

OKLAHOMA STATE SENATE  
CONFERENCE  
COMMITTEE REPORT

May 25, 2021

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB1033

By: Leewright of the Senate and Fetgatter of the House

Title: Medical marijuana; construing provision of retail marijuana establishments; Oklahoma Medical Marijuana and Patient Protection Act; grandfathering certain licensed location; allowing license transfer under certain conditions.

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together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the House recede from all Amendments.
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,


SENATE CONFEREES:

  
\_\_\_\_\_  
Leewright

  
\_\_\_\_\_  
McCortney

  
\_\_\_\_\_  
Brooks

  
\_\_\_\_\_  
Paxton

  
\_\_\_\_\_  
Coleman

  
\_\_\_\_\_  
Pugh

HOUSE CONFEREES:

Conference Committee on Alcohol, Tobacco and Controlled Substances

Senate Action \_\_\_\_\_ Date \_\_\_\_\_ House Action \_\_\_\_\_ Date \_\_\_\_\_

**HOUSE CONFEREES**

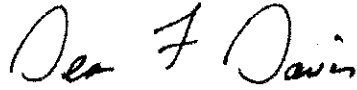
Bennett, Forrest



Cornwell, Rusty

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Davis, Dean



Echols, Jon

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Fetgatter, Scott



Hilbert, Kyle



Marti, T.J.



Nichols, Monroe

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Roberts, Dustin



Roe, Cynthia

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1 STATE OF OKLAHOMA

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

3 CONFERENCE COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL NO. 1033

6 By: Leewright of the Senate

7 and

8 Fetgatter of the House

9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to medical marijuana; amending  
11 Section 1, State Question No. 788, Initiative  
12 Petition No. 412, as last amended by Section 44,  
13 Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section  
14 420), which relates to possession of medical  
15 marijuana; modifying references; caregiver  
16 cultivation and charges; expanding prohibitions for  
17 licensed physicians; Section 6, State Question No.  
18 788, Initiative Petition No. 412, as last amended by  
19 Section 2 of Enrolled Senate Bill No. 862 of the 1st  
20 Session of the 58th Oklahoma Legislature, which  
21 relates to retail marijuana dispensaries; determining  
22 setback distance from school; grandfathering certain  
23 locations; construing provisions; adding definition;  
24 amending Section 4, Chapter 509, O.S.L. 2019 (63 O.S.  
Supp. 2020, Section 426.1), which relates to  
revocation and compliance; updating statutory  
references; authorizing certain objection to  
grandfather provisions; stating procedure for  
municipal objection and documentation; requiring  
revocation under certain circumstance; requiring  
certain documentation; defining term; amending  
Section 2, Chapter 11, O.S.L. 2019, as last amended  
by Section 48, Chapter 161, O.S.L. 2020 (63 O.S.  
Supp. 2020, Section 427.2), which relates to  
definitions; updating references; modifying  
definition; amending Section 3, Chapter 11, O.S.L.  
2019, as amended by Section 6, Chapter 477, O.S.L.  
2019 (63 O.S. Supp. 2020, Section 427.3), which

1 relates to creation of duties; adding duty to enforce  
2 certain laws; amending Section 4, Chapter 11, O.S.L.  
3 2019 (63 O.S. Supp. 2020, Section 427.4), which  
4 relates to executive director; including business  
5 applicant for inspections; amending Section 13,  
6 Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section  
7 427.13), which relates to medical marijuana;  
8 requiring written operation procedures for certain  
9 facilities; amending Section 14, Chapter 11, O.S.L.  
10 2019, as last amended by Section 51, Chapter 161,  
11 O.S.L. 2020 (63 O.S. Supp. 2020, Section 427.14),  
12 which relates to the Oklahoma Medical Marijuana and  
13 Patient Protection Act; grandfathering certain  
14 licensed location; allowing license transfer under  
15 certain conditions; defining term; providing for  
16 certain foreign investments; amending Section 16,  
17 Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section  
18 427.16), which relates to medical marijuana  
19 transporter license; updating statutory references;  
20 requiring each location to be registered; amending  
21 Section 2, Chapter 337, O.S.L. 2019 (63 O.S. Supp.  
22 2020, Section 428.1), which relates to medical  
23 marijuana waste management; modifying definitions;  
24 amending Section 4, Chapter 337, O.S.L. 2019 (63 O.S.  
Supp. 2020, Section 430), which relates to medical  
marijuana disposal license; limiting certain licenses  
until after certain date; providing for measurement  
of prohibited distance from school; amending Section  
7, State Question No. 788, Initiative Petition No.  
412 (63 O.S. Supp. 2020, Section 426), which relates  
to retail tax on medical marijuana; providing for  
Oklahoma Tax Commission to assess, collect and  
enforce taxes; authorizing collection of certain  
percentage of tax on retail medical marijuana sales;  
authorizing a percentage fee charged to the State  
Department of Health; directing deposit of certain  
funds; providing exception; providing for  
codification; and declaring an emergency.

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 license shall be able to:

- 5 1. Consume marijuana legally;
- 6 2. Legally possess up to three (3) ounces of marijuana on their  
7 person;
- 8 3. Legally possess six mature marijuana plants;
- 9 4. Legally possess six seedling plants;
- 10 5. Legally possess one (1) ounce of concentrated marijuana;
- 11 6. Legally possess seventy-two (72) ounces of edible marijuana;

12 and

- 13 7. Legally possess up to eight (8) ounces of marijuana in their  
14 residence.

15 B. Possession of up to one and one-half (1.5) ounces of  
16 marijuana by persons who can state a medical condition, but are not  
17 in possession of a state-issued medical marijuana license, shall  
18 constitute a misdemeanor offense punishable by a fine not to exceed  
19 Four Hundred Dollars (\$400.00) and shall not be subject to  
20 imprisonment for the offense. Any law enforcement officer who comes  
21 in contact with a person in violation of this subsection and who is  
22 satisfied as to the identity of the person, as well as any other  
23 pertinent information the law enforcement officer deems necessary,  
24 shall issue to the person a written citation containing a notice to

1 answer the charge against the person in the appropriate court. Upon  
2 receiving the written promise of the alleged violator to answer as  
3 specified in the citation, the law enforcement officer shall release  
4 the person upon personal recognizance unless there has been a  
5 violation of another provision of law.

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

10 D. The State Department of Health shall, within thirty (30)  
11 days of passage of this initiative, make available on its website,  
12 in an easy-to-find location, an application for a medical marijuana  
13 license. The license shall be good for two (2) years. The  
14 application fee shall be One Hundred Dollars (\$100.00), or Twenty  
15 Dollars (\$20.00) for individuals on Medicaid, Medicare or  
16 SoonerCare. The methods of payment shall be provided on the website  
17 of the Department.

18 E. A short-term medical marijuana license application shall  
19 also be made available on the website of the State Department of  
20 Health. A short-term medical marijuana license shall be granted to  
21 any applicant who can meet the requirements for a two-year medical  
22 marijuana license, but whose physician recommendation for medical  
23 marijuana is only valid for sixty (60) days. Short-term medical  
24 marijuana licenses shall be issued for sixty (60) days. The fee for

1 a short-term medical marijuana license and the procedure for  
2 extending or renewing the license shall be determined by the  
3 Department.

4 F. A temporary license application shall also be made available  
5 on the website of the Department. A temporary medical marijuana  
6 license shall be granted to any medical marijuana license holder  
7 from other states, provided that the state has a state-regulated  
8 medical marijuana program, and the applicant can prove he or she is  
9 a member of such program. Temporary licenses shall be issued for  
10 thirty (30) days. The cost for a temporary license shall be One  
11 Hundred Dollars (\$100.00). Renewal shall be granted with  
12 resubmission of a new application. No additional criteria shall be  
13 required.

14 G. Medical marijuana license applicants shall submit his or her  
15 applications to the State Department of Health for approval. The  
16 applicant shall be an Oklahoma state resident and shall prove  
17 residency by a valid driver license, utility bills, or other  
18 accepted methods.

19 H. The State Department of Health shall review the medical  
20 marijuana application, approve or reject the application, and mail  
21 the approval or rejection letter stating any reasons for rejection  
22 to the applicant within fourteen (14) business days of receipt of  
23 the application. Approved applicants shall be issued a medical  
24 marijuana license which shall act as proof of his or her approved

1 status. Applications may only be rejected based on the applicant  
2 not meeting stated criteria or improper completion of the  
3 application.

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

- 6 1. A digital photograph of the license holder;
- 7 2. The expiration date of the license;
- 8 3. The county where the card was issued; and
- 9 4. A unique 24-character identification number assigned to the  
10 license.

11 J. The State Department of Health shall make available, both on  
12 its website and through a telephone verification system, an easy  
13 method to validate the authenticity of the medical marijuana license  
14 by the unique 24-character identification number.

15 K. The State Department of Health shall ensure that all  
16 application records and information are sealed to protect the  
17 privacy of medical marijuana license applicants.

18 L. A caregiver license shall be made available for qualified  
19 caregivers of a medical marijuana license holder who is homebound.  
20 ~~As provided in Section 11 of Enrolled House Bill No. 2612 of the 1st~~  
21 ~~Session of the 57th Oklahoma Legislature~~ 427.11 of this title, the  
22 caregiver license shall provide the caregiver the same rights as the  
23 medical marijuana patient licensee, including the ability to possess  
24 marijuana, marijuana products and mature and immature plants or



1 cultivated medical marijuana pursuant to the Oklahoma Medical  
2 Marijuana and Patient Protection Act, but excluding the ability to  
3 use marijuana or marijuana products unless the caregiver has a  
4 medical marijuana patient license. An applicant for a caregiver  
5 license shall submit proof of the license status and homebound  
6 status of the medical marijuana patient and proof that the applicant  
7 is the designee of the medical marijuana patient. The applicant  
8 shall also submit proof that he or she is eighteen (18) years of age  
9 or older and proof of his or her Oklahoma residency. This shall be  
10 the only criteria for a caregiver license. A licensed caregiver  
11 shall not cultivate medical marijuana for more than five medical  
12 marijuana patient licensees and shall not charge a medical marijuana  
13 patient licensee for cultivating medical marijuana in excess of the  
14 actual costs incurred in cultivating the medical marijuana.

15 M. All applicants shall be eighteen (18) years of age or older.  
16 A special exception shall be granted to an applicant under the age  
17 of eighteen (18); however, these applications shall be signed by two  
18 physicians and the parent or legal guardian of the applicant.

19 N. All applications for a medical marijuana license shall be  
20 signed by an Oklahoma physician. There are no qualifying  
21 conditions. A medical marijuana license must be recommended  
22 according to the accepted standards a reasonable and prudent  
23 physician would follow when recommending or approving any  
24 medication. No physician may be unduly stigmatized, penalized,

1 subjected to discipline, sanctioned, reprimanded or harassed for  
2 signing a medical marijuana license application; provided, the  
3 physician acted in accordance with the provisions of this subsection  
4 and all other rules governing the medical license of the physician  
5 in this state.

6 O. Counties and cities may enact medical marijuana guidelines  
7 allowing medical marijuana license holders or caregivers to exceed  
8 the state limits set forth in subsection A of this section.

9 SECTION 2. AMENDATORY Section 6, State Question No. 788,  
10 Initiative Petition No. 412, as last amended by Section 2 of  
11 Enrolled Senate Bill No. 862 of the 1st Session of the 58th Oklahoma  
12 Legislature, is amended to read as follows:

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

19 B. 1. Unless a failure to do so would cause an employer the  
20 potential to lose a monetary or licensing-related benefit under  
21 federal law or regulations, an employer may not discriminate against  
22 a person in hiring, termination or imposing any term or condition of  
23 employment or otherwise penalize a person based upon the status of  
24 the person as a licensed medical marijuana patient.

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

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

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

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

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

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

13 3. For purposes of this section, a medical marijuana dispensary  
14 does not include those other entities licensed by the Department as  
15 marijuana-licensed premises, medical marijuana businesses or other  
16 facilities or locations where marijuana or any product containing  
17 marijuana or its by-products are cultivated, grown, processed,  
18 stored or manufactured.

19 G. The Except as otherwise provided in this subsection, the  
20 location of any retail marijuana establishment dispensary is  
21 specifically prohibited within one thousand (1,000) feet of any  
22 public or private school entrance. On and after the effective date  
23 of this act, for purposes of calculating the 1,000-foot setback  
24 distance, the measurement shall be determined by calculating the

1 distance in a straight line from the school door nearest the front  
2 door of the retail marijuana dispensary to the front door of the  
3 retail marijuana dispensary.

4 1. On and after June 26, 2018, if any school is established  
5 within one thousand (1,000) feet of any retail marijuana dispensary  
6 after a license has been issued by the Authority for that location,  
7 the setback distance between properties shall not apply as long as  
8 the licensed property is used for its original licensed purpose.  
9 The licensed location shall be grandfathered in as to the setback  
10 distance as long as the property is used in accordance with the  
11 original licensed purpose.

12 2. On and after June 26, 2018, the Authority, due to an error  
13 in measurement of the setback distance or failure to measure the  
14 setback distance by the Authority prior to issuance of an original  
15 license at a location, shall not:

- 16 a. deny any issuance or renewal of a license at that  
17 location,
- 18 b. deny any transfer of license pursuant to a change in  
19 ownership at that location, or
- 20 c. revoke any license due to an error in measurement or  
21 failure to measure the setback distance, except as  
22 otherwise provided by law.

1     The retail marijuana dispensary shall be grandfathered in as to  
2 the setback distance, subject only to the municipal compliance  
3 provisions of Section 426.1 of this title.

4     3. For purposes of this subsection:

5         a. "school" means the same as defined in Section 427.2 of  
6         this title, and

7         b. "error in measurement" means a mistake made by the  
8         Authority or a municipality in the setback measurement  
9         process where either the distance between a retail  
10         marijuana dispensary and a school is miscalculated due  
11         to mathematical error or the method used to measure  
12         the setback distance is inconsistent with this  
13         section. The setback measurement process is allowed  
14         an error in measurement up to and including five  
15         hundred (500) feet when remeasured after an original  
16         license has been issued.

17     ~~H. Research shall be provided for under this law. A researcher~~  
18 ~~may apply to the State Department of Health for a special research~~  
19 ~~license. The license shall be granted, provided the applicant meets~~  
20 ~~the criteria listed under subsection B of Section 421 of this title.~~  
21 ~~Research licensees shall be required to file monthly consumption~~  
22 ~~reports to the State Department of Health with amounts of marijuana~~  
23 ~~used for research. Biomedical and clinical research which is~~  
24

1 ~~subject to federal regulations and institutional oversight shall not~~  
2 ~~be subject to State Department of Health oversight.~~

3 SECTION 3. AMENDATORY Section 4, Chapter 509, O.S.L.  
4 2019 (63 O.S. Supp. 2020, Section 426.1), is amended to read as  
5 follows:

6 Section 426.1. A. Except for revocation hearings concerning  
7 licensed patients, as defined in Section ~~2 of Enrolled House Bill~~  
8 ~~No. 2612 of the 1st Session of the 57th Oklahoma Legislature~~ 427.2  
9 of this title, all licensure revocation hearings conducted pursuant  
10 to marijuana licenses established in the Oklahoma Statutes shall be  
11 recorded. A party may request a copy of the recording of the  
12 proceedings. Copies shall be provided to local law enforcement if  
13 the revocation was based on alleged criminal activity.

14 B. The State Department of Health shall assist any law  
15 enforcement officer in the performance of his or her duties upon  
16 such request by the law enforcement officer or the request of other  
17 local officials having jurisdiction. Except for license information  
18 concerning licensed patients, as defined in Section ~~2 of Enrolled~~  
19 ~~House Bill No. 2612 of the 1st Session of the 57th Oklahoma~~  
20 ~~Legislature~~ 427.2 of this title, the Department shall share  
21 information with law enforcement agencies upon request without a  
22 subpoena or search warrant.

23 C. The State Department of Health shall make available all  
24 information displayed on medical marijuana licenses, as well as

1 whether ~~or not~~ the license is valid, to law enforcement  
2 electronically through the Oklahoma Law Enforcement  
3 Telecommunications System.

4 D. The Department shall make available to political  
5 subdivisions a list of marijuana-licensed premises, medical  
6 marijuana businesses or any other premises where marijuana or its  
7 by-products are licensed to be cultivated, grown, processed, stored  
8 or manufactured to aid county and municipal governments in  
9 identifying locations within their jurisdiction and ensure  
10 compliance with local regulations.

11 E. 1. All marijuana-licensed premises, medical marijuana  
12 businesses or any other premises where marijuana or its by-products  
13 are licensed to be cultivated, grown, processed, stored or  
14 manufactured shall submit with their application, after notifying  
15 the political subdivision of their intent, a certificate of  
16 compliance from the political subdivision where the facility of the  
17 applicant or use is to be located certifying compliance with zoning  
18 classifications, applicable municipal ordinances and all applicable  
19 safety, electrical, fire, plumbing, waste, construction and building  
20 specification codes.

21 2. Beginning on the effective date of this act, upon the  
22 initial request for renewal or transfer of a retail marijuana  
23 dispensary license, a municipal government may object to the  
24 continued licensure of the medical marijuana dispensary if the



1 municipal government determines it is operating contrary to the  
2 required setback distance from a school including the error in  
3 measurement allowance authorized by Section 425 of this title.

4 3. To prevent the granting of the grandfather provisions of  
5 Section 425 of this title as a matter of law, the municipal  
6 government shall provide the following documentation prior to the  
7 initial renewal or transfer of a license:

8 a. a municipal resolution finding that the marijuana  
9 dispensary is located within the prohibited setback  
10 distance from a school that was openly in existence in  
11 such a way that the public generally would have known  
12 of the school's existence and operation in that  
13 location prior to the original marijuana dispensary  
14 being licensed. For purposes of this subparagraph,  
15 "openly in existence" means any building, location or  
16 structure on a school site that has visible outward  
17 markings indicating the building, location or  
18 structure was operating as a school which would serve  
19 as sufficient notice of the existence of the school or  
20 a reason for further inquiry on the part of the  
21 marijuana dispensary license applicant. "Openly in  
22 existence" shall not mean any school that operated  
23 secretly or discreetly without any signs or other  
24 markings on any building, location or structure on the

1 school site, undeveloped land or a structure owned by  
2 a school that was not openly used and marked as a  
3 school site, or any school site that was established  
4 after the marijuana dispensary had been established  
5 and licensed by the Authority, and

6 b. documentation of the measured distance from the school  
7 to the marijuana dispensary utilizing the method for  
8 determining the setback distance less any allowable  
9 error in measurement calculated and remeasured on and  
10 after the effective date of this act as authorized by  
11 Section 425 of this title.

12 4. Prior to initial renewal or transfer of a license and upon  
13 receipt of documentation required by paragraph 3 of this subsection,  
14 if the Authority determines that the medical marijuana dispensary is  
15 operating contrary to the required setback distance from a school  
16 including the error in measurement allowance authorized by Section  
17 425 of this title, the Authority may deny the renewal or transfer of  
18 the medical marijuana dispensary license and shall cause the license  
19 to be revoked.

20 5. For purposes of this subsection, "school" means the same as  
21 defined in Section 427.2 of this title.

22 SECTION 4. AMENDATORY Section 2, Chapter 11, O.S.L.  
23 2019, as last amended by Section 48, Chapter 161, O.S.L. 2020 (63  
24 O.S. Supp. 2020, Section 427.2), is amended to read as follows:

1       Section 427.2. As used in ~~this act~~ the Oklahoma Medical  
2 Marijuana and Patient Protection Act:

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

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

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

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

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

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

- 20       a. designed or constructed to be significantly difficult  
21       for children under five (5) years of age to open and  
22       not difficult for normal adults to use properly as  
23       defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.  
24       1700.20 (1995),

1           b.   opaque so that the outermost packaging does not allow  
2                   the product to be seen without opening the packaging  
3                   material, and

4           c.   resealable to maintain its child-resistant  
5                   effectiveness for multiple openings for any product  
6                   intended for more than a single use or containing  
7                   multiple servings;

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

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

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

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

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

21           12.  "Dispense" means the selling of medical marijuana or a  
22           medical marijuana product to a qualified patient or the designated  
23           caregiver of the patient that is packaged in a suitable container  
24

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

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

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

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

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

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

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

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

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

1 safety of the immediate vicinity in which the  
2 establishment is located;

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

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

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

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

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

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

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

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

17 28. "Marijuana" shall have the same meaning as such term is  
18 defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this  
19 title and shall not include any plant or material containing delta-8  
20 or delta-10 tetrahydrocannabinol which is grown, processed or sold  
21 pursuant to the provisions of the Oklahoma Industrial Hemp Program;

22 29. "Material change" means any change that would require a  
23 substantive revision to the standard operating procedures of a  
24



1 licensee for the cultivation or production of medical marijuana,  
2 medical marijuana concentrate or medical marijuana products;

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

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

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

16 33. "Medical marijuana commercial grower" or "commercial  
17 grower" means an entity licensed to cultivate, prepare and package  
18 medical marijuana and transfer or contract for transfer medical  
19 marijuana to a medical marijuana dispensary, medical marijuana  
20 processor, any other medical marijuana commercial grower, medical  
21 marijuana research facility, medical marijuana education facility  
22 and pesticide manufacturers. A commercial grower may sell seeds,  
23 flower or clones to commercial growers pursuant to ~~this act~~ the  
24 Oklahoma Medical Marijuana and Patient Protection Act;

1 34. "Medical marijuana education facility" or "education  
2 facility" means a person or entity approved pursuant to ~~this act~~ the  
3 Oklahoma Medical Marijuana and Patient Protection Act to operate a  
4 facility providing training and education to individuals involving  
5 the cultivation, growing, harvesting, curing, preparing, packaging  
6 or testing of medical marijuana, or the production, manufacture,  
7 extraction, processing, packaging or creation of medical-marijuana-  
8 infused products or medical marijuana products as described in ~~this~~  
9 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

21 37. "Medical marijuana processor" means a person or entity  
22 licensed pursuant to ~~this act~~ the Oklahoma Medical Marijuana and  
23 Patient Protection Act to operate a business including the  
24 production, manufacture, extraction, processing, packaging or

1 creation of concentrate, medical-marijuana-infused products or  
2 medical marijuana products as described in ~~this act~~ the Oklahoma  
3 Medical Marijuana and Patient Protection Act;

4 38. "Medical marijuana research facility" or "research  
5 facility" means a person or entity approved pursuant to ~~this act~~ the  
6 Oklahoma Medical Marijuana and Patient Protection Act to conduct  
7 medical marijuana research. A medical marijuana research facility  
8 is not a medical marijuana business;

9 39. "Medical marijuana testing laboratory" or "laboratory"  
10 means a public or private laboratory licensed pursuant to ~~this act~~  
11 the Oklahoma Medical Marijuana and Patient Protection Act, to  
12 conduct testing and research on medical marijuana and medical  
13 marijuana products;

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

22 41. "Medical marijuana waste" or "waste" means unused, surplus,  
23 returned or out-of-date marijuana, plant debris of the plant of the  
24 genus Cannabis, including dead plants and all unused plant parts and

1 roots, except the term shall not include roots, stems, stalks and  
2 fan leaves;

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

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

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

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

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

22 a. all shareholders owning an interest of a corporate  
23 entity and all officers of a corporate entity,

24 b. all partners of a general partnership,

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

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

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

24

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

8 50. "Production batch" means:

- 9 a. any amount of medical marijuana concentrate of the  
10 same category and produced using the same extraction  
11 methods, standard operating procedures and an  
12 identical group of harvest batch of medical marijuana,  
13 or  
14 b. any amount of medical marijuana product of the same  
15 exact type, produced using the same ingredients,  
16 standard operating procedures and the same production  
17 batch of medical marijuana concentrate;

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

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

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

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

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

13 56. "Research project" means a discrete scientific endeavor to  
14 answer a research question or a set of research questions related to  
15 medical marijuana and is required for a medical marijuana research  
16 license. A research project shall include a description of a  
17 defined protocol, clearly articulated goals, defined methods and  
18 outputs, and a defined start and end date. The description shall  
19 demonstrate that the research project will comply with all  
20 requirements in ~~this act~~ the Oklahoma Medical Marijuana and Patient  
21 Protection Act and rules promulgated pursuant thereto. All research  
22 and development conducted by a medical marijuana research facility  
23 shall be conducted in furtherance of an approved research project;  
24

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

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

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

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

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



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

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

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

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

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

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

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

8 SECTION 5. AMENDATORY Section 3, Chapter 11, O.S.L.  
9 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.  
10 Supp. 2020, Section 427.3), is amended to read as follows:

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

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

22 C. The Department shall implement the provisions of this act  
23 consistently with the voter-approved State Question No. 788,  
24 Initiative Petition No. 412, subject to the provisions of this act.

1 D. The Department shall exercise its respective powers and  
2 perform its respective duties and functions as specified in this act  
3 and Title 63 of the Oklahoma Statutes including, but not limited to,  
4 the following:

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

- 9 a. public health policy and public safety policy,
- 10 b. agronomic and horticultural best practices, and
- 11 c. medical and pharmacopoeia best practices;

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

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

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

21 5. Apply for injunctive or declaratory relief to enforce the  
22 provisions of this section and any rules promulgated pursuant to  
23 this section;

24

1       6. Inspect and examine, with notice provided in accordance with  
2 this act, all licensed premises of medical marijuana businesses,  
3 research facilities and education facilities in which medical  
4 marijuana is cultivated, manufactured, sold, stored, transported,  
5 tested or distributed;

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

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

13       9. Establish a fee schedule and collect fees for performing  
14 background checks as the Commissioner deems appropriate. The fees  
15 charged pursuant to this paragraph shall not exceed the actual cost  
16 incurred for each background check; and

17       10. Require verification for sources of finance for medical  
18 marijuana businesses.

19       E. The Department shall be authorized to enter into and  
20 negotiate the terms of a Memorandum of Understanding between the  
21 Department and other state agencies concerning the enforcement of  
22 laws regulating medical marijuana in this state.

1 SECTION 6. AMENDATORY Section 4, Chapter 11, O.S.L. 2019  
2 (63 O.S. Supp. 2020, Section 427.4), is amended to read as follows:

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

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

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

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

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

20 D. The Commissioner may delegate to any officer or employee of  
21 the Department any of the powers of the Executive Director and may  
22 designate any officer or employee of the Department to perform any  
23 of the duties of the Executive Director.  
24

1 E. The Executive Director shall be authorized to suggest rules  
2 governing the oversight and implementation of this act.

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

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

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

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

21 4. ~~Require~~ As provided in Section 427.6 of this title, require  
22 any business applicant or licensee, upon twenty-four (24) hours  
23 notice or upon a showing of necessity, to permit an inspection of  
24 licensed premises during business hours or at any time of apparent

1 operation, marijuana equipment, and marijuana accessories, or books  
2 and records; and to permit the testing of or examination of medical  
3 marijuana, concentrate, or product; and

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

7 SECTION 7. AMENDATORY Section 13, Chapter 11, O.S.L.  
8 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as  
9 follows:

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

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

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

- 1 a. notification of when marijuana seeds are planted,
- 2 b. notification of when marijuana plants are harvested
- 3 and destroyed,
- 4 c. notification of when marijuana is transported, sold,
- 5 stolen, diverted or lost,
- 6 d. a complete inventory of all marijuana, seeds, plant
- 7 tissue, clones, plants, usable marijuana or trim,
- 8 leaves and other plant matter, batches of extract, and
- 9 marijuana concentrates,
- 10 e. all samples sent to a testing laboratory, an unused
- 11 portion of a sample returned to a licensee, all
- 12 samples utilized by licensee for purposes of
- 13 negotiating a sale, and
- 14 f. all samples used for quality testing by a licensee.

15 3. Each medical marijuana business, medical marijuana research  
16 facility, medical marijuana education facility and medical marijuana  
17 waste disposal facility shall develop written standard operating  
18 procedures outlining the manner in which it operates as prescribed  
19 by the Authority and shall use a seed-to-sale tracking system or  
20 integrate its own seed-to-sale tracking system with the seed-to-sale  
21 tracking system established by the Authority in accordance with the  
22 limitations set forth herein.

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



- a. the name and license number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- b. the address and phone number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- c. the type of product received during the transaction,
- d. the batch number of the marijuana plant used,
- e. the date of the transaction,
- f. the total spent in dollars,
- g. all point-of-sale records,
- h. marijuana excise tax records, and
- i. any additional information as may be reasonably required by the Department.

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

SECTION 8. AMENDATORY Section 14, Chapter 11, O.S.L. 2019, as last amended by Section 51, Chapter 161, O.S.L. 2020, (63 O.S. Supp. 2020, Section 427.14), is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

- 17           a. all applicants shall be age twenty-five (25) years of  
18 age or older,
- 19           b. any applicant applying as an individual shall show  
20 proof that the applicant is an Oklahoma resident  
21 pursuant to paragraph 11 of this subsection,
- 22           c. any applicant applying as an entity shall show that  
23 seventy-five percent (75%) of all members, managers,  
24 executive officers, partners, board members or any

- 1 other form of business ownership are Oklahoma  
2 residents pursuant to paragraph 11 of this subsection,
- 3 d. all applying individuals or entities shall be  
4 registered to conduct business in ~~the State of~~  
5 ~~Oklahoma~~ this state,
- 6 e. all applicants shall disclose all ownership interests  
7 pursuant to ~~this act~~ the Oklahoma Medical Marijuana  
8 and Patient Protection Act, and
- 9 f. applicants shall not have been convicted of a  
10 nonviolent felony in the last two (2) years, and any  
11 other felony conviction within the last five (5)  
12 years, shall not be current inmates, or currently  
13 incarcerated in a jail or corrections facility;

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

22 9. All applicants for a medical marijuana business license,  
23 research facility license or education facility license authorized  
24 by ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection

1 Act shall undergo an Oklahoma criminal history background check  
2 conducted by the Oklahoma State Bureau of Investigation (OSBI)  
3 within thirty (30) days prior to the application for the license,  
4 including:

- 5 a. individual applicants applying on their own behalf,
- 6 b. individuals applying on behalf of an entity,
- 7 c. all principal officers of an entity, and
- 8 d. all owners of an entity as defined by ~~this act~~ Section  
9 427.2 of this title;

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

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

- 21 a. an unexpired Oklahoma-issued driver license,
- 22 b. an Oklahoma voter identification card,
- 23 c. a utility bill preceding the date of application,  
24 excluding cellular telephone and Internet bills,

- 1 d. a residential property deed to property in ~~the State~~  
2 ~~of Oklahoma~~ this state, and
- 3 e. a rental agreement preceding the date of application  
4 for residential property located in ~~the State of~~  
5 ~~Oklahoma~~ this state.

6 Applicants that were issued a medical marijuana business license  
7 prior to the enactment of the Oklahoma Medical Marijuana and Patient  
8 Protection Act are hereby exempt from the two-year or five-year  
9 Oklahoma residence requirement mentioned above;

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

14 13. All applicants shall establish their identity through  
15 submission of a color copy or digital image of one of the following  
16 unexpired documents:

- 17 a. front and back of an Oklahoma driver license,  
18 b. front and back of an Oklahoma identification card,  
19 c. a United States passport or other photo identification  
20 issued by the United States government,  
21 d. certified copy of the applicant's birth certificate  
22 for minor applicants who do not possess a document  
23 listed in this section, or  
24

1 e. a tribal identification card approved for  
2 identification purposes by the Oklahoma Department of  
3 Public Safety; and

4 14. All applicants shall submit an applicant photograph.

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

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

12 2. Approved applicants shall be issued a medical marijuana  
13 business license for the specific category applied under which shall  
14 act as proof of their approved status. Rejection letters shall  
15 provide a reason for the rejection. Applications may only be  
16 rejected based on the applicant not meeting the standards set forth  
17 in the provisions of this section, improper completion of the  
18 application, or for a reason provided for in ~~this act~~ the Oklahoma  
19 Medical Marijuana and Patient Protection Act. If an application is  
20 rejected for failure to provide required information, the applicant  
21 shall have thirty (30) days to submit the required information for  
22 reconsideration. No additional application fee shall be charged for  
23 such reconsideration.

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

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

8        H. A medical marijuana business license shall not be issued to  
9 or held by:

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

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

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

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

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

23            a. file taxes, interest or penalties due related to a  
24            medical marijuana business, or



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

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

6           7.    A person whose authority to be a caregiver as defined in  
7 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act  
8 has been revoked by the ~~Department~~ Authority.

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

21           J.    The failure of an applicant to provide the requested  
22 information by the Authority deadline may be grounds for denial of  
23 the application.

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

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

16 M. All medical marijuana business licensees shall pay the  
17 relevant licensure fees prior to receiving licensure to operate a  
18 medical marijuana business, as defined in ~~this act~~ the Oklahoma  
19 Medical Marijuana and Patient Protection Act for each class of  
20 license.

21 N. An original medical marijuana business license issued on or  
22 after June 26, 2018, by the Authority, for a medical marijuana  
23 commercial grower, a medical marijuana processor or a medical  
24 marijuana dispensary shall be deemed to have been grandfathered into

1 the location on the date the original license was first issued for  
2 purposes of determining the authority of the business to conduct and  
3 continue the same type of business at that location under a license  
4 issued by the Authority, except as may be provided in Sections 425  
5 and 426.1 of this title. Any change in ownership after the original  
6 medical marijuana business license has been issued by the Authority  
7 shall be construed by the Authority to be a continuation of the same  
8 type of business originally licensed at that location. Nothing  
9 shall authorize the Authority to deny issuance or renewal of a  
10 license or transfer of license due to a change in ownership for the  
11 same business location previously licensed, except when a revocation  
12 is otherwise authorized by law or a protest is made under the  
13 municipal compliance provisions of Section 426.1 of this title.

14 SECTION 9. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 427.15a of Title 63, unless  
16 there is created a duplication in numbering, reads as follows:

17 For purposes of this section, "publicly traded company" means a  
18 business entity organized under the laws of the United States or  
19 Canada where the domicile for the business entity permits the sale  
20 of marijuana and such business entity has a class of securities that  
21 are registered and traded for investment pursuant to the Security  
22 Exchange Act of 1934 or listed and traded for investment on a  
23 reputable recognized foreign stock exchange or foreign market  
24 exchange.

1 On and after the effective date of this act, a publicly traded  
2 company as defined herein is authorized to purchase up to forty  
3 percent (40%) of the equity in an existing Oklahoma business that  
4 holds a valid Oklahoma medical marijuana grower, processor or  
5 transporter license; provided, however, the only Oklahoma business  
6 qualified for investment or equity purchase under this section must  
7 have held a valid medical marijuana grower, processor or transporter  
8 license for at last eighteen (18) months prior to the investment or  
9 equity purchase and must be currently operating in good standing in  
10 this state. A licensed medial marijuana dispensary shall not be  
11 qualified for investment or equity purchase under the provisions of  
12 this section.

13 SECTION 10. AMENDATORY Section 16, Chapter 11, O.S.L.  
14 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as  
15 follows:

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

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

24

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

9 D. A medical marijuana transporter license shall be valid for  
10 one (1) year and shall not be transferred with a change of  
11 ownership. A licensed medical marijuana transporter shall be  
12 responsible for all medical marijuana, concentrate and products once  
13 the transporter takes control of the product.

14 E. A transporter license shall be required for any person or  
15 entity to transport or transfer medical marijuana, concentrate or  
16 product from a licensed medical marijuana business to another  
17 medical marijuana business, or from a medical marijuana business to  
18 a medical marijuana research facility or medical marijuana education  
19 facility.

20 F. A medical marijuana transporter licensee may contract with  
21 multiple licensed medical marijuana businesses.

22 G. A medical marijuana transporter may maintain a licensed  
23 premises to temporarily store medical marijuana, concentrate and  
24 products and to use as a centralized distribution point. A medical

1 marijuana transporter may store and distribute medical marijuana,  
2 concentrate and products from the licensed premises. The licensed  
3 premises shall meet all security requirements applicable to a  
4 medical marijuana business.

5 H. A medical marijuana transporter licensee shall use the seed-  
6 to-sale tracking system developed pursuant to ~~this act~~ the Oklahoma  
7 Medical Marijuana and Patient Protection Act to create shipping  
8 manifests documenting the transport of medical marijuana,  
9 concentrate and products throughout the state.

10 I. A licensed medical marijuana transporter may maintain and  
11 operate one or more warehouses in the state to handle medical  
12 marijuana, concentrate and products. Each location shall be  
13 registered and inspected by the Authority prior to its use.

14 J. All medical marijuana, concentrate and product shall be  
15 transported:

16 1. In vehicles equipped with Global Positioning System (GPS)  
17 trackers;

18 2. In a locked container and clearly labeled "Medical Marijuana  
19 or Derivative"; and

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

22 K. A transporter agent may possess marijuana at any location  
23 while the transporter agent is transferring marijuana to or from a  
24 licensed medical marijuana business, medical marijuana research

1 facility or medical marijuana education facility. The Department  
2 shall administer and enforce the provisions of this section  
3 concerning transportation.

4 L. The Authority shall issue a transporter agent license to  
5 individual agents, employees, officers or owners of a transporter  
6 license in order for the individual to qualify to transport medical  
7 marijuana or product.

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

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

- 13 1. The name, address and date of birth of the person;
- 14 2. Proof of residency as required for a medical marijuana  
15 business license;
- 16 3. Proof of identity as required for a medical marijuana  
17 business license;
- 18 4. Possession of a valid Oklahoma driver license;
- 19 5. Verification of employment with a licensed transporter;
- 20 6. The application and affiliated fee; and
- 21 7. A criminal background check conducted by the Oklahoma State  
22 Bureau of Investigation, paid for by the applicant.

1 O. If the transporter agent application is denied, the  
2 Department shall notify the transporter in writing of the reason for  
3 denying the registry identification card.

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

8 Q. The Department may revoke the registry identification card  
9 of a transporter agent who knowingly violates any provision of this  
10 section, and the transporter is subject to any other penalties  
11 established by law for the violation.

12 R. The Department may revoke or suspend the transporter license  
13 of a transporter that the Department determines knowingly aided or  
14 facilitated a violation of any provision of this section, and the  
15 ~~licenseholder~~ license-holder is subject to any other penalties  
16 established in law for the violation.

17 S. Vehicles used in the transport of medical marijuana or  
18 medical marijuana product shall be:

19 1. Insured at or above the legal requirements in ~~Oklahoma~~ this  
20 state;

21 2. Capable of securing medical marijuana during transport; and

22 3. In possession of a shipping container as defined in Section  
23 427.2 of this act title capable of securing all transported product.



1 T. Prior to the transport of any medical marijuana or products,  
2 an inventory manifest shall be prepared at the origination point of  
3 the medical marijuana. The inventory manifest shall include the  
4 following information:

5 1. For the origination point of the medical marijuana:

- 6 a. the licensee number for the commercial grower,  
7 processor or dispensary,
- 8 b. address of origination of transport, and
- 9 c. name and contact information for the originating  
10 licensee;

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

- 13 a. the license number for the dispensary, commercial  
14 grower, processor, research facility or education  
15 facility destination,
- 16 b. address of the destination, and
- 17 c. name and contact information for the destination  
18 licensee;

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

21 4. The date of the transport and the approximate time of  
22 departure;

23 5. The arrival date and estimated time of arrival;  
24

1 6. Printed names and signatures of the personnel accompanying  
2 the transport; and

3 7. Notation of the transporting licensee.

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

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

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

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

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

19 SECTION 11. AMENDATORY Section 2, Chapter 337, O.S.L.  
20 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as  
21 follows:

22 Section 428.1. As used in ~~this act~~ the Oklahoma Medical  
23 Marijuana Waste Management Act:

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

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

6 3. "Disposal" shall mean the ~~final~~ disposition of medical  
7 marijuana waste by ~~either~~ a process which renders the waste unusable  
8 and unrecognizable through physical destruction or a recycling  
9 process;

10 4. "Facility" shall mean a location where the disposal of  
11 medical marijuana waste takes place by a licensee;

12 5. "License" shall mean a medical marijuana waste disposal  
13 license;

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

16 7. "Medical marijuana waste" shall mean:

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

22 b. all product which is deemed to fail laboratory testing  
23 and cannot be remediated or decontaminated, and  
24

1           c. all product and inventory from commercial licensees or  
2           medical marijuana education facilities that:

3           (1) have gone out of business,

4           (2) are not subject to the provisions of Section 1560  
5           of Title 12 of the Oklahoma Statutes, and

6           (3) are unable to lawfully transfer or sell the  
7           product and inventory to another commercial  
8           licensee;

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

12          SECTION 12.           AMENDATORY           Section 4, Chapter 337, O.S.L.  
13          2019 (63 O.S. Supp. 2020, Section 430), is amended to read as  
14          follows:

15          Section 430. A. There is hereby created and authorized a  
16          medical marijuana waste disposal license. A person or entity in  
17          possession of a medical marijuana waste disposal license shall be  
18          entitled to possess, transport and dispose of medical marijuana  
19          waste. No person or entity shall possess, transport or dispose of  
20          medical marijuana waste without a valid medical marijuana waste  
21          disposal license. The Oklahoma Medical Marijuana Authority shall  
22          issue licenses upon proper application by a licensee and  
23          determination by the Authority that the proposed site and facility  
24          are physically and technically suitable. Upon a finding that a

1 proposed medical marijuana waste disposal facility is not physically  
2 or technically suitable, the Authority shall deny the license. The  
3 Authority may, upon determining that public health or safety  
4 requires emergency action, issue a temporary license for treatment  
5 or storage of medical marijuana waste for a period not to exceed  
6 ninety (90) days. The Authority shall not, ~~for the first year of~~  
7 ~~the licensure program~~ until November 1, 2021, issue more than ten  
8 medical marijuana waste disposal licenses. ~~Upon the conclusion of~~  
9 ~~the first year, the Authority shall assess the need for additional~~  
10 ~~licenses and shall, if demonstrated, increase~~ Beginning November 1,  
11 2021, there shall be no limit to the number of medical marijuana  
12 waste disposal licenses ~~as deemed necessary~~ issued by the Authority.

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

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

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

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

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

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

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

- 23 a. a list of all persons or entities that have an  
24 ownership interest in the entity,

- 1           b. a certificate of good standing from the Oklahoma  
2           Secretary of State, if applicable,
- 3           c. an Affidavit of Lawful Presence for each owner,
- 4           d. proof that the proposed location of the disposal  
5           facility is at least one thousand (1,000) feet from a  
6           ~~public or private~~ school. The distance shall be  
7           measured from ~~any~~ the nearest entrance of the school  
8           to the nearest ~~property line point~~ front entrance of  
9           the disposal facility. If any school is established  
10          within one thousand (1,000) feet of any disposal  
11          facility after such disposal facility has been  
12          licensed, the provisions of this subparagraph shall  
13          not be a deterrent to the renewal of such license or  
14          warrant revocation of the license, and
- 15          e. documents establishing the applicant, the members,  
16          managers and board members, if applicable, and  
17          seventy-five percent (75%) of the ownership interests  
18          are Oklahoma residents as established in Section 420  
19          et seq. of ~~Title 63 of the Oklahoma Statutes~~ this  
20          title, as it relates to proof of residency.

21 For purposes of this paragraph, "school" means the same as defined  
22 in Section 427.2 of this title.

23           C. No license shall be issued except upon proof of sufficient  
24 liability insurance and financial responsibility. Liability

1 insurance shall be provided by the applicant and shall apply to  
2 sudden and nonsudden bodily injury or property damage on, below or  
3 above the surface, as required by the rules of the Authority. Such  
4 insurance shall be maintained for the period of operation of the  
5 facility and shall provide coverage for damages resulting from  
6 operation of the facility during operation and after closing. In  
7 lieu of liability insurance required by this subsection, an  
8 equivalent amount of cash, securities, bond or alternate financial  
9 assurance, of a type and in an amount acceptable to the Authority,  
10 may be substituted; provided, that such deposit shall be maintained  
11 for a period of five (5) years after the date of last operation of  
12 the facility.

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



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

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

16 F. The cost of a medical marijuana waste disposal license shall  
17 be Five Thousand Dollars (\$5,000.00) for the initial license. The  
18 cost of a medical marijuana waste disposal facility permit shall be  
19 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal  
20 facility permit that has been revoked shall be reinstated upon  
21 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)  
22 to restore the facility permit. All license and permit fees shall  
23 be deposited into the ~~Public Health Special~~ Oklahoma Medical  
24

1 Marijuana Authority Revolving Fund as provided in Section ~~1-107~~  
2 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

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

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

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

16 SECTION 13. AMENDATORY Section 7, State Question No.  
17 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426),  
18 is amended to read as follows:

19 Section 426. A. The tax on retail medical marijuana sales will  
20 be established at seven percent (7%) of the gross amount received by  
21 the seller.

22 B. This tax will be collected at the point of sale. Tax  
23 proceeds will be applied primarily to finance the regulatory office.  
24

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

8 D. Pursuant to Section 14 of this act, the Oklahoma Tax  
9 Commission shall have authority to assess, collect and enforce the  
10 tax specified in subsection A of this section including any interest  
11 and penalty thereon.

12 SECTION 14. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 255.2 of Title 68, unless there  
14 is created a duplication in numbering, reads as follows:

15 As provided in Section 426 of Title 63 of the Oklahoma Statutes,  
16 the State Department of Health and the Oklahoma Tax Commission shall  
17 enter into a contract whereby the Tax Commission shall have  
18 authority to assess, collect and enforce the seven percent (7%) tax  
19 on retail medical marijuana sales and any penalties and interest  
20 thereon. Such assessment, collection and enforcement authority  
21 shall apply to any tax and any penalty or interest liability on  
22 retail medical marijuana sales existing at the time of contracting.  
23 The contract shall provide for the assessment, collection and  
24 enforcement of the tax on retail medical marijuana sales in the same

1 manner as the administration, collection and enforcement of any tax  
2 payable by any taxpayer subject to taxation under any state tax law.  
3 For providing such collection assistance, the Tax Commission shall  
4 charge the State Department of Health a fee of one and five-tenths  
5 percent (1.5%) of the gross collection proceeds. All funds retained  
6 by the Tax Commission for the collection services shall be deposited  
7 in the Tax Commission Reimbursement Fund in the State Treasury.

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

12  
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