

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

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

4 HOUSE BILL 2674

 By: Echols

7 AS INTRODUCED

8 An Act relating to the Oklahoma Medical Marijuana
9 Authority; transferring the Oklahoma Medical
10 Marijuana Authority to the Alcoholic Beverage Laws
11 Enforcement Commission; transferring personnel,
12 funds, records, encumbrances, equipment, and other
13 items; providing requirements pertaining to the
14 transfer of employees; providing for the transfer of
15 administrative rules; requiring the State Department
16 of Health to abolish the Authority within the
17 Department after completion of transfer; providing
18 for transition coordinators and a transition team;
19 providing duties of the transition team; transferring
20 the Oklahoma Medical Marijuana Authority to the
21 Alcoholic Beverage Laws Enforcement Commission;
22 stating purpose of Authority; providing for the
23 promulgation of rules; amending Section 1, Chapter
24 435, O.S.L. 2019 (12 O.S. Supp. 2020, Section 1560),
 which relates to foreclosed medical marijuana
 dispensaries; eliminating references to the State
 Department of Health; 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;
 updating language; eliminating references to the
 State Department of Health and replacing said
 references with the Oklahoma Medical Marijuana
 Authority or Alcoholic Beverage Laws Enforcement
 Commission; 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; eliminating
 references to the State Department of Health and

1 replacing said references with the Oklahoma Medical
2 Marijuana Authority or Alcoholic Beverage Laws
3 Enforcement Commission; amending Section 3, State
4 Question No. 788, Initiative Petition No. 412 (63
5 O.S. Supp. 2020, Section 422), which relates to
6 commercial grower licensing requirements; updating
7 language; eliminating references to the State
8 Department of Health and replacing said references
9 with the Oklahoma Medical Marijuana Authority or
10 Alcoholic Beverage Laws Enforcement Commission;
11 amending Section 4, State Question No. 788,
12 Initiative Petition No. 412 (63 O.S. Supp. 2020,
13 Section 423), which relates to processor licensing
14 requirements; updating language; eliminating
15 references to the State Department of Health and
16 replacing said references with the Oklahoma Medical
17 Marijuana Authority or Alcoholic Beverage Laws
18 Enforcement Commission; amending Section 6, State
19 Question No. 788, Initiative Petition No. 412, as
20 last amended by Section 46, Chapter 161, O.S.L. 2020
21 (63 O.S. Supp. 2020, Section 425), which relates to
22 protections for medical marijuana patient licensees;
23 updating language; eliminating references to the
24 State Department of Health and replacing said
references with the Oklahoma Medical Marijuana
Authority or Alcoholic Beverage Laws Enforcement
Commission; amending Section 4, Chapter 509, O.S.L.
2019 (63 O.S. Supp. 2020, Section 426.1), which
relates to license revocation and hearings; updating
language; eliminating references to the State
Department of Health and replacing said references
with the Oklahoma Medical Marijuana Authority or
Alcoholic Beverage Laws Enforcement Commission;
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 5, 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 8,
Chapter 11, 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 13, Chapter 11, O.S.L. 2019, Section 14,
Chapter 11, O.S.L. 2019, as last amended by Section

1 51, Chapter 161, O.S.L. 2020, Section 15, Chapter 11,
2 O.S.L. 2019, Section 16, Chapter 11, O.S.L. 2019,
3 Section 17, Chapter 11, O.S.L. 2019, as amended by
4 Section 4, Chapter 312, O.S.L. 2019, Section 18,
5 Chapter 11, O.S.L. 2019, Section 19, Chapter 11,
6 O.S.L. 2019, Section 20, Chapter 11, O.S.L. 2019,
7 Section 22, Chapter 11, O.S.L. 2019 and Section 23,
8 Chapter 11, O.S.L. 2019, as amended by Section 11,
9 Chapter 477, O.S.L. 2019 (63 O.S. Supp. 2020,
10 Sections 427.2, 427.3, 427.4, 427.5, 427.6, 427.7,
11 427.8, 427.9, 427.10, 427.13, 427.14, 427.15, 427.16,
12 427.17, 427.18, 427.19, 427.20, 427.22 and 427.23),
13 which relate to the Oklahoma Medical Marijuana and
14 Patient Protection Act; updating language;
15 eliminating references to the State Department of
16 Health and replacing said references with the
17 Oklahoma Medical Marijuana Authority or Alcoholic
18 Beverage Laws Enforcement Commission; eliminating
19 references to the Commissioner of the State
20 Department of Health and replacing said references
21 with the Director of the Alcoholic Beverage Laws
22 Enforcement Commission; amending Sections 2, 3 and 4,
23 Chapter 337, O.S.L. 2019 (63 O.S. Supp. 2020,
24 Sections 428.1, 429 and 430), which relate to the
Oklahoma Medical Marijuana Waste Management Act;
updating language; eliminating references to the
Commissioner of the State Department of Health and
replacing said references with the Director of the
Alcoholic Beverage Laws Enforcement Commission;
updating name of revolving fund; providing for
codification; providing for noncodification; and
providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 427.3a of Title 63, unless there
is created a duplication in numbering, reads as follows:

A. Effective November 1, 2021, all powers, duties and
responsibilities of the Oklahoma Medical Marijuana Authority, a

1 division within the State Department of Health, shall be fully
2 transferred from the State Department of Health to the Alcoholic
3 Beverage Laws Enforcement Commission.

4 B. All assets, funds, liabilities, allotments, purchase orders,
5 outstanding financial obligations, encumbrances, records, vehicles,
6 equipment, and other property of the Oklahoma Medical Marijuana
7 Authority are hereby transferred to the Alcoholic Beverage Laws
8 Enforcement Commission.

9 C. Personnel employed by the Oklahoma Medical Marijuana
10 Authority on November 1, 2021, shall be transferred to the Alcoholic
11 Beverage Laws Enforcement Commission pursuant to a transition plan
12 implemented by the Alcoholic Beverage Laws Enforcement Commission,
13 the State Department of Health and the Oklahoma Medical Marijuana
14 Authority as required by Section 2 of this act.

15 D. The employees who are transferred pursuant to this section
16 shall be subject to the following provisions:

17 1. All employees who are transferred pursuant to this act shall
18 retain leave, sick and annual time earned and any retirement and
19 longevity benefits which have accrued during their employment with
20 the state. The salaries of employees who are transferred shall not
21 be reduced as a direct and immediate result of the transfer;

22 2. If the Alcoholic Beverage Laws Enforcement Commission should
23 implement a reduction in force, all employees transferred pursuant
24

1 to this act shall be credited for the time they were employed by the
2 Oklahoma Medical Marijuana Authority; and

3 3. The transfer of personnel shall be coordinated with the
4 Office of Management and Enterprise Services.

5 E. Effective November 1, 2021, any administrative rules
6 promulgated by the State Department of Health related to the
7 administration of the Oklahoma Medical Marijuana and Patient
8 Protection Act, Oklahoma Medical Marijuana Waste Management Act and
9 any other administrative rules related to medical marijuana in
10 Oklahoma shall be transferred to and become part of the
11 administrative rules of the Alcoholic Beverage Laws Enforcement
12 Commission. The Office of Administrative Rules in the Office of the
13 Secretary of State shall provide adequate notice in the Oklahoma
14 Register of the transfer of rules, and shall place the transferred
15 rules under the Administrative Code section of the Alcoholic
16 Beverage Laws Enforcement Commission.

17 F. The Commissioner of the State Department of Health shall
18 abolish the division of the Oklahoma Medical Marijuana Authority
19 within the State Department of Health after such transfer has been
20 completed.

21 SECTION 2. NEW LAW A new section of law not to be
22 codified in the Oklahoma Statutes reads as follows:

23 A. The Director of the Alcoholic Beverage Laws Enforcement
24 Commission, the Commissioner of the State Department of Health and

1 the Director of the Oklahoma Medical Marijuana Authority shall serve
2 as transition coordinators and shall establish a transition team to
3 coordinate the orderly transfer of duties, personnel, property,
4 funds, financial obligations and encumbrances of the Oklahoma
5 Medical Marijuana Authority to the Alcoholic Beverage Laws
6 Enforcement Commission. Each Director and the Commissioner may
7 assign personnel to the transition team as deemed necessary.

8 B. The transition team shall:

9 1. In conjunction with the Office of Management and Enterprise
10 Services, oversee and administer the orderly transfer of
11 responsibilities, assets, funds, liabilities, allotments, purchase
12 orders, vehicles and other property, records, personnel and any
13 outstanding financial obligations or encumbrances to the Alcoholic
14 Beverage Laws Enforcement Commission from the Oklahoma Medical
15 Marijuana Authority;

16 2. Review functions currently assigned to or managed by the
17 Oklahoma Medical Marijuana Authority and the Alcoholic Beverage Laws
18 Enforcement Commission;

19 3. Establish a plan for the transfer of employees from the
20 Oklahoma Medical Marijuana Authority to the Alcoholic Beverage Laws
21 Enforcement Commission. The plan shall include a list of positions
22 to be transferred. The plan also shall include a reduction-in-force
23 plan and a severance benefits plan that conform with the
24

1 requirements of the State Government Reduction-in-Force and
2 Severance Benefits Act; and

3 4. Take such other action as may be reasonably necessary and
4 appropriate to effectuate the orderly transition of functions as
5 provided by this act.

6 SECTION 3. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 1-113 of Title 37A, unless there
8 is created a duplication in numbering, reads as follows:

9 A. Effective November 1, 2021, the Oklahoma Medical Marijuana
10 Authority shall be transferred and become a division within the
11 Alcoholic Beverage Laws Enforcement Commission. The Authority shall
12 address issues related to the medical marijuana program in Oklahoma
13 including, but not limited to, the issuance of patient licenses and
14 medical marijuana business licenses, and the dispensing,
15 cultivating, processing, testing, transporting, storage, research,
16 disposal and the use and sale of medical marijuana pursuant to the
17 Oklahoma Medical Marijuana and Patient Protection Act and the
18 Oklahoma Medical Marijuana Waste Management Act.

19 B. The Director of the Alcoholic Beverage Laws Enforcement
20 Commission shall adopt and promulgate such rules as may be necessary
21 to carry out the duties of the Authority.

22 SECTION 4. AMENDATORY Section 1, Chapter 435, O.S.L.
23 2019 (12 O.S. Supp. 2020, Section 1560), is amended to read as
24 follows:

1 Section 1560. A. In the event that a licensed medical
2 marijuana dispensary, commercial grower or processor is foreclosed,
3 is the subject of an order appointing a receiver, becomes insolvent,
4 bankrupt or otherwise ceases operations, a secured party or receiver
5 may continue operations at the dispensary, grower or processor upon
6 submitting to the Oklahoma Medical Marijuana Authority,~~State~~
7 ~~Department of Health,~~ proof that the secured party or receiver, or
8 if the secured party or receiver is a business entity, any
9 individual who has a financial interest in the secured party or
10 receiver, meets the requirements and restrictions set forth in:

11 1. For licensed medical marijuana dispensaries, Section 421 of
12 Title 63 of the Oklahoma Statutes;

13 2. For licensed commercial medical marijuana growers, Section
14 422 of Title 63 of the Oklahoma Statutes; or

15 3. For licensed medical marijuana processors, Section 423 of
16 Title 63 of the Oklahoma Statutes.

17 The Authority may prescribe the form and manner of submitting
18 proof under this subsection. Neither the state nor agency of this
19 state shall require an additional fee from the secured party or
20 receiver, other than payment of annual fees which may become due
21 during the operation by the secured party or receiver.

22 B. Subject to the requirements of subsection A of this section,
23 the Oklahoma Medical Marijuana Authority,~~State Department of~~
24

1 ~~Health,~~ shall promulgate rules for the manner and conditions under
2 which:

3 1. Marijuana items left by a deceased, insolvent or bankrupt
4 person or licensee, or subject to a security interest or a court
5 order appointing a receiver, may be foreclosed, sold under execution
6 or otherwise disposed whether by foreclosure or by sale as a going
7 concern;

8 2. The business of a licensee who is deceased, insolvent,
9 bankrupt, or the subject of an order appointing a receiver or a
10 foreclosure by a secured party, may be operated for a reasonable
11 period following the death, insolvency, appointment of a receiver or
12 bankruptcy; and

13 3. A secured party or court-appointed receiver may continue to
14 operate a business for which a license has been issued under Section
15 421, 422 or 423 of Title 63 of the Oklahoma Statutes for a
16 reasonable period after default on the indebtedness by the debtor or
17 after the appointment of the receiver.

18 SECTION 5. AMENDATORY Section 1, State Question No. 788,
19 Initiative Petition No. 412, as last amended by Section 44, Chapter
20 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), is amended to
21 read as follows:

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

24 1. Consume marijuana legally;

- 1 2. Legally possess up to three (3) ounces of marijuana on their
- 2 person;
- 3 3. Legally possess six mature marijuana plants;
- 4 4. Legally possess six seedling plants;
- 5 5. Legally possess one (1) ounce of concentrated marijuana;
- 6 6. Legally possess seventy-two (72) ounces of edible marijuana;
- 7 and
- 8 7. Legally possess up to eight (8) ounces of marijuana in their
- 9 residence.

10 B. Possession of up to one and one-half (1.5) ounces of
11 marijuana by persons who can state a medical condition, but are not
12 in possession of a state-issued medical marijuana patient license,
13 shall constitute a misdemeanor offense punishable by a fine not to
14 exceed Four Hundred Dollars (\$400.00) and shall not be subject to
15 imprisonment for the offense. Any law enforcement officer who comes
16 in contact with a person in violation of this subsection and who is
17 satisfied as to the identity of the person, as well as any other
18 pertinent information the law enforcement officer deems necessary,
19 shall issue to the person a written citation containing a notice to
20 answer the charge against the person in the appropriate court. Upon
21 receiving the written promise of the alleged violator to answer as
22 specified in the citation, the law enforcement officer shall release
23 the person upon personal recognizance unless there has been a
24 violation of another provision of law.

1 C. A regulatory office shall be established ~~under~~ within the
2 ~~State Department of Health~~ Alcoholic Beverage Laws Enforcement
3 Commission which shall receive applications for medical marijuana
4 patient license recipients, dispensaries, growers, and packagers
5 within sixty (60) days of the passage of this initiative.

6 D. The ~~State Department of Health~~ Oklahoma Medical Marijuana
7 Authority shall, within thirty (30) days of passage of this
8 initiative, make available on its website, in an easy-to-find
9 location, an application for a medical marijuana patient license.
10 The license shall be good for two (2) years. The application fee
11 shall be One Hundred Dollars (\$100.00), or Twenty Dollars (\$20.00)
12 for individuals on Medicaid, Medicare or SoonerCare. The methods of
13 payment shall be provided on the website of the ~~Department~~
14 Authority.

15 E. A short-term medical marijuana patient license application
16 shall also be made available on the website of the ~~State Department~~
17 ~~of Health~~ Oklahoma Medical Marijuana Authority. A short-term
18 medical marijuana patient license shall be granted to any applicant
19 who can meet the requirements for a two-year medical marijuana
20 patient license, but whose physician recommendation for medical
21 marijuana is only valid for sixty (60) days. Short-term medical
22 marijuana patient licenses shall be issued for sixty (60) days. The
23 fee for a short-term medical marijuana patient license and the
24

1 procedure for extending or renewing the license shall be determined
2 by the ~~Department~~ Authority.

3 F. A temporary medical marijuana patient license application
4 shall also be made available on the website of the ~~Department~~
5 Oklahoma Medical Marijuana Authority. A temporary medical marijuana
6 patient license shall be granted to any medical marijuana ~~license~~
7 ~~holder~~ patient licensee from ~~other states~~ another state, provided
8 that the state has a state-regulated medical marijuana program, and
9 the applicant can prove he or she is a member of such program.
10 Temporary medical marijuana patient licenses shall be issued for
11 thirty (30) days. The cost for a temporary medical marijuana
12 patient license shall be One Hundred Dollars (\$100.00). Renewal
13 shall be granted with resubmission of a new application. No
14 additional criteria shall be required.

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

20 H. The ~~State Department of Health~~ Oklahoma Medical Marijuana
21 Authority shall review the medical marijuana application, approve or
22 reject the application, and mail the approval or rejection letter
23 stating any reasons for rejection to the applicant within fourteen
24 (14) business days of receipt of the application. Approved

1 applicants shall be issued a medical marijuana patient license which
2 shall act as proof of ~~his or her~~ their approved status.

3 Applications may only be rejected based on the applicant not meeting
4 stated criteria or improper completion of the application.

5 I. ~~The State Department of Health~~ Oklahoma Medical Marijuana
6 Authority shall only keep the following records for each approved
7 medical marijuana patient license:

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

9 2. The expiration date of the license;

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

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

13 J. ~~The State Department of Health~~ Oklahoma Medical Marijuana
14 Authority shall make available, both on its website and through a
15 telephone verification system, an easy method to validate the
16 authenticity of the medical marijuana patient license by the unique
17 24-character identification number.

18 K. ~~The State Department of Health~~ Oklahoma Medical Marijuana
19 Authority shall ensure that all application records and information
20 are sealed to protect the privacy of medical marijuana patient
21 license applicants.

22 L. A caregiver license shall be made available for qualified
23 caregivers of a medical marijuana ~~license holder~~ patient licensee
24 who is homebound. As provided in Section ~~11 of Enrolled House Bill~~

1 ~~No. 2612 of the 1st Session~~ 427.11 ~~of the 57th Oklahoma Legislature~~
2 this title, the caregiver license shall provide the caregiver the
3 same rights as the medical marijuana patient licensee, including the
4 ability to possess marijuana, marijuana products and mature and
5 immature plants pursuant to the Oklahoma Medical Marijuana and
6 Patient Protection Act, but excluding the ability to use marijuana
7 or marijuana products unless the caregiver has a medical marijuana
8 patient license. An applicant for a caregiver license shall submit
9 proof of the license status and homebound status of the medical
10 marijuana patient and proof that the applicant is the designee of
11 the medical marijuana patient. The applicant shall also submit
12 proof that he or she is eighteen (18) years of age or older and
13 proof of his or her Oklahoma residency. This shall be the only
14 criteria for a caregiver license.

15 M. All applicants shall be eighteen (18) years of age or older.
16 A special exception shall be granted to an applicant under the age
17 of eighteen (18); however, these applications shall be signed by two
18 physicians and the parent or legal guardian of the applicant.

19 N. All applications for a medical marijuana patient license
20 shall be signed by an Oklahoma physician. There are no qualifying
21 conditions. A medical marijuana patient license must be recommended
22 according to the accepted standards a reasonable and prudent
23 physician would follow when recommending or approving any
24

1 medication. No physician may be unduly stigmatized or harassed for
2 signing a medical marijuana patient license application.

3 O. Counties and cities may enact medical marijuana guidelines
4 allowing medical marijuana ~~license holders~~ patient licensees or
5 licensed caregivers to exceed the state limits set forth in
6 subsection A of this section.

7 SECTION 6. AMENDATORY Section 2, State Question No. 788,
8 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 421), is
9 amended to read as follows:

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

24

1 B. ~~The Oklahoma State Department of Health~~ Oklahoma Medical
2 Marijuana Authority must approve all applications which meet the
3 following criteria:

4 1. Applicant must be age twenty-five (25) or older;

5 2. Any applicant, applying as an individual, must show
6 residency in the State of Oklahoma;

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

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

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

14 6. All applicants must disclose all ownership~~r~~.

15 ~~7. Applicant(s)~~ An applicant with ~~only a~~ nonviolent felony
16 ~~conviction(s)~~ conviction in the last two (2) years~~r~~ or any ~~other~~
17 felony conviction in the last five (5) ~~(years)~~ years, inmates~~r~~ in
18 the custody of the Department of Corrections or any person currently
19 incarcerated may not qualify for a medical marijuana dispensary
20 license.

21 C. ~~Retailers~~ Dispensaries will be required to complete a
22 monthly sales report to the ~~Oklahoma Department of Health~~ Oklahoma
23 Medical Marijuana Authority. This report will be due on the ~~15th~~
24 fifteenth of each month and provide reporting on the previous month.

1 This report will detail the weight of marijuana purchased at
2 wholesale and the weight of marijuana sold to ~~card holders~~ medical
3 marijuana patient licensees or licensed caregivers, and account for
4 any waste. The report will show total sales in dollars, tax
5 collected in dollars, and tax due in dollars. The ~~Oklahoma State~~
6 ~~Department of Health~~ Oklahoma Medical Marijuana Authority will have
7 oversight and auditing responsibilities to ensure that all marijuana
8 being grown is accounted for. A ~~retailer~~ dispensary will only be
9 subject to a penalty if a gross discrepancy exists and cannot be
10 explained. Penalties for fraudulent reporting occurring within any
11 ~~2-year~~ two-year time period will be an initial fine of Five Thousand
12 Dollars (\$5,000.00) (first) and revocation of licensing (second).

13 D. Only a licensed medical marijuana ~~retailer~~ dispensary may
14 conduct retail sales of marijuana, or marijuana derivatives in the
15 form provided by licensed processors, and these products can only be
16 sold to a medical marijuana ~~license holder~~ patient licensee or ~~their~~
17 his or her licensed caregiver. Penalties for fraudulent sales
18 occurring within any ~~2-year~~ two-year time period will be an initial
19 fine of Five Thousand Dollars (\$5,000.00) (first) and revocation of
20 licensing (second).

21 SECTION 7. AMENDATORY Section 3, State Question No. 788,
22 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 422), is
23 amended to read as follows:

24

1 Section 422. A. ~~The Oklahoma State Department of Health~~
2 Oklahoma Medical Marijuana Authority will within thirty (30) days of
3 passage of this initiative, make available, on their website, in an
4 easy-to-find location, an application for a commercial grower
5 license. The application fee will be Two Thousand Five Hundred
6 Dollars (\$2,500.00) and methods of payment will be provided on the
7 website. ~~The Oklahoma State Department of Health~~ Oklahoma Medical
8 Marijuana Authority has two (2) weeks to review application, approve
9 or reject the application, and mail the approval/rejection letter
10 (if rejected, stating reasons for rejection) to the applicant.

11 B. ~~The Oklahoma State Department of Health~~ Oklahoma Medical
12 Marijuana Authority must approve all applications which meet the
13 following criteria:

- 14 1. Applicant must be age twenty-five (25) or older;
- 15 2. Any applicant, applying as an individual, must show
16 residency in the State of Oklahoma;
- 17 3. All applying entities must show that all members, managers,
18 and board members are Oklahoma residents;
- 19 4. An applying entity may show ownership of non-Oklahoma
20 residents, but that percentage ownership may not exceed twenty-five
21 percent (25%);
- 22 5. All applying individuals or entities must be registered to
23 conduct business in the State of Oklahoma; and
- 24 6. All applicants must disclose all ownership~~7~~.

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

6 C. A licensed commercial grower may sell marijuana to a
7 licensed ~~retailer~~, dispensary or a licensed packager. Further,
8 these sales will be considered wholesale sales and not subject to
9 taxation. Under no circumstances may a licensed commercial grower
10 sell marijuana directly to the holder of a medical marijuana patient
11 license holder. A licensed commercial grower may only sell at the
12 wholesale level to a licensed ~~retailer~~ dispensary or a licensed
13 processor. If the federal government lifts restrictions on buying
14 and selling marijuana between states, then a licensed commercial
15 grower would be allowed to sell and buy marijuana wholesale from, or
16 to, an out of state wholesale provider. A licensed commercial
17 grower will be required to complete a monthly yield and sales report
18 to the ~~Oklahoma Department of Health~~ Oklahoma Medical Marijuana
19 Authority. This report will be due on the ~~15th~~ fifteenth of each
20 month and provide reporting on the previous month. This report will
21 detail amount of marijuana harvested in pounds, the amount of drying
22 or dried marijuana on hand, the amount of marijuana sold to
23 processors in pounds, the amount of waste in pounds, and the amount
24 of marijuana sold to ~~retailers~~ licensed dispensaries in ~~lbs~~ pounds.

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

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

12 SECTION 8. AMENDATORY Section 4, State Question No. 788,
13 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 423), is
14 amended to read as follows:

15 Section 423. A. The ~~Oklahoma State Department of Health~~
16 Oklahoma Medical Marijuana Authority shall within thirty (30) days
17 of passage of this initiative, make available, on their website, in
18 an easy-to-find location, an application for a medical marijuana
19 processing license. The application fee shall be Two Thousand Five
20 Hundred Dollars (\$2,500.00) and methods of payment will be provided
21 on the website. The ~~Oklahoma State Department of Health~~ Oklahoma
22 Medical Marijuana Authority shall have two (2) weeks to review the
23 application, approve or reject the application, and mail the
24

1 approval/rejection letter (if rejected, stating reasons for
2 rejection) to the applicant.

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

6 1. Applicant must be age twenty-five (25) or older;

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

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

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

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

16 6. All applicants must disclose all ownership~~r~~.

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

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

1 for consumption. As required by subsection D of this section, the
2 ~~Oklahoma State Department of Health~~ Oklahoma Medical Marijuana
3 Authority will, within sixty (60) days of passage of this
4 initiative, make available a set of standards which will be used by
5 licensed processors in the preparation of edible marijuana products.
6 This should be in line with current food preparation guidelines and
7 no excessive or punitive rules may be established by the ~~Oklahoma~~
8 ~~State Department of Health~~ Oklahoma Medical Marijuana Authority.
9 Once a year, the ~~Oklahoma State Department of Health~~ Oklahoma
10 Medical Marijuana Authority may inspect a processing operation and
11 determine its compliance with the preparation standards. If
12 deficiencies are found, a written report of deficiency will be
13 issued to the processor. The processor will have one (1) month to
14 correct the deficiency or be subject to a fine of Five Hundred
15 Dollars (\$500.00) for each deficiency. A licensed processor may
16 sell marijuana products it creates to a licensed ~~retailer~~
17 dispensary, or any other licensed processor. Further, these sales
18 will be considered wholesale sales and not subject to taxation.
19 Under no circumstances may a licensed processor sell marijuana, or
20 any marijuana product, directly to a medical marijuana ~~license~~
21 ~~holder~~ patient licensee. However, a licensed processor may process
22 cannabis into a concentrated form, for a medical ~~license holder~~
23 marijuana patient licensee, for a fee. Processors will be required
24 to complete a monthly yield and sales report to the ~~Oklahoma State~~

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

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

1 another board of twelve (12) Oklahoma marijuana industry experts. A
2 signed letter of twenty (20) operating processors would constitute a
3 need for a new board and standard review.

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

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

11 SECTION 9. AMENDATORY Section 6, State Question No. 788,
12 Initiative Petition No. 412, as last amended by Section 46, Chapter
13 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 425), is amended to
14 read as follows:

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

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

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

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

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

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

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

1 E. No person holding a medical marijuana patient license may
2 unduly be withheld from holding a state-issued license by virtue of
3 their being a medical marijuana ~~license holder~~ patient licensee
4 including, but not limited to, a concealed carry permit.

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

8 2. For purposes of this subsection, an undue change or
9 restriction of municipal zoning laws means an act which entirely
10 prevents ~~retail~~ medical marijuana ~~establishments~~ dispensaries from
11 operating within municipal boundaries as a matter of law.

12 Municipalities may follow their standard planning and zoning
13 procedures to determine if certain zones or districts would be
14 appropriate for locating marijuana-licensed premises, medical
15 marijuana businesses or any other premises where marijuana or its
16 by-products are cultivated, grown, processed, stored or
17 manufactured.

18 3. For purposes of this section, "~~retail marijuana~~
19 ~~establishment~~" "medical marijuana dispensary" means an entity
20 licensed by the ~~State Department of Health~~ Oklahoma Medical
21 Marijuana Authority as a medical marijuana dispensary. ~~Retail~~
22 Medical marijuana ~~establishment~~ dispensary does not include those
23 other entities licensed by the ~~Department~~ Authority as marijuana-
24 licensed premises, medical marijuana businesses or other facilities

1 or locations where marijuana or any product containing marijuana or
2 its by-products are cultivated, grown, processed, stored or
3 manufactured.

4 G. The location of any ~~retail~~ medical marijuana ~~establishment~~
5 dispensary is specifically prohibited within one thousand (1,000)
6 feet of any public or private school entrance.

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

18 SECTION 10. AMENDATORY Section 4, Chapter 509, O.S.L.
19 2019 (63 O.S. Supp. 2020, Section 426.1), is amended to read as
20 follows:

21 Section 426.1 A. Except for revocation hearings concerning
22 licensed patients, as defined in Section ~~2 of Enrolled House Bill~~
23 ~~No. 2612~~ 427.2 of the ~~1st Session of the 57th Oklahoma Legislature~~
24 this title, all licensure revocation hearings conducted pursuant to

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

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

15 C. ~~The State Department of Health~~ Oklahoma Medical Marijuana
16 Authority shall make available all information displayed on medical
17 marijuana patient licenses, as well as whether or not the license is
18 valid, to law enforcement electronically through the Oklahoma Law
19 Enforcement Telecommunications System.

20 D. The ~~Department~~ Authority shall make available to political
21 subdivisions a list of marijuana-licensed premises, medical
22 marijuana businesses or any other premises where marijuana or its
23 by-products are licensed to be cultivated, grown, processed, stored
24 or manufactured to aid county and municipal governments in

1 identifying locations within their jurisdiction and ensure
2 compliance with local regulations.

3 E. All marijuana-licensed premises, medical marijuana
4 businesses or any other premises where marijuana or its by-products
5 are licensed to be cultivated, grown, processed, stored or
6 manufactured shall submit with their application, after notifying
7 the political subdivision of their intent, a certificate of
8 compliance from the political subdivision where the facility of the
9 applicant or use is to be located certifying compliance with zoning
10 classifications, applicable municipal ordinances and all applicable
11 safety, electrical, fire, plumbing, waste, construction and building
12 specification codes.

13 SECTION 11. AMENDATORY Section 2, Chapter 11, O.S.L.
14 2019, as last amended by Section 48, Chapter 161, O.S.L. 2020 (63
15 O.S. Supp. 2020, Section 427.2), is amended to read as follows:

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

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

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

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

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

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

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

11 a. designed or constructed to be significantly difficult
12 for children under five (5) years of age to open and
13 not difficult for normal adults to use properly as
14 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
15 1700.20 (1995),

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

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

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

4 8. ~~"Commissioner"~~ "Commission" means the ~~State Commissioner of~~
5 ~~Health~~ Alcoholic Beverage Laws Enforcement Commission;

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

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

13 ~~11.~~ "Director" means the ~~Executive Director of the Oklahoma~~
14 ~~Medical Marijuana Authority~~ Alcoholic Beverage Laws Enforcement
15 Commission;

16 ~~12.~~ 11. "Dispense" means the selling of medical marijuana or a
17 medical marijuana product to a qualified patient or the designated
18 caregiver of the patient that is packaged in a suitable container
19 appropriately labeled for subsequent administration to or use by a
20 qualifying patient;

21 ~~13.~~ 12. "Dispensary" means a medical marijuana dispensary, an
22 entity that has been licensed by the ~~Department~~ Authority pursuant
23 to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
24 Act to purchase medical marijuana or medical marijuana products from

1 a licensed medical marijuana commercial grower or medical marijuana
2 processor, sell medical marijuana or medical marijuana products to
3 patients and caregivers as defined under this ~~act~~ section, or sell
4 or transfer products to another dispensary;

5 ~~14.~~ 13. "Edible medical marijuana product" means any medical-
6 marijuana-infused product for which the intended use is oral
7 consumption including, but not limited to, any type of food, drink
8 or pill;

9 ~~15.~~ 14. "Entity" means an individual, general partnership,
10 limited partnership, limited liability company, trust, estate,
11 association, corporation, cooperative, or any other legal or
12 commercial entity;

13 ~~16.~~ 15. "Flower" means the reproductive organs of the marijuana
14 or cannabis plant referred to as the bud or parts of the plant that
15 are harvested and used to consume in a variety of medical marijuana
16 products;

17 ~~17.~~ 16. "Flowering" means the reproductive state of the
18 marijuana or cannabis plant in which there are physical signs of
19 flower or budding out of the nodes of the stem;

20 ~~18.~~ 17. "Food-based medical marijuana concentrate" means a
21 medical marijuana concentrate that was produced by extracting
22 cannabinoids from medical marijuana through the use of propylene
23 glycol, glycerin, butter, olive oil, coconut oil or other typical
24 food-safe cooking fats;

1 ~~19.~~ 18. "Good cause" for purposes of an initial, renewal or
2 reinstatement license application, or for purposes of discipline of
3 a licensee, means:

- 4 a. the licensee or applicant has violated, does not meet,
5 or has failed to comply with any of the terms,
6 conditions or provisions of the act, any rules
7 promulgated pursuant thereto, or any supplemental
8 relevant state or local law, rule or regulation,
- 9 b. the licensee or applicant has failed to comply with
10 any special terms or conditions that were placed upon
11 the license pursuant to an order of the ~~State~~
12 ~~Department of Health,~~ Oklahoma Medical Marijuana
13 Authority or the municipality, or
- 14 c. the licensed premises of a medical marijuana business
15 or applicant have been operated in a manner that
16 adversely affects the public health or welfare or the
17 safety of the immediate vicinity in which the
18 establishment is located;

19 ~~20.~~ 19. "Harvest batch" means a specifically identified
20 quantity of medical marijuana that is uniform in strain, cultivated
21 utilizing the same cultivation practices, harvested at the same time
22 from the same location and cured under uniform conditions;

23 ~~21.~~ 20. "Harvested marijuana" means post-flowering medical
24 marijuana not including trim, concentrate or waste;

1 ~~22.~~ 21. "Heat- or pressure-based medical marijuana concentrate"
2 means a medical marijuana concentrate that was produced by
3 extracting cannabinoids from medical marijuana through the use of
4 heat or pressure;

5 ~~23.~~ 22. "Immature plant" means a nonflowering marijuana plant
6 that has not demonstrated signs of flowering;

7 ~~24.~~ 23. "Inventory tracking system" means the required tracking
8 system that accounts for medical marijuana from either the seed or
9 immature plant stage until the medical marijuana or medical
10 marijuana product is sold to a patient at a medical marijuana
11 dispensary, transferred to a medical marijuana research facility,
12 destroyed by a medical marijuana business or used in a research
13 project by a medical marijuana research facility;

14 ~~25.~~ 24. "Licensed patient" or "patient" means a person who has
15 been issued a medical marijuana patient license by the ~~State~~
16 ~~Department of Health or~~ Oklahoma Medical Marijuana Authority;

17 ~~26.~~ 25. "Licensed premises" means the premises specified in an
18 application for a medical marijuana business license, medical
19 marijuana research facility license or medical marijuana education
20 facility license pursuant to ~~this act~~ the Oklahoma Medical Marijuana
21 and Patient Protection Act that are owned or in possession of the
22 licensee and within which the licensee is authorized to cultivate,
23 manufacture, distribute, sell, store, transport, test or research
24 medical marijuana or medical marijuana products in accordance with

1 the provisions of ~~this act~~ the Oklahoma Medical Marijuana and
2 Patient Protection Act and rules promulgated pursuant thereto;

3 ~~27.~~ 26. "Manufacture" means the production, propagation,
4 compounding or processing of a medical marijuana product, excluding
5 marijuana plants, either directly or indirectly by extraction from
6 substances of natural or synthetic origin, or independently by means
7 of chemical synthesis, or by a combination of extraction and
8 chemical synthesis;

9 ~~28.~~ 27. "Marijuana" shall have the same meaning as such term is
10 defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this
11 title;

12 ~~29.~~ 28. "Material change" means any change that would require a
13 substantive revision to the standard operating procedures of a
14 licensee for the cultivation or production of medical marijuana,
15 medical marijuana concentrate or medical marijuana products;

16 ~~30.~~ 29. "Mature plant" means a harvestable female marijuana
17 plant that is flowering;

18 ~~31.~~ 30. "Medical marijuana business (MMB)" means a licensed
19 medical marijuana dispensary, medical marijuana processor, medical
20 marijuana commercial grower, medical marijuana laboratory, medical
21 marijuana business operator, or a medical marijuana transporter;

22 ~~32.~~ 31. "Medical marijuana concentrate" or "concentrate" means
23 a specific subset of medical marijuana that was produced by
24 extracting cannabinoids from medical marijuana. Categories of

1 medical marijuana concentrate include water-based medical marijuana
2 concentrate, food-based medical marijuana concentrate, solvent-based
3 medical marijuana concentrate, and heat- or pressure-based medical
4 marijuana concentrate;

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

14 ~~34.~~ 33. "Medical marijuana education facility" or "education
15 facility" means a person or entity approved pursuant to ~~this act~~
16 Section 427.20 of this title to operate a facility providing
17 training and education to individuals involving the cultivation,
18 growing, harvesting, curing, preparing, packaging or testing of
19 medical marijuana, or the production, manufacture, extraction,
20 processing, packaging or creation of medical-marijuana-infused
21 products or medical marijuana products as described in ~~this act~~ the
22 Oklahoma Medical Marijuana and Patient Protection Act;

23
24

1 ~~35.~~ 34. "Medical-marijuana-infused product" means a product
2 infused with medical marijuana including, but not limited to, edible
3 products, ointments and tinctures;

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

12 ~~37.~~ 36. "Medical marijuana processor" means a person or entity
13 licensed pursuant to ~~this act~~ Section 423 of this title and the
14 Oklahoma Medical Marijuana and Patient Protection Act to operate a
15 business including the production, manufacture, extraction,
16 processing, packaging or creation of concentrate, medical-marijuana-
17 infused products or medical marijuana products as described in ~~this~~
18 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

19 ~~38.~~ 37. "Medical marijuana research facility" or "research
20 facility" means a person or entity approved pursuant to ~~this act~~
21 Section 427.19 of this title to conduct medical marijuana research.
22 A medical marijuana research facility is not a medical marijuana
23 business;

1 ~~39.~~ 38. "Medical marijuana testing laboratory" or "laboratory"
2 means a public or private laboratory licensed pursuant to ~~this act~~,
3 Section 427.17 of this title to conduct testing and research on
4 medical marijuana and medical marijuana products;

5 ~~40.~~ 39. "Medical marijuana transporter" or "transporter" means
6 a person or entity that is licensed pursuant to ~~this act~~ Section
7 427.16 of this title. A medical marijuana transporter does not
8 include a medical marijuana business that transports its own medical
9 marijuana, medical marijuana concentrate or medical marijuana
10 products to a property or facility adjacent to or connected to the
11 licensed premises if the property is another licensed premises of
12 the same medical marijuana business;

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

18 ~~42.~~ 41. "Medical use" means the acquisition, possession, use,
19 delivery, transfer or transportation of medical marijuana, medical
20 marijuana products, medical marijuana devices or paraphernalia
21 relating to the administration of medical marijuana to treat a
22 licensed patient;

23 ~~43.~~ 42. "Mother plant" means a marijuana plant that is grown or
24 maintained for the purpose of generating clones, and that will not

1 be used to produce plant material for sale to a medical marijuana
2 processor or medical marijuana dispensary;

3 ~~44.~~ 43. "Oklahoma physician" or "physician" means a physician
4 licensed by and in good standing with the State Board of Medical
5 Licensure and Supervision, the State Board of Osteopathic Examiners
6 or the Board of Podiatric Medical Examiners;

7 ~~45.~~ 44. "Oklahoma resident" means an individual who can provide
8 proof of residency as required by ~~this act~~ the Oklahoma Medical
9 Marijuana and Patient Protection Act;

10 ~~46.~~ 45. "Owner" means, except where the context otherwise
11 requires, a direct beneficial owner including, but not limited to,
12 all persons or entities as follows:

- 13 a. all shareholders owning an interest of a corporate
14 entity and all officers of a corporate entity,
- 15 b. all partners of a general partnership,
- 16 c. all general partners and all limited partners that own
17 an interest in a limited partnership,
- 18 d. all members that own an interest in a limited
19 liability company,
- 20 e. all beneficiaries that hold a beneficial interest in a
21 trust and all trustees of a trust,
- 22 f. all persons or entities that own interest in a joint
23 venture,

24

- 1 g. all persons or entities that own an interest in an
2 association,
3 h. the owners of any other type of legal entity, and
4 i. any other person holding an interest or convertible
5 note in any entity which owns, operates or manages a
6 licensed facility;

7 ~~47.~~ 46. "Package" or "packaging" means any container or wrapper
8 that may be used by a medical marijuana business to enclose or
9 contain medical marijuana;

10 ~~48.~~ 47. "Person" means a natural person, partnership,
11 association, business trust, company, corporation, estate, limited
12 liability company, trust or any other legal entity or organization,
13 or a manager, agent, owner, director, servant, officer or employee
14 thereof, except that "person" does not include any governmental
15 organization;

16 ~~49.~~ 48. "Pesticide" means any substance or mixture of
17 substances intended for preventing, destroying, repelling or
18 mitigating any pest or any substance or mixture of substances
19 intended for use as a plant regulator, defoliant or desiccant,
20 except that the term "pesticide" shall not include any article that
21 is a "new animal drug" as designated by the United States Food and
22 Drug Administration;

23 ~~50.~~ 49. "Production batch" means:
24

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

10 ~~51.~~ 50. "Public institution" means any entity established or
11 controlled by the federal government, state government, or a local
12 government or municipality including, but not limited to,
13 institutions of higher education or related research institutions;

14 ~~52.~~ 51. "Public money" means any funds or money obtained by the
15 holder from any governmental entity including, but not limited to,
16 research grants;

17 ~~53.~~ 52. "Recommendation" means a document that is signed or
18 electronically submitted by a physician on behalf of a patient for
19 the use of medical marijuana pursuant to ~~this act~~ Sections 420 and
20 427.10 of this title;

21 ~~54.~~ 53. "Registered to conduct business" means a person that
22 has provided proof that the business applicant is in good standing
23 with the Oklahoma Secretary of State and Oklahoma Tax Commission;
24

1 ~~55.~~ 54. "Remediation" means the process by which the medical
2 marijuana flower or trim, which has failed microbial testing, is
3 processed into solvent-based medical marijuana concentrate and
4 retested as required by ~~this act~~ the Oklahoma Medical Marijuana and
5 Patient Protection Act;

6 ~~56.~~ 55. "Research project" means a discrete scientific endeavor
7 to answer a research question or a set of research questions related
8 to medical marijuana and is required for a medical marijuana
9 research license. A research project shall include a description of
10 a defined protocol, clearly articulated goals, defined methods and
11 outputs, and a defined start and end date. The description shall
12 demonstrate that the research project will comply with all
13 requirements in ~~this act~~ the Oklahoma Medical Marijuana and Patient
14 Protection Act and rules promulgated pursuant thereto. All research
15 and development conducted by a medical marijuana research facility
16 shall be conducted in furtherance of an approved research project;

17 ~~57.~~ 56. "Revocation" means the final decision by the ~~Department~~
18 Commission that any license issued pursuant to ~~this act~~ the Oklahoma
19 Medical Marijuana and Patient Protection Act is rescinded because
20 the individual or entity does not comply with the applicable
21 requirements set forth in ~~this act~~ the Oklahoma Medical Marijuana
22 and Patient Protection Act or rules promulgated pursuant thereto;

23 ~~58.~~ 57. "School" means a public or private preschool or a
24 public or private elementary or secondary school used for school

1 classes and instruction. A homeschool, daycare or child-care
2 facility shall not be considered a "school" as used in ~~this act~~ the
3 Oklahoma Medical Marijuana and Patient Protection Act;

4 ~~59.~~ 58. "Shipping container" means a hard-sided container with
5 a lid or other enclosure that can be secured in place. A shipping
6 container is used solely for the transport of medical marijuana,
7 medical marijuana concentrate, or medical marijuana products between
8 medical marijuana businesses, a medical marijuana research facility,
9 or a medical marijuana education facility;

10 ~~60.~~ 59. "Solvent-based medical marijuana concentrate" means a
11 medical marijuana concentrate that was produced by extracting
12 cannabinoids from medical marijuana through the use of a solvent
13 approved by the ~~Department~~ Commission;

14 ~~61.~~ 60. "State Question" means Oklahoma State Question No. 788,
15 Initiative Petition No. 412, approved by a majority vote of the
16 citizens of Oklahoma on June 26, 2018;

17 ~~62.~~ 61. "Strain" means the classification of marijuana or
18 cannabis plants in either pure sativa, indica, afghanica, ruderalis
19 or hybrid varieties;

20 ~~63.~~ 62. "THC" means tetrahydrocannabinol, which is the primary
21 psychotropic cannabinoid in marijuana formed by decarboxylation of
22 naturally tetrahydrocannabinolic acid, which generally occurs by
23 exposure to heat;

1 ~~64.~~ 63. "Test batch" means with regard to usable marijuana, a
2 homogenous, identified quantity of usable marijuana by strain, no
3 greater than ten (10) pounds, that is harvested during a seven-day
4 period from a specified cultivation area, and with regard to oils,
5 vapors and waxes derived from usable marijuana, means an identified
6 quantity that is uniform, that is intended to meet specifications
7 for identity, strength and composition, and that is manufactured,
8 packaged and labeled during a specified time period according to a
9 single manufacturing, packaging and labeling protocol;

10 ~~65.~~ 64. "Transporter agent" means a person who transports
11 medical marijuana or medical marijuana products for a licensed
12 transporter and holds a transporter agent license pursuant to ~~this~~
13 ~~act~~ Section 427.16 of this title;

14 ~~66.~~ 65. "Universal symbol" means the image established by the
15 ~~State Department of Health or~~ Oklahoma Medical Marijuana Authority
16 and made available to licensees through its website indicating that
17 the medical marijuana or the medical marijuana product contains THC;

18 ~~67.~~ 66. "Usable marijuana" means the dried leaves, flowers,
19 oils, vapors, waxes and other portions of the marijuana plant and
20 any mixture or preparation thereof, excluding seed, roots, stems,
21 stalks and fan leaves; and

22 ~~68.~~ 67. "Water-based medical marijuana concentrate" means a
23 concentrate that was produced by extracting cannabinoids from
24 medical marijuana through the use of only water, ice, or dry ice.

1 SECTION 12. AMENDATORY Section 3, Chapter 11, O.S.L.
2 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
3 Supp. 2020, Section 427.3), is amended to read as follows:

4 Section 427.3 A. There is hereby created the Oklahoma Medical
5 Marijuana Authority within the ~~State Department of Health~~ Alcoholic
6 Beverage Laws Enforcement Commission which shall address issues
7 related to the medical marijuana program in Oklahoma including, but
8 not limited to, the issuance of patient licenses and medical
9 marijuana business licenses, and the dispensing, cultivating,
10 processing, testing, transporting, storage, research, and the use of
11 and sale of medical marijuana pursuant to ~~this act~~ the Oklahoma
12 Medical Marijuana and Patient Protection Act.

13 B. The ~~Department~~ Commission shall provide support staff to
14 perform designated duties of the Authority. The ~~Department~~
15 Commission shall also provide office space for meetings of the
16 Authority.

17 C. The ~~Department~~ Authority shall implement the provisions of
18 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act
19 consistently with the voter-approved State Question No. 788,
20 Initiative Petition No. 412, subject to the provisions of ~~this act~~
21 the Oklahoma Medical Marijuana and Patient Protection Act.

22 D. The ~~Department~~ Authority shall exercise its respective
23 powers and perform its respective duties and functions as specified
24 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection

1 ~~Act and Title 63 of the Oklahoma Statutes~~ this title including, but
2 not limited to, the following:

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

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

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

14 3. Upon complaint or upon its own motion and upon a completed
15 investigation, levy fines as prescribed in ~~this act~~ the Oklahoma
16 Medical Marijuana and Patient Protection Act and suspend or revoke
17 licenses pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
18 Patient Protection Act;

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

22 5. Apply for injunctive or declaratory relief to enforce the
23 provisions of this section and any rules promulgated pursuant to
24 this section;

1 6. Inspect and examine, with notice provided in accordance with
2 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act,
3 all licensed premises of medical marijuana businesses, research
4 facilities and education facilities in which medical marijuana is
5 cultivated, manufactured, sold, stored, transported, tested or
6 distributed;

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

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

14 9. Establish a fee schedule and collect fees for performing
15 background checks as the ~~Commissioner~~ Director of the Alcoholic
16 Beverage Laws Enforcement Commission deems appropriate. The fees
17 charged pursuant to this paragraph shall not exceed the actual cost
18 incurred for each background check; and

19 10. Require verification for sources of finance for medical
20 marijuana businesses.

21 SECTION 13. AMENDATORY Section 4, Chapter 11, O.S.L.
22 2019 (63 O.S. Supp. 2020, Section 427.4), is amended to read as
23 follows:

24

1 Section 427.4 A. The Oklahoma Medical Marijuana Authority, in
2 conjunction with the ~~State Department of Health~~ Alcoholic Beverage
3 Laws Enforcement Commission, shall employ an ~~Executive Director~~ and
4 ~~other~~ personnel as necessary to assist the Authority in carrying out
5 its duties.

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

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

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

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

19 D. The ~~Commissioner~~ Director of the Commission may delegate to
20 any officer or employee of the ~~Department~~ Authority any of the
21 powers of the ~~Executive~~ Director and may designate any officer or
22 employee of the ~~Department~~ Authority to perform any of the duties of
23 the ~~Executive~~ Director.

24

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

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

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

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

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

22 4. Require any business licensee, upon twenty-four (24) hours
23 notice or upon a showing of necessity, to permit an inspection of
24 licensed premises during business hours or at any time of apparent

1 operation, marijuana equipment, and marijuana accessories, or books
2 and records; and to permit the testing of or examination of medical
3 marijuana, concentrate, or product; and

4 5. Require applicants to submit complete and current
5 applications, information required by ~~this act~~ the Oklahoma Medical
6 Marijuana and Patient Protection Act and fees, and approve material
7 changes made by the applicant or licensee.

8 SECTION 14. AMENDATORY Section 5, Chapter 11, O.S.L.
9 2019 (63 O.S. Supp. 2020, Section 427.5), is amended to read as
10 follows:

11 Section 427.5 There is hereby created in the State Treasury a
12 revolving fund for the ~~State Department of Health~~ Oklahoma Medical
13 Marijuana Authority, a division within the Alcoholic Beverage Laws
14 Enforcement Commission, to be designated the "Oklahoma Medical
15 Marijuana Authority Revolving Fund". The fund shall be a continuing
16 fund, not subject to fiscal year limitations, and shall consist of
17 all monies received by the ~~Department~~ Authority from fees and fines
18 collected pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
19 Patient Protection Act and all monies received by the Oklahoma Tax
20 Commission from tax proceeds collected pursuant to Section 426 of
21 ~~Title 63 of the Oklahoma Statutes~~ this title. All monies accruing
22 to the credit of the fund are hereby appropriated and may be
23 budgeted and expended by the ~~Department~~ Authority for the purposes
24 set forth in Section 426 of ~~Title 63 of the Oklahoma Statutes~~ this

1 title. Expenditures from the fund shall be made upon warrants
2 issued by the State Treasurer against claims filed as prescribed by
3 law with the Director of the Office of Management and Enterprise
4 Services for approval and payment.

5 SECTION 15. AMENDATORY Section 6, Chapter 11, O.S.L.
6 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S.
7 Supp. 2020, Section 427.6), is amended to read as follows:

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

13 B. 1. The ~~Department~~ Authority or its designee may perform on-
14 site assessments of a licensee or applicant for any medical
15 marijuana business license issued pursuant to ~~this act~~ the Oklahoma
16 Medical Marijuana and Patient Protection Act to determine compliance
17 with ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
18 Act or submissions made pursuant to this section. The ~~Department~~
19 Authority may enter the licensed premises of a medical marijuana
20 business licensee or applicant to assess or monitor compliance.

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

1 ~~Department~~ Authority shows that an additional inspection is
2 necessary due to a violation of ~~this act~~ the Oklahoma Medical
3 Marijuana and Patient Protection Act. Such inspection may be
4 without notice if the ~~Department~~ Authority believes that such notice
5 will result in the destruction of evidence.

6 3. The ~~Department~~ Authority may review relevant records of a
7 licensed medical marijuana business, licensed medical marijuana
8 research facility or licensed medical marijuana education facility,
9 and may require and conduct interviews with such persons or entities
10 and persons affiliated with such entities, for the purpose of
11 determining compliance with ~~Department~~ Authority requirements and
12 applicable laws. However, prior to conducting any interviews with
13 the medical marijuana business, research facility or education
14 facility, the licensee shall be afforded sufficient time to secure
15 legal representation during such questioning if requested by the
16 business or facility or any of its agents or employees or
17 contractors.

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

21 C. Disciplinary action may be taken against an applicant or
22 licensee under ~~this act~~ the Oklahoma Medical Marijuana and Patient
23 Protection Act for not adhering to the law pursuant to the terms,
24

1 conditions and guidelines set forth in ~~this act~~ the Oklahoma Medical
2 Marijuana and Patient Protection Act.

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

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

8 1. Failure to comply with or satisfy any provision of this
9 section;

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

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

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

16 5. Failure to submit or disclose information required by this
17 section or otherwise requested by the ~~Department~~ Authority;

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

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

22 8. Failure to pay a required monetary penalty;

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

1 10. Threatening or harming a patient, a medical practitioner or
2 an employee of the ~~Department~~ Authority; and

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

5 F. Disciplinary actions against a licensee may include the
6 imposition of monetary penalties, which may be assessed by the
7 ~~Department~~ Authority.

8 G. Penalties for sales by a medical marijuana business to
9 persons other than those allowed by law occurring within any two-
10 year time period may include an initial fine of One Thousand Dollars
11 (\$1,000.00) for a first violation and a fine of Five Thousand
12 Dollars (\$5,000.00) for any subsequent violation. The medical
13 marijuana business may be subject to a revocation of any license
14 granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
15 Patient Protection Act upon a showing that the violation was willful
16 or grossly negligent.

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

22 2. The second offense for impermissible diversion of medical
23 marijuana, concentrate, or products by a patient or caregiver to an
24 unauthorized person shall not be punished under a criminal statute

1 but may be subject to a fine of not to exceed Five Hundred Dollars
2 (\$500.00) and may result in revocation of the license upon a showing
3 that the violation was willful or grossly negligent.

4 I. The following persons or entities may request a hearing to
5 contest an action or proposed action of the ~~Department~~ Authority:

6 1. A medical marijuana business, research facility or education
7 facility licensee whose license has been summarily suspended or who
8 has received a notice of contemplated action to suspend or revoke a
9 license or take other disciplinary action; and

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

14 J. All hearings held pursuant to this section shall be in
15 accordance with the Oklahoma Administrative Procedures Act, Section
16 250 et seq. of Title 75 of the Oklahoma Statutes.

17 SECTION 16. AMENDATORY Section 7, Chapter 11, O.S.L.
18 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
19 Supp. 2020, Section 427.7), is amended to read as follows:

20 Section 427.7 A. The Oklahoma Medical Marijuana Authority
21 shall create a medical marijuana use registry of patients and
22 caregivers as provided under this section. The handling of any
23 records maintained in the registry shall comply with all relevant
24

1 state and federal laws including, but not limited to, the Health
2 Insurance Portability and Accountability Act of 1996 (HIPAA).

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

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

7 2. Any court in this state.

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

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

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

23

24

1 SECTION 17. AMENDATORY Section 8, Chapter 11, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 427.8), is amended to read as
3 follows:

4 Section 427.8 A. The rights to possess the marijuana products
5 set forth in Section 420 of ~~Title 63 of the Oklahoma Statutes~~ this
6 title are cumulative and a duly licensed individual may possess at
7 any one time the totality of the items listed therein and not be in
8 violation of ~~this act~~ the Oklahoma Medical Marijuana and Patient
9 Protection Act so long as the individual holds a valid patient
10 license or caregiver license.

11 B. Municipal and county governing bodies may not enact medical
12 marijuana guidelines which restrict or interfere with the rights of
13 a licensed patient or caregiver to possess, purchase, cultivate or
14 transport medical marijuana within the legal limits set forth in
15 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act
16 or Section 420 ~~et seq.~~ of ~~Title 63 of the Oklahoma Statutes~~ this
17 title or require patients or caregivers to obtain permits or
18 licenses in addition to the state-required licenses provided herein.

19 C. Nothing in ~~this act~~ the Oklahoma Medical Marijuana and
20 Patient Protection Act or ~~Section~~ Sections 420 ~~et seq.~~ through 426.1
21 of ~~Title 63 of the Oklahoma Statutes~~ this title shall prohibit a
22 residential or commercial property or business owner from
23 prohibiting the consumption of medical marijuana or medical
24 marijuana product by smoke or vaporization on the premises, within

1 the structures of the premises or within ten (10) feet of the
2 entryway to the premises. However, a medical marijuana patient
3 shall not be denied the right to consume or use other medical
4 marijuana products which are otherwise legal and do not involve the
5 smoking or vaporization of cannabis when lawfully recommended
6 pursuant to Section 420 of ~~Title 63 of the Oklahoma Statutes~~ this
7 title.

8 D. A medical marijuana patient or caregiver licensee shall not
9 be denied eligibility in public assistance programs including, but
10 not limited to, Medicaid, Supplemental Nutrition Assistance Program
11 (SNAP), Women, Infants, and Children Nutrition Program (WIC),
12 Temporary Assistance for Needy Families (TANF) or other such public
13 assistance programs based solely on his or her status as a medical
14 marijuana patient or caregiver licensee, unless required by federal
15 law.

16 E. A medical marijuana patient or caregiver licensee shall not
17 be denied the right to own, purchase or possess a firearm,
18 ammunition, or firearm accessories based solely on his or her status
19 as a medical marijuana patient or caregiver licensee. No state or
20 local agency, municipal or county governing authority shall
21 restrict, revoke, suspend or otherwise infringe upon the right of a
22 person to own, purchase or possess a firearm, ammunition, or firearm
23 accessories or any related firearms license or certification based
24

1 solely on their status as a medical marijuana patient or caregiver
2 licensee.

3 F. A medical marijuana patient or caregiver in actual
4 possession of a medical marijuana patient license or caregiver
5 license shall not be subject to arrest, prosecution or penalty in
6 any manner or denied any right, privilege or public assistance,
7 under state law or municipal or county ordinance or resolution
8 including without limitation a civil penalty or disciplinary action
9 by a business, occupational or professional licensing board or
10 bureau, for the medical use of marijuana in accordance with ~~this act~~
11 the Oklahoma Medical Marijuana and Patient Protection Act.

12 G. A government medical assistance program shall not be
13 required to reimburse a person for costs associated with the medical
14 use of marijuana unless federal law requires reimbursement.

15 H. Unless otherwise required by federal law or required to
16 obtain federal funding:

17 1. No employer may refuse to hire, discipline, discharge or
18 otherwise penalize an applicant or employee solely on the basis of
19 such applicant's or employee's status as a medical marijuana patient
20 licensee; and

21 2. No employer may refuse to hire, discipline, discharge or
22 otherwise penalize an applicant or employee solely on the basis of a
23 positive test for marijuana components or metabolites, unless:

24

- 1 a. the applicant or employee is not in possession of a
2 valid medical marijuana patient license,
3 b. the licensee possesses, consumes or is under the
4 influence of medical marijuana or medical marijuana
5 product while at the place of employment or during the
6 fulfillment of employment obligations, or
7 c. the position is one involving safety-sensitive job
8 duties, as such term is defined in subsection K of
9 this section.

10 I. Nothing in ~~this act~~ the Oklahoma Medical Marijuana and
11 Patient Protection Act or ~~Section~~ Sections 420 et seq. through 426.1
12 ~~of Title 63 of the Oklahoma Statutes~~ this title shall:

13 1. Require an employer to permit or accommodate the use of
14 medical marijuana on the property or premises of any place of
15 employment or during hours of employment;

16 2. Require an employer, a government medical assistance
17 program, private health insurer, worker's compensation carrier or
18 self-insured employer providing worker's compensation benefits to
19 reimburse a person for costs associated with the use of medical
20 marijuana; or

21 3. Prevent an employer from having written policies regarding
22 drug testing and impairment in accordance with the Oklahoma
23 Standards for Workplace Drug and Alcohol Testing Act, Section 551 et
24 seq. of Title 40 of the Oklahoma Statutes.

1 J. Any applicant or employee aggrieved by a willful violation
2 of this section shall have, as his or her exclusive remedy, the same
3 remedies as provided for in the Oklahoma Standards for Workplace
4 Drug and Alcohol Testing Act set forth in Section 563 of Title 40 of
5 the Oklahoma Statutes.

6 K. As used in this section:

7 1. "Safety-sensitive" means any job that includes tasks or
8 duties that the employer reasonably believes could affect the safety
9 and health of the employee performing the task or others including,
10 but not limited to, any of the following:

- 11 a. the handling, packaging, processing, storage, disposal
12 or transport of hazardous materials,
- 13 b. the operation of a motor vehicle, other vehicle,
14 equipment, machinery or power tools,
- 15 c. repairing, maintaining or monitoring the performance
16 or operation of any equipment, machinery or
17 manufacturing process, the malfunction or disruption
18 of which could result in injury or property damage,
- 19 d. performing firefighting duties,
- 20 e. the operation, maintenance or oversight of critical
21 services and infrastructure including, but not limited
22 to, electric, gas, and water utilities, power
23 generation or distribution,

24

- 1 f. the extraction, compression, processing,
2 manufacturing, handling, packaging, storage, disposal,
3 treatment or transport of potentially volatile,
4 flammable, combustible materials, elements, chemicals
5 or any other highly regulated component,
6 g. dispensing pharmaceuticals,
7 h. carrying a firearm, or
8 i. direct patient care or direct child care; and

9 2. A "positive test for marijuana components or metabolites"
10 means a result that is at or above the cutoff concentration level
11 established by the United States Department of Transportation or
12 Oklahoma law regarding being under the influence, whichever is
13 lower.

14 L. All smokable, vaporized, vappable and e-cigarette medical
15 marijuana product inhaled through vaporization or smoked by a
16 medical marijuana patient licensee are subject to the same
17 restrictions for tobacco under Section 1-1521 et seq. of ~~Title 63 of~~
18 ~~the Oklahoma Statutes~~ this title, commonly referred to as the
19 "Smoking in Public Places and Indoor Workplaces Act".

20 SECTION 18. AMENDATORY Section 9, Chapter 11, O.S.L.
21 2019 (63 O.S. Supp. 2020, Section 427.9), is amended to read as
22 follows:
23
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1 Section 427.9 A. The Authority may contact the recommending
2 physician of an applicant for a medical marijuana patient license to
3 verify the need of the applicant for the license.

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

13 C. The patient license shall be valid for up to two (2) years
14 from the date of issuance, unless the recommendation of the
15 physician is terminated pursuant to ~~this act~~ Section 427.10 of this
16 title or revoked by the ~~Department~~ Oklahoma Medical Marijuana
17 Authority.

18 SECTION 19. AMENDATORY Section 10, Chapter 11, O.S.L.
19 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
20 Supp. 2020, Section 427.10), is amended to read as follows:

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

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

5 C. No physician shall be subject to arrest, prosecution or
6 penalty in any manner or denied any right or privilege under
7 Oklahoma state, municipal or county statute, ordinance or
8 resolution, including without limitation a civil penalty or
9 disciplinary action by the State Board of Medical Licensure and
10 Supervision ~~or~~, the State Board of Osteopathic Examiners or the
11 Board of Podiatric Medical Examiners or by any other business,
12 occupation or professional licensing board or bureau, solely for
13 providing a medical marijuana recommendation for a patient or for
14 monitoring, treating or prescribing scheduled medication to patients
15 who are medical marijuana patient licensees. The provisions of this
16 subsection shall not prevent the relevant professional licensing
17 boards from sanctioning a physician for failing to properly evaluate
18 the medical condition of a patient or for otherwise violating the
19 applicable physician-patient standard of care.

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

22 E. If the physician determines the continued use of medical
23 marijuana by the patient no longer meets the requirements set forth
24 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection

1 Act, the physician shall notify the ~~Department and the Authority,~~
2 and the Authority shall immediately revoke the license.

3 SECTION 20. AMENDATORY Section 13, Chapter 11, O.S.L.
4 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as
5 follows:

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

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

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

- 21 a. notification of when marijuana seeds are planted,
- 22 b. notification of when marijuana plants are harvested
23 and destroyed,

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- 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 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~~ Authority.

5. All inventory tracking records containing patient 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 21. 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.

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

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

7 D. The nonrefundable application fee for a medical marijuana
8 business license shall be Two Thousand Five Hundred Dollars
9 (\$2,500.00).

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

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

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

18 3. Applicants shall submit a complete application to the
19 ~~Department~~ Authority before the application may be accepted or
20 considered;

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

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

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

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

- 9 a. all applicants shall be age twenty-five (25) years of
10 age or older,
- 11 b. any applicant applying as an individual shall show
12 proof that the applicant is an Oklahoma resident
13 pursuant to paragraph 11 of this subsection,
- 14 c. any applicant applying as an entity shall show that
15 seventy-five percent (75%) of all members, managers,
16 executive officers, partners, board members or any
17 other form of business ownership are Oklahoma
18 residents pursuant to paragraph 11 of this subsection,
- 19 d. all applying individuals or entities shall be
20 registered to conduct business in the State of
21 Oklahoma,
- 22 e. all applicants shall disclose all ownership interests
23 pursuant to ~~this act~~ the Oklahoma Medical Marijuana
24 and Patient Protection Act, and

1 f. applicants shall not have been convicted of a
2 nonviolent felony in the last two (2) years, and any
3 other felony conviction within the last five (5)
4 years, shall not be current inmates, or currently
5 incarcerated in a jail or corrections facility;

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

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

- 21 a. individual applicants applying on their own behalf,
- 22 b. individuals applying on behalf of an entity,
- 23 c. all principal officers of an entity, and

1 d. all owners of an entity as defined by ~~this act~~ Section
2 427.2 of this title;

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

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

- 14 a. an unexpired Oklahoma-issued driver license,
- 15 b. an Oklahoma voter identification card,
- 16 c. a utility bill preceding the date of application,
17 excluding cellular telephone and Internet bills,
- 18 d. a residential property deed to property in the State
19 of Oklahoma, and
- 20 e. a rental agreement preceding the date of application
21 for residential property located in the State of
22 Oklahoma.

23 Applicants that were issued a medical marijuana business license
24 prior to the enactment of the Oklahoma Medical Marijuana and Patient

1 Protection Act are hereby exempt from the two-year or five-year
2 Oklahoma residence requirement mentioned above;

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

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

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

20 14. All applicants shall submit an applicant photograph.

21 F. The Authority shall review the medical marijuana business
22 application, approve or reject the application and mail the
23 approval, rejection or status-update letter to the applicant within
24 ninety (90) business days of receipt of the application.

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

4 2. Approved applicants shall be issued a medical marijuana
5 business license for the specific category applied under which shall
6 act as proof of their approved status. Rejection letters shall
7 provide a reason for the rejection. Applications may only be
8 rejected based on the applicant not meeting the standards set forth
9 in the provisions of this section, improper completion of the
10 application, or for a reason provided for in ~~this act~~ the Oklahoma
11 Medical Marijuana and Patient Protection Act. If an application is
12 rejected for failure to provide required information, the applicant
13 shall have thirty (30) days to submit the required information for
14 reconsideration. No additional application fee shall be charged for
15 such reconsideration.

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

20 4. Approval, rejection or status-update letters shall be sent
21 to the applicant in the same method the application was submitted to
22 the ~~Department~~ Authority.

23 H. A medical marijuana business license shall not be issued to
24 or held by:

- 1 1. A person until all required fees have been paid;
- 2 2. A person who has been convicted of a nonviolent felony
- 3 within two (2) years of the date of application, or within five (5)
- 4 years for any other felony;
- 5 3. A corporation, if the criminal history of any of its
- 6 officers, directors or stockholders indicates that the officer,
- 7 director or stockholder has been convicted of a nonviolent felony
- 8 within two (2) years of the date of application, or within five (5)
- 9 years for any other felony;
- 10 4. A person under twenty-five (25) years of age;
- 11 5. A person licensed pursuant to this section who, during a
- 12 period of licensure, or who, at the time of application, has failed
- 13 to:
- 14 a. file taxes, interest or penalties due related to a
- 15 medical marijuana business, or
- 16 b. pay taxes, interest or penalties due related to a
- 17 medical marijuana business;
- 18 6. A sheriff, deputy sheriff, police officer or prosecuting
- 19 officer, or an officer or employee of the Authority or municipality;
- 20 or
- 21 7. A person whose authority to be a caregiver as defined in
- 22 ~~this act~~ Section 427.2 of this title has been revoked by the
- 23 ~~Department~~ Authority.
- 24

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

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

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

1 L. A licensed medical marijuana business premises shall be
2 subject to and responsible for compliance with applicable provisions
3 for medical marijuana business facilities as described in the most
4 recent versions of the Oklahoma Uniform Building Code, the
5 International Building Code and the International Fire Code, unless
6 granted an exemption by the Authority or municipality.

7 M. All medical marijuana business licensees shall pay the
8 relevant licensure fees prior to receiving licensure to operate a
9 medical marijuana business, as defined in ~~this act~~ Section 427.2 of
10 this title for each class of license.

11 SECTION 22. AMENDATORY Section 15, Chapter 11, O.S.L.
12 2019 (63 O.S. Supp. 2020, Section 427.15), is amended to read as
13 follows:

14 Section 427.15 ~~The State Department of Health~~ Oklahoma Medical
15 Marijuana Authority is hereby authorized to develop policies and
16 procedures for disclosure by a medical marijuana business of
17 financial interest and ownership.

18 SECTION 23. AMENDATORY Section 16, Chapter 11, O.S.L.
19 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as
20 follows:

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

24

1 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
2 this title, the Authority shall issue a medical marijuana
3 transporter license to licensed medical marijuana commercial
4 growers, processors and dispensaries upon issuance of such licenses
5 and upon each renewal.

6 C. A medical marijuana transporter license may also be issued
7 to qualifying applicants who are registered with the Oklahoma
8 Secretary of State and otherwise meet the requirements for a medical
9 marijuana business license set forth in ~~this act~~ Section 427.14 of
10 this title and the requirements set forth in this section to provide
11 logistics, distribution and storage of medical marijuana, medical
12 marijuana concentrate and medical marijuana products.

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

18 E. A transporter license shall be required for any person or
19 entity to transport or transfer medical marijuana, concentrate or
20 product from a licensed medical marijuana business to another
21 medical marijuana business, or from a medical marijuana business to
22 a medical marijuana research facility or medical marijuana education
23 facility.

24

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

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

10 H. A medical marijuana transporter licensee shall use the seed-
11 to-sale tracking system developed pursuant to ~~this act~~ Section
12 427.13 of this title to create shipping manifests documenting the
13 transport of medical marijuana, concentrate and products throughout
14 the state.

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

18 J. All medical marijuana, concentrate and product shall be
19 transported:

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

22 2. In a locked container and clearly labeled "Medical Marijuana
23 or Derivative"; and
24

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

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

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

13 M. The annual fee for a transporter agent license shall be One
14 Hundred Dollars (\$100.00) and shall be paid by the transporter
15 license holder or the individual applicant.

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

- 18 1. The name, address and date of birth of the person;
- 19 2. Proof of residency as required for a medical marijuana
20 business license;
- 21 3. Proof of identity as required for a medical marijuana
22 business license;
- 23 4. Possession of a valid Oklahoma driver license;
- 24 5. Verification of employment with a licensed transporter;

1 6. The application and affiliated fee; and

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

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

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

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

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

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

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

23 2. Capable of securing medical marijuana during transport; and

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

4 T. Prior to the transport of any medical marijuana or products,
5 an inventory manifest shall be prepared at the origination point of
6 the medical marijuana. The inventory manifest shall include the
7 following information:

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

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

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

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

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

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

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

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

6 7. Notation of the transporting licensee.

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

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

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

16 4. A receiving licensee shall refuse to accept any medical
17 marijuana or product that is not accompanied by an inventory
18 manifest.

19 5. Originating and receiving licensees shall maintain copies of
20 inventory manifests and logs of quantities of medical marijuana
21 received for three (3) years from date of receipt.

22 SECTION 24. AMENDATORY Section 17, Chapter 11, O.S.L.
23 2019, as amended by Section 4, Chapter 312, O.S.L. 2019 (63 O.S.
24 Supp. 2020, Section 427.17), is amended to read as follows:

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

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

12 C. The Authority shall have the authority to develop acceptable
13 testing and research practices, including but not limited to
14 testing, standards, quality control analysis, equipment
15 certification and calibration, and chemical identification and
16 substances used in bona fide research methods so long as it complies
17 with ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
18 Act.

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

23
24

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

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

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

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

20 I. A medical marijuana testing laboratory may accept samples of
21 medical marijuana, medical marijuana concentrate or medical
22 marijuana product from a medical marijuana business for testing and
23 research purposes only, which purposes may include the provision of
24 testing services for samples submitted by a medical marijuana

1 business for product development. The ~~Department~~ Authority may
2 require a medical marijuana business to submit a sample of medical
3 marijuana, medical marijuana concentrate or medical marijuana
4 product to a medical marijuana testing laboratory upon demand.

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

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

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

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

21 L. A medical marijuana testing laboratory may utilize a
22 licensed medical marijuana transporter to transport samples of
23 medical marijuana, medical marijuana concentrate and medical
24 marijuana product for testing, in accordance with ~~this act~~ the

1 Oklahoma Medical Marijuana and Patient Protection Act and the rules
2 adopted pursuant thereto, between the originating medical marijuana
3 business requesting testing services and the destination laboratory
4 performing testing services.

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

18 N. The ~~Department~~ Authority, pursuant to rules promulgated by
19 the ~~State Commissioner of Health~~ Director of the Alcoholic Beverage
20 Laws Enforcement Commission, shall develop standards, policies and
21 procedures as necessary for:

22 1. The cleanliness and orderliness of a laboratory premises and
23 the location of the laboratory in a secure location, and inspection,
24

1 cleaning and maintenance of any equipment or utensils used for the
2 analysis of test samples;

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

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

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

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

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

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

17 8. The mandatory use by a laboratory of an inventory tracking
18 system to ensure all test batches or samples containing medical
19 marijuana, medical marijuana concentrate or medical marijuana
20 products are identified and tracked from the point they are
21 transferred from a medical marijuana business, a patient or a
22 caregiver through the point of transfer, destruction or disposal.

23 The inventory tracking system reporting shall include the results of
24

1 any tests that are conducted on medical marijuana, medical marijuana
2 concentrate or medical marijuana product;

3 9. Standards of performance;

4 10. The employment of laboratory personnel;

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

7 12. The successful participation in a ~~Department-approved~~ an
8 Authority-approved proficiency testing program for each testing
9 category listed in this section, in order to obtain and maintain
10 certification;

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

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

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

21 16. Any other aspect of laboratory testing of medical marijuana
22 or medical marijuana product deemed necessary by the ~~Department~~
23 Authority.

24

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

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

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

- 19 1. Microbials;
- 20 2. Mycotoxins;
- 21 3. Residual solvents;
- 22 4. Pesticides;
- 23 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 24 6. Terpenoid potency; and

1 7. Heavy metals.

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

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

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

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

22 V. A commercial grower shall not transfer or sell medical
23 marijuana and a processor shall not transfer, sell or process into a
24 concentrate or product any medical marijuana, medical marijuana

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

7 SECTION 25. AMENDATORY Section 18, Chapter 11, O.S.L.
8 2019 (63 O.S. Supp. 2020, Section 427.18), is amended to read as
9 follows:

10 Section 427.18 A. An Oklahoma medical marijuana business shall
11 not sell, transfer or otherwise distribute medical marijuana or
12 medical marijuana product that has not been packaged and labeled in
13 accordance with this section and rules promulgated by the ~~State~~
14 ~~Commissioner of Health~~ Director of the Alcoholic Beverage Laws
15 Enforcement Commission.

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

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

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

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

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

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

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

21 D. ~~The State Department of Health~~ Oklahoma Medical Marijuana
22 Authority shall develop minimum standards for packaging and labeling
23 of medical marijuana and medical marijuana products. Such standards
24 shall include, but not be limited to, the required contents of

1 labels to be affixed to all medical marijuana and medical marijuana
2 products prior to transfer to a licensed patient or caregiver, which
3 shall include, at a minimum:

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

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

7 3. A statement indicating that the product has been tested for
8 contaminants;

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

11 5. Any other information the ~~Department~~ Authority deems
12 necessary.

13 SECTION 26. AMENDATORY Section 19, Chapter 11, O.S.L.
14 2019 (63 O.S. Supp. 2020, Section 427.19), is amended to read as
15 follows:

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

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

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

3 1. To test chemical potency and composition levels;

4 2. To conduct clinical investigations of marijuana-derived
5 medicinal products;

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

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

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

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

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

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

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

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

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

22 G. The growing, cultivating, possessing or transferring, by
23 sale or donation, of marijuana in accordance with this section and
24 the rules promulgated pursuant thereto, by a medical marijuana

1 research licensee shall not be a criminal or civil offense under
2 state law. A medical marijuana research license shall be issued in
3 the name of the applicant and shall specify the location in Oklahoma
4 at which the medical marijuana research licensee intends to operate.
5 A medical marijuana research licensee shall not allow any other
6 person to exercise the privilege of the license.

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

13 SECTION 27. AMENDATORY Section 20, Chapter 11, O.S.L.
14 2019 (63 O.S. Supp. 2020, Section 427.20), is amended to read as
15 follows:

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

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

21 C. A medical marijuana education facility license may only be
22 granted to a not-for-profit organization structured under Section
23 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
24

1 not-for-profit registered organization with the Office of the
2 Secretary of State.

3 D. A medical marijuana education facility license may only be
4 granted upon the submission of a fee of Five Hundred Dollars
5 (\$500.00) to the Authority.

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

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

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

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

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

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

18 F. As part of the application process for a medical marijuana
19 education facility license, an applicant shall submit to the
20 Authority a description of the project and curriculum that the
21 applicant intends to conduct and whether the project and curriculum
22 will be conducted with a public institution or using public money.
23 If the research will not be conducted with a public institution or
24 with public money, the Authority shall grant the application. If

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

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

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

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

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

14 G. A medical marijuana education facility licensee may only
15 transfer, by sale or donation, marijuana grown within its operation
16 to medical marijuana research licensees. The ~~Department~~ Authority
17 may revoke a medical marijuana education facility license for
18 violations of this section and any other violation of ~~this act~~ the
19 Oklahoma Medical Marijuana and Patient Protection Act.

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

23 I. The growing, cultivating, possessing or transferring, by
24 sale or donation, of marijuana in accordance with this section and

1 the rules promulgated pursuant thereto, by a medical marijuana
2 education facility licensee shall not be a criminal or civil offense
3 under state law. A medical marijuana education facility license
4 shall be issued in the name of the applicant and shall specify the
5 location in Oklahoma at which the medical marijuana education
6 facility licensee intends to operate. A medical marijuana education
7 facility licensee shall not allow any other person to exercise the
8 privilege of the license.

9 SECTION 28. AMENDATORY Section 22, Chapter 11, O.S.L.
10 2019 (63 O.S. Supp. 2020, Section 427.22), is amended to read as
11 follows:

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

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

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

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

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

10 SECTION 29. AMENDATORY Section 23, Chapter 11, O.S.L.
11 2019, as amended by Section 11, Chapter 477, O.S.L. 2019 (63 O.S.
12 Supp. 2020, Section 427.23), is amended to read as follows:

13 Section 427.23 A. ~~The State Commissioner of Health~~ Director of
14 the Alcoholic Beverage Laws Enforcement Commission, the Oklahoma Tax
15 Commission, the State Treasurer, the Secretary of State and the
16 Director of the Office of Management and Enterprise Services shall
17 promulgate rules to implement the provisions of ~~this act~~ the
18 Oklahoma Medical Marijuana and Patient Protection Act.

19 B. The Food Safety Standards Board, in addition to the powers
20 and duties granted in Section 423 of ~~Title 63 of the Oklahoma~~
21 ~~Statutes~~ this title, may recommend to the ~~State Commissioner of~~
22 ~~Health~~ Director of the Alcoholic Beverage Laws Enforcement
23 Commission rules relating to all aspects of the cultivation and
24 manufacture of medical marijuana products.

1 SECTION 30. AMENDATORY Section 2, Chapter 337, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as
3 follows:

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

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

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

11 3. "Disposal" shall mean the final disposition of medical
12 marijuana waste by either a process which renders the waste unusable
13 through physical destruction or a recycling process;

14 4. "Facility" shall mean a location where the disposal of
15 medical marijuana waste takes place by a licensee;

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

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

20 7. "Medical marijuana waste" shall mean unused, surplus,
21 returned or out-of-date marijuana and plant debris of the plant of
22 the genus Cannabis, including dead plants and all unused plant
23 parts, except the term shall not include roots, stems, stalks and
24 fan leaves; and

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

4 SECTION 31. AMENDATORY Section 3, Chapter 337, O.S.L.
5 2019 (63 O.S. Supp. 2020, Section 429), is amended to read as
6 follows:

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

15 B. Commercial licensees, medical marijuana research facilities
16 and medical marijuana education facilities shall be authorized to
17 destroy the following marijuana plant parts without being required
18 to utilize the services of a medical marijuana waste disposal
19 facility:

- 20 1. Root balls;
- 21 2. Stems;
- 22 3. Fan leaves; and
- 23 4. Seeds.

24

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

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

20 SECTION 32. AMENDATORY Section 4, Chapter 337, O.S.L.
21 2019 (63 O.S. Supp. 2020, Section 430), is amended to read as
22 follows:

23 Section 430. A. There is hereby created and authorized a
24 medical marijuana waste disposal license. A person or entity in

1 possession of a medical marijuana waste disposal license shall be
2 entitled to possess, transport and dispose of medical marijuana
3 waste. No person or entity shall possess, transport or dispose of
4 medical marijuana waste without a valid medical marijuana waste
5 disposal license. The Oklahoma Medical Marijuana Authority shall
6 issue licenses upon proper application by a licensee and
7 determination by the Authority that the proposed site and facility
8 are physically and technically suitable. Upon a finding that a
9 proposed medical marijuana waste disposal facility is not physically
10 or technically suitable, the Authority shall deny the license. The
11 Authority may, upon determining that public health or safety
12 requires emergency action, issue a temporary license for treatment
13 or storage of medical marijuana waste for a period not to exceed
14 ninety (90) days. The Authority shall not, for the first year of
15 the licensure program, issue more than ten licenses. Upon the
16 conclusion of the first year, the Authority shall assess the need
17 for additional licenses and shall, if demonstrated, increase the
18 number of licenses as deemed necessary by the Authority.

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

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

23 a. an attestation that the applicant is authorized to
24 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

1 f. a statement signed by the applicant pledging not to
2 divert marijuana to any individual or entity that is
3 not lawfully entitled to possess marijuana; and

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

- 6 a. a list of all persons or entities that have an
7 ownership interest in the entity,
8 b. a certificate of good standing from the Oklahoma
9 Secretary of State, if applicable,
10 c. an Affidavit of Lawful Presence for each owner,
11 d. proof that the proposed location of the disposal
12 facility is at least one thousand (1,000) feet from a
13 public or private school. The distance shall be
14 measured from any entrance of the school to the
15 nearest property line point of the facility, and
16 e. documents establishing the applicant, the members,
17 managers and board members, if applicable, and
18 seventy-five percent (75%) of the ownership interests
19 are Oklahoma residents as established in Section 420
20 et seq. of ~~Title 63 of the Oklahoma Statutes~~ this
21 title, as it relates to proof of residency.

22 C. No license shall be issued except upon proof of sufficient
23 liability insurance and financial responsibility. Liability
24 insurance shall be provided by the applicant and shall apply to

1 sudden and nonsudden bodily injury or property damage on, below or
2 above the surface, as required by the rules of the Authority. Such
3 insurance shall be maintained for the period of operation of the
4 facility and shall provide coverage for damages resulting from
5 operation of the facility during operation and after closing. In
6 lieu of liability insurance required by this subsection, an
7 equivalent amount of cash, securities, bond or alternate financial
8 assurance, of a type and in an amount acceptable to the Authority,
9 may be substituted; provided, that such deposit shall be maintained
10 for a period of five (5) years after the date of last operation of
11 the facility.

12 D. Submission of an application for a medical marijuana waste
13 disposal license shall constitute permission for entry to and
14 inspection of the facility of the licensee during hours of operation
15 and other reasonable times. Refusal to permit such entry of
16 inspection shall constitute grounds for the nonrenewal, suspension
17 or revocation of a license. The Authority may perform an annual
18 unannounced on-site inspection of the operations and facility of the
19 licensee. If the Authority receives a complaint concerning
20 noncompliance by a licensee with the provisions of ~~this act~~ the
21 Oklahoma Medical Marijuana Waste Management Act, the Authority may
22 conduct additional unannounced, on-site inspections beyond an annual
23 inspection. The Authority shall refer all complaints alleging
24

1 criminal activity that are made against a licensed facility to
2 appropriate state or local law enforcement authorities.

3 E. The Authority shall issue a permit for each medical
4 marijuana waste disposal facility operated by a licensee. A permit
5 shall be issued only upon proper application by a licensee and
6 determination by the Authority that the proposed site and facility
7 are physically and technically suitable. Upon a finding that a
8 proposed medical marijuana waste disposal facility is not physically
9 or technically suitable, the Authority shall deny the permit. The
10 Authority shall have the authority to revoke a permit upon a finding
11 that the site and facility are not physically and technically
12 suitable for processing. The Authority may, upon determining that
13 public health or safety requires emergency action, issue a temporary
14 permit for treatment or storage of medical marijuana waste for a
15 period not to exceed ninety (90) days.

16 F. The cost of a medical marijuana waste disposal license shall
17 be Five Thousand Dollars (\$5,000.00) for the initial license. The
18 cost of a medical marijuana waste disposal facility permit shall be
19 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
20 facility permit that has been revoked shall be reinstated upon
21 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
22 to restore the facility permit. All license and permit fees shall
23 be deposited into the ~~Public Health Special~~ Oklahoma Medical

24

1 Marijuana Authority Revolving Fund as provided in Section ~~1-107~~
2 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

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

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

11 I. The ~~State Commissioner of Health~~ Director of the Alcoholic
12 Beverage Laws Enforcement Commission shall promulgate rules for the
13 implementation of ~~this act~~ the Oklahoma Medical Marijuana Waste
14 Management Act. Promulgated rules shall address disposal process
15 standards, site security and any other subject matter deemed
16 necessary by the Authority.

17 SECTION 33. This act shall become effective November 1, 2021.

18
19 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED
20 SUBSTANCES, dated 02/22/2021 - DO PASS.

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