

Bill Summary
1st Session of the 58th Legislature

Bill No.:	SB 1033
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Bill Analysis

SB 1033 caps the number of patients a caregiver may cultivate medical marijuana plants for at no more than 5 licensed patients. The measure provides for medical marijuana establishments to maintain a building within 1000 feet of a new school building provided the license for such an establishment was granted prior to the establishment of the building or there was an error of measurement as it relates to the distance of the dispensary from the school. The measurement shall be based on the distance in a straight line from the school door nearest the front door of the retail marijuana establishment to the front door of the retail marijuana establishment. The measure also clarifies that any original medical marijuana business license issued on or after June 26, 2018, by the Authority, for a medical marijuana commercial grower, a medical marijuana processor, or a medical marijuana dispensary shall be deemed to have been grandfathered into the location on the date the original license was first issued and provides for the grandfathered status to be transferred is a change in ownership occurs.

The Medical Marijuana Authority shall not deny any issuance or renewal of licensure, deny any transfer of licensure due to a change in ownership, or revoke any license due to mistake in measurement by the Authority. The measure authorizes municipalities to object to the continued licensure of the grandfathered medical marijuana dispensary when it is operating contrary to the required setback distance from a public or private school. Upon the municipal government providing the required documentation outlined in the measure, the Authority shall not renew or transfer the medical marijuana dispensary license and shall cause the license to be revoked.

The measure also clarifies that “marijuana” shall not include any plant or material containing delta-8 or delta-10 tetrahydrocannabinol which is grown, processed or sold pursuant to the provisions of the Oklahoma Industrial Hemp Program. The State Department of Health is authorized by the measure to enter into and negotiate the terms of a Memorandum of Understanding between the Department and other state agencies concerning the enforcement of laws regulating medical marijuana by the measure. Additionally, the measure requires each medical marijuana research facility, medical marijuana education facility, and medical marijuana waste disposal facility develop written standard operating procedures outlining the way it operates its seed-to-sale tracking system.

Additionally, the measure authorizes a publicly traded company as defined in the measure may purchase up to 40% of the equity in an existing Oklahoma business that holds a valid Oklahoma medical marijuana grower, processor or transporter license. Such a business must hold a valid medical marijuana grower, processor or transporter license for at least 18 months prior to the

investment. A licensed medical marijuana dispensary shall not be qualified for investment or equity purchase. The measure also expands medical marijuana waste to include any products deemed to have failed laboratory testing and cannot be remediated or decontaminated. Medical marijuana waste shall also include products from a medical marijuana business facility deemed to have gone out of business or products that are unable to be lawfully transferred or sold to another commercial licensee. After November 1, 2021, the measure eliminates the cap on medical marijuana waste licenses that may be issued.

The State Department of Health is authorized by the measure to enter into a contract with the Oklahoma Tax Commission to collect and enforce the 7% tax on retail medical marijuana sales. The assessment, collection, and enforcement authority shall apply to any tax and any penalty or interest liability on retail medical marijuana sales existing at the time of contracting. The Commission may charge the Department a 1.5% fee on the gross collection proceeds.

CCR Changes

The Conference Committee Report for SB 1033 substitutes the engrossed language with the language described above.

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