

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 CONFERENCE COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 HOUSE BILL NO. 3734

By: Fetgatter, Davis, Talley,
and McDugle of the House

7 and

Rogers of the Senate

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9
10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to medical marijuana; amending 63
12 O.S. 2021, Sections 421, 422, 423 and 424, which
13 relate to licensing requirements for medical
14 marijuana dispensaries, commercial growers,
15 processors, and transporters; providing for temporary
16 and annual licenses; providing statutory references
17 for fees; updating language; amending 63 O.S. 2021,
18 Sections 427.14 and 427.16, which relate to the
19 Oklahoma Medical Marijuana and Patient Protection
20 Act; creating temporary and annual licensing program
21 for certain medical marijuana businesses; stating
22 conditions for temporary licenses; requiring
23 adherence to certain rules and regulations;
24 clarifying obligations of the Oklahoma Medical
Marijuana Authority when issuing temporary licenses;
stating length of term of temporary licenses;
providing for extensions under certain circumstances;
establishing fees for temporary licenses and
extensions; requiring submission of certain
information to the Authority; prohibiting issuance of
license until certain inspections are completed;
authorizing rejection of applications; defining term;
clarifying circumstances that allow for the issuance
of annual medical marijuana business licenses;
requiring current licensees to submit certain
documentation prior to renewal; establishing
timelines and procedures; requiring person issued a

1 temporary and annual license to annually submit
2 certain documentation when seeking renewal of the
3 license; updating language; creating temporary
4 licensing program for medical marijuana transporters;
5 and declaring an emergency.

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

7 SECTION 1. AMENDATORY 63 O.S. 2021, Section 421, is
8 amended to read as follows:

9 Section 421. A. ~~The State Department of Health shall, within~~
10 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
11 Marijuana Authority shall make available on its website in an easy-
12 to-find location an application for a temporary medical marijuana
13 dispensary license and an annual medical marijuana dispensary
14 license. The application fee shall be Two Thousand Five Hundred
15 Dollars (\$2,500.00) fees for the temporary or annual license shall
16 be paid by the applicant in the amounts provided for in Section
17 427.14 of this title. A method of payment for the application fees
18 shall be provided on the website of the Department Authority.
19 Dispensary Medical marijuana dispensary applicants must all be
20 residents of Oklahoma. Any entity applying for a temporary or
21 annual medical marijuana dispensary license must be owned by an
22 Oklahoma resident and must be registered to do business in Oklahoma.
23 The ~~Department~~ Authority shall have ninety (90) business days to
24 review the application for a temporary medical marijuana dispensary

1 license; approve, reject or deny the application; and mail the
2 approval, rejection or denial letter stating reasons for the
3 rejection or denial to the applicant.

4 B. ~~The State Department of Health~~ In addition to the
5 requirements provided for in the Oklahoma Medical Marijuana and
6 Patient Protection Act, the Authority shall approve all applications
7 which meet the following criteria:

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

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

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

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

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

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

21 Applicants with a nonviolent felony conviction in the last two
22 (2) years, any other felony conviction in the last five (5) years,
23 inmates in the custody of the Department of Corrections or any
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1 person currently incarcerated shall not qualify for a temporary or
2 annual medical marijuana dispensary license.

3 C. Licensed medical marijuana dispensaries shall be required to
4 complete a monthly sales report to the ~~State Department of Health~~
5 Authority. This report shall be due on the fifteenth of each month
6 and provide reporting on the previous month. This report shall
7 detail the weight of marijuana purchased at wholesale and the weight
8 of marijuana sold to licensed medical marijuana patients and
9 licensed caregivers and account for any waste. The report shall
10 show total sales in dollars, tax collected in dollars, and tax due
11 in dollars. The ~~State Department of Health~~ Authority shall have
12 oversight and auditing responsibilities to ensure that all marijuana
13 being grown is accounted for.

14 D. Only a licensed medical marijuana dispensary may conduct
15 retail sales of marijuana or marijuana derivatives. Beginning on
16 the effective date of this act, licensed medical marijuana
17 dispensaries shall be authorized to package and sell pre-rolled
18 marijuana to licensed medical marijuana patients and licensed
19 caregivers. The products described in this subsection shall contain
20 only the ground parts of the marijuana plant and shall not include
21 marijuana concentrates or derivatives. The total net weight of each
22 pre-roll packaged and sold by a medical marijuana dispensary shall
23 not exceed one (1) gram. These products shall be tested, packaged
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1 and labeled in accordance with Oklahoma law and rules promulgated by
2 the ~~State Commissioner of Health~~ Authority.

3 E. No medical marijuana dispensary shall offer or allow a
4 medical marijuana patient licensee, caregiver licensee or other
5 member of the public to handle or otherwise have physical contact
6 with any medical marijuana not contained in a sealed or separate
7 package. Provided, such prohibition shall not preclude an employee
8 of the medical marijuana dispensary from handling loose or
9 nonpackaged medical marijuana to be placed in packaging consistent
10 with the Oklahoma Medical Marijuana and Patient Protection Act and
11 the rules promulgated by the Authority for the packaging of medical
12 marijuana for retail sale. Provided, further, such prohibition
13 shall not prevent a medical marijuana dispensary from displaying
14 samples of its medical marijuana in separate display cases, jars or
15 other containers and allowing medical marijuana patient licensees
16 and caregiver licensees the ability to handle or smell the various
17 samples as long as the sample medical marijuana is used for display
18 purposes only and is not offered for retail sale.

19 SECTION 2. AMENDATORY 63 O.S. 2021, Section 422, is
20 amended to read as follows:

21 Section 422. A. The ~~State Department of Health~~ shall, within
22 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
23 Marijuana Authority shall make available on its website in an easy-
24 to-find location ~~an application~~ applications for a temporary medical

1 marijuana commercial grower license and an annual medical marijuana
2 commercial grower license. The application fee shall be Two
3 Thousand Five Hundred Dollars (\$2,500.00) fees for the temporary or
4 annual license shall be paid by the applicant in the amounts
5 provided for in Section 427.14 of this title. A method of payment
6 for the application fees shall be provided on the website of the
7 Department Authority. ~~The State Department of Health Authority~~
8 shall have ninety (90) days to review the application for a
9 temporary medical marijuana commercial grower license; approve,
10 reject or deny the application; and mail the approval, rejection or
11 denial letter stating the reasons for the rejection or denial to the
12 applicant.

13 B. ~~The State Department of Health~~ In addition to the
14 requirements provided for in the Oklahoma Medical Marijuana and
15 Patient Protection Act, the Authority shall approve all applications
16 which meet the following criteria:

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

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

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

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

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

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

8 Applicants with a nonviolent felony conviction in the last two
9 (2) years, any other felony conviction in the last five (5) years,
10 inmates in the custody of the Department of Corrections or any
11 person currently incarcerated shall not qualify for a temporary or
12 annual medical marijuana commercial grower license.

13 C. A licensed medical marijuana commercial grower may sell
14 marijuana to a licensed medical marijuana dispensary or a licensed
15 medical marijuana processor. Further, sales by a licensed medical
16 marijuana commercial grower shall be considered wholesale sales and
17 shall not be subject to taxation. Under no circumstances may a
18 licensed medical marijuana commercial grower sell marijuana directly
19 to a licensed medical marijuana patient or licensed medical
20 marijuana caregiver. A licensed medical marijuana commercial grower
21 may only sell at the wholesale level to a licensed medical marijuana
22 dispensary, a licensed medical marijuana commercial grower or a
23 licensed medical marijuana processor. If the federal government
24 lifts restrictions on buying and selling marijuana between states,

1 then a licensed medical marijuana commercial grower would be allowed
2 to sell and buy marijuana wholesale from, or to, an out-of-state
3 wholesale provider. A licensed medical marijuana commercial grower
4 shall be required to complete a monthly yield and sales report to
5 the ~~State Department of Health~~ Authority. This report shall be due
6 on the fifteenth of each month and provide reporting on the previous
7 month. This report shall detail the amount of marijuana harvested
8 in pounds, the amount of drying or dried marijuana on hand, the
9 amount of marijuana sold to licensed processors in pounds, the
10 amount of waste in pounds, and the amount of marijuana sold to
11 licensed medical marijuana dispensaries in pounds. Additionally,
12 this report shall show total wholesale sales in dollars. The ~~State~~
13 ~~Department of Health~~ Authority shall have oversight and auditing
14 responsibilities to ensure that all marijuana being grown by
15 licensed medical marijuana commercial growers is accounted for.

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

18 E. Beginning on the effective date of this act, licensed
19 medical marijuana commercial growers shall be authorized to package
20 and sell pre-rolled marijuana to licensed medical marijuana
21 dispensaries. The products described in this subsection shall
22 contain only the ground parts of the marijuana plant and shall not
23 include marijuana concentrates or derivatives. The total net weight
24 of each pre-roll packaged and sold by medical marijuana commercial

1 growers shall not exceed one (1) gram. These products must be
2 tested, packaged and labeled in accordance with Oklahoma law and
3 rules promulgated by the ~~State Commissioner of Health~~ Authority.

4 SECTION 3. AMENDATORY 63 O.S. 2021, Section 423, is
5 amended to read as follows:

6 Section 423. A. The ~~State Department of Health~~ shall, within
7 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
8 Marijuana Authority shall make available on its website in an easy-
9 to-find location an application for a temporary medical marijuana
10 processor license and an annual medical marijuana processing
11 processor license. The ~~Department~~ Authority shall be authorized to
12 issue two types of annual medical marijuana processor licenses based
13 on the level of risk posed by the type of processing conducted:

- 14 1. Nonhazardous medical marijuana processor license; and
- 15 2. Hazardous medical marijuana processor license.

16 The application ~~fee for a nonhazardous or hazardous medical~~
17 ~~marijuana processor license shall be Two Thousand Five Hundred~~
18 ~~Dollars (\$2,500.00)~~ fees for the temporary or annual license shall
19 be paid by the applicant in the amounts provided for in Section
20 427.14 of this title. A method of payment shall be provided on the
21 website of the ~~Department~~ Authority. The ~~State Department of Health~~
22 Authority shall have ninety (90) days to review the temporary
23 medical marijuana processor license application; approve, reject or
24 deny the application; and mail the approval, rejection or denial

1 letter stating the reasons for the rejection or denial to the
2 applicant.

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

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

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

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

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

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

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

18 Applicants with a nonviolent felony conviction in the last two
19 (2) years, any other felony conviction in the last five (5) years,
20 inmates in the custody of the Department of Corrections or any
21 person currently incarcerated shall not qualify for a temporary or
22 annual medical marijuana ~~processing~~ processor license.

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

4 2. ~~As required by subsection D of this section, the State~~
5 ~~Department of Health shall, within sixty (60) days of passage of~~
6 ~~this initiative,~~ The Authority shall make available a set of
7 standards which shall be used by licensed medical marijuana
8 processors in the preparation of edible marijuana products. The
9 standards should be in line with current food preparation
10 guidelines. No excessive or punitive rules may be established by
11 the ~~State Department of Health~~ Authority.

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

20 4. A licensed medical marijuana processor may sell marijuana
21 products it creates to a licensed medical marijuana dispensary or
22 any other licensed medical marijuana processor. All sales by a
23 licensed medical marijuana processor shall be considered wholesale
24 sales and shall not be subject to taxation.

1 5. Under no circumstances may a licensed medical marijuana
2 processor sell marijuana or any marijuana product directly to a
3 licensed medical marijuana patient or licensed medical marijuana
4 caregiver. However, a licensed medical marijuana processor may
5 process cannabis into a concentrated form for a licensed medical
6 marijuana patient for a fee.

7 6. Licensed medical marijuana processors shall be required to
8 complete a monthly yield and sales report to the ~~State Department of~~
9 ~~Health~~ Authority. This report shall be due on the fifteenth of each
10 month and shall provide reporting on the previous month. This
11 report shall detail the amount of marijuana and medical marijuana
12 products purchased in pounds, the amount of marijuana cooked or
13 processed in pounds, and the amount of waste in pounds.
14 Additionally, this report shall show total wholesale sales in
15 dollars. The ~~State Department of Health~~ Authority shall have
16 oversight and auditing responsibilities to ensure that all marijuana
17 being processed is accounted for.

18 D. The ~~Department~~ Authority shall oversee the inspection and
19 compliance of licensed medical marijuana processors producing
20 products with marijuana as an additive. The ~~State Department of~~
21 ~~Health~~ Authority shall be compelled to, ~~within thirty (30) days of~~
22 ~~passage of this initiative,~~ appoint twelve (12) Oklahoma residents
23 to the Medical Marijuana Advisory Council, who are marijuana
24 industry experts, to create a list of food safety standards for

1 processing and handling medical marijuana in Oklahoma. These
2 standards shall be adopted by the ~~Department~~ Authority and the
3 ~~Department~~ Authority may enforce these standards for licensed
4 medical marijuana processors. The ~~Department~~ Authority shall
5 develop a standards review procedure and these standards can be
6 altered by calling another council of twelve (12) Oklahoma marijuana
7 industry experts. A signed letter of twenty operating, licensed
8 processors shall constitute a need for a new council and standards
9 review.

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

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

17 SECTION 4. AMENDATORY 63 O.S. 2021, Section 424, is
18 amended to read as follows:

19 Section 424. A. A temporary medical marijuana transporter
20 license or an annual medical marijuana transportation transporter
21 license will shall be issued to qualifying applicants for a medical
22 marijuana retail dispensary, growing medical marijuana commercial
23 grower, or processing medical marijuana processor license. The
24 transportation temporary or annual medical marijuana transporter

1 license ~~will~~ shall be issued at the time of approval of a ~~retail,~~
2 ~~growing~~ the temporary or annual medical marijuana dispensary,
3 medical marijuana commercial grower, or ~~processing~~ medical marijuana
4 processor license. The fees for the temporary or annual license
5 shall be paid by the applicant in the amounts provided for in
6 Section 427.14 of this title.

7 B. A ~~transportation~~ medical marijuana transporter license ~~will~~
8 shall allow the holder to transport medical marijuana from an
9 Oklahoma-licensed medical marijuana ~~retailer~~ dispensary, ~~licensed~~
10 ~~growing~~ medical marijuana commercial grower facility, or ~~licensed~~
11 medical marijuana processor facility to an Oklahoma-licensed medical
12 marijuana ~~retailer~~ dispensary, ~~licensed-growing~~ medical marijuana
13 commercial grower facility, or ~~licensed~~ medical marijuana processing
14 facility.

15 C. All medical marijuana or medical marijuana products shall be
16 transported in a locked container and clearly labeled "Medical
17 Marijuana or Derivative".

18 SECTION 5. AMENDATORY 63 O.S. 2021, Section 427.14, is
19 amended to read as follows:

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

- 23 1. Medical marijuana commercial grower;
- 24 2. Medical marijuana processor;

- 1 3. Medical marijuana dispensary;
- 2 4. Medical marijuana transporter; and
- 3 5. Medical marijuana testing laboratory.

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

7 C. The Authority shall make available on its website in an
8 easy-to-find location, applications for a temporary medical
9 marijuana business license and annual medical marijuana business
10 license.

11 D. ~~The annual, nonrefundable application fee for a medical~~
12 ~~marijuana business license shall be Two Thousand Five Hundred~~
13 ~~Dollars (\$2,500.00)~~ Upon the effective date of this act, the
14 Authority shall require all persons or entities seeking licensure as
15 a medical marijuana commercial grower, medical marijuana processor,
16 medical marijuana dispensary, or medical marijuana transporter to
17 first apply for a temporary medical marijuana business license.

18 1. A temporary medical marijuana business license is a
19 conditional license and does not authorize the licensee to conduct
20 any sales of medical marijuana or marijuana products, the growing or
21 processing of marijuana, or the transportation of any medical
22 marijuana or marijuana products by the licensee. A temporary
23 medical marijuana business licensee shall follow all applicable
24 rules and regulations promulgated by the Authority.

1 2. A temporary medical marijuana business license does not
2 obligate the Authority to issue an annual medical marijuana business
3 license nor does the temporary medical marijuana business license
4 create a vested right in the holder to either an extension of the
5 temporary medical marijuana business license or to the granting of a
6 subsequent annual medical marijuana business license.

7 3. A temporary medical marijuana business license issued under
8 the provisions of this subsection shall be valid for one hundred
9 eighty (180) days from its effective date.

10 4. A temporary medical marijuana business license may be
11 extended by the Authority for additional ninety-day periods not to
12 exceed eighteen (18) months if:

13 a. an application for an annual license has been
14 submitted to the Authority prior to the initial
15 expiration date of the temporary medical marijuana
16 business license, and

17 b. the Authority determines that the application and
18 required documentation submitted by the applicant for
19 an annual medical marijuana business license is
20 deficient in some manner.

21 5. The nonrefundable application fee for a temporary medical
22 marijuana business license shall be One Thousand Dollars
23 (\$1,000.00). A nonrefundable fee of One Thousand Dollars
24 (\$1,000.00) shall be assessed for every ninety-day extension

1 requested by the holder of a temporary medical marijuana business
2 license and subsequently granted by the Authority.

3 6. In addition to the general requirements provided for in
4 subsection E of this section, persons or entities applying for a
5 temporary medical marijuana business license or applying to renew a
6 medical marijuana business license shall submit the following to the
7 Authority:

8 a. business-formation documents, which may include, but
9 not be limited to, articles of incorporation,
10 operating agreements, partnership agreements, and
11 fictitious business name statements. The applicant
12 shall also provide all documents filed with the
13 Oklahoma Secretary of State,

14 b. financial information pertaining to the operations of
15 the medical marijuana business, which shall include
16 the following:

17 (1) a list of funds belonging to the applicant held
18 in savings, checking, or other accounts
19 maintained by a financial institution. The
20 applicant shall provide for each account, the
21 name of the financial institution, the address of
22 the financial institution, account type, account
23 number, and the amount of money in the account,

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1 (2) a list of loans made to the applicant. For each
2 loan, the applicant shall provide the amount of
3 the loan, the date of the loan, term of the loan,
4 security provided for the loan, and the name,
5 address, and phone number of the lender,

6 (3) a list of investments made into the medical
7 marijuana business. For each investment, the
8 applicant shall provide the amount of the
9 investment, the date of the investment, term of
10 the investment, and the name, address, and phone
11 number of the investor, and

12 (4) a list of all monetary gifts, equipment, and
13 property of any kind given to the applicant for
14 the purpose of or in exchange for applying for or
15 operating a medical marijuana business. For each
16 gift, the applicant shall provide the value or a
17 description of the gift and the name, address,
18 and phone number of the provider of the gift,

19 c. a complete list of every individual who has a
20 financial interest in the medical marijuana business
21 who is not an owner of the medical marijuana business,

22 d. whether the applicant has an ownership or a financial
23 interest in any other medical marijuana business
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1 licensed under the provisions of the Oklahoma Medical
2 Marijuana and Patient Protection Act,

3 e. a complete and detailed diagram of the proposed
4 premises. If changes to the proposed premises occur
5 during the application period, a revised set of plans
6 shall be submitted to the Authority for final
7 inspection. The diagram shall be to scale and shall
8 show the following:

9 (1) boundaries of the property and the proposed
10 premises to be licensed, showing all boundaries,
11 dimensions, entrances and exits, interior
12 partitions, walls, rooms, windows, doorways, and
13 common or shared entryways, and shall include a
14 brief statement or description of the principal
15 activity to be conducted therein,

16 (2) the location of medical marijuana business
17 activities that will take place in each area of
18 the premises, and limited-access areas,

19 (3) where all cameras are located and a number
20 assigned to each camera for identification
21 purposes, and

22 (4) if the proposed premises consists of only a
23 portion of the property, labels indicating which
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1 part of the property is the proposed premises and
2 what the remaining property is used for,

3 f. if the applicant is not the landowner of the real
4 property upon which the premises is located, the
5 applicant shall provide to the Authority a document
6 from the landowner or the agent of the landowner that
7 states that the applicant has the right to occupy the
8 property and acknowledging the applicant may use the
9 property for the medical marijuana business activity
10 for which the applicant is applying for licensure. An
11 applicant shall also provide a copy of the rental
12 agreement, as applicable,

13 g. if the applicant is the landowner of the real property
14 upon which the premises is located, the applicant
15 shall provide to the Authority a copy of the title or
16 deed to the property,

17 h. if the applicant is applying for a medical marijuana
18 commercial grower license, the applicant shall also
19 submit the following:

20 (1) for indoor and mixed light cultivation,
21 identification of all power sources for
22 cultivation activities including, but not limited
23 to, illumination, heating, cooling, and
24 ventilation,

1 (2) if the applicant is proposing to use a diversion
2 from a waterbody, groundwater well, or rain
3 catchment system as a water source for
4 cultivation, include the following locations on
5 the property diagram with locations also provided
6 as coordinates in either latitude and longitude
7 or the Oklahoma Coordinate System:

8 (a) sources of water used, including the
9 location of waterbody diversion, pump
10 location, and distribution system, and

11 (b) location, type, and capacity of each storage
12 unit to be used for cultivation, and

13 (3) a proposed cultivation plan, which shall include
14 identification of all water sources used for
15 cultivation activities, and

16 i. evidence of insurance including, but not limited to:

17 (1) general liability insurance,

18 (2) workers' compensation insurance or a copy of an
19 Affidavit of Exempt Status filed with the
20 Workers' Compensation Commission if compensation
21 coverage is not required pursuant to the
22 Administrative Workers' Compensation Act, and

23 (3) product liability insurance.
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1 7. The Authority may request additional information from the
2 applicant.

3 8. The Authority may reject an application for an annual
4 medical marijuana business license if the requirements for a
5 temporary medical marijuana business license or any provision of the
6 Oklahoma Medical Marijuana and Patient Protection Act are not
7 satisfied.

8 9. For purposes of this subsection, "financial interest"
9 concerning a medical marijuana business shall include any
10 contractual agreements for profit sharing, subcontracting, or
11 similar financial arrangements; provided, that such disclosures
12 alone shall not automatically indicate ownership of the license or
13 require disclosure as an owner of the license.

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

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

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

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

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

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

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

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

14 a. twenty-five (25) years of age or older,

15 b. if applying as an individual, proof that the applicant
16 is an Oklahoma resident pursuant to paragraph 11 of
17 this subsection,

18 c. if applying as an entity, proof that seventy-five
19 percent (75%) of all members, managers, executive
20 officers, partners, board members or any other form of
21 business ownership are Oklahoma residents pursuant to
22 paragraph 11 of this subsection,

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- 1 d. if applying as an individual or entity, proof that the
2 individual or entity is registered to conduct business
3 in the State of Oklahoma,
4 e. disclosure of all ownership interests pursuant to the
5 Oklahoma Medical Marijuana and Patient Protection Act,
6 and
7 f. proof that the medical marijuana business, medical
8 marijuana research facility, medical marijuana
9 education facility and medical marijuana waste
10 disposal facility applicant or licensee has not been
11 convicted of a nonviolent felony in the last two (2)
12 years, or any other felony conviction within the last
13 five (5) years, is not a current inmate in the custody
14 of the Department of Corrections, or currently
15 incarcerated in a jail or corrections facility;

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

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

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

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

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

- 24 a. an unexpired Oklahoma-issued driver license,

- 1 b. an Oklahoma identification card,
- 2 c. a utility bill preceding the date of application,
- 3 excluding cellular telephone and Internet bills,
- 4 d. a residential property deed to property in the State
- 5 of Oklahoma, and
- 6 e. a rental agreement preceding the date of application
- 7 for residential property located in the State of
- 8 Oklahoma.

9 Applicants that were issued a medical marijuana business license
10 prior to August 30, 2019, are hereby exempt from the two-year or
11 five-year Oklahoma residence requirement mentioned above;

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

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

- 19 a. front of an Oklahoma driver license,
- 20 b. front of an Oklahoma identification card,
- 21 c. a United States passport or other photo identification
- 22 issued by the United States government, or
- 23
- 24

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

4 14. All applicants shall submit an applicant photograph.

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

10 G. 1. The Authority shall review the temporary medical
11 marijuana business license applications and conduct all
12 investigations, inspections and interviews before approving the
13 application for an annual medical marijuana business license. The
14 annual medical marijuana business license shall not be issued until
15 the Authority determines that all necessary inspections and reviews
16 including, but not limited to, plan reviews, safety inspections or
17 compliance inspections, have been completed.

18 2. The annual, nonrefundable application fee for a medical
19 marijuana business license shall be One Thousand Five Hundred
20 Dollars (\$1,500.00).

21 3. Approved applicants shall be issued a an annual medical
22 marijuana business license for the specific category applied under,
23 which shall act as proof of their approved status. Rejection and
24 denial letters shall provide a reason for the rejection or denial.

1 Applications for an annual medical marijuana business license may
2 only be rejected or denied based on the applicant not meeting the
3 standards set forth in the provisions of subsection D of this
4 section for a temporary medical marijuana business license, the
5 provisions of the Oklahoma Medical Marijuana and Patient Protection
6 Act and Sections 420 through 426.1 of this title, improper
7 completion of the application, or for a reason provided for in the
8 Oklahoma Medical Marijuana and Patient Protection Act and Sections
9 420 through 426.1 of this title. If an application for an annual
10 medical marijuana business license is rejected for failure to
11 provide required information, the applicant shall ~~have thirty (30)~~
12 ~~days~~ be granted an extension of time as provided for in paragraph 4
13 of subsection D of this section to submit the required information
14 for reconsideration. ~~No additional application fee and shall be~~
15 ~~charged for such reconsideration~~ assessed a nonrefundable fee of One
16 Thousand Dollars (\$1,000.00) for every ninety-day extension
17 requested by the applicant and subsequently granted by the
18 Authority. Unless the Department determines otherwise, an
19 application that has been resubmitted but is still incomplete or
20 contains errors that are not clerical or typographical in nature
21 shall be denied.

22 ~~3.~~ 4. Status-update letters shall provide a reason for delay in
23 either approval, rejection or denial should a situation arise in
24

1 which an application was submitted properly but a delay in
2 processing the application occurred.

3 ~~4.~~ 5. Approval, rejection, denial or status-update letters
4 shall be sent to the applicant in the same method the application
5 was submitted to the ~~Department~~ Authority.

6 6. Medical marijuana businesses issued a medical marijuana
7 business license prior to the effective date of this act shall be
8 required to submit business-formation documents, financial
9 information, and insurance information pertaining to the operations
10 of the medical marijuana business, as prescribed in subparagraphs a,
11 b, c, d, e, f, and i of paragraph 6 of subsection D of this section,
12 to the Authority prior to renewal of the medical marijuana business
13 license. The medical marijuana business licensee shall submit the
14 required documentation not less than sixty (60) days prior to the
15 date of renewal of the medical marijuana business license. The
16 Authority shall have thirty (30) days to review the submitted
17 documentation and an additional thirty (30) days immediately
18 thereafter for purposes of resolving any inconsistencies,
19 discrepancies, or disputed issues found within the submitted
20 documentation. If the medical marijuana business licensee fails to
21 submit the required documentation sixty (60) days prior to the date
22 of renewal, the license of the medical marijuana business shall be
23 suspended until such time as the documentation is submitted to the
24 Authority.

1 7. Medical marijuana businesses that have been issued a
2 temporary and annual medical marijuana business license pursuant to
3 the provisions of subsection D of this section shall be required to
4 annually submit updated business-formation documents, financial
5 information, and insurance information pertaining to the operations
6 of the medical marijuana business, as prescribed in subparagraphs a,
7 b, c, d, e, f, and i of paragraph 6 of subsection D of this section,
8 to the Authority when seeking renewal of the medical marijuana
9 business license.

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

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

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

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

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

24

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

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

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

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

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

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

20 a. unlawful sales or purchases,

21 b. any fraudulent acts, falsification of records or
22 misrepresentation to the Authority, medical marijuana
23 patient licensees, caregiver licensees or medical
24 marijuana business licensees,

- 1 c. any grossly inaccurate or fraudulent reporting,
- 2 d. threatening or harming any medical marijuana patient,
- 3 caregiver, medical practitioner or employee of the
- 4 ~~Department~~ Authority,
- 5 e. knowingly or intentionally refusing to permit the
- 6 ~~Department~~ Authority access to premises or records,
- 7 f. using a prohibited, hazardous substance for processing
- 8 in a residential area,
- 9 g. criminal acts relating to the operation of a medical
- 10 marijuana business, or
- 11 h. any violations that endanger public health and safety
- 12 or product safety.

13 I. In investigating the qualifications of an applicant or a
14 licensee, the ~~Department~~, Authority and municipalities may have
15 access to criminal history record information furnished by a
16 criminal justice agency subject to any restrictions imposed by such
17 an agency.

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

21 K. All applicants and licensees shall submit information to the
22 ~~Department~~ and Authority in a full, faithful, truthful and fair
23 manner. The ~~Department~~ and Authority may recommend denial of an
24 application where the applicant or licensee made misstatements,

1 omissions, misrepresentations or untruths in the application or in
2 connection with the background investigation of the applicant. This
3 type of conduct may be grounds for administrative action against the
4 applicant or licensee. Typos and scrivener errors shall not be
5 grounds for denial.

6 L. A licensed medical marijuana business premises shall be
7 subject to and responsible for compliance with applicable provisions
8 consistent with the zoning where such business is located as
9 described in the most recent versions of the Oklahoma Uniform
10 Building Code, the International Building Code and the International
11 Fire Code, unless granted an exemption by a municipality or
12 appropriate code enforcement entity.

13 M. All medical marijuana business, medical marijuana research
14 facility, medical marijuana education facility and medical marijuana
15 waste disposal facility licensees shall pay the relevant licensure
16 fees prior to receiving licensure to operate.

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

24

1 O. No medical marijuana business, medical marijuana research
2 facility, medical marijuana education facility or medical marijuana
3 waste disposal facility shall possess, sell or transfer medical
4 marijuana or medical marijuana products without a valid, unexpired
5 license issued by the ~~Department~~ Authority.

6 SECTION 6. AMENDATORY 63 O.S. 2021, Section 427.16, is
7 amended to read as follows:

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

11 B. Pursuant to Section 424 of this title, the Oklahoma Medical
12 Marijuana Authority shall issue a temporary and an annual medical
13 marijuana transporter license to licensed medical marijuana
14 commercial growers, licensed medical marijuana processors, and
15 licensed medical marijuana dispensaries upon issuance of such
16 licenses and upon each renewal. Medical marijuana transporter
17 licenses shall also be issued to licensed medical marijuana research
18 facilities, licensed medical marijuana education facilities and
19 licensed medical marijuana testing laboratories upon issuance of
20 such licenses and upon each renewal.

21 C. A temporary or annual medical marijuana transporter license
22 may also be issued to qualifying applicants who are registered with
23 the Oklahoma Secretary of State and otherwise meet the requirements
24 for a medical marijuana business license set forth in Section 427.14

1 of this title, the Oklahoma Medical Marijuana and Patient Protection
2 Act, and the requirements set forth in this section to provide
3 logistics, distribution and storage of medical marijuana, medical
4 marijuana concentrate and medical marijuana products.

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

11 E. A transporter license shall be required for any person or
12 entity to transport or transfer medical marijuana, medical marijuana
13 concentrate or medical marijuana products from a licensed medical
14 marijuana business to another medical marijuana business, or from a
15 medical marijuana business to a medical marijuana research facility
16 or medical marijuana education facility.

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

19 G. A medical marijuana transporter may maintain a licensed
20 premises to temporarily store medical marijuana, medical marijuana
21 concentrate and medical marijuana products and to use as a
22 centralized distribution point. A medical marijuana transporter may
23 store and distribute medical marijuana, medical marijuana
24 concentrate and medical marijuana products from the licensed

1 premises. The licensed premises shall meet all security
2 requirements applicable to a medical marijuana business.

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

8 I. A licensed medical marijuana transporter may maintain and
9 operate one or more warehouses in the state to handle medical
10 marijuana, medical marijuana concentrate and medical marijuana
11 products. Each location shall be registered and inspected by the
12 Authority prior to its use.

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

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

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

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

23 K. A transporter agent may possess marijuana at any location
24 while the transporter agent is transferring marijuana to or from a

1 licensed medical marijuana business, licensed medical marijuana
2 research facility or licensed medical marijuana education facility.
3 The Department shall administer and enforce the provisions of this
4 section concerning transportation.

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

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

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

- 16 1. The name, address and date of birth of the person;
- 17 2. Proof of current Oklahoma residency;
- 18 3. Proof of identity as required for a medical marijuana
19 business license;
- 20 4. Possession of a valid Oklahoma driver license;
- 21 5. Verification of employment with a licensed transporter;
- 22 6. The application and affiliated fee; and
- 23 7. A copy of the criminal background check conducted by the
24 Oklahoma State Bureau of Investigation, paid for by the applicant.

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

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

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

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

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

- 19 1. Insured at or above the legal requirements in Oklahoma;
- 20 2. Capable of securing medical marijuana during transport; and
- 21 3. In possession of a shipping container as defined in Section
22 427.2 of this title capable of securing all transported products.

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

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

- 4 1. For the origination point of the medical marijuana:
 - 5 a. the licensee number for the commercial grower,
6 processor or dispensary,
 - 7 b. address of origination of transport, and
 - 8 c. name and contact information for the originating
9 licensee;

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

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

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

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

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

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

1 7. Notation of the transporting licensee.

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

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

8 3. A receiving licensee shall refuse to accept any medical
9 marijuana, medical marijuana concentrate or medical marijuana
10 products that are not accompanied by an inventory manifest.

11 4. Originating and receiving licensees shall maintain copies of
12 inventory manifests and logs of quantities of medical marijuana
13 received for seven (7) years from date of receipt.

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

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