applications, information and fees required by ~~this act and fees~~ the Oklahoma Medical Marijuana and Patient Protection Act, the Oklahoma Medical Marijuana Waste Management Act and Sections 420 through 426.1 of this title, and approve material changes made by the applicant or licensee;

6. Require medical marijuana business licensees to submit a sample or unit of medical marijuana or medical marijuana product to the quality assurance laboratory when the Department has reason to believe the medical marijuana or medical marijuana product may be unsafe for patient consumption or inhalation or has not been tested in accordance with the provisions of the Oklahoma Medical Marijuana and Patient Protection Act and the rules and regulations of the Department. The licensee shall provide the samples or units of medical marijuana or medical marijuana products at its own expense but shall not be responsible for the costs of testing; and

7. Require medical marijuana business licensees to periodically submit samples or units of medical marijuana or medical marijuana products to the quality assurance laboratory for quality assurance purposes. Licensed growers, processors, dispensaries and transporters shall not be required to submit samples or units of medical marijuana or medical marijuana products more than twice a year. The licensee shall provide the samples or units of medical

marijuana or medical marijuana products at its own expense but shall not be responsible for the costs of testing.

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

Section 427.6 A. The State Department of Health shall address issues related to the medical marijuana program in Oklahoma including, but not limited to, monitoring and disciplinary actions as they relate to the medical marijuana program.

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

2. ~~Inspections~~ Post-licensure inspections shall be limited to twice per calendar year ~~and twenty-four (24) hours of notice shall be provided to a medical marijuana business applicant or licensee prior to an on-site assessment.~~ However, investigations and additional inspections may occur when the Department ~~shows that believes~~ an investigation or additional inspection is necessary due to a possible violation of this act applicable laws, rules or regulations. ~~Such inspection may be without notice if the Department believes that such notice will result in the destruction of evidence~~ The State Commissioner of Health may adopt rules imposing penalties including, but not limited to, monetary fines and suspension or revocation of licensure for failure to allow the Authority reasonable access to the licensed premises for purposes of conducting an inspection.

3. The Department may review relevant records of a licensed medical marijuana business, licensed medical marijuana research facility ~~or,~~ licensed medical marijuana education facility or licensed medical marijuana waste disposal facility, and may require and conduct interviews with such persons or entities and persons affiliated with such entities, for the purpose of determining compliance with Department requirements and applicable laws, rules

~~and regulations. However, prior to conducting any interviews with the medical marijuana business, research facility or education facility, the licensee shall be afforded sufficient time to secure legal representation during such questioning if requested by the business or facility or any of its agents or employees or contractors.~~

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

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

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

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

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

2. Falsification or misrepresentation of any material or information submitted to the Department or other licensees;

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

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

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

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

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

8. Failure to pay a required monetary penalty;

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

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

11. Any other basis indicating a violation of the applicable laws and regulations as identified by the Department.

F. Disciplinary actions against a licensee may include the imposition of monetary penalties, which may be assessed by the Department. The Department may suspend or revoke a license for failure to pay any monetary penalty lawfully assessed by the Department against a licensee.

G. Penalties for sales or purchases by a medical marijuana business to persons other than those allowed by law occurring within any two-year time period may include an initial fine of One Thousand Dollars (\$1,000.00) for a first violation and a fine of Five Thousand Dollars (\$5,000.00) for any subsequent violation. Penalties for grossly inaccurate or fraudulent reporting occurring within any two-year time period may include an initial fine of Five Thousand Dollars (\$5,000.00) for a first violation and a fine of Ten Thousand Dollars (\$10,000.00) for any subsequent violation. The medical marijuana business may be subject to a revocation of any license granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act upon a showing that the violation was willful or grossly negligent.

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

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



~~I. The following persons or entities may request a hearing to contest an action or proposed action of~~ The intentional diversion of medical marijuana, medical marijuana concentrate or medical marijuana products by a licensed medical marijuana patient or caregiver, medical marijuana business or employee of a medical marijuana business to an unauthorized minor person who the licensed medical marijuana patient or caregiver, medical marijuana business or employee of a medical marijuana business knew or reasonably should have known to be a minor person shall be subject to a cite and release citation and, upon a finding of guilt or a plea of no contest, a fine of Two Thousand Five Hundred Dollars (\$2,500.00). For a second or subsequent offense, the licensed medical marijuana patient or caregiver, medical marijuana business or employee of a medical marijuana business shall be subject to a cite and release citation and, upon a finding of guilt or a plea of no contest, a fine of Five Thousand Dollars (\$5,000.00) and automatic termination of the medical marijuana license.

~~J. Nothing in this section shall be construed to prevent the criminal prosecution, after the presentation of evidence and a finding beyond a reasonable doubt, of a licensed medical marijuana patient or caregiver, medical marijuana business or employee of a medical marijuana business who has diverted medical marijuana, medical marijuana concentrate or medical marijuana products to an unauthorized person with the intent or knowledge that the unauthorized person was to engage in the distribution or trafficking of medical marijuana, medical marijuana concentrate or medical marijuana products.~~

~~K. In addition to any other remedies provided for by law, the Department:~~

~~1. A medical marijuana business, research facility or education facility licensee whose license has been summarily suspended or who has received a notice of contemplated action to suspend or revoke a license or take other, pursuant to its rules and regulations, may issue a written order to any licensee the Department has reason to believe has violated Sections 420 through 426.1 of this title, the Oklahoma Medical Marijuana and Patient Protection Act, the Oklahoma Medical Marijuana Waste Management Act, or any rules promulgated by the State Commissioner of Health and to whom the Department has served, not less than thirty (30) days previously, a written notice of violation of such statutes or rules.~~

1. The written order shall state with specificity the nature of the violation. The Department may impose any disciplinary action, and

~~2. A patient or caregiver licensee whose license has been summarily suspended or who has received notice of contemplated action to suspend or revoke a license or take other disciplinary action.~~

~~J. authorized under the provisions of this section including, but not limited to, the assessment of monetary penalties.~~

2. Any order issued pursuant to the provisions of this section shall become a final order unless, not more than thirty (30) days after the order is served to the licensee, the licensee requests an administrative hearing in accordance with the rules and regulations of the Department. Upon such request, the Department shall promptly initiate administrative proceedings.

L. Whenever the Department finds that an emergency exists requiring immediate action in order to protect the health or welfare of the public, the Department may issue an order, without providing notice or hearing, stating the existence of said emergency and requiring that action be taken as the Department deems necessary to meet the emergency. Such action may include, but is not limited to, ordering the licensee to immediately cease and desist operations by the licensee. The order shall be effective immediately upon issuance. Any person to whom the order is directed shall comply immediately with the provisions of the order. The Department may assess a penalty not to exceed Ten Thousand Dollars (\$10,000.00) per day of noncompliance with the order. In assessing such a penalty, the Department shall consider the seriousness of the violation and any efforts to comply with applicable requirements. Upon application to the Department, the licensee shall be offered a hearing within ten (10) days of the issuance of the order.

M. All hearings held pursuant to this section shall be in accordance with the Oklahoma Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes.

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

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

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

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

2. Any court in this state.

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

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

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

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

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

B. An applicant for a medical marijuana patient license who can demonstrate his or her status as a one-hundred-percent-disabled veteran as determined by the U.S. Department of Veterans Affairs and codified at 38 C.F.R., Section 3.340(a) (2013) shall pay a reduced biannual application fee of Twenty Dollars (\$20.00). The methods of payment, as determined by the Authority, shall be provided on the website. However, the Authority shall ensure that all applicants have an option to submit the license application and payment by means other than solely by submission of the application and fee online.

C. The patient license shall be valid for up to two (2) years from the date of issuance, unless the recommendation of the physician is terminated pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act or revoked by the Department.

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

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

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

C. No physician shall be subject to arrest, prosecution or penalty in any manner or denied any right or privilege under Oklahoma state, municipal or county statute, ordinance or resolution, including without limitation a civil penalty or disciplinary action by the State Board of Medical Licensure and Supervision ~~or~~, the State Board of Osteopathic Examiners, the Board of Podiatric Medical Examiners or by any other business, occupation or professional licensing board or bureau, solely for providing a medical marijuana recommendation for a patient or for monitoring, treating or prescribing scheduled medication to patients who are medical marijuana licensees. The provisions of this subsection shall not prevent the relevant professional licensing boards from sanctioning a physician for failing to properly evaluate the medical

condition of a patient or for otherwise violating the applicable physician-patient standard of care.

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

E. If the physician determines the continued use of medical marijuana by the patient no longer meets the requirements set forth in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act, the physician shall notify the Department and ~~the Authority shall immediately revoke the license~~ shall be immediately voided without right to an individual proceeding.

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

Section 427.11 A. The caregiver license shall provide the caregiver the same rights as the medical marijuana patient licensee, including the ability to possess marijuana, marijuana products, and mature and immature plants pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act, but excluding the ability to use marijuana or marijuana products unless the caregiver has a medical marijuana patient license. Caregivers shall be authorized to deliver marijuana and products to their authorized patients. Caregivers shall be authorized to possess medical marijuana and medical marijuana products up to the sum of the possession limits for the patients under his or her care pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

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

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

D. A medical marijuana patient license holder may request, at any time, to withdraw the license of his or her caregiver. In the event that such a request is made or upon the expiration of the medical marijuana license of the patient, the license of the

caregiver shall be immediately withdrawn by the Department without the right to a hearing.

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

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

B. 1. The Authority shall have oversight and auditing responsibilities to ensure that all marijuana being grown in Oklahoma is accounted for and shall implement an inventory tracking system. Pursuant to these duties, the Authority shall require that each medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility keep records for every transaction with another medical marijuana business, patient or caregiver. Inventory shall be tracked and updated after each individual sale and reported to the Authority.

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

- a. notification of when marijuana seeds and clones are planted,
- b. notification of when marijuana plants are harvested and destroyed,
- c. notification of when marijuana is transported, sold, stolen, diverted or lost,
- d. a complete inventory of all marijuana, seeds, plant tissue, clones, plants, usable marijuana or trim, leaves and other plant matter, batches of extract, and marijuana concentrates,
- e. all samples sent to a testing laboratory, an unused portion of a sample returned to a licensee, all samples utilized by licensee for purposes of negotiating a sale, and

f. all samples used for quality testing by a licensee.

3. Each medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility shall use a seed-to-sale tracking system or integrate its own seed-to-sale tracking system with the seed-to-sale tracking system established by the Authority.

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

- a. the name and license number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- b. the address and phone number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- c. the type of product received during the transaction,
- d. the batch number of the marijuana plant used,
- e. the date of the transaction,
- f. the total spent in dollars,
- g. all point-of-sale records,
- h. marijuana excise tax records, and
- i. any additional information as may be reasonably required by the Department.

5. All inventory tracking records retained by a medical marijuana business, medical marijuana research facility, medical marijuana education facility or medical marijuana waste disposal facility containing medical marijuana patient or caregiver information shall comply with all relevant state and federal laws including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), ~~and shall not be retained by any medical marijuana business for more than sixty (60) days.~~

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

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

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

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

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

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

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

1. All applications for licenses and registrations authorized pursuant to this section shall be made upon forms prescribed by the Authority;

2. Each application shall identify the city or county in which the applicant seeks to obtain licensure as a medical marijuana business;

3. Applicants shall submit a complete application to the Department before the application may be accepted or considered;



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

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

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

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

- a. ~~all applicants shall be age~~ twenty-five (25) years of age or older,
- b. ~~any applicant if~~ applying as an individual ~~shall show,~~ proof that the applicant is an Oklahoma resident pursuant to paragraph 11 of this subsection,
- c. ~~any applicant if~~ applying as an entity ~~shall show,~~ proof that seventy-five percent (75%) of all members, managers, executive officers, partners, board members or any other form of business ownership are Oklahoma residents pursuant to paragraph 11 of this subsection,
- d. ~~all if~~ applying ~~individuals~~ as an individual or entities shall be entity, proof that the individual or entity is registered to conduct business in the State of Oklahoma,
- e. ~~all applicants shall disclose~~ disclosure of all ownership interests pursuant to this act the Oklahoma Medical Marijuana and Patient Protection Act, and
- f. ~~applicants shall~~ proof that the medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility applicant or licensee has not ~~have~~ been convicted of a nonviolent felony in the last two (2) years, ~~and or~~ any other felony conviction within the last five (5) years, ~~shall is not be a~~ current inmates inmate in the custody of the

Department of Corrections, or currently incarcerated in a jail or corrections facility;

8. There shall be no limit to the number of medical marijuana business licenses or categories that an individual or entity can apply for or receive, although each application and each category shall require a separate application and application fee. A commercial grower, processor and dispensary, or any combination thereof, are authorized to share the same address or physical location, subject to the restrictions set forth in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

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

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

- a. an unexpired Oklahoma-issued driver license,
- b. an Oklahoma ~~voter~~ identification card,

- c. a utility bill preceding the date of application, excluding cellular telephone and Internet bills,
- d. a residential property deed to property in the State of Oklahoma, and
- e. a rental agreement preceding the date of application for residential property located in the State of Oklahoma.

Applicants that were issued a medical marijuana business license prior to ~~the enactment of the Oklahoma Medical Marijuana and Patient Protection Act~~ August 30, 2019, are hereby exempt from the two-year or five-year Oklahoma residence requirement mentioned above;

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

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

- a. front ~~and back~~ of an Oklahoma driver license,
- b. front ~~and back~~ of an Oklahoma identification card,
- c. a United States passport or other photo identification issued by the United States government, or
- d. ~~certified copy of the applicant's birth certificate for minor applicants who do not possess a document listed in this section, or~~
- ~~e.~~ a tribal identification card approved for identification purposes by the Oklahoma Department of Public Safety; and

14. All applicants shall submit an applicant photograph.

F. The Authority shall review the medical marijuana business application~~;~~ approve or, reject or deny the application; and mail the approval, rejection, denial or status-update letter to the

applicant within ninety (90) business days of receipt of the application.

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

2. Approved applicants shall be issued a medical marijuana business license for the specific category applied under, which shall act as proof of their approved status. Rejection and denial letters shall provide a reason for the rejection or denial. Applications may only be rejected or denied based on the applicant not meeting the standards set forth in the provisions of this section the Oklahoma Medical Marijuana and Patient Protection Act and Sections 420 through 426.1 of this title, improper completion of the application, or for a reason provided for in this act the Oklahoma Medical Marijuana and Patient Protection Act and Sections 420 through 426.1 of this title. If an application is rejected for failure to provide required information, the applicant shall have thirty (30) days to submit the required information for reconsideration. No additional application fee shall be charged for such reconsideration. Unless the Department determines otherwise, an application that has been resubmitted but is still incomplete or contains errors that are not clerical or typographical in nature shall be denied.

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

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

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

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

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

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

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

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

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

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

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

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

- a. unlawful sales or purchases,
- b. any fraudulent acts, falsification of records or misrepresentation to the Authority, medical marijuana patient licensees, caregiver licensees or medical marijuana business licensees,
- c. any grossly inaccurate or fraudulent reporting,

- d. threatening or harming any medical marijuana patient, caregiver, medical practitioner or employee of the Department,
- e. knowingly or intentionally refusing to permit the Department access to premises or records,
- f. using a prohibited, hazardous substance for processing in a residential area,
- g. criminal acts relating to the operation of a medical marijuana business, or
- h. any violations that endanger public health and safety or product safety.

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

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

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

L. A licensed medical marijuana business premises shall be subject to and responsible for compliance with applicable provisions

for medical marijuana business facilities consistent with the zoning where such business is located as described in the most recent versions of the Oklahoma Uniform Building Code, the International Building Code and the International Fire Code, unless granted an exemption by the Authority or a municipality or appropriate code enforcement entity.

M. All medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility licensees shall pay the relevant licensure fees prior to receiving licensure to operate a medical marijuana business, as defined in this act for each class of license.

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

O. No medical marijuana business, medical marijuana research facility, medical marijuana education facility or medical marijuana waste disposal facility shall possess, sell or transfer medical marijuana or medical marijuana products without a valid, unexpired license issued by the Department.

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

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

B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~ this title, the Oklahoma Medical Marijuana Authority shall issue a medical marijuana transporter license to licensed medical marijuana commercial growers, processors and dispensaries upon issuance of such licenses and upon each renewal. Medical marijuana transporter licenses shall also be issued to licensed medical marijuana research facilities, medical marijuana education facilities and medical marijuana testing laboratories upon issuance of such licenses and upon each renewal.

C. A medical marijuana transporter license may also be issued to qualifying applicants who are registered with the Oklahoma Secretary of State and otherwise meet the requirements for a medical marijuana business license set forth in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act and the requirements set forth in this section to provide logistics, distribution and storage of medical marijuana, medical marijuana concentrate and medical marijuana products.

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

E. A transporter license shall be required for any person or entity to transport or transfer medical marijuana, medical marijuana concentrate or ~~product~~ medical marijuana products from a licensed medical marijuana business to another medical marijuana business, or from a medical marijuana business to a medical marijuana research facility or medical marijuana education facility.

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

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

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

I. A licensed medical marijuana transporter may maintain and operate one or more warehouses in the state to handle medical marijuana, medical marijuana concentrate and medical marijuana



products. Each location shall be registered and inspected by the Authority prior to its use.

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

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

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

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

K. A transporter agent may possess marijuana at any location while the transporter agent is transferring marijuana to or from a licensed medical marijuana business, licensed medical marijuana research facility or licensed medical marijuana education facility. The Department shall administer and enforce the provisions of this section concerning transportation.

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

M. The annual fee for a transporter agent license shall be ~~One Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be paid by the transporter license holder or the individual applicant. Transporter license reprints shall be Twenty Dollars (\$20.00).

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

1. The name, address and date of birth of the person;

2. Proof of current Oklahoma residency ~~as required for a medical marijuana business license;~~

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

4. Possession of a valid Oklahoma driver license;

5. Verification of employment with a licensed transporter;

6. The application and affiliated fee; and

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

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

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

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

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

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

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

2. Capable of securing medical marijuana during transport; and

3. In possession of a shipping container as defined in Section 427.2 of this ~~act~~ title capable of securing all transported ~~product~~ products.

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

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

1. For the origination point of the medical marijuana:

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

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

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

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

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

5. The arrival date and estimated time of arrival;

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

7. Notation of the transporting licensee.

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

2. The transporter agent shall provide the other medical marijuana business with a copy of the inventory manifest at the time

the product changes hands and after the other licensee prints his or her name and signs the inventory manifest.

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

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

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

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

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

B. The Authority is hereby authorized to contract with a private laboratory for the purpose of conducting compliance testing of medical marijuana testing laboratories licensed in this state. Any such laboratory under contract for compliance testing shall be prohibited from conducting any other commercial medical marijuana testing in this state. The laboratory the Authority contracts with for compliance testing shall not employ, or be owned by, the following:

1. Any individual that has a direct or indirect interest in a licensed medical marijuana business; or

2. Any individual or his or her spouse, parent, child, spouse of a child, sibling or spouse of a sibling that has an application for a medical marijuana business license pending before the Department or is a member of the board of directors of a medical marijuana business, or is an individual financially interested in

any licensee or medical marijuana business located within this state.

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

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

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

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

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

H. ~~A laboratory applicant~~ Laboratory applicants and licensees shall comply with the application requirements of this section and shall submit such other information as required for a medical marijuana business applicant, in addition to any information the Authority may request for initial approval and periodic evaluations during the approval period.

I. A medical marijuana testing laboratory may accept samples of medical marijuana, medical marijuana concentrate or medical marijuana product from a medical marijuana business, medical

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

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

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

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

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

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

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

agents of a medical marijuana testing laboratory who participate in any aspect of the analysis and results of a sample are prohibited from improperly influencing the testing process, improperly manipulating data, or improperly benefiting from any ongoing financial, employment, personal or business relationship with the medical marijuana business that provided the sample. A medical marijuana testing laboratory shall not test samples for any medical marijuana business in which an owner, employee or agent of the medical marijuana testing laboratory has any form of ownership or financial interest in the medical marijuana business.

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

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

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

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

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

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

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

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

8. The mandatory use by a laboratory of an inventory tracking system to ensure all ~~test~~ harvest and production batches or samples containing medical marijuana, medical marijuana concentrate or medical marijuana products are identified and tracked from the point they are transferred from a medical marijuana business, a patient or

a caregiver through the point of transfer, destruction or disposal. The inventory tracking system reporting shall include the results of any tests that are conducted on medical marijuana, medical marijuana concentrate or medical marijuana product;

9. Standards of performance;

10. The employment of laboratory personnel;

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

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

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

14. The immediate recall of medical marijuana or medical marijuana products that test above allowable thresholds or are otherwise determined to be unsafe;

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

~~15.~~ 16. The establishment by the laboratory of a system to retain and maintain all required records, including business records, and processes to ensure results are reported in a timely and accurate manner; and

~~16.~~ 17. Any other aspect of laboratory testing of medical marijuana or medical marijuana product deemed necessary by the Department.

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



Department to determine compliance with the requirements of this section.

P. A medical marijuana testing laboratory shall retain all results of laboratory tests conducted on marijuana or products for a period of at least ~~two (2)~~ seven (7) years and shall make them available to the Department upon request.

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

1. Microbials;
2. Mycotoxins;
3. Residual solvents;
4. Pesticides;
5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
6. Terpenoid ~~potency~~ type and concentration; and
7. Heavy metals.

R. ~~A test batch shall not exceed ten (10) pounds of usable marijuana or licensed medical marijuana product, as appropriate testing laboratory shall test each individual harvest batch. A grower shall separate each harvest lot of usable marijuana into harvest batches containing no more than ten (10) fifteen (15) pounds, with the exception of any plant material to be sold to a licensed processor for the purposes of turning the plant material into concentrate which may be separated into harvest batches of no more than fifty (50) pounds. A processor shall separate each medical marijuana production lot into production batches containing no more than ten (10) pounds four (4) liters of concentrate or nine (9) pounds for nonliquid products, and for final products, the Oklahoma Medical Marijuana Authority shall be authorized to promulgate rules on final products as necessary. Provided, however, the Authority shall not require testing of final products less often than every one thousand (1,000) grams of THC. As used in this~~

subsection, "final products" shall include, but not be limited to, cookies, brownies, candies, gummies, beverages and chocolates.

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

T. A medical marijuana testing laboratory shall be inspected prior to initial licensure and annually up to two (2) times per year thereafter by an inspector approved by the Authority. The Authority may enter the licensed premises of a testing laboratory to conduct investigations and additional inspections when the Authority believes an investigation or additional inspection is necessary due to a possible violation of applicable laws, rules or regulations.

~~U. Beginning on a date determined by the Commissioner, not later than January 1, 2020, medical~~ Medical marijuana testing laboratory licensure laboratories shall be contingent upon obtain accreditation by the NELAC Institute (TNI), ANSI/ASQ National Accreditation Board or another an accrediting body approved by the Commissioner, and any applicable standards as determined by the Department within one (1) year of the date the initial license is issued. Renewal of any medical marijuana testing laboratory license shall be contingent upon accreditation in accordance with this subsection. All medical marijuana testing laboratories shall obtain accreditation prior to applying for and receiving a medical marijuana testing laboratory license.

V. A Unless authorized by the provisions of this section, a commercial grower shall not transfer or sell medical marijuana and a processor shall not transfer, sell or process into a concentrate or product any medical marijuana, medical marijuana concentrate or medical marijuana product unless samples from each harvest batch or production batch from which that medical marijuana, medical marijuana concentrate or medical marijuana product was derived has been tested by a medical marijuana testing facility for contaminants laboratory and passed all contaminant tests required by this act the Oklahoma Medical Marijuana and Patient Protection Act and applicable laws, rules and regulations. A licensed commercial grower may transfer medical marijuana that has failed testing to a licensed processor only for the purposes of decontamination or remediation and only in accordance with the provisions of the Oklahoma Medical Marijuana and Patient Protection Act and the rules and regulations

of the Department. Remediated and decontaminated medical marijuana may be returned only to the originating licensed commercial grower.

W. Kief shall not be transferred or sold except as authorized in the rules and regulations of the Department.

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

Section 427.18 A. An Oklahoma medical marijuana business shall not sell, transfer or otherwise distribute medical marijuana or medical marijuana product that has not been packaged and labeled in accordance with this section and rules promulgated by the State Commissioner of Health.

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

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

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

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

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

5. The label on the container shall not make any claims regarding health or physical benefits to the patient.

6. All medical marijuana, medical marijuana concentrate and medical marijuana products shall be in a child-resistant container at the point of transfer to the patient or caregiver.

D. The State Department of Health shall develop minimum standards for packaging and labeling of medical marijuana and medical marijuana products. Such standards shall include, but not be limited to, the required contents of labels to be affixed to all medical marijuana and medical marijuana products prior to transfer to a licensed patient or caregiver, which shall include, at a minimum:

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

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

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

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

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

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

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

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

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

1. To test chemical potency and composition levels;
2. To conduct clinical investigations of marijuana-derived medicinal products;
3. To conduct research on the efficacy and safety of administering marijuana as part of medical treatment;
4. To conduct genomic, horticultural or agricultural research; and
5. To conduct research on marijuana-affiliated products or systems.

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

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

- a. the quality, study design, value or impact of the project,
- b. whether the applicant has the appropriate personnel, expertise, facilities, infrastructure, funding and human, animal or other approvals in place to successfully conduct the project, and
- c. whether the amount of marijuana to be grown by the applicant is consistent with the scope and goals of the project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. The growing, cultivating, possessing or transferring, by sale or donation, of marijuana in accordance with this section and the rules promulgated pursuant thereto, by a medical marijuana education facility licensee shall not be a criminal or civil offense under state law. A medical marijuana education facility license shall be issued in the name of the applicant and shall specify the location in Oklahoma at which the medical marijuana education facility licensee intends to operate. A medical marijuana education facility licensee shall not allow any other person to exercise the privilege of the license.

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

Section 427.22 A. ~~An~~ All medical marijuana patient and caregiver records and information including, but not limited to, any application or renewal and supporting information submitted by a qualifying patient or designated caregiver under the provisions of this act including, without limitation, the Oklahoma Medical Marijuana and Patient Protection Act and information regarding the physician of the qualifying patient shall be considered confidential medical records that are exempt from the Oklahoma Open Records Act.

B. The dispensary records with patient information shall be treated as confidential records that are exempt from the Oklahoma Open Records Act.

C. All financial information provided by an applicant or a licensee in ~~its~~ an application to the Authority shall be treated as



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

D. All information provided by an applicant or a licensee that constitutes private business information shall be treated as confidential records that are exempt from the Oklahoma Open Records Act.

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

F. All monthly report, inventory tracking and seed-to-sale information, data and records submitted to the Department shall be treated as confidential records and are exempt from the Oklahoma Open Records Act.

G. Except for license information concerning licensed patients, the Department may share confidential information with other Oklahoma state agencies to assist those agencies in ensuring compliance with applicable laws, rules and regulations.

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

Section 427.23 A. The State Commissioner of Health, the Oklahoma Tax Commission, the State Treasurer, the Secretary of State and the Director of the Office of Management and Enterprise Services shall promulgate rules to implement the provisions of ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

B. ~~The Food Safety Standards Board~~ Medical Marijuana Advisory Council, in addition to the powers and duties granted in Section 423 of ~~Title 63 of the Oklahoma Statutes~~ this title, may recommend to the State Commissioner of Health rules relating to all aspects ~~of~~ the regarding the safe cultivation and manufacture manufacturing of medical marijuana products. In addition to the twelve (12) members required in Section 423 of this title, the State Department of Health may appoint up to eight additional members. The makeup of the Council shall include medical marijuana industry representation.

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

A. Whenever an authorized agent of the State Department of Health finds, in whole or in part, that the medical marijuana or medical marijuana product fails to meet the requirements of Sections 420 through 426.1 of Title 63 of the Oklahoma Statutes or the Oklahoma Medical Marijuana and Patient Protection Act as it relates to health and safety, the medical marijuana or medical marijuana product is handled in violation of applicable laws or rules and regulations of the Department, or the medical marijuana or medical marijuana product may be poisonous, deleterious to health or is otherwise unsafe, an electronic or physical tag or other appropriate marking or hold shall be affixed to the medical marijuana or medical marijuana product which shall give notice that the medical marijuana or medical marijuana product is or is suspected of being manufactured, produced, transferred, sold or offered for sale in violation of applicable laws or rules and regulations of the Department and is embargoed. The notice shall further provide a warning to all persons not to remove or dispose of the medical marijuana or medical marijuana product until permission for removal or disposal is given by the Department. It shall be unlawful for any person to remove or dispose of the medical marijuana or medical marijuana product embargoed without permission by the Department.

B. If the State Commissioner of Health finds that medical marijuana or medical marijuana product embargoed pursuant to subsection A of this section does not meet the requirements of applicable laws or rules and regulations of the Department, or is poisonous, deleterious to health or otherwise unsafe, the Commissioner may institute an action in the district court in whose jurisdiction the medical marijuana or medical marijuana product is embargoed for the condemnation and destruction of the medical marijuana or medical marijuana product. If the Commissioner finds that the medical marijuana or medical marijuana product embargoed does meet the requirements of applicable laws and the rules and regulations of the Department and is not poisonous, deleterious to health or otherwise unsafe, the Commissioner shall remove the embargo. In any court proceeding regarding an embargo, neither the State Department of Health, the Oklahoma Medical Marijuana Authority or the Commissioner shall be held liable if the court finds reasonable belief for the embargo.

C. Except as otherwise provided in subsection D of this section, if the court finds that the embargoed medical marijuana or medical marijuana product, in whole or in part, is in violation of any applicable laws or rules and regulations of the Department or is poisonous, deleterious to health or otherwise unsafe, the medical marijuana or medical marijuana product shall be destroyed at the expense of the defendant under the supervision of the Commissioner. All court costs, fees, costs of storage and disposal and other proper expenses shall be paid by the defendant of the medical marijuana or medical marijuana product.

D. The court may order that the medical marijuana or medical marijuana product be delivered to the defendant for appropriate labeling or processing under the supervision of the Commissioner only if:

1. The violation can be corrected by proper processing of medical marijuana or medical marijuana product;
2. All costs, fees and expenses have been paid; and
3. A sufficient bond is executed and conditioned for appropriate labeling or processing as the court may require.

The expense of supervision shall be paid to the Commissioner by the person obtaining release of the medical marijuana or medical marijuana product under bond.

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

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

1. "Authority" shall mean the Oklahoma Medical Marijuana Authority, or successor agency;
2. "Commercial licensee" shall mean any person or entity issued a license by the Oklahoma Medical Marijuana Authority, or successor agency, to conduct commercial business in this state;
3. "Disposal" shall mean the ~~final~~ disposition of medical marijuana waste by ~~either~~ a process which renders the waste unusable

and unrecognizable through physical destruction or a recycling process;

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

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

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

7. "Medical marijuana waste" shall mean:

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

b. all product which is deemed to fail laboratory testing and cannot be remediated or decontaminated; and

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

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

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

B. Commercial licensees, medical marijuana research facilities and medical marijuana education facilities shall be authorized to destroy the following marijuana plant parts without being required

to utilize the services of a medical marijuana waste disposal facility:

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

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

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

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

Section 430. A. There is hereby created and authorized a medical marijuana waste disposal license. A person or entity in possession of a medical marijuana waste disposal license shall be entitled to possess, transport and dispose of medical marijuana waste. No person or entity shall ~~possess, transport or~~ dispose of medical marijuana waste without a valid medical marijuana waste disposal license. The Oklahoma Medical Marijuana Authority shall

issue licenses upon proper application by a licensee and determination by the Authority that the proposed site and facility are physically and technically suitable. Upon a finding that a proposed medical marijuana waste disposal facility is not physically or technically suitable, the Authority shall deny the license. The Authority may, upon determining that public health or safety requires emergency action, issue a temporary license for treatment or storage of medical marijuana waste for a period not to exceed ninety (90) days. The Authority shall not, for the first year of the licensure program, issue more than ten medical marijuana waste disposal licenses. Upon the conclusion of the first year, the Authority shall assess the need for additional medical marijuana waste disposal licenses and shall, if demonstrated, increase the number of licenses as deemed necessary by the Authority.

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

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

- a. an attestation that the applicant is authorized to make application on behalf of the entity,
- b. full name of the organization,
- c. trade name, if applicable,
- d. type of business organization,
- e. complete mailing address,
- f. an attestation that the commercial entity will not be located on tribal land,
- g. telephone number and email address of the entity, and
- h. name, residential address and date of birth of each owner and each member, manager and board member, if applicable;

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

- a. the first, middle and last name of the applicant and 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 school. The distance indicated in this subparagraph shall be measured from any entrance of the nearest property line of such public or private school to the nearest property line point perimeter wall of the premises of such disposal facility. If any public or private school is established within one thousand (1,000) feet of any disposal facility after such disposal facility has been licensed, the provisions of this subparagraph shall not be a deterrent to the renewal of such license or warrant revocation of the license, and

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

C. No license shall be issued except upon proof of sufficient liability insurance and financial responsibility. Liability insurance shall be provided by the applicant and shall apply to sudden and nonsudden bodily injury or property damage on, below or above the surface, as required by the rules of the Authority. Such insurance shall be maintained for the period of operation of the facility and shall provide coverage for damages resulting from operation of the facility during operation and after closing. ~~In lieu of liability insurance required by this subsection, an equivalent amount of cash, securities, bond or alternate financial assurance, of a type and in an amount acceptable to the Authority, may be substituted; provided, that such deposit shall be maintained for a period of five (5) years after the date of last operation of the facility.~~

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

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



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

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

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

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

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

SECTION 29. AMENDATORY 63 O.S. 2011, Section 2-302, as last amended by Section 57, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 2-302), is amended to read as follows:

Section 2-302. A. Every person who manufactures, distributes, dispenses, prescribes, administers or uses for scientific purposes any controlled dangerous substance within or into this state, or who proposes to engage in the manufacture, distribution, dispensing, prescribing, administering or use for scientific purposes of any controlled dangerous substance within or into this state shall obtain a registration issued by the Director of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, in accordance with

rules promulgated by the Director. Persons registered by the Director under Section 2-101 et seq. of this title to manufacture, distribute, dispense, or conduct research with controlled dangerous substances may possess, manufacture, distribute, dispense, or conduct research with those substances to the extent authorized by their registration and in conformity with the other provisions of the Uniform Controlled Dangerous Substances Act. Every wholesaler, manufacturer or distributor of any drug product containing pseudoephedrine or phenylpropanolamine, or their salts, isomers, or salts of isomers, shall obtain a registration issued by the Director of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control in accordance with rules promulgated by the Director and as provided for in Section 2-332 of this title. Any person who manufactures, distributes, dispenses, prescribes, administers or uses for scientific purposes any controlled dangerous substances within or into this state without first obtaining a registration issued by the Director of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control shall be subject to the same statutory and administrative jurisdiction of the Director as if that person were an applicant or registrant.

B. Out-of-state pharmaceutical suppliers who provide controlled dangerous substances to individuals within this state shall obtain a registration issued by the Director of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, in accordance with rules promulgated by the Director. This provision shall also apply to wholesale distributors who distribute controlled dangerous substances to pharmacies or other entities registered within this state in accordance with rules promulgated by the Director.

C. Every person who owns in whole or in part a public or private medical facility for which a majority of patients are issued on a reoccurring monthly basis a prescription for opioids, benzodiazepines, barbiturates or carisoprodol, but not including Suboxone or buprenorphine, shall obtain a registration issued by the Director of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control.

D. Every manufacturer and distributor required to register under the provisions of this section shall provide all data required pursuant to 21 U.S.C., Section 827(d) (1) on a monthly basis to the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control. Controlled dangerous substances in Schedule I shall be reported in accordance with rules promulgated by the Director. Reporting of

controlled dangerous substances pursuant to 21 U.S.C., Section 827(d) (1) shall include, but not be limited to:

1. The manufacturer's or distributor's name, address, phone number, DEA registration number and controlled dangerous substance registration number issued by the Bureau;

2. The name, address and DEA registration number of the entity to whom the controlled dangerous substance was sold;

3. The date of the sale of the controlled dangerous substance;

4. The name and National Drug Code of the controlled dangerous substance sold; and

5. The number of containers and the strength and quantity of controlled dangerous substances in each container sold.

E. The information maintained and provided pursuant to subsection D of this section shall be confidential and not open to the public. Access to the information shall, at the discretion of the Director, be limited to:

1. Peace officers certified pursuant to the provisions of Section 3311 of Title 70 of the Oklahoma Statutes who are employed as investigative agents of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control or the Office of the Attorney General;

2. The United States Drug Enforcement Administration Diversion Group Supervisor; and

3. A multicounty grand jury properly convened pursuant to the provisions of the Multicounty Grand Jury Act.

F. Manufacturers, distributors, home care agencies, hospices, home care services, medical facility owners referred to in subsection C of this section and scientific researchers shall obtain a registration annually. Other practitioners shall obtain a registration for a period to be determined by the Director that will be for a period not less than one (1) year nor more than three (3) years.

G. Every trainer or handler of a canine controlled dangerous substances detector who, in the ordinary course of such trainer's or handler's profession, desires to possess any controlled dangerous

substance, annually, shall obtain a registration issued by the Director for a fee of Seventy Dollars (\$70.00). Such persons shall be subject to all applicable provisions of Section 2-101 et seq. of this title and such applicable rules promulgated by the Director for those individuals identified in subparagraph a of paragraph 32 of Section 2-101 of this title. Persons registered by the Director pursuant to this subsection may possess controlled dangerous substances to the extent authorized by their registration and in conformity with the other provisions of the Uniform Controlled Dangerous Substances Act.

H. The following persons shall not be required to register and may lawfully possess controlled dangerous substances under the provisions of Section 2-101 et seq. of this title:

1. An agent, or an employee thereof, of any registered manufacturer, distributor, dispenser or user for scientific purposes of any controlled dangerous substance, if such agent is acting in the usual course of such agent's or employee's business or employment;

2. Any person lawfully acting under the direction of a person authorized to administer controlled dangerous substances under Section 2-312 of this title;

3. A common or contract carrier or warehouseman, or an employee thereof, whose possession of any controlled dangerous substance is in the usual course of such carrier's or warehouseman's business or employment;

4. An ultimate user or a person in possession of any controlled dangerous substance pursuant to a lawful order of a practitioner;

5. An individual pharmacist acting in the usual course of such pharmacist's employment with a pharmacy registered pursuant to the provisions of Section 2-101 et seq. of this title;

6. A nursing home licensed by this state;

7. Any Department of Mental Health and Substance Abuse Services employee or any person whose facility contracts with the Department of Mental Health and Substance Abuse Services whose possession of any dangerous drug, as defined in Section 353.1 of Title 59 of the Oklahoma Statutes, is for the purpose of delivery of a mental health consumer's medicine to the consumer's home or residence;

8. Registered nurses and licensed practical nurses; and

9. An assisted living facility licensed by the State of Oklahoma.

I. The Director may, by rule, waive the requirement for registration or fee for registration of certain manufacturers, distributors, dispensers, prescribers, administrators, or users for scientific purposes if the Director finds it consistent with the public health and safety.

J. A separate registration shall be required at each principal place of business or professional practice where the applicant manufactures, distributes, dispenses, prescribes, administers, or uses for scientific purposes controlled dangerous substances.

K. The Director is authorized to inspect the establishment of a registrant or applicant for registration in accordance with rules promulgated by the Director.

L. No person engaged in a profession or occupation for which a license to engage in such activity is provided by law shall be registered under the Uniform Controlled Dangerous Substances Act unless such person holds a valid license of such person's profession or occupation.

M. Registrations shall be issued on the first day of November of each year. Registrations may be issued at other times, however, upon certification of the professional licensing board.

N. The licensing boards of all professions and occupations to which the use of controlled dangerous substances is incidental shall furnish a current list to the Director, not later than the first day of October of each year, of the persons holding valid licenses. All such persons except persons exempt from registration requirements under subsection H of this section shall be subject to the registration requirements of Section 2-101 et seq. of this title.

O. The licensing board of any professional defined as a mid-level practitioner shall notify and furnish to the Director, not later than the first day of October of each year, that such professional holds a valid license, a current listing of individuals licensed and registered with their respective boards to prescribe, order, select, obtain and administer controlled dangerous

substances. The licensing board shall immediately notify the Director of any action subsequently taken against any such individual.

P. Beginning November 1, 2010, each registrant that prescribes, administers or dispenses methadone shall be required to check the prescription profile of the patient on the central repository of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control.

SECTION 30. AMENDATORY 63 O.S. 2011, Section 2-304, as amended by Section 1, Chapter 1, O.S.L. 2015 (63 O.S. Supp. 2020, Section 2-304), is amended to read as follows:

Section 2-304. A. A registration, pursuant to Section 2-303 of this title, to manufacture, distribute, dispense, prescribe, administer or use for scientific purposes a controlled dangerous substance shall be limited, conditioned, denied, suspended or revoked by the Director upon a finding that the registrant:

1. Has materially falsified any application filed pursuant to the Uniform Controlled Dangerous Substances Act or required by the Uniform Controlled Dangerous Substances Act. It shall be unlawful to knowingly and willfully:

- a. make false statements, include false data or omit material information on an application for a registration with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, or
- b. provide false data or omit material information in any records or reports required by rule or law to be created, maintained or submitted to the Bureau.

Any registrant or applicant for a registration or any official, agent or employee of any registrant or applicant for a registration who violates the provisions of this paragraph shall be guilty of a misdemeanor and additionally subject to administrative action;

2. Has been found guilty of, entered a plea of guilty~~7~~ or entered a plea of nolo contendere to a misdemeanor relating to any substance defined herein as a controlled dangerous substance or any felony under the laws of any state or the United States;

3. Has had his or her federal registration retired, suspended~~7~~ or revoked by a competent federal authority and is no longer

authorized by federal law to manufacture, distribute, dispense, prescribe, administer or use for scientific purposes controlled dangerous substances;

4. Has failed to maintain effective controls against the diversion of controlled dangerous substances to unauthorized persons or entities;

5. Has prescribed, dispensed or administered a controlled dangerous substance from schedules other than those specified in his or her state or federal registration;

6. Has had a restriction, suspension, revocation, limitation, condition, or probation placed on his or her professional license or certificate or practice as a result of a proceeding pursuant to the general statutes;

7. Is abusing or, within the past five (5) years, has abused or excessively used drugs or controlled dangerous substances;

8. Has prescribed, sold, administered, or ordered any controlled substance for an immediate family member, himself or herself; provided that this shall not apply to a medical emergency when no other doctor is available to respond to the emergency;

9. Has possessed, used, prescribed, dispensed or administered drugs or controlled dangerous substances for other than legitimate medical or scientific purposes or for purposes outside the normal course of his or her professional practice;

10. Has been under the influence of alcohol or another intoxicating substance which adversely affected the central nervous system, vision, hearing or other sensory or motor functioning to such degree the person was impaired during the performance of his or her job; or

11. Has violated any federal law relating to any controlled substances, any provision of the Uniform Controlled Dangerous Substances Act, or any rules of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control.

B. In the event the Director suspends or revokes a registration granted under Section 2-303 of this title, all controlled dangerous substances owned or possessed by the registrant pursuant to such registration at the time of denial or suspension or the effective

date of the revocation order, as the case may be, may in the discretion of the Director be impounded and preserved. No disposition may be made of substances impounded and preserved until the time for taking an appeal has elapsed or until all appeals have been concluded unless a court, upon application therefor, orders the sale of perishable substances and the deposit of the proceeds of the sale with the court. Upon a revocation order becoming final, all such controlled dangerous substances shall be forfeited to the state.

C. The Drug Enforcement Administration shall promptly be notified of all orders suspending or revoking registration and all forfeitures of controlled dangerous substances.

D. In lieu of or in addition to any other remedies available to the Director, if a finding is made that a registrant has committed any act in violation of federal law relating to any controlled substance, any provision of the Uniform Controlled Dangerous Substances Act, or any rules of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Director is hereby authorized to assess an administrative penalty not to exceed Two Thousand Dollars (\$2,000.00) for each such act. The provisions of this subsection shall not apply to violations of subsection G of Section 2-309D of this title. Nothing in this section shall be construed so as to permit the Director of the State Bureau of Narcotics and Dangerous Drugs Control to assess administrative fines for violations of the provisions of subsection G of Section 2-309D of this title.

SECTION 31. AMENDATORY 63 O.S. 2011, Section 2-305, is amended to read as follows:

Section 2-305. A. Before denying, suspending or revoking a registration ~~or~~, refusing a renewal of registration or taking administrative action on a nonregistrant engaged in manufacturing, distributing, dispensing, prescribing, administering or using for scientific purposes any controlled dangerous substance within or into this state, the Director shall serve upon the applicant or registrant an order to show cause why registration should not be denied, revoked or suspended or why the renewal should not be refused. The order to show cause shall contain a statement of the basis therefor and shall call upon the applicant or registrant to appear before the appropriate person or agency at a time and place within thirty (30) days after the date of service of the order, but in the case of a denial or renewal of registration the show cause



order shall be served within thirty (30) days before the expiration of the registration. These proceedings shall be conducted in accordance with the Administrative Procedures Act without regard to any criminal prosecution or other proceeding. Proceedings to refuse renewal of registration shall not abate the existing registration which shall remain in effect pending the outcome of the administrative hearing.

B. The Director shall suspend, without an order to show cause, any registration simultaneously with the institution of proceedings under Section 2-304 of this title, if he or she finds there is imminent danger to the public health or safety which warrants this action. The suspension shall continue in effect until the conclusion of the proceedings, including judicial review thereof, unless sooner withdrawn by the Director or dissolved by a court of competent jurisdiction.

SECTION 32. This act shall become effective November 1, 2021.

Passed the House of Representatives the 24th day of May, 2021.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

Passed the Senate the 25th day of May, 2021.

\_\_\_\_\_  
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_