

An Act

ENROLLED SENATE
BILL NO. 1726

By: Leewright and Stephens of
the Senate

and

Hilbert of the House

An Act relating to medical marijuana; amending 63 O.S. 2021, Section 427.2, as amended by Section 4, Chapter 584, O.S.L. 2021, which relates to the Oklahoma Medical Marijuana and Patient Protection Act; modifying certain definition; amending 63 O.S. 2021, Section 425, as amended by Section 5, Chapter 553, O.S.L. 2021, which relates to license holder protection; imposing certain restrictions on location of medical marijuana commercial growers; providing method of certain measurement; providing exceptions; amending 63 O.S. 2021, Section 430, as amended by Section 28, Chapter 553, O.S.L. 2021, which relates to the Oklahoma Medical Marijuana Waste Management Act; adding definition; updating statutory language; and declaring an emergency.

SUBJECT: Medical marijuana

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.2, as amended by Section 4, Chapter 584, O.S.L. 2021, is amended to read as follows:

Section 427.2. As used in the Oklahoma Medical Marijuana and Patient Protection Act:

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

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

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

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

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

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

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

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

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

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

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

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

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

13. "Dispensary" means a medical marijuana dispensary, an entity that has been licensed by the Department pursuant to the Oklahoma Medical Marijuana and Patient Protection Act to purchase medical marijuana or medical marijuana products from a licensed medical marijuana commercial grower or medical marijuana processor, sell medical marijuana or medical marijuana products to patients and caregivers as defined under the Oklahoma Medical Marijuana and Patient Protection Act, or sell or transfer products to another dispensary;

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

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

16. "Flower" means the reproductive organs of the marijuana or cannabis plant referred to as the bud or parts of the plant that are

harvested and used to consume in a variety of medical marijuana products;

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

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

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

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

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

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

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

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

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

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

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

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

28. "Marijuana" shall have the same meaning as such term is defined in Section 2-101 of this title and shall not include any plant or material containing delta-8 or delta-10

tetrahydrocannabinol which is grown, processed or sold pursuant to the provisions of the Oklahoma Industrial Hemp Program;

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

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

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

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

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

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

infused products or medical marijuana products as described in the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

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

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

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

40. "Medical marijuana transporter" or "transporter" means a person or entity that is licensed pursuant to the Oklahoma Medical Marijuana and Patient Protection Act. A medical marijuana transporter does not include a medical marijuana business that transports its own medical marijuana, medical marijuana concentrate or medical marijuana products to a property or facility adjacent to

or connected to the licensed premises if the property is another licensed premises of the same medical marijuana business;

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

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

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

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

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

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

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

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

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

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

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

50. "Production batch" means:

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

identical group of harvest batch of medical marijuana,
or

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

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

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

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

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

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

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

and development conducted by a medical marijuana research facility shall be conducted in furtherance of an approved research project;

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

58. "School" means a public or private preschool ~~or~~, a public or private elementary or secondary school, or a technology center school which is primarily used for classroom instruction. A homeschool, daycare or child-care facility shall not be considered a "school" as used in the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

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

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

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

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

65. "Transporter agent" means a person who transports medical marijuana or medical marijuana products for a licensed transporter and holds a transporter agent license pursuant to the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

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

SECTION 2. AMENDATORY 63 O.S. 2021, Section 425, as amended by Section 5, Chapter 553, O.S.L. 2021, is amended to read as follows:

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

B. Unless a failure to do so would cause an employer the potential to lose a monetary or licensing-related benefit under

federal law or regulations, an employer may not discriminate against a person in hiring, termination or imposing any term or condition of employment or otherwise penalize a person based upon the status of the person as a medical marijuana patient licensee. Employers may take action against a medical marijuana patient licensee if the licensee uses or possesses marijuana while in his or her place of employment or during the hours of employment. Employers may not take action against a medical marijuana patient licensee solely based upon the status of an employee as a medical marijuana patient licensee or the results of a drug test showing positive for marijuana or its components.

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

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

E. No person who possesses a medical marijuana patient license may be unduly withheld from holding another state-issued license by virtue of his or her status as a medical marijuana patient licensee including, but not limited to, a concealed carry permit.

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

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

other premises where marijuana or its by-products are cultivated, grown, processed, stored or manufactured.

3. A medical marijuana dispensary does not include those other entities licensed by the Oklahoma Medical Marijuana Authority as marijuana-licensed premises, medical marijuana businesses or other facilities or locations where marijuana or any product containing marijuana or its by-products are cultivated, grown, processed, stored or manufactured.

G. 1. The location of any medical marijuana dispensary is specifically prohibited within one thousand (1,000) feet of any public school or private school. The distance indicated in this ~~subsection~~ paragraph shall be measured from the nearest property line of such public school or private school to the nearest perimeter wall of the licensed premises of such medical marijuana dispensary. If a medical marijuana dispensary met the requirements of this ~~subsection~~ paragraph at the time of its initial licensure, the medical marijuana dispensary licensee shall be permitted to continue operating at the licensed premises in the same manner and not be subject to nonrenewal or revocation due to subsequent events or changes in regulations occurring after licensure that would render the medical marijuana dispensary in violation by being within one thousand (1,000) feet of a public school or private school. If any public school or private school is established within one thousand (1,000) feet of any medical marijuana dispensary after such medical marijuana dispensary has been licensed, the provisions of this ~~subsection~~ paragraph shall not be a deterrent to the renewal of such license or warrant revocation of the license. For purposes of this ~~subsection~~ paragraph, a property owned, used or operated by a public school or by a private school that is not used for classroom instruction on core curriculum, such as an administrative building, athletic facility, ballpark, field or stadium, shall not constitute a public school or private school unless such property is located on the same campus as a building used for classroom instruction on core curriculum.

2. The location of any medical marijuana commercial grower shall not be within one thousand (1,000) feet of any public school or private school as measured from the nearest property line of such public school or private school to the nearest property line of the licensed premises of such medical marijuana commercial grower.

Additionally, the location of the medical marijuana commercial grower shall not adjoin to any public school or private school or be located at the same physical address as the public school or private school. If a medical marijuana commercial grower met the requirements of this paragraph at the time of its initial licensure, the medical marijuana commercial grower licensee shall be permitted to continue operating at the licensed premises in the same manner and not be subject to nonrenewal or revocation due to subsequent events or changes in regulations occurring after licensure that would render the medical marijuana commercial grower in violation of this paragraph. If any public school or private school is established within one thousand (1,000) feet of any medical marijuana commercial grower after such medical marijuana commercial grower has been licensed, or if any public school or private school is established adjoining to or at the same physical address as any medical marijuana commercial grower after such medical marijuana commercial grower has been licensed, the provisions of this paragraph shall not be a deterrent to the renewal of such license or warrant revocation of the license. For purposes of this paragraph, a property owned, used, or operated by a public school or by a private school that is not used for classroom instruction on core curriculum, such as an administrative building, athletic facility, ballpark, field, or stadium, shall not constitute a public school or private school unless such property is located on the same campus as a building used for classroom instruction on core curriculum.

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

SECTION 3. AMENDATORY 63 O.S. 2021, Section 430, as amended by Section 28, Chapter 553, O.S.L. 2021, is amended to read as follows:

Section 430. A. There is hereby created and authorized a medical marijuana waste disposal license. A person or entity in possession of a medical marijuana waste disposal license shall be entitled to possess, transport and dispose of medical marijuana waste. No person or entity shall dispose of medical marijuana waste without a valid medical marijuana waste disposal license. The Oklahoma Medical Marijuana Authority shall issue licenses upon proper application by a licensee and determination by the Authority that the proposed site and facility are physically and technically suitable. Upon a finding that a proposed medical marijuana waste disposal facility is not physically or technically suitable, the Authority shall deny the license. The Authority may, upon determining that public health or safety requires emergency action, issue a temporary license for treatment or storage of medical marijuana waste for a period not to exceed ninety (90) days. The Authority shall not, for the first year of the licensure program, issue more than ten medical marijuana waste disposal licenses. Upon the conclusion of the first year, the Authority shall assess the need for additional medical marijuana waste disposal licenses and shall, if demonstrated, increase the number of licenses as deemed necessary by the Authority.

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

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

- a. an attestation that the applicant is authorized to make application on behalf of the entity,
- b. full name of the organization,
- c. trade name, if applicable,
- d. type of business organization,
- e. complete mailing address,
- f. an attestation that the commercial entity will not be located on tribal land,

- g. telephone number and email address of the entity, and
- h. name, residential address and date of birth of each owner and each member, manager and board member, if applicable;

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

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

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

- a. a list of all persons or entities that have an ownership interest in the entity,
- b. a certificate of good standing from the ~~Oklahoma~~ Secretary of State, if applicable,
- c. an Affidavit of Lawful Presence for each owner,
- d. proof that the proposed location of the disposal facility is at least one thousand (1,000) feet from a

~~public or private~~ school. The distance indicated in this subparagraph shall be measured from the nearest property line of such ~~public or private~~ school to the nearest perimeter wall of the premises of such disposal facility. If any ~~public or private~~ school is established within one thousand (1,000) feet of any disposal facility after such disposal facility has been licensed, the provisions of this subparagraph shall not be a deterrent to the renewal of such license or warrant revocation of the license. For the purposes of this section, "school" shall mean the same as provided in Section 427.2 of this title, and

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

C. No license shall be issued except upon proof of sufficient liability insurance and financial responsibility. Liability insurance shall be provided by the applicant and shall apply to sudden and nonsudden bodily injury or property damage on, below or above the surface, as required by the rules of the Authority. Such insurance shall be maintained for the period of operation of the facility and shall provide coverage for damages resulting from operation of the facility during operation and after closing.

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

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

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

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

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

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

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

SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 16th day of May, 2022.

Presiding Officer of the Senate

Passed the House of Representatives the 27th day of April, 2022.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____