

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 CONFERENCE COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 HOUSE BILL NO. 2646

By: Echols and Davis of the
House

and

Taylor and Rogers of the
Senate

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10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to medical marijuana; amending
12 Section 1, State Question No. 788, Initiative
13 Petition No. 412, as last amended by Section 44,
14 Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section
15 420), which relates to patient and caregiver
16 licensing requirements; modifying language;
17 specifying measurements in grams; clarifying scope of
18 certain offense; updating references to licensees;
19 specifying biannual payment of application fees for
20 patient licenses; providing for reprints of licenses;
21 setting fee amount; providing a temporary medical
22 marijuana patient license for nonresident medical
23 marijuana licensee; authorizing the State Department
24 of Health to deny patient license applications;
removing certain recordkeeping requirement;
specifying types of records the Department shall seal
to protect privacy; updating statutory references;
clarifying application requirements; amending Section
2, State Question No. 788, Initiative Petition No.
412 (63 O.S. Supp. 2020, Section 421), which relates
to dispensary licensing requirements; updating
language; increasing time limitation for reviewing
dispensary license applications; authorizing the
Department to deny dispensary license applications;
deleting penalties for inaccurate reports and
fraudulent sales; authorizing licensed dispensaries
to sell pre-rolled marijuana; specifying types of

1 products that can be used for pre-rolled marijuana;
2 providing testing, packaging and labeling
3 requirements; prohibiting physical handling of
4 medical marijuana; providing exceptions; amending
5 Section 3, State Question No. 788, Initiative
6 Petition No. 412 (63 O.S. Supp. 2020, Section 422),
7 which relates to commercial grower licensing
8 requirements; modifying language; increasing time
9 limitation for reviewing commercial grower license
10 applications; authorizing the Department to deny
11 commercial grower license applications; authorizing
12 licensed commercial growers to sell to other licensed
13 commercial growers; deleting penalties for inaccurate
14 reports and fraudulent sales; authorizing licensed
15 commercial growers to sell pre-rolled marijuana;
16 specifying types of products that can be used for
17 pre-rolled marijuana; providing testing, packaging
18 and labeling requirements; amending Section 4, State
19 Question No. 788, Initiative Petition No. 412 (63
20 O.S. Supp. 2020, Section 423), which relates to
21 medical marijuana processor licensing requirements;
22 updating language; increasing time limitation for
23 reviewing processor license applications; authorizing
24 the Department to deny processor license
applications; providing for twice-yearly inspections
of processing operations; deleting penalties for
inaccurate reports and fraudulent sales; declaring
the Medical Marijuana Advisory Council as the entity
responsible for creating certain standards; amending
Section 6, State Question No. 788, Initiative
Petition No. 412, as last amended by Section 46,
Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section
425), which relates to protections for medical
marijuana patient licensees; updating language;
deleting certain definition; specifying manner by
which distances between certain properties shall be
measured; providing exceptions; specifying name of
certain act; amending Section 7, State Question No.
788, Initiative Petition No. 412 (63 O.S. Supp. 2020,
Section 426), which relates to the taxation of
medical marijuana; updating language and name of
state agency; amending Section 4, Chapter 509, O.S.L.
2019 (63 O.S. Supp. 2020, Section 426.1), which
relates to license revocations and hearings; deleting
certain exception; updating language and statutory
references; modifying information the Department may
share with law enforcement; providing for an online

1 verification system; directing the Department to
2 share list of marijuana-licensed premises with state
3 agencies; directing marijuana-licensed businesses to
4 submit certain documentation when requesting a change
5 in location; modifying certificate of compliance
6 requirements; recognizing previously submitted
7 certificates of compliance for licensure renewals;
8 providing certain exceptions; amending Section 2,
9 Chapter 11, O.S.L. 2019, as last amended by Section
10 48, Chapter 161, O.S.L. 2020, Section 3, Chapter 11,
11 O.S.L. 2019, as amended by Section 6, Chapter 477,
12 O.S.L. 2019, Section 4, Chapter 11, O.S.L. 2019,
13 Section 6, Chapter 11, O.S.L. 2019, as amended by
14 Section 7, Chapter 477, O.S.L. 2019, Section 7,
15 Chapter 11, O.S.L. 2019, as amended by Section 5,
16 Chapter 509, O.S.L. 2019, Section 9, Chapter 11,
17 O.S.L. 2019, Section 10, Chapter 11, O.S.L. 2019, as
18 amended by Section 2, Chapter 390, O.S.L. 2019,
19 Section 11, Chapter 11, O.S.L. 2019, Section 13,
20 Chapter 11, O.S.L. 2019, Section 14, Chapter 11,
21 O.S.L. 2019, as last amended by Section 51, Chapter
22 161, O.S.L. 2020, Section 16, Chapter 11, O.S.L.
23 2019, Section 17, Chapter 11, O.S.L. 2019, as amended
24 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,
Section 22, 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. 2020,
Sections 427.2, 427.3, 427.4, 427.6, 427.7, 427.9,
427.10, 427.11, 427.13, 427.14, 427.16, 427.17,
427.18, 427.19, 427.20, 427.22 and 427.23), which
relate to the Oklahoma Medical Marijuana and Patient
Protection Act; updating references to certain named
act; modifying scope of certain definitions; deleting
certain definitions; clarifying duties of the
Oklahoma Medical Marijuana Authority; authorizing the
Authority to establish fee schedule and collect fees;
removing notice requirement for inspections;
providing for regulations on information to be
submitted; specifying information to be submitted;
requiring medical marijuana business licensees to
submit samples to a quality assurance laboratory
under certain circumstances; limiting samples to
certain number per year; providing for cost of
submitted samples; allowing for on-site inspections
and investigations of medical marijuana businesses

1 and certain facilities; authorizing the Department to
2 enter certain facilities; providing for post-
3 licensure inspections; providing for additional
4 inspections under certain circumstances; deleting
5 notice provision; removing option for licensees to
6 obtain legal representation prior to certain
7 interview; providing for the suspension or revocation
8 of licenses for nonpayment of penalties; establishing
9 penalties for inaccurate or fraudulent reports;
10 making certain acts unlawful; providing penalties;
11 providing construing provision regarding the
12 diversion of medical marijuana; authorizing the
13 issuance of written orders for alleged violations;
14 specifying contents of written orders; authorizing
15 the Department to impose disciplinary actions and
16 monetary penalties; allowing licensees to request an
17 administrative hearing; directing the Department to
18 initiate administrative proceedings upon such
19 request; authorizing the Department to issue certain
20 emergency order without notice or hearing; requiring
21 immediate compliance with provisions of the order;
22 providing for the assessment of penalties;
23 authorizing licensees to request a hearing;
24 clarifying privacy requirements for handling records
of patients and caregivers; deleting references to
certain federal act; directing the Authority to
protect patient and caregiver records and
information; authorizing the Authority to contact
recommending physicians of patient licensees;
expanding certain criminal and civil protections to
podiatrists; directing the Department to immediately
void licenses under certain circumstances; allowing
patients to request the withdrawal of a caregiver
license; providing for such withdrawal without the
right to a hearing; requiring certain facilities to
keep transaction records and utilize seed-to-sale
tracking system; directing medical marijuana
businesses and facilities that retain inventory
tracking records to comply with state and federal
privacy laws; deleting inventory tracking records
retention requirement; clarifying term of application
fee for medical marijuana businesses; directing
license renewal applicants to comply with certain
requirements; clarifying criteria provisions for
licensees; requiring criminal history background
checks for license renewal applicants; modifying
certain identification document requirement;

1 modifying list of identification documents necessary
2 for licensure; providing for the denial of business
3 license applications; providing for the denial of
4 resubmitted applications under certain circumstances;
5 prohibiting the issuance of research, education and
6 waste disposal facility licenses to certain persons;
7 removing directive to consider additional information
8 about applicants with criminal history records;
9 requesting licensees to provide certain information
10 to the Authority; requiring medical marijuana
11 research, education and waste disposal facility
12 licensees to pay licensure fees prior to receiving
13 license; establishing renewal fee for expired
14 licenses; making late renewal fees nonrefundable;
15 prohibiting the renewal of certain expired licenses;
16 prohibiting medical marijuana businesses, research,
17 education and waste disposal facilities from
18 operating without a valid, unexpired license;
19 allowing certain licensed medical marijuana
20 facilities to obtain medical marijuana transporter
21 licenses; reducing fee amount of annual transporter
22 agent license; establishing transporter agent license
23 reprint fee; clarifying residency requirement;
24 deleting certain inventory manifest requirement;
extending time limitation for maintaining copies of
inventory manifests and logs; modifying scope of
duties related to the development of testing
practices and research methods; providing
restrictions on laboratory ownership and the
employment of certain persons; removing mandate that
prohibits indirect beneficial owners from owning a
laboratory; allowing medical marijuana testing
laboratories to conduct certain research; authorizing
medical marijuana testing laboratories to accept
samples from licensed research and education
facilities; prohibiting the testing of samples from
certain businesses; directing the Department to
develop standards and policies for the immediate
recall of medical marijuana products; increasing time
limitation for medical marijuana testing laboratories
to retain test results; requiring test of individual
harvest batch; providing test exception for certain
plant materials of certain weight; changing batch
weight; limiting testing of certain final products to
specific grams of tetrahydrocannabinol; defining
term; increasing number of inspections required for
medical marijuana testing laboratories; allowing for

1 additional investigations and inspections of testing
2 laboratories under certain circumstances; modifying
3 accreditation requirements for testing laboratories;
4 making renewal subject to accreditation; requiring
5 accreditation for licensure; allowing licensed
6 commercial growers to transfer medical marijuana to
7 licensed processors for decontamination or
8 remediation; prohibiting the sale or transfer of
9 kief; eliminating certain labeling requirement;
10 clarifying terms of application fee for medical
11 marijuana research license and medical marijuana
12 education facility license; clarifying certain
13 application process requirement for medical marijuana
14 education facility license applicants; declaring all
15 medical marijuana patient and caregiver records
16 confidential and exempt from the Oklahoma Open
17 Records Act; making certain records submitted to the
18 Department confidential and exempt from the Oklahoma
19 Open Records Act; authorizing the Department to share
20 confidential information with other state agencies;
21 modifying name of entity that recommends certain
22 rules to the State Commissioner of Health;
23 authorizing the Department to appoint additional
24 members to the Medical Marijuana Advisory Council;
specifying makeup of Council; authorizing the
Department to tag or mark medical marijuana and
medical marijuana product under certain conditions;
authorizing the Department to embargo medical
marijuana and medical marijuana product; making the
removal or disposal of embargoed medical marijuana
and medical marijuana product without permission
unlawful; allowing the State Commissioner of Health
to institute actions in district court for the
condemnation and destruction of embargoed medical
marijuana and medical marijuana product that fails to
meet certain requirements; providing for the removal
of embargo after certain determination by the
Commissioner; providing exemption from liability;
providing for the destruction of medical marijuana
and medical marijuana product upon findings made by
the court; requiring expenses associated with
destruction, court costs and fees to be paid by owner
or defendant; authorizing courts to order delivery of
medical marijuana and medical marijuana product to
owner or defendant under certain circumstances;
directing expenses for supervision be paid to
Commissioner by certain person; amending Sections 2,

1 3 and 4, Chapter 337, O.S.L. 2019 (63 O.S. Supp.
2 2020, Sections 428.1, 429 and 430), which relate to
3 the Oklahoma Medical Marijuana Waste Management Act;
4 updating name of act; modifying scope of certain
5 definitions; authorizing the destruction of marijuana
6 roots and stalks; deleting documentation requirements
7 for entities that engage in the disposal of medical
8 marijuana waste; deleting requirement to maintain
9 disposal records; clarifying scope of certain
10 prohibited act; specifying manner by which distance
11 requirements shall be measured for waste disposal
12 facilities; removing alternative options for
13 liability insurance requirement; providing for annual
14 permits; directing the deposit of license and permit
15 fees into different revolving fund; amending 63 O.S.
16 2011, Section 2-302, as last amended by Section 57,
17 Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section
18 2-302), which relates to regulation of manufacturing;
19 requiring certain manufacturer registration; making
20 manufacturer subject to same jurisdiction authority
21 as registrant; amending 63 O.S. 2011, Section 2-304,
22 as amended by Section 1, Chapter 1, O.S.L. 2015 (63
23 O.S. Supp. 2020, Section 2-304), which relates to
24 revocation of manufacturer registration; providing
criminal and administrative penalties for providing
false information; amending 63 O.S. 2011, Section 2-
305, which relates to order to show cause before
revocation of registration; including administrative
action on nonregistrant engaged in manufacturing a
controlled dangerous substance; providing for
codification; and providing an effective date.

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

SECTION 1. AMENDATORY Section 1, State Question No. 788,
Initiative Petition No. 412, as last amended by Section 44, Chapter

1 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), is amended to
2 read as follows:

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

5 1. Consume marijuana legally;

6 2. Legally possess up to three (3) ounces or eighty-four and
7 nine-tenths (84.9) grams of marijuana on their person;

8 3. Legally possess six mature marijuana plants and the
9 harvested marijuana therefrom;

10 4. Legally possess six seedling plants;

11 5. Legally possess one (1) ounce or twenty-eight and three-
12 tenths (28.3) grams of concentrated marijuana;

13 6. Legally possess seventy-two (72) ounces or two thousand
14 thirty-seven and six-tenths (2,037.6) grams of edible marijuana; ~~and~~

15 7. Legally possess up to eight (8) ounces or two hundred
16 twenty-six and four-tenths (226.4) grams of marijuana in their
17 residence; and

18 8. Legally possess seventy-two ounces (72) ounces of topical
19 marijuana.

20 B. Possession of up to one and one-half (1.5) ounces or forty-
21 two and forty-five one-hundredths (42.45) grams of marijuana by
22 persons who can state a medical condition, but are not in possession
23 of a state-issued medical marijuana patient license, shall
24 constitute a misdemeanor offense not subject to imprisonment but

1 punishable by a fine not to exceed Four Hundred Dollars (\$400.00)
2 ~~and shall not be subject to imprisonment for the offense.~~ Any law
3 enforcement officer who comes in contact with a person in violation
4 of this subsection and who is satisfied as to the identity of the
5 person, as well as any other pertinent information the law
6 enforcement officer deems necessary, shall issue to the person a
7 written citation containing a notice to answer the charge against
8 the person in the appropriate court. Upon receiving the written
9 promise of the alleged violator to answer as specified in the
10 citation, the law enforcement officer shall release the person upon
11 personal recognizance unless there has been a violation of another
12 provision of law.

13 C. A regulatory office shall be established under the State
14 Department of Health which shall receive applications for medical
15 marijuana patient and caregiver license recipients, dispensaries,
16 growers, ~~and packagers~~ processors within sixty (60) days of the
17 passage of this initiative.

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

1 of the Department. Reprints of the medical marijuana patient
2 license shall be Twenty Dollars (\$20.00).

3 E. A short-term medical marijuana patient license application
4 shall also be made available on the website of the State Department
5 of Health. A short-term medical marijuana patient license shall be
6 granted to any applicant who can meet the requirements for a two-
7 year medical marijuana patient license, but whose physician
8 recommendation for medical marijuana is only valid for sixty (60)
9 days. Short-term medical marijuana patient licenses shall be issued
10 for sixty (60) days. The fee for a short-term medical marijuana
11 patient license, reprints of the short-term medical marijuana
12 patient license and the procedure for extending or renewing the
13 license shall be determined by the Department.

14 F. A temporary medical marijuana patient license application
15 shall also be ~~made~~ available on the website of the State Department
16 of Health for residents of other states. ~~A temporary~~ Temporary
17 medical marijuana license patient licenses shall be granted to ~~any~~
18 medical marijuana license holder holders from other states, provided
19 that ~~the state has a~~ such states have state-regulated medical
20 marijuana ~~program,~~ programs and ~~the applicant~~ applicants can prove
21 ~~he or she is a member~~ they are members of such ~~program~~ programs.
22 Temporary medical marijuana patient licenses shall be issued for
23 thirty (30) days. The cost for a temporary medical marijuana
24 patient license shall be One Hundred Dollars (\$100.00). Renewal

1 shall be granted with resubmission of a new application. No
2 additional criteria shall be required. Reprints of the temporary
3 medical marijuana patient license shall be Twenty Dollars (\$20.00).

4 G. Medical marijuana patient license applicants shall submit
5 ~~his or her~~ their applications to the State Department of Health for
6 approval. The applicant shall be ~~an~~ a resident of Oklahoma ~~state~~
7 ~~resident~~ and shall prove residency by a valid driver license,
8 utility bills, or other accepted methods.

9 H. The State Department of Health shall review the medical
10 marijuana patient license application ~~;~~ approve ~~or~~ reject or deny
11 the application ~~;~~ and mail the approval ~~or~~ rejection or denial
12 letter stating any reasons for the rejection or denial to the
13 applicant within fourteen (14) business days of receipt of the
14 application. Approved applicants shall be issued a medical
15 marijuana patient license which shall act as proof of his or her
16 approved status. Applications may only be rejected or denied based
17 on the applicant not meeting stated criteria or improper completion
18 of the application.

19 ~~I. The State Department of Health shall only keep the following~~
20 ~~records for each approved medical marijuana license:~~

- 21 ~~1. A digital photograph of the license holder;~~
- 22 ~~2. The expiration date of the license;~~
- 23 ~~3. The county where the card was issued; and~~

24

1 ~~4. A unique 24-character identification number assigned to the~~
2 ~~license.~~

3 ~~J.~~ The State Department of Health shall make available, both on
4 its website and through a telephone verification system, an easy
5 method to validate the authenticity of the medical marijuana patient
6 license by the unique 24-character identification number.

7 ~~K.~~ J. The State Department of Health shall ensure that all
8 ~~application~~ medical marijuana patient and caregiver records and
9 information are sealed to protect the privacy of medical marijuana
10 patient license applicants.

11 ~~H.~~ K. A caregiver license shall be made available for qualified
12 caregivers of a medical marijuana patient license holder who is
13 homebound. As provided in Section ~~11~~ 427.11 of ~~Enrolled House Bill~~
14 ~~No. 2612 of the 1st Session of the 57th Oklahoma Legislature~~ this
15 title, the caregiver license shall provide the caregiver the same
16 rights as the medical marijuana patient licensee, including the
17 ability to possess marijuana, marijuana products and mature and
18 immature plants pursuant to the Oklahoma Medical Marijuana and
19 Patient Protection Act, but excluding the ability to use marijuana
20 or marijuana products unless the caregiver has a medical marijuana
21 patient license. ~~An applicant~~ Applicants for a caregiver license
22 shall submit proof of the license status and homebound status of the
23 medical marijuana patient and proof that the applicant is the
24 designee of the medical marijuana patient. The applicant shall also

1 submit proof that he or she is eighteen (18) years of age or older
2 and proof of his or her Oklahoma residency. ~~This shall be the only~~
3 ~~criteria for a caregiver license.~~

4 ~~M.~~ L. All applicants for a medical marijuana patient license
5 shall be eighteen (18) years of age or older. A special exception
6 shall be granted to an applicant under the age of eighteen (18);
7 however, these applications shall be signed by two physicians and
8 the parent or legal guardian of the applicant.

9 ~~N.~~ M. All applications for a medical marijuana patient license
10 shall be signed by an Oklahoma physician licensed by and in good
11 standing with the State Board of Medical Licensure and Supervision
12 or the State Board of Osteopathic Examiners. There are no
13 qualifying conditions. A medical marijuana patient license ~~must~~
14 shall be recommended according to the accepted standards a
15 reasonable and prudent physician would follow when recommending or
16 approving any medication. No physician may be unduly stigmatized or
17 harassed for signing a medical marijuana patient license
18 application.

19 ~~O.~~ N. Counties and cities may enact medical marijuana
20 guidelines allowing medical marijuana patient license holders or
21 ~~caregivers~~ caregiver license holders to exceed the state limits set
22 forth in subsection A of this section.

1 SECTION 2. AMENDATORY Section 2, State Question No. 788,
2 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 421), is
3 amended to read as follows:

4 Section 421. A. The ~~Oklahoma~~ State Department of Health shall,
5 within thirty (30) days of passage of this initiative, make
6 available~~7~~ on ~~their~~ its website~~7~~, in an ~~easy-to-find~~ easy-to-find
7 location~~7~~ an application for a medical marijuana dispensary license.
8 The application fee shall be Two Thousand Five Hundred Dollars
9 (\$2,500.00) ~~and a.~~ A method of payment ~~will~~ shall be provided on
10 the website of the Department. ~~Retail~~ Dispensary applicants must
11 all be ~~Oklahoma state~~ residents of Oklahoma. Any entity applying
12 for a ~~retail~~ dispensary license must be owned by an Oklahoma ~~state~~
13 resident and must be registered to do business in Oklahoma. The
14 ~~Oklahoma State Department of Health~~ shall have ~~two (2) weeks~~ ninety
15 (90) business days to review the application~~7~~; approve ~~or~~, reject ~~or~~
16 deny the application~~7~~; and mail the approval/rejection approval,
17 rejection or denial letter ~~(if rejected,~~ stating reasons for
18 ~~rejection)~~ the rejection or denial to the applicant.

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

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

23 2. ~~Any~~ The applicant, if applying as an individual, must show
24 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; and

8 6. All applicants must disclose all ownership ~~+~~ interests in the
9 dispensary.

10 ~~7. Applicant(s)~~ Applicants with ~~only a~~ nonviolent felony
11 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
12 conviction in ~~five 5 (years)~~ the last five (5) years, inmates, ~~in~~
13 the custody of the Department of Corrections or any person currently
14 incarcerated ~~may~~ shall not qualify for a medical marijuana
15 dispensary license.

16 C. ~~Retailers will~~ Licensed medical marijuana dispensaries shall
17 be required to complete a monthly sales report to the ~~Oklahoma~~ State
18 Department of Health. This report ~~will~~ shall be due on the ~~15th~~
19 fifteenth of each month and provide reporting on the previous month.
20 This report ~~will~~ shall detail the weight of marijuana purchased at
21 wholesale and the weight of marijuana sold to ~~card holders,~~ licensed
22 medical marijuana patients and licensed caregivers and account for
23 any waste. The report ~~will~~ shall show total sales in dollars, tax
24 collected in dollars, and tax due in dollars. The ~~Oklahoma~~ State

1 Department of Health ~~will~~ shall have oversight and auditing
2 responsibilities to ensure that all marijuana being grown is
3 accounted for. ~~A retailer will only be subject to a penalty if a~~
4 ~~gross discrepancy exists and cannot be explained. Penalties for~~
5 ~~fraudulent reporting occurring within any 2 year time period will be~~
6 ~~an initial fine of Five Thousand Dollars (\$5,000.00) (first) and~~
7 ~~revocation of licensing (second).~~

8 D. Only a licensed medical marijuana ~~retailer~~ dispensary may
9 conduct retail sales of marijuana, or marijuana derivatives ~~in the~~
10 ~~form provided by licensed processors, and these products can only be~~
11 ~~sold to a medical marijuana license holder or their caregiver.~~
12 ~~Penalties for fraudulent sales occurring within any 2 year time~~
13 ~~period will be an initial fine of Five Thousand Dollars (\$5,000.00)~~
14 ~~(first) and revocation of licensing (second).~~ Beginning on the
15 effective date of this act, licensed medical marijuana dispensaries
16 shall be authorized to package and sell pre-rolled marijuana to
17 licensed medical marijuana patients and licensed caregivers. The
18 products described in this subsection shall contain only the ground
19 parts of the marijuana plant and shall not include marijuana
20 concentrates or derivatives. The total net weight of each pre-roll
21 packaged and sold by a medical marijuana dispensary shall not exceed
22 one (1) gram. These products shall be tested, packaged and labeled
23 in accordance with Oklahoma law and rules promulgated by the State
24 Commissioner of Health.

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

17 SECTION 3. AMENDATORY Section 3, State Question No. 788,
18 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 422), is
19 amended to read as follows:

20 Section 422. A. The ~~Oklahoma~~ State Department of Health ~~will~~
21 shall, within thirty (30) days of passage of this initiative, make
22 available~~7~~ on ~~their~~ its website~~7~~, in an ~~easy to find~~ easy-to-find
23 location~~7~~, an application for a commercial grower license. The
24 application fee ~~will~~ shall be Two Thousand Five Hundred Dollars

1 (\$2,500.00) ~~and methods.~~ A method of payment will shall be provided
2 on the website of the Department. The ~~Oklahoma~~ State Department of
3 Health ~~has two (2) weeks~~ shall have ninety (90) days to review the
4 application; ~~approve or,~~ reject or deny the application; and mail
5 the ~~approval/rejection~~ approval, rejection or denial letter ~~(if~~
6 ~~rejected,~~ stating the reasons for rejection) the rejection or denial
7 to the applicant.

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

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

12 2. ~~Any~~ The applicant, if 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; and

21 6. All applicants must disclose all ~~ownership~~ interests in the
22 commercial grower operation.

23 7. ~~Applicant(s)~~ Applicants with ~~only~~ a nonviolent felony
24 ~~conviction(s)~~ conviction in the last two (2) years, any other felony

1 conviction in the last five (5) years, inmates, in the custody of
2 the Department of Corrections or any person currently incarcerated
3 ~~may~~ shall not qualify for a commercial grower license.

4 C. A licensed commercial grower may sell marijuana to a
5 licensed ~~retailer~~, dispensary or a licensed ~~packager~~ processor.

6 Further, ~~these sales will~~ by a licensed commercial grower shall be
7 considered wholesale sales and shall not be subject to taxation.

8 Under no circumstances may a licensed commercial grower sell
9 marijuana directly to a licensed medical marijuana ~~license holder~~
10 patient or licensed caregiver. A licensed commercial grower may

11 only sell at the wholesale level to a licensed ~~retailer~~ dispensary,
12 a licensed grower or a licensed processor. If the federal

13 government lifts restrictions on buying and selling marijuana
14 between states, then a licensed commercial grower would be allowed
15 to sell and buy marijuana wholesale from, or to, an ~~out-of-state~~

16 out-of-state wholesale provider. A licensed commercial grower ~~will~~

17 shall be required to complete a monthly yield and sales report to

18 the ~~Oklahoma~~ State Department of Health. This report ~~will~~ shall be

19 due on the ~~15th~~ fifteenth of each month and provide reporting on the

20 previous month. This report ~~will~~ shall detail the amount of

21 marijuana harvested in pounds, the amount of drying or dried

22 marijuana on hand, the amount of marijuana sold to licensed

23 processors in pounds, the amount of waste in pounds, and the amount

24 of marijuana sold to ~~retailers~~ licensed dispensaries in ~~lbs~~ pounds.

1 Additionally, this report ~~will~~ shall show total wholesale sales in
2 dollars. The ~~Oklahoma~~ State Department of Health ~~will~~ shall have
3 oversight and auditing responsibilities to ensure that all marijuana
4 being grown by licensed commercial growers is accounted for. A
5 ~~licensed grower will only be subject to a penalty if a gross~~
6 ~~discrepancy exists and cannot be explained. Penalties for~~
7 ~~fraudulent reporting or sales occurring within any 2 year time~~
8 ~~period will be an initial fine of Five Thousand Dollars (\$5,000.00)~~
9 ~~(first) and revocation of licensing (second).~~

10 D. There shall be no limits on how much marijuana a licensed
11 commercial grower can grow.

12 E. Beginning on the effective date of this act, licensed
13 commercial growers shall be authorized to package and sell pre-
14 rolled marijuana to licensed medical marijuana dispensaries. The
15 products described in this subsection shall contain only the ground
16 parts of the marijuana plant and shall not include marijuana
17 concentrates or derivatives. The total net weight of each pre-roll
18 packaged and sold by medical marijuana commercial growers shall not
19 exceed one (1) gram. These products must be tested, packaged and
20 labeled in accordance with Oklahoma law and rules promulgated by the
21 State Commissioner of Health.

22 SECTION 4. AMENDATORY Section 4, State Question No. 788,
23 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 423), is
24 amended to read as follows:

1 Section 423. A. The ~~Oklahoma~~ State Department of Health shall,
2 within thirty (30) days of passage of this initiative, make
3 available, ~~on their~~ its website, ~~in an easy-to-find~~ easy-to-find
4 location, an application for a medical marijuana processing license.
5 The Department shall be authorized to issue two types of medical
6 marijuana processor licenses based on the level of risk posed by the
7 type of processing conducted:

- 8 1. Nonhazardous medical marijuana processor license; and
- 9 2. Hazardous medical marijuana processor license.

10 The application fee for a nonhazardous or hazardous medical
11 marijuana processor license shall be Two Thousand Five Hundred
12 Dollars (\$2,500.00) ~~and methods.~~ A method of payment will shall be
13 provided on the website of the Department. The ~~Oklahoma~~ State
14 Department of Health shall have ~~two (2) weeks~~ ninety (90) days to
15 review the application, approve ~~or,~~ reject or deny the
16 application, and mail the approval/rejection approval, rejection or
17 denial letter ~~(if rejected, stating the reasons for rejection)~~ the
18 rejection or denial to the applicant.

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

- 21 ~~Applicant~~ The applicant must be ~~age~~ twenty-five (25) years
22 of age or older;
- 23 ~~Any~~ The applicant, if applying as an individual, must show
24 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; and

8 6. All applicants must disclose all ownership ~~+~~ interests in the
9 processing operation.

10 ~~7. Applicant(s)~~ Applicants with ~~only a~~ conviction nonviolent felony
11 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
12 conviction in the last five (5) years, inmates, in the custody of
13 the Department of Corrections or any person currently incarcerated
14 ~~may~~ shall not qualify for a medical marijuana processing license.

15 C. 1. A licensed processor may take marijuana plants and
16 distill or process these plants into concentrates, edibles, and
17 other forms for consumption.

18 2. As required by subsection D of this section, the ~~Oklahoma~~
19 State Department of Health ~~will~~ shall, within sixty (60) days of
20 passage of this initiative, make available a set of standards which
21 ~~will~~ shall be used by licensed processors in the preparation of
22 edible marijuana products. ~~This~~ The standards should be in line
23 with current food preparation guidelines ~~and no.~~ No excessive or
24

1 punitive rules may be established by the ~~Oklahoma~~ State Department
2 of Health. ~~Once~~

3 3. Up to two times a year, the ~~Oklahoma~~ State Department of
4 Health may inspect a processing operation and determine its
5 compliance with the preparation standards. If deficiencies are
6 found, a written report of deficiency ~~will~~ shall be issued to the
7 licensed processor. The licensed processor ~~will~~ shall have one (1)
8 month to correct the deficiency or be subject to a fine of Five
9 Hundred Dollars (\$500.00) for each deficiency.

10 4. A licensed processor may sell marijuana products it creates
11 to a licensed ~~retailer,~~ dispensary or any other licensed processor.
12 ~~Further, these~~ All sales ~~will~~ by a licensed processor shall be
13 considered wholesale sales and shall not be subject to taxation.

14 5. Under no circumstances may a licensed processor sell
15 marijuana~~,~~ or any marijuana product~~,~~ directly to a licensed medical
16 marijuana ~~license holder~~ patient or licensed caregiver. However, a
17 licensed processor may process cannabis into a concentrated form~~,~~
18 for a licensed medical ~~license holder,~~ marijuana patient for a fee.
19 ~~Processors will~~

20 6. Licensed processors shall be required to complete a monthly
21 yield and sales report to the ~~Oklahoma~~ State Department of Health.
22 This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month
23 and shall provide reporting on the previous month. This report ~~will~~
24 shall detail the amount of marijuana and medical marijuana products

1 purchased in pounds, the amount of marijuana cooked or processed in
2 pounds, and the amount of waste in pounds. Additionally, this
3 report ~~will~~ shall show total wholesale sales in dollars. The
4 ~~Oklahoma~~ State Department of Health ~~will~~ shall have oversight and
5 auditing responsibilities to ensure that all marijuana being ~~grown~~
6 processed is accounted for. ~~A licensed processor will only be~~
7 ~~subject to a penalty if a gross discrepancy exists and cannot be~~
8 ~~explained. Penalties for fraudulent reporting occurring within any~~
9 ~~2 year time period will be an initial fine of Five Thousand Dollars~~
10 ~~(\$5,000.00) (first) and revocation of licensing (second).~~

11 D. The Department shall oversee the inspection and compliance
12 of licensed processors producing products with marijuana as an
13 additive. The ~~Oklahoma~~ State Department of Health ~~will~~ shall be
14 compelled to, within thirty (30) days of passage of this initiative,
15 appoint ~~a board of~~ twelve (12) Oklahoma residents to the Medical
16 Marijuana Advisory Council, who are marijuana industry experts, to
17 create a list of food safety standards for processing and handling
18 medical marijuana in Oklahoma. These standards ~~will~~ shall be
19 adopted by the ~~agency~~ Department and the ~~agency can~~ Department may
20 enforce these standards for licensed processors. The ~~agency will~~
21 Department shall develop a standards review procedure and these
22 standards can be altered by calling another ~~board~~ council of twelve
23 (12) Oklahoma marijuana industry experts. A signed letter of twenty
24

1 ~~(20)~~ operating, licensed processors ~~would~~ shall constitute a need
2 for a new ~~board~~ council and ~~standard~~ standards review.

3 E. If it becomes permissible~~7~~ under federal law, marijuana may
4 be moved across state lines.

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

11 SECTION 5. AMENDATORY Section 6, State Question No. 788,
12 Initiative Petition No. 412, as last amended by Section 46, Chapter
13 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 425), is amended to
14 read as follows:

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

21 B. Unless a failure to do so would cause an employer the
22 potential to lose a monetary or licensing-related benefit under
23 federal law or regulations, an employer may not discriminate against
24

1 a person in hiring, termination or imposing any term or condition of
2 employment or otherwise penalize a person based upon ~~either:~~

3 ~~1. The the status of the person as a medical marijuana license~~
4 ~~holder; or~~

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

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

20 D. No medical marijuana ~~license holder~~ patient licensee may be
21 denied custody of or visitation or parenting time with a minor
22 child, and there is no presumption of neglect or child endangerment
23 for conduct allowed under this law, unless the behavior of the
24

1 ~~person~~ medical marijuana patient licensee creates an unreasonable
2 danger to the safety of the minor child.

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

8 F. 1. No city or local municipality may unduly change or
9 restrict zoning laws to prevent the opening of a ~~retail~~ medical
10 marijuana ~~establishment~~ dispensary.

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

21 3. ~~For purposes of this section, "retail marijuana~~
22 ~~establishment"~~ means an entity licensed by the State Department of
23 Health as a medical marijuana dispensary. ~~Retail~~ A medical
24 marijuana ~~establishment~~ dispensary does not include those other

1 entities licensed by the ~~Department~~ Oklahoma Medical Marijuana
2 Authority as marijuana-licensed premises, medical marijuana
3 businesses or other facilities or locations where marijuana or any
4 product containing marijuana or its by-products are cultivated,
5 grown, processed, stored or manufactured.

6 G. The location of any ~~retail~~ medical marijuana ~~establishment~~
7 dispensary is specifically prohibited within one thousand (1,000)
8 feet of any public school or private school ~~entrance~~. The distance
9 indicated in this subsection shall be measured from the nearest
10 property line of such public school or private school to the nearest
11 perimeter wall of the licensed premises of such medical marijuana
12 dispensary. If a medical marijuana dispensary met the requirements
13 of this subsection at the time of its initial licensure, the medical
14 marijuana dispensary licensee shall be permitted to continue
15 operating at the licensed premises in the same manner and not be
16 subject to nonrenewal or revocation due to subsequent events or
17 changes in regulations occurring after licensure that would render
18 the medical marijuana dispensary in violation by being within one
19 thousand (1,000) feet of a public school or private school. If any
20 public school or private school is established within one thousand
21 (1,000) feet of any medical marijuana dispensary after such medical
22 marijuana dispensary has been licensed, the provisions of this
23 subsection shall not be a deterrent to the renewal of such license
24 or warrant revocation of the license. For purposes of this

1 subsection, a property owned, used or operated by a public school or
2 by a private school that is not used for classroom instruction on
3 core curriculum, such as an administrative building, athletic
4 facility, ballpark, field or stadium, shall not constitute a public
5 school or private school unless such property is located on the same
6 campus as a building used for classroom instruction on core
7 curriculum.

8 H. Research shall be provided for under this law. A researcher
9 may apply to the State Department of Health for a special research
10 license. The research license shall be granted, provided the
11 applicant meets the criteria listed ~~under subsection B of Section~~
12 ~~421 of this title~~ in the Medical Marijuana and Patient Protection
13 Act. Research ~~license holders~~ licensees shall be required to file
14 monthly consumption reports to the State Department of Health with
15 amounts of marijuana used for research. Biomedical and clinical
16 research which is subject to federal regulations and institutional
17 oversight shall not be subject to oversight by the State Department
18 of Health ~~oversight~~.

19 SECTION 6. AMENDATORY Section 7, State Question No. 788,
20 Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426), is
21 amended to read as follows:

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

1 B. This tax ~~will~~ shall be collected at the point of sale. Tax
2 proceeds ~~will~~ shall be applied primarily to finance the regulatory
3 office.

4 C. If proceeds from the levy authorized by subsection A of this
5 section exceed the budgeted amount for running the regulatory
6 office, any surplus shall be apportioned with seventy-five percent
7 (75%) going to the General Revenue Fund and may only be expended for
8 common education. Twenty-five percent (25%) shall be apportioned to
9 the ~~Oklahoma~~ State Department of Health and earmarked for drug and
10 alcohol rehabilitation and prevention.

11 SECTION 7. AMENDATORY Section 4, Chapter 509, O.S.L.
12 2019 (63 O.S. Supp. 2020, Section 426.1), is amended to read as
13 follows:

14 Section 426.1 A. ~~Except for revocation hearings concerning~~
15 ~~licensed patients, as defined in Section 2 of Enrolled House Bill~~
16 ~~No. 2612 of the 1st Session of the 57th Oklahoma Legislature, all~~
17 All licensure revocation hearings conducted pursuant to marijuana
18 licenses established in the Oklahoma Statutes shall be recorded. A
19 party may request a copy of the recording of the proceedings.
20 Copies shall be provided to local law enforcement if the revocation
21 was based on alleged criminal activity.

22 B. The State Department of Health shall assist any law
23 enforcement officer in the performance of his or her duties upon
24 such request by the law enforcement officer or the request of other

1 local officials having jurisdiction. Except for license information
2 concerning licensed patients, as defined in Section ~~2~~ 427.2 of
3 ~~Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma~~
4 ~~Legislature~~ this title, the Department shall share information with
5 law enforcement agencies upon request without a subpoena or search
6 warrant.

7 C. The State Department of Health shall make available all
8 information ~~displayed on medical marijuana licenses, as well as on~~
9 whether or not ~~the~~ a medical marijuana patient or caregiver license
10 is valid, to law enforcement electronically through ~~the Oklahoma Law~~
11 ~~Enforcement Telecommunications System~~ an online verification system.

12 D. The Department shall make available to Oklahoma state
13 agencies and political subdivisions a list of marijuana-licensed
14 premises, medical marijuana businesses or any other premises where
15 marijuana or its by-products are licensed to be cultivated, grown,
16 processed, stored or manufactured to aid Oklahoma state agencies and
17 county and municipal governments in identifying locations within
18 their jurisdiction and ~~ensure~~ ensuring compliance with ~~local~~
19 applicable laws, rules and regulations.

20 E. ~~All~~ Any marijuana-licensed premises, medical marijuana
21 ~~businesses~~ business or any other premises where marijuana or its by-
22 products are licensed to be cultivated, grown, processed, stored or
23 manufactured shall submit with ~~their~~ its application or request to
24 change location, after notifying the political subdivision of ~~their~~

1 its intent, a certificate of compliance from the political
2 subdivision where the facility of the applicant or ~~use~~ licensee is
3 to be located certifying compliance with zoning classifications,
4 applicable municipal ordinances and all applicable safety,
5 electrical, fire, plumbing, waste, construction and building
6 specification codes.

7 Once a certificate of compliance has been submitted to the
8 Oklahoma Medical Marijuana Authority showing full compliance as
9 outlined in this subsection, no additional certificate of compliance
10 shall be required for license renewal unless a change of use or
11 occupancy occurs, or there is any change concerning the facility or
12 location that would, by law, require additional inspection,
13 licensure or permitting by the state or municipality.

14 SECTION 8. AMENDATORY Section 2, Chapter 11, O.S.L.
15 2019, as last amended by Section 48, Chapter 161, O.S.L. 2020 (63
16 O.S. Supp. 2020, Section 427.2), is amended to read as follows:

17 Section 427.2 As used in ~~this act~~ the Oklahoma Medical
18 Marijuana and Patient Protection Act:

19 1. "Advertising" means the act of providing consideration for
20 the publication, dissemination, solicitation, or circulation, of
21 visual, oral, or written communication to induce directly or
22 indirectly any person to patronize a particular medical marijuana
23 business, or to purchase particular medical marijuana or a medical
24

1 marijuana product. Advertising includes marketing, but does not
2 include packaging and labeling;

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

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

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

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

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

13 a. designed or constructed to be significantly difficult
14 for children under five (5) years of age to open and
15 not difficult for normal adults to use properly as
16 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
17 1700.20 (1995),

18 b. opaque so that the outermost packaging does not allow
19 the product to be seen without opening the packaging
20 material, and

21 c. resealable to maintain its child-resistant
22 effectiveness for multiple openings for any product
23 intended for more than a single use or containing
24 multiple servings;

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

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

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

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

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

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

19 13. "Dispensary" means a medical marijuana dispensary, an
20 entity that has been licensed by the Department pursuant to ~~this act~~
21 the Oklahoma Medical Marijuana and Patient Protection Act to
22 purchase medical marijuana or medical marijuana products from a
23 licensed medical marijuana commercial grower or licensed medical
24 marijuana processor, to prepare and package noninfused pre-rolled

1 medical marijuana, and to sell medical marijuana or medical
2 marijuana products to licensed patients and caregivers as defined
3 ~~under in~~ this ~~act~~ section, or sell or transfer products to another
4 licensed dispensary;

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

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

12 16. "Flower" means the reproductive organs of the marijuana or
13 cannabis plant referred to as the bud or parts of the plant that are
14 harvested and used ~~to consume~~ for consumption in a variety of
15 medical marijuana products;

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

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

24

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

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

19 ~~20.~~ "Harvest batch" means a specifically identified quantity of
20 medical marijuana that is uniform in strain, cultivated utilizing
21 the same cultivation practices, harvested at the same time from the
22 same location and cured under uniform conditions;
23
24

1 ~~21.~~ 20. "Harvested marijuana" means ~~post-flowering~~
2 postflowering medical marijuana not including trim, concentrate or
3 waste;

4 ~~22.~~ 21. "Heat- or pressure-based medical marijuana concentrate"
5 means a medical marijuana concentrate that was produced by
6 extracting cannabinoids from medical marijuana through the use of
7 heat or pressure;

8 ~~23.~~ 22. "Immature plant" means a nonflowering marijuana plant
9 that has not demonstrated signs of flowering;

10 ~~24.~~ 23. "Inventory tracking system" means the required tracking
11 system that accounts for the entire life span of medical marijuana
12 ~~from either the seed or immature plant stage until the medical~~
13 ~~marijuana or~~ and medical marijuana product is sold to a patient at a
14 products, including any testing samples thereof and medical
15 marijuana dispensary, ~~transferred to a medical marijuana research~~
16 ~~facility, destroyed by a medical marijuana business or used in a~~
17 ~~research project by a medical marijuana research facility~~ waste;

18 ~~25.~~ 24. "Licensed patient" or "patient" means a person who has
19 been issued a medical marijuana patient license by the State
20 Department of Health or Oklahoma Medical Marijuana Authority;

21 ~~26.~~ 25. "Licensed premises" means the premises specified in an
22 application for a medical marijuana business license, medical
23 marijuana research facility license or medical marijuana education
24 facility license pursuant to ~~this act~~ the Oklahoma Medical Marijuana

1 and Patient Protection Act that are owned or in possession of the
2 licensee and within which the licensee is authorized to cultivate,
3 manufacture, distribute, sell, store, transport, test or research
4 medical marijuana or medical marijuana products in accordance with
5 the provisions of ~~this act~~ the Oklahoma Medical Marijuana and
6 Patient Protection Act and rules promulgated pursuant thereto;

7 ~~27.~~ 26. "Manufacture" means the production, propagation,
8 compounding or processing of a medical marijuana product, excluding
9 marijuana plants, either directly or indirectly by extraction from
10 substances of natural or synthetic origin, or independently by means
11 of chemical synthesis, or by a combination of extraction and
12 chemical synthesis;

13 ~~28.~~ 27. "Marijuana" shall have the same meaning as such term is
14 defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this
15 title;

16 ~~29.~~ 28. "Material change" means any change that would ~~require a~~
17 ~~substantive revision to the standard operating procedures of a~~
18 ~~licensee for the cultivation or production of medical marijuana,~~
19 ~~medical marijuana concentrate or medical marijuana products~~ affect
20 the qualifications for licensure of an applicant or licensee;

21 ~~30.~~ 29. "Mature plant" means a harvestable female marijuana
22 plant that is flowering;

23 ~~31.~~ 30. "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.~~ 31. "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.~~ 32. "Medical marijuana commercial grower" or "commercial
11 grower" means an entity licensed to cultivate, prepare and package
12 medical marijuana or package medical marijuana as pre-rolls, and
13 transfer or contract for transfer medical marijuana and medical
14 marijuana pre-rolls to a medical marijuana dispensary, medical
15 marijuana processor, any other medical marijuana commercial grower,
16 medical marijuana research facility, or medical marijuana education
17 facility ~~and pesticide manufacturers~~. A commercial grower may sell
18 seeds, flower or clones to commercial growers pursuant to ~~this act~~
19 the Oklahoma Medical Marijuana and Patient Protection Act;

20 ~~34.~~ 33. "Medical marijuana education facility" or "education
21 facility" means a person or entity approved pursuant to ~~this act~~ the
22 Oklahoma Medical Marijuana and Patient Protection Act to operate a
23 facility providing training and education to individuals involving
24 the cultivation, growing, harvesting, curing, preparing, packaging

1 or testing of medical marijuana, or the production, manufacture,
2 extraction, processing, packaging or creation of medical-marijuana-
3 infused products or medical marijuana products as described in ~~this~~
4 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

5 ~~35.~~ 34. "Medical-marijuana-infused product" means a product
6 infused with medical marijuana including, but not limited to, edible
7 products, ointments and tinctures;

8 ~~36.~~ 35. "Medical marijuana product" or "product" means a
9 product that contains cannabinoids that have been extracted from
10 plant material or the resin therefrom by physical or chemical means
11 and is intended for administration to a qualified patient including,
12 but not limited to, oils, tinctures, edibles, pills, topical forms,
13 gels, creams, vapors, patches, liquids, and forms administered by a
14 nebulizer, excluding live plant forms which are considered medical
15 marijuana;

16 ~~37.~~ 36. "Medical marijuana processor" means a person or entity
17 licensed pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
18 Patient Protection Act to operate a business including the
19 production, manufacture, extraction, processing, packaging or
20 creation of concentrate, medical-marijuana-infused products or
21 medical marijuana products as described in ~~this act~~ the Oklahoma
22 Medical Marijuana and Patient Protection Act;

23 ~~38.~~ 37. "Medical marijuana research facility" or "research
24 facility" means a person or entity approved pursuant to ~~this act~~ the

1 Oklahoma Medical Marijuana and Patient Protection Act to conduct
2 medical marijuana research. A medical marijuana research facility
3 is not a medical marijuana business;

4 ~~39.~~ 38. "Medical marijuana testing laboratory" or "laboratory"
5 means a public or private laboratory licensed pursuant to ~~this act~~
6 the Oklahoma Medical Marijuana and Patient Protection Act, to
7 conduct testing and research on medical marijuana and medical
8 marijuana products;

9 ~~40.~~ 39. "Medical marijuana transporter" or "transporter" means
10 a person or entity that is licensed pursuant to ~~this act~~ the
11 Oklahoma Medical Marijuana and Patient Protection Act. A medical
12 marijuana transporter does not include a medical marijuana business
13 that transports its own medical marijuana, medical marijuana
14 concentrate or medical marijuana products to a property or facility
15 adjacent to or connected to the licensed premises if the property is
16 another licensed premises of the same medical marijuana business;

17 ~~41.~~ 40. "Medical marijuana waste" or "waste" means unused,
18 surplus, returned or out-of-date marijuana, plant debris of the
19 plant of the genus Cannabis, including dead plants and all unused
20 plant parts and roots, except the term shall not include roots,
21 stems, stalks and fan leaves;

22 ~~42.~~ 41. "Medical use" means the acquisition, possession, use,
23 delivery, transfer or transportation of medical marijuana, medical
24 marijuana products, medical marijuana devices or paraphernalia

1 relating to the administration of medical marijuana to treat a
2 licensed patient;

3 ~~43.~~ 42. "Mother plant" means a marijuana plant that is grown or
4 maintained for the purpose of generating clones, and that will not
5 be used to produce plant material for sale to a medical marijuana
6 processor or medical marijuana dispensary;

7 ~~44.~~ 43. "Oklahoma physician" or "physician" means a physician
8 licensed by and in good standing with the State Board of Medical
9 Licensure and Supervision, the State Board of Osteopathic Examiners
10 or the Board of Podiatric Medical Examiners;

11 ~~45.~~ 44. "Oklahoma resident" means an individual who can provide
12 proof of residency as required by ~~this act~~ the Oklahoma Medical
13 Marijuana and Patient Protection Act;

14 ~~46.~~ 45. "Owner" means, except where the context otherwise
15 requires, a direct beneficial owner including, but not limited to,
16 all persons or entities as follows:

- 17 a. all shareholders owning an interest of a corporate
18 entity and all officers of a corporate entity,
19 b. all partners of a general partnership,
20 c. all general partners and all limited partners that own
21 an interest in a limited partnership,
22 d. all members that own an interest in a limited
23 liability company,
24

- 1 e. all beneficiaries that hold a beneficial interest in a
2 trust and all trustees of a trust,
3 f. all persons or entities that own interest in a joint
4 venture,
5 g. all persons or entities that own an interest in an
6 association,
7 h. the owners of any other type of legal entity, and
8 i. any other person holding an interest or convertible
9 note in any entity which owns, operates or manages a
10 licensed facility;

11 ~~47.~~ 46. "Package" or "packaging" means any container or wrapper
12 that may be used by a medical marijuana business to enclose or
13 contain medical marijuana;

14 ~~48.~~ 47. "Person" means a natural person, partnership,
15 association, business trust, company, corporation, estate, limited
16 liability company, trust or any other legal entity or organization,
17 or a manager, agent, owner, director, servant, officer or employee
18 thereof, except that "person" does not include any governmental
19 organization;

20 ~~49.~~ 48. "Pesticide" means any substance or mixture of
21 substances intended for preventing, destroying, repelling or
22 mitigating any pest or any substance or mixture of substances
23 intended for use as a plant regulator, defoliant or desiccant,
24 except that the term "pesticide" shall not include any article that

1 is a "new animal drug" as designated by the United States Food and
2 Drug Administration;

3 ~~50.~~ 49. "Production batch" means:

4 a. any amount of medical marijuana concentrate of the
5 same category and produced using the same extraction
6 methods, standard operating procedures and an
7 identical group of harvest batch of medical marijuana,
8 or

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

13 ~~51.~~ 50. "Public institution" means any entity established or
14 controlled by the federal government, state government, or a local
15 government or municipality including, but not limited to,
16 institutions of higher education or related research institutions;

17 ~~52.~~ 51. "Public money" means any funds or money obtained by the
18 holder from any governmental entity including, but not limited to,
19 research grants;

20 ~~53.~~ 52. "Recommendation" means a document that is signed or
21 electronically submitted by a physician on behalf of a patient for
22 the use of medical marijuana pursuant to ~~this act~~ the Oklahoma
23 Medical Marijuana and Patient Protection Act;

24

1 ~~54.~~ 53. "Registered to conduct business" means a person that
2 has provided proof that the business applicant or licensee is in
3 good standing with the Oklahoma Secretary of State ~~and Oklahoma Tax~~
4 ~~Commission;~~

5 ~~55.~~ 54. "Remediation" means the process by which ~~the medical~~
6 ~~marijuana flower or trim, which has failed microbial~~ a harvest batch
7 or production batch that fails testing, ~~is processed into solvent-~~
8 ~~based medical marijuana concentrate~~ undergoes a procedure to remedy
9 the harvest batch or production batch and is retested ~~as required by~~
10 ~~this act~~ in accordance with Oklahoma laws, rules and regulations;

11 ~~56.~~ 55. "Research project" means a discrete scientific endeavor
12 to answer a research question or a set of research questions related
13 to medical marijuana and is required for a medical marijuana
14 research license. A research project shall include a description of
15 a defined protocol, clearly articulated goals, defined methods and
16 outputs, and a defined start and end date. The description shall
17 demonstrate that the research project will comply with all
18 requirements in ~~this act~~ the Oklahoma Medical Marijuana and Patient
19 Protection Act and rules promulgated pursuant thereto. All research
20 and development conducted by a medical marijuana research facility
21 shall be conducted in furtherance of an approved research project;

22 ~~57.~~ 56. "Revocation" means the final decision by the Department
23 that any license issued pursuant to ~~this act~~ the Oklahoma Medical
24 Marijuana and Patient Protection Act is rescinded because the

1 individual or entity does not comply with the applicable
2 requirements set forth in ~~this act~~ the Oklahoma Medical Marijuana
3 and Patient Protection Act or rules promulgated pursuant thereto;

4 ~~58.~~ 57. "School" means a ~~public or private preschool or a~~
5 public or private elementary, middle or ~~secondary~~ high school used
6 for school classes and instruction. A homeschool, daycare or child-
7 care facility shall not be considered a "school" as used in ~~this act~~
8 the Oklahoma Medical Marijuana and Patient Protection Act;

9 ~~59.~~ 58. "Shipping container" means a hard-sided container with
10 a lid or other enclosure that can be secured in place. A shipping
11 container is used solely for the transport of medical marijuana,
12 medical marijuana concentrate, or medical marijuana products between
13 medical marijuana businesses, a medical marijuana research facility,
14 or a medical marijuana education facility;

15 ~~60.~~ 59. "Solvent-based medical marijuana concentrate" means a
16 medical marijuana concentrate that was produced by extracting
17 cannabinoids from medical marijuana through the use of a solvent
18 approved by the Department;

19 ~~61.~~ 60. "State Question" means Oklahoma State Question No. 788,
20 Initiative Petition No. 412, approved by a majority vote of the
21 citizens of Oklahoma on June 26, 2018;

22 ~~62.~~ 61. "Strain" means the ~~classification~~ name given to a
23 particular variety of medical marijuana ~~or cannabis plants in either~~
24 ~~pure sativa, indica, afghanica, ruderalis or hybrid varieties~~ that

1 is based on a combination of factors which may include, but is not
2 limited to, botanical lineage, appearance, chemical profile and
3 accompanying effects. An example of a "strain" would be "OG Kush"
4 or "Pineapple Express";

5 ~~63.~~ 62. "THC" means tetrahydrocannabinol, which is the primary
6 psychotropic cannabinoid in marijuana formed by decarboxylation of
7 naturally tetrahydrocannabinolic acid, which generally occurs by
8 exposure to heat;

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

18 ~~65.~~ 63. "Transporter agent" means a person who transports
19 medical marijuana or medical marijuana products ~~for~~ as an employee
20 of a licensed transporter medical marijuana business and holds a
21 transporter agent license specific to that business pursuant to ~~this~~
22 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

23 ~~66.~~ 64. "Universal symbol" means the image established by the
24 State Department of Health or Oklahoma Medical Marijuana Authority

1 and made available to licensees through its website indicating that
2 the medical marijuana or the medical marijuana product contains THC;

3 ~~67.~~ 65. "Usable marijuana" means the dried leaves, flowers,
4 oils, vapors, waxes and other portions of the marijuana plant and
5 any mixture or preparation thereof, excluding ~~seed~~ seeds, roots,
6 stems, stalks and fan leaves; and

7 ~~68.~~ 66. "Water-based medical marijuana concentrate" means a
8 concentrate that was produced by extracting cannabinoids from
9 medical marijuana through the use of only water, ice~~7~~ or dry ice.

10 SECTION 9. AMENDATORY Section 3, Chapter 11, O.S.L.
11 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
12 Supp. 2020, Section 427.3), is amended to read as follows:

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

21 B. The Department shall provide support staff to perform
22 designated duties of the Authority. The Department shall also
23 provide office space for meetings of the Authority.

24

1 C. The Department shall implement the provisions of ~~this act~~
2 the Oklahoma Medical Marijuana and Patient Protection Act
3 consistently with the voter-approved State Question No. 788,
4 Initiative Petition No. 412, subject to the provisions of ~~this act~~
5 the Oklahoma Medical Marijuana and Patient Protection Act.

6 D. The Department shall exercise its respective powers and
7 perform its respective duties and functions as specified in ~~this act~~
8 the Oklahoma Medical Marijuana and Patient Protection Act and Title
9 ~~63 of the Oklahoma Statutes~~ this title including, but not limited
10 to, the following:

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

- 15 a. public health policy and public safety policy,
- 16 b. agronomic and horticultural best practices, and
- 17 c. medical and pharmacopoeia best practices;

18 2. Contract with third-party vendors and other governmental
19 entities in order to carry out the respective duties and functions
20 as specified in ~~this act~~ the Oklahoma Medical Marijuana and Patient
21 Protection Act;

22 3. Upon complaint or upon its own motion and upon a completed
23 investigation, levy fines as prescribed in ~~this act~~ applicable laws,

1 rules and regulations and suspend ~~or~~, revoke or not renew licenses
2 pursuant to ~~this act~~ applicable laws, rules and regulations;

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

6 5. Apply for injunctive or declaratory relief to enforce the
7 provisions of ~~this section~~ applicable laws, rules and ~~any rules~~
8 ~~promulgated pursuant to this section~~ regulations;

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

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

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

21 9. Establish a fee schedule and collect fees for performing
22 background checks as the Commissioner deems appropriate. The fees
23 charged pursuant to this paragraph shall not exceed the actual cost
24 incurred for each background check; ~~and~~

1 10. ~~Require verification for sources of finance for medical~~
2 ~~marijuana businesses~~ Establish a fee schedule and collect fees for
3 material changes requested by the licensee; and

4 11. Establish regulations which require a medical marijuana
5 business to submit information to the Oklahoma Medical Marijuana
6 Authority deemed reasonably necessary to assist the Authority in the
7 prevention of diversion of medical marijuana by a licensed medical
8 marijuana business. Such information required by the Authority may
9 include, but shall not be limited to:

- 10 a. the square footage of the licensed premise,
- 11 b. a diagram of the licensed premise,
- 12 c. the number and type of lights at the licensed medical
13 marijuana commercial grower business,
- 14 d. the number, type and production capacity of equipment
15 located at the medical marijuana processing facility,
- 16 e. the names, addresses and telephone numbers of
17 employees or agents of a medical marijuana business,
- 18 f. employment manuals and standard operating procedures
19 for the medical marijuana business, and
- 20 g. any other information as the Authority reasonably
21 deems necessary.

22 SECTION 10. AMENDATORY Section 4, Chapter 11, O.S.L.
23 2019 (63 O.S. Supp. 2020, Section 427.4), is amended to read as
24 follows:

1 Section 427.4 A. The Oklahoma Medical Marijuana Authority, in
2 conjunction with the State Department of Health, shall employ an
3 Executive Director and other personnel as necessary to assist the
4 Authority in carrying out its duties.

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

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

9 2. The individual or his or her spouse, parent, child, spouse
10 of a child, sibling, or spouse of a sibling has an application for a
11 medical marijuana business license pending before the Department or
12 is a member of the board of directors of a medical marijuana
13 business, or is an individual financially interested in any licensee
14 or medical marijuana business.

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

18 D. The Commissioner may delegate to any officer or employee of
19 the Department any of the powers of the Executive Director and may
20 designate any officer or employee of the Department to perform any
21 of the duties of the Executive Director.

22 E. The Executive Director shall be authorized to suggest rules
23 governing the oversight and implementation of ~~this act~~ the Oklahoma
24 Medical Marijuana and Patient Protection Act.

1 F. The Department is hereby authorized to create employment
2 positions necessary for the implementation of its obligations
3 pursuant to ~~this act,~~ the Oklahoma Medical Marijuana and Patient
4 Protection Act including, but not limited to, Authority
5 investigators and a senior director of enforcement. The Department
6 and the Authority, the senior director of enforcement, the Executive
7 Director, and Department investigators shall have all the powers of
8 any peace officer to:

9 1. Investigate violations or suspected violations of ~~this act~~
10 the Oklahoma Medical Marijuana and Patient Protection Act and any
11 rules promulgated pursuant thereto;

12 2. Serve all warrants, summonses, subpoenas, administrative
13 citations, notices or other processes relating to the enforcement of
14 laws regulating medical marijuana, concentrate, and medical
15 marijuana product;

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

19 4. Require any business applicant or licensee, ~~upon twenty-four~~
20 ~~(24) hours notice or upon a showing of necessity,~~ to permit an
21 inspection of licensed premises during business hours or at any time
22 of apparent operation, marijuana equipment, and marijuana
23 accessories, or books and records; and to permit the testing of or
24 examination of medical marijuana, concentrate, or product; ~~and~~

1 5. Require applicants and licensees to submit complete and
2 current applications, information and fees required by ~~this act~~ the
3 Oklahoma Medical Marijuana and Patient Protection Act, the Oklahoma
4 Medical Marijuana Waste Management Act and Sections 420 through
5 426.1 of this title and fees, and approve material changes made by
6 the applicant or licensee;

7 6. Require medical marijuana business licensees to submit a
8 sample or unit of medical marijuana or medical marijuana product to
9 the quality assurance laboratory when the Department has reason to
10 believe the medical marijuana or medical marijuana product may be
11 unsafe for patient consumption or inhalation or has not been tested
12 in accordance with the provisions of the Oklahoma Medical Marijuana
13 and Patient Protection Act and the rules and regulations of the
14 Department. The licensee shall provide the samples or units of
15 medical marijuana or medical marijuana products at its own expense
16 but shall not be responsible for the costs of testing; and

17 7. Require medical marijuana business licensees to periodically
18 submit samples or units of medical marijuana or medical marijuana
19 products to the quality assurance lab for quality assurance
20 purposes. Licensed growers, processors, dispensaries and
21 transporters shall not be required to submit samples or units of
22 medical marijuana or medical marijuana products more than twice a
23 year. The licensee shall provide the samples or units of medical
24

1 marijuana or medical marijuana products at its own expense but shall
2 not be responsible for the costs of testing.

3 SECTION 11. 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. 2020, Section 427.6), is amended to read as follows:

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

10 B. 1. The Department or its designee may perform on-site
11 ~~assessments~~ inspections or investigations of a licensee or applicant
12 for any medical marijuana business license ~~issued pursuant to this~~
13 ~~act,~~ research facility, education facility or waste disposal
14 facility to determine compliance with ~~this act~~ applicable laws,
15 rules and regulations or submissions made pursuant to this section.
16 The Department may enter the licensed premises of a medical
17 marijuana business, research facility, education facility or waste
18 disposal facility licensee or applicant to assess or monitor
19 compliance or ensure qualifications for licensure.

20 2. ~~Inspections~~ Post-licensure inspections shall be limited to
21 twice per calendar year ~~and twenty-four (24) hours of notice shall~~
22 ~~be provided to a medical marijuana business applicant or licensee~~
23 ~~prior to an on-site assessment.~~ However, investigations and
24 additional inspections may occur when the Department ~~shows that~~

1 believes an investigation or additional inspection is necessary due
2 to a possible violation of this act applicable laws, rules or
3 regulations. Such inspection may be without notice if the
4 Department believes that such notice will result in the destruction
5 of evidence The State Commissioner of Health may adopt rules
6 imposing penalties including, but not limited to, monetary fines and
7 suspension or revocation of licensure for failure to allow the
8 Authority reasonable access to the licensed premise for purposes of
9 conducting an inspection.

10 3. The Department may review relevant records of a licensed
11 medical marijuana business, licensed medical marijuana research
12 facility ~~or~~, licensed medical marijuana education facility or
13 licensed medical marijuana waste disposal facility, and may require
14 and conduct interviews with such persons or entities and persons
15 affiliated with such entities, for the purpose of determining
16 compliance with Department requirements and applicable laws, rules
17 and regulations. ~~However, prior to conducting any interviews with~~
18 ~~the medical marijuana business, research facility or education~~
19 ~~facility, the licensee shall be afforded sufficient time to secure~~
20 ~~legal representation during such questioning if requested by the~~
21 ~~business or facility or any of its agents or employees or~~
22 ~~contractors.~~

23
24

1 4. The Department ~~shall~~ may refer complaints alleging criminal
2 activity that are made against a licensee to appropriate Oklahoma
3 state or local law enforcement authorities.

4 C. Disciplinary action may be taken against an applicant or
5 licensee ~~under this act~~ for not adhering to ~~the law~~ applicable laws
6 pursuant to the terms, conditions and guidelines set forth in ~~this~~
7 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

8 D. Disciplinary actions may include revocation, suspension or
9 denial of an application, license or final authorization and other
10 action deemed appropriate by the Department.

11 E. Disciplinary actions may be imposed upon a medical marijuana
12 business licensee for:

13 1. Failure to comply with or satisfy any provision of ~~this~~
14 ~~section~~ applicable laws, rules or regulations;

15 2. Falsification or misrepresentation of any material or
16 information submitted to the Department or other licensees;

17 3. Failing to allow or impeding ~~a monitoring visit~~ entry by
18 authorized representatives of the Department;

19 4. Failure to adhere to any acknowledgement, verification or
20 other representation made to the Department;

21 5. Failure to submit or disclose information required by ~~this~~
22 ~~section~~ applicable laws, rules or regulations or otherwise requested
23 by the Department;

24

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

3 7. Failure to comply with requested access by the Department to
4 the licensed premises or materials;

5 8. Failure to pay a required monetary penalty;

6 9. Diversion of medical marijuana or any medical marijuana
7 product, as determined by the Department;

8 10. Threatening or harming a medical marijuana patient
9 licensee, caregiver licensee, a medical practitioner or an employee
10 of the Department; and

11 11. Any other basis indicating a violation of the applicable
12 laws and regulations as identified by the Department.

13 F. Disciplinary actions against a licensee may include the
14 imposition of monetary penalties, which may be assessed by the
15 Department. The Department may suspend or revoke a license for
16 failure to pay any monetary penalty lawfully assessed by the
17 Department against a licensee.

18 G. Penalties for sales or purchases by a medical marijuana
19 business to persons other than those allowed by law occurring within
20 any two-year time period may include an initial fine of One Thousand
21 Dollars (\$1,000.00) for a first violation and a fine of Five
22 Thousand Dollars (\$5,000.00) for any subsequent violation.

23 Penalties for grossly inaccurate or fraudulent reporting occurring
24 within any two-year time period may include an initial fine of Five

1 Thousand Dollars (\$5,000.00) for a first violation and a fine of Ten
2 Thousand Dollars (\$10,000.00) for any subsequent violation. The
3 medical marijuana business may be subject to a revocation of any
4 license granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana
5 and Patient Protection Act upon a showing that the violation was
6 willful or grossly negligent.

7 H. 1. First offense for intentional and impermissible
8 diversion of medical marijuana, concentrate, or products by a
9 patient or caregiver to an unauthorized person shall not be punished
10 under a criminal statute but may be subject to a fine of Two Hundred
11 Dollars (\$200.00).

12 2. The second offense for impermissible diversion of medical
13 marijuana, concentrate, or products by a patient or caregiver to an
14 unauthorized person shall not be punished under a criminal statute
15 but may be subject to a fine of not to exceed Five Hundred Dollars
16 (\$500.00) and may result in revocation of the license upon a showing
17 that the violation was willful or grossly negligent.

18 I. ~~The following persons or entities may request a hearing to~~
19 ~~contest an action or proposed action of~~ The intentional diversion of
20 medical marijuana, medical marijuana concentrate or medical
21 marijuana products by a licensed medical marijuana patient or
22 caregiver, medical marijuana business or employee of a medical
23 marijuana business to an unauthorized minor person who the licensed
24 medical marijuana patient or caregiver, medical marijuana business

1 or employee of a medical marijuana business knew or reasonably
2 should have known to be a minor person shall be subject to a cite
3 and release citation and, upon a finding of guilt or a plea of no
4 contest, a fine of Two Thousand Five Hundred Dollars (\$2,500.00).
5 For a second or subsequent offense, the licensed medical marijuana
6 patient or caregiver, medical marijuana business or employee of a
7 medical marijuana business shall be subject to a cite and release
8 citation and, upon a finding of guilt or a plea of no contest, a
9 fine of Five Thousand Dollars (\$5,000.00) and automatic termination
10 of the medical marijuana license.

11 J. Nothing in this section shall be construed to prevent the
12 criminal prosecution, after the presentation of evidence and a
13 finding beyond a reasonable doubt, of a licensed medical marijuana
14 patient or caregiver, medical marijuana business or employee of a
15 medical marijuana business who has diverted medical marijuana,
16 medical marijuana concentrate or medical marijuana products to an
17 unauthorized person with the intent or knowledge that the
18 unauthorized person was to engage in the distribution or trafficking
19 of medical marijuana, medical marijuana concentrate or medical
20 marijuana products.

21 K. In addition to any other remedies provided for by law, the
22 Department:

23 1. A medical marijuana business, research facility or education
24 facility licensee whose license has been summarily suspended or who

1 ~~has received a notice of contemplated action to suspend or revoke a~~
2 ~~license or take other,~~ pursuant to its rules and regulations, may
3 issue a written order to any licensee the Department has reason to
4 believe has violated Sections 420 through 426.1 of this title, the
5 Oklahoma Medical Marijuana and Patient Protection Act, the Oklahoma
6 Medical Marijuana Waste Management Act, or any rules promulgated by
7 the State Commissioner of Health and to whom the Department has
8 served, not less than thirty (30) days previously, a written notice
9 of violation of such statutes or rules.

10 1. The written order shall state with specificity the nature of
11 the violation. The Department may impose any disciplinary action,
12 ~~and~~

13 ~~2. A patient or caregiver licensee whose license has been~~
14 ~~summarily suspended or who has received notice of contemplated~~
15 ~~action to suspend or revoke a license or take other disciplinary~~
16 ~~action.~~

17 ~~∫.~~ authorized under the provisions of this section including,
18 but not limited to, the assessment of monetary penalties.

19 2. Any order issued pursuant to the provisions of this section
20 shall become a final order unless, not more than thirty (30) days
21 after the order is served to the licensee, the licensee requests an
22 administrative hearing in accordance with the rules and regulations
23 of the Department. Upon such request, the Department shall promptly
24 initiate administrative proceedings.

1 L. Whenever the Department finds that an emergency exists
2 requiring immediate action in order to protect the health or welfare
3 of the public, the Department may issue an order, without providing
4 notice or hearing, stating the existence of said emergency and
5 requiring that action be taken as the Department deems necessary to
6 meet the emergency. Such action may include, but is not limited to,
7 ordering the licensee to immediately cease and desist operations by
8 the licensee. The order shall be effective immediately upon
9 issuance. Any person to whom the order is directed shall comply
10 immediately with the provisions of the order. The Department may
11 assess a penalty not to exceed Ten Thousand Dollars (\$10,000.00) per
12 day of noncompliance with the order. In assessing such a penalty,
13 the Department shall consider the seriousness of the violation and
14 any efforts to comply with applicable requirements. Upon
15 application to the Department, the licensee shall be offered a
16 hearing within ten (10) days of the issuance of the order.

17 M. All hearings held pursuant to this section shall be in
18 accordance with the Oklahoma Administrative Procedures Act, ~~Section~~
19 ~~250 et seq. of Title 75 of the Oklahoma Statutes.~~

20 SECTION 12. AMENDATORY Section 7, Chapter 11, O.S.L.
21 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
22 Supp. 2020, Section 427.7), is amended to read as follows:

23 Section 427.7 A. The Oklahoma Medical Marijuana Authority
24 shall create a medical marijuana use registry of patients and

1 caregivers as provided under this section. The handling of any
2 records maintained in the registry shall comply with all ~~relevant~~
3 applicable state and federal privacy laws ~~including, but not limited~~
4 ~~to, the Health Insurance Portability and Accountability Act of 1996~~
5 ~~(HIPAA).~~

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

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

10 2. Any court in this state.

11 C. All other records regarding a medical marijuana patient or
12 caregiver licensee shall be maintained by the Authority and shall be
13 deemed confidential. The handling of any records maintained by the
14 Authority shall comply with all ~~relevant~~ applicable state and
15 federal privacy laws ~~including, but not limited to, the Health~~
16 ~~Insurance Portability and Accountability Act of 1996 (HIPAA).~~ Such
17 records shall be marked as confidential, shall not be made available
18 to the public, and shall only be made available to the licensee,
19 designee of the licensee, any physician of the licensee or the
20 caregiver of the licensee.

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

24

1 E. The ~~Department~~ Authority shall ensure that all ~~application~~
2 medical marijuana patient and caregiver records and information are
3 sealed to protect the privacy of medical marijuana patient license
4 applicants and licensees.

5 SECTION 13. AMENDATORY Section 9, Chapter 11, O.S.L.
6 2019 (63 O.S. Supp. 2020, Section 427.9), is amended to read as
7 follows:

8 Section 427.9 A. The Oklahoma Medical Marijuana Authority may
9 contact the recommending physician of an applicant for a medical
10 marijuana patient license or current holder of a medical marijuana
11 patient license to verify the need of the applicant or licensee for
12 the license and the information submitted with the application.

13 B. An applicant for a medical marijuana patient license who can
14 demonstrate his or her status as a one-hundred-percent-disabled
15 veteran as determined by the U.S. Department of Veterans Affairs and
16 codified at 38 C.F.R., Section 3.340(a) (2013) shall pay a reduced
17 biannual application fee of Twenty Dollars (\$20.00). The methods of
18 payment, as determined by the Authority, shall be provided on the
19 website. However, the Authority shall ensure that all applicants
20 have an option to submit the license application and payment by
21 means other than solely by submission of the application and fee
22 online.

23 C. The patient license shall be valid for up to two (2) years
24 from the date of issuance, unless the recommendation of the

1 physician is terminated pursuant to ~~this act~~ the Oklahoma Medical
2 Marijuana and Patient Protection Act or revoked by the Department.

3 SECTION 14. AMENDATORY Section 10, Chapter 11, O.S.L.
4 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
5 Supp. 2020, Section 427.10), is amended to read as follows:

6 Section 427.10 A. Only licensed Oklahoma allopathic,
7 osteopathic and podiatric physicians may provide a medical marijuana
8 recommendation for a medical marijuana patient license under ~~this~~
9 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

10 B. A physician who has not completed his or her first residency
11 shall not meet the definition of "physician" under this section and
12 any recommendation for a medical marijuana patient license shall not
13 be processed by the Authority.

14 C. No physician shall be subject to arrest, prosecution or
15 penalty in any manner or denied any right or privilege under
16 Oklahoma state, municipal or county statute, ordinance or
17 resolution, including without limitation a civil penalty or
18 disciplinary action by the State Board of Medical Licensure and
19 Supervision ~~or~~, the State Board of Osteopathic Examiners, the Board
20 of Podiatric Medical Examiners or by any other business, occupation
21 or professional licensing board or bureau, solely for providing a
22 medical marijuana recommendation for a patient or for monitoring,
23 treating or prescribing scheduled medication to patients who are
24 medical marijuana licensees. The provisions of this subsection

1 shall not prevent the relevant professional licensing boards from
2 sanctioning a physician for failing to properly evaluate the medical
3 condition of a patient or for otherwise violating the applicable
4 physician-patient standard of care.

5 D. A physician who recommends use of medical marijuana shall
6 not be located at the same physical address as a licensed medical
7 marijuana dispensary.

8 E. If the physician determines the continued use of medical
9 marijuana by the patient no longer meets the requirements set forth
10 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
11 Act, the physician shall notify the Department and ~~the Authority~~
12 ~~shall immediately revoke~~ the license shall be immediately voided
13 without right to an individual proceeding.

14 SECTION 15. AMENDATORY Section 11, Chapter 11, O.S.L.
15 2019 (63 O.S. Supp. 2020, Section 427.11), is amended to read as
16 follows:

17 Section 427.11 A. The caregiver license shall provide the
18 caregiver the same rights as the medical marijuana patient licensee,
19 including the ability to possess marijuana, marijuana products, and
20 mature and immature plants pursuant to ~~this act~~ the Oklahoma Medical
21 Marijuana and Patient Protection Act, but excluding the ability to
22 use marijuana or marijuana products unless the caregiver has a
23 medical marijuana patient license. Caregivers shall be authorized
24 to deliver marijuana and products to their authorized patients.

1 Caregivers shall be authorized to possess medical marijuana and
2 medical marijuana products up to the sum of the possession limits
3 for the patients under his or her care pursuant to ~~this act~~ the
4 Oklahoma Medical Marijuana and Patient Protection Act.

5 B. An individual caregiver shall be limited to exercising the
6 marijuana cultivation rights of no more than five licensed patients
7 as prescribed by ~~this act~~ the Oklahoma Medical Marijuana and Patient
8 Protection Act.

9 C. The license of a caregiver shall not extend beyond the
10 expiration date of the underlying patient license regardless of the
11 issue date.

12 D. A medical marijuana patient license holder may request, at
13 any time, to withdraw the license of his or her caregiver. In the
14 event that such a request is made or upon the expiration of the
15 medical marijuana license of the patient, the license of the
16 caregiver shall be immediately withdrawn by the Department without
17 the right to a hearing.

18 SECTION 16. AMENDATORY Section 13, Chapter 11, O.S.L.
19 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as
20 follows:

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

1 B. 1. The Authority shall have oversight and auditing
2 responsibilities to ensure that all marijuana being grown in
3 Oklahoma is accounted for and shall implement an inventory tracking
4 system. Pursuant to these duties, the Authority shall require that
5 each medical marijuana business, medical marijuana research
6 facility, medical marijuana education facility and medical marijuana
7 waste disposal facility keep records for every transaction with
8 another medical marijuana business, patient or caregiver. Inventory
9 shall be tracked and updated after each individual sale and reported
10 to the Authority.

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

- 14 a. notification of when marijuana seeds and clones are
15 planted,
- 16 b. notification of when marijuana plants are harvested
17 and destroyed,
- 18 c. notification of when marijuana is transported, sold,
19 stolen, diverted or lost,
- 20 d. a complete inventory of all marijuana, seeds, plant
21 tissue, clones, plants, usable marijuana or trim,
22 leaves and other plant matter, batches of extract, and
23 marijuana concentrates,

24

- e. all samples sent to a testing laboratory, an unused portion of a sample returned to a licensee, all samples utilized by licensee for purposes of negotiating a sale, and
- f. all samples used for quality testing by a licensee.

3. Each medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility 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

1 i. any additional information as may be reasonably
2 required by the Department.

3 5. All inventory tracking records retained by a medical
4 marijuana business, medical marijuana research facility, medical
5 marijuana education facility or medical marijuana waste disposal
6 facility containing medical marijuana patient or caregiver
7 information shall comply with all relevant state and federal laws
8 including, but not limited to, the Health Insurance Portability and
9 Accountability Act of 1996 (HIPAA), ~~and shall not be retained by any~~
10 ~~medical marijuana business for more than sixty (60) days.~~

11 SECTION 17. AMENDATORY Section 14, Chapter 11, O.S.L.
12 2019, as last amended by Section 51, Chapter 161, O.S.L. 2020 (63
13 O.S. Supp. 2020, Section 427.14), is amended to read as follows:

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

- 17 1. Medical marijuana commercial grower;
- 18 2. Medical marijuana processor;
- 19 3. Medical marijuana dispensary;
- 20 4. Medical marijuana transporter; and
- 21 5. Medical marijuana testing laboratory.

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

1 C. The Authority shall make available on its website in an
2 easy-to-find location, applications for a medical marijuana
3 business.

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

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

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

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

16 3. Applicants shall submit a complete application to the
17 Department before the application may be accepted or 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~~ if 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~~ if applying as an entity ~~shall show,~~
12 proof that seventy-five percent (75%) of all members,
13 managers, executive officers, partners, board members
14 or any other form of business ownership are Oklahoma
15 residents pursuant to paragraph 11 of this subsection,
- 16 d. ~~all~~ if applying ~~individuals~~ as an individual or
17 ~~entities shall be~~ entity, proof that the individual or
18 entity is registered to conduct business in the State
19 of Oklahoma,
- 20 e. ~~all applicants shall disclose~~ disclosure of all
21 ownership interests pursuant to ~~this act~~ the Oklahoma
22 Medical Marijuana and Patient Protection Act, and
- 23 f. ~~applicants shall~~ proof that the medical marijuana
24 business, medical marijuana research facility, medical

1 marijuana education facility and medical marijuana
2 waste disposal facility applicant or licensee has not
3 ~~have~~ been convicted of a nonviolent felony in the last
4 two (2) years, ~~and~~ or any other felony conviction
5 within the last five (5) years, ~~shall~~ is not be a
6 ~~current inmates~~ inmate in the custody of the
7 Department of Corrections, or currently incarcerated
8 in a jail or corrections facility;

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

17 9. All applicants for a medical marijuana business license,
18 research facility license or education facility license authorized
19 by ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
20 Act, or for a renewal of such license, shall undergo an Oklahoma
21 criminal history background check conducted by the Oklahoma State
22 Bureau of Investigation (OSBI) within thirty (30) days prior to the
23 application for the license, including:

24 a. individual applicants applying on their own behalf,

- b. individuals applying on behalf of an entity,
- c. all principal officers of an entity, and
- d. all owners of an entity as defined by ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

- a. an unexpired Oklahoma-issued driver license,
- b. an Oklahoma ~~voter~~ identification card,
- c. a utility bill preceding the date of application, excluding cellular telephone and Internet bills,
- d. a residential property deed to property in the State of Oklahoma, and
- e. a rental agreement preceding the date of application for residential property located in the State of Oklahoma.

1 Applicants that were issued a medical marijuana business license
2 prior to ~~the enactment of the Oklahoma Medical Marijuana and Patient~~
3 ~~Protection Act August 30, 2019,~~ are hereby exempt from the two-year
4 or five-year Oklahoma residence requirement mentioned above;

5 12. All license applicants shall be required to submit a
6 registration with the Oklahoma State Bureau of Narcotics and
7 Dangerous Drugs Control as provided in Sections 2-302 through 2-304
8 of ~~Title 63 of the Oklahoma Statutes~~ this title;

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

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

22 14. All applicants shall submit an applicant photograph.

23 F. The Authority shall review the medical marijuana business
24 application; approve or ~~reject~~ or deny the application; and mail

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

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

7 2. Approved applicants shall be issued a medical marijuana
8 business license for the specific category applied under which shall
9 act as proof of their approved status. Rejection and denial letters
10 shall provide a reason for the rejection or denial. Applications
11 may only be rejected or denied based on the applicant not meeting
12 the standards set forth in the provisions of ~~this section~~ the
13 Oklahoma Medical Marijuana and Patient Protection Act and Sections
14 420 through 426.1 of this title, improper completion of the
15 application, or for a reason provided for in ~~this act~~ the Oklahoma
16 Medical Marijuana and Patient Protection Act and Sections 420
17 through 426.1 of this title. If an application is rejected for
18 failure to provide required information, the applicant shall have
19 thirty (30) days to submit the required information for
20 reconsideration. No additional application fee shall be charged for
21 such reconsideration. Unless the Department determines otherwise,
22 an application that has been resubmitted but is still incomplete or
23 contains errors that are not clerical or typographical in nature
24 shall be denied.

1 3. Status-update letters shall provide a reason for delay in
2 either approval ~~or~~, rejection or denial should a situation arise in
3 which an application was submitted properly⁷ but a delay in
4 processing the application occurred.

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

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

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

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

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

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

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

1 a. file taxes, interest or penalties due related to a
2 medical marijuana business, or

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

5 6. A sheriff, deputy sheriff, police officer or prosecuting
6 officer, or an officer or employee of the Authority or municipality;
7 ~~or~~

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

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

18 a. unlawful sales or purchases,

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

23 c. any grossly inaccurate or fraudulent reporting,
24

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

12 I. In investigating the qualifications of an applicant or a
13 licensee, the Department, Authority and municipalities may have
14 access to criminal history record information furnished by a
15 criminal justice agency subject to any restrictions imposed by such
16 an agency. ~~In the event the Department considers the criminal~~
17 ~~history record of the applicant, the Department shall also consider~~
18 ~~any information provided by the applicant regarding such criminal~~
19 ~~history record, including but not limited to evidence of~~
20 ~~rehabilitation, character references and educational achievements,~~
21 ~~especially those items pertaining to the period of time between the~~
22 ~~last criminal conviction of the applicant and the consideration of~~
23 ~~the application for a state license.~~

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

4 K. All applicants and licensees shall submit information to the
5 Department and Authority in a full, faithful, truthful and fair
6 manner. The Department and Authority may recommend denial of an
7 application where the applicant or licensee made misstatements,
8 omissions, misrepresentations or untruths in the application or in
9 connection with the background investigation of the applicant. This
10 type of conduct may be ~~considered as the basis~~ grounds for
11 ~~additional~~ administrative action against the applicant or licensee.
12 Typos and scrivener errors shall not 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~~ consistent with the zoning
16 where such business is located as described in the most recent
17 versions of the Oklahoma Uniform Building Code, the International
18 Building Code and the International Fire Code, unless granted an
19 exemption by ~~the Authority or~~ a municipality or appropriate code
20 enforcement entity.

21 M. All medical marijuana business, medical marijuana research
22 facility, medical marijuana education facility and medical marijuana
23 waste disposal facility licensees shall pay the relevant licensure
24

1 fees prior to receiving licensure to operate a ~~medical marijuana~~
2 ~~business, as defined in this act for each class of license.~~

3 N. A medical marijuana business, medical marijuana research
4 facility, medical marijuana education facility or medical marijuana
5 waste disposal facility that attempts to renew its license after the
6 expiration date of the license shall pay a late renewal fee in an
7 amount to be determined by the Department to reinstate the license.
8 Late renewal fees are nonrefundable. A license that has been
9 expired for more than ninety (90) days shall not be renewed.

10 O. No medical marijuana business, medical marijuana research
11 facility, medical marijuana education facility or medical marijuana
12 waste disposal facility shall possess, sell or transfer medical
13 marijuana or medical marijuana products without a valid, unexpired
14 license issued by the Department.

15 SECTION 18. AMENDATORY Section 16, Chapter 11, O.S.L.
16 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as
17 follows:

18 Section 427.16 A. There is hereby created a medical marijuana
19 transporter license as a category of the medical marijuana business
20 license.

21 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
22 this title, the Oklahoma Medical Marijuana Authority shall issue a
23 medical marijuana transporter license to licensed medical marijuana
24 commercial growers, processors and dispensaries upon issuance of

1 such licenses and upon each renewal. Medical marijuana transporter
2 licenses shall also be issued to licensed medical marijuana research
3 facilities, medical marijuana education facilities and medical
4 marijuana testing laboratories upon issuance of such license and
5 upon renewal.

6 C. A medical marijuana transporter license may also be issued
7 to qualifying applicants who are registered with the Oklahoma
8 Secretary of State and otherwise meet the requirements for a medical
9 marijuana business license set forth in ~~this act~~ the Oklahoma
10 Medical Marijuana and Patient Protection Act and the requirements
11 set forth in this section to provide logistics, distribution and
12 storage of medical marijuana, medical marijuana concentrate and
13 medical marijuana products.

14 D. A medical marijuana transporter license shall be valid for
15 one (1) year and shall not be transferred with a change of
16 ownership. A licensed medical marijuana transporter shall be
17 responsible for all medical marijuana, medical marijuana concentrate
18 and medical marijuana products once the transporter takes control of
19 the product.

20 E. A transporter license shall be required for any person or
21 entity to transport or transfer medical marijuana, medical marijuana
22 concentrate or ~~product~~ medical marijuana products from a licensed
23 medical marijuana business to another medical marijuana business, or
24

1 from a medical marijuana business to a medical marijuana research
2 facility or medical marijuana education facility.

3 F. A medical marijuana transporter licensee may contract with
4 multiple licensed medical marijuana businesses.

5 G. A medical marijuana transporter may maintain a licensed
6 premises to temporarily store medical marijuana, medical marijuana
7 concentrate and medical marijuana products and to use as a
8 centralized distribution point. A medical marijuana transporter may
9 store and distribute medical marijuana, medical marijuana
10 concentrate and medical marijuana products from the licensed
11 premises. The licensed premises shall meet all security
12 requirements applicable to a medical marijuana business.

13 H. A medical marijuana transporter licensee shall use the seed-
14 to-sale tracking system developed pursuant to ~~this act~~ the Oklahoma
15 Medical Marijuana and Patient Protection Act to create shipping
16 manifests documenting the transport of medical marijuana, medical
17 marijuana concentrate and medical marijuana products throughout the
18 state.

19 I. A licensed medical marijuana transporter may maintain and
20 operate one or more warehouses in the state to handle medical
21 marijuana, medical marijuana concentrate and medical marijuana
22 products. Each location shall be registered and inspected by the
23 Authority prior to its use.

24

1 J. ~~All~~ With the exception of a lawful transfer between medical
2 marijuana businesses who are licensed to operate at the same
3 physical address, all medical marijuana, medical marijuana
4 concentrate and ~~product~~ medical marijuana products shall be
5 transported:

6 1. In vehicles equipped with Global Positioning System (GPS)
7 trackers;

8 2. In a locked container and clearly labeled "Medical Marijuana
9 or Derivative"; and

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

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

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

23 M. The annual fee for a transporter agent license shall be ~~One~~
24 ~~Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be

1 paid by the transporter license holder or the individual applicant.

2 Transporter license reprints shall be Twenty Dollars (\$20.00).

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

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

6 2. Proof of current Oklahoma residency ~~as required for a~~
7 ~~medical marijuana business license;~~

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

10 4. Possession of a valid Oklahoma driver license;

11 5. Verification of employment with a licensed transporter;

12 6. The application and affiliated fee; and

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

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

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

22 Q. The Department may revoke the registry identification card
23 of a transporter agent who knowingly violates any provision of this
24

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

3 R. The Department may revoke or suspend the transporter license
4 of a transporter that the Department determines knowingly aided or
5 facilitated a violation of any provision of this section, and the
6 ~~license holder~~ license holder is subject to any other penalties
7 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 Section
13 427.2 of this act title capable of securing all transported ~~product~~
14 products.

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

- 20 1. For the origination point of the medical marijuana:
 - 21 a. the licensee number for the commercial grower,
22 processor or dispensary,
 - 23 b. address of origination of transport, and
- 24

1 c. name and contact information for the originating
2 licensee;

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

5 a. the license number for the dispensary, commercial
6 grower, processor, research facility or education
7 facility destination,

8 b. address of the destination, and

9 c. name and contact information for the destination
10 licensee;

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

13 4. The date of the transport and the approximate time of
14 departure;

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

16 6. Printed names and signatures of the personnel accompanying
17 the transport; and

18 7. Notation of the transporting licensee.

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

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

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, medical marijuana concentrate or ~~product~~ medical
6 marijuana products that ~~is~~ are not accompanied by an inventory
7 manifest.

8 ~~5.~~ 4. Originating and receiving licensees shall maintain copies
9 of inventory manifests and logs of quantities of medical marijuana
10 received for ~~three (3)~~ seven (7) years from date of receipt.

11 SECTION 19. AMENDATORY Section 17, Chapter 11, O.S.L.
12 2019, as amended by Section 4, Chapter 312, O.S.L. 2019 (63 O.S.
13 Supp. 2020, Section 427.17), is amended to read as follows:

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

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

1 testing in this state. The laboratory the Authority contracts with
2 for compliance testing shall not employ, or be owned by, the
3 following:

4 1. Any individual that has a direct or indirect interest in a
5 licensed medical marijuana business; or

6 2. Any individual or his or her spouse, parent, child, spouse
7 of a child, sibling or spouse of a sibling that has an application
8 for a medical marijuana business license pending before the
9 Department or is a member of the board of directors of a medical
10 marijuana business, or is an individual financially interested in
11 any licensee or medical marijuana business located within this
12 state.

13 C. The Authority shall ~~have the authority to~~ develop acceptable
14 testing ~~and research~~ practices, including, but not limited to,
15 testing, standards, quality control analysis, equipment
16 certification and calibration, and chemical identification and
17 substances used ~~in bona fide research methods so long as it complies~~
18 ~~with this act.~~

19 D. A person who is a direct beneficial owner ~~or an indirect~~
20 ~~beneficial owner~~ of a medical marijuana dispensary, medical
21 marijuana commercial grower, or medical marijuana processor shall
22 not be an owner of a laboratory.

23
24

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

4 F. A separate license shall be required for each specific
5 laboratory.

6 G. A medical marijuana testing laboratory license may be issued
7 to a person who performs testing ~~and research~~ on medical marijuana
8 and medical marijuana products for medical marijuana businesses,
9 medical marijuana research facilities, medical marijuana education
10 facilities, and testing ~~and research~~ on marijuana and marijuana
11 products grown or produced by a patient or caregiver on behalf of a
12 patient, upon verification of registration. A medical marijuana
13 testing laboratory may also conduct research related to the
14 development and improvement of its testing practices and procedures.

15 No state-approved medical marijuana testing facility shall operate
16 unless a medical laboratory director is on site during operational
17 hours.

18 H. ~~A laboratory applicant~~ Laboratory applicants and licensees
19 shall comply with the application requirements of this section and
20 shall submit such other information as required for a medical
21 marijuana business applicant, in addition to any information the
22 Authority may request for initial approval and periodic evaluations
23 during the approval period.

24

1 I. A medical marijuana testing laboratory may accept samples of
2 medical marijuana, medical marijuana concentrate or medical
3 marijuana product from a medical marijuana business, medical
4 marijuana research facility or medical marijuana education facility
5 for testing ~~and research~~ purposes only, which purposes may include
6 the provision of testing services for samples submitted by a medical
7 marijuana business for product development. The Department may
8 require a medical marijuana business to submit a sample of medical
9 marijuana, medical marijuana concentrate or medical marijuana
10 product to a medical marijuana testing or quality assurance
11 laboratory upon demand.

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

16 1. The individual person is a patient or caregiver pursuant to
17 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act
18 or is a participant in an approved clinical or observational study
19 conducted by a research facility; and

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

23 K. A medical marijuana testing laboratory may transfer samples
24 to another medical marijuana testing laboratory for testing. All

1 laboratory reports provided to or by a medical marijuana business or
2 to a patient or caregiver shall identify the medical marijuana
3 testing laboratory that actually conducted the test.

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

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

1 marijuana testing laboratory shall not test samples for any medical
2 marijuana business in which an owner, employee or agent of the
3 medical marijuana testing laboratory has any form of ownership or
4 financial interest in the medical marijuana business.

5 N. The Department, pursuant to rules promulgated by the State
6 Commissioner of Health, shall develop standards, policies and
7 procedures as necessary for:

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

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

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

18 4. Records to be retained and computer systems to be utilized
19 by the laboratory;

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

22 6. A certificate of analysis (COA) for each lot of reference
23 standard;

24

1 7. The transport and disposal of unused marijuana, marijuana
2 products and waste;

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

12 9. Standards of performance;

13 10. The employment of laboratory personnel;

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

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

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

22 14. The immediate recall of medical marijuana or medical
23 marijuana products that test above allowable thresholds or are
24 otherwise determined to be unsafe;

1 15. The establishment by the laboratory of a system to document
2 the complete chain of custody for samples from receipt through
3 disposal;

4 ~~15.~~ 16. The establishment by the laboratory of a system to
5 retain and maintain all required records, including business
6 records, and processes to ensure results are reported in a timely
7 and accurate manner; and

8 ~~16.~~ 17. Any other aspect of laboratory testing of medical
9 marijuana or medical marijuana product deemed necessary by the
10 Department.

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

20 P. A medical marijuana testing laboratory shall retain all
21 results of laboratory tests conducted on marijuana or products for a
22 period of at least ~~two (2)~~ seven (7) years and shall make them
23 available to the Department upon request.

1 Q. A medical marijuana testing laboratory shall test samples
2 from each harvest batch or product batch, as appropriate, of medical
3 marijuana, medical marijuana concentrate and medical marijuana
4 product for each of the following categories of testing, consistent
5 with standards developed by the Commissioner:

- 6 1. Microbials;
- 7 2. Mycotoxins;
- 8 3. Residual solvents;
- 9 4. Pesticides;
- 10 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 11 6. Terpenoid ~~potency~~ type and concentration; and
- 12 7. Heavy metals.

13 R. ~~A test batch shall not exceed ten (10) pounds of usable~~
14 ~~marijuana or~~ licensed medical marijuana product, as appropriate
15 testing laboratory shall test each individual harvest batch. A
16 grower shall separate each harvest lot of usable marijuana into
17 harvest batches containing no more than ~~ten (10)~~ fifteen (15)
18 pounds, with the exception of any plant material to be sold to a
19 licensed processor for the purposes of turning the plant material
20 into concentrate which may be separated into harvest batches of no
21 more than fifty (50) pounds. A processor shall separate each
22 medical marijuana production lot into production batches containing
23 no more than ~~ten (10) pounds~~ four (4) liters of concentrate or nine
24 (9) pounds for nonliquid products, and for final products, the

1 Oklahoma Medical Marijuana Authority shall be authorized to
2 promulgate rules on final products as necessary. Provided, however,
3 the Authority shall not require testing of final products less often
4 than every one thousand (1,000) grams of THC. As used in this
5 subsection, "final products" shall include, but not be limited to,
6 cookies, brownies, candies, gummies, beverages and chocolates.

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

11 T. A medical marijuana testing laboratory shall be inspected
12 prior to initial licensure and ~~annually~~ up to two (2) times per year
13 thereafter by an inspector approved by the Authority. The Authority
14 may enter the licensed premises of a testing laboratory to conduct
15 investigations and additional inspections when the Authority
16 believes an investigation or additional inspection is necessary due
17 to a possible violation of applicable laws, rules or regulations.

18 U. ~~Beginning on a date determined by the Commissioner, not~~
19 ~~later than January 1, 2020, medical~~ Medical marijuana testing
20 ~~laboratory licensure~~ laboratories shall be ~~contingent upon~~ obtain
21 accreditation by ~~the NELAC Institute (TNI), ANSI/ASQ National~~
22 ~~Accreditation Board or another~~ an accrediting body approved by the
23 Commissioner, ~~and any applicable standards as determined by the~~
24 ~~Department~~ within one (1) year of the date the initial license is

1 issued. Renewal of any medical marijuana testing laboratory license
2 shall be contingent upon accreditation in accordance with this
3 subsection. All medical marijuana testing laboratories shall obtain
4 accreditation prior to applying for and receiving a medical
5 marijuana testing laboratory license.

6 V. A Unless authorized by the provisions of this section, a
7 commercial grower shall not transfer or sell medical marijuana and a
8 processor shall not transfer, sell or process into a concentrate or
9 product any medical marijuana, medical marijuana concentrate or
10 medical marijuana product unless samples from each harvest batch or
11 production batch from which that medical marijuana, medical
12 marijuana concentrate or medical marijuana product was derived has
13 been tested by a medical marijuana testing ~~facility for contaminants~~
14 laboratory and passed all contaminant tests required by ~~this act~~ the
15 Oklahoma Medical Marijuana and Patient Protection Act and applicable
16 laws, rules and regulations. A licensed commercial grower may
17 transfer medical marijuana that has failed testing to a licensed
18 processor only for the purposes of decontamination or remediation
19 and only in accordance with the provisions of the Oklahoma Medical
20 Marijuana and Patient Protection Act and the rules and regulations
21 of the Department. Remediated and decontaminated medical marijuana
22 may be returned only to the originating licensed commercial grower.

23 W. Kief shall not be transferred or sold except as authorized
24 in the rules and regulations of the Department.

1 SECTION 20. AMENDATORY Section 18, Chapter 11, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 427.18), is amended to read as
3 follows:

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

9 B. A medical marijuana dispensary shall return medical
10 marijuana and medical marijuana product that does not meet packaging
11 or labeling requirements in this section or rules promulgated
12 pursuant thereto to the entity who transferred it to the dispensary.
13 The medical marijuana dispensary shall document to whom the item was
14 returned, what was returned and the date of the return or dispose of
15 any usable marijuana that does not meet these requirements in
16 accordance with ~~this act~~ the Oklahoma Medical Marijuana and Patient
17 Protection Act.

18 C. 1. Medical marijuana packaging shall be packaged to
19 minimize its appeal to children and shall not depict images other
20 than the business name logo of the medical marijuana producer and
21 image of the product.

22 2. A medical marijuana business shall not place any content on
23 a container in a manner that reasonably appears to target
24

1 individuals under the age of twenty-one (21), including, but not
2 limited to, cartoon characters or similar images.

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

5 4. No container shall be intentionally or knowingly labeled so
6 as to cause a reasonable patient confusion as to whether the medical
7 marijuana, medical marijuana concentrate or medical marijuana
8 product is a trademarked product or labeled in a manner that
9 violates any federal trademark law or regulation.

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

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

15 D. The State Department of Health shall develop minimum
16 standards for packaging and labeling of medical marijuana and
17 medical marijuana products. Such standards shall include, but not
18 be limited to, the required contents of labels to be affixed to all
19 medical marijuana and medical marijuana products prior to transfer
20 to a licensed patient or caregiver, which shall include, at a
21 minimum:

22 1. ~~A universal symbol indicating that the product contains~~
23 ~~tetrahydrocannabinol (THC);~~

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

1 ~~3.~~ 2. A statement indicating that the product has been tested
2 for contaminants;

3 ~~4.~~ 3. One or more product warnings to be determined by the
4 Department; and

5 ~~5.~~ 4. Any other information the Department deems necessary.

6 SECTION 21. AMENDATORY Section 19, Chapter 11, O.S.L.
7 2019 (63 O.S. Supp. 2020, Section 427.19), is amended to read as
8 follows:

9 Section 427.19 A. A medical marijuana research license may be
10 issued to a person to grow, cultivate, possess and transfer, by sale
11 or donation, marijuana pursuant to ~~this act~~ the Oklahoma Medical
12 Marijuana and Patient Protection Act for the limited research
13 purposes identified in this section.

14 B. The annual fee for a medical marijuana research license
15 shall be Five Hundred Dollars (\$500.00) and shall be payable by an
16 applicant for a medical marijuana research license upon submission
17 of his or her application to the Authority.

18 C. A medical marijuana research license may be issued for the
19 following research purposes:

20 1. To test chemical potency and composition levels;

21 2. To conduct clinical investigations of marijuana-derived
22 medicinal products;

23 3. To conduct research on the efficacy and safety of
24 administering marijuana as part of medical treatment;

1 4. To conduct genomic, horticultural or agricultural research;
2 and

3 5. To conduct research on marijuana-affiliated products or
4 systems.

5 D. 1. As part of the application process for a medical
6 marijuana research license, an applicant shall submit to the
7 Authority a description of the research that the applicant intends
8 to conduct and whether the research will be conducted with a public
9 institution or using public money. If the research will not be
10 conducted with a public institution or with public money, the
11 Authority shall grant the application if it determines that the
12 applicant meets the criteria in this section.

13 2. If the research will be conducted with a public institution
14 or public money, the Department shall review the research project of
15 the applicant to determine if it meets the requirements of this
16 section and to assess the following:

- 17 a. the quality, study design, value or impact of the
18 project,
- 19 b. whether the applicant has the appropriate personnel,
20 expertise, facilities, infrastructure, funding and
21 human, animal or other approvals in place to
22 successfully conduct the project, and
23
24

1 c. whether the amount of marijuana to be grown by the
2 applicant is consistent with the scope and goals of
3 the project.

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

7 E. A medical marijuana research licensee may only transfer, by
8 sale or donation, marijuana grown within its operation to other
9 medical marijuana research licensees. The Department may revoke a
10 medical marijuana research license for violations of this section
11 and any other violation of ~~this act~~ the Oklahoma Medical Marijuana
12 and Patient Protection Act.

13 F. A medical marijuana research licensee may contract to
14 perform research in conjunction with a public higher education
15 research institution or another medical marijuana research licensee.

16 G. The growing, cultivating, possessing or transferring, by
17 sale or donation, of marijuana in accordance with this section and
18 the rules promulgated pursuant thereto, by a medical marijuana
19 research licensee shall not be a criminal or civil offense under
20 state law. A medical marijuana research license shall be issued in
21 the name of the applicant and shall specify the location in Oklahoma
22 at which the medical marijuana research licensee intends to operate.
23 A medical marijuana research licensee shall not allow any other
24 person to exercise the privilege of the license.

1 H. If the research conducted includes a public institution or
2 public money, the Authority shall review any reports made by medical
3 marijuana research licensees under state licensing authority rule
4 and provide the Authority with its determination on whether the
5 research project continues to meet research qualifications pursuant
6 to this section.

7 SECTION 22. AMENDATORY Section 20, Chapter 11, O.S.L.
8 2019 (63 O.S. Supp. 2020, Section 427.20), is amended to read as
9 follows:

10 Section 427.20 A. There is hereby created a medical marijuana
11 education facility license.

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

15 C. A medical marijuana education facility license may only be
16 granted to a not-for-profit organization structured under Section
17 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
18 not-for-profit registered organization with the Office of the
19 Secretary of State.

20 D. A medical marijuana education facility license may only be
21 granted upon the submission of ~~a~~ an annual fee of Five Hundred
22 Dollars (\$500.00) to the Authority.

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

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

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

5 3. To demonstrate the application and use of product
6 manufacturing technologies;

7 4. To conduct genomic, horticultural or agricultural research;
8 and

9 5. To conduct research on marijuana-affiliated products or
10 systems.

11 F. As part of the application process for a medical marijuana
12 education facility license, an applicant shall submit to the
13 Authority a description of the project and curriculum that the
14 applicant intends to conduct and whether the project and curriculum
15 will be conducted with a public institution or using public money.

16 If the ~~research~~ project and curriculum will not be conducted with a
17 public institution or with public money, the Authority shall grant
18 the application. If the research will be conducted with a public
19 institution or public money, the Authority shall review the research
20 project of the applicant to determine if it meets the requirements
21 of this section and to assess the following:

22 1. The quality, study design, value or impact of the project;
23
24

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

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

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

9 G. A medical marijuana education facility licensee may only
10 transfer, by sale or donation, marijuana grown within its operation
11 to medical marijuana research licensees. The Department may revoke
12 a medical marijuana education facility license for violations of
13 this section and any other violation of ~~this act~~ applicable laws,
14 rules and regulations.

15 H. A medical marijuana education facility licensee may contract
16 to perform research in conjunction with a public higher education
17 research institution or another research licensee.

18 I. The growing, cultivating, possessing or transferring, by
19 sale or donation, of marijuana in accordance with this section and
20 the rules promulgated pursuant thereto, by a medical marijuana
21 education facility licensee shall not be a criminal or civil offense
22 under state law. A medical marijuana education facility license
23 shall be issued in the name of the applicant and shall specify the
24 location in Oklahoma at which the medical marijuana education

1 facility licensee intends to operate. A medical marijuana education
2 facility licensee shall not allow any other person to exercise the
3 privilege of the license.

4 SECTION 23. AMENDATORY Section 22, Chapter 11, O.S.L.
5 2019 (63 O.S. Supp. 2020, Section 427.22), is amended to read as
6 follows:

7 Section 427.22 A. ~~An~~ All medical marijuana patient and
8 caregiver records and information including, but not limited to, any
9 application or renewal and supporting information submitted by a
10 qualifying patient or designated caregiver under the provisions of
11 ~~this act including, without limitation,~~ the Oklahoma Medical
12 Marijuana and Patient Protection Act and information regarding the
13 physician of the qualifying patient shall be considered confidential
14 medical records that are exempt from the Oklahoma Open Records Act.

15 B. The dispensary records with patient information shall be
16 treated as confidential records that are exempt from the Oklahoma
17 Open Records Act.

18 C. All financial information provided by an applicant or a
19 licensee in ~~its~~ an application to the Authority shall be treated as
20 confidential records that are exempt from the Oklahoma Open Records
21 Act.

22 D. All information provided by an applicant or a licensee that
23 constitutes private business information shall be treated as
24

1 confidential records that are exempt from the Oklahoma Open Records
2 Act.

3 E. As used in this section, "private business information"
4 means information that, if disclosed, would give advantage to
5 competitors or bidders including, but not limited to, information
6 related to the planning, site location, operations, strategy, or
7 product development and marketing of an applicant, unless approval
8 for release of those records is granted by the business.

9 F. All monthly report, inventory tracking and seed-to-sale
10 information, data and records submitted to the Department shall be
11 treated as confidential records and are exempt from the Oklahoma
12 Open Records Act.

13 G. Except for license information concerning licensed patients,
14 the Department may share confidential information with the other
15 Oklahoma state agencies to assist those agencies in ensuring
16 compliance with applicable laws, rules and regulations.

17 SECTION 24. AMENDATORY Section 23, Chapter 11, O.S.L.
18 2019, as amended by Section 11, Chapter 477, O.S.L. 2019 (63 O.S.
19 Supp. 2020, Section 427.23), is amended to read as follows:

20 Section 427.23 A. The State Commissioner of Health, the
21 Oklahoma Tax Commission, the State Treasurer, the Secretary of State
22 and the Director of the Office of Management and Enterprise Services
23 shall promulgate rules to implement the provisions of ~~this act~~ the
24 Oklahoma Medical Marijuana and Patient Protection Act.

1 B. ~~The Food Safety Standards Board~~ Medical Marijuana Advisory
2 Council, in addition to the powers and duties granted in Section 423
3 of ~~Title 63 of the Oklahoma Statutes~~ this title, may recommend to
4 the State Commissioner of Health rules relating to all aspects ~~of~~
5 ~~the~~ regarding the safe cultivation and manufacture manufacturing of
6 medical marijuana products. In addition to the twelve (12) members
7 required in Section 423 of this title, the State Department of
8 Health may appoint up to eight additional members. The makeup of
9 the Council shall include medical marijuana industry representation.

10 SECTION 25. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 427.24 of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Whenever an authorized agent of the State Department of
14 Health finds, in whole or in part, that the medical marijuana or
15 medical marijuana product fails to meet the requirements of Sections
16 420 through 426.1 of Title 63 of the Oklahoma Statutes or the
17 Oklahoma Medical Marijuana and Patient Protection Act as it relates
18 to health and safety, the medical marijuana or medical marijuana
19 product is handled in violation of applicable laws or rules and
20 regulations of the Department, or the medical marijuana or medical
21 marijuana product may be poisonous, deleterious to health or is
22 otherwise unsafe, an electronic or physical tag or other appropriate
23 marking or hold shall be affixed to the medical marijuana or medical
24 marijuana product which shall give notice that the medical marijuana

1 or medical marijuana product is or is suspected of being
2 manufactured, produced, transferred, sold or offered for sale in
3 violation of applicable laws or rules and regulations of the
4 Department and is embargoed. The notice shall further provide a
5 warning to all persons not to remove or dispose of the medical
6 marijuana or medical marijuana product until permission for removal
7 or disposal is given by the Department. It shall be unlawful for
8 any person to remove or dispose of the medical marijuana or medical
9 marijuana product embargoed without permission by the Department.

10 B. If the State Commissioner of Health finds that medical
11 marijuana or medical marijuana product embargoed pursuant to
12 subsection A of this section does not meet the requirements of
13 applicable laws or rules and regulations of the Department, or is
14 poisonous, deleterious to health or otherwise unsafe, the
15 Commissioner may institute an action in the district court in whose
16 jurisdiction the medical marijuana or medical marijuana product is
17 embargoed for the condemnation and destruction of the medical
18 marijuana or medical marijuana product. If the Commissioner finds
19 that the medical marijuana or medical marijuana product embargoed
20 does meet the requirements of applicable laws and the rules and
21 regulations of the Department and is not poisonous, deleterious to
22 health or otherwise unsafe, the Commissioner shall remove the
23 embargo. In any court proceeding regarding an embargo, neither the
24 State Department of Health, the Oklahoma Medical Marijuana Authority

1 or the Commissioner shall be held liable if the court finds
2 reasonable belief for the embargo.

3 C. Except as otherwise provided in subsection D of this
4 section, if the court finds that the embargoed medical marijuana or
5 medical marijuana product, in whole or in part, is in violation of
6 any applicable laws or rules and regulations of the Department or is
7 poisonous, deleterious to health, or otherwise unsafe, the medical
8 marijuana or medical marijuana product shall be destroyed at the
9 expense of the defendant under the supervision of the Commissioner.
10 All court costs, fees, costs of storage and disposal and other
11 proper expenses shall be paid by the defendant of the medical
12 marijuana or medical marijuana product.

13 D. The court may order that the medical marijuana or medical
14 marijuana product be delivered to the defendant for appropriate
15 labeling or processing under the supervision of the Commissioner
16 only if:

- 17 1. The violation can be corrected by proper processing of
18 medical marijuana or medical marijuana product;
- 19 2. All costs, fees and expenses have been paid; and
- 20 3. A sufficient bond is executed and conditioned for
21 appropriate labeling or processing as the court may require.

22 The expense of supervision shall be paid to the Commissioner by
23 the person obtaining release of the medical marijuana or medical
24 marijuana product under bond.

1 SECTION 26. AMENDATORY Section 2, Chapter 337, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as
3 follows:

4 Section 428.1 As used in ~~this act~~ the Oklahoma Medical
5 Marijuana Waste Management Act:

6 1. "Authority" shall mean the Oklahoma Medical Marijuana
7 Authority, or successor agency;

8 2. "Commercial licensee" shall mean any person or entity issued
9 a license by the Oklahoma Medical Marijuana Authority, or successor
10 agency, to conduct commercial business in this state;

11 3. "Disposal" shall mean the ~~final~~ disposition of medical
12 marijuana waste by ~~either~~ a process which renders the waste unusable
13 and unrecognizable through physical destruction or a recycling
14 process;

15 4. "Facility" shall mean ~~a location~~ the licensed or permitted
16 premises where the disposal of medical marijuana waste takes place
17 by a licensee;

18 5. "License" shall mean a medical marijuana waste disposal
19 license;

20 6. "Licensee" shall mean the holder of a medical marijuana
21 waste disposal license;

22 7. "Medical marijuana waste" shall mean:

23 a. unused, surplus, returned or out-of-date marijuana and
24 plant debris of the plant of the genus Cannabis;

1 including dead plants and all unused plant parts,
2 except the term shall not include seeds, roots, stems,
3 stalks and fan leaves~~+~~, and

4 b. all product which is deemed to fail laboratory testing
5 and cannot be remediated or decontaminated; and

6 8. "Medical marijuana waste disposal license" shall mean a
7 license issued by the Oklahoma Medical Marijuana Authority, or
8 successor agency.

9 SECTION 27. AMENDATORY Section 3, Chapter 337, O.S.L.
10 2019 (63 O.S. Supp. 2020, Section 429), is amended to read as
11 follows:

12 Section 429. A. Medical marijuana waste shall be subject to
13 the provisions of ~~this act~~ the Oklahoma Medical Marijuana Waste
14 Management Act and shall not be subject to the provisions of the
15 Uniform Controlled Dangerous Substances Act. Nothing in ~~this act~~
16 the Oklahoma Medical Marijuana Waste Management Act shall alter or
17 affect the jurisdictional areas of environmental responsibility of
18 the Department of Environmental Quality as provided for in Title 27A
19 of the Oklahoma Statutes.

20 B. Commercial licensees, medical marijuana research facilities
21 and medical marijuana education facilities shall be authorized to
22 destroy the following marijuana plant parts without being required
23 to utilize the services of a medical marijuana waste disposal
24 facility:

- 1 1. ~~Root balls~~ Roots;
- 2 2. Stems;
- 3 3. Fan leaves; ~~and~~
- 4 4. Seeds; or
- 5 5. Stalks.

6 Unless restricted by local ordinance, commercial licensees,
7 medical marijuana research facilities and medical marijuana
8 education facilities shall be authorized to destroy the above-listed
9 marijuana plant parts on-site by open burning, incineration,
10 burying, mulching, composting or any other technique approved by the
11 Department of Environmental Quality.

12 ~~C. Commercial licensees, medical marijuana research facilities~~
13 ~~and medical marijuana education facilities engaged in the disposal~~
14 ~~of medical marijuana waste shall create and maintain documentation~~
15 ~~on a form prescribed by the Oklahoma Medical Marijuana Authority~~
16 ~~that includes precise weights or counts of medical marijuana waste~~
17 ~~and the manner in which the medical marijuana waste is disposed.~~
18 ~~Such documentation shall contain a witness affidavit and signature~~
19 ~~attesting to the lawful disposal of the medical marijuana waste~~
20 ~~under penalty of perjury. All disposal records shall be maintained~~
21 ~~by commercial licensees, medical marijuana research facilities and~~
22 ~~medical marijuana educational facilities for a period of five (5)~~
23 ~~years and shall be subject to inspection and auditing by the~~
24 ~~Authority.~~

1 SECTION 28. AMENDATORY Section 4, Chapter 337, O.S.L.
2 2019 (63 O.S. Supp. 2020, 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 medical marijuana waste
21 disposal licenses. Upon the conclusion of the first year, the
22 Authority shall assess the need for additional medical marijuana
23 waste disposal licenses and shall, if demonstrated, increase the
24 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 indicated in this subparagraph shall be measured from ~~any entrance of the nearest property line of such public or private school to the nearest property line point~~ perimeter wall of the premises of such disposal facility. If any public or private school is established within one thousand (1,000) feet of any disposal facility after

1 such disposal facility has been licensed, the
2 provisions of this subparagraph shall not be a
3 deterrent to the renewal of such license or warrant
4 revocation of the license, and

5 e. documents establishing the applicant, the members,
6 managers and board members, if applicable, and
7 seventy-five percent (75%) of the ownership interests
8 are Oklahoma residents as established in Section 420
9 et seq. of ~~Title 63 of the Oklahoma Statutes~~ this
10 title, as it relates to proof of residency.

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

1 D. Submission of an application for a medical marijuana waste
2 disposal license shall constitute permission for entry to and
3 inspection of the facility of the licensee during hours of operation
4 and other reasonable times. Refusal to permit such entry of
5 inspection shall constitute grounds for the nonrenewal, suspension
6 or revocation of a license. The Authority may perform an annual
7 unannounced on-site inspection of the operations and any facility of
8 the licensee. If the Authority receives a complaint concerning
9 noncompliance by a licensee with the provisions of ~~this act~~ the
10 Oklahoma Medical Marijuana Waste Management Act, the Authority may
11 conduct additional unannounced, on-site inspections beyond an annual
12 inspection. The Authority ~~shall~~ may refer all complaints alleging
13 criminal activity that are made against a licensed facility to
14 appropriate state or local law enforcement authorities.

15 E. The Authority shall issue ~~a~~ an annual permit for each
16 medical marijuana waste disposal facility operated by a licensee. A
17 permit shall be issued only upon proper application by a licensee
18 and determination by the Authority that the proposed site and
19 facility are physically and technically suitable. Upon a finding
20 that a proposed medical marijuana waste disposal facility is not
21 physically or technically suitable, the Authority shall deny the
22 permit. The Authority shall have the authority to revoke a permit
23 upon a finding that the site and facility are not physically and
24 technically suitable for processing. The Authority may, upon

1 determining that public health or safety requires emergency action,
2 issue a temporary permit for treatment or storage of medical
3 marijuana waste for a period not to exceed ninety (90) days.

4 F. The cost of a medical marijuana waste disposal license shall
5 be Five Thousand Dollars (\$5,000.00) for the initial license. The
6 cost of a medical marijuana waste disposal facility permit shall be
7 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
8 facility permit that has been revoked shall be reinstated upon
9 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
10 to restore the facility permit. All license and permit fees shall
11 be deposited into the ~~Public Health Special~~ Oklahoma Medical
12 Marijuana Authority Revolving Fund as provided in Section ~~1-107~~
13 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

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

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

22 I. The State Commissioner of Health shall promulgate rules for
23 the implementation of ~~this act~~ the Oklahoma Medical Marijuana Waste
24 Management Act. Promulgated rules shall address disposal process

1 standards, site security and any other subject matter deemed
2 necessary by the Authority.

3 SECTION 29. AMENDATORY 63 O.S. 2011, Section 2-302, as
4 last amended by Section 57, Chapter 161, O.S.L. 2020 (63 O.S. Supp.
5 2020, Section 2-302), is amended to read as follows:

6 Section 2-302. A. Every person who manufactures, distributes,
7 dispenses, prescribes, administers or uses for scientific purposes
8 any controlled dangerous substance within or into this state, or who
9 proposes to engage in the manufacture, distribution, dispensing,
10 prescribing, administering or use for scientific purposes of any
11 controlled dangerous substance within or into this state shall
12 obtain a registration issued by the Director of the Oklahoma State
13 Bureau of Narcotics and Dangerous Drugs Control, in accordance with
14 rules promulgated by the Director. Persons registered by the
15 Director under Section 2-101 et seq. of this title to manufacture,
16 distribute, dispense~~7~~ or conduct research with controlled dangerous
17 substances may possess, manufacture, distribute, dispense~~7~~ or
18 conduct research with those substances to the extent authorized by
19 their registration and in conformity with the other provisions of
20 the Uniform Controlled Dangerous Substances Act. Every wholesaler,
21 manufacturer or distributor of any drug product containing
22 pseudoephedrine or phenylpropanolamine, or their salts, isomers~~7~~ or
23 salts of isomers shall obtain a registration issued by the Director
24 of the Oklahoma State Bureau of Narcotics and Dangerous Drugs

1 Control in accordance with rules promulgated by the Director and as
2 provided for in Section 2-332 of this title. Any person who
3 manufactures, distributes, dispenses, prescribes, administers or
4 uses for scientific purposes any controlled dangerous substances
5 within or into this state without first obtaining a registration
6 issued by the Director of the Oklahoma State Bureau of Narcotics and
7 Dangerous Drugs Control shall be subject to the same statutory and
8 administrative jurisdiction of the Director as if that person were
9 an applicant or registrant.

10 B. Out-of-state pharmaceutical suppliers who provide controlled
11 dangerous substances to individuals within this state shall obtain a
12 registration issued by the Director of the Oklahoma State Bureau of
13 Narcotics and Dangerous Drugs Control, in accordance with rules
14 promulgated by the Director. This provision shall also apply to
15 wholesale distributors who distribute controlled dangerous
16 substances to pharmacies or other entities registered within this
17 state in accordance with rules promulgated by the Director.

18 C. Every person who owns in whole or in part a public or
19 private medical facility for which a majority of patients are issued
20 on a reoccurring monthly basis a prescription for opioids,
21 benzodiazepines, barbiturates or carisoprodol, but not including
22 Suboxone or buprenorphine, shall obtain a registration issued by the
23 Director of the Oklahoma State Bureau of Narcotics and Dangerous
24 Drugs Control.

1 D. Every manufacturer and distributor required to register
2 under the provisions of this section shall provide all data required
3 pursuant to 21 U.S.C., Section 827(d)(1) on a monthly basis to the
4 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control.
5 Controlled dangerous substances in Schedule I shall be reported in
6 accordance with rules promulgated by the Director. Reporting of
7 controlled dangerous substances pursuant to 21 U.S.C., Section
8 827(d)(1) shall include, but not be limited to:

9 1. The manufacturer's or distributor's name, address, phone
10 number, DEA registration number and controlled dangerous substance
11 registration number issued by the Bureau;

12 2. The name, address and DEA registration number of the entity
13 to whom the controlled dangerous substance was sold;

14 3. The date of the sale of the controlled dangerous substance;

15 4. The name and National Drug Code of the controlled dangerous
16 substance sold; and

17 5. The number of containers and the strength and quantity of
18 controlled dangerous substances in each container sold.

19 E. The information maintained and provided pursuant to
20 subsection D of this section shall be confidential and not open to
21 the public. Access to the information shall, at the discretion of
22 the Director, be limited to:

23 1. Peace officers certified pursuant to the provisions of
24 Section 3311 of Title 70 of the Oklahoma Statutes who are employed

1 as investigative agents of the Oklahoma State Bureau of Narcotics
2 and Dangerous Drugs Control or the Office of the Attorney General;

3 2. The United States Drug Enforcement Administration Diversion
4 Group Supervisor; and

5 3. A multicounty grand jury properly convened pursuant to the
6 provisions of the Multicounty Grand Jury Act.

7 F. Manufacturers, distributors, home care agencies, hospices,
8 home care services, medical facility owners referred to in
9 subsection C of this section and scientific researchers shall obtain
10 a registration annually. Other practitioners shall obtain a
11 registration for a period to be determined by the Director that will
12 be for a period not less than one (1) year nor more than three (3)
13 years.

14 G. Every trainer or handler of a canine controlled dangerous
15 substances detector who, in the ordinary course of such trainer's or
16 handler's profession, desires to possess any controlled dangerous
17 substance, annually, shall obtain a registration issued by the
18 Director for a fee of Seventy Dollars (\$70.00). Such persons shall
19 be subject to all applicable provisions of Section 2-101 et seq. of
20 this title and such applicable rules promulgated by the Director for
21 those individuals identified in subparagraph a of paragraph 32 of
22 Section 2-101 of this title. Persons registered by the Director
23 pursuant to this subsection may possess controlled dangerous
24 substances to the extent authorized by their registration and in

1 conformity with the other provisions of the Uniform Controlled
2 Dangerous Substances Act.

3 H. The following persons shall not be required to register and
4 may lawfully possess controlled dangerous substances under the
5 provisions of Section 2-101 et seq. of this title:

6 1. An agent, or an employee thereof, of any registered
7 manufacturer, distributor, dispenser or user for scientific purposes
8 of any controlled dangerous substance, if such agent is acting in
9 the usual course of such agent's or employee's business or
10 employment;

11 2. Any person lawfully acting under the direction of a person
12 authorized to administer controlled dangerous substances under
13 Section 2-312 of this title;

14 3. A common or contract carrier or warehouseman, or an employee
15 thereof, whose possession of any controlled dangerous substance is
16 in the usual course of such carrier's or warehouseman's business or
17 employment;

18 4. An ultimate user or a person in possession of any controlled
19 dangerous substance pursuant to a lawful order of a practitioner;

20 5. An individual pharmacist acting in the usual course of such
21 pharmacist's employment with a pharmacy registered pursuant to the
22 provisions of Section 2-101 et seq. of this title;

23 6. A nursing home licensed by this state;

24

1 7. Any Department of Mental Health and Substance Abuse Services
2 employee or any person whose facility contracts with the Department
3 of Mental Health and Substance Abuse Services whose possession of
4 any dangerous drug, as defined in Section 353.1 of Title 59 of the
5 Oklahoma Statutes, is for the purpose of delivery of a mental health
6 consumer's medicine to the consumer's home or residence;

7 8. Registered nurses and licensed practical nurses; and

8 9. An assisted living facility licensed by the State of
9 Oklahoma.

10 I. The Director may, by rule, waive the requirement for
11 registration or fee for registration of certain manufacturers,
12 distributors, dispensers, prescribers, administrators, or users for
13 scientific purposes if the Director finds it consistent with the
14 public health and safety.

15 J. A separate registration shall be required at each principal
16 place of business or professional practice where the applicant
17 manufactures, distributes, dispenses, prescribes, administers, or
18 uses for scientific purposes controlled dangerous substances.

19 K. The Director is authorized to inspect the establishment of a
20 registrant or applicant for registration in accordance with rules
21 promulgated by the Director.

22 L. No person engaged in a profession or occupation for which a
23 license to engage in such activity is provided by law shall be
24 registered under the Uniform Controlled Dangerous Substances Act

1 unless such person holds a valid license of such person's profession
2 or occupation.

3 M. Registrations shall be issued on the first day of November
4 of each year. Registrations may be issued at other times, however,
5 upon certification of the professional licensing board.

6 N. The licensing boards of all professions and occupations to
7 which the use of controlled dangerous substances is incidental shall
8 furnish a current list to the Director, not later than the first day
9 of October of each year, of the persons holding valid licenses. All
10 such persons except persons exempt from registration requirements
11 under subsection H of this section shall be subject to the
12 registration requirements of Section 2-101 et seq. of this title.

13 O. The licensing board of any professional defined as a mid-
14 level practitioner shall notify and furnish to the Director, not
15 later than the first day of October of each year, that such
16 professional holds a valid license, a current listing of individuals
17 licensed and registered with their respective boards to prescribe,
18 order, select, obtain and administer controlled dangerous
19 substances. The licensing board shall immediately notify the
20 Director of any action subsequently taken against any such
21 individual.

22 P. Beginning November 1, 2010, each registrant that prescribes,
23 administers or dispenses methadone shall be required to check the
24

1 prescription profile of the patient on the central repository of the
2 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control.

3 SECTION 30. AMENDATORY 63 O.S. 2011, Section 2-304, as
4 amended by Section 1, Chapter 1, O.S.L. 2015 (63 O.S. Supp. 2020,
5 Section 2-304), is amended to read as follows:

6 Section 2-304. A. A registration, pursuant to Section 2-303 of
7 this title, to manufacture, distribute, dispense, prescribe,
8 administer or use for scientific purposes a controlled dangerous
9 substance shall be limited, conditioned, denied, suspended or
10 revoked by the Director upon a finding that the registrant:

11 1. Has materially falsified any application filed pursuant to
12 the Uniform Controlled Dangerous Substances Act or required by the
13 Uniform Controlled Dangerous Substances Act. It shall be unlawful
14 to knowingly and willfully:

15 a. make false statements, include false data or omit
16 material information on an application for a
17 registration with the Oklahoma State Bureau of
18 Narcotics and Dangerous Drugs Control, or

19 b. provide false data or omit material information in any
20 records or reports required by rule or law to be
21 created, maintained or submitted to the Bureau.

22 Any registrant or applicant for a registration or any official,
23 agent or employee of any registrant or applicant for a registration

24

1 who violates the provisions of this paragraph shall be guilty of a
2 misdemeanor and additionally subject to administrative action;

3 2. Has been found guilty of, entered a plea of guilty~~7~~ or
4 entered a plea of nolo contendere to a misdemeanor relating to any
5 substance defined herein as a controlled dangerous substance or any
6 felony under the laws of any state or the United States;

7 3. Has had his or her federal registration retired, suspended~~7~~
8 or revoked by a competent federal authority and is no longer
9 authorized by federal law to manufacture, distribute, dispense,
10 prescribe, administer or use for scientific purposes controlled
11 dangerous substances;

12 4. Has failed to maintain effective controls against the
13 diversion of controlled dangerous substances to unauthorized persons
14 or entities;

15 5. Has prescribed, dispensed or administered a controlled
16 dangerous substance from schedules other than those specified in his
17 or her state or federal registration;

18 6. Has had a restriction, suspension, revocation, limitation,
19 condition~~7~~ or probation placed on his or her professional license or
20 certificate or practice as a result of a proceeding pursuant to the
21 general statutes;

22 7. Is abusing or, within the past five (5) years, has abused or
23 excessively used drugs or controlled dangerous substances;

1 8. Has prescribed, sold, administered~~7~~ or ordered any
2 controlled substance for an immediate family member, himself or
3 herself; provided that this shall not apply to a medical emergency
4 when no other doctor is available to respond to the emergency;

5 9. Has possessed, used, prescribed, dispensed or administered
6 drugs or controlled dangerous substances for other than legitimate
7 medical or scientific purposes or for purposes outside the normal
8 course of his or her professional practice;

9 10. Has been under the influence of alcohol or another
10 intoxicating substance which adversely affected the central nervous
11 system, vision, hearing or other sensory or motor functioning to
12 such degree the person was impaired during the performance of his or
13 her job; or

14 11. Has violated any federal law relating to any controlled
15 substances, any provision of the Uniform Controlled Dangerous
16 Substances Act~~7~~ or any rules of the Oklahoma State Bureau of
17 Narcotics and Dangerous Drugs Control.

18 B. In the event the Director suspends or revokes a registration
19 granted under Section 2-303 of this title, all controlled dangerous
20 substances owned or possessed by the registrant pursuant to such
21 registration at the time of denial or suspension or the effective
22 date of the revocation order, as the case may be, may in the
23 discretion of the Director be impounded and preserved. No
24 disposition may be made of substances impounded and preserved until

1 the time for taking an appeal has elapsed or until all appeals have
2 been concluded unless a court, upon application therefor, orders the
3 sale of perishable substances and the deposit of the proceeds of the
4 sale with the court. Upon a revocation order becoming final, all
5 such controlled dangerous substances shall be forfeited to the
6 state.

7 C. The Drug Enforcement Administration shall promptly be
8 notified of all orders suspending or revoking registration and all
9 forfeitures of controlled dangerous substances.

10 D. In lieu of or in addition to any other remedies available to
11 the Director, if a finding is made that a registrant has committed
12 any act in violation of federal law relating to any controlled
13 substance, any provision of the Uniform Controlled Dangerous
14 Substances Act, or any rules of the Oklahoma State Bureau of
15 Narcotics and Dangerous Drugs Control, the Director is hereby
16 authorized to assess an administrative penalty not to exceed Two
17 Thousand Dollars (\$2,000.00) for each such act. The provisions of
18 this subsection shall not apply to violations of subsection G of
19 Section 2-309D of this title. Nothing in this section shall be
20 construed so as to permit the Director of the State Bureau of
21 Narcotics and Dangerous Drugs Control to assess administrative fines
22 for violations of the provisions of subsection G of Section 2-309D
23 of this title.

24

1 SECTION 31. AMENDATORY 63 O.S. 2011, Section 2-305, is
2 amended to read as follows:

3 Section 2-305. A. Before denying, suspending or revoking a
4 registration ~~or~~, refusing a renewal of registration or taking
5 administrative action on a nonregistrant engaged in manufacturing,
6 distributing, dispensing, prescribing, administering or using for
7 scientific purposes any controlled dangerous substance within or
8 into this state, the Director shall serve upon the applicant or
9 registrant an order to show cause why registration should not be
10 denied, revoked or suspended or why the renewal should not be
11 refused. The order to show cause shall contain a statement of the
12 basis therefor and shall call upon the applicant or registrant to
13 appear before the appropriate person or agency at a time and place
14 within thirty (30) days after the date of service of the order, but
15 in the case of a denial or renewal of registration the show cause
16 order shall be served within thirty (30) days before the expiration
17 of the registration. These proceedings shall be conducted in
18 accordance with the Administrative Procedures Act without regard to
19 any criminal prosecution or other proceeding. Proceedings to refuse
20 renewal of registration shall not abate the existing registration
21 which shall remain in effect pending the outcome of the
22 administrative hearing.

23 B. The Director shall suspend, without an order to show cause,
24 any registration simultaneously with the institution of proceedings

1 under Section 2-304 of this title, if he or she finds there is
2 imminent danger to the public health or safety which warrants this
3 action. The suspension shall continue in effect until the
4 conclusion of the proceedings, including judicial review thereof,
5 unless sooner withdrawn by the Director or dissolved by a court of
6 competent jurisdiction.

7 SECTION 32. This act shall become effective November 1, 2021.

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