BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	**HB 2646**
Version:	**Introduced**
Request Number:	**5664**
Author:	**Echols**
Date:	**2/24/2021**

Impact: Please see previous summary of this measure

Research Analysis

HB 2646, as introduced, addresses many aspects of medical marijuana statute. The measure:

- Sets a fee of $20 for reprints of patient, temporary patient, and transporter licenses;
- Increases the time the State Department of Health (OSDH) has to review dispensary, grower and processor license applications, from two weeks to 90 days;
- Allows growers to sell pre-rolls to dispensaries and allows dispensaries to sell pre-rolls to patient licensees;
- Specifies that distance from schools is to be measured from the nearest property line of the school to the nearest perimeter wall of the dispensary. Properties that are not used for classroom instruction on core curriculum and are not on the same campus as a building used for such do not constitute a school. Dispensaries licensed prior to the act are grandfathered in, and the establishment of a school within 1,000 feet of an already existing dispensary shall not be cause for revocation or nonrenewal of the license;
- Removes restrictions regarding what records OSDH cannot keep regarding patient licensees;
- Requires recommending physicians to be licensed by and in good standing with the State Board of Medical Licensure and Supervision or the State Board of Osteopathic Examiners;
- Allows OSDH to inspect a processing operation up to two times per year;
- Allocates 25 percent of the 7 percent sales tax to OSDH for drug and alcohol use prevention, in addition to rehabilitation;
- Requires all licensure revocation hearings to be recorded, included those concerning patients;
- Requires medical marijuana businesses to submit a certificate of compliance with relevant zoning and codes when requesting to change location;
- Removes the definitions *good cause* and *test batch*;
- Amends the definition of *inventory tracking system* to mean a system that accounts for the entire life span of medical marijuana and medical marijuana products, including testing samples and waste;
- Redefines *material change* as any change that would affect an applicant or licensee's qualifications for licensure;
- Clarifies and provides examples for the definition of *strain*;
- No longer requires OSDH to verify sources of finance for medical marijuana businesses;
- Directs OSDH to establish and collect fees for material changes requested by licensees;
- No longer requires OSDH or the Oklahoma Medical Marijuana Authority (OMMA) to provide 24 hours' notice before inspecting or investigating any business licensee or provide sufficient time for the licensee to secure legal representation before questioning;

- Allows OSDH and OMMA to require business licensees to submit a sample of medical marijuana or product to a quality assurance laboratory when the product is believed to be unsafe or not properly tested;
- Allows OSDH and OMMA to requires business licensees to periodically submit samples for quality assurance testing, and growers, processors, dispensaries and transporters are not required to submit samples more than twice a year;
- Allows OSDH to inspect or investigate research facilities, education facilities and waste facilities;
- Allows, but no longer requires, OSDH to refer complaints alleging criminal activity to appropriate law enforcement agencies;
- Allows OSDH to suspend or revoke a license for failure to pay monetary penalties;
- Establishes penalties for grossly inaccurate or fraudulent reporting of sales or purchases by a medical marijuana business;
- Allows OSDH to issue a written order to any licensee believed to be in violation of relevant rules or regulations and has been served a written notice of violation not less than 30 days previously. The order becomes final unless the licensee requests an administrative hearing within 30 days of being served the order;
- Allows OSDH to issue an order without providing notice or hearing if OSDH finds that an emergency exists requiring immediate action to protect the health of the public;
- Provides that the license of a patient whose physician determines no longer needs medical marijuana shall be immediately voided without right to an individual proceeding;
- Allows patient licensees to request to withdraw the license of their caregiver;
- Requires research, education and waste disposal facilities to keep records for every transaction with another medical marijuana business, patient or caregiver;
- Allows inventory tracking records to be retained for more than 60 days;
- Makes the $2,500 application for a business license annual;
- Specifies that a business application that has been resubmitted but is still incomplete or contains errors that are not typographical or clerical in nature shall be denied, unless otherwise determined by OSDH;
- Prohibits the issuance of a business, research facility, education facility or waste disposal facility license to any person who was involved in the management or operations of a medical marijuana business or facility that had its license revoked, not renewed, or surrendered for certain violations;
- No longer requires OSDH to consider additional information provided by an applicant regarding the criminal history of the applicant when investigating qualifications of an applicant;
- Directs OSDH to determine a nonrefundable fee for the late renewal of a business, research facility, education facility or waste disposal facility. A license that has been expired for 90 days shall not be renewed, and such licensees are prohibited from possessing, selling or transferring medical marijuana or medical marijuana products without a valid, unexpired license;
- Provides from transporter licenses to be issued to licensed research and education facilities and testing laboratories;
- Exempts medical marijuana products transferred between businesses licensed at the same physical address from medical marijuana transportation requirements;
- Reduces the annual fee for the transporter agent license from $100 to $25 and requires proof of current residency of the applicant;
- Removes language regarding alteration of inventory manifests;

- Requires originating and receiving licensees to maintain copies of inventory manifests and logs of quantities of medical marijuana received for seven years;
- Prohibits testing laboratories contracted with OMMA from employing or being owned by any individual with a direct or indirect interest in a medical marijuana business or any individual or certain other families members who has a pending application for a medical marijuana business license or is a member of the board of directors of a medical marijuana business, or is an individual financially interested in any licensee or business.
- Allows testing laboratories to accept samples from research and education facilities;
- Prohibits testing laboratories from testing samples for any business in which an owner, employee or agent of the laboratory has any form of ownership or financial interest;
- Directs OSDH to develop validation procedures and procedures regarding the immediate recall of medical marijuana or medical marijuana products that fail testing;
- Requires testing laboratories to retain all test results for at least seven years;
- Allows harvest batches of fresh, uncured medical marijuana or fresh, frozen medical marijuana to be sold to a processor to make a concentrate to be separated into batches containing no more than 35 pounds;
- Allows OMMA to inspect testing laboratories up to twice a year;
- Requires testing laboratories to obtain accreditation within one year of the date of the initial license issuance, and license renewal shall be contingent upon accreditation;
- Allows growers to transfer medical marijuana that has failed testing to a licensed processor only for the purposed of decontamination or remediation. Growers and processors that achieve process validation are authorized to transfer, sell or process such products;
- Prohibits kief from being transferred or sold except as authorized by OSDH;
- No longer requires medical marijuana products to have a label containing a universal symbol indicating the product contains THC;
- Deems all monthly report, inventory tracking and seed-to-sale information confidential and exempt from the Oklahoma Open Records Act;
- Allows OSDH to share confidential information with other state agencies to ensure compliance, excluding information concerning licensed patients;
- Transfers the power to recommend rules regarding to cultivation and manufacturing of medical marijuana products from the Food Safety Standards Board to the Medical Marijuana Advisory Council, to which OSDH may appoint up to eight members in addition to the 12 members required in statute;
- Requires a tag to be affixed to any medical marijuana product that has failed to meet requirements that provides a notice of said suspected violation and that the product is embargoed. The State Commissioner of Health may institute action in district court for the condemnation and destruction of the embargoed product if it is found to not meet requirements or be unsafe. The court may order the product be delivered to the defendant, under supervision, under certain conditions;
- Excludes seeds from the definition of *medical marijuana waste* and no longer requires the services of a waste disposal facility to destroy marijuana stalks;
- Removes requirement that commercial, research and education facilities engaged in the disposal of medical marijuana maintain certain documentation;
- No longer requires a medical marijuana waste disposal license to possess or transport waste; and
- No longer accepts an equivalent amount of alternate financial assurance in lieu of liability insurance.

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Fiscal Analysis

The measure is currently under review and impact information will be completed.

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Other Considerations

None.