

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1030 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Carol Bush _____

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 PROPOSED
4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 1030

By: Paxton of the Senate

and

Bush of the House

7
8
9
10 PROPOSED COMMITTEE SUBSTITUTE

11 [medical marijuana - codification -
12 emergency]

13
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 63 O.S. 2011, Section 2-402, as
16 last amended by Section 3, State Question No. 780, Initiative
17 Petition No. 404 (63 O.S. Supp. 2018, Section 2-402), is amended to
18 read as follows:

19 Section 2-402. A. 1. It shall be unlawful for any person
20 knowingly or intentionally to possess a controlled dangerous
21 substance unless such substance was obtained directly, or pursuant
22 to a valid prescription or order from a practitioner, while acting
23 in the course of his or her professional practice, or except as
24

1 otherwise authorized by ~~this act~~ the Uniform Controlled Dangerous
2 Substances Act.

3 2. It shall be unlawful for any person to purchase any
4 preparation excepted from the provisions of the Uniform Controlled
5 Dangerous Substances Act pursuant to Section 2-313 of this title in
6 an amount or within a time interval other than that permitted by
7 Section 2-313 of this title.

8 3. It shall be unlawful for any person or business to sell,
9 market, advertise or label any product containing ephedrine, its
10 salts, optical isomers, or salts of optical isomers, for the
11 indication of stimulation, mental alertness, weight loss, appetite
12 control, muscle development, energy or other indication which is not
13 approved by the pertinent federal OTC Final Monograph, Tentative
14 Final Monograph, or FDA-approved new drug application or its legal
15 equivalent. In determining compliance with this requirement, the
16 following factors shall be considered:

- 17 a. the packaging of the product,
- 18 b. the name of the product, and
- 19 c. the distribution and promotion of the product,
20 including verbal representations made at the point of
21 sale.

22 B. Any person who ~~violates~~ is convicted of a violation of this
23 section is shall be guilty of a misdemeanor punishable by
24 ~~confinement for imprisonment of~~ not more than one (1) year ~~and~~ or by

1 a fine not ~~exceeding~~ to exceed One Thousand Dollars (\$1,000.00), or
2 by both such imprisonment and fine.

3 C. Notwithstanding the provisions of subsection B of this
4 section, any person who is convicted of possession of one and one-
5 half (1 1/2) ounces of marijuana or less shall be guilty of a
6 misdemeanor punishable by a fine not to exceed Four Hundred Dollars
7 (\$400.00). Any law enforcement officer who comes in contact with a
8 person in violation of this subsection, and who is satisfied as to
9 the identity of the person, as well as any other pertinent
10 information the officer deems necessary, shall issue to the person a
11 written citation containing a notice to answer the charge against
12 the person in the appropriate court. Upon receiving the written
13 promise of the alleged violator to answer as specified in the
14 citation, the officer shall release the person upon personal
15 recognizance unless there has been a violation of another provision
16 of law.

17 ~~C.~~ D. Any person convicted of any offense described in this
18 section shall, in addition to any fine imposed, pay a special
19 assessment trauma-care fee of One Hundred Dollars (\$100.00) to be
20 deposited into the Trauma Care Assistance Revolving Fund created in
21 Section 1-2530.9 of this title.

22 SECTION 2. AMENDATORY Section 1, State Question No. 788,
23 Initiative Petition No. 412 (63 O.S. Supp. 2018, Section 420), is
24 amended to read as follows:

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

3 1. Consume marijuana legally;

4 2. Legally possess up to three (3) ounces of marijuana on their
5 person;

6 3. Legally possess six (6) mature marijuana plants;

7 4. Legally possess six (6) seedling plants;

8 5. Legally possess one (1) ounce of concentrated marijuana;

9 6. Legally possess seventy-two (72) ounces of edible marijuana;

10 and

11 7. Legally possess up to eight (8) ounces of marijuana in their
12 residence.

13 B. Possession of up to one and one-half ~~(1.5)~~ (1 1/2) ounces of
14 marijuana by ~~persons who can state a medical condition~~ a person who
15 has been issued a state-issued medical marijuana license, but is not
16 in possession of ~~a state-issued medical marijuana license~~ such
17 license at the time of contact with a law enforcement officer, shall
18 constitute a misdemeanor offense ~~with~~ punishable by a fine not to
19 exceed Four Hundred Dollars (\$400.00) and be subject to the cite and
20 release provisions of subsection C of Section 2-402 of this title.

21 Any person producing proof to the court that a current state-issued
22 medical marijuana license for the person was valid at the time of
23 the alleged offense shall be entitled to dismissal of the charge.

24 If proof of such license is presented to the court by no later than

1 the third business day following the issuance of the citation, the
2 dismissal shall be without payment of court costs. The court may
3 access information from the medical marijuana use registry created
4 pursuant to Section 7 of Enrolled House Bill No. 2612 of the 1st
5 Session of the 57th Oklahoma Legislature to confirm the validity of
6 the license by the twenty-four-character identifier. The court
7 shall not dismiss the fine or charge unless proof that the license
8 was valid at the time of the alleged offense is presented to the
9 court. For purposes of this section, "court" means any court in
10 this state.

11 C. A regulatory office shall be established under the ~~Oklahoma~~
12 State Department of Health which ~~will~~ shall receive applications for
13 medical license recipients, dispensaries, growers, and packagers
14 within sixty (60) days of the passage of this initiative.

15 D. The ~~Oklahoma~~ State Department of Health shall, within thirty
16 (30) days of passage of this initiative, make available, on ~~their~~
17 its website, in an easy to find location, an application for a
18 medical marijuana license. The license ~~will be good~~ shall be valid
19 for two (2) years, and the application fee ~~will~~ shall be One Hundred
20 Dollars (\$100.00), or Twenty Dollars (\$20.00) for individuals on
21 Medicaid, Medicare, or SoonerCare. The methods of payment ~~will~~
22 shall be provided on the website of the Department.

23 E. A temporary license application ~~will~~ shall also be made
24 available on the ~~Oklahoma~~ State Department of Health website. A

1 temporary medical marijuana license ~~will~~ shall be granted to any
2 medical marijuana license holder from other states, provided that
3 the state has a state regulated medical marijuana program, and the
4 applicant can prove ~~they are~~ he or she is a member of such program.
5 Temporary licenses ~~will~~ shall be issued for thirty (30) days. The
6 cost for a temporary license shall be One Hundred Dollars (\$100.00).
7 Renewal ~~will~~ shall be granted with resubmission of a new
8 application. No additional criteria ~~will~~ shall be required.

9 F. Medical marijuana license applicants ~~will~~ shall submit ~~their~~
10 his or her application to the ~~Oklahoma~~ State Department of Health
11 for approval ~~and that the applicant must~~. The applicant shall be an
12 Oklahoma state resident and shall prove residency by a valid
13 ~~driver's~~ driver license, utility bills, or other accepted methods.

14 G. The ~~Oklahoma~~ State Department of Health shall review the
15 medical marijuana application, ~~approve/reject~~ approve or reject the
16 application, and mail the ~~applicant's~~ approval or rejection letter
17 ~~(stating reasons for rejection)~~, stating any reasons for rejection,
18 to the applicant within fourteen (14) days of receipt of the
19 application. Approved applicants ~~will~~ shall be issued a medical
20 marijuana license which ~~will~~ shall act as proof of ~~their~~ his or her
21 approved status. Applications may only be rejected based on the
22 applicant not meeting stated criteria or improper completion of the
23 application.

24

1 H. The ~~Oklahoma~~ State Department of Health ~~will only keep the~~
2 ~~following records for each approved medical license:~~

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

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

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

6 4. ~~A unique 24 character identification number assigned to the~~
7 license shall retain all information obtained from the application.

8 I. The State Department of Health ~~will~~ shall make available,
9 both on its website, and through a telephone verification system, an
10 easy method to validate ~~a medical license holders~~ the authenticity
11 of a medical marijuana license by the unique ~~24 character~~ 24-
12 character identifier.

13 J. The State Department of Health ~~will~~ shall ensure that all
14 application records and information are sealed to protect the
15 privacy of medical marijuana license applicants.

16 K. A caregiver license ~~will~~ shall be made available for
17 qualified caregivers of a medical marijuana license holder who is
18 homebound. The caregiver license ~~will~~ shall give the caregiver the
19 same rights as the medical marijuana license holder. Applicants for
20 a caregiver license ~~will~~ shall submit proof of the ~~medical marijuana~~
21 ~~license holder's~~ license status and homebound status of the medical
22 marijuana license holder, proof that they are the caregiver is the
23 designee of the medical marijuana license holder, ~~must submit~~ proof
24 that the caregiver is ~~age~~ eighteen (18) years of age or older, and

1 ~~must submit~~ proof the caregiver is an Oklahoma resident. This ~~will~~
2 shall be the only criteria for a caregiver license.

3 L. All applicants ~~must~~ shall be eighteen (18) years of age or
4 older. A special exception ~~will~~ shall be granted to an applicant
5 under the age of eighteen (18), however these applications ~~must~~
6 shall be signed by two ~~(2)~~ physicians and the ~~applicant's~~ parent or
7 legal guardian of the applicant.

8 M. All applications for a medical marijuana license ~~must~~ shall
9 be signed by an Oklahoma Board-certified physician. There are no
10 qualifying conditions. A medical marijuana license ~~must~~ shall be
11 recommended according to the accepted standards a reasonable and
12 prudent physician would follow when recommending or approving any
13 medication. No physician may be unduly stigmatized or harassed for
14 signing a medical marijuana license application.

15 N. 1. Counties and cities may enact medical marijuana
16 guidelines allowing medical marijuana license holders or caregivers
17 to exceed the state limits set forth in subsection A of this
18 section.

19 2. Municipalities may pass ordinances to restrict or prohibit
20 the smoking or vaping of medical marijuana in any or all public
21 places within city limits. Smoking or vaping of medical marijuana
22 shall be prohibited within fifty (50) feet of a street, alley or
23 sidewalk.
24

1 SECTION 3. AMENDATORY Section 6, State Question No. 788,
2 Initiative Petition No. 412 (63 O.S. Supp. 2018, Section 425), is
3 amended to read as follows:

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

10 B. 1. Unless a failure to do so would cause an employer the
11 potential to ~~imminently~~ lose a monetary or licensing-related benefit
12 under federal law or regulations, an employer may not discriminate
13 against a person in hiring, termination or imposing any term or
14 condition of employment or otherwise penalize a person based upon
15 ~~either:~~

16 ~~1. The person's~~ the status of the person as a medical marijuana
17 license holder; ~~or,~~ except as provided in Section 8 of Enrolled
18 House Bill No. 2612 of the 1st Session of the 57th Oklahoma
19 Legislature.

20 2. Employers may take action against a holder of a medical
21 marijuana license ~~holder~~ if the holder uses or possesses marijuana
22 while in ~~the holder's~~ his or her place of employment or during the
23 hours of employment. Employers may not take action against the
24 holder of a medical marijuana license solely based upon the status

1 of an employee as a medical marijuana license holder or the results
2 of a drug test showing positive for marijuana or its components,
3 except as provided in Section 8 of Enrolled House Bill No. 2612 of
4 the 1st Session of the 57th Oklahoma Legislature.

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

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

17 E. No person holding a medical marijuana license may unduly be
18 withheld from holding a state issued license by virtue of their
19 being a medical marijuana license holder. ~~This would include such~~
20 ~~things as~~ including, but not limited to, a concealed carry permit.

21 F. 1. No city or local municipality may unduly change or
22 restrict zoning laws to prevent the opening of a retail marijuana
23 establishment.

24

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

10 3. For purposes of this section, "retail marijuana
11 establishment" means an entity licensed by the State Department of
12 Health as a medical marijuana dispensary. Retail marijuana
13 establishment does not include those other entities licensed by the
14 Department as marijuana-licensed premises, medical marijuana
15 businesses, or other facilities or locations where marijuana or any
16 product containing marijuana or its by-products is cultivated,
17 grown, processed, stored or manufactured.

18 G. The location of any ~~retail marijuana establishment~~
19 dispensary is specifically prohibited within one thousand (1,000)
20 feet ~~from~~ of any public or private school entrance.

21 H. Research ~~will~~ shall be provided for under this law. A
22 researcher may apply to the ~~Oklahoma~~ State Department of Health for
23 a special research license. ~~That license will~~ The license shall be
24 granted, provided the applicant meets the criteria listed under

1 ~~Section 421.B~~ subsection B of Section 421 of this title. Research
2 license holders ~~will~~ shall be required to file monthly consumption
3 reports to the ~~Oklahoma~~ State Department of Health with amounts of
4 marijuana used for research.

5 SECTION 4. AMENDATORY Section 7, State Question No. 788,
6 Initiative Petition No. 412 (63 O.S. Supp. 2018, Section 426), is
7 amended to read as follows:

8 Section 426. A. ~~The~~ Marijuana sales in Oklahoma shall be
9 subject to state, county and municipal sales tax. In addition to
10 sales tax, an excise tax on retail medical marijuana sales will be
11 established at seven percent (7%) is hereby levied at the rate of
12 two and one-half percent (2.5%) of the gross amount received by the
13 seller purchase price including cash, credit or other monetary
14 consideration.

15 B. ~~This tax will~~ All sales and excise tax shall be collected at
16 the point of sale. ~~Tax~~ The state portion of the sales tax proceeds
17 ~~will~~ shall be applied primarily to finance the regulatory office.

18 C. If proceeds from the ~~levy~~ state portion of the sales tax
19 authorized by subsection A of this section exceed the budgeted
20 amount for running the regulatory office, any surplus shall be
21 apportioned with seventy-five percent (75%) going to the General
22 Revenue Fund and may only be expended for common education. Twenty-
23 five percent (25%) shall be apportioned to the ~~Oklahoma~~ State
24

1 Department of Health and earmarked for drug and alcohol
2 rehabilitation.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 427 of Title 63, unless there is
5 created a duplication in numbering, reads as follows:

6 A. All licensure revocation hearings conducted pursuant to the
7 penalties set forth in Sections 421, 422 and 423 of Title 63 of the
8 Oklahoma Statutes shall be recorded. A party may request a copy of
9 the recording of the proceedings. Copies shall be provided to local
10 law enforcement if the revocation was based on alleged criminal
11 activity.

12 B. The State Department of Health shall assist any law
13 enforcement officer in the performance of his or her duties upon
14 such request by the law enforcement officer or the request of other
15 local officials having jurisdiction. The Department shall share
16 information with law enforcement agencies upon request without a
17 subpoena or search warrant.

18 C. The State Department of Health shall make available all
19 information displayed on medical marijuana licenses, as well as
20 whether or not the license is valid, to law enforcement
21 electronically through the Oklahoma Law Enforcement
22 Telecommunications System.

23 D. The Department shall make available to political
24 subdivisions a list of marijuana-licensed premises, medical

1 marijuana businesses or any other premises where marijuana or its
2 by-products are licensed to be cultivated, grown, processed, stored
3 or manufactured to aid county and municipal governments to identify
4 locations within their jurisdiction and ensure compliance with local
5 regulations.

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

16 SECTION 6. AMENDATORY Section 7 of Enrolled House Bill
17 No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is
18 amended to read as follows:

19 Section 7. A. The Oklahoma Medical Marijuana Authority shall
20 create a medical marijuana use registry of patients and caregivers
21 as provided under this section. The handling of any records
22 maintained in the registry shall comply with all relevant state and
23 federal laws including, but not limited to, the Health Insurance
24 Portability and Accountability Act of 1996 (HIPAA).

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

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

5 2. Any court in this state for the purposes specified in
6 subsection B of Section 420 of Title 63 of the Oklahoma Statutes.

7 C. All other records regarding a medical marijuana licensee
8 shall be maintained by the Authority and shall be deemed
9 confidential. The handling of any records maintained by the
10 Authority shall comply with all relevant state and federal laws
11 including, but not limited to, the Health Insurance Portability and
12 Accountability Act of 1996 (HIPAA). Such records shall be marked as
13 confidential, shall not be made available to the public and shall
14 only be made available to the licensee, designee of the licensee,
15 any physician of the licensee or the caregiver of the licensee. No
16 personally identifiable information, as defined under HIPAA, shall
17 be stored at the Department.

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

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

1 SECTION 7. AMENDATORY Section 14 of Enrolled House Bill
2 No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is
3 amended to read as follows:

4 Section 14. A. There is hereby created the medical marijuana
5 business license, which shall include the following categories:

- 6 1. Medical marijuana commercial grower;
- 7 2. Medical marijuana processor;
- 8 3. Medical marijuana dispensary;
- 9 4. Medical marijuana transporter; and
- 10 5. Medical marijuana testing laboratory.

11 B. The Authority, with the aid of the Office of Management and
12 Enterprise Services, shall develop a website for medical marijuana
13 business applications.

14 C. The Authority shall make available on its website or the
15 website of the Oklahoma Medical Marijuana Authority in an easy-to-
16 find location, applications for a medical marijuana business.

17 D. The nonrefundable application fee for a medical marijuana
18 business license shall be Two Thousand Five Hundred Dollars
19 (\$2,500.00).

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

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

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

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

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

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

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

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

16 a. all applicants shall be age twenty-five (25) years of
17 age or older,

18 b. any applicant applying as an individual shall show
19 proof that the applicant is an Oklahoma resident
20 pursuant to paragraph 11 of this subsection,

21 c. any applicant applying as an entity shall show that
22 seventy-five percent (75%) of all members, managers,
23 executive officers, partners, board members or any
24

1 other form of business ownership are Oklahoma
2 residents pursuant to paragraph 11 of this subsection,

3 d. all applying individuals or entities shall be
4 registered to conduct business in the State of
5 Oklahoma,

6 e. all applicants shall disclose all ownership interests
7 pursuant to this act, and

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

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

20 9. All applicants for a medical marijuana business license,
21 research facility license or education facility license authorized
22 by this act shall undergo an Oklahoma criminal history background
23 check conducted by the Oklahoma State Bureau of Investigation (OSBI)

1 within thirty (30) days prior to the application for the license,
2 including:

- 3 a. individual applicants applying on their own behalf,
- 4 b. individuals applying on behalf of an entity,
- 5 c. all principal officers of an entity, and
- 6 d. all owners of an entity as defined by this act;

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

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

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

24

1 e. a rental agreement preceding the date of application
2 for residential property located in the State of
3 Oklahoma;

4 12. All license applicants shall be required to submit a
5 registration with the Oklahoma State Bureau of Narcotics and
6 Dangerous Drugs Control as provided in Sections 2-202 through 2-204
7 of Title 63 of the Oklahoma Statutes;

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

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

21 14. All applicants shall submit an applicant photograph.

22 F. The Authority shall review the medical marijuana business
23 application, approve or reject the application and mail the
24

1 approval, rejection or status-update letter to the applicant within
2 ninety (90) days of receipt of the application.

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

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

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

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

24

1 H. A license provided by this act or by Section 421, 422, 423
2 or 425 of Title 63 of the Oklahoma Statutes shall not be issued
3 until all relevant local licenses and permits have been issued by
4 the municipality, including but not limited to an occupancy permit
5 or certificate of compliance.

6 ~~I. In the event that an applicant has not received the
7 necessary permits, certificates or licenses from a municipality, but
8 the applicant has fulfilled all other obligations required by this
9 act, the Authority shall grant a conditional license. A conditional
10 license shall remain valid for a period of one (1) year or until the
11 applicant obtains the necessary local permits, certificates or
12 licenses. An applicant shall not transfer any medical marijuana,
13 concentrate or products to a medical marijuana business, patient or
14 caregiver until approval is received from the Authority.~~

15 ~~¶~~ A medical marijuana business license shall not be issued to
16 or held by:

- 17 1. A person until all required fees have been paid;
- 18 2. A person who has been convicted of a nonviolent felony
19 within two (2) years of the date of application, or within five (5)
20 years for any other felony;
- 21 3. A corporation, if the criminal history of any of its
22 officers, directors or stockholders indicates that the officer,
23 director or stockholder has been convicted of a nonviolent felony

24

1 within two (2) years of the date of application, or within five (5)
2 years for any other felony;

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

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

7 a. file taxes, interest or penalties due related to a
8 medical marijuana business, or

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

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

13 7. A person whose authority to be a caregiver as defined in
14 this act has been revoked by the Department; or

15 8. A publicly traded company.

16 ~~K.~~ J. In investigating the qualifications of an applicant or a
17 licensee, the Department, Authority and municipalities may have
18 access to criminal history record information furnished by a
19 criminal justice agency subject to any restrictions imposed by such
20 an agency. In the event the Department considers the criminal
21 history record of the applicant, the Department shall also consider
22 any information provided by the applicant regarding such criminal
23 history record, including but not limited to evidence of
24 rehabilitation, character references and educational achievements,

1 especially those items pertaining to the period of time between the
2 last criminal conviction of the applicant and the consideration of
3 the application for a state license.

4 ~~L.~~ K. The failure of an applicant to provide the requested
5 information by the Authority deadline may be grounds for denial of
6 the application.

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

16 ~~N.~~ M. A licensed medical marijuana business premises shall be
17 subject to and responsible for compliance with applicable provisions
18 for medical marijuana business facilities as described in the most
19 recent versions of the Oklahoma Uniform Building Code, the
20 International Building Code and the International Fire Code, unless
21 granted an exemption by the Authority or municipality.

22 ~~O.~~ N. All medical marijuana business licensees shall pay the
23 relevant licensure fees prior to receiving licensure to operate a
24

1 medical marijuana business, as defined in this act for each class of
2 license.

3 SECTION 8. AMENDATORY 68 O.S. 2011, Section 2701, is
4 amended to read as follows:

5 Section 2701. A. Any incorporated city or town in this state
6 is hereby authorized to assess, levy, and collect taxes for general
7 and special purposes of municipal government as the Legislature may
8 levy and collect for purposes of state government, subject to the
9 provisions of subsection F of this section, except ad valorem
10 property taxes. Provided:

11 1. Taxes shall be uniform upon the same class subjects, and any
12 tax, charge, or fee levied upon or measured by income or receipts
13 from the sale of products or services shall be uniform upon all
14 classes of taxpayers;

15 2. Motor vehicles may be taxed by the city or town only when
16 such vehicles are primarily used or located in such city or town for
17 a period of time longer than six (6) months of a taxable year;

18 3. The provisions of this section shall not be construed to
19 authorize imposition of any tax upon persons, firms, or corporations
20 exempted from other taxation under the provisions of Sections 348.1,
21 624 and 321 of Title 36 of the Oklahoma Statutes, by reason of
22 payment of taxes imposed under such sections;

23 4. Cooperatives and communications companies are hereby
24 authorized to pass on to their subscribers in the incorporated city

1 or town involved, the amount of any special municipal fee, charge or
2 tax hereafter assessed or levied on or collected from such
3 cooperatives or communications companies;

4 5. No earnings, payroll or income taxes may be levied on
5 nonresidents of the cities or towns levying such tax;

6 6. The governing body of any city or town shall be prohibited
7 from proposing taxing ordinances more often than three times in any
8 calendar year, or twice in any six-month period; and

9 7. Any revenues derived from a tax authorized by this
10 subsection not dedicated to a limited purpose shall be deposited in
11 the municipal general fund.

12 B. A sales tax authorized in subsection A of this section may
13 be levied for limited purposes specified in the ordinance levying
14 the tax. Such ordinance shall be submitted to the voters for
15 approval as provided in Section 2705 of this title. Any sales tax
16 levied or any change in the rate of a sales tax levied pursuant to
17 the provisions of this section shall become effective on the first
18 day of the calendar quarter following approval by the voters of the
19 city or town unless another effective date, which shall also be on
20 the first day of a calendar quarter, is specified in the ordinance
21 levying the sales tax or changing the rate of sales tax. Such
22 ordinance shall describe with specificity the projects or
23 expenditures for which the limited-purpose tax levy would be made.
24 The municipal governing body shall create a limited-purpose fund and

1 deposit therein any revenue generated by any tax levied pursuant to
2 this subsection. Money in the fund shall be accumulated from year
3 to year. The fund shall be placed in an insured interest-bearing
4 account and the interest which accrues on the fund shall be retained
5 in the fund. The fund shall be nonfiscal and shall not be
6 considered in computing any levy when the municipality makes its
7 estimate to the excise board for needed appropriations. Money in
8 the limited-purpose tax fund shall be expended only as accumulated
9 and only for the purposes specifically described in the taxing
10 ordinance as approved by the voters.

11 C. The Oklahoma Tax Commission shall give notice to all vendors
12 of a rate change at least sixty (60) days prior to the effective
13 date of the rate change. Provided, for purchases from printed
14 catalogs wherein the purchaser computed the tax based upon local tax
15 rates published in the catalog, the rate change shall not be
16 effective until the first day of a calendar quarter after a minimum
17 of one hundred twenty (120) days' notice to vendors. Failure to
18 give notice as required by this section shall delay the effective
19 date of the rate change to the first day of the next calendar
20 quarter.

21 D. The change in the boundary of a municipality shall be
22 effective, for sales and use tax purposes only, on the first day of
23 a calendar quarter after a minimum of sixty (60) days' notice to
24 vendors.

1 E. If the proceeds of any sales tax levied by a municipality
2 pursuant to subsection B of this section are being used by the
3 municipality for the purpose of retiring indebtedness incurred by
4 the municipality or by a public trust of which the municipality is a
5 beneficiary for the specific purpose for which the sales tax was
6 imposed, the sales tax shall not be repealed until such time as the
7 indebtedness is retired. However, in no event shall the life of the
8 tax be extended beyond the duration approved by the voters of the
9 municipality. The provisions of this subsection shall apply to all
10 sales tax levies imposed by a municipality and being used by the
11 municipality for the purposes set forth in this subsection prior to
12 or after July 1, 1995.

13 F. The sale of an article of clothing or footwear designed to
14 be worn on or about the human body shall be exempt from the sales
15 tax imposed by any incorporated city or town, in accordance with and
16 to the extent set forth in Section ~~3 of this act~~ 1357.10 of this
17 title.

18 G. If the sale of medical marijuana is subject to a sales tax
19 levied by a municipality pursuant to subsection B of this section,
20 the rate of tax shall not exceed the rate levied by a municipality
21 for other sales.

22 SECTION 9. AMENDATORY 68 O.S. 2011, Section 1370, as
23 amended by Section 2, Chapter 254, O.S.L. 2015 (68 O.S. Supp. 2018,
24 Section 1370), is amended to read as follows:

1 Section 1370. A. 1. In accordance with the provisions of
2 Section ~~4~~ 1354.36 of this ~~act~~ title, any county of this state may
3 levy a sales tax of not to exceed two percent (2%) upon the gross
4 proceeds or gross receipts derived from all sales or services in the
5 county upon which a consumer's sales tax is levied by this state;
6 except as otherwise provided in paragraph 2 of this subsection.
7 Before a sales tax may be levied by the county, the imposition of
8 the tax shall first be approved by a majority of the registered
9 voters of the county voting thereon at a special election called by
10 the board of county commissioners or by initiative petition signed
11 by not less than five percent (5%) of the registered voters of the
12 county who were registered at the time of the last general election.
13 However, if a majority of the registered voters of a county voting
14 fail to approve such a tax, the board of county commissioners shall
15 not call another special election for such purpose for six (6)
16 months. Any sales tax approved by the registered voters of a county
17 shall be applicable only when the point of sale is within the
18 territorial limits of such county. Any sales tax levied or any
19 change in the rate of a sales tax levied pursuant to the provisions
20 of this section shall become effective on the first day of the
21 calendar quarter following approval by the voters of the county
22 unless another effective date, which shall also be on the first day
23 of a calendar quarter, is specified in the ordinance or resolution
24 levying the sales tax or changing the rate of sales tax.

1 2. If the sale of medical marijuana is subject to a sales tax
2 levied by a county, the rate of tax shall not exceed the rate levied
3 by a county for other sales.

4 B. The Oklahoma Tax Commission shall give notice to all vendors
5 of a rate change at least sixty (60) days prior to the effective
6 date of the rate change. Provided, for purchases from printed
7 catalogs wherein the purchaser computed the tax based upon local tax
8 rates published in the catalog, the rate change shall not be
9 effective until the first day of a calendar quarter after a minimum
10 of one hundred twenty (120) days' notice to vendors. Failure to
11 give notice as required by this section shall delay the effective
12 date of the rate change to the first day of the next calendar
13 quarter.

14 C. Initiative petitions calling for a special election
15 concerning county sales tax proposals shall be in accordance with
16 Sections 2, 3, ~~3.1~~, 6, 18 and 24 of Title 34 of the Oklahoma
17 Statutes. Petitions shall be submitted to the office of county
18 clerk for approval as to form prior to circulation. Following
19 approval, the petitioner shall have ninety (90) days to secure the
20 required signatures. After securing the requisite number of
21 signatures, the petitioner shall submit the petition and signatures
22 to the county clerk. Following the verification of signatures, the
23 county clerk shall present the petition to the board of county
24 commissioners. The special election shall be held within sixty (60)

1 days of receiving the petition. The ballot title presented to the
2 voters at the special election shall be identical to the ballot as
3 presented in the initiative petition.

4 D. ~~Subject~~ Sales subject to the provisions of Section 1357.10
5 of this title, ~~all items~~ that are exempt from the state sales tax
6 shall be exempt from any sales tax levied by a county.

7 E. Any sales tax which may be levied by a county shall be
8 designated for a particular purpose. Such purposes may include, but
9 are not limited to, projects owned by the state, any agency or
10 instrumentality thereof, the county and/or any political subdivision
11 located in whole or in part within such county, regional
12 development, economic development, common education, general
13 operations, capital improvements, county roads, weather modification
14 or any other purpose deemed, by a majority vote of the county
15 commissioners or as stated by initiative petition, to be necessary
16 to promote safety, security and the general well-being of the
17 people, including any authorized purpose pursuant to the Oklahoma
18 Community Economic Development Pooled Finance Act. The county shall
19 identify the purpose of the sales tax when it is presented to the
20 voters pursuant to the provisions of subsection A of this section.
21 Except as otherwise provided in this section and except as required
22 by the Oklahoma Community Economic Development Pooled Finance Act,
23 the proceeds of any sales tax levied by a county shall be deposited
24 in the general revenue or sales tax revolving fund of the county and

1 shall be used only for the purpose for which such sales tax was
2 designated. If the proceeds of any sales tax levied by a county
3 pursuant to this section are pledged for the purpose of retiring
4 indebtedness incurred for the specific purpose for which the sales
5 tax is imposed, the sales tax shall not be repealed until such time
6 as the indebtedness is retired. However, in no event shall the life
7 of the tax be extended beyond the duration approved by the voters of
8 the county.

9 F. 1. Notwithstanding any other provisions of law, any county
10 that has approved a sales tax for the construction, support or
11 operation of a county hospital may continue to collect such tax if
12 such hospital is subsequently sold. Such collection shall only
13 continue if the county remains indebted for the past construction,
14 support or operation of such hospital. The collection may continue
15 only until the debt is repaid or for the stated term of the sales
16 tax, whichever period is shorter.

17 2. If the construction, support or operation of a hospital is
18 funded through the levy of a county sales tax pursuant to this
19 section and such hospital is subsequently sold, the county levying
20 the tax may dissolve the governing board of such hospital following
21 the sale. Upon the sale of the hospital and dissolution of any
22 governing board, the county is relieved of any future liability for
23 the operation of such hospital.

24

1 G. Proceeds from any sales tax levied that is designated to be
2 used solely by the sheriff for the operation of the office of
3 sheriff shall be placed in the special revenue account of the
4 sheriff.

5 H. The life of the tax could be limited or unlimited in
6 duration. The county shall identify the duration of the tax when it
7 is presented to the voters pursuant to the provisions of subsections
8 A and C of this section. The maximum duration of a levy imposed
9 pursuant to Section 891.14 of Title 62 of the Oklahoma Statutes
10 shall be no longer than allowed pursuant to the Oklahoma Community
11 Economic Development Pooled Finance Act.

12 I. Except for the levies imposed pursuant to Section 891.14 of
13 Title 62 of the Oklahoma Statutes, there are hereby created one or
14 more county sales tax revolving funds in each county which levies a
15 sales tax under this section if any or all of the proceeds of such
16 tax are not to be deposited in the general revenue fund of the
17 county or comply with the provisions of subsection G of this
18 section. Each such revolving fund shall be designated for a
19 particular purpose and shall consist of all monies generated by such
20 sales tax which are designated for such purpose. Monies in such
21 funds shall only be expended for the purposes specifically
22 designated as required by this section. A county sales tax
23 revolving fund shall be a continuing fund not subject to fiscal year
24 limitations.

1 J. In the case of a levy submitted for voter approval pursuant
2 to Section 891.14 of Title 62 of the Oklahoma Statutes, taxes levied
3 by a county shall not become valid until the ordinance or resolution
4 setting the rate of the levy shall have been approved by a majority
5 vote of the registered voters of each such county voting on such
6 question at a special election. Elections conducted pursuant to
7 questions submitted pursuant to Section 891.14 of Title 62 of the
8 Oklahoma Statutes shall be conducted on the same date or in a
9 sequence that provides that the last vote required for approval by
10 all participating counties or municipalities occurs not later than
11 thirty (30) days after the date upon which the first vote occurs.

12 ~~SECTION 10. It being immediately necessary for the preservation~~
13 ~~of the public peace, health or safety, an emergency is hereby~~
14 ~~declared to exist, by reason whereof this act shall take effect and~~
15 ~~be in full force from and after its passage and approval.~~

16
17
18
19
20
21
22
23
24

57-1-8677 GRS 04/04/19