

<DateSubmitted>

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB2646

By: Echols of the House and Taylor of the Senate

Title: Medical marijuana; clarifying duties of the Oklahoma Medical Marijuana Authority;
codification; effective date.

Together with Engrossed Senate 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 Senate recede from its amendment; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action _____ Date _____ Senate Action _____ Date _____

SENATE CONFEREES

Taylor _____

Leewright _____

Paxton _____

McCortney _____

Pugh _____

Brooks _____

1 STATE OF OKLAHOMA

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

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

By: Echols and Davis of the
House

and

Taylor and Rogers of the
Senate

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8
9
10 CONFERENCE COMMITTEE SUBSTITUTE

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

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

1 Department may share with law enforcement; providing
2 for an online verification system; directing the
3 Department to share list of marijuana-licensed
4 premises with state agencies; directing marijuana-
5 licensed businesses to submit certain documentation
6 when requesting a change in location; amending
7 Section 2, Chapter 11, O.S.L. 2019, as last amended
8 by Section 48, Chapter 161, O.S.L. 2020, Section 3,
9 Chapter 11, O.S.L. 2019, as amended by Section 6,
10 Chapter 477, O.S.L. 2019, Section 4, Chapter 11,
11 O.S.L. 2019, Section 6, Chapter 11, O.S.L. 2019, as
12 amended by Section 7, Chapter 477, O.S.L. 2019,
13 Section 7, Chapter 11, O.S.L. 2019, as amended by
14 Section 5, Chapter 509, O.S.L. 2019, Section 9,
15 Chapter 11, O.S.L. 2019, Section 10, Chapter 11,
16 O.S.L. 2019, as amended by Section 2, Chapter 390,
17 O.S.L. 2019, Section 11, Chapter 11, O.S.L. 2019,
18 Section 13, Chapter 11, O.S.L. 2019, Section 14,
19 Chapter 11, O.S.L. 2019, as last amended by Section
20 51, Chapter 161, O.S.L. 2020, Section 16, Chapter 11,
21 O.S.L. 2019, Section 17, Chapter 11, O.S.L. 2019, as
22 amended by Section 4, Chapter 312, O.S.L. 2019,
23 Section 18, Chapter 11, O.S.L. 2019, Section 19,
24 Chapter 11, O.S.L. 2019, Section 20, Chapter 11,
O.S.L. 2019, Section 22, Chapter 11, O.S.L. 2019 and
Section 23, Chapter 11, O.S.L. 2019, as amended by
Section 11, Chapter 477, O.S.L. 2019 (63 O.S. Supp.
2020, Sections 427.2, 427.3, 427.4, 427.6, 427.7,
427.9, 427.10, 427.11, 427.13, 427.14, 427.16,
427.17, 427.18, 427.19, 427.20, 427.22 and 427.23),
which relate to the Oklahoma Medical Marijuana and
Patient Protection Act; updating references to
certain named act; modifying scope of certain
definitions; deleting certain definitions; clarifying
duties of the Oklahoma Medical Marijuana Authority;
authorizing the Authority to establish fee schedule
and collect fees; removing notice requirement for
inspections; providing for regulations on information
to be submitted; specifying information to be
submitted; requiring medical marijuana business
licensees to submit samples to a quality assurance
laboratory under certain circumstances; limiting
samples to certain number per year; providing for
cost of submitted samples; allowing for on-site
inspections and investigations of medical marijuana
businesses and certain facilities; authorizing the
Department to enter certain facilities; providing for

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

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

1 commercial growers to transfer medical marijuana to
2 licensed processors for decontamination or
3 remediation; prohibiting the sale or transfer of
4 kief; eliminating certain labeling requirement;
5 clarifying terms of application fee for medical
6 marijuana research license and medical marijuana
7 education facility license; clarifying certain
8 application process requirement for medical marijuana
9 education facility license applicants; declaring all
10 medical marijuana patient and caregiver records
11 confidential and exempt from the Oklahoma Open
12 Records Act; making certain records submitted to the
13 Department confidential and exempt from the Oklahoma
14 Open Records Act; authorizing the Department to share
15 confidential information with other state agencies;
16 modifying name of entity that recommends certain
17 rules to the State Commissioner of Health;
18 authorizing the Department to appoint additional
19 members to the Medical Marijuana Advisory Council;
20 specifying makeup of Council; authorizing the
21 Department to tag or mark medical marijuana and
22 medical marijuana product under certain conditions;
23 authorizing the Department to embargo medical
24 marijuana and medical marijuana product; making the
removal or disposal of embargoed medical marijuana
and medical marijuana product without permission
unlawful; allowing the State Commissioner of Health
to institute actions in district court for the
condemnation and destruction of embargoed medical
marijuana and medical marijuana product that fails to
meet certain requirements; providing for the removal
of embargo after certain determination by the
Commissioner; providing exemption from liability;
providing for the destruction of medical marijuana
and medical marijuana product upon findings made by
the court; requiring expenses associated with
destruction, court costs and fees to be paid by owner
or defendant; authorizing courts to order delivery of
medical marijuana and medical marijuana product to
owner or defendant under certain circumstances;
directing expenses for supervision be paid to
Commissioner by certain person; amending Sections 2,
3 and 4, Chapter 337, O.S.L. 2019 (63 O.S. Supp.
2020, Sections 428.1, 429 and 430), which relate to
the Oklahoma Medical Marijuana Waste Management Act;
updating name of act; modifying scope of certain
definitions; authorizing the destruction of marijuana

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

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

SECTION 1. AMENDATORY Section 1, State Question No. 788,
Initiative Petition No. 412, as last amended by Section 44, Chapter
161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), is amended to
read as follows:

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

1. Consume marijuana legally;

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

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

5 4. Legally possess six seedling plants;

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

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

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

13 8. Legally possess seventy-two ounces (72) ounces of topical
14 marijuana.

15 B. Possession of up to one and one-half (1.5) ounces or forty-
16 two and forty-five one-hundredths (42.45) grams of marijuana by
17 persons who can state a medical condition, but are not in possession
18 of a state-issued medical marijuana patient license, shall
19 constitute a misdemeanor offense not subject to imprisonment but
20 punishable by a fine not to exceed Four Hundred Dollars (\$400.00)
21 ~~and shall not be subject to imprisonment for the offense.~~ Any law
22 enforcement officer who comes in contact with a person in violation
23 of this subsection and who is satisfied as to the identity of the
24 person, as well as any other pertinent information the law

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

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

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

22 E. A short-term medical marijuana patient license application
23 shall also be made available on the website of the State Department
24 of Health. A short-term medical marijuana patient license shall be

1 granted to any applicant who can meet the requirements for a two-
2 year medical marijuana patient license, but whose physician
3 recommendation for medical marijuana is only valid for sixty (60)
4 days. Short-term medical marijuana patient licenses shall be issued
5 for sixty (60) days. The fee for a short-term medical marijuana
6 patient license, reprints of the short-term medical marijuana
7 patient license and the procedure for extending or renewing the
8 license shall be determined by the Department.

9 F. A temporary medical marijuana patient license application
10 shall also be ~~made~~ available on the website of the State Department
11 of Health for residents of other states. ~~A temporary~~ Temporary
12 medical marijuana ~~license~~ patient licenses shall be granted to ~~any~~
13 medical marijuana license holder holders from other states, provided
14 that ~~the state has a~~ such states have state-regulated medical
15 marijuana ~~program,~~ programs and ~~the applicant~~ applicants can prove
16 ~~he or she is a member~~ they are members of such ~~program~~ programs.
17 Temporary medical marijuana patient licenses shall be issued for
18 thirty (30) days. The cost for a temporary medical marijuana
19 patient license shall be One Hundred Dollars (\$100.00). Renewal
20 shall be granted with resubmission of a new application. No
21 additional criteria shall be required. Reprints of the temporary
22 medical marijuana patient license shall be Twenty Dollars (\$20.00).

23 G. Medical marijuana patient license applicants shall submit
24 ~~his or her~~ their applications to the State Department of Health for

1 approval. The applicant shall be ~~an~~ a resident of Oklahoma state
2 ~~resident~~ and shall prove residency by a valid driver license,
3 utility bills, or other accepted methods.

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

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

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

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

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

5 ~~L.~~ K. A caregiver license shall be made available for qualified
6 caregivers of a medical marijuana patient license holder who is
7 homebound. As provided in Section ~~41~~ 427.11 of ~~Enrolled House Bill~~
8 ~~No. 2612 of the 1st Session of the 57th Oklahoma Legislature~~ this
9 title, the caregiver license shall provide the caregiver the same
10 rights as the medical marijuana patient licensee, including the
11 ability to possess marijuana, marijuana products and mature and
12 immature plants pursuant to the Oklahoma Medical Marijuana and
13 Patient Protection Act, but excluding the ability to use marijuana
14 or marijuana products unless the caregiver has a medical marijuana
15 patient license. ~~An applicant~~ Applicants for a caregiver license
16 shall submit proof of the license status and homebound status of the
17 medical marijuana patient and proof that the applicant is the
18 designee of the medical marijuana patient. The applicant shall also
19 submit proof that he or she is eighteen (18) years of age or older
20 and proof of his or her Oklahoma residency. ~~This shall be the only~~
21 ~~criteria for a caregiver license.~~

22 ~~M.~~ L. All applicants for a medical marijuana patient license
23 shall be eighteen (18) years of age or older. A special exception
24 shall be granted to an applicant under the age of eighteen (18);

1 however, these applications shall be signed by two physicians and
2 the parent or legal guardian of the applicant.

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

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

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

20 Section 421. A. The ~~Oklahoma~~ State Department of Health shall,
21 within thirty (30) days of passage of this initiative, make
22 available~~7~~ on ~~their~~ its website~~7~~, in an ~~easy-to-find~~ easy-to-find
23 location~~7~~, an application for a medical marijuana dispensary license.
24 The application fee shall be Two Thousand Five Hundred Dollars

1 (\$2,500.00) ~~and a.~~ A method of payment ~~will~~ shall be provided on
2 the website of the Department. ~~Retail Dispensary~~ applicants must
3 all be ~~Oklahoma state~~ residents of Oklahoma. Any entity applying
4 for a ~~retail dispensary~~ license must be owned by an Oklahoma ~~state~~
5 resident and must be registered to do business in Oklahoma. The
6 ~~Oklahoma State Department of Health~~ shall have ~~two (2) weeks~~ ninety
7 (90) business days to review the application, ; approve ~~or,~~ reject or
8 deny the application, ; and mail the ~~approval/rejection~~ approval,
9 rejection or denial letter ~~(if rejected,~~ stating reasons for
10 ~~rejection)~~ the rejection or denial to the applicant.

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

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

15 2. ~~Any~~ The applicant, if applying as an individual, must show
16 residency in the State of Oklahoma;

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

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

22 5. All applying individuals or entities must be registered to
23 conduct business in the State of Oklahoma; and

24

1 6. All applicants must disclose all ownership interests in the
2 dispensary.

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

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

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

18 E. No dispensary shall display, offer or allow handling,
19 smelling or otherwise physical contact with any medical marijuana
20 not contained in a sealed or separate package by a medical marijuana
21 patient licensee or caregiver licensee or other member of the
22 public. Provided, such prohibition shall not preclude an employee
23 of the dispensary from handling loose or nonpackaged medical
24 marijuana to be placed in packaging consistent with the Oklahoma

1 Medical Marijuana and Patient Protection Act and the rules
2 promulgated by the Authority for the packaging of medical marijuana
3 for retail sale. Provided, further, such prohibition shall not
4 prevent a dispensary from displaying samples of its medical
5 marijuana in separate display cases, jars or other containers and
6 allowing medical marijuana patient licensees and caregiver licensees
7 the ability to handle or smell the various samples as long as the
8 sample medical marijuana is used for display purposes only and is
9 not offered for retail sale.

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

13 Section 422. A. The ~~Oklahoma~~ State Department of Health ~~will~~
14 shall, within thirty (30) days of passage of this initiative, make
15 ~~available,~~ on ~~their~~ its website, ~~in an easy-to-find~~ easy-to-find
16 ~~location,~~ an application for a commercial grower license. The
17 application fee ~~will~~ shall be Two Thousand Five Hundred Dollars
18 (\$2,500.00) ~~and methods.~~ A method of payment ~~will~~ shall be provided
19 on the website of the Department. The ~~Oklahoma~~ State Department of
20 Health ~~has two (2) weeks~~ shall have ninety (90) days to review the
21 application,; ~~approve or,~~ reject or deny the application,; and mail
22 ~~the approval/rejection~~ approval, rejection or denial letter ~~(if~~
23 ~~rejected,~~ stating the reasons for rejection) the rejection or denial
24 to the applicant.

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

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

5 2. ~~Any~~ The applicant, if applying as an individual, must show
6 residency in the State of Oklahoma;

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

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

12 5. All applying individuals or entities must be registered to
13 conduct business in the State of Oklahoma; and

14 6. All applicants must disclose all ownership ~~+~~ interests in the
15 commercial grower operation.

16 7. ~~Applicant(s)~~ Applicants with ~~only~~ a nonviolent felony
17 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
18 conviction in the last five (5) years, inmates ~~+~~ in the custody of
19 the Department of Corrections or any person currently incarcerated
20 ~~may~~ shall not qualify for a commercial grower license.

21 C. A licensed commercial grower may sell marijuana to a
22 licensed ~~retailer~~ dispensary or a licensed ~~packager~~ processor.
23 Further, ~~these sales will~~ by a licensed commercial grower shall be
24 considered wholesale sales and shall not be subject to taxation.

1 Under no circumstances may a licensed commercial grower sell
2 marijuana directly to a licensed medical marijuana ~~license holder~~
3 patient or licensed caregiver. A licensed commercial grower may
4 only sell at the wholesale level to a licensed ~~retailer~~ dispensary,
5 a licensed grower or a licensed processor. If the federal
6 government lifts restrictions on buying and selling marijuana
7 between states, then a licensed commercial grower would be allowed
8 to sell and buy marijuana wholesale from, or to, an ~~out-of-state~~
9 out-of-state wholesale provider. A licensed commercial grower ~~will~~
10 shall be required to complete a monthly yield and sales report to
11 the ~~Oklahoma~~ State Department of Health. This report ~~will~~ shall be
12 due on the ~~15th~~ fifteenth of each month and provide reporting on the
13 previous month. This report ~~will~~ shall detail the amount of
14 marijuana harvested in pounds, the amount of drying or dried
15 marijuana on hand, the amount of marijuana sold to licensed
16 processors in pounds, the amount of waste in pounds, and the amount
17 of marijuana sold to ~~retailers~~ licensed dispensaries in ~~lbs~~ pounds.
18 Additionally, this report ~~will~~ shall show total wholesale sales in
19 dollars. The ~~Oklahoma~~ State Department of Health ~~will~~ shall have
20 oversight and auditing responsibilities to ensure that all marijuana
21 being grown by licensed commercial growers is accounted for. A
22 ~~licensed grower will only be subject to a penalty if a gross~~
23 ~~discrepancy exists and cannot be explained. Penalties for~~
24 ~~fraudulent reporting or sales occurring within any 2 year time~~

1 ~~period will be an initial fine of Five Thousand Dollars (\$5,000.00)~~
2 ~~(first) and revocation of licensing (second).~~

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

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

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

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

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

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

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

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

16 2. ~~Any~~ The applicant, if applying as an individual, must show
17 residency in the State of Oklahoma;

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

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

23 5. All applying individuals or entities must be registered to
24 conduct business in the State of Oklahoma; and

1 6. All applicants must disclose all ownership ~~interests~~ interests in the
2 processing operation.

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

8 C. 1. A licensed processor may take marijuana plants and
9 distill or process these plants into concentrates, edibles, and
10 other forms for consumption.

11 2. As required by subsection D of this section, the ~~Oklahoma~~
12 State Department of Health ~~will~~ shall, within sixty (60) days of
13 passage of this initiative, make available a set of standards which
14 ~~will~~ shall be used by licensed processors in the preparation of
15 edible marijuana products. ~~This~~ The standards should be in line
16 with current food preparation guidelines ~~and no.~~ No excessive or
17 punitive rules may be established by the ~~Oklahoma~~ State Department
18 of Health. ~~Once~~

19 3. Up to two times a year, the ~~Oklahoma~~ State Department of
20 Health may inspect a processing operation and determine its
21 compliance with the preparation standards. If deficiencies are
22 found, a written report of deficiency ~~will~~ shall be issued to the
23 licensed processor. The licensed processor ~~will~~ shall have one (1)
24

1 month to correct the deficiency or be subject to a fine of Five
2 Hundred Dollars (\$500.00) for each deficiency.

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

7 5. Under no circumstances may a licensed processor sell
8 marijuana~~,~~ or any marijuana product~~,~~ directly to a licensed medical
9 marijuana ~~license holder~~ patient or licensed caregiver. However, a
10 licensed processor may process cannabis into a concentrated form~~,~~
11 for a licensed medical ~~license holder,~~ marijuana patient for a fee.
12 ~~Processors will~~

13 6. Licensed processors shall be required to complete a monthly
14 yield and sales report to the ~~Oklahoma~~ State Department of Health.
15 This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month
16 and shall provide reporting on the previous month. This report ~~will~~
17 shall detail the amount of marijuana and medical marijuana products
18 purchased in pounds, the amount of marijuana cooked or processed in
19 pounds, and the amount of waste in pounds. Additionally, this
20 report ~~will~~ shall show total wholesale sales in dollars. The
21 ~~Oklahoma~~ State Department of Health ~~will~~ shall have oversight and
22 auditing responsibilities to ensure that all marijuana being ~~grown~~
23 processed is accounted for. ~~A licensed processor will only be~~
24 ~~subject to a penalty if a gross discrepancy exists and cannot be~~

1 ~~explained. Penalties for fraudulent reporting occurring within any~~
2 ~~2 year time period will be an initial fine of Five Thousand Dollars~~
3 ~~(\$5,000.00) (first) and revocation of licensing (second).~~

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

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

21 F. Any device used for the processing or consumption of medical
22 marijuana shall be considered legal to be sold, manufactured,
23 distributed~~7~~ and possessed. No merchant, wholesaler, manufacturer~~7~~
24 or individual may ~~unduly~~ be unduly harassed or prosecuted for

1 selling, manufacturing, or ~~possession of medical~~ possessing
2 marijuana paraphernalia.

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

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

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

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

20 2. patient licensee. Employers may take action against a ~~holder~~
21 ~~of a medical marijuana license~~ patient licensee if the ~~holder~~
22 licensee uses or possesses marijuana while in his or her place of
23 employment or during the hours of employment. Employers may not
24 take action against ~~the holder of a medical marijuana license~~

1 patient licensee solely based upon the status of an employee as a
2 medical marijuana ~~license holder~~ patient licensee or the results of
3 a drug test showing positive for marijuana or its components.

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

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

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

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

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

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

19 G. The location of any ~~retail~~ medical marijuana ~~establishment~~
20 dispensary is specifically prohibited within one thousand (1,000)
21 feet of any public or private school ~~entrance~~. The distance
22 indicated in this section shall be measured from the nearest
23 property line of such public or private school to the nearest
24 perimeter wall of the licensed premises of such medical marijuana

1 dispensary. If a medical marijuana dispensary met the requirements
2 of this subsection at the time of its initial licensure, the medical
3 marijuana dispensary licensee shall be permitted to continue
4 operating at the licensed premises in the same manner and not be
5 subject to nonrenewal or revocation due to subsequent events or
6 changes in regulations occurring after licensure that would render
7 the medical marijuana dispensary in violation by being within one
8 thousand (1,000) feet of a public or private school. If any public
9 or private school is established within one thousand (1,000) feet of
10 any medical marijuana dispensary after such dispensary has been
11 licensed, the provisions of this subsection shall not be a deterrent
12 to the renewal of such license or warrant revocation of the license.
13 For purposes of this subsection, a property owned, used or operated
14 by a public or private school that is not used for classroom
15 instruction on core curriculum, such as an administrative building,
16 athletic facility, ballpark, field or stadium, shall not constitute
17 a public or private school unless such property is located on the
18 same campus as a building used for classroom instruction on core
19 curriculum.

20 H. Research shall be provided for under this law. A researcher
21 may apply to the State Department of Health for a special research
22 license. The research license shall be granted, provided the
23 applicant meets the criteria listed ~~under subsection B of Section~~
24 ~~421 of this title~~ in the Medical Marijuana and Patient Protection

1 Act. Research ~~license holders~~ licensees shall be required to file
2 monthly consumption reports to the State Department of Health with
3 amounts of marijuana used for research. Biomedical and clinical
4 research which is subject to federal regulations and institutional
5 oversight shall not be subject to oversight by the State Department
6 of Health ~~oversight~~.

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

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

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

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

23
24

1 SECTION 7. AMENDATORY Section 4, Chapter 509, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 426.1), is amended to read as
3 follows:

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

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

21 C. The State Department of Health shall make available all
22 information ~~displayed on medical marijuana licenses, as well as on~~
23 whether or not ~~the~~ a medical marijuana patient or caregiver license
24

1 is valid, to law enforcement electronically through ~~the Oklahoma Law~~
2 ~~Enforcement Telecommunications System~~ an online verification system.

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

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

22 SECTION 8. 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 licensed medical
8 marijuana processor, to prepare and package noninfused pre-rolled
9 medical marijuana, and to sell medical marijuana or medical
10 marijuana products to licensed patients and caregivers as defined
11 ~~under in this act~~ section, or sell or transfer products to another
12 licensed dispensary;

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

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

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

24

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. ~~20.~~ "Harvested marijuana" means ~~post-flowering~~
8 postflowering medical marijuana not including trim, concentrate or
9 waste;

10 22. ~~21.~~ "Heat- or pressure-based medical marijuana concentrate"
11 means a medical marijuana concentrate that was produced by
12 extracting cannabinoids from medical marijuana through the use of
13 heat or pressure;

14 23. ~~22.~~ "Immature plant" means a nonflowering marijuana plant
15 that has not demonstrated signs of flowering;

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

1 ~~25.~~ 24. "Licensed patient" or "patient" means a person who has
2 been issued a medical marijuana patient license by the State
3 Department of Health or Oklahoma Medical Marijuana Authority;

4 ~~26.~~ 25. "Licensed premises" means the premises specified in an
5 application for a medical marijuana business license, medical
6 marijuana research facility license or medical marijuana education
7 facility license pursuant to ~~this act~~ the Oklahoma Medical Marijuana
8 and Patient Protection Act that are owned or in possession of the
9 licensee and within which the licensee is authorized to cultivate,
10 manufacture, distribute, sell, store, transport, test or research
11 medical marijuana or medical marijuana products in accordance with
12 the provisions of ~~this act~~ the Oklahoma Medical Marijuana and
13 Patient Protection Act and rules promulgated pursuant thereto;

14 ~~27.~~ 26. "Manufacture" means the production, propagation,
15 compounding or processing of a medical marijuana product, excluding
16 marijuana plants, either directly or indirectly by extraction from
17 substances of natural or synthetic origin, or independently by means
18 of chemical synthesis, or by a combination of extraction and
19 chemical synthesis;

20 ~~28.~~ 27. "Marijuana" shall have the same meaning as such term is
21 defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this
22 title;

23 ~~29.~~ 28. "Material change" means any change that would ~~require a~~
24 ~~substantive revision to the standard operating procedures of a~~

1 ~~licensee for the cultivation or production of medical marijuana,~~
2 ~~medical marijuana concentrate or medical marijuana products~~ affect
3 the qualifications for licensure of an applicant or licensee;

4 ~~30.~~ 29. "Mature plant" means a harvestable female marijuana
5 plant that is flowering;

6 ~~31.~~ 30. "Medical marijuana business (MMB)" means a licensed
7 medical marijuana dispensary, medical marijuana processor, medical
8 marijuana commercial grower, medical marijuana laboratory, medical
9 marijuana business operator, ~~or~~ a medical marijuana transporter;

10 ~~32.~~ 31. "Medical marijuana concentrate" or "concentrate" means
11 a specific subset of medical marijuana that was produced by
12 extracting cannabinoids from medical marijuana. Categories of
13 medical marijuana concentrate include water-based medical marijuana
14 concentrate, food-based medical marijuana concentrate, solvent-based
15 medical marijuana concentrate, and heat- or pressure-based medical
16 marijuana concentrate;

17 ~~33.~~ 32. "Medical marijuana commercial grower" or "commercial
18 grower" means an entity licensed to cultivate, prepare and package
19 medical marijuana or package medical marijuana as pre-rolls, and
20 transfer or contract for transfer medical marijuana and medical
21 marijuana pre-rolls to a medical marijuana dispensary, medical
22 marijuana processor, any other medical marijuana commercial grower,
23 medical marijuana research facility, or medical marijuana education
24 facility ~~and pesticide manufacturers~~. A commercial grower may sell

1 seeds, flower or clones to commercial growers pursuant to ~~this act~~
2 the Oklahoma Medical Marijuana and Patient Protection Act;

3 ~~34.~~ 33. "Medical marijuana education facility" or "education
4 facility" means a person or entity approved pursuant to ~~this act~~ the
5 Oklahoma Medical Marijuana and Patient Protection Act to operate a
6 facility providing training and education to individuals involving
7 the cultivation, growing, harvesting, curing, preparing, packaging
8 or testing of medical marijuana, or the production, manufacture,
9 extraction, processing, packaging or creation of medical-marijuana-
10 infused products or medical marijuana products as described in ~~this~~
11 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

12 ~~35.~~ 34. "Medical-marijuana-infused product" means a product
13 infused with medical marijuana including, but not limited to, edible
14 products, ointments and tinctures;

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

23 ~~37.~~ 36. "Medical marijuana processor" means a person or entity
24 licensed pursuant to ~~this act~~ the Oklahoma Medical Marijuana and

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

6 ~~38.~~ 37. "Medical marijuana research facility" or "research
7 facility" means a person or entity approved pursuant to ~~this act~~ the
8 Oklahoma Medical Marijuana and Patient Protection Act to conduct
9 medical marijuana research. A medical marijuana research facility
10 is not a medical marijuana business;

11 ~~39.~~ 38. "Medical marijuana testing laboratory" or "laboratory"
12 means a public or private laboratory licensed pursuant to ~~this act~~
13 the Oklahoma Medical Marijuana and Patient Protection Act, to
14 conduct testing and research on medical marijuana and medical
15 marijuana products;

16 ~~40.~~ 39. "Medical marijuana transporter" or "transporter" means
17 a person or entity that is licensed pursuant to ~~this act~~ the
18 Oklahoma Medical Marijuana and Patient Protection Act. A medical
19 marijuana transporter does not include a medical marijuana business
20 that transports its own medical marijuana, medical marijuana
21 concentrate or medical marijuana products to a property or facility
22 adjacent to or connected to the licensed premises if the property is
23 another licensed premises of the same medical marijuana business;

1 ~~41.~~ 40. "Medical marijuana waste" or "waste" means unused,
2 surplus, returned or out-of-date marijuana, plant debris of the
3 plant of the genus Cannabis, including dead plants and all unused
4 plant parts and roots, except the term shall not include roots,
5 stems, stalks and fan leaves;

6 ~~42.~~ 41. "Medical use" means the acquisition, possession, use,
7 delivery, transfer or transportation of medical marijuana, medical
8 marijuana products, medical marijuana devices or paraphernalia
9 relating to the administration of medical marijuana to treat a
10 licensed patient;

11 ~~43.~~ 42. "Mother plant" means a marijuana plant that is grown or
12 maintained for the purpose of generating clones, and that will not
13 be used to produce plant material for sale to a medical marijuana
14 processor or medical marijuana dispensary;

15 ~~44.~~ 43. "Oklahoma physician" or "physician" means a physician
16 licensed by and in good standing with the State Board of Medical
17 Licensure and Supervision, the State Board of Osteopathic Examiners
18 or the Board of Podiatric Medical Examiners;

19 ~~45.~~ 44. "Oklahoma resident" means an individual who can provide
20 proof of residency as required by ~~this act~~ the Oklahoma Medical
21 Marijuana and Patient Protection Act;

22 ~~46.~~ 45. "Owner" means, except where the context otherwise
23 requires, a direct beneficial owner including, but not limited to,
24 all persons or entities as follows:

- a. all shareholders owning an interest of a corporate entity and all officers of a corporate entity,
- b. all partners of a general partnership,
- c. all general partners and all limited partners that own an interest in a limited partnership,
- d. all members that own an interest in a limited liability company,
- e. all beneficiaries that hold a beneficial interest in a trust and all trustees of a trust,
- f. all persons or entities that own interest in a joint venture,
- g. all persons or entities that own an interest in an association,
- h. the owners of any other type of legal entity, and
- i. any other person holding an interest or convertible note in any entity which owns, operates or manages a licensed facility;

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

~~48.~~ 47. "Person" means a natural person, partnership, association, business trust, company, corporation, estate, limited liability company, trust or any other legal entity or organization, or a manager, agent, owner, director, servant, officer or employee

1 thereof, except that "person" does not include any governmental
2 organization;

3 ~~49.~~ 48. "Pesticide" means any substance or mixture of
4 substances intended for preventing, destroying, repelling or
5 mitigating any pest or any substance or mixture of substances
6 intended for use as a plant regulator, defoliant or desiccant,
7 except that the term "pesticide" shall not include any article that
8 is a "new animal drug" as designated by the United States Food and
9 Drug Administration;

10 ~~50.~~ 49. "Production batch" means:

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

20 ~~51.~~ 50. "Public institution" means any entity established or
21 controlled by the federal government, state government, or a local
22 government or municipality including, but not limited to,
23 institutions of higher education or related research institutions;

24

1 ~~52.~~ 51. "Public money" means any funds or money obtained by the
2 holder from any governmental entity including, but not limited to,
3 research grants;

4 ~~53.~~ 52. "Recommendation" means a document that is signed or
5 electronically submitted by a physician on behalf of a patient for
6 the use of medical marijuana pursuant to ~~this act~~ the Oklahoma
7 Medical Marijuana and Patient Protection Act;

8 ~~54.~~ 53. "Registered to conduct business" means a person that
9 has provided proof that the business applicant or licensee is in
10 good standing with the Oklahoma Secretary of State ~~and Oklahoma Tax~~
11 ~~Commission~~;

12 ~~55.~~ 54. "Remediation" means the process by which ~~the medical~~
13 ~~marijuana flower or trim, which has failed microbial~~ a harvest batch
14 or production batch that fails testing, ~~is processed into solvent-~~
15 ~~based medical marijuana concentrate~~ undergoes a procedure to remedy
16 the harvest batch or production batch and is retested ~~as required by~~
17 ~~this act~~ in accordance with Oklahoma laws, rules and regulations;

18 ~~56.~~ 55. "Research project" means a discrete scientific endeavor
19 to answer a research question or a set of research questions related
20 to medical marijuana and is required for a medical marijuana
21 research license. A research project shall include a description of
22 a defined protocol, clearly articulated goals, defined methods and
23 outputs, and a defined start and end date. The description shall
24 demonstrate that the research project will comply with all

1 requirements in ~~this act~~ the Oklahoma Medical Marijuana and Patient
2 Protection Act and rules promulgated pursuant thereto. All research
3 and development conducted by a medical marijuana research facility
4 shall be conducted in furtherance of an approved research project;

5 ~~57.~~ 56. "Revocation" means the final decision by the Department
6 that any license issued pursuant to ~~this act~~ the Oklahoma Medical
7 Marijuana and Patient Protection Act is rescinded because the
8 individual or entity does not comply with the applicable
9 requirements set forth in ~~this act~~ the Oklahoma Medical Marijuana
10 and Patient Protection Act or rules promulgated pursuant thereto;

11 ~~58.~~ 57. "School" means a ~~public or private preschool or a~~
12 public or private elementary, middle or ~~secondary~~ high school used
13 for school classes and instruction. A homeschool, daycare or child-
14 care facility shall not be considered a "school" as used in ~~this act~~
15 the Oklahoma Medical Marijuana and Patient Protection Act;

16 ~~59.~~ 58. "Shipping container" means a hard-sided container with
17 a lid or other enclosure that can be secured in place. A shipping
18 container is used solely for the transport of medical marijuana,
19 medical marijuana concentrate, or medical marijuana products between
20 medical marijuana businesses, a medical marijuana research facility,
21 or a medical marijuana education facility;

22 ~~60.~~ 59. "Solvent-based medical marijuana concentrate" means a
23 medical marijuana concentrate that was produced by extracting
24

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

3 ~~61.~~ 60. "State Question" means Oklahoma State Question No. 788,
4 Initiative Petition No. 412, approved by a majority vote of the
5 citizens of Oklahoma on June 26, 2018;

6 ~~62.~~ 61. "Strain" means the ~~classification~~ name given to a
7 particular variety of medical marijuana ~~or cannabis plants in either~~
8 ~~pure sativa, indica, afghanica, ruderalis or hybrid varieties that~~
9 is based on a combination of factors which may include, but is not
10 limited to, botanical lineage, appearance, chemical profile and
11 accompanying effects. An example of a "strain" would be "OG Kush"
12 or "Pineapple Express";

13 ~~63.~~ 62. "THC" means tetrahydrocannabinol, which is the primary
14 psychotropic cannabinoid in marijuana formed by decarboxylation of
15 naturally tetrahydrocannabinolic acid, which generally occurs by
16 exposure to heat;

17 ~~64.~~ "Test batch" ~~means with regard to usable marijuana, a~~
18 ~~homogenous, identified quantity of usable marijuana by strain, no~~
19 ~~greater than ten (10) pounds, that is harvested during a seven-day~~
20 ~~period from a specified cultivation area, and with regard to oils,~~
21 ~~vapors and waxes derived from usable marijuana, means an identified~~
22 ~~quantity that is uniform, that is intended to meet specifications~~
23 ~~for identity, strength and composition, and that is manufactured,~~

24

1 ~~packaged and labeled during a specified time period according to a~~
2 ~~single manufacturing, packaging and labeling protocol;~~

3 ~~65.~~ 63. "Transporter agent" means a person who transports
4 medical marijuana or medical marijuana products ~~for~~ as an employee
5 of a licensed transporter medical marijuana business and holds a
6 transporter agent license specific to that business pursuant to ~~this~~
7 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

8 ~~66.~~ 64. "Universal symbol" means the image established by the
9 State Department of Health or Oklahoma Medical Marijuana Authority
10 and made available to licensees through its website indicating that
11 the medical marijuana or the medical marijuana product contains THC;

12 ~~67.~~ 65. "Usable marijuana" means the dried leaves, flowers,
13 oils, vapors, waxes and other portions of the marijuana plant and
14 any mixture or preparation thereof, excluding ~~seed~~ seeds, roots,
15 stems, stalks and fan leaves; and

16 ~~68.~~ 66. "Water-based medical marijuana concentrate" means a
17 concentrate that was produced by extracting cannabinoids from
18 medical marijuana through the use of only water, ice, or dry ice.

19 SECTION 9. AMENDATORY Section 3, Chapter 11, O.S.L.
20 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
21 Supp. 2020, Section 427.3), is amended to read as follows:

22 Section 427.3. A. There is hereby created the Oklahoma Medical
23 Marijuana Authority within the State Department of Health which
24 shall address issues related to the medical marijuana program in

1 Oklahoma including, but not limited to, the issuance of patient
2 licenses and medical marijuana business licenses, and the
3 dispensing, cultivating, processing, testing, transporting, storage,
4 research, and the use of and sale of medical marijuana pursuant to
5 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

6 B. The Department shall provide support staff to perform
7 designated duties of the Authority. The Department shall also
8 provide office space for meetings of the Authority.

9 C. The Department shall implement the provisions of ~~this act~~
10 the Oklahoma Medical Marijuana and Patient Protection Act
11 consistently with the voter-approved State Question No. 788,
12 Initiative Petition No. 412, subject to the provisions of ~~this act~~
13 the Oklahoma Medical Marijuana and Patient Protection Act.

14 D. The Department shall exercise its respective powers and
15 perform its respective duties and functions as specified in ~~this act~~
16 the Oklahoma Medical Marijuana and Patient Protection Act and ~~Title~~
17 ~~63 of the Oklahoma Statutes~~ this title including, but not limited
18 to, the following:

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

- 23 a. public health policy and public safety policy,
24 b. agronomic and horticultural best practices, and

1 c. medical and pharmacopoeia best practices;

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

6 3. Upon complaint or upon its own motion and upon a completed
7 investigation, levy fines as prescribed in ~~this act~~ applicable laws,
8 rules and regulations and suspend ~~or,~~ revoke or not renew licenses
9 pursuant to ~~this act~~ applicable laws, rules and regulations;

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

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

16 6. Inspect and examine, ~~with notice provided in accordance with~~
17 ~~this act,~~ all licensed premises of medical marijuana businesses,
18 research facilities ~~and,~~ education facilities and waste disposal
19 facilities in which medical marijuana is cultivated, manufactured,
20 sold, stored, transported, tested ~~or,~~ distributed or disposed of;

21 7. Upon action by the federal government by which the
22 production, sale and use of marijuana in Oklahoma does not violate
23 federal law, work with the Oklahoma State Banking Department and the
24

1 State Treasurer to develop good practices and standards for banking
2 and finance for medical marijuana businesses;

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

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

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

12 11. Establish regulations which require a medical marijuana
13 business to submit information to the Oklahoma Medical Marijuana
14 Authority deemed reasonably necessary to assist the Authority in the
15 prevention of diversion of medical marijuana by a licensed medical
16 marijuana business. Such information required by the Authority may
17 include, but shall not be limited to:

- 18 a. the square footage of the licensed premise,
- 19 b. a diagram of the licensed premise,
- 20 c. the number and type of lights at the licensed medical
21 marijuana commercial grower business,
- 22 d. the number, type and production capacity of equipment
23 located at the medical marijuana processing facility,

24

- 1 e. the names, addresses and telephone numbers of
2 employees or agents of a medical marijuana business,
3 f. employment manuals and standard operating procedures
4 for the medical marijuana business, and
5 g. any other information as the Authority reasonably
6 deems necessary.

7 SECTION 10. AMENDATORY Section 4, Chapter 11, O.S.L.
8 2019 (63 O.S. Supp. 2020, Section 427.4), is amended to read as
9 follows:

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

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

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

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

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

4 D. The Commissioner may delegate to any officer or employee of
5 the Department any of the powers of the Executive Director and may
6 designate any officer or employee of the Department to perform any
7 of the duties of the Executive Director.

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

11 F. The Department is hereby authorized to create employment
12 positions necessary for the implementation of its obligations
13 pursuant to ~~this act,~~ the Oklahoma Medical Marijuana and Patient
14 Protection Act including, but not limited to, Authority
15 investigators and a senior director of enforcement. The Department
16 and the Authority, the senior director of enforcement, the Executive
17 Director, and Department investigators shall have all the powers of
18 any peace officer to:

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

22 2. Serve all warrants, summonses, subpoenas, administrative
23 citations, notices or other processes relating to the enforcement of
24

1 laws regulating medical marijuana, concentrate, and medical
2 marijuana product;

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

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

12 5. Require applicants and licensees to submit complete and
13 current applications, information and fees required by ~~this act~~ the
14 Oklahoma Medical Marijuana and Patient Protection Act, the Oklahoma
15 Medical Marijuana Waste Management Act and Sections 420 through
16 426.1 of this title and fees, and approve material changes made by
17 the applicant or licensee;

18 6. Require medical marijuana business licensees to submit a
19 sample or unit of medical marijuana or medical marijuana product to
20 the quality assurance laboratory when the Department has reason to
21 believe the medical marijuana or medical marijuana product may be
22 unsafe for patient consumption or inhalation or has not been tested
23 in accordance with the provisions of the Oklahoma Medical Marijuana
24 and Patient Protection Act and the rules and regulations of the

1 Department. The licensee shall provide the samples or units of
2 medical marijuana or medical marijuana products at its own expense
3 but shall not be responsible for the costs of testing; and

4 7. Require medical marijuana business licensees to periodically
5 submit samples or units of medical marijuana or medical marijuana
6 products to the quality assurance lab for quality assurance
7 purposes. Licensed growers, processors, dispensaries and
8 transporters shall not be required to submit samples or units of
9 medical marijuana or medical marijuana products more than twice a
10 year. The licensee shall provide the samples or units of medical
11 marijuana or medical marijuana products at its own expense but shall
12 not be responsible for the costs of testing.

13 SECTION 11. AMENDATORY Section 6, Chapter 11, O.S.L.
14 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S.
15 Supp. 2020, Section 427.6), is amended to read as follows:

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

20 B. 1. The Department or its designee may perform on-site
21 ~~assessments~~ inspections or investigations of a licensee or applicant
22 for any medical marijuana business license ~~issued pursuant to this~~
23 ~~act,~~ research facility, education facility or waste disposal
24 facility to determine compliance with ~~this act~~ applicable laws,

1 rules and regulations or submissions made pursuant to this section.
2 The Department may enter the licensed premises of a medical
3 marijuana business, research facility, education facility or waste
4 disposal facility licensee or applicant to assess or monitor
5 compliance or ensure qualifications for licensure.

6 2. ~~Inspections~~ Post-licensure inspections shall be limited to
7 twice per calendar year ~~and twenty-four (24) hours of notice shall~~
8 ~~be provided to a medical marijuana business applicant or licensee~~
9 ~~prior to an on-site assessment~~. However, investigations and
10 additional inspections may occur when the Department ~~shows that~~
11 believes an investigation or additional inspection is necessary due
12 to a possible violation of ~~this act~~ applicable laws, rules or
13 regulations. ~~Such inspection may be without notice if the~~
14 ~~Department believes that such notice will result in the destruction~~
15 ~~of evidence~~ The State Commissioner of Health may adopt rules
16 imposing penalties including, but not limited to, monetary fines and
17 suspension or revocation of licensure for failure to allow the
18 Authority reasonable access to the licensed premise for purposes of
19 conducting an inspection.

20 3. The Department may review relevant records of a licensed
21 medical marijuana business, licensed medical marijuana research
22 facility ~~or~~, licensed medical marijuana education facility or
23 licensed medical marijuana waste disposal facility, and may require
24 and conduct interviews with such persons or entities and persons

1 affiliated with such entities, for the purpose of determining
2 compliance with Department requirements and applicable laws, rules
3 and regulations. ~~However, prior to conducting any interviews with~~
4 ~~the medical marijuana business, research facility or education~~
5 ~~facility, the licensee shall be afforded sufficient time to secure~~
6 ~~legal representation during such questioning if requested by the~~
7 ~~business or facility or any of its agents or employees or~~
8 ~~contractors.~~

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

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

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

19 E. Disciplinary actions may be imposed upon a medical marijuana
20 business licensee for:

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

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

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

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

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

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

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

12 8. Failure to pay a required monetary penalty;

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

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

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

20 F. Disciplinary actions against a licensee may include the
21 imposition of monetary penalties, which may be assessed by the
22 Department. The Department may suspend or revoke a license for
23 failure to pay any monetary penalty lawfully assessed by the
24 Department against a licensee.

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

6 Penalties for grossly inaccurate or fraudulent reporting occurring
7 within any two-year time period may include an initial fine of Five
8 Thousand Dollars (\$5,000.00) for a first violation and a fine of Ten
9 Thousand Dollars (\$10,000.00) for any subsequent violation. The
10 medical marijuana business may be subject to a revocation of any
11 license granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana
12 and Patient Protection Act upon a showing that the violation was
13 willful or grossly negligent.

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

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

1 I. ~~The following persons or entities may request a hearing to~~
2 ~~contest an action or proposed action of~~ In addition to any other
3 remedies provided for by law, the Department~~;~~

4 1. ~~A medical marijuana business, research facility or education~~
5 ~~facility licensee whose license has been summarily suspended or who~~
6 ~~has received a notice of contemplated action to suspend or revoke a~~
7 ~~license or take other,~~ pursuant to its rules and regulations, may
8 issue a written order to any licensee the Department has reason to
9 believe has violated Sections 420 through 426.1 of this title, the
10 Oklahoma Medical Marijuana and Patient Protection Act, the Oklahoma
11 Medical Marijuana Waste Management Act, or any rules promulgated by
12 the State Commissioner of Health and to whom the Department has
13 served, not less than thirty (30) days previously, a written notice
14 of violation of such statutes or rules.

15 1. The written order shall state with specificity the nature of
16 the violation. The Department may impose any disciplinary action;
17 ~~and~~

18 2. ~~A patient or caregiver licensee whose license has been~~
19 ~~summarily suspended or who has received notice of contemplated~~
20 ~~action to suspend or revoke a license or take other disciplinary~~
21 ~~action~~ authorized under the provisions of this section including,
22 but not limited to, the assessment of monetary penalties.

23 2. Any order issued pursuant to the provisions of this section
24 shall become a final order unless, not more than thirty (30) days

1 after the order is served to the licensee, the licensee requests an
2 administrative hearing in accordance with the rules and regulations
3 of the Department. Upon such request, the Department shall promptly
4 initiate administrative proceedings.

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

21 K. All hearings held pursuant to this section shall be in
22 accordance with the Oklahoma Administrative Procedures Act, ~~Section~~
23 ~~250 et seq. of Title 75 of the Oklahoma Statutes.~~

24

1 SECTION 12. AMENDATORY Section 7, Chapter 11, O.S.L.
2 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
3 Supp. 2020, Section 427.7), is amended to read as follows:

4 Section 427.7. A. The Oklahoma Medical Marijuana Authority
5 shall create a medical marijuana use registry of patients and
6 caregivers as provided under this section. The handling of any
7 records maintained in the registry shall comply with all ~~relevant~~
8 applicable state and federal privacy laws ~~including, but not limited~~
9 ~~to, the Health Insurance Portability and Accountability Act of 1996~~
10 ~~(HIPAA).~~

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

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

15 2. Any court in this state.

16 C. All other records regarding a medical marijuana patient or
17 caregiver licensee shall be maintained by the Authority and shall be
18 deemed confidential. The handling of any records maintained by the
19 Authority shall comply with all ~~relevant~~ applicable state and
20 federal privacy laws ~~including, but not limited to, the Health~~
21 ~~Insurance Portability and Accountability Act of 1996 (HIPAA).~~ Such
22 records shall be marked as confidential, shall not be made available
23 to the public, and shall only be made available to the licensee,
24

1 designee of the licensee, any physician of the licensee or the
2 caregiver of the licensee.

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

6 E. The ~~Department~~ Authority shall ensure that all ~~application~~
7 medical marijuana patient and caregiver records and information are
8 sealed to protect the privacy of medical marijuana patient license
9 applicants and licensees.

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

13 Section 427.9. A. The Oklahoma Medical Marijuana Authority may
14 contact the recommending physician of an applicant for a medical
15 marijuana patient license or current holder of a medical marijuana
16 patient license to verify the need of the applicant or licensee for
17 the license and the information submitted with the application.

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

1 have an option to submit the license application and payment by
2 means other than solely by submission of the application and fee
3 online.

4 C. The patient license shall be valid for up to two (2) years
5 from the date of issuance, unless the recommendation of the
6 physician is terminated pursuant to ~~this act~~ the Oklahoma Medical
7 Marijuana and Patient Protection Act or revoked by the Department.

8 SECTION 14. AMENDATORY Section 10, Chapter 11, O.S.L.
9 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
10 Supp. 2020, Section 427.10), is amended to read as follows:

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

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

19 C. No physician shall be subject to arrest, prosecution or
20 penalty in any manner or denied any right or privilege under
21 Oklahoma state, municipal or county statute, ordinance or
22 resolution, including without limitation a civil penalty or
23 disciplinary action by the State Board of Medical Licensure and
24 Supervision ~~or~~, the State Board of Osteopathic Examiners, the Board

1 of Podiatric Medical Examiners or by any other business, occupation
2 or professional licensing board or bureau, solely for providing a
3 medical marijuana recommendation for a patient or for monitoring,
4 treating or prescribing scheduled medication to patients who are
5 medical marijuana licensees. The provisions of this subsection
6 shall not prevent the relevant professional licensing boards from
7 sanctioning a physician for failing to properly evaluate the medical
8 condition of a patient or for otherwise violating the applicable
9 physician-patient standard of care.

10 D. A physician who recommends use of medical marijuana shall
11 not be located at the same physical address as a licensed medical
12 marijuana dispensary.

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

19 SECTION 15. AMENDATORY Section 11, Chapter 11, O.S.L.
20 2019 (63 O.S. Supp. 2020, Section 427.11), is amended to read as
21 follows:

22 Section 427.11. A. The caregiver license shall provide the
23 caregiver the same rights as the medical marijuana patient licensee,
24 including the ability to possess marijuana, marijuana products, and

1 mature and immature plants pursuant to ~~this act~~ 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. Caregivers shall be authorized
5 to deliver marijuana and products to their authorized patients.
6 Caregivers shall be authorized to possess medical marijuana and
7 medical marijuana products up to the sum of the possession limits
8 for the patients under his or her care pursuant to ~~this act~~ the
9 Oklahoma Medical Marijuana and Patient Protection Act.

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

14 C. The license of a caregiver shall not extend beyond the
15 expiration date of the underlying patient license regardless of the
16 issue date.

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

23
24

1 SECTION 16. AMENDATORY Section 13, Chapter 11, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as
3 follows:

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

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

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

- 21 a. notification of when marijuana seeds and clones are
22 planted,
- 23 b. notification of when marijuana plants are harvested
24 and destroyed,

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

3. Each medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility shall use a seed-to-sale tracking system or integrate its own seed-to-sale tracking system with the seed-to-sale tracking system established by the Authority.

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

- a. the name and license number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- b. the address and phone number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,

- c. the type of product received during the transaction,
- d. the batch number of the marijuana plant used,
- e. the date of the transaction,
- f. the total spent in dollars,
- g. all point-of-sale records,
- h. marijuana excise tax records, and
- i. any additional information as may be reasonably required by the Department.

5. All inventory tracking records retained by a medical marijuana business, medical marijuana research facility, medical marijuana education facility or medical marijuana waste disposal facility containing medical marijuana patient or caregiver 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 17. 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:

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

- 1. Medical marijuana commercial grower;
- 2. Medical marijuana processor;

- 1 3. Medical marijuana dispensary;
- 2 4. Medical marijuana transporter; and
- 3 5. Medical marijuana testing laboratory.

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

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

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

13 E. All applicants seeking licensure or licensure renewal as a
14 medical marijuana business shall comply with the following general
15 requirements:

16 1. All applications for licenses and registrations authorized
17 pursuant to this section shall be made upon forms prescribed by the
18 Authority;

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

22 3. Applicants shall submit a complete application to the
23 Department before the application may be accepted or considered;

24

1 4. All applications shall be complete and accurate in every
2 detail;

3 5. All applications shall include all attachments or
4 supplemental information required by the forms supplied by the
5 Authority;

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

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

11 a. ~~all applicants shall be age~~ twenty-five (25) years of
12 age or older,

13 b. ~~any applicant~~ if applying as an individual ~~shall show,~~
14 proof that the applicant is an Oklahoma resident
15 pursuant to paragraph 11 of this subsection,

16 c. ~~any applicant~~ if applying as an entity ~~shall show,~~
17 proof that seventy-five percent (75%) of all members,
18 managers, executive officers, partners, board members
19 or any other form of business ownership are Oklahoma
20 residents pursuant to paragraph 11 of this subsection,

21 d. ~~all~~ if applying ~~individuals~~ as an individual or
22 ~~entities shall be~~ entity, proof that the individual or
23 entity is registered to conduct business in the State
24 of Oklahoma,

1 e. ~~all applicants shall disclose~~ disclosure of all
2 ownership interests pursuant to ~~this act~~ the Oklahoma
3 Medical Marijuana and Patient Protection Act, and
4 f. ~~applicants shall~~ proof that the medical marijuana
5 business, medical marijuana research facility, medical
6 marijuana education facility and medical marijuana
7 waste disposal facility applicant or licensee has not
8 ~~have~~ been convicted of a nonviolent felony in the last
9 two (2) years, ~~and~~ or any other felony conviction
10 within the last five (5) years, ~~shall~~ is not be a
11 ~~current inmates~~ inmate in the custody of the
12 Department of Corrections, or currently incarcerated
13 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, or for a renewal of such license, shall undergo an Oklahoma
2 criminal history background check conducted by the Oklahoma State
3 Bureau of Investigation (OSBI) within thirty (30) days prior to the
4 application for the license, 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~~ the
9 Oklahoma Medical Marijuana and Patient Protection Act;

10 10. All applicable fees charged by the OSBI are the
11 responsibility of the applicant and shall not be higher than fees
12 charged to any 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 ~~veter~~ 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, and
- 3 e. a rental agreement preceding the date of application
4 for residential property located in the State of
5 Oklahoma.

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~~ August 30, 2019, are hereby exempt from the two-year
9 or five-year 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, or
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~~

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~~r;~~ approve ~~or,~~ reject or deny the application; and mail
7 the approval, rejection, denial or status-update letter to the
8 applicant within ninety (90) business days of receipt of the
9 application.

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

13 2. Approved applicants shall be issued a medical marijuana
14 business license for the specific category applied under which shall
15 act as proof of their approved status. Rejection and denial letters
16 shall provide a reason for the rejection or denial. Applications
17 may only be rejected or denied based on the applicant not meeting
18 the standards set forth in the provisions of ~~this section~~ the
19 Oklahoma Medical Marijuana and Patient Protection Act and Sections
20 420 through 426.1 of this title, improper completion of the
21 application, or for a reason provided for in ~~this act~~ the Oklahoma
22 Medical Marijuana and Patient Protection Act and Sections 420
23 through 426.1 of this title. If an application is rejected for
24 failure to provide required information, the applicant shall have

1 thirty (30) days to submit the required information for
2 reconsideration. No additional application fee shall be charged for
3 such reconsideration. Unless the Department determines otherwise,
4 an application that has been resubmitted but is still incomplete or
5 contains errors that are not clerical or typographical in nature
6 shall be denied.

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

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

14 H. A license for a medical marijuana business license, medical
15 marijuana research facility, medical marijuana education facility or
16 medical marijuana waste disposal facility shall not be issued to or
17 held by:

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

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

22 3. A corporation, if the criminal history of any of its
23 officers, directors or stockholders indicates that the officer,
24 director or stockholder has been convicted of a nonviolent felony

1 within two (2) years of the date of application, or within five (5)
2 years for any other felony;

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

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

7 a. file taxes, interest or penalties due related to a
8 medical marijuana business, or

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

11 6. A sheriff, deputy sheriff, police officer or prosecuting
12 officer, or an officer or employee of the Authority or municipality;
13 ~~or~~

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

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

24 a. unlawful sales or purchases,

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

17 I. In investigating the qualifications of an applicant or a
18 licensee, the Department, Authority and municipalities may have
19 access to criminal history record information furnished by a
20 criminal justice agency subject to any restrictions imposed by such
21 an agency. ~~In the event the Department considers the criminal~~
22 ~~history record of the applicant, the Department shall also consider~~
23 ~~any information provided by the applicant regarding such criminal~~
24 ~~history record, including but not limited to evidence of~~

1 ~~rehabilitation, character references and educational achievements,~~
2 ~~especially those items pertaining to the period of time between the~~
3 ~~last criminal conviction of the applicant and the consideration of~~
4 ~~the application for a state license.~~

5 J. The failure of an applicant or licensee to provide the
6 requested information by the Authority deadline may be grounds for
7 denial of the application.

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

17 L. A licensed medical marijuana business premises shall be
18 subject to and responsible for compliance with applicable provisions
19 ~~for medical marijuana business facilities~~ consistent with the zoning
20 where such business is located as described in the most recent
21 versions of the Oklahoma Uniform Building Code, the International
22 Building Code and the International Fire Code, unless granted an
23 exemption by ~~the Authority or~~ a municipality or appropriate code
24 enforcement entity.

1 M. All medical marijuana business, medical marijuana research
2 facility, medical marijuana education facility and medical marijuana
3 waste disposal facility licensees shall pay the relevant licensure
4 fees prior to receiving licensure to operate a ~~medical marijuana~~
5 ~~business, as defined in this act for each class of license.~~

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

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

18 SECTION 18. AMENDATORY Section 16, Chapter 11, O.S.L.
19 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as
20 follows:

21 Section 427.16. A. There is hereby created a medical marijuana
22 transporter license as a category of the medical marijuana business
23 license.
24

1 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
2 this title, the Oklahoma Medical Marijuana Authority shall issue a
3 medical marijuana transporter license to licensed medical marijuana
4 commercial growers, processors and dispensaries upon issuance of
5 such licenses and upon each renewal. Medical marijuana transporter
6 licenses shall also be issued to licensed medical marijuana research
7 facilities, medical marijuana education facilities and medical
8 marijuana testing laboratories upon issuance of such license and
9 upon renewal.

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

18 D. A medical marijuana transporter license shall be valid for
19 one (1) year and shall not be transferred with a change of
20 ownership. A licensed medical marijuana transporter shall be
21 responsible for all medical marijuana, medical marijuana concentrate
22 and medical marijuana products once the transporter takes control of
23 the product.
24

1 E. A transporter license shall be required for any person or
2 entity to transport or transfer medical marijuana, medical marijuana
3 concentrate or ~~product~~ medical marijuana products from a licensed
4 medical marijuana business to another medical marijuana business, or
5 from a medical marijuana business to a medical marijuana research
6 facility or medical marijuana education facility.

7 F. A medical marijuana transporter licensee may contract with
8 multiple licensed medical marijuana businesses.

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

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

23 I. A licensed medical marijuana transporter may maintain and
24 operate one or more warehouses in the state to handle medical

1 marijuana, medical marijuana concentrate and medical marijuana
2 products. Each location shall be registered and inspected by the
3 Authority prior to its use.

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

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

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

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

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

21 L. The Authority shall issue a transporter agent license to
22 individual agents, employees, officers or owners of a transporter
23 license in order for the individual to qualify to transport medical
24

1 marijuana, medical marijuana concentrate or ~~product~~ medical
2 marijuana products.

3 M. The annual fee for a transporter agent license shall be ~~One~~
4 ~~Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be
5 paid by the transporter license holder or the individual applicant.
6 Transporter license reprints shall be Twenty Dollars (\$20.00).

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

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

19 O. If the transporter agent application is denied, the
20 Department shall notify the transporter in writing of the reason for
21 denying the registry identification card.

22 P. A registry identification card for a transporter shall
23 expire one (1) year after the date of issuance or upon notification
24

1 from the holder of the transporter license that the transporter
2 agent ceases to work as a transporter.

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

7 R. The Department may revoke or suspend the transporter license
8 of a transporter that the Department determines knowingly aided or
9 facilitated a violation of any provision of this section, and the
10 ~~license-holder~~ license holder is subject to any other penalties
11 established in law for the violation.

12 S. Vehicles used in the transport of medical marijuana or
13 medical marijuana product shall be:

- 14 1. Insured at or above the legal requirements in Oklahoma;
- 15 2. Capable of securing medical marijuana during transport; and
- 16 3. In possession of a shipping container as defined in Section
17 427.2 of this act title capable of securing all transported ~~product~~
18 products.

19 T. Prior to the transport of any medical marijuana, medical
20 marijuana concentrate or medical marijuana products, an inventory
21 manifest shall be prepared at the origination point of the medical
22 marijuana. The inventory manifest shall include the following
23 information:

- 24 1. For the origination point of the medical marijuana:

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

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

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

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

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

5. The arrival date and estimated time of arrival;

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

7. Notation of the transporting licensee.

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

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

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

8 4. A receiving licensee shall refuse to accept any medical
9 marijuana, medical marijuana concentrate or ~~product~~ medical
10 marijuana products that ~~is~~ are not accompanied by an inventory
11 manifest.

12 ~~5.~~ 4. Originating and receiving licensees shall maintain copies
13 of inventory manifests and logs of quantities of medical marijuana
14 received for ~~three (3)~~ seven (7) years from date of receipt.

15 SECTION 19. AMENDATORY Section 17, Chapter 11, O.S.L.
16 2019, as amended by Section 4, Chapter 312, O.S.L. 2019 (63 O.S.
17 Supp. 2020, Section 427.17), is amended to read as follows:

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

1 B. The Authority is hereby authorized to contract with a
2 private laboratory for the purpose of conducting compliance testing
3 of medical marijuana testing laboratories licensed in this state.
4 Any such laboratory under contract for compliance testing shall be
5 prohibited from conducting any other commercial medical marijuana
6 testing in this state. The laboratory the Authority contracts with
7 for compliance testing shall not employ, or be owned by, the
8 following:

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

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

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

24

1 D. A person who is a direct beneficial owner ~~or an indirect~~
2 ~~beneficial owner~~ of a medical marijuana dispensary, medical
3 marijuana commercial grower~~r~~ or medical marijuana processor shall
4 not be an owner of a laboratory.

5 E. A laboratory and a laboratory applicant shall comply with
6 all applicable local ordinances~~r~~, including, but not limited to,
7 zoning, occupancy, licensing and building codes.

8 F. A separate license shall be required for each specific
9 laboratory.

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

19 No state-approved medical marijuana testing facility shall operate
20 unless a medical laboratory director is on site during operational
21 hours.

22 H. ~~A laboratory applicant~~ Laboratory applicants and licensees
23 shall comply with the application requirements of this section and
24 shall submit such other information as required for a medical

1 marijuana business applicant, in addition to any information the
2 Authority may request for initial approval and periodic evaluations
3 during the approval period.

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

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

19 1. The individual person is a patient or caregiver pursuant to
20 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act
21 or is a participant in an approved clinical or observational study
22 conducted by a research facility; and
23
24

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

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

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

17 M. The medical marijuana testing laboratory shall establish
18 policies to prevent the existence of or appearance of undue
19 commercial, financial or other influences that may diminish the
20 competency, impartiality and integrity of the testing processes or
21 results of the laboratory, or that may diminish public confidence in
22 the competency, impartiality and integrity of the testing processes
23 or results of the laboratory. At a minimum, employees, owners or
24 agents of a medical marijuana testing laboratory who participate in

1 any aspect of the analysis and results of a sample are prohibited
2 from improperly influencing the testing process, improperly
3 manipulating data, or improperly benefiting from any ongoing
4 financial, employment, personal or business relationship with the
5 medical marijuana business that provided the sample. A medical
6 marijuana testing laboratory shall not test samples for any medical
7 marijuana business in which an owner, employee or agent of the
8 medical marijuana testing laboratory has any form of ownership or
9 financial interest in the medical marijuana business.

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

13 1. The cleanliness and orderliness of a laboratory premises and
14 the location of the laboratory in a secure location, and inspection,
15 cleaning and maintenance of any equipment or utensils used for the
16 analysis of test samples;

17 2. Testing procedures, testing standards for cannabinoid and
18 terpenoid potency and safe levels of contaminants, and remediation
19 procedures;

20 3. Controlled access areas for storage of medical marijuana and
21 medical marijuana product test samples, waste and reference
22 standards;

23 4. Records to be retained and computer systems to be utilized
24 by the laboratory;

- 1 5. The possession, storage and use by the laboratory of
2 reagents, solutions and reference standards;
- 3 6. A certificate of analysis (COA) for each lot of reference
4 standard;
- 5 7. The transport and disposal of unused marijuana, marijuana
6 products and waste;
- 7 8. The mandatory use by a laboratory of an inventory tracking
8 system to ensure all ~~test~~ harvest and production batches or samples
9 containing medical marijuana, medical marijuana concentrate or
10 medical marijuana products are identified and tracked from the point
11 they are transferred from a medical marijuana business, a patient or
12 a caregiver through the point of transfer, destruction or disposal.
13 The inventory tracking system reporting shall include the results of
14 any tests that are conducted on medical marijuana, medical marijuana
15 concentrate or medical marijuana product;
- 16 9. Standards of performance;
- 17 10. The employment of laboratory personnel;
- 18 11. A written standard operating procedure manual to be
19 maintained and updated by the laboratory;
- 20 12. The successful participation in a Department-approved
21 proficiency testing program for each testing category listed in this
22 section, in order to obtain and maintain certification;

23
24

1 13. The establishment of and adherence to a quality assurance
2 and quality control program to ensure sufficient monitoring of
3 laboratory processes and quality of results reported;

4 14. The immediate recall of medical marijuana or medical
5 marijuana products that test above allowable thresholds or are
6 otherwise determined to be unsafe;

7 15. The establishment by the laboratory of a system to document
8 the complete chain of custody for samples from receipt through
9 disposal;

10 ~~15.~~ 16. The establishment by the laboratory of a system to
11 retain and maintain all required records, including business
12 records, and processes to ensure results are reported in a timely
13 and accurate manner; and

14 ~~16.~~ 17. Any other aspect of laboratory testing of medical
15 marijuana or medical marijuana product deemed necessary by the
16 Department.

17 O. A medical marijuana testing laboratory shall promptly
18 provide the Department or designee of the Department access to a
19 report of a test and any underlying data that is conducted on a
20 sample at the request of a medical marijuana business or qualified
21 patient. A medical marijuana testing laboratory shall also provide
22 access to the Department or designee of the Department to laboratory
23 premises and to any material or information requested by the
24

1 Department to determine compliance with the requirements of this
2 section.

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

7 Q. A medical marijuana testing laboratory shall test samples
8 from each harvest batch or product batch, as appropriate, of medical
9 marijuana, medical marijuana concentrate and medical marijuana
10 product for each of the following categories of testing, consistent
11 with standards developed by the Commissioner:

- 12 1. Microbials;
- 13 2. Mycotoxins;
- 14 3. Residual solvents;
- 15 4. Pesticides;
- 16 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 17 6. Terpenoid ~~potency~~ type and concentration; and
- 18 7. Heavy metals.

19 R. ~~A test batch shall not exceed ten (10) pounds of usable~~
20 ~~marijuana or~~ licensed medical marijuana product, as appropriate
21 testing laboratory shall test each individual harvest batch. A
22 grower shall separate each harvest lot of usable marijuana into
23 harvest batches containing no more than ~~ten (10)~~ fifteen (15)
24 pounds, with the exception of any plant material to be sold to a

1 licensed processor for the purposes of turning the plant material
2 into concentrate which may be separated into harvest batches of no
3 more than fifty (50) pounds. A processor shall separate each
4 medical marijuana production lot into production batches containing
5 no more than ~~ten (10) pounds~~ four (4) liters of concentrate or nine
6 (9) pounds for nonliquid products, and for final products, the
7 Oklahoma Medical Marijuana Authority shall be authorized to
8 promulgate rules on final products as necessary. Provided, however,
9 the Authority shall not require testing of final products less often
10 than every one thousand (1,000) grams of THC. As used in this
11 subsection, "final products" shall include, but not be limited to,
12 cookies, brownies, candies, gummies, beverages and chocolates.

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

17 T. A medical marijuana testing laboratory shall be inspected
18 prior to initial licensure and ~~annually~~ up to two (2) times per year
19 thereafter by an inspector approved by the Authority. The Authority
20 may enter the licensed premises of a testing laboratory to conduct
21 investigations and additional inspections when the Authority
22 believes an investigation or additional inspection is necessary due
23 to a possible violation of applicable laws, rules or regulations.
24

1 U. ~~Beginning on a date determined by the Commissioner, not~~
2 ~~later than January 1, 2020, medical Medical marijuana testing~~
3 ~~laboratory licensure laboratories shall be contingent upon obtain~~
4 ~~accreditation by the NELAC Institute (TNI), ANSI/ASQ National~~
5 ~~Accreditation Board or another an accrediting body approved by the~~
6 ~~Commissioner, and any applicable standards as determined by the~~
7 ~~Department within one (1) year of the date the initial license is~~
8 ~~issued. Renewal of any medical marijuana testing laboratory license~~
9 ~~shall be contingent upon accreditation in accordance with this~~
10 ~~subsection. All medical marijuana testing laboratories shall obtain~~
11 ~~accreditation prior to applying for and receiving a medical~~
12 ~~marijuana testing laboratory license.~~

13 V. A Unless authorized by the provisions of this section, a
14 commercial grower shall not transfer or sell medical marijuana and a
15 processor shall not transfer, sell or process into a concentrate or
16 product any medical marijuana, medical marijuana concentrate or
17 medical marijuana product unless samples from each harvest batch or
18 production batch from which that medical marijuana, medical
19 marijuana concentrate or medical marijuana product was derived has
20 been tested by a medical marijuana testing ~~facility for contaminants~~
21 ~~laboratory~~ and passed all contaminant tests required by ~~this act~~ the
22 Oklahoma Medical Marijuana and Patient Protection Act and applicable
23 laws, rules and regulations. A licensed commercial grower may
24 transfer medical marijuana that has failed testing to a licensed

1 processor only for the purposes of decontamination or remediation
2 and only in accordance with the provisions of the Oklahoma Medical
3 Marijuana and Patient Protection Act and the rules and regulations
4 of the Department. Remediated and decontaminated medical marijuana
5 may be returned only to the originating licensed commercial grower.

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

8 SECTION 20. AMENDATORY Section 18, Chapter 11, O.S.L.
9 2019 (63 O.S. Supp. 2020, Section 427.18), is amended to read as
10 follows:

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

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

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

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

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

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

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

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

21 D. The State Department of Health shall develop minimum
22 standards for packaging and labeling of medical marijuana and
23 medical marijuana products. Such standards shall include, but not
24 be limited to, the required contents of labels to be affixed to all

1 medical marijuana and medical marijuana products prior to transfer
2 to a licensed patient or caregiver, which shall include, at a
3 minimum:

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

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

7 3. 2. A statement indicating that the product has been tested
8 for contaminants;

9 4. 3. One or more product warnings to be determined by the
10 Department; and

11 5. 4. Any other information the Department deems necessary.

12 SECTION 21. AMENDATORY Section 19, Chapter 11, O.S.L.
13 2019 (63 O.S. Supp. 2020, Section 427.19), is amended to read as
14 follows:

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

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

24

1 C. A medical marijuana research license may be issued for the
2 following research purposes:

3 1. To test chemical potency and composition levels;

4 2. To conduct clinical investigations of marijuana-derived
5 medicinal products;

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

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

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

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

20 2. If the research will be conducted with a public institution
21 or public money, the Department shall review the research project of
22 the applicant to determine if it meets the requirements of this
23 section and to assess the following:
24

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

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

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

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

G. The growing, cultivating, possessing or transferring, by sale or donation, of marijuana in accordance with this section and the rules promulgated pursuant thereto, by a medical marijuana

1 research licensee shall not be a criminal or civil offense under
2 state law. A medical marijuana research license shall be issued in
3 the name of the applicant and shall specify the location in Oklahoma
4 at which the medical marijuana research licensee intends to operate.
5 A medical marijuana research licensee shall not allow any other
6 person to exercise the privilege of the license.

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

13 SECTION 22. AMENDATORY Section 20, Chapter 11, O.S.L.
14 2019 (63 O.S. Supp. 2020, Section 427.20), is amended to read as
15 follows:

16 Section 427.20. A. There is hereby created a medical marijuana
17 education facility license.

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

21 C. A medical marijuana education facility license may only be
22 granted to a not-for-profit organization structured under Section
23 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
24

1 not-for-profit registered organization with the Office of the
2 Secretary of State.

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

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

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

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

12 3. To demonstrate the application and use of product
13 manufacturing technologies;

14 4. To conduct genomic, horticultural or agricultural research;
15 and

16 5. To conduct research on marijuana-affiliated products or
17 systems.

18 F. As part of the application process for a medical marijuana
19 education facility license, an applicant shall submit to the
20 Authority a description of the project and curriculum that the
21 applicant intends to conduct and whether the project and curriculum
22 will be conducted with a public institution or using public money.
23 If the ~~research~~ project and curriculum will not be conducted with a
24 public institution or with public money, the Authority shall grant

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

- 5 1. The quality, study design, value or impact of the project;
- 6 2. Whether the applicant has the appropriate personnel,
7 expertise, facilities, infrastructure, funding, and human, animal or
8 other approvals in place to successfully conduct the project; and
- 9 3. Whether the amount of marijuana to be grown by the applicant
10 is consistent with the scope and goals of the project.

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

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

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

23 I. The growing, cultivating, possessing or transferring, by
24 sale or donation, of marijuana in accordance with this section and

1 the rules promulgated pursuant thereto, by a medical marijuana
2 education facility licensee shall not be a criminal or civil offense
3 under state law. A medical marijuana education facility license
4 shall be issued in the name of the applicant and shall specify the
5 location in Oklahoma at which the medical marijuana education
6 facility licensee intends to operate. A medical marijuana education
7 facility licensee shall not allow any other person to exercise the
8 privilege of the license.

9 SECTION 23. AMENDATORY Section 22, Chapter 11, O.S.L.
10 2019 (63 O.S. Supp. 2020, Section 427.22), is amended to read as
11 follows:

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

20 B. The dispensary records with patient information shall be
21 treated as confidential records that are exempt from the Oklahoma
22 Open Records Act.

23 C. All financial information provided by an applicant or a
24 licensee in ~~its~~ an application to the Authority shall be treated as

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

3 D. All information provided by an applicant or a licensee that
4 constitutes private business information shall be treated as
5 confidential records that are exempt from the Oklahoma Open Records
6 Act.

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

13 F. All monthly report, inventory tracking and seed-to-sale
14 information, data and records submitted to the Department shall be
15 treated as confidential records and are exempt from the Oklahoma
16 Open Records Act.

17 G. Except for license information concerning licensed patients,
18 the Department may share confidential information with the other
19 Oklahoma state agencies to assist those agencies in ensuring
20 compliance with applicable laws, rules and regulations.

21 SECTION 24. AMENDATORY Section 23, Chapter 11, O.S.L.
22 2019, as amended by Section 11, Chapter 477, O.S.L. 2019 (63 O.S.
23 Supp. 2020, Section 427.23), is amended to read as follows:

24

1 Section 427.23. A. The State Commissioner of Health, the
2 Oklahoma Tax Commission, the State Treasurer, the Secretary of State
3 and the Director of the Office of Management and Enterprise Services
4 shall promulgate rules to implement the provisions of ~~this act~~ the
5 Oklahoma Medical Marijuana and Patient Protection Act.

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

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

18 A. Whenever an authorized agent of the State Department of
19 Health finds, in whole or in part, that the medical marijuana or
20 medical marijuana product fails to meet the requirements of Sections
21 420 through 426.1 of Title 63 of the Oklahoma Statutes or the
22 Oklahoma Medical Marijuana and Patient Protection Act as it relates
23 to health and safety, the medical marijuana or medical marijuana
24 product is handled in violation of applicable laws or rules and

1 regulations of the Department, or the medical marijuana or medical
2 marijuana product may be poisonous, deleterious to health or is
3 otherwise unsafe, an electronic or physical tag or other appropriate
4 marking or hold shall be affixed to the medical marijuana or medical
5 marijuana product which shall give notice that the medical marijuana
6 or medical marijuana product is or is suspected of being
7 manufactured, produced, transferred, sold or offered for sale in
8 violation of applicable laws or rules and regulations of the
9 Department and is embargoed. The notice shall further provide a
10 warning to all persons not to remove or dispose of the medical
11 marijuana or medical marijuana product until permission for removal
12 or disposal is given by the Department. It shall be unlawful for
13 any person to remove or dispose of the medical marijuana or medical
14 marijuana product embargoed without permission by the Department.

15 B. If the State Commissioner of Health finds that medical
16 marijuana or medical marijuana product embargoed pursuant to
17 subsection A of this section does not meet the requirements of
18 applicable laws or rules and regulations of the Department, or is
19 poisonous, deleterious to health or otherwise unsafe, the
20 Commissioner may institute an action in the district court in whose
21 jurisdiction the medical marijuana or medical marijuana product is
22 embargoed for the condemnation and destruction of the medical
23 marijuana or medical marijuana product. If the Commissioner finds
24 that the medical marijuana or medical marijuana product embargoed

1 does meet the requirements of applicable laws and the rules and
2 regulations of the Department and is not poisonous, deleterious to
3 health or otherwise unsafe, the Commissioner shall remove the
4 embargo. In any court proceeding regarding an embargo, neither the
5 State Department of Health, the Oklahoma Medical Marijuana Authority
6 or the Commissioner shall be held liable if the court finds
7 reasonable belief for the embargo.

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

18 D. The court may order that the medical marijuana or medical
19 marijuana product be delivered to the defendant for appropriate
20 labeling or processing under the supervision of the Commissioner
21 only if:

22 1. The violation can be corrected by proper processing of
23 medical marijuana or medical marijuana product;

24 2. All costs, fees and expenses have been paid; and

1 3. A sufficient bond is executed and conditioned for
2 appropriate labeling or processing as the court may require.

3 The expense of supervision shall be paid to the Commissioner by
4 the person obtaining release of the medical marijuana or medical
5 marijuana product under bond.

6 SECTION 26. AMENDATORY Section 2, Chapter 337, O.S.L.
7 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as
8 follows:

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

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

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

16 3. "Disposal" shall mean the ~~final~~ disposition of medical
17 marijuana waste by ~~either~~ a process which renders the waste unusable
18 and unrecognizable through physical destruction or a recycling
19 process;

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

23 5. "License" shall mean a medical marijuana waste disposal
24 license;

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

3 7. "Medical marijuana waste" shall mean:

4 a. unused, surplus, returned or out-of-date marijuana and
5 plant debris of the plant of the genus Cannabis,
6 including dead plants and all unused plant parts,
7 except the term shall not include seeds, roots, stems,
8 stalks and fan leaves, and

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

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

14 SECTION 27. AMENDATORY Section 3, Chapter 337, O.S.L.
15 2019 (63 O.S. Supp. 2020, Section 429), is amended to read as
16 follows:

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

1 B. Commercial licensees, medical marijuana research facilities
2 and medical marijuana education facilities shall be authorized to
3 destroy the following marijuana plant parts without being required
4 to utilize the services of a medical marijuana waste disposal
5 facility:

- 6 1. ~~Root balls~~ Roots;
- 7 2. Stems;
- 8 3. Fan leaves; ~~and~~
- 9 4. Seeds; ~~or~~
- 10 5. Stalks.

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

17 ~~C. Commercial licensees, medical marijuana research facilities~~
18 ~~and medical marijuana education facilities engaged in the disposal~~
19 ~~of medical marijuana waste shall create and maintain documentation~~
20 ~~on a form prescribed by the Oklahoma Medical Marijuana Authority~~
21 ~~that includes precise weights or counts of medical marijuana waste~~
22 ~~and the manner in which the medical marijuana waste is disposed.~~
23 ~~Such documentation shall contain a witness affidavit and signature~~
24 ~~attesting to the lawful disposal of the medical marijuana waste~~

1 ~~under penalty of perjury. All disposal records shall be maintained~~
2 ~~by commercial licensees, medical marijuana research facilities and~~
3 ~~medical marijuana educational facilities for a period of five (5)~~
4 ~~years and shall be subject to inspection and auditing by the~~
5 ~~Authority.~~

6 SECTION 28. AMENDATORY Section 4, Chapter 337, O.S.L.
7 2019 (63 O.S. Supp. 2020, Section 430), is amended to read as
8 follows:

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

1 the licensure program, issue more than ten medical marijuana waste
2 disposal licenses. Upon the conclusion of the first year, the
3 Authority shall assess the need for additional medical marijuana
4 waste disposal licenses and shall, if demonstrated, increase the
5 number of licenses as deemed necessary by the Authority.

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

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

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

22 2. The application for a medical marijuana waste disposal
23 license made by an individual on his or her own behalf shall be on
24

1 the form prescribed by the Authority and shall include, but not be
2 limited to:

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

15 3. Each application shall be accompanied by the following
16 documentation:

- 17 a. a list of all persons or entities that have an
18 ownership interest in the entity,
- 19 b. a certificate of good standing from the Oklahoma
20 Secretary of State, if applicable,
- 21 c. an Affidavit of Lawful Presence for each owner,
- 22 d. proof that the proposed location of the disposal
23 facility is at least one thousand (1,000) feet from a
24 public or private school. The distance indicated in

1 this subparagraph shall be measured from any entrance
2 ~~of~~ the nearest property line of such public or private
3 school to the nearest ~~property line point~~ perimeter
4 wall of the premises of such disposal facility. If
5 any public or private school is established within one
6 thousand (1,000) feet of any disposal facility after
7 such disposal facility has been licensed, the
8 provisions of this subparagraph shall not be a
9 deterrent to the renewal of such license or warrant
10 revocation of the license, and

11 e. documents establishing the applicant, the members,
12 managers and board members, if applicable, and
13 seventy-five percent (75%) of the ownership interests
14 are Oklahoma residents as established in Section 420
15 et seq. of ~~Title 63 of the Oklahoma Statutes~~ this
16 title, as it relates to proof of residency.

17 C. No license shall be issued except upon proof of sufficient
18 liability insurance and financial responsibility. Liability
19 insurance shall be provided by the applicant and shall apply to
20 sudden and nonsudden bodily injury or property damage on, below or
21 above the surface, as required by the rules of the Authority. Such
22 insurance shall be maintained for the period of operation of the
23 facility and shall provide coverage for damages resulting from
24 operation of the facility during operation and after closing. ~~In~~

1 ~~lieu of liability insurance required by this subsection, an~~
2 ~~equivalent amount of cash, securities, bond or alternate financial~~
3 ~~assurance, of a type and in an amount acceptable to the Authority,~~
4 ~~may be substituted; provided, that such deposit shall be maintained~~
5 ~~for a period of five (5) years after the date of last operation of~~
6 ~~the facility.~~

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

21 E. The Authority shall issue a an annual permit for each
22 medical marijuana waste disposal facility operated by a licensee. A
23 permit shall be issued only upon proper application by a licensee
24 and determination by the Authority that the proposed site and

1 facility are physically and technically suitable. Upon a finding
2 that a proposed medical marijuana waste disposal facility is not
3 physically or technically suitable, the Authority shall deny the
4 permit. The Authority shall have the authority to revoke a permit
5 upon a finding that the site and facility are not physically and
6 technically suitable for processing. The Authority may, upon
7 determining that public health or safety requires emergency action,
8 issue a temporary permit for treatment or storage of medical
9 marijuana waste for a period not to exceed ninety (90) days.

10 F. The cost of a medical marijuana waste disposal license shall
11 be Five Thousand Dollars (\$5,000.00) for the initial license. The
12 cost of a medical marijuana waste disposal facility permit shall be
13 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
14 facility permit that has been revoked shall be reinstated upon
15 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
16 to restore the facility permit. All license and permit fees shall
17 be deposited into the ~~Public Health Special~~ Oklahoma Medical
18 Marijuana Authority Revolving Fund as provided in Section ~~1-107~~
19 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

20 G. The holder of a medical marijuana waste disposal license
21 shall not be required to obtain a medical marijuana transporter
22 license provided for in the Oklahoma Medical Marijuana and Patient
23 Protection Act for purposes of transporting medical marijuana waste.
24

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

5 I. The State Commissioner of Health shall promulgate rules for
6 the implementation of ~~this act~~ the Oklahoma Medical Marijuana Waste
7 Management Act. Promulgated rules shall address disposal process
8 standards, site security and any other subject matter deemed
9 necessary by the Authority.

10 SECTION 29. AMENDATORY 63 O.S. 2011, Section 2-302, as
11 last amended by Section 57, Chapter 161, O.S.L. 2020 (63 O.S. Supp.
12 2020, Section 2-302), is amended to read as follows:

13 Section 2-302. A. Every person who manufactures, distributes,
14 dispenses, prescribes, administers or uses for scientific purposes
15 any controlled dangerous substance within or into this state, or who
16 proposes to engage in the manufacture, distribution, dispensing,
17 prescribing, administering or use for scientific purposes of any
18 controlled dangerous substance within or into this state shall
19 obtain a registration issued by the Director of the Oklahoma State
20 Bureau of Narcotics and Dangerous Drugs Control, in accordance with
21 rules promulgated by the Director. Persons registered by the
22 Director under Section 2-101 et seq. of this title to manufacture,
23 distribute, dispense~~7~~ or conduct research with controlled dangerous
24 substances may possess, manufacture, distribute, dispense~~7~~ or

1 | conduct research with those substances to the extent authorized by
2 | their registration and in conformity with the other provisions of
3 | the Uniform Controlled Dangerous Substances Act. Every wholesaler,
4 | manufacturer or distributor of any drug product containing
5 | pseudoephedrine or phenylpropanolamine, or their salts, isomers, or
6 | salts of isomers shall obtain a registration issued by the Director
7 | of the Oklahoma State Bureau of Narcotics and Dangerous Drugs
8 | Control in accordance with rules promulgated by the Director and as
9 | provided for in Section 2-332 of this title. Any person who
10 | manufactures, distributes, dispenses, prescribes, administers or
11 | uses for scientific purposes any controlled dangerous substances
12 | within or into this state without first obtaining a registration
13 | issued by the Director of the Oklahoma State Bureau of Narcotics and
14 | Dangerous Drugs Control shall be subject to the same statutory and
15 | administrative jurisdiction of the Director as if that person were
16 | an applicant or registrant.

17 | B. Out-of-state pharmaceutical suppliers who provide controlled
18 | dangerous substances to individuals within this state shall obtain a
19 | registration issued by the Director of the Oklahoma State Bureau of
20 | Narcotics and Dangerous Drugs Control, in accordance with rules
21 | promulgated by the Director. This provision shall also apply to
22 | wholesale distributors who distribute controlled dangerous
23 | substances to pharmacies or other entities registered within this
24 | state in accordance with rules promulgated by the Director.

1 C. Every person who owns in whole or in part a public or
2 private medical facility for which a majority of patients are issued
3 on a reoccurring monthly basis a prescription for opioids,
4 benzodiazepines, barbiturates or carisoprodol, but not including
5 Suboxone or buprenorphine, shall obtain a registration issued by the
6 Director of the Oklahoma State Bureau of Narcotics and Dangerous
7 Drugs Control.

8 D. Every manufacturer and distributor required to register
9 under the provisions of this section shall provide all data required
10 pursuant to 21 U.S.C., Section 827(d)(1) on a monthly basis to the
11 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control.
12 Controlled dangerous substances in Schedule I shall be reported in
13 accordance with rules promulgated by the Director. Reporting of
14 controlled dangerous substances pursuant to 21 U.S.C., Section
15 827(d)(1) shall include, but not be limited to:

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

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

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

22 4. The name and National Drug Code of the controlled dangerous
23 substance sold; and

24

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

3 E. The information maintained and provided pursuant to
4 subsection D of this section shall be confidential and not open to
5 the public. Access to the information shall, at the discretion of
6 the Director, be limited to:

7 1. Peace officers certified pursuant to the provisions of
8 Section 3311 of Title 70 of the Oklahoma Statutes who are employed
9 as investigative agents of the Oklahoma State Bureau of Narcotics
10 and Dangerous Drugs Control or the Office of the Attorney General;

11 2. The United States Drug Enforcement Administration Diversion
12 Group Supervisor; and

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

15 F. Manufacturers, distributors, home care agencies, hospices,
16 home care services, medical facility owners referred to in
17 subsection C of this section and scientific researchers shall obtain
18 a registration annually. Other practitioners shall obtain a
19 registration for a period to be determined by the Director that will
20 be for a period not less than one (1) year nor more than three (3)
21 years.

22 G. Every trainer or handler of a canine controlled dangerous
23 substances detector who, in the ordinary course of such trainer's or
24 handler's profession, desires to possess any controlled dangerous

1 substance, annually, shall obtain a registration issued by the
2 Director for a fee of Seventy Dollars (\$70.00). Such persons shall
3 be subject to all applicable provisions of Section 2-101 et seq. of
4 this title and such applicable rules promulgated by the Director for
5 those individuals identified in subparagraph a of paragraph 32 of
6 Section 2-101 of this title. Persons registered by the Director
7 pursuant to this subsection may possess controlled dangerous
8 substances to the extent authorized by their registration and in
9 conformity with the other provisions of the Uniform Controlled
10 Dangerous Substances Act.

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

14 1. An agent, or an employee thereof, of any registered
15 manufacturer, distributor, dispenser or user for scientific purposes
16 of any controlled dangerous substance, if such agent is acting in
17 the usual course of such agent's or employee's business or
18 employment;

19 2. Any person lawfully acting under the direction of a person
20 authorized to administer controlled dangerous substances under
21 Section 2-312 of this title;

22 3. A common or contract carrier or warehouse, or an employee
23 thereof, whose possession of any controlled dangerous substance is
24

1 in the usual course of such carrier's or warehouse's business or
2 employment;

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

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

8 6. A nursing home licensed by this state;

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

15 8. Registered nurses and licensed practical nurses; and

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

18 I. The Director may, by rule, waive the requirement for
19 registration or fee for registration of certain manufacturers,
20 distributors, dispensers, prescribers, administrators, or users for
21 scientific purposes if the Director finds it consistent with the
22 public health and safety.

23 J. A separate registration shall be required at each principal
24 place of business or professional practice where the applicant

1 manufactures, distributes, dispenses, prescribes, administers, or
2 uses for scientific purposes controlled dangerous substances.

3 K. The Director is authorized to inspect the establishment of a
4 registrant or applicant for registration in accordance with rules
5 promulgated by the Director.

6 L. No person engaged in a profession or occupation for which a
7 license to engage in such activity is provided by law shall be
8 registered under the Uniform Controlled Dangerous Substances Act
9 unless such person holds a valid license of such person's profession
10 or occupation.

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

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

21 O. The licensing board of any professional defined as a mid-
22 level practitioner shall notify and furnish to the Director, not
23 later than the first day of October of each year, that such
24 professional holds a valid license, a current listing of individuals

1 licensed and registered with their respective boards to prescribe,
2 order, select, obtain and administer controlled dangerous
3 substances. The licensing board shall immediately notify the
4 Director of any action subsequently taken against any such
5 individual.

6 P. Beginning November 1, 2010, each registrant that prescribes,
7 administers or dispenses methadone shall be required to check the
8 prescription profile of the patient on the central repository of the
9 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control.

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

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

18 1. Has materially falsified any application filed pursuant to
19 the Uniform Controlled Dangerous Substances Act or required by the
20 Uniform Controlled Dangerous Substances Act. It shall be unlawful
21 to knowingly and willfully:

22 a. make false statements, include false data or omit
23 material information on an application for a
24

1 registration with the Oklahoma State Bureau of
2 Narcotics and Dangerous Drugs Control, or

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

6 Any registrant or applicant for a registration or any official,
7 agent or employee of any registrant or applicant for a registration
8 who violates the provisions of this paragraph shall be guilty of a
9 misdemeanor and additionally subject to administrative action;

10 2. Has been found guilty of, entered a plea of guilty₇ or
11 entered a plea of nolo contendere to a misdemeanor relating to any
12 substance defined herein as a controlled dangerous substance or any
13 felony under the laws of any state or the United States;

14 3. Has had his or her federal registration retired, suspended₇
15 or revoked by a competent federal authority and is no longer
16 authorized by federal law to manufacture, distribute, dispense,
17 prescribe, administer or use for scientific purposes controlled
18 dangerous substances;

19 4. Has failed to maintain effective controls against the
20 diversion of controlled dangerous substances to unauthorized persons
21 or entities;

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

1 6. Has had a restriction, suspension, revocation, limitation,
2 condition, or probation placed on his or her professional license or
3 certificate or practice as a result of a proceeding pursuant to the
4 general statutes;

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

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

11 9. Has possessed, used, prescribed, dispensed or administered
12 drugs or controlled dangerous substances for other than legitimate
13 medical or scientific purposes or for purposes outside the normal
14 course of his or her professional practice;

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

20 11. Has violated any federal law relating to any controlled
21 substances, any provision of the Uniform Controlled Dangerous
22 Substances Act, or any rules of the Oklahoma State Bureau of
23 Narcotics and Dangerous Drugs Control.

24

1 B. In the event the Director suspends or revokes a registration
2 granted under Section 2-303 of this title, all controlled dangerous
3 substances owned or possessed by the registrant pursuant to such
4 registration at the time of denial or suspension or the effective
5 date of the revocation order, as the case may be, may in the
6 discretion of the Director be impounded and preserved. No
7 disposition may be made of substances impounded and preserved until
8 the time for taking an appeal has elapsed or until all appeals have
9 been concluded unless a court, upon application therefor, orders the
10 sale of perishable substances and the deposit of the proceeds of the
11 sale with the court. Upon a revocation order becoming final, all
12 such controlled dangerous substances shall be forfeited to the
13 state.

14 C. The Drug Enforcement Administration shall promptly be
15 notified of all orders suspending or revoking registration and all
16 forfeitures of controlled dangerous substances.

17 D. In lieu of or in addition to any other remedies available to
18 the Director, if a finding is made that a registrant has committed
19 any act in violation of federal law relating to any controlled
20 substance, any provision of the Uniform Controlled Dangerous
21 Substances Act, or any rules of the Oklahoma State Bureau of
22 Narcotics and Dangerous Drugs Control, the Director is hereby
23 authorized to assess an administrative penalty not to exceed Two
24 Thousand Dollars (\$2,000.00) for each such act. The provisions of

1 this subsection shall not apply to violations of subsection G of
2 Section 2-309D of this title. Nothing in this section shall be
3 construed so as to permit the Director of the State Bureau of
4 Narcotics and Dangerous Drugs Control to assess administrative fines
5 for violations of the provisions of subsection G of Section 2-309D
6 of this title.

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

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

1 any criminal prosecution or other proceeding. Proceedings to refuse
2 renewal of registration shall not abate the existing registration
3 which shall remain in effect pending the outcome of the
4 administrative hearing.

5 B. The Director shall suspend, without an order to show cause,
6 any registration simultaneously with the institution of proceedings
7 under Section 2-304 of this title, if he or she finds there is
8 imminent danger to the public health or safety which warrants this
9 action. The suspension shall continue in effect until the
10 conclusion of the proceedings, including judicial review thereof,
11 unless sooner withdrawn by the Director or dissolved by a court of
12 competent jurisdiction.

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

14

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