

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3959

By: Fetgatter of the House

and

7 **Standridge** of the Senate

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9
10 COMMITTEE SUBSTITUTE

11 An Act relating to medical marijuana; creating
12 Oklahoma Medical Marijuana Authority as a separate
13 and distinct state agency; providing for transfer of
14 funds, property, records, personnel, financial
15 obligations and encumbrances from the State
16 Department of Health; providing for the retention of
17 employment status and benefits; directing Governor to
18 appoint Executive Director of the Authority;
19 providing for the retention of current Executive
20 Director; authorizing Authority to contract for
21 certain services; providing for coordination of
22 transfers; authorizing Authority to rent, lease or
23 own office space; creating the Oklahoma Medical
24 Marijuana Authority Board; providing for appointments
 to the Board; prescribing terms of office; providing
 an ex officio member of the Board; providing for the
 election of a chair and vice-chair; imposing quorum
 requirements for taking official actions; providing
 exemption from certain prohibition; stating powers
 and duties of the Board; providing for reimbursement
 of expenses pursuant to the State Travel
 Reimbursement Act; authorizing meetings; prescribing
 minimum number of meetings; stating manner by which
 vacancies on the Board shall be filled; directing the
 Oklahoma Medical Marijuana Authority to provide
 clerical staff and space for meetings; providing for

1 applicability of Oklahoma Open Meeting Act, Oklahoma
2 Open Records Act and Administrative Procedures Act;
3 amending Section 1, Chapter 435, O.S.L. 2019 (12 O.S.
4 Supp. 2019, Section 1560), which relates to
5 foreclosure of medical marijuana businesses; removing
6 references to the State Department of Health and
7 updating language; amending Section 1, State Question
8 No. 788, Initiative Petition No. 412, as last amended
9 by Section 2, Chapter 509, O.S.L. 2019, Sections 2, 3
10 and 4, State Question No. 788, Initiative Petition
11 No. 412, Section 6, State Question No. 788,
12 Initiative Petition No. 412, as amended by Section 3,
13 Chapter 509, O.S.L. 2019 and Section 7, State
14 Question No. 788, Initiative Petition No. 412 (63
15 O.S. Supp. 2019, Sections 420, 421, 422, 423, 425 and
16 426), which relate to medical marijuana patient and
17 businesses licensing regulations; removing references
18 to the State Department of Health and updating
19 language; establishing name of certain board;
20 amending Section 2, Chapter 11, O.S.L. 2019, as last
21 amended by Section 1, Chapter 390, O.S.L. 2019,
22 Section 3, Chapter 11, O.S.L. 2019, as amended by
23 Section 6, Chapter 477, O.S.L. 2019, Section 4,
24 Chapter 11, O.S.L. 2019, Section 5, Chapter 11,
O.S.L. 2019, Section 6, Chapter 11, O.S.L. 2019, as
amended by Section 7, Chapter 477, O.S.L. 2019,
Section 7, Chapter 11, O.S.L. 2019, as amended by
Section 5, Chapter 509, O.S.L. 2019, Section 9,
Chapter 11, O.S.L. 2019, Section 10, Chapter 11,
O.S.L. 2019, as amended by Section 2, Chapter 390,
O.S.L. 2019, Section 13, Chapter 11, O.S.L. 2019,
Section 14, Chapter 11, O.S.L. 2019, as amended by
Section 6, Chapter 509, O.S.L. 2019, Section 15,
Chapter 11, O.S.L. 2019, Section 16, Chapter 11,
O.S.L. 2019, Section 17, Chapter 11, O.S.L. 2019, as
amended by Section 4, Chapter 312, O.S.L. 2019,
Section 18, Chapter 11, O.S.L. 2019, Section 19,
Chapter 11, O.S.L. 2019, Section 20, Chapter 11,
O.S.L. 2019 and Section 23, Chapter 11, O.S.L. 2019,
as amended by Section 11, Chapter 477, O.S.L. 2019
(63 O.S. Supp. 2019, Sections 427.2, 427.3, 427.4,
427.5, 427.6, 427.7, 427.9, 427.10, 427.13, 427.14,
427.15, 427.16, 427.17, 427.18, 427.19, 427.20 and
427.23), which relate to the Oklahoma Medical
Marijuana and Patient Protection Act; removing
references to the State Department of Health and
updating language; amending Section 4, Chapter 337,

O.S.L. 2019 (63 O.S. Supp. 2019, Section 430), which relates to the Oklahoma Medical Marijuana Waste Management Act; removing references to the State Department of Health and updating language; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 427.24 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Beginning July 1, 2021, the Oklahoma Medical Marijuana Authority shall cease to be a division within the State Department of Health and shall be deemed a separate and distinct agency of the state. All unexpended funds, property, records, personnel and outstanding financial obligations and encumbrances related to the Oklahoma Medical Marijuana Authority within the State Department of Health shall be transferred to the Oklahoma Medical Marijuana Authority. All personnel shall retain their employment position and status as unclassified employees, any leave, sick and annual time earned and any retirement and longevity benefits which have accrued during tenure with the State Department of Health.

B. Until July 1, 2022, the individual serving as the Executive Director of the Oklahoma Medical Marijuana Authority on the effective date of this act shall continue to serve in that capacity. Thereafter, the Governor shall appoint the Executive Director of the

1 Oklahoma Medical Marijuana Authority. The Executive Director shall
2 serve at the pleasure of the Governor.

3 C. The Oklahoma Medical Marijuana Authority may contract with
4 the Office of Management and Enterprise Services for payroll or
5 other administrative services.

6 D. The Office of Management and Enterprise Services is hereby
7 directed to coordinate the transfer of funds, allotments, purchase
8 orders and outstanding financial obligations or encumbrances
9 provided for in subsection A of this section. The transfer of
10 personnel shall also be coordinated with the Office of Management
11 and Enterprise Services.

12 E. The Oklahoma Medical Marijuana Authority is authorized to
13 rent, lease or own appropriate office space and property to conduct
14 its business.

15 SECTION 2. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 427.25 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 A. There is hereby created the Oklahoma Medical Marijuana
19 Authority Board.

20 B. The Oklahoma Medical Marijuana Authority Board shall consist
21 of the following members and all appointees shall serve their terms
22 at the pleasure of the appointing authority and may be removed or
23 replaced without cause:

24

1 1. One member appointed by the Governor who shall be a chief of
2 police of a municipality with a population over one hundred thousand
3 (100,000), as determined by the latest Federal Decennial Census;

4 2. One member appointed by the Governor who shall be a sheriff
5 of a county with a population under twenty-five thousand (25,000),
6 as determined by the latest Federal Decennial Census;

7 3. One member who is a district attorney appointed by the
8 Governor selected from a list submitted by the District Attorneys
9 Council;

10 4. One member appointed by the Governor who represents the
11 health care industry;

12 5. One member appointed by the Governor who is a licensed
13 medical marijuana commercial grower;

14 6. One member appointed by the Speaker of the Oklahoma House of
15 Representatives who is a licensed medical marijuana processor;

16 7. One member appointed by the Speaker of the Oklahoma House of
17 Representatives who is a licensed medical marijuana dispensary
18 owner;

19 8. One member appointed by the President Pro Tempore of the
20 Oklahoma State Senate who is a licensed medical marijuana
21 transporter; and

22 9. One member appointed by the President Pro Tempore of the
23 Oklahoma State Senate who is a licensed medical marijuana testing
24 laboratory owner.

1 C. Each member of the Oklahoma Medical Marijuana Authority
2 Board shall serve a term of four (4) years from the date of
3 appointment. Members of the Board shall not serve more than two
4 consecutive terms. The Executive Director of the Oklahoma Medical
5 Marijuana Authority shall be an ex officio member of the Board, but
6 shall be entitled to vote only in case of a tie vote.

7 D. A chair and vice-chair shall be elected annually from the
8 membership of the Oklahoma Medical Marijuana Authority Board. A
9 majority of the members of the Board shall constitute a quorum for
10 the transaction of business and for taking any official action.
11 Official action of the Board must have a favorable vote by a
12 majority of the members present.

13 E. Appointed members who serve on the Board shall be exempt
14 from dual-office-holding prohibitions pursuant to Section 6 of Title
15 51 of the Oklahoma Statutes.

16 F. The Oklahoma Medical Marijuana Authority Board shall be the
17 rulemaking body for the Oklahoma Medical Marijuana Authority and
18 shall have the power and duty to:

19 1. Establish the policies of the Oklahoma Medical Marijuana
20 Authority; and

21 2. Adopt and promulgate rules as necessary and appropriate to
22 carry out the duties and responsibilities of the Oklahoma Medical
23 Marijuana Authority.
24

1 G. Members appointed pursuant to subsection B of this section
2 shall serve without compensation but shall be reimbursed for
3 expenses incurred in the performance of their duties in accordance
4 with the State Travel Reimbursement Act.

5 H. The Oklahoma Medical Marijuana Authority Board shall meet as
6 often as necessary to conduct business but shall meet not less than
7 four times a year, with an organizational meeting to be held prior
8 to December 1, 2021. In addition, special meetings may be called by
9 the Executive Director of the Oklahoma Medical Marijuana Authority.

10 I. Any vacancy occurring on the Oklahoma Medical Marijuana
11 Authority Board shall be filled for the unexpired term of office in
12 the same manner as provided for in subsection B of this section.

13 J. The Oklahoma Medical Marijuana Authority shall provide
14 clerical staff to perform designated duties of the Oklahoma Medical
15 Marijuana Authority Board. The Oklahoma Medical Marijuana Authority
16 shall also provide space for meetings of the Board.

17 K. The Oklahoma Medical Marijuana Authority Board shall act in
18 accordance with the provisions of the Oklahoma Open Meeting Act, the
19 Oklahoma Open Records Act and the Administrative Procedures Act.

20 SECTION 3. AMENDATORY Section 1, Chapter 435, O.S.L.
21 2019 (12 O.S. Supp. 2019, Section 1560), is amended to read as
22 follows:

23 Section 1560. A. In the event that a licensed medical
24 marijuana dispensary, commercial grower or processor is foreclosed,

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

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

11 2. For licensed commercial medical marijuana growers, Section
12 422 of Title 63 of the Oklahoma Statutes; or

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

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

20 B. Subject to the requirements of subsection A of this section,
21 the Oklahoma Medical Marijuana Authority,~~State Department of~~
22 ~~Health,~~ shall promulgate rules for the manner and conditions under
23 which:
24

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

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

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

16 SECTION 4. AMENDATORY Section 1, State Question No. 788,
17 Initiative Petition No. 412, as last amended by Section 2, Chapter
18 509, O.S.L. 2019 (63 O.S. Supp. 2019, Section 420), is amended to
19 read as follows:

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

- 22 1. Consume marijuana legally;
- 23 2. Legally possess up to three (3) ounces (84.9 grams) of
24 marijuana on their person;

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

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

3 5. Legally possess one (1) ounce (28.3 grams) of concentrated
4 marijuana;

5 6. Legally possess seventy-two (72) ounces (2,037.6 grams) of
6 edible marijuana; and

7 7. Legally possess up to eight (8) ounces (226.4 grams) of
8 marijuana in their residence.

9 B. Possession of up to one and one-half (1.5) ounces (42.45
10 grams) of marijuana by persons who can state a medical condition,
11 but not in possession of a state-issued medical marijuana license,
12 shall constitute a misdemeanor offense punishable by a fine not to
13 exceed Four Hundred Dollars (\$400.00) and shall not be subject to
14 imprisonment for the offense. Any law enforcement officer who comes
15 in contact with a person in violation of this subsection and who is
16 satisfied as to the identity of the person, as well as any other
17 pertinent information the law enforcement officer deems necessary,
18 shall issue to the person a written citation containing a notice to
19 answer the charge against the person in the appropriate court. Upon
20 receiving the written promise of the alleged violator to answer as
21 specified in the citation, the law enforcement officer shall release
22 the person upon personal recognizance unless there has been a
23 violation of another provision of law.

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

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

13 E. A temporary license application shall also be available on
14 the website of the ~~State Department of Health~~ Oklahoma Medical
15 Marijuana Authority. A temporary medical marijuana license shall be
16 granted to any medical marijuana license holder from other states,
17 provided that the state has a state-regulated medical marijuana
18 program, and the applicant can prove he or she is a member of such.
19 Temporary licenses shall be issued for thirty (30) days. The cost
20 for a temporary license shall be One Hundred Dollars (\$100.00).
21 Renewal will be granted with resubmission of a new application. No
22 additional criteria shall be required.

23 F. Medical marijuana license applicants shall submit ~~his or her~~
24 an application to the ~~State Department of Health~~ Oklahoma Medical

1 Marijuana Authority for approval. The applicant must be a resident
2 of Oklahoma and shall prove residency by a valid driver license,
3 utility bills, or other accepted methods.

4 G. ~~The State Department of Health~~ Oklahoma Medical Marijuana
5 Authority shall review the medical marijuana application, approve or
6 reject the application, and mail the approval or rejection letter to
7 the applicant stating reasons for rejection within fourteen (14)
8 business days of receipt of the application. Approved applicants
9 shall be issued a medical marijuana license which will act as proof
10 of his or her approved status. Applications may only be rejected
11 based on the applicant not meeting stated criteria or improper
12 completion of the application.

13 H. ~~The State Department of Health~~ Oklahoma Medical Marijuana
14 Authority shall only keep the following records for each approved
15 medical marijuana license:

- 16 1. A digital photograph of the license holder;
- 17 2. The expiration date of the license;
- 18 3. The county where the card was issued; and
- 19 4. A unique 24-character identification number assigned to the
20 license.

21 I. ~~The State Department of Health~~ Oklahoma Medical Marijuana
22 Authority shall make available, both on its website, and through a
23 telephone verification system, an easy method to validate the
24

1 authenticity of a medical marijuana license by the unique 24-
2 character identification number.

3 J. ~~The State Department of Health~~ Oklahoma Medical Marijuana
4 Authority shall ensure that all application records and information
5 are sealed to protect the privacy of medical marijuana license
6 applicants.

7 K. A caregiver license shall be made available for qualified
8 caregivers of a medical marijuana license holder who is homebound.
9 As provided in Section ~~11 of Enrolled House Bill No. 2612 of the 1st~~
10 ~~Session of the 57th Oklahoma Legislature~~ 427.11 of this title, the
11 caregiver license shall provide the caregiver the same rights as the
12 medical marijuana patient licensee, including the ability to possess
13 marijuana, marijuana products and mature and immature plants
14 pursuant to the Oklahoma Medical Marijuana and Patient Protection
15 Act, but excluding the ability to use marijuana or marijuana
16 products unless the caregiver has a medical marijuana patient
17 license. Applicants for a caregiver license shall submit proof of
18 the license status and homebound status of the medical marijuana
19 license holder, that the caregiver is the designee of the medical
20 marijuana license holder, that the caregiver is eighteen (18) years
21 of age or older, and that the caregiver is an Oklahoma resident.
22 This shall be the only criteria for a caregiver license.

23 L. All applicants for a medical marijuana license must be
24 eighteen (18) years of age or older. A special exception shall be

1 granted to an applicant under the age of eighteen (18)7i however,7
2 these applications must be signed by two physicians and the parent
3 or legal guardian of the applicant.

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

11 N. Counties and cities may enact medical marijuana guidelines
12 allowing medical marijuana license holders or caregivers to exceed
13 the state limits set forth in subsection A of this section.

14 SECTION 5. AMENDATORY Section 2, State Question No. 788,
15 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 421), is
16 amended to read as follows:

17 Section 421. A. The Oklahoma ~~State Department of Health~~
18 Medical Marijuana Authority shall, within thirty (30) days of
19 passage of this initiative, make available~~7~~ on ~~their~~ its website~~7~~ in
20 an easy-to-find location~~7~~ an application for a medical marijuana
21 dispensary license. The application fee shall be Two Thousand Five
22 Hundred Dollars (\$2,500.00) and a method of payment will be provided
23 on the website. Retail applicants must all be Oklahoma state
24 residents. Any entity applying for a retail license must be owned

1 by an Oklahoma state resident and must be registered to do business
2 in Oklahoma. The Oklahoma ~~State Department of Health~~ Medical
3 Marijuana Authority shall have two (2) weeks to review the
4 application, approve or reject the application, and mail the
5 ~~approval/rejection~~ approval or rejection letter (if rejected,
6 stating reasons for rejection) to the applicant.

7 B. The Oklahoma ~~State Department of Health~~ Medical
8 Marijuana Authority shall approve all applications which meet the
9 following criteria:

10 1. Applicant must be ~~age~~ twenty-five (25) years of age or
11 older;

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

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

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

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

21 6. All applicants must disclose all ownership; and

22 7. ~~Applicant(s) with only~~ Applicants shall not have been
23 convicted of a nonviolent felony conviction(s) in the last two (2)
24 years, and any other felony conviction in within the last five (5)

1 ~~(years)~~ years, shall not be current inmates, or any person currently
2 incarcerated may not qualify for a medical marijuana dispensary
3 license in a jail or corrections facility.

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

21 D. Only a licensed medical marijuana retailer may conduct
22 retail sales of marijuana, or marijuana derivatives in the form
23 provided by licensed processors, and these products can only be sold
24 to a medical marijuana license holder or ~~their~~ licensed caregiver.

1 Penalties for fraudulent sales occurring within any ~~2-year~~ two-year
2 time period will be an initial fine of Five Thousand Dollars
3 (\$5,000.00) ~~(first)~~ for the first occurrence of fraudulent sales and
4 revocation of licensing ~~(second)~~ the license for a second occurrence
5 of fraudulent sales.

6 SECTION 6. AMENDATORY Section 3, State Question No. 788,
7 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 422), is
8 amended to read as follows:

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

20 B. The Oklahoma ~~State Department of Health must~~ Medical
21 Marijuana Authority shall approve all applications which meet the
22 following criteria:

23 1. Applicant must be ~~age~~ twenty-five (25) years of age or
24 older;

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

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

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

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

10 6. All applicants must disclose all ownership; and

11 7. ~~Applicant(s) with only~~ Applicants shall not have been
12 convicted of a nonviolent felony conviction(s) in the last two (2)
13 years, and any other felony conviction in within the last five (5)
14 ~~(years) years,~~ shall not be current inmates, or any person currently
15 incarcerated may not qualify for a commercial grower license in a
16 jail or corrections facility.

17 C. A licensed commercial grower may sell marijuana to a
18 licensed retailer, or a licensed packager. Further, these sales
19 ~~will~~ shall be considered wholesale sales and not subject to
20 taxation. Under no circumstances may a licensed commercial grower
21 sell marijuana directly to a medical marijuana license holder. A
22 licensed commercial grower may only sell at the wholesale level to a
23 licensed retailer or a licensed processor. If the federal
24 government lifts restrictions on buying and selling marijuana

1 between states, then a licensed commercial grower would be allowed
2 to sell and buy marijuana wholesale from, or to, an out-of-state
3 wholesale provider. A licensed commercial grower ~~will~~ shall be
4 required to complete a monthly yield and sales report to the
5 Oklahoma ~~Department of Health~~ Medical Marijuana Authority. This
6 report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month and
7 provide reporting on the previous month. This report will detail
8 the amount of marijuana harvested in pounds, the amount of drying or
9 dried marijuana on hand, the amount of marijuana sold to processors
10 in pounds, the amount of waste in pounds, and the amount of
11 marijuana sold to retailers in ~~lbs~~ pounds. Additionally, this
12 report will show total wholesale sales in dollars. The Oklahoma
13 ~~State Department of Health will~~ Medical Marijuana Authority shall
14 have oversight and auditing responsibilities to ensure that all
15 marijuana being grown is accounted for. A licensed grower ~~will~~
16 shall only be subject to a penalty if a gross discrepancy exists and
17 cannot be explained. Penalties for fraudulent reporting or
18 fraudulent sales occurring within any ~~2-year~~ two-year time period
19 ~~will~~ shall be an initial fine of Five Thousand Dollars (\$5,000.00)
20 ~~(first)~~ for the first occurrence of fraudulent reporting or
21 fraudulent sales and revocation of ~~licensing~~ (second) the commercial
22 grower license for a second occurrence of fraudulent reporting or
23 fraudulent sales.

1 D. There shall be no limits on how much marijuana a licensed
2 grower can grow.

3 SECTION 7. AMENDATORY Section 4, State Question No. 788,
4 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 423), is
5 amended to read as follows:

6 Section 423. A. The Oklahoma ~~State Department of Health~~
7 Medical Marijuana Authority shall, within thirty (30) days of
8 passage of this initiative, make available, on ~~their~~ its website, in
9 an easy-to-find location, an application for a medical marijuana
10 processing license. The application fee shall be Two Thousand Five
11 Hundred Dollars (\$2,500.00) and methods of payment ~~will~~ shall be
12 provided on the website. The Oklahoma ~~State Department of Health~~
13 Medical Marijuana Authority shall have two (2) weeks to review the
14 application, approve or reject the application, and mail the
15 ~~approval/rejection~~ approval or rejection letter (if rejected,
16 stating reasons for rejection) to the applicant.

17 B. The Oklahoma ~~State Department of Health must~~ Medical
18 Marijuana Authority shall approve all applications which meet the
19 following criteria:

20 1. Applicant must be ~~age~~ twenty-five (25) years of age or
21 older;

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

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

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

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

8 6. All applicants must disclose all ownership; and

9 7. ~~Applicant(s) with only~~ Applicants shall not have been
10 convicted of a nonviolent felony conviction(s) in the last two (2)
11 years, and any other felony conviction in within the last five (5)
12 (years) years, shall not be current inmates, or any person currently
13 incarcerated may not qualify for a medical marijuana processing
14 license in a jail or corrections facility.

15 C. A licensed processor may take marijuana plants and distill
16 or process these plants into concentrates, edibles, and other forms
17 for consumption. As required by subsection D of this section, the
18 Oklahoma ~~State Department of Health will~~ Medical Marijuana Authority
19 shall, within sixty (60) days of passage of this initiative, make
20 available a set of standards which ~~will~~ shall be used by licensed
21 processors in the preparation of edible marijuana products. This
22 should be in line with current food preparation guidelines ~~and no.~~
23 No excessive or punitive rules may be established by the Oklahoma
24 ~~State Department of Health~~ Medical Marijuana Authority. Once a

1 year, the Oklahoma ~~State Department of Health~~ Medical Marijuana
2 Authority may inspect a processing operation and determine its
3 compliance with the preparation standards. If deficiencies are
4 found, a written report of ~~deficiency will~~ deficiencies shall be
5 issued to the processor. The processor ~~will~~ shall have one (1)
6 month to correct the ~~deficiency~~ deficiencies or be subject to a fine
7 of Five Hundred Dollars (\$500.00) for each deficiency. A licensed
8 processor may sell marijuana products it creates to a licensed
9 retailer~~7~~ or any other licensed processor. Further, these sales
10 ~~will~~ shall be considered wholesale sales and not subject to
11 taxation. Under no circumstances may a licensed processor sell
12 marijuana~~7~~ or any marijuana product~~7~~ directly to a medical marijuana
13 patient license holder. However, a licensed processor may process
14 cannabis into a concentrated form~~7~~ for a medical marijuana patient
15 license holder~~7~~ for a fee. Processors ~~will~~ shall be required to
16 complete a monthly yield and sales report to the Oklahoma ~~State~~
17 ~~Department of Health~~ Medical Marijuana Authority. This report ~~will~~
18 shall be due on the ~~15th~~ fifteenth of each month and provide
19 reporting on the previous month. This report ~~will~~ shall detail the
20 amount of marijuana purchased in pounds, the amount of marijuana
21 cooked or processed in pounds, and the amount of waste in pounds.
22 Additionally, this report ~~will~~ shall show total wholesale sales in
23 dollars. The Oklahoma ~~State Department of Health will~~ Medical
24 Marijuana Authority shall have oversight and auditing

responsibilities to ensure that all marijuana being grown is accounted for. A licensed processor ~~will~~ shall only be subject to a penalty if a gross discrepancy exists and cannot be explained. Penalties for fraudulent reporting occurring within any ~~2-year~~ two-year time period ~~will~~ shall be an initial fine of Five Thousand Dollars (\$5,000.00) ~~(first)~~ for the first occurrence of fraudulent reporting and revocation of ~~licensing~~ ~~(second)~~ the medical marijuana processing license for a second occurrence of fraudulent reporting.

D. ~~The~~ For purposes of inspection and compliance of processors producing products with marijuana as an additive, a Food Safety Standards Board shall be established. The Oklahoma ~~State Department of Health will~~ Medical Marijuana Authority shall be compelled to, within thirty (30) days of passage of this initiative, appoint ~~a board of~~ twelve (12) Oklahoma residents to the Board, who are marijuana industry experts, to create a list of food safety standards for processing and handling medical marijuana in Oklahoma. These standards ~~will~~ shall be adopted by the ~~agency~~ Authority and the ~~agency~~ Authority can enforce these standards for processors. The ~~agency will~~ Authority shall develop a standards review procedure and these standards ~~can~~ may be altered by calling another board of twelve (12) Oklahoma marijuana industry experts. A signed letter of twenty (20) operating processors ~~would~~ shall constitute a need for a new board and ~~standard~~ standards review.

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

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

8 SECTION 8. AMENDATORY Section 6, State Question No. 788,
9 Initiative Petition No. 412, as amended by Section 3, Chapter 509,
10 O.S.L. 2019 (63 O.S. Supp. 2019, Section 425), is amended to read as
11 follows:

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

18 B. Unless a failure to do so would cause an employer the
19 potential to lose a monetary or licensing-related benefit under
20 federal law or regulations, an employer may not discriminate against
21 a person in hiring, termination or imposing any term or condition of
22 employment or otherwise penalize a person based upon either:

23 1. The status of the person as a medical marijuana license
24 holder; or

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

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

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

19 E. No person holding a medical marijuana license may unduly be
20 withheld from holding a state-issued license by virtue of their
21 being a medical marijuana license holder including, but not limited
22 to, a concealed carry permit.
23
24

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

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

13 3. For purposes of this section, "retail marijuana
14 establishment" means an entity licensed by the ~~State Department of~~
15 ~~Health~~ Oklahoma Medical Marijuana Authority as a medical marijuana
16 dispensary. Retail marijuana establishment does not include those
17 other entities licensed by the ~~Department~~ Authority as marijuana-
18 licensed premises, medical marijuana businesses or other facilities
19 or locations where marijuana or any product containing marijuana or
20 its by-products are cultivated, grown, processed, stored or
21 manufactured.

22 G. The location of any retail marijuana establishment is
23 specifically prohibited within one thousand (1,000) feet of any
24 public or private school entrance.

1 H. Research shall be provided for under this law. A researcher
2 may apply to the ~~State Department of Health~~ Oklahoma Medical
3 Marijuana Authority for a special research license. The license
4 shall be granted, provided the applicant meets the criteria listed
5 under subsection B of Section 421 of this title. Research license
6 holders shall be required to file monthly consumption reports to the
7 ~~State Department of Health~~ Oklahoma Medical Marijuana Authority with
8 amounts of marijuana used for research.

9 SECTION 9. AMENDATORY Section 7, State Question No. 788,
10 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 426), is
11 amended to read as follows:

12 Section 426. A. The tax on retail medical marijuana sales ~~will~~
13 shall be established at seven percent (7%) of the gross amount
14 received by the seller.

15 B. This tax ~~will~~ shall be collected at the point of sale. Tax
16 proceeds ~~will~~ shall be applied primarily to finance the regulatory
17 office.

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

1 SECTION 10. AMENDATORY Section 2, Chapter 11, O.S.L.
2 2019, as last amended by Section 1, Chapter 390, O.S.L. 2019 (63
3 O.S. Supp. 2019, Section 427.2), is amended to read as follows:

4 Section 427.2 As used in this act:

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

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

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

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

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

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

22 a. designed or constructed to be significantly difficult
23 for children under five (5) years of age to open and
24 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 this 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.~~ 9. "Director" means the Executive Director of the Oklahoma
Medical Marijuana Authority;

~~12.~~ 10. "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

1 appropriately labeled for subsequent administration to or use by a
2 qualifying patient;

3 ~~13.~~ 11. "Dispensary" means a medical marijuana dispensary, an
4 entity that has been licensed by the ~~Department~~ Authority pursuant
5 to this act to purchase medical marijuana or medical marijuana
6 products from a licensed medical marijuana commercial grower or
7 medical marijuana processor, sell medical marijuana or medical
8 marijuana products to patients and caregivers as defined under this
9 act, or sell or transfer products to another dispensary;

10 ~~14.~~ 12. "Edible medical marijuana product" means any medical-
11 marijuana-infused product for which the intended use is oral
12 consumption including, but not limited to, any type of food, drink
13 or pill;

14 ~~15.~~ 13. "Entity" means an individual, general partnership,
15 limited partnership, limited liability company, trust, estate,
16 association, corporation, cooperative, or any other legal or
17 commercial entity;

18 ~~16.~~ 14. "Flower" means the reproductive organs of the marijuana
19 or cannabis plant referred to as the bud or parts of the plant that
20 are harvested and used to consume in a variety of medical marijuana
21 products;

22 ~~17.~~ 15. "Flowering" means the reproductive state of the
23 marijuana or cannabis plant in which there are physical signs of
24 flower or budding out of the nodes of the stem;

1 ~~18.~~ 16. "Food-based medical marijuana concentrate" means a
2 medical marijuana concentrate that was produced by extracting
3 cannabinoids from medical marijuana through the use of propylene
4 glycol, glycerin, butter, olive oil, coconut oil or other typical
5 food-safe cooking fats;

6 ~~19.~~ 17. "Good cause" for purposes of an initial, renewal or
7 reinstatement license application, or for purposes of discipline of
8 a licensee, means:

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

1 ~~20.~~ 18. "Harvest batch" means a specifically identified
2 quantity of medical marijuana that is uniform in strain, cultivated
3 utilizing the same cultivation practices, harvested at the same time
4 from the same location and cured under uniform conditions;

5 ~~21.~~ 19. "Harvested marijuana" means post-flowering medical
6 marijuana not including trim, concentrate or waste;

7 ~~22.~~ 20. "Heat- or pressure-based medical marijuana concentrate"
8 means a medical marijuana concentrate that was produced by
9 extracting cannabinoids from medical marijuana through the use of
10 heat or pressure;

11 ~~23.~~ 21. "Immature plant" means a nonflowering marijuana plant
12 that has not demonstrated signs of flowering;

13 ~~24.~~ 22. "Inventory tracking system" means the required tracking
14 system that accounts for medical marijuana from either the seed or
15 immature plant stage until the medical marijuana or medical
16 marijuana product is sold to a patient at a medical marijuana
17 dispensary, transferred to a medical marijuana research facility,
18 destroyed by a medical marijuana business or used in a research
19 project by a medical marijuana research facility;

20 ~~25.~~ 23. "Licensed patient" or "patient" means a person who has
21 been issued a medical marijuana patient license by the ~~State~~
22 ~~Department of Health or~~ Oklahoma Medical Marijuana Authority;

23 ~~26.~~ 24. "Licensed premises" means the premises specified in an
24 application for a medical marijuana business license, medical

1 marijuana research facility license or medical marijuana education
2 facility license pursuant to this act that are owned or in
3 possession of the licensee and within which the licensee is
4 authorized to cultivate, manufacture, distribute, sell, store,
5 transport, test or research medical marijuana or medical marijuana
6 products in accordance with the provisions of this act and rules
7 promulgated pursuant thereto;

8 ~~27.~~ 25. "Manufacture" means the production, propagation,
9 compounding or processing of a medical marijuana product, excluding
10 marijuana plants, either directly or indirectly by extraction from
11 substances of natural or synthetic origin, or independently by means
12 of chemical synthesis, or by a combination of extraction and
13 chemical synthesis;

14 ~~28.~~ 26. "Marijuana" shall have the same meaning as such term is
15 defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this
16 title;

17 ~~29.~~ 27. "Material change" means any change that would require a
18 substantive revision to the standard operating procedures of a
19 licensee for the cultivation or production of medical marijuana,
20 medical marijuana concentrate or medical marijuana products;

21 ~~30.~~ 28. "Mature plant" means a harvestable female marijuana
22 plant that is flowering;

23 ~~31.~~ 29. "Medical marijuana business (MMB)" means a licensed
24 medical marijuana dispensary, medical marijuana processor, medical

1 marijuana commercial grower, medical marijuana laboratory, medical
2 marijuana business operator, or a medical marijuana transporter;

3 ~~32.~~ 30. "Medical marijuana concentrate" or "concentrate" means
4 a specific subset of medical marijuana that was produced by
5 extracting cannabinoids from medical marijuana. Categories of
6 medical marijuana concentrate include water-based medical marijuana
7 concentrate, food-based medical marijuana concentrate, solvent-based
8 medical marijuana concentrate, and heat- or pressure-based medical
9 marijuana concentrate;

10 ~~33.~~ 31. "Medical marijuana commercial grower" or "commercial
11 grower" means an entity licensed to cultivate, prepare and package
12 medical marijuana and transfer or contract for transfer medical
13 marijuana to a medical marijuana dispensary, medical marijuana
14 processor, any other medical marijuana commercial grower, medical
15 marijuana research facility, medical marijuana education facility
16 and pesticide manufacturers. A commercial grower may sell seeds,
17 flower or clones to commercial growers pursuant to this act;

18 ~~34.~~ 32. "Medical marijuana education facility" or "education
19 facility" means a person or entity approved pursuant to this act to
20 operate a facility providing training and education to individuals
21 involving the cultivation, growing, harvesting, curing, preparing,
22 packaging or testing of medical marijuana, or the production,
23 manufacture, extraction, processing, packaging or creation of
24

1 medical-marijuana-infused products or medical marijuana products as
2 described in this act;

3 ~~35.~~ 33. "Medical-marijuana-infused product" means a product
4 infused with medical marijuana including, but not limited to, edible
5 products, ointments and tinctures;

6 ~~36.~~ 34. "Medical marijuana product" or "product" means a
7 product that contains cannabinoids that have been extracted from
8 plant material or the resin therefrom by physical or chemical means
9 and is intended for administration to a qualified patient including,
10 but not limited to, oils, tinctures, edibles, pills, topical forms,
11 gels, creams, vapors, patches, liquids, and forms administered by a
12 nebulizer, excluding live plant forms which are considered medical
13 marijuana;

14 ~~37.~~ 35. "Medical marijuana processor" means a person or entity
15 licensed pursuant to this act to operate a business including the
16 production, manufacture, extraction, processing, packaging or
17 creation of concentrate, medical-marijuana-infused products or
18 medical marijuana products as described in this act;

19 ~~38.~~ 36. "Medical marijuana research facility" or "research
20 facility" means a person or entity approved pursuant to this act to
21 conduct medical marijuana research. A medical marijuana research
22 facility is not a medical marijuana business;

23 ~~39.~~ 37. "Medical marijuana testing laboratory" or "laboratory"
24 means a public or private laboratory licensed pursuant to this act,

1 to conduct testing and research on medical marijuana and medical
2 marijuana products;

3 ~~40.~~ 38. "Medical marijuana transporter" or "transporter" means
4 a person or entity that is licensed pursuant to this act. A medical
5 marijuana transporter does not include a medical marijuana business
6 that transports its own medical marijuana, medical marijuana
7 concentrate or medical marijuana products to a property or facility
8 adjacent to or connected to the licensed premises if the property is
9 another licensed premises of the same medical marijuana business;

10 ~~41.~~ 39. "Medical marijuana waste" or "waste" means unused,
11 surplus, returned or out-of-date marijuana, plant debris of the
12 plant of the genus Cannabis, including dead plants and all unused
13 plant parts and roots;

14 ~~42.~~ 40. "Medical use" means the acquisition, possession, use,
15 delivery, transfer or transportation of medical marijuana, medical
16 marijuana products, medical marijuana devices or paraphernalia
17 relating to the administration of medical marijuana to treat a
18 licensed patient;

19 ~~43.~~ 41. "Mother plant" means a marijuana plant that is grown or
20 maintained for the purpose of generating clones, and that will not
21 be used to produce plant material for sale to a medical marijuana
22 processor or medical marijuana dispensary;

23 ~~44.~~ 42. "Oklahoma physician" or "physician" means a physician
24 licensed by and in good standing with the State Board of Medical

1 Licensure and Supervision, the State Board of Osteopathic Examiners
2 or the Board of Podiatric Medical Examiners;

3 ~~45.~~ 43. "Oklahoma resident" means an individual who can provide
4 proof of residency as required by this act;

5 ~~46.~~ 44. "Owner" means, except where the context otherwise
6 requires, a direct beneficial owner including, but not limited to,
7 all persons or entities as follows:

- 8 a. all shareholders owning an interest of a corporate
9 entity and all officers of a corporate entity,
- 10 b. all partners of a general partnership,
- 11 c. all general partners and all limited partners that own
12 an interest in a limited partnership,
- 13 d. all members that own an interest in a limited
14 liability company,
- 15 e. all beneficiaries that hold a beneficial interest in a
16 trust and all trustees of a trust,
- 17 f. all persons or entities that own interest in a joint
18 venture,
- 19 g. all persons or entities that own an interest in an
20 association,
- 21 h. the owners of any other type of legal entity, and
- 22 i. any other person holding an interest or convertible
23 note in any entity which owns, operates or manages a
24 licensed facility;

1 ~~47.~~ 45. "Package" or "packaging" means any container or wrapper
2 that may be used by a medical marijuana business to enclose or
3 contain medical marijuana;

4 ~~48.~~ 46. "Person" means a natural person, partnership,
5 association, business trust, company, corporation, estate, limited
6 liability company, trust or any other legal entity or organization,
7 or a manager, agent, owner, director, servant, officer or employee
8 thereof, except that "person" does not include any governmental
9 organization;

10 ~~49.~~ 47. "Pesticide" means any substance or mixture of
11 substances intended for preventing, destroying, repelling or
12 mitigating any pest or any substance or mixture of substances
13 intended for use as a plant regulator, defoliant or desiccant,
14 except that the term "pesticide" shall not include any article that
15 is a "new animal drug" as designated by the United States Food and
16 Drug Administration;

17 ~~50.~~ 48. "Production batch" means:

- 18 a. any amount of medical marijuana concentrate of the
19 same category and produced using the same extraction
20 methods, standard operating procedures and an
21 identical group of harvest batch of medical marijuana,
22 or
23 b. any amount of medical marijuana product of the same
24 exact type, produced using the same ingredients,

1 standard operating procedures and the same production
2 batch of medical marijuana concentrate;

3 ~~51.~~ 49. "Public institution" means any entity established or
4 controlled by the federal government, state government, or a local
5 government or municipality including, but not limited to,
6 institutions of higher education or related research institutions;

7 ~~52.~~ 50. "Public money" means any funds or money obtained by the
8 holder from any governmental entity including, but not limited to,
9 research grants;

10 ~~53.~~ 51. "Recommendation" means a document that is signed or
11 electronically submitted by a physician on behalf of a patient for
12 the use of medical marijuana pursuant to this act;

13 ~~54.~~ 52. "Registered to conduct business" means a person that
14 has provided proof that the business applicant is in good standing
15 with the Oklahoma Secretary of State and Oklahoma Tax Commission;

16 ~~55.~~ 53. "Remediation" means the process by which the medical
17 marijuana flower or trim, which has failed microbial testing, is
18 processed into solvent-based medical marijuana concentrate and
19 retested as required by this act;

20 ~~56.~~ 54. "Research project" means a discrete scientific endeavor
21 to answer a research question or a set of research questions related
22 to medical marijuana and is required for a medical marijuana
23 research license. A research project shall include a description of
24 a defined protocol, clearly articulated goals, defined methods and

1 outputs, and a defined start and end date. The description shall
2 demonstrate that the research project will comply with all
3 requirements in this act and rules promulgated pursuant thereto.

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

7 ~~57.~~ 55. "Revocation" means the final decision by the ~~Department~~
8 Authority that any license issued pursuant to this act is rescinded
9 because the individual or entity does not comply with the applicable
10 requirements set forth in this act or rules promulgated pursuant
11 thereto;

12 ~~58.~~ 56. "School" means a public or private preschool or a
13 public or private elementary or secondary school used for school
14 classes and instruction. A homeschool, daycare or child-care
15 facility shall not be considered a "school" as used in this act;

16 ~~59.~~ 57. "Shipping container" means a hard-sided container with
17 a lid or other enclosure that can be secured in place. A shipping
18 container is used solely for the transport of medical marijuana,
19 medical marijuana concentrate, or medical marijuana products between
20 medical marijuana businesses, a medical marijuana research facility,
21 or a medical marijuana education facility;

22 ~~60.~~ 58. "Solvent-based medical marijuana concentrate" means a
23 medical marijuana concentrate that was produced by extracting
24

1 cannabinoids from medical marijuana through the use of a solvent
2 approved by the ~~Department~~ Authority;

3 ~~61.~~ 59. "State Question" means Oklahoma State Question No. 788,
4 Initiative Petition No. 412, approved by a majority vote of the
5 citizens of Oklahoma on June 26, 2018;

6 ~~62.~~ 60. "Strain" means the classification of marijuana or
7 cannabis plants in either pure sativa, indica, afghanica, ruderalis
8 or hybrid varieties;

9 ~~63.~~ 61. "THC" means tetrahydrocannabinol, which is the primary
10 psychotropic cannabinoid in marijuana formed by decarboxylation of
11 naturally tetrahydrocannabinolic acid, which generally occurs by
12 exposure to heat;

13 ~~64.~~ 62. "Test batch" means with regard to usable marijuana, a
14 homogenous, identified quantity of usable marijuana by strain, no
15 greater than ten (10) pounds, that is harvested during a seven-day
16 period from a specified cultivation area, and with regard to oils,
17 vapors and waxes derived from usable marijuana, means an identified
18 quantity that is uniform, that is intended to meet specifications
19 for identity, strength and composition, and that is manufactured,
20 packaged and labeled during a specified time period according to a
21 single manufacturing, packaging and labeling protocol;

22 ~~65.~~ 63. "Transporter agent" means a person who transports
23 medical marijuana or medical marijuana products for a licensed
24

1 transporter and holds a transporter agent license pursuant to this
2 act;

3 ~~66.~~ 64. "Universal symbol" means the image established by the
4 ~~State Department of Health or~~ Oklahoma Medical Marijuana Authority
5 and made available to licensees through its website indicating that
6 the medical marijuana or the medical marijuana product contains THC;

7 ~~67.~~ 65. "Usable marijuana" means the dried leaves, flowers,
8 oils, vapors, waxes and other portions of the marijuana plant and
9 any mixture or preparation thereof, excluding ~~seed~~ seeds, roots and
10 stalks; and

11 ~~68.~~ 66. "Water-based medical marijuana concentrate" means a
12 concentrate that was produced by extracting cannabinoids from
13 medical marijuana through the use of only water, ice, or dry ice.

14 SECTION 11. AMENDATORY Section 3, Chapter 11, O.S.L.
15 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
16 Supp. 2019, Section 427.3), is amended to read as follows:

17 Section 427.3 A. There is hereby created the Oklahoma Medical
18 Marijuana Authority ~~within the State Department of Health~~ which
19 shall address issues related to the medical marijuana program in
20 Oklahoma including, but not limited to, the issuance of patient
21 licenses and medical marijuana business licenses, and the
22 dispensing, cultivating, processing, testing, transporting, storage,
23 research, and the use of and sale of medical marijuana pursuant to
24 this act.

1 B. The ~~Department~~ Oklahoma Medical Marijuana Authority shall
2 ~~provide~~ be authorized to employ the necessary support staff to
3 perform designated duties of the Authority. The ~~Department~~
4 Authority shall also ~~provide~~ be authorized to rent, lease or own
5 appropriate office space to conduct its business and for meetings of
6 the Authority.

7 C. The ~~Department~~ Oklahoma Medical Marijuana Authority shall
8 implement the provisions of this act consistently with the voter-
9 approved State Question No. 788, Initiative Petition No. 412,
10 subject to the provisions of this act.

11 D. The ~~Department~~ Oklahoma Medical Marijuana Authority shall
12 exercise its respective powers and perform its respective duties and
13 functions as specified in this act and ~~Title 63 of the Oklahoma~~
14 ~~Statutes~~ this title including, but not limited to, the following:

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

- 19 a. public health policy and public safety policy,
- 20 b. agronomic and horticultural best practices, and
- 21 c. medical and pharmacopoeia best practices;

22 2. Contract with third-party vendors and other governmental
23 entities in order to carry out the respective duties and functions
24 as specified in this act;

1 3. Upon complaint or upon its own motion and upon a completed
2 investigation, levy fines as prescribed in this act and suspend or
3 revoke licenses pursuant to this act;

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

7 5. Apply for injunctive or declaratory relief to enforce the
8 provisions of this section and any rules promulgated pursuant to
9 this section;

10 6. Inspect and examine, with notice provided in accordance with
11 this act, all licensed premises of medical marijuana businesses,
12 research facilities and education facilities in which medical
13 marijuana is cultivated, manufactured, sold, stored, transported,
14 tested or distributed;

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

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

22 9. Establish a fee schedule and collect fees for performing
23 background checks as the ~~Commissioner~~ Authority deems appropriate.
24

1 The fees charged pursuant to this paragraph shall not exceed the
2 actual cost incurred for each background check; and

3 10. Require verification for sources of finance for medical
4 marijuana businesses.

5 SECTION 12. AMENDATORY Section 4, Chapter 11, O.S.L.
6 2019 (63 O.S. Supp. 2019, Section 427.4), is amended to read as
7 follows:

8 Section 427.4 A. The Oklahoma Medical Marijuana Authority,~~in~~
9 ~~conjunction with the State Department of Health,~~ shall employ an
10 Executive Director and other personnel as necessary to assist the
11 Authority in carrying out its duties.

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

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

16 2. The individual or his or her spouse, parent, child, spouse
17 of a child, sibling, or spouse of a sibling has an application for a
18 medical marijuana business license pending before the ~~Department~~
19 Authority or is a member of the board of directors of a medical
20 marijuana business, or is an individual financially interested in
21 any licensee or medical marijuana business.

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

1 D. ~~The Commissioner may delegate to any officer or employee of~~
2 ~~the Department any of the powers of the Executive Director and may~~
3 ~~designate any officer or employee of the Department to perform any~~
4 ~~of the duties of the Executive Director.~~

5 ~~E.~~ The Executive Director shall be authorized to suggest rules
6 governing the oversight and implementation of this act.

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

14 1. Investigate violations or suspected violations of this act
15 and any rules promulgated pursuant thereto;

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

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

23 4. Require any business licensee, upon twenty-four (24) hours
24 notice or upon a showing of necessity, to permit an inspection of

1 licensed premises during business hours or at any time of apparent
2 operation, marijuana equipment, and marijuana accessories, or books
3 and records; and to permit the testing of or examination of medical
4 marijuana, concentrate, or product; and

5 5. Require applicants to submit complete and current
6 applications, information required by this act and fees, and approve
7 material changes made by the applicant or licensee.

8 SECTION 13. AMENDATORY Section 5, Chapter 11, O.S.L.
9 2019 (63 O.S. Supp. 2019, Section 427.5), is amended to read as
10 follows:

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

1 law with the Director of the Office of Management and Enterprise
2 Services for approval and payment.

3 SECTION 14. AMENDATORY Section 6, Chapter 11, O.S.L.
4 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S.
5 Supp. 2019, Section 427.6), is amended to read as follows:

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

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

18 2. Inspections shall be limited to twice per calendar year and
19 twenty-four (24) hours of notice shall be provided to a medical
20 marijuana business applicant or licensee prior to an on-site
21 assessment. However, additional inspections may occur when the
22 ~~Department~~ Authority shows that an additional inspection is
23 necessary due to a violation of this act. Such inspection may be
24

1 without notice if the ~~Department~~ Authority believes that such notice
2 will result in the destruction of evidence.

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

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

18 C. Disciplinary action may be taken against an applicant or
19 licensee under this act for not adhering to the law pursuant to the
20 terms, conditions and guidelines set forth in this act.

21 D. Disciplinary actions may include revocation, suspension or
22 denial of an application, license or final authorization and other
23 action deemed appropriate by the ~~Department~~ Authority.
24

1 E. Disciplinary actions may be imposed upon a medical marijuana
2 business licensee for:

3 1. Failure to comply with or satisfy any provision of this
4 section;

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

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

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

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

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

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

17 8. Failure to pay a required monetary penalty;

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

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

22 11. Any other basis indicating a violation of the applicable
23 laws and regulations as identified by the ~~Department~~ Authority.
24

1 F. Disciplinary actions against a licensee may include the
2 imposition of monetary penalties, which may be assessed by the
3 ~~Department~~ Authority.

4 G. Penalties for sales by a medical marijuana business to
5 persons other than those allowed by law occurring within any two-
6 year time period may include an initial fine of One Thousand Dollars
7 (\$1,000.00) for a first violation and a fine of Five Thousand
8 Dollars (\$5,000.00) for any subsequent violation. The medical
9 marijuana business may be subject to a revocation of any license
10 granted pursuant to this act upon a showing that the violation was
11 willful or grossly negligent.

12 H. 1. ~~First~~ The first offense for intentional and
13 impermissible diversion of medical marijuana, concentrate, or
14 products by a licensed patient or caregiver to an unauthorized
15 person shall not be punished under a criminal statute but may be
16 subject to a fine of Two Hundred Dollars (\$200.00).

17 2. The second offense for impermissible diversion of medical
18 marijuana, concentrate, or products by a licensed patient or
19 caregiver to an unauthorized person shall not be punished under a
20 criminal statute but may be subject to a fine ~~of~~ not to exceed Five
21 Hundred Dollars (\$500.00) and may result in revocation of the
22 license upon a showing that the violation was willful or grossly
23 negligent.

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

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

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

11 J. All hearings held pursuant to this section shall be in
12 accordance with the Oklahoma Administrative Procedures Act, Section
13 250 et seq. of Title 75 of the Oklahoma Statutes.

14 SECTION 15. AMENDATORY Section 7, Chapter 11, O.S.L.
15 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
16 Supp. 2019, Section 427.7), is amended to read as follows:

17 Section 427.7 A. The Oklahoma Medical Marijuana Authority
18 shall create a medical marijuana use registry of patients and
19 caregivers as provided under this section. The handling of any
20 records maintained in the registry shall comply with all relevant
21 state and federal laws including, but not limited to, the Health
22 Insurance Portability and Accountability Act of 1996 (HIPAA).

23 B. The medical marijuana use registry shall be accessible to:
24

1 1. Oklahoma-licensed medical marijuana dispensaries to verify
2 the license of a patient or caregiver by the ~~twenty-four-character~~
3 24-character identifier; and

4 2. Any court in this state.

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

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

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

20 SECTION 16. AMENDATORY Section 9, Chapter 11, O.S.L.
21 2019 (63 O.S. Supp. 2019, Section 427.9), is amended to read as
22 follows:

23 Section 427.9 A. The Oklahoma Medical Marijuana Authority may
24 contact the recommending physician of an applicant for a medical

1 marijuana license to verify the need of the applicant for the
2 license.

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

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

16 SECTION 17. AMENDATORY Section 10, Chapter 11, O.S.L.
17 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
18 Supp. 2019, Section 427.10), is amended to read as follows:

19 Section 427.10 A. Only licensed Oklahoma allopathic,
20 osteopathic and podiatric physicians may provide a medical marijuana
21 recommendation for a medical marijuana patient license under this
22 act.

23 B. A physician who has not completed his or her first residency
24 shall not meet the definition of "physician" under this section and

1 any recommendation for a medical marijuana patient license shall not
2 be processed by the Oklahoma Medical Marijuana Authority.

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

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

20 E. If the physician determines the continued use of medical
21 marijuana by the patient no longer meets the requirements set forth
22 in this act, the physician shall notify the ~~Department~~ Authority and
23 the Authority shall immediately revoke the license.

SECTION 18. AMENDATORY Section 13, Chapter 11, O.S.L.

2019 (63 O.S. Supp. 2019, Section 427.13), is amended to read as follows:

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

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

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

- a. notification of when marijuana seeds are planted,
- b. notification of when marijuana plants are harvested and destroyed,
- c. notification of when marijuana is transported, sold, stolen, diverted or lost,

- d. a complete inventory of all marijuana, seeds, plant tissue, clones, plants, usable marijuana or trim, leaves and other plant matter, batches of extract, and marijuana concentrates,
- e. all samples sent to a testing laboratory, an unused portion of a sample returned to a licensee, all samples utilized by a licensee for purposes of negotiating a sale, and
- f. all samples used for quality testing by a licensee.

3. Each medical marijuana business shall use a seed-to-sale tracking system or integrate its own seed-to-sale tracking system with the seed-to-sale tracking system established by the Authority.

4. These records shall include, but not be limited to, the following:

- a. the name and license number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- b. the address and phone number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- c. the type of product received during the transaction,
- d. the batch number of the marijuana plant used,
- e. the date of the transaction,
- f. the total spent in dollars,

- g. all point-of-sale records,
- h. marijuana excise tax records, and
- i. any additional information as may be reasonably required by the ~~Department~~ Authority.

5. All inventory tracking records containing patient information shall comply with all relevant state and federal laws including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and shall not be retained by any medical marijuana business for more than sixty (60) days.

SECTION 19. AMENDATORY Section 14, Chapter 11, O.S.L. 2019, as amended by Section 6, Chapter 509, O.S.L. 2019 (63 O.S. Supp. 2019, Section 427.14), is amended to read as follows:

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

1. Medical marijuana commercial grower;
2. Medical marijuana processor;
3. Medical marijuana dispensary;
4. Medical marijuana transporter; and
5. Medical marijuana testing laboratory.

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

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

4 D. The nonrefundable application fee for a medical marijuana
5 business license shall be Two Thousand Five Hundred Dollars
6 (\$2,500.00).

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

9 1. All applications for licenses and registrations authorized
10 pursuant to this section shall be made upon forms prescribed by the
11 Authority;

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

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

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

20 5. All applications shall include all attachments or
21 supplemental information required by the forms supplied by the
22 Authority;

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

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

- 6 a. all applicants shall be ~~age~~ twenty-five (25) years of
7 age or older,
- 8 b. any applicant applying as an individual shall show
9 proof that the applicant is an Oklahoma resident
10 pursuant to paragraph 11 of this subsection,
- 11 c. any applicant applying as an entity shall show that
12 seventy-five percent (75%) of all members, managers,
13 executive officers, partners, board members or any
14 other form of business ownership are Oklahoma
15 residents pursuant to paragraph 11 of this subsection,
- 16 d. all applying individuals or entities shall be
17 registered to conduct business in the State of
18 Oklahoma,
- 19 e. all applicants shall disclose all ownership interests
20 pursuant to this act, and
- 21 f. applicants shall not have been convicted of a
22 nonviolent felony in the last two (2) years, and any
23 other felony conviction within the last five (5)

1 years, shall not be current inmates, or currently
2 incarcerated in a jail or corrections facility;

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

10 9. All applicants for a medical marijuana business license,
11 research facility license or education facility license authorized
12 by this act shall undergo an Oklahoma criminal history background
13 check conducted by the Oklahoma State Bureau of Investigation (OSBI)
14 within thirty (30) days prior to the application for the license,
15 including:

- 16 a. individual applicants applying on their own behalf,
- 17 b. individuals applying on behalf of an entity,
- 18 c. all principal officers of an entity, and
- 19 d. all owners of an entity as defined by this act;

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

23 11. In order to be considered an Oklahoma resident for purposes
24 of a medical marijuana business application, all applicants shall

1 provide proof of Oklahoma residency for at least two (2) years
2 immediately preceding the date of application or five (5) years of
3 continuous Oklahoma residency during the preceding twenty-five (25)
4 years immediately preceding the date of application. Sufficient
5 documentation of proof of residency shall include a combination of
6 the following:

- 7 a. an unexpired Oklahoma-issued driver license,
- 8 b. an Oklahoma voter identification card,
- 9 c. a utility bill preceding the date of application,
10 excluding cellular telephone and Internet bills,
- 11 d. a residential property deed to property in the State
12 of Oklahoma, and
- 13 e. a rental agreement preceding the date of application
14 for residential property located in the State of
15 Oklahoma;

16 12. All license applicants shall be required to submit a
17 registration with the Oklahoma State Bureau of Narcotics and
18 Dangerous Drugs Control as provided in Sections ~~2-202~~ 2-302 through
19 ~~2-204~~ 2-304 of ~~Title 63 of the Oklahoma Statutes~~ this title;

20 13. All applicants shall establish their identity through
21 submission of a color copy or digital image of one of the following
22 unexpired documents:

- 23 a. front and back of an Oklahoma driver license,
- 24 b. front and back of an Oklahoma identification card,

- c. a United States passport or other photo identification issued by the United States government,
- d. certified copy of the applicant's birth certificate for minor applicants who do not possess a document listed in this section, or
- e. a tribal identification card approved for identification purposes by the Oklahoma Department of Public Safety; and

14. All applicants shall submit ~~an applicant~~ a photograph of the applicant.

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

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

2. Approved applicants shall be issued a medical marijuana business license for the specific category applied under which shall act as proof of their approved status. Rejection letters shall provide a reason for the rejection. Applications may only be rejected based on the applicant not meeting the standards set forth in the provisions of this section, improper completion of the application, or for a reason provided for in this act. If an

1 application is rejected for failure to provide required information,
2 the applicant shall have thirty (30) days to submit the required
3 information for reconsideration. No additional application fee
4 shall be charged for such reconsideration.

5 3. Status-update letters shall provide a reason for delay in
6 either approval or rejection should a situation arise in which an
7 application was submitted properly, but a delay in processing the
8 application occurred.

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

12 H. A medical marijuana business license shall not be issued to
13 or 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 this act has been revoked by the ~~Department~~ Authority; or

12 8. A publicly traded company.

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. In the event the ~~Department~~ Authority considers the
18 criminal history record of the applicant, the ~~Department~~ Authority
19 shall also consider any information provided by the applicant
20 regarding such criminal history record, including but not limited to
21 evidence of rehabilitation, character references and educational
22 achievements, especially those items pertaining to the period of
23 time between the last criminal conviction of the applicant and the
24 consideration of the application for a state license.

1 J. The failure of an applicant to provide the requested
2 information by the Authority deadline may be grounds for denial of
3 the application.

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

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

19 M. All medical marijuana business licensees shall pay the
20 relevant licensure fees prior to receiving licensure to operate a
21 medical marijuana business, as defined in this act, for each class
22 of license.

1 SECTION 20. AMENDATORY Section 15, Chapter 11, O.S.L.
2 2019 (63 O.S. Supp. 2019, Section 427.15), is amended to read as
3 follows:

4 Section 427.15 The ~~State Department of Health~~ Oklahoma Medical
5 Marijuana Authority is hereby authorized to develop policies and
6 procedures for disclosure by a medical marijuana business of
7 financial interest and ownership.

8 SECTION 21. AMENDATORY Section 16, Chapter 11, O.S.L.
9 2019 (63 O.S. Supp. 2019, Section 427.16), is amended to read as
10 follows:

11 Section 427.16 A. There is hereby created a medical marijuana
12 transporter license as a category of the medical marijuana business
13 license.

14 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
15 this title, the Oklahoma Medical Marijuana Authority shall issue a
16 medical marijuana transporter license to licensed medical marijuana
17 commercial growers, processors and dispensaries upon issuance of
18 such licenses and upon each renewal.

19 C. A medical marijuana transporter license may also be issued
20 to qualifying applicants who are registered with the Oklahoma
21 Secretary of State and otherwise meet the requirements for a medical
22 marijuana business license set forth in this act and the
23 requirements set forth in this section to provide logistics,
24

1 distribution and storage of medical marijuana, medical marijuana
2 concentrate and medical marijuana products.

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

8 E. A transporter license shall be required for any person or
9 entity to transport or transfer medical marijuana, concentrate or
10 product from a licensed medical marijuana business to another
11 medical marijuana business, or from a medical marijuana business to
12 a medical marijuana research facility or medical marijuana education
13 facility.

14 F. A medical marijuana transporter licensee may contract with
15 multiple licensed medical marijuana businesses.

16 G. A medical marijuana transporter may maintain a licensed
17 premises to temporarily store medical marijuana, concentrate and
18 products and to use as a centralized distribution point. A medical
19 marijuana transporter may store and distribute medical marijuana,
20 concentrate and products from the licensed premises. The licensed
21 premises shall meet all security requirements applicable to a
22 medical marijuana business.

23 H. A medical marijuana transporter licensee shall use the seed-
24 to-sale tracking system developed pursuant to this act to create

1 shipping manifests documenting the transport of medical marijuana,
2 concentrate and products throughout the state.

3 I. A licensed medical marijuana transporter may maintain and
4 operate one or more warehouses in the state to handle medical
5 marijuana, concentrate and products.

6 J. All medical marijuana, concentrate and product shall be
7 transported:

8 1. In vehicles equipped with Global Positioning System (GPS)
9 trackers;

10 2. In a locked container and clearly labeled "Medical Marijuana
11 or Derivative"; and

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

14 K. A transporter agent may possess marijuana at any location
15 while the transporter agent is transferring marijuana to or from a
16 licensed medical marijuana business, medical marijuana research
17 facility or medical marijuana education facility. The ~~Department~~
18 Authority shall administer and enforce the provisions of this
19 section concerning transportation.

20 L. The Authority shall issue a transporter agent license to
21 individual agents, employees, officers or owners of a transporter
22 license in order for the individual to qualify to transport medical
23 marijuana or product.

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

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

6 1. The name, address and date of birth of the person;

7 2. Proof of residency as required for a medical marijuana
8 business license;

9 3. Proof of identity as required for a medical marijuana
10 business license;

11 4. Possession of a valid Oklahoma driver license;

12 5. Verification of employment with a licensed transporter;

13 6. The application and affiliated fee; and

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

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

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

23 Q. The ~~Department~~ Authority may revoke the registry
24 identification card of a transporter agent who knowingly violates

1 any provision of this section, and the transporter is subject to any
2 other penalties established by law for the violation.

3 R. The ~~Department~~ Authority may revoke or suspend the
4 transporter license of a transporter that the ~~Department~~ Authority
5 determines knowingly aided or facilitated a violation of any
6 provision of this section, and the ~~licenseholder~~ license holder is
7 subject to any other penalties established in law for the violation.

8 S. Vehicles used in the transport of medical marijuana or
9 medical marijuana product shall be:

- 10 1. Insured at or above the legal requirements in Oklahoma;
 - 11 2. Capable of securing medical marijuana during transport; and
 - 12 3. In possession of a shipping container as defined in this act
- 13 capable of securing all transported product.

14 T. Prior to the transport of any medical marijuana or products,
15 an inventory manifest shall be prepared at the origination point of
16 the medical marijuana. The inventory manifest shall include the
17 following information:

- 18 1. For the origination point of the medical marijuana:
 - 19 a. the licensee number for the commercial grower,
 - 20 processor or dispensary,
 - 21 b. address of origination of transport, and
 - 22 c. name and contact information for the originating
 - 23 licensee;

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

3 a. the license number for the dispensary, commercial
4 grower, processor, research facility or education
5 facility destination,
6 b. address of the destination, and
7 c. name and contact information for the destination
8 licensee;

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

11 4. The date of the transport and the approximate time of
12 departure;

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

14 6. Printed names and signatures of the personnel accompanying
15 the transport; and

16 7. Notation of the transporting licensee.

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

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

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24

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

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

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

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

13 Section 427.17 A. There is hereby created a medical marijuana
14 testing laboratory license as a category of the medical marijuana
15 business license. The Oklahoma Medical Marijuana Authority is
16 hereby enabled to monitor, inspect and audit a licensed testing
17 laboratory under this act.

18 B. The Authority is hereby authorized to contract with a
19 private laboratory for the purpose of conducting compliance testing
20 of medical marijuana testing laboratories licensed in this state.
21 Any such laboratory under contract for compliance testing shall be
22 prohibited from conducting any other commercial medical marijuana
23 testing in this state.

1 C. The Authority shall have the authority to develop acceptable
2 testing and research practices, including but not limited to
3 testing, standards, quality control analysis, equipment
4 certification and calibration, and chemical identification and
5 substances used in bona fide research methods so long as it complies
6 with this act.

7 D. A person who is a direct beneficial owner or an indirect
8 beneficial owner of a medical marijuana dispensary, medical
9 marijuana commercial grower, or medical marijuana processor shall
10 not be an owner of a laboratory.

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

14 F. A separate license shall be required for each specific
15 laboratory.

16 G. A medical marijuana testing laboratory license may be issued
17 to a person who performs testing and research on medical marijuana
18 and medical marijuana products for medical marijuana businesses,
19 medical marijuana research facilities, medical marijuana education
20 facilities, and testing and research on marijuana and marijuana
21 products grown or produced by a patient or caregiver on behalf of a
22 patient, upon verification of registration. No state-approved
23 medical marijuana testing facility shall operate unless a medical
24 laboratory director is on site during operational hours.

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

6 I. A medical marijuana testing laboratory may accept samples of
7 medical marijuana, medical marijuana concentrate or medical
8 marijuana product from a medical marijuana business for testing and
9 research purposes only, which purposes may include the provision of
10 testing services for samples submitted by a medical marijuana
11 business for product development. The ~~Department~~ Authority may
12 require a medical marijuana business to submit a sample of medical
13 marijuana, medical marijuana concentrate or medical marijuana
14 product to a medical marijuana testing laboratory upon demand.

15 J. A medical marijuana testing laboratory may accept samples of
16 medical marijuana, medical marijuana concentrate or medical
17 marijuana product from an individual person for testing only under
18 the following conditions:

19 1. The individual person is a patient or caregiver pursuant to
20 this act or is a participant in an approved clinical or
21 observational study conducted by a research facility; and

22 2. The medical marijuana testing laboratory shall require the
23 patient or caregiver to produce a valid patient or caregiver license
24 and current and valid photo identification.

1 K. A medical marijuana testing laboratory may transfer samples
2 to another medical marijuana testing laboratory for testing. All
3 laboratory reports provided to or by a medical marijuana business or
4 to a patient or caregiver shall identify the medical marijuana
5 testing laboratory that actually conducted the test.

6 L. A medical marijuana testing laboratory may utilize a
7 licensed medical marijuana transporter to transport samples of
8 medical marijuana, medical marijuana concentrate and medical
9 marijuana product for testing, in accordance with this act and the
10 rules adopted pursuant thereto, between the originating medical
11 marijuana business requesting testing services and the destination
12 laboratory performing testing services.

13 M. The medical marijuana testing laboratory shall establish
14 policies to prevent the existence of or appearance of undue
15 commercial, financial or other influences that may diminish the
16 competency, impartiality and integrity of the testing processes or
17 results of the laboratory, or that may diminish public confidence in
18 the competency, impartiality and integrity of the testing processes
19 or results of the laboratory. At a minimum, employees, owners or
20 agents of a medical marijuana testing laboratory who participate in
21 any aspect of the analysis and results of a sample are prohibited
22 from improperly influencing the testing process, improperly
23 manipulating data, or improperly benefiting from any ongoing
24

1 financial, employment, personal or business relationship with the
2 medical marijuana business that provided the sample.

3 N. The ~~Department~~ Authority, pursuant to rules previously
4 promulgated by the State Commissioner of Health, shall develop
5 standards, policies and procedures as necessary for:

6 1. The cleanliness and orderliness of a laboratory premises and
7 the location of the laboratory in a secure location, and inspection,
8 cleaning and maintenance of any equipment or utensils used for the
9 analysis of test samples;

10 2. Testing procedures, testing standards for cannabinoid and
11 terpenoid potency and safe levels of contaminants, and remediation
12 procedures;

13 3. Controlled access areas for storage of medical marijuana and
14 medical marijuana product test samples, waste and reference
15 standards;

16 4. Records to be retained and computer systems to be utilized
17 by the laboratory;

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

20 6. A certificate of analysis (COA) for each lot of reference
21 standard;

22 7. The transport and disposal of unused marijuana, marijuana
23 products and waste;

1 8. The mandatory use by a laboratory of an inventory tracking
2 system to ensure all test batches or samples containing medical
3 marijuana, medical marijuana concentrate or medical marijuana
4 products are identified and tracked from the point they are
5 transferred from a medical marijuana business, a patient or a
6 caregiver through the point of transfer, destruction or disposal.
7 The inventory tracking system reporting shall include the results of
8 any tests that are conducted on medical marijuana, medical marijuana
9 concentrate or medical marijuana product;

10 9. Standards of performance;

11 10. The employment of laboratory personnel;

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

14 12. The successful participation in a ~~Department-approved~~ an
15 Authority-approved proficiency testing program for each testing
16 category listed in this section, in order to obtain and maintain
17 certification;

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

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

1 15. The establishment by the laboratory of a system to retain
2 and maintain all required records, including business records, and
3 processes to ensure results are reported in a timely and accurate
4 manner; and

5 16. Any other aspect of laboratory testing of medical marijuana
6 or medical marijuana product deemed necessary by the ~~Department~~
7 Authority.

8 O. A medical marijuana testing laboratory shall promptly
9 provide the ~~Department~~ Authority or designee of the ~~Department~~
10 Authority access to a report of a test and any underlying data that
11 is conducted on a sample at the request of a medical marijuana
12 business or qualified patient. A medical marijuana testing
13 laboratory shall also provide access to the ~~Department~~ Authority or
14 designee of the ~~Department~~ Authority to laboratory premises and to
15 any material or information requested by the ~~Department~~ Authority to
16 determine compliance with the requirements of this section.

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

21 Q. A medical marijuana testing laboratory shall test samples
22 from each harvest batch or product batch, as appropriate, of medical
23 marijuana, medical marijuana concentrate and medical marijuana
24

product for each of the following categories of testing, consistent with standards developed by the ~~Commissioner~~ Authority:

1. Microbials;
2. Mycotoxins;
3. Residual solvents;
4. Pesticides;
5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
6. Terpenoid potency; and
7. Heavy metals.

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

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

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

U. Beginning on a date determined by the ~~Commissioner~~ Authority, not later than January 1, 2020, medical marijuana testing

laboratory licensure shall be contingent upon accreditation by the NELAC Institute (TNI), ANSI/ASQ National Accreditation Board or another accrediting body approved by the ~~Commissioner~~ Authority, and any applicable standards as determined by the ~~Department~~ Authority.

V. A commercial grower shall not transfer or sell medical marijuana and a processor shall not transfer, sell or process into a concentrate or product any medical marijuana, medical marijuana concentrate or medical marijuana product unless samples from each harvest batch or production batch from which that medical marijuana, medical marijuana concentrate or medical marijuana product was derived has been tested by a medical marijuana testing facility for contaminants and passed all contaminant tests required by this act.

SECTION 23. AMENDATORY Section 18, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2019, Section 427.18), is amended to read as follows:

Section 427.18 A. An Oklahoma medical marijuana business shall not sell, transfer or otherwise distribute medical marijuana or medical marijuana product that has not been packaged and labeled in accordance with this section and rules promulgated by the ~~State Commissioner of Health~~ Oklahoma Medical Marijuana Authority.

B. A medical marijuana dispensary shall return medical marijuana and medical marijuana product that does not meet packaging or labeling requirements in this section or rules promulgated pursuant thereto to the entity who transferred it to the dispensary.

1 The medical marijuana dispensary shall document to whom the item was
2 returned, what was returned and the date of the return or dispose of
3 any usable marijuana that does not meet these requirements in
4 accordance with this act.

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

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

13 3. Labels on a container shall not include any false or
14 misleading statements.

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

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

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

1 D. The ~~State Department of Health~~ Authority shall develop
2 minimum standards for packaging and labeling of medical marijuana
3 and medical marijuana products. Such standards shall include, but
4 not be limited to, the required contents of labels to be affixed to
5 all medical marijuana and medical marijuana products prior to
6 transfer to a licensed patient or caregiver, which shall include, at
7 a minimum:

8 1. A universal symbol indicating that the product contains
9 tetrahydrocannabinol (THC);

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

11 3. A statement indicating that the product has been tested for
12 contaminants;

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

15 5. Any other information the ~~Department~~ Authority deems
16 necessary.

17 SECTION 24. AMENDATORY Section 19, Chapter 11, O.S.L.
18 2019 (63 O.S. Supp. 2019, Section 427.19), is amended to read as
19 follows:

20 Section 427.19 A. A medical marijuana research license may be
21 issued to a person to grow, cultivate, possess and transfer, by sale
22 or donation, marijuana pursuant to this act for the limited research
23 purposes identified in this section.

1 B. The fee for a medical marijuana research license shall be
2 Five Hundred Dollars (\$500.00) and shall be payable by an applicant
3 for a medical marijuana research license upon submission of his or
4 her application to the Oklahoma Medical Marijuana Authority.

5 C. A medical marijuana research license may be issued for the
6 following research purposes:

- 7 1. To test chemical potency and composition levels;
- 8 2. To conduct clinical investigations of marijuana-derived
9 medicinal products;
- 10 3. To conduct research on the efficacy and safety of
11 administering marijuana as part of medical treatment;
- 12 4. To conduct genomic, horticultural or agricultural research;
13 and
- 14 5. To conduct research on marijuana-affiliated products or
15 systems.

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

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

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

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

17 E. A medical marijuana research licensee may only transfer, by
18 sale or donation, marijuana grown within its operation to other
19 medical marijuana research licensees. The ~~Department~~ Authority may
20 revoke a medical marijuana research license for violations of this
21 section and any other violation of this act.

22 F. A medical marijuana research licensee may contract to
23 perform research in conjunction with a public higher education
24 research institution or another medical marijuana research licensee.

1 G. The growing, cultivating, possessing or transferring, by
2 sale or donation, of marijuana in accordance with this section and
3 the rules promulgated pursuant thereto, by a medical marijuana
4 research licensee shall not be a criminal or civil offense under
5 state law. A medical marijuana research license shall be issued in
6 the name of the applicant and shall specify the location in Oklahoma
7 at which the medical marijuana research licensee intends to operate.
8 A medical marijuana research licensee shall not allow any other
9 person to exercise the privilege of the license.

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

16 SECTION 25. AMENDATORY Section 20, Chapter 11, O.S.L.
17 2019 (63 O.S. Supp. 2019, Section 427.20), is amended to read as
18 follows:

19 Section 427.20 A. There is hereby created a medical marijuana
20 education facility license.

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

1 C. A medical marijuana education facility license may only be
2 granted to a not-for-profit organization structured under Section
3 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
4 not-for-profit registered organization with the Office of the
5 Secretary of State.

6 D. A medical marijuana education facility license may only be
7 granted upon the submission of a fee of Five Hundred Dollars
8 (\$500.00) to the Oklahoma Medical Marijuana Authority.

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

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

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

15 3. To demonstrate the application and use of product
16 manufacturing technologies;

17 4. To conduct genomic, horticultural or agricultural research;
18 and

19 5. To conduct research on marijuana-affiliated products or
20 systems.

21 F. As part of the application process for a medical marijuana
22 education facility license, an applicant shall submit to the
23 Authority a description of the project and curriculum that the
24 applicant intends to conduct and whether the project and curriculum

1 will be conducted with a public institution or using public money.

2 If the research will not be conducted with a public institution or
3 with public money, the Authority shall grant the application. If
4 the research will be conducted with a public institution or public
5 money, the Authority shall review the research project of the
6 applicant to determine if it meets the requirements of this section
7 and to assess the following:

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

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

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

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

17 G. A medical marijuana education facility licensee may only
18 transfer, by sale or donation, marijuana grown within its operation
19 to medical marijuana research licensees. The ~~Department~~ Authority
20 may revoke a medical marijuana education facility license for
21 violations of this section and any other violation of this act.

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

1 I. The growing, cultivating, possessing or transferring, by
2 sale or donation, of marijuana in accordance with this section and
3 the rules promulgated pursuant thereto, by a medical marijuana
4 education facility licensee shall not be a criminal or civil offense
5 under state law. A medical marijuana education facility license
6 shall be issued in the name of the applicant and shall specify the
7 location in Oklahoma at which the medical marijuana education
8 facility licensee intends to operate. A medical marijuana education
9 facility licensee shall not allow any other person to exercise the
10 privilege of the license.

11 SECTION 26. AMENDATORY Section 23, Chapter 11, O.S.L.
12 2019, as amended by Section 11, Chapter 477, O.S.L. 2019 (63 O.S.
13 Supp. 2019, Section 427.23), is amended to read as follows:

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

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

1 SECTION 27. AMENDATORY Section 4, Chapter 337, O.S.L.

2 2019 (63 O.S. Supp. 2019, Section 430), is amended to read as
3 follows:

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

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

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

- 5 a. an attestation that the applicant is authorized to
- 6 make application on behalf of the entity,
- 7 b. full name of the organization,
- 8 c. trade name, if applicable,
- 9 d. type of business organization,
- 10 e. complete mailing address,
- 11 f. an attestation that the commercial entity will not be
- 12 located on tribal land,
- 13 g. telephone number and email address of the entity, and
- 14 h. name, residential address and date of birth of each
- 15 owner and each member, manager and board member, if
- 16 applicable;

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

- 21 a. the first, middle and last name of the applicant and
- 22 suffix, if applicable,
- 23 b. the residence address and mailing address of the
- 24 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 shall be measured from any entrance of the school to the nearest property line point of the facility, 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

1 et seq. of ~~Title 63 of the Oklahoma Statutes~~ this
2 title, as it relates to proof of residency.

3 C. No license shall be issued except upon proof of sufficient
4 liability insurance and financial responsibility. Liability
5 insurance shall be provided by the applicant and shall apply to
6 sudden and nonsudden bodily injury or property damage on, below or
7 above the surface, as required by the rules of the Authority. Such
8 insurance shall be maintained for the period of operation of the
9 facility and shall provide coverage for damages resulting from
10 operation of the facility during operation and after closing. In
11 lieu of liability insurance required by this subsection, an
12 equivalent amount of cash, securities, bond or alternate financial
13 assurance, of a type and in an amount acceptable to the Authority,
14 may be substituted; provided, that such deposit shall be maintained
15 for a period of five (5) years after the date of last operation of
16 the facility.

17 D. Submission of an application for a medical marijuana waste
18 disposal license shall constitute permission for entry to and
19 inspection of the facility of the licensee during hours of operation
20 and other reasonable times. Refusal to permit such entry of
21 inspection shall constitute grounds for the nonrenewal, suspension
22 or revocation of a license. The Authority may perform an annual
23 unannounced, on-site inspection of the operations and facility of
24 the licensee. If the Authority receives a complaint concerning

1 noncompliance by a licensee with the provisions of this act, the
2 Authority may conduct additional unannounced, on-site inspections
3 beyond an annual inspection. The Authority shall refer all
4 complaints alleging criminal activity that are made against a
5 licensed facility to appropriate state or local law enforcement
6 authorities.

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

20 F. The cost of a medical marijuana waste disposal license shall
21 be Five Thousand Dollars (\$5,000.00) for the initial license. The
22 cost of a medical marijuana waste disposal facility permit shall be
23 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
24 facility permit that has been revoked shall be reinstated upon

1 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
2 to restore the facility permit. All license and permit fees shall
3 be deposited into the Public Health Special Fund as provided in
4 Section 1-107 of ~~Title 63 of the Oklahoma Statutes~~ this title.

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

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

13 I. ~~The State Commissioner of Health~~ Oklahoma Medical Marijuana
14 Authority shall promulgate rules for the implementation of this act.
15 Promulgated rules shall address disposal process standards, site
16 security and any other subject matter deemed necessary by the
17 Authority.

18 SECTION 28. This act shall become effective July 1, 2021.
19

20 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/18/2020 - DO PASS,
21 As Amended and Coauthored.
22
23
24