

1 ENGROSSED HOUSE
2 BILL NO. 3957

By: Fetgatter of the House

3 and

4 Standridge of the Senate

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6
7 An Act relating to medical marijuana; amending
8 Section 2, State Question No. 788, Initiative
9 Petition No. 412 (63 O.S. Supp. 2019, Section 421),
10 which relates to medical marijuana dispensary
11 licensing requirements; updating language; clarifying
12 licensing requirements; authorizing dispensaries to
13 sell certain products; and providing an effective
14 date.

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

16 SECTION 1. AMENDATORY Section 2, State Question No. 788,
17 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 421), is
18 amended to read as follows:

19 Section 421. A. The ~~Oklahoma~~ State Department of Health shall,
20 within thirty (30) days of passage of this initiative, make
21 available, on ~~their~~ the website of the Department, in an easy-to-
22 find location, an application for a medical marijuana dispensary
23 license. The application fee shall be Two Thousand Five Hundred
24 Dollars (\$2,500.00) ~~and a.~~ A method of payment will shall be
provided on the website. ~~Retail~~ Dispensary applicants must all be

1 Oklahoma state residents. Any entity applying for a ~~retail~~
2 dispensary license must be owned by an Oklahoma state resident and
3 must be registered to do business in Oklahoma. The ~~Oklahoma~~ State
4 Department of Health shall have two (2) weeks to review the
5 application, approve or reject the application, and mail the
6 ~~approval/rejection~~ approval or rejection letter ~~(if rejected,~~
7 ~~stating~~ to the applicant. If the application is rejected, the
8 letter shall state the reasons for rejection) to rejecting the
9 application submitted by the applicant.

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

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

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

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

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

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

23 6. All applicants must disclose all ownership;

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

7 C. ~~Retailers will~~ Dispensaries shall be required to complete a
8 monthly sales report to the ~~Oklahoma~~ State Department of Health.
9 ~~This~~ The report ~~will~~ shall be due on the ~~15th~~ fifteenth of each
10 month and provide reporting on the previous month. ~~This~~ The report
11 ~~will~~ shall detail the weight of marijuana purchased at wholesale and
12 the weight of marijuana sold to ~~card holders~~ licensed medical
13 marijuana patients or licensed medical marijuana caregivers, and
14 account for any waste. The report ~~will~~ shall show total sales in
15 dollars, tax collected in dollars, and tax due in dollars. The
16 ~~Oklahoma~~ State Department of Health ~~will~~ shall have oversight and
17 auditing responsibilities to ensure that all marijuana being grown
18 is accounted for. A retailer ~~will~~ shall only be subject to a
19 penalty if a gross discrepancy exists and cannot be explained.
20 Penalties for fraudulent reporting occurring within any ~~2~~ two-year
21 time period ~~will~~ shall be an initial fine of Five Thousand Dollars
22 (\$5,000.00) ~~(first)~~ for the first offense and revocation of
23 ~~licensing~~ ~~(second)~~ the medical marijuana dispensary license for the
24 second offense.

1 D. Only a licensed medical marijuana ~~retailer~~ dispensary may
2 conduct retail sales of marijuana, or marijuana derivatives in the
3 form provided by licensed processors, ~~and these products can~~.
4 Beginning November 1, 2020, licensed medical marijuana dispensaries
5 shall be authorized to grind and offer for sale pre-rolled marijuana
6 cigarettes to licensed medical marijuana patients or licensed
7 medical marijuana caregivers. The products described in this
8 subsection may only be sold to a licensed medical marijuana license
9 holder patients or their caregiver licensed medical marijuana
10 caregivers. Penalties for fraudulent sales occurring within any ~~2~~
11 two-year time period ~~will~~ shall be an initial fine of Five Thousand
12 Dollars (\$5,000.00) ~~(first)~~ for the first offense and revocation of
13 ~~licensing (second)~~ the medical marijuana dispensary license for the
14 second offense.

15 SECTION 2. This act shall become effective November 1, 2020.

16 Passed the House of Representatives the 5th day of March, 2020.

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Presiding Officer of the House
of Representatives

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Passed the Senate the ___ day of _____, 2020.

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Presiding Officer of the Senate

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