

<DateSubmitted>

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB2674

By: Echols of the House and Taylor of the Senate

Title: Oklahoma Medical Marijuana Authority; transferring the Oklahoma Medical Marijuana Authority to the Alcoholic Beverage Laws Enforcement Commission; 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,

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. 2674

By: Echols of the House

and

Taylor of the Senate

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10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to the Oklahoma Medical Marijuana
12 Authority and the Alcoholic Beverage Laws Enforcement
13 Commission; creating the Oklahoma Department of
14 Marijuana and Alcohol; declaring purpose, powers and
15 authority of the Department; naming divisions of the
16 Department; providing for an Executive Director of
17 the Department; stating authority of Executive
18 Director; directing the Office of Management and
19 Enterprise Services to transfer certain funds to the
20 Department; authorizing the Executive Director to
21 administer appropriated funds; stating office
22 location of the Department; creating the Oklahoma
23 Marijuana and Alcohol Advisory Board; providing for
24 the appointment of members; stating terms of
appointments; providing for removal or replacement of
members; requiring national criminal history record
check; prohibiting members from voting on certain
issues; naming Executive Director as ex officio
member of the Board; providing for election of a
chair and vice-chair; requiring quarterly meetings;
providing quorum and voting requirements; deeming
certain actions by Board as official acts; providing
for travel reimbursement; stating powers and duties
of the Board; creating position of Executive Director
of the Oklahoma Department of Marijuana and Alcohol;
providing qualifications and prohibitions for the
Executive Director; directing the Governor to appoint

1 an Executive Director by certain date with advice and
2 consent of the Senate; providing for the removal,
3 replacement and compensation of the Executive
4 Director; directing Governor to affirm certain agency
5 positions if certain qualifications are satisfied;
6 requiring functions of the Authority and ABLE
7 Commission to remain within respective divisions
8 until approval of reorganization plan; stating
9 powers, duties and responsibilities of Executive
10 Director; creating the Oklahoma Department of
11 Marijuana and Alcohol Revolving Fund; providing for
12 deposits and expenditures; requiring the Executive
13 Director to present reorganization plan by certain
14 date; stating requirements of reorganization plan;
15 providing for the approval, denial or modification of
16 reorganization plan; directing the Commissioner of
17 the State Department of Health to abolish the
18 Authority within the Department after completion of
19 transfer; naming certain persons as transition
20 coordinators; providing for the establishment of a
21 transition team; providing duties of the transition
22 team; transferring Authority to become a division of
23 the Oklahoma Department of Marijuana and Alcohol by
24 certain date; stating duties of the Department
relating to the medical marijuana program; providing
for the adoption and promulgation of certain rules;
transferring the Oklahoma Medical Marijuana Authority
to the Oklahoma Department of Marijuana and Alcohol
by certain date; transferring personnel, funds,
records, encumbrances, equipment and other items;
providing requirements pertaining to the transfer of
employees; providing for the transfer of
administrative rules; transferring ABLE Commission to
become a division of the Oklahoma Department of
Marijuana and Alcohol by certain date; stating duties
of the Department relating to alcoholic beverage
laws, charity games and youth access to tobacco;
providing for the adoption and promulgation of
certain rules; transferring the ABLE Commission to
the Oklahoma Department of Marijuana and Alcohol by
certain date; transferring personnel, funds, records,
encumbrances, equipment and other items; providing
requirements pertaining to the transfer of employees;
providing for the transfer of administrative rules;
amending 3A O.S. 2011, Sections 402 and 403, which
relate to the Oklahoma Charity Games Act; modifying
certain definition; specifying name of parent agency;

1 providing peace officer powers to Division Director;
2 amending Section 1, Chapter 435, O.S.L. 2019 (12 O.S.
3 Supp. 2020, Section 1560), which relates to
4 foreclosed medical marijuana dispensaries;
5 eliminating references to the State Department of
6 Health; specifying name of parent agency; amending
7 Sections 5, 8 and 9, Chapter 366, O.S.L. 2016,
8 Section 10, Chapter 366, O.S.L. 2016, as amended by
9 Section 1, Chapter 130, O.S.L. 2019 and Section 131,
10 Chapter 366, O.S.L. 2016 (37A O.S. Supp. 2020,
11 Sections 1-105, 1-108, 1-109, 1-110 and 5-128), which
12 relate to the Oklahoma Alcoholic Beverage Control
13 Act; deleting ABLE Commission member qualifications
14 and restrictions; deleting quorum and vacancy
15 requirements; specifying person responsible for
16 appointing the Division Director as secretary of the
17 ABLE Commission; requiring the Division Director to
18 be certified by the Council on Law Enforcement
19 Education and Training; deleting travel reimbursement
20 requirement for ABLE Commission members; removing
21 certain ABLE Commission meeting requirement; updating
22 name of ABLE Commission Director; modifying powers
23 and duties of Division Director; specifying name of
24 parent agency; specifying person responsible for
promulgating certain rules and employing specific
employees of the ABLE Commission; deleting peace
officer authority of ABLE Commission members;
removing references to ABLE Commission members;
specifying name of parent agency; amending 47 O.S.
2011, Section 156, as amended by Section 2, Chapter
380, O.S.L. 2014 (47 O.S. Supp. 2020, Section 156),
which relates to agency restrictions on purchasing
automobiles with public funds; adding the Oklahoma
Department of Marijuana and Alcohol as an exception;
amending 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), which relates to patient and
caregiver licensing requirements; updating language;
specifying name of parent agency; eliminating
references to the State Department of Health and
replacing said references with the Oklahoma Medical
Marijuana Authority; amending Section 2, State
Question No. 788, Initiative Petition No. 412 (63
O.S. Supp. 2020, Section 421), which relates to
dispensary licensing requirements; specifying name of
parent agency; updating language; eliminating

1 references to the State Department of Health and
2 replacing said references with the Oklahoma Medical
3 Marijuana Authority; amending Section 3, State
4 Question No. 788, Initiative Petition No. 412 (63
5 O.S. Supp. 2020, Section 422), which relates to
6 commercial grower licensing requirements; specifying
7 name of parent agency; updating language; eliminating
8 references to the State Department of Health and
9 replacing said references with the Oklahoma Medical
10 Marijuana Authority; amending Section 4, State
11 Question No. 788, Initiative Petition No. 412 (63
12 O.S. Supp. 2020, Section 423), which relates to
13 processor licensing requirements; specifying name of
14 parent agency; updating language; eliminating
15 references to the State Department of Health and
16 replacing said references with the Oklahoma Medical
17 Marijuana Authority; amending Section 6, State
18 Question No. 788, Initiative Petition No. 412, as
19 last amended by Section 46, Chapter 161, O.S.L. 2020
20 (63 O.S. Supp. 2020, Section 425), which relates to
21 protections for medical marijuana patient licensees;
22 updating language; eliminating references to the
23 State Department of Health and replacing said
24 references with the Oklahoma Medical Marijuana
Authority; specifying name of parent agency; amending
Section 4, Chapter 509, O.S.L. 2019 (63 O.S. Supp.
2020, Section 426.1), which relates to license
revocation and hearings; updating language;
specifying name of parent agency; eliminating
references to the State Department of Health and
replacing said references with the Oklahoma Medical
Marijuana Authority; amending Section 2, Chapter 11,
O.S.L. 2019, as last amended by Section 48, Chapter
161, O.S.L. 2020, Section 3, Chapter 11, O.S.L. 2019,
as amended by Section 6, Chapter 477, O.S.L. 2019,
Section 4, Chapter 11, O.S.L. 2019, Section 5,
Chapter 11, O.S.L. 2019, Section 6, Chapter 11,
O.S.L. 2019, as amended by Section 7, Chapter 477,
O.S.L. 2019, Section 7, Chapter 11, O.S.L. 2019, as
amended by Section 5, Chapter 509, O.S.L. 2019,
Section 9, Chapter 11, O.S.L. 2019, Section 10,
Chapter 11, O.S.L. 2019, as amended by Section 2,
Chapter 390, O.S.L. 2019, Section 13, Chapter 11,
O.S.L. 2019, Section 14, Chapter 11, O.S.L. 2019, as
last amended by Section 51, Chapter 161, O.S.L. 2020,
Section 15, Chapter 11, O.S.L. 2019, Section 16,
Chapter 11, O.S.L. 2019, Section 17, Chapter 11,

1 O.S.L. 2019, as amended by Section 4, Chapter 312,
2 O.S.L. 2019, Section 18, Chapter 11, O.S.L. 2019,
3 Section 19, Chapter 11, O.S.L. 2019, Section 20,
4 Chapter 11, O.S.L. 2019 and Section 23, Chapter 11,
5 O.S.L. 2019, as amended by Section 11, Chapter 477,
6 O.S.L. 2019 (63 O.S. Supp. 2020, Sections 427.2,
7 427.3, 427.4, 427.5, 427.6, 427.7, 427.9, 427.10,
8 427.13, 427.14, 427.15, 427.16, 427.17, 427.18,
9 427.19, 427.20 and 427.23), which relate to the
10 Oklahoma Medical Marijuana and Patient Protection
11 Act; modifying certain definitions to include name of
12 parent agency to the Oklahoma Medical Marijuana
13 Authority; deleting and adding certain definitions;
14 updating language; eliminating references to the
15 State Department of Health and replacing said
16 references with the Oklahoma Medical Marijuana
17 Authority or Oklahoma Department of Marijuana and
18 Alcohol; eliminating references to the Commissioner
19 of the State Department of Health and replacing said
20 references with the Executive Director of the
21 Oklahoma Department of Marijuana and Alcohol;
22 amending Sections 2 and 4, Chapter 337, O.S.L. 2019
23 (63 O.S. Supp. 2020, Sections 428.1 and 430), which
24 relate to the Oklahoma Medical Marijuana Waste
Management Act; modifying certain definition to
include name of parent agency to the Oklahoma Medical
Marijuana Authority; updating language; updating name
of revolving fund; eliminating references to the
Commissioner of the State Department of Health and
replacing said references with the Executive Director
of the Oklahoma Department of Marijuana and Alcohol;
repealing Section 4, Chapter 366, O.S.L. 2016, as
last amended by Section 2, Chapter 322, O.S.L. 2019
(37A O.S. Supp. 2020, Section 1-104), which relates
to powers and duties of members of the ABLE
Commission; providing for codification; providing an
effective date; and declaring an emergency.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8001 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Upon the effective date of this act, there is hereby created
5 the Oklahoma Department of Marijuana and Alcohol. The purpose of
6 the Department shall be to enforce the medical marijuana laws,
7 alcoholic beverage laws, charity game laws and youth access to
8 tobacco laws of the state. The Department shall have the power and
9 authority to enforce such laws, rules and regulations as shall be
10 prescribed by the provisions of Sections 420 through 426.1 of Title
11 63 of the Oklahoma Statutes, the Oklahoma Medical Marijuana and
12 Patient Protection Act, the Oklahoma Medical Marijuana Waste
13 Management Act, the Oklahoma Alcoholic Beverage Control Act, the
14 Oklahoma Charity Games Act and the Prevention of Youth Access to
15 Tobacco Act. The Department shall include the following divisions:

16 1. The Oklahoma Medical Marijuana Authority, previously
17 administered by the State Department of Health; and

18 2. The Alcoholic Beverage Laws Enforcement Commission.

19 B. The Executive Director of the Department, whose position is
20 created in Section 3 of this act, shall be the chief administrator
21 of the Department. The Executive Director shall have authority to
22 delegate duties and responsibilities to the respective division
23 directors and shall have authority to budget and expend the
24 operating funds of the Department.

1 C. On July 1, 2021, the Director of the Office of Management
2 and Enterprise Services shall transfer by monthly allocation any
3 unencumbered funds originally appropriated to the Oklahoma Medical
4 Marijuana Authority and the Alcoholic Beverage Laws Enforcement
5 Commission for the fiscal year ending June 30, 2022, to the Oklahoma
6 Department of Marijuana and Alcohol to operate the Department for
7 the remainder of the fiscal year ending June 30, 2022. Funds in
8 revolving funds or otherwise not subject to fiscal year limitations,
9 previously available to the Oklahoma Medical Marijuana Authority and
10 the Alcoholic Beverage Laws Enforcement Commission, shall be
11 transferred to the corresponding Oklahoma Department of Marijuana
12 and Alcohol Revolving Fund as provided by this act.

13 D. The Executive Director of the Department shall have
14 authority to administer all funds appropriated or apportioned for
15 the fiscal year ending June 30, 2022, for the operation of the
16 Oklahoma Medical Marijuana Authority and the Alcoholic Beverage Laws
17 Enforcement Commission.

18 E. The office of the Oklahoma Department of Marijuana and
19 Alcohol shall be in Oklahoma City in office space provided by the
20 Office of Management and Enterprise Services.

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 8002 of Title 63, unless there
23 is created a duplication in numbering, reads as follows:

24

1 A. Upon the effective date of this act, there is hereby created
2 the Oklahoma Marijuana and Alcohol Advisory Board, which shall be an
3 advisory body to the Executive Director of the Oklahoma Department
4 of Marijuana and Alcohol and shall consist of nine (9) members
5 appointed as follows:

6 1. Five members shall be appointed by the Governor;

7 2. Two members shall be appointed by the Speaker of the
8 Oklahoma House of Representatives; and

9 3. Two members shall be appointed by the President Pro Tempore
10 of the Oklahoma State Senate.

11 B. Beginning July 1, 2021, the Governor shall appoint initially
12 five members who shall serve for a term of two (2) years. The
13 Speaker of the Oklahoma House of Representatives shall appoint
14 initially two members who shall serve for a term of two (2) years.
15 The President Pro Tempore of the Oklahoma State Senate shall appoint
16 initially two members who shall serve for a term of two (2) years.
17 The members of the Advisory Board shall thereafter be appointed for
18 a term of four (4) years. Each member shall serve at the pleasure
19 of his or her appointing authority and may be removed or replaced
20 without cause.

21 C. Prior to any appointment to the Advisory Board, the person
22 shall be subject to a national criminal history record check as
23 defined in Section 150.9 of Title 74 of the Oklahoma Statutes.

24

1 D. Any member of the Advisory Board shall be prohibited from
2 voting on any issue in which the member has a direct financial
3 interest.

4 E. The Executive Director of the Oklahoma Department of
5 Marijuana and Alcohol shall be an ex officio member of the Advisory
6 Board, but shall be entitled to vote only in case of a tie vote.

7 F. The Advisory Board shall elect from among its members a
8 chair and a vice-chair. Meetings shall be held quarterly, or more
9 frequently at the call of the chair.

10 G. Five members shall constitute a quorum at any meeting, and
11 all action may be taken by an affirmative vote at any such meeting.

12 H. Actions taken by the Advisory Board on any matter, or any
13 document passed by the Advisory Board, shall be considered official
14 when such action is placed in writing and signed by the chair or
15 vice-chair.

16 I. Members of the Advisory Board shall receive reimbursement
17 for travel expenses incurred in attending meetings as provided for
18 in the State Travel Reimbursement Act.

19 J. The Advisory Board shall have the power and duty to:

20 1. Advise, consult with, and make recommendations to the
21 Executive Director of the Oklahoma Department of Marijuana and
22 Alcohol as to laws, rules and regulations concerning medical
23 marijuana, alcoholic beverages, charity games and youth access to
24 tobacco in this state; and

1 2. Assist and advise the Executive Director on such other
2 matters as the Executive Director may submit for recommendations to
3 the Advisory Board.

4 SECTION 3. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 8003 of Title 63, unless there
6 is created a duplication in numbering, reads as follows:

7 A. There is hereby created the position of Executive Director
8 of the Oklahoma Department of Marijuana and Alcohol. The Executive
9 Director shall be qualified for such position by character,
10 knowledge, skill, ability, education, training and successful
11 administrative experience and shall be subject to a national
12 criminal history record check as defined in Section 150.9 of Title
13 74 of the Oklahoma Statutes. The Executive Director shall not:

14 1. Be related in the third degree of consanguinity or affinity
15 to an officer, director, employee or stockholder in any corporation
16 or partnership which has as its business the manufacture, sale or
17 distribution of an alcoholic beverage or medical marijuana;

18 2. Own, mortgage or lease any retail or wholesale store or
19 warehouse for medical marijuana, alcoholic beverages or charity
20 games, any establishment selling medical marijuana or any
21 establishment selling alcoholic beverages by the individual drink
22 for on-premises consumption, any establishment operated by a caterer
23 who provides alcoholic beverages by the individual drink pursuant to
24

1 a caterer's license or any bottle club as provided in the alcoholic
2 beverage control laws of this state;

3 3. Have a direct or indirect interest in any business
4 authorized by a license issued pursuant to the provisions of the
5 Oklahoma Alcoholic Beverage Control Act, the Oklahoma Medical
6 Marijuana and Patient Protection Act, the Oklahoma Medical Marijuana
7 Waste Management Act or the Oklahoma Charity Games Act;

8 4. Have his or her spouse, parent, child, spouse of a child,
9 sibling, or spouse of a sibling have an application for a medical
10 marijuana business license, alcoholic beverage license or charity
11 games license pending before the Department or have a current
12 medical marijuana business license, alcoholic beverage license or
13 charity games license issued by the Department;

14 5. Be a member of the board of directors of a business that:
15 a. manufactures, sells or distributes alcoholic
16 beverages,
17 b. grows, processes, sells, distributes, disposes of or
18 tests medical marijuana, or
19 c. distributes, manufactures or organizes charity games;
20 or

21 6. Be financially interested in any licensee or business
22 related to medical marijuana, alcoholic beverages or charity games.

23 On or before September 1, 2021, the Executive Director of the
24 Department shall be appointed by the Governor with the advice and

1 consent of the Oklahoma State Senate. The Executive Director shall
2 serve at the pleasure of the Governor and may be removed or replaced
3 without cause by the Governor. Compensation for the Executive
4 Director shall be determined by the Governor. The Executive
5 Director may be removed from office by a two-thirds (2/3) vote of
6 the members elected to and constituting each chamber of the Oklahoma
7 State Legislature.

8 B. On or before September 1, 2021, the current Director of the
9 Oklahoma Medical Marijuana Authority and the current Director of the
10 Alcoholic Beverage Laws Enforcement Commission shall be affirmed by
11 the Governor as the Division Director of his or her respective
12 division, provided all qualifications provided for in this act are
13 satisfied.

14 C. All functions currently performed by the Oklahoma Medical
15 Marijuana Authority and the Alcoholic Beverage Laws Enforcement
16 Commission shall remain under their respective division until such
17 time as a reorganization plan, required pursuant to the provisions
18 of Section 6 of this act, has been approved by the Oklahoma
19 Marijuana and Alcohol Advisory Board.

20 SECTION 4. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 8004 of Title 63, unless there
22 is created a duplication in numbering, reads as follows:
23
24

1 The Executive Director of the Oklahoma Department of Marijuana
2 and Alcohol shall have the following powers, duties and
3 responsibilities:

4 1. Act as Executive Director of the Department;

5 2. Be directly responsible to the Governor for the affairs of
6 the Department and each division under its control;

7 3. Administer the activities of the Department and each
8 division under its control;

9 4. Act for the Department in all matters, including budgetary
10 matters and expenditures of each division under its control, except
11 as may be otherwise provided in this act;

12 5. Prepare proposed rules and regulations considered necessary
13 for the operation of the Department and each division under its
14 control;

15 6. Create, modify, merge or reorganize any of the divisions
16 within the Department as the Executive Director may deem
17 appropriate;

18 7. Be directly responsible for all monies appropriated for and
19 deposited to the credit of the Department and each division under
20 its control and approve all claims and payments or delegate said
21 responsibility, as provided in Section 34.68 of Title 62 of the
22 Oklahoma Statutes;

1 8. Accept grants, public or private, including federal funds or
2 funds from any other source for use in furthering the purpose of the
3 Department;

4 9. Purchase, lease and maintain motor vehicles and other
5 equipment and properties for use by employees of the Department and
6 each division under its control;

7 10. Transfer assets within the Department as may be necessary
8 and proper for the operation of the Department and each division
9 under its control; and

10 11. Maintain records of all proceedings and official orders.

11 SECTION 5. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 8005 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 There is hereby created in the State Treasury a revolving fund
15 for the Oklahoma Department of Marijuana and Alcohol to be
16 designated the "Oklahoma Department of Marijuana and Alcohol
17 Revolving Fund". The fund shall be a continuing fund, not subject
18 to fiscal year limitations, and shall consist of any monies received
19 from the sale of surplus and confiscated property, fees and receipts
20 collected pursuant to the Oklahoma Open Records Act, grants, public
21 or private, including federal funds unless otherwise provided by
22 federal law or regulation, reimbursements, refunds, fees and
23 receipts from any other source. All monies, and other money as
24 provided by law, accruing to the credit of the fund are hereby

1 appropriated and may be budgeted and expended by the Department for
2 general operations of the agency. Expenditures from the fund shall
3 be made upon warrants issued by the State Treasurer against claims
4 filed as prescribed by law with the Director of the Office of
5 Management and Enterprise Services for approval and payment.

6 SECTION 6. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 8006 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

9 A. No later than December 1, 2021, the Executive Director of
10 the Oklahoma Department of Marijuana and Alcohol shall present a
11 plan of reorganization of the Department to the President Pro
12 Tempore of the Oklahoma State Senate and the Speaker of the Oklahoma
13 House of Representatives. The plan shall include, but not be
14 limited to, the restructure of the Department into the following two
15 divisions:

- 16 1. The Administrative and Licensing Division; and
- 17 2. The Inspection and Enforcement Division.

18 B. Within ninety (90) days after receiving the plan of
19 reorganization from the Executive Director of the Department, the
20 President Pro Tempore of the Oklahoma State Senate and the Speaker
21 of the Oklahoma House of Representatives shall have the power to
22 approve, deny or modify the provisions of the plan of
23 reorganization.

24

1 SECTION 7. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8007 of Title 63, unless there
3 is a duplication in numbering, reads as follows:

4 A. Upon the effective date of this act, the Executive Director
5 of the Oklahoma Department of Marijuana and Alcohol, the
6 Commissioner of the State Department of Health, the Director of the
7 Oklahoma Medical Marijuana Authority and the Director of the
8 Alcoholic Beverage Laws Enforcement Commission shall serve as
9 transition coordinators and shall establish a transition team to
10 coordinate the orderly transfer of duties, personnel, property,
11 funds, financial obligations and encumbrances of the Oklahoma
12 Medical Marijuana Authority and the Alcoholic Beverage Laws
13 Enforcement Commission to the Oklahoma Department of Marijuana and
14 Alcohol. Each Director and the Commissioner may assign personnel to
15 the transition team as deemed necessary.

16 B. The transition team shall:

17 1. In conjunction with the Office of Management and Enterprise
18 Services, oversee and administer the orderly transfer of
19 responsibilities, assets, funds, liabilities, allotments, purchase
20 orders, vehicles and other property, records, personnel and any
21 outstanding financial obligations or encumbrances to the Oklahoma
22 Department of Marijuana and Alcohol from the Oklahoma Medical
23 Marijuana Authority and the Alcoholic Beverage Laws Enforcement
24 Commission;

1 2. Review functions currently assigned to or managed by the
2 Oklahoma Medical Marijuana Authority, the Alcoholic Beverage Laws
3 Enforcement Commission and the Oklahoma Department of Marijuana and
4 Alcohol;

5 3. Establish a plan for the transfer of employees from the
6 Oklahoma Medical Marijuana Authority and the Alcoholic Beverage Laws
7 Enforcement Commission to the Oklahoma Department of Marijuana and
8 Alcohol. The plan shall include a list of positions to be
9 transferred. The plan shall also include a reduction-in-force plan
10 and a severance benefits plan that conform with the requirements of
11 the State Government Reduction-in-Force and Severance Benefits Act;
12 and

13 4. Take such other action as may be reasonably necessary and
14 appropriate to effectuate the orderly transition of functions as
15 provided by this act.

16 SECTION 8. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 427.3a of Title 63, unless there
18 is created a duplication in numbering, reads as follows:

19 A. Effective September 1, 2021, the Oklahoma Medical Marijuana
20 Authority shall be transferred and become a division of the Oklahoma
21 Department of Marijuana and Alcohol. The Department shall address
22 issues related to the medical marijuana program in Oklahoma
23 including, but not limited to, the issuance of patient licenses and
24 medical marijuana business licenses and the dispensing, cultivating,

1 processing, testing, transporting, storage, research, disposal and
2 use and sale of medical marijuana pursuant to the Oklahoma Medical
3 Marijuana and Patient Protection Act and the Oklahoma Medical
4 Marijuana Waste Management Act, including compliance and enforcement
5 of those laws.

6 B. The Executive Director of the Oklahoma Department of
7 Marijuana and Alcohol shall adopt and promulgate such rules as may
8 be necessary to carry out the duties of the Department.

9 SECTION 9. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 427.3b of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. Effective September 1, 2021, all powers, duties and
13 responsibilities of the Oklahoma Medical Marijuana Authority, a
14 division of the State Department of Health, shall be fully
15 transferred to the Oklahoma Department of Marijuana and Alcohol, as
16 created in Section 1 of this act.

17 B. All assets, funds, liabilities, allotments, purchase orders,
18 outstanding financial obligations, encumbrances, records, vehicles,
19 equipment and other property of the Oklahoma Medical Marijuana
20 Authority are hereby transferred to the Oklahoma Department of
21 Marijuana and Alcohol.

22 C. Personnel employed by the Oklahoma Medical Marijuana
23 Authority on September 1, 2021, shall be transferred to the Oklahoma
24 Department of Marijuana and Alcohol pursuant to a transition plan

1 implemented by the Oklahoma Department of Marijuana and Alcohol, the
2 State Department of Health and the Oklahoma Medical Marijuana
3 Authority as required by Section 7 of this act

4 D. The employees who are transferred pursuant to this section
5 shall be subject to the following provisions:

6 1. All employees who are transferred pursuant to this act shall
7 retain leave, sick and annual time earned and any retirement and
8 longevity benefits which have accrued during their employment with
9 the state. The salaries of employees who are transferred shall not
10 be reduced as a direct and immediate result of the transfer;

11 2. If the Department should implement a reduction-in-force, all
12 employees transferred pursuant to this act shall be credited for the
13 time they were employed by the Oklahoma Medical Marijuana Authority;
14 and

15 3. The transfer of personnel shall be coordinated with the
16 Office of Management and Enterprise Services.

17 E. Effective September 1, 2021, any administrative rules
18 promulgated by the State Department of Health related to the
19 administration of the Oklahoma Medical Marijuana and Patient
20 Protection Act, Oklahoma Medical Marijuana Waste Management Act and
21 any other administrative rules related to medical marijuana in
22 Oklahoma shall be transferred to and become part of the
23 administrative rules of the Oklahoma Department of Marijuana and
24 Alcohol. The Office of Administrative Rules in the Office of the

1 Secretary of State shall provide adequate notice in The Oklahoma
2 Register of the transfer of rules, and shall place the transferred
3 rules under the Administrative Code section of the Oklahoma
4 Department of Marijuana and Alcohol.

5 F. The Commissioner of the State Department of Health shall
6 abolish the division of the Oklahoma Medical Marijuana Authority
7 within the State Department of Health after such transfer has been
8 completed laws

9 SECTION 10. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 1-113 of Title 37A, unless there
11 is created a duplication in numbering, reads as follows:

12 A. Effective September 1, 2021, the Alcoholic Beverage Laws
13 Enforcement Commission shall be transferred and become a division of
14 the Oklahoma Department of Marijuana and Alcohol. The Department
15 shall address issues related to the enforcement of the alcoholic
16 beverage laws of this state, charity game laws and youth access to
17 tobacco laws, including compliance and enforcement of those laws.

18 B. The Executive Director of the Oklahoma Department of
19 Marijuana and Alcohol shall adopt and promulgate such rules as may
20 be necessary to carry out the duties of the Department.

21 SECTION 11. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 1-114 of Title 37A, unless there
23 is created a duplication in numbering, reads as follows:

24

1 A. Effective September 1, 2021, all powers, duties and
2 responsibilities of the Alcoholic Beverage Laws Enforcement
3 Commission shall be fully transferred to the Oklahoma Department of
4 Marijuana and Alcohol, as created in Section 1 of this act.

5 B. All assets, funds, liabilities, allotments, purchase orders,
6 outstanding financial obligations, encumbrances, records, vehicles,
7 equipment and other property of the Alcoholic Beverage Laws
8 Enforcement Commission are hereby transferred to the Oklahoma
9 Department of Marijuana and Alcohol.

10 C. Personnel employed by the Alcoholic Beverage Laws
11 Enforcement Commission on September 1, 2021, shall be transferred to
12 the Oklahoma Department of Marijuana and Alcohol pursuant to a
13 transition plan implemented by the Oklahoma Department of Marijuana
14 and Alcohol and the Alcoholic Beverage Laws Enforcement Commission
15 as required by Section 7 of this act.

16 D. The employees who are transferred pursuant to this section
17 shall be subject to the following provisions:

18 1. All employees who are transferred pursuant to this act shall
19 retain leave, sick and annual time earned and any retirement and
20 longevity benefits which have accrued during their employment with
21 the state. The salaries of employees who are transferred shall not
22 be reduced as a direct and immediate result of the transfer;

23 2. If the Department should implement a reduction-in-force, all
24 employees transferred pursuant to this act shall be credited for the

1 time they were employed by the Alcoholic Beverage Laws Enforcement
2 Commission; and

3 3. The transfer of personnel shall be coordinated with the
4 Office of Management and Enterprise Services.

5 E. Effective September 1, 2021, any administrative rules
6 promulgated by the Alcoholic Beverage Laws Enforcement Commission
7 related to the administration of the Oklahoma Alcoholic Beverage
8 Control Act, the Prevention of Youth Access to Tobacco Act and the
9 Oklahoma Charity Games Act and any other administrative rules
10 related to the Commission shall be transferred to and become part of
11 the administrative rules of the Oklahoma Department of Marijuana and
12 Alcohol. The Office of Administrative Rules in the Office of the
13 Secretary of State shall provide adequate notice in The Oklahoma
14 Register of the transfer of rules, and shall place the transferred
15 rules under the Administrative Code section of the Oklahoma
16 Department of Marijuana and Alcohol.

17 SECTION 12. AMENDATORY 3A O.S. 2011, Section 402, is
18 amended to read as follows:

19 Section 402. As used in the Oklahoma Charity Games Act, Section
20 401 et seq. of this title:

21 1. "Bingo" means a game in which each player receives a bingo
22 face and covers the squares according to the numbers, letters, or
23 combination of numbers and letters that have been announced by the
24 caller. The numbers and letters called are on an object selected at

1 random either manually or mechanically from a receptacle in which
2 have been placed the objects bearing the numbers, letters, or
3 combinations of numbers and letters corresponding to the system used
4 for designating the bingo face squares. The winner of each bingo
5 game is the player who first properly covers a predetermined and
6 announced pattern of squares upon the bingo face being used by the
7 player;

8 2. "Bingo face" means a flat piece of paper which is marked off
9 into any number of squares in any arrangement of rows, with each
10 square being designated by number, letter or combination of numbers
11 and letters and with one or more squares designated as a "free"
12 space with the word "Oklahoma" and a facsimile outline of a map of
13 Oklahoma in it, which cannot be reused after the game in which a
14 player has used it is over;

15 3. "Breakopen ticket card" means a single folded or banded
16 ticket or a card, the face of which is initially covered or
17 otherwise hidden from view to conceal a number, letter, symbol, or
18 set of letters or symbols, a few of which numbers, letters or
19 symbols out of every set of charity game tickets have been
20 designated in advance at random as prize winners and which is used
21 in a breakopen ticket game;

22 4. "Breakopen ticket game" means a game wherein a player
23 receives a breakopen ticket card. A breakopen ticket game shall
24 meet the following criteria:

- 1 a. the game shall be assembled so that no placement of
2 winners or losers exists that allows the possibility
3 of prize manipulation,
- 4 b. the concealed numbers, letters, or symbols shall not
5 be visible from the outside of the game using high
6 intensity lamps. Protection shall be provided by the
7 opaque paper stock employed, with the possible
8 addition of colors and printed blockout patterns or by
9 use of an aluminum foil laminate,
- 10 c. a unique symbol or printed security device, such as a
11 specific number keyed to particular winners or the
12 name of the symbol or some of the symbol colors
13 changed for a window, or other similar protection
14 shall be placed in the winning windows of prize
15 windows to ensure that the winner image is unique,
- 16 d. it shall not be possible to detect or pick out winning
17 from losing tickets through variations in printing
18 graphics, color, or use of different printing plates,
- 19 e. it shall not be possible to isolate winning or
20 potential winning tickets from minor variations in
21 size or cutting of the tickets comprising a particular
22 packet, and
23
24

1 f. each ticket in a game shall have a serial number. All
2 tickets in a game shall have the same serial number
3 appearing in a conspicuous place on the ticket;

4 5. "Business entity" means a person, company, corporation, or
5 partnership organized for profit;

6 6. "Charity game" means a bingo game, U-PIK-EM bingo game, or
7 breakopen ticket game conducted by an organization pursuant to the
8 provisions of the Oklahoma Charity Games Act;

9 7. "Charity game equipment" means any object uniquely designed
10 for use in the conducting of a charity game including, but not
11 limited to, bingo faces, U-PIK-EM bingo game sets, and breakopen
12 ticket cards. Items used in conducting charity games which are not
13 charity game equipment are ink markers, furniture and general
14 furnishings of rooms where charity games are conducted;

15 8. "Commission" or "ABLE Commission" means the Alcoholic
16 Beverage Laws Enforcement Commission, a division of the Oklahoma
17 Department of Marijuana and Alcohol;

18 9. "Day session" means the set time frame within which
19 conducting of charity games is authorized beginning no earlier than
20 10:00 a.m. and ending no later than 5:00 p.m.;

21 10. "Deal" means one series of breakopen ticket game cards
22 which has a stated number of winner payouts and a stated amount of
23 the payouts;

1 11. "Distributor" means a person or business entity that sells,
2 markets, or otherwise provides charity game equipment to an
3 organization;

4 12. "Doing business" means either conducting a charity game by
5 an organization or providing goods or services to an organization by
6 a business entity;

7 13. "Employee" means a person who works for compensation in a
8 licensed charity game establishment;

9 14. "Immediate family member" means a spouse, parent, child or
10 sibling or spouse of a parent, child or sibling of a resident of a
11 facility exempt from specific provisions of the Oklahoma Charity
12 Games Act as provided in subsection C of Section 405 of this title;

13 15. "Licensee" means any person, organization, or business
14 entity which has received a license from the Commission;

15 16. "Location" means the building, including the individual
16 rooms and equipment in the rooms, grounds, and appurtenances,
17 including adjacent premises if subject to the direct or indirect
18 control of the organization while conducting a charity game, which
19 are used in connection with or in furtherance of the conducting of a
20 charity game;

21 17. "Manager" means a person who:

22 a. is an employee of an organization,

23 b. has supervisory authority over other employees or over
24 the conduct of charity games, and

1 c. has been designated as such by the organization
2 pursuant to the provisions of subsection D of Section
3 408 of this title;

4 18. "Manufacturer" means a person or business entity that
5 assembles from raw materials, supplies, or subparts to form a
6 completed series of charity game equipment for use in charity games
7 and that sells, markets, or otherwise provides such equipment to a
8 distributor;

9 19. "Night session" means the set time frame within which
10 conducting of charity games is authorized beginning no earlier than
11 ~~5:00~~ 5 p.m. and ending no later than ~~12:00~~ 12 p.m. midnight;

12 20. "Organization" means a religious, charitable, labor,
13 fraternal, educational, or other type of association or any branch,
14 lodge, chapter, or auxiliary of such association which:

- 15 a. operates without profit to its members,
16 b. has been in existence and been operating as a
17 nonprofit organization for not less than two (2) years
18 prior to applying for an organization license,
19 c. is exempt from taxation pursuant to the provisions of
20 paragraphs (3), (4), (5), (6), (7), (8), (9), (10), or
21 (19) of subsection (c) of Section 501 or paragraph (1)
22 of subsection (a) of Section 509 of the United States
23 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
24 Section 501(c) et seq. or Section 509(a)(1), and

1 d. formulates bylaws which clearly identify and
2 establish:

- 3 (1) method of electing officers and their duties,
4 (2) method by which members are elected, initiated or
5 admitted,
6 (3) the rights and privileges of each member,
7 (4) that each member has one vote, and
8 (5) that membership rights are personal to the member
9 and not assignable;

10 21. "Progressive game" means a game in which prizes are allowed
11 to be carried over and increased from session to session;

12 22. "U-PIK-EM bingo game" means a game played wherein a player
13 writes the numbers on a U-PIK-EM bingo game set. The player retains
14 one sheet of the set and deposits the second sheet in a receptacle
15 in the control of the organization. The player then covers the
16 numbers as the caller announces a number. The numbers called are on
17 an object selected at random either manually or mechanically from a
18 receptacle in which have been placed the objects bearing the
19 numbers. The winner of each U-PIK-EM bingo game is the player who
20 first covers all the numbers appearing on the retained sheet in
21 accordance with the pattern as designated on the sheet; and

22 23. "U-PIK-EM bingo game set" means two paper sheets of
23 carbonless paper both bearing identical serial numbers on which a
24 player writes numbers or letters, wherein one sheet is retained by

1 the player and used for playing and one sheet is held by the
2 organization and used for verifying winners.

3 SECTION 13. AMENDATORY 3A O.S. 2011, Section 403, is
4 amended to read as follows:

5 Section 403. A. The ABLE Commission, a division of the
6 Oklahoma Department of Marijuana and Alcohol, shall be the licensing
7 authority for the licensing of organizations, manufacturers, and
8 distributors conducting, supplying, or otherwise providing charity
9 games to the public in this state.

10 B. The ABLE Commission shall be responsible for the
11 administration and enforcement of the Oklahoma Charity Games Act.
12 In addition to such other duties as may be imposed on the ABLE
13 Commission by law, and in order to perform that responsibility, the
14 ABLE Commission shall:

15 1. Adopt and promulgate rules for the purpose of administering
16 and enforcing the Oklahoma Charity Games Act;

17 2. Have the authority to issue, renew, suspend, or revoke any
18 license authorized by the Oklahoma Charity Games Act;

19 3. Conduct or direct the conducting of investigations relating
20 to issuing, renewing, suspending, or revoking any license authorized
21 by the Oklahoma Charity Games Act;

22 4. Institute proceedings as the complainant against both
23 licensees and nonlicensees for violations of the Oklahoma Charity
24 Games Act;

1 5. Maintain records of all proceedings including minutes of
2 meetings, applications for licenses and related documents of
3 applicants, and official documents filed in any hearings conducted
4 by the ABLE Commission arising out of any provision of the Oklahoma
5 Charity Games Act or the rules and regulations of the ABLE
6 Commission. Copies of such records certified by the Division
7 Director of the ABLE Commission shall be admissible as evidence in a
8 civil or criminal action;

9 6. Make such expenditures including employing such additional
10 staff as may be necessary for the administration and enforcement of
11 the Oklahoma Charity Games Act;

12 7. Establish a standard recordkeeping system for the conduct of
13 charity games;

14 8. Establish a model internal control system for use by
15 organizations;

16 9. Conduct all hearings including actions on investigations,
17 issuance, denial, revocation, or suspension of a license, adoption
18 of rules, and conduct meetings in accordance with the provisions of
19 the Administrative Procedures Act, Section 250 et seq. of Title 75
20 of the Oklahoma Statutes, and the Oklahoma Open Meeting Act, Section
21 301 et seq. of Title 25 of the Oklahoma Statutes; and

22 10. Be responsible for approving locations for the conducting
23 of charity games.

1 C. The ~~members~~ Division Director of the ABLE Commission, ~~the~~
2 ~~Director~~ and such agents as the ~~Commission~~ Division Director
3 appoints shall have all the powers and authority of peace officers
4 of this state for purposes of enforcing the provisions of the
5 Oklahoma Charity Games Act.

6 D. The ABLE Commission shall have the authority to regularly
7 inspect all locations or places of business of licensees and all
8 other persons, firms or corporations dealing in the manufacture,
9 distribution, transportation, sale or service of charity games or
10 charity game equipment within this state. Any officer or employee
11 of the ABLE Commission with responsibility for enforcement of the
12 Oklahoma Charity Games Act shall have the power and authority,
13 without a warrant, to enter and examine the location or place of
14 business of any licensee, during normal operating hours thereof, to
15 determine if any violation of the provisions of the Oklahoma Charity
16 Games Act or rules of the ABLE Commission is or may be occurring.
17 The right of entry and inspection shall be a condition upon which
18 every license shall be issued and the application for and acceptance
19 of any license hereunder shall conclusively be deemed to be consent
20 of the applicant and licensee to such entry and inspection.
21 Officers and employees of the ABLE Commission or the Oklahoma Tax
22 Commission shall be given free access to and shall not be hindered
23 or interfered with in their examination of the location or place of
24 business of any licensee, and in any case in which such officer or

1 employee is denied free access and entry or is hindered or
2 interfered with in making such examination, any license held for
3 such location or place of business shall be subject to suspension or
4 revocation.

5 SECTION 14. AMENDATORY Section 1, Chapter 435, O.S.L.
6 2019 (12 O.S. Supp. 2020, Section 1560), is amended to read as
7 follows:

8 Section 1560. A. In the event that a licensed medical
9 marijuana dispensary, commercial grower or processor is foreclosed,
10 is the subject of an order appointing a receiver, becomes insolvent,
11 bankrupt or otherwise ceases operations, a secured party or receiver
12 may continue operations at the dispensary, grower or processor upon
13 submitting to the Oklahoma Medical Marijuana Authority, ~~State~~
14 ~~Department of Health,~~ a division of the Oklahoma Department of
15 Marijuana and Alcohol, proof that the secured party or receiver, or
16 if the secured party or receiver is a business entity, any
17 individual who has a financial interest in the secured party or
18 receiver, meets the requirements and restrictions set forth in:

19 1. For licensed medical marijuana dispensaries, Section 421 of
20 Title 63 of the Oklahoma Statutes;

21 2. For licensed commercial medical marijuana growers, Section
22 422 of Title 63 of the Oklahoma Statutes; or

23 3. For licensed medical marijuana processors, Section 423 of
24 Title 63 of the Oklahoma Statutes.

1 The Authority may prescribe the form and manner of submitting
2 proof under this subsection. Neither the state nor agency of this
3 state shall require an additional fee from the secured party or
4 receiver, other than payment of annual fees which may become due
5 during the operation by the secured party or receiver.

6 B. Subject to the requirements of subsection A of this section,
7 the Oklahoma Medical Marijuana Authority, ~~State Department of~~
8 ~~Health,~~ shall promulgate rules for the manner and conditions under
9 which:

10 1. Marijuana items left by a deceased, insolvent or bankrupt
11 person or licensee, or subject to a security interest or a court
12 order appointing a receiver, may be foreclosed, sold under execution
13 or otherwise disposed whether by foreclosure or by sale as a going
14 concern;

15 2. The business of a licensee who is deceased, insolvent,
16 bankrupt, or the subject of an order appointing a receiver or a
17 foreclosure by a secured party, may be operated for a reasonable
18 period following the death, insolvency, appointment of a receiver or
19 bankruptcy; and

20 3. A secured party or court-appointed receiver may continue to
21 operate a business for which a license has been issued under Section
22 421, 422 or 423 of Title 63 of the Oklahoma Statutes for a
23 reasonable period after default on the indebtedness by the debtor or
24 after the appointment of the receiver.

1 SECTION 15. AMENDATORY Section 5, Chapter 366, O.S.L.
2 2016 (37A O.S. Supp. 2020, Section 1-105), is amended to read as
3 follows:

4 Section 1-105. A. ~~Members of the ABLE Commission shall:~~

5 ~~1. Be citizens of the United States;~~

6 ~~2. Be qualified electors in this state;~~

7 ~~3. Have been residents of this state for at least ten (10)~~
8 ~~consecutive years immediately preceding the date of their~~
9 ~~appointment and qualification; and~~

10 ~~4. Be persons of outstanding character, experienced, efficient~~
11 ~~and successful in business affairs and of good reputation in their~~
12 ~~communities.~~

13 ~~B. Members shall execute the loyalty oath required by law for~~
14 ~~elected state officials before assuming the duties of their office.~~

15 ~~C. No person shall be appointed who:~~

16 ~~1. Has been convicted of, or shall have pleaded guilty to, a~~
17 ~~felony or any violation of any federal or state law concerning the~~
18 ~~manufacture or sale of alcoholic beverages or cereal malt beverages~~
19 ~~prior or subsequent to the passage of the Oklahoma Alcoholic~~
20 ~~Beverage Control Act;~~

21 ~~2. Has paid a fine or penalty in settlement in any prosecution~~
22 ~~against the person in any violation of such laws; or~~

23 ~~3. Shall have forfeited a bond to appear in court to answer~~
24 ~~charges for any such violation.~~

1 ~~D. No appointee shall serve if the appointee or any person~~
2 ~~related to the appointee in the third degree by consanguinity or~~
3 ~~affinity is an officer, director, employee or stockholder in any~~
4 ~~corporation or partnership which has as its business the~~
5 ~~manufacture, sale or distribution of an alcoholic beverage.~~

6 ~~E. No member of the ABLE Commission shall own, mortgage or~~
7 ~~lease any retail or wholesale store or warehouse, any establishment~~
8 ~~selling alcoholic beverages by the individual drink for on-premises~~
9 ~~consumption, any establishment operated by a caterer who provides~~
10 ~~alcoholic beverages by the individual drink pursuant to a caterer's~~
11 ~~license or any bottle club as provided in the alcoholic beverage~~
12 ~~control laws of this state.~~

13 ~~F. The provisions of the Oklahoma Alcoholic Beverage Control~~
14 ~~Act shall not prevent any member of the ABLE Commission from~~
15 ~~purchasing and possessing, for personal use or use by the members of~~
16 ~~the member's family or any guests, any alcoholic beverage which may~~
17 ~~be purchased or kept by any person by virtue of the provisions of~~
18 ~~the Oklahoma Alcoholic Beverage Control Act.~~

19 ~~G. In order to establish the qualifications of members of the~~
20 ~~ABLE Commission, a national criminal history record check as defined~~
21 ~~in Section 150.9 of Title 74 of the Oklahoma Statutes shall be~~
22 ~~required for each member.~~

23 ~~H. A majority of the members of the ABLE Commission shall~~
24 ~~constitute a quorum to transact business, but no vacancy shall~~

1 ~~impair the right of the remaining members to exercise all of the~~
2 ~~powers of the Commission, and every act of a majority of the members~~
3 ~~shall be deemed to be the act of the ABLE Commission.~~

4 1. The ABLE Commission Executive Director of the Oklahoma
5 Department of Marijuana and Alcohol shall appoint the Division
6 Director of the ABLE Commission as secretary who shall keep a record
7 of all proceedings and official acts of the ABLE Commission and who
8 shall be the custodian of all records and perform such other duties
9 as the ~~ABLE Commission~~ Department shall prescribe.

10 2. The Division Director of the ABLE Commission shall be
11 certified by the Council on Law Enforcement Education and Training
12 prior to his or her appointment as the Division Director of the ABLE
13 Commission.

14 ~~I. Each member of the ABLE Commission shall receive~~
15 ~~reimbursement for travel expenses incurred in attending meetings as~~
16 ~~provided for in the State Travel Reimbursement Act.~~

17 ~~¶ B.~~ B. The office of the ABLE Commission shall be in Oklahoma
18 City in office space provided by the Office of Management and
19 Enterprise Services. All meetings of the ABLE Commission shall be
20 open to the public and all records of the ABLE Commission shall be
21 public records and open for public inspection. ~~The ABLE Commission~~
22 ~~shall hold regular meetings at least once a month at its office and~~
23 ~~may hold such special meetings as it deems necessary at any time and~~
24 ~~at any place within the state.~~

1 ~~K.~~ C. The ABLE Commission, for authentication of its records,
2 process and proceedings, may adopt, keep and use a common seal, of
3 which seal judicial notice shall be taken in all the courts of the
4 state. Any process, notice or other paper which the ABLE Commission
5 may be authorized by law to issue shall be deemed sufficient if
6 signed by the secretary of the ABLE Commission and authenticated by
7 such seal. All acts, orders, proceedings, rules, regulations,
8 entries, minutes and other records of the ABLE Commission, and all
9 reports and documents filed with the ABLE Commission may be proved
10 in any court of this state by copy thereof certified by the
11 secretary of the ABLE Commission with the seal of the ABLE
12 Commission attached.

13 ~~H.~~ D. The ABLE Commission shall not adopt or promulgate any
14 rule or regulation inconsistent with the provisions of the Oklahoma
15 Alcoholic Beverage Control Act or any law of this state.

16 SECTION 16. AMENDATORY Section 8, Chapter 366, O.S.L.
17 2016 (37A O.S. Supp. 2020, Section 1-108), is amended to read as
18 follows:

19 Section 1-108. A. The Division Director of the ABLE Commission
20 shall ~~appoint a Director, who shall~~ employ an Assistant Division
21 Director and such other personnel as are necessary to properly
22 enforce and administer the Oklahoma Alcoholic Beverage Control Act.
23 The Division Director shall require bonds in such instances and
24 amounts as the ABLE Commission may direct, and shall be in direct

1 charge of all records. The Division Director shall further have the
2 following specific powers and duties:

3 1. To issue licenses provided for in the Oklahoma Alcoholic
4 Beverage Control Act, and to approve or reject any official bond
5 required to be filed with the Director ~~or the ABLE Commission~~;

6 2. To appoint and employ, supervise and discharge such
7 employees as may be determined necessary for the proper discharge of
8 the duties of the office of Division Director, upon duties and
9 salary fixed and determined by the ~~ABLE Commission~~ Executive
10 Director of the Oklahoma Department of Marijuana and Alcohol and
11 subject to all the rules that may be promulgated by the ~~ABLE~~
12 ~~Commission~~ Department. The Division Director ~~and the ABLE~~
13 ~~Commission~~, in appointing and employing personnel, shall give
14 preference to honorably discharged members of the Armed Forces of
15 the United States;

16 3. To conduct such investigations and make such reports as may
17 be necessary to keep the ~~ABLE Commission~~ Oklahoma Department of
18 Marijuana and Alcohol advised concerning any violations of the
19 provisions of the Oklahoma Alcoholic Beverage Control Act and make
20 orders for its enforcement;

21 4. To make recommendations to the ~~ABLE Commission~~ Department
22 concerning the suspension or revocation of any licenses, the levying
23 of fines against licensees for violations of the provisions of the
24 Oklahoma Alcoholic Beverage Control Act or rules of the ~~ABLE~~

1 ~~Commission~~ Department or any action that should be filed or
2 commenced against any official bond theretofore approved by the
3 Executive Director or the ABLÉ Commission of the Department;

4 5. To regularly inspect all places of business of licensees,
5 and all other persons, firms or corporations dealing in the
6 manufacture, distribution, transportation, sale or service of
7 alcoholic beverages under the provisions of the Oklahoma Alcoholic
8 Beverage Control Act ~~and report to the ABLÉ Commission concerning~~
9 ~~any and all violations with a recommendation to the ABLÉ Commission~~
10 ~~for its determination;~~

11 6. To refer any evidence of a violation of any provision of the
12 Oklahoma Alcoholic Beverage Control Act which carries a criminal
13 penalty to the appropriate law enforcement authority for action;

14 7. To aid the enforcement authorities of this state or any
15 county or municipality of the state, or the federal government, in
16 prosecutions of violations of the Oklahoma Alcoholic Beverage
17 Control Act; and

18 8. To enforce the provisions of the Prevention of Youth Access
19 to Tobacco Act including but not limited to the levying of
20 administrative fines against persons violating the provisions of the
21 Prevention of Youth Access to Tobacco Act, and to at least annually
22 conduct random unannounced inspections at locations where tobacco
23 products are sold or distributed and conduct targeted inspections at
24

1 those locations which have been in violation of the provisions of
2 the Prevention of Youth Access to Tobacco Act.

3 B. The Division Director may employ or contract with attorneys,
4 as needed, to advise the Division Director and the ~~ABLE Commission~~
5 Executive Director of the Department on all legal matters and shall
6 appear for and represent the ~~Director and the ABLE Commission~~
7 Department in all administrative hearings and all litigation or
8 other proceedings which may arise in the discharge of their duties.
9 At the request of the ~~ABLE Commission~~ Executive Director of the
10 Department, such attorneys shall assist district attorneys in
11 prosecuting charges of violators of the Oklahoma Alcoholic Beverage
12 Control Act.

13 SECTION 17. AMENDATORY Section 9, Chapter 366, O.S.L.
14 2016 (37A O.S. Supp. 2020, Section 1-109), is amended to read as
15 follows:

16 Section 1-109. A. The ~~members of the ABLE Commission, the~~
17 Division Director of the Oklahoma Department of Marijuana and
18 Alcohol and such agents and inspectors ~~as the ABLE Commission~~
19 ~~appoints in writing~~ shall have all the powers and authority of peace
20 officers of this state for the purpose of enforcing the provisions
21 of the Oklahoma Alcoholic Beverage Control Act.

22 B. The Division Director or any agent or inspector ~~duly~~
23 ~~appointed, as provided in subsection A of this section,~~ shall be
24 authorized to arrest violators for offenses against laws of this

1 state committed in the presence of the Director or such agents or
2 inspectors, and further, upon the request of a sheriff or another
3 peace officer of this state or any political subdivision thereof,
4 assist in apprehension and arrest of a violator or suspected
5 violator of any of the laws of this state.

6 C. 1. A commissioned employee of the ABLE Commission shall be
7 entitled to receive, upon retirement by reason of length of service,
8 the continued custody and possession of the sidearm and badge
9 carried by such employee immediately prior to retirement;

10 2. A commissioned employee of the ABLE Commission may be
11 entitled to receive, upon retirement by reason of disability, the
12 continued custody and possession of the sidearm and badge carried by
13 such employee immediately prior to retirement, upon approval of the
14 Director;

15 3. Custody and possession of the sidearm and badge of a
16 commissioned employee of the ABLE Commission, killed in the line of
17 duty, may be awarded by the Director to the spouse or next of kin of
18 the deceased employee.

19 SECTION 18. AMENDATORY Section 10, Chapter 366, O.S.L.
20 2016, as amended by Section 1, Chapter 130, O.S.L. 2019 (37A O.S.
21 Supp. 2020, Section 1-110), is amended to read as follows:

22 Section 1-110. A. No ~~member or~~ employee of the ABLE Commission
23 of the Oklahoma Department of Marijuana and Alcohol shall:

24

1 1. ~~Be appointed or serve who has~~ Have been convicted of a
2 felony or of any violation of any federal or state law relating to
3 alcoholic beverages;

4 2. Directly or indirectly, individually or as a member of a
5 partnership, or as a shareholder of a corporation, have any interest
6 whatsoever in the manufacture, sale or distribution of alcoholic
7 beverages;

8 3. Receive any compensation or profit therefrom, nor have any
9 interest, directly or indirectly, in any business authorized by a
10 license issued pursuant to the provisions of the Oklahoma Alcoholic
11 Beverage Control Act. The holding of membership or elective or
12 appointed office in fraternal organizations which obtain licenses
13 authorized by the Oklahoma Alcoholic Beverage Control Act shall not
14 be considered to be engagement in the alcoholic beverage business;

15 4. Solicit or accept any gift, gratuity, emolument or
16 employment from any person subject to the provisions of the Oklahoma
17 Alcoholic Beverage Control Act, or from any officer, agent or
18 employee thereof;

19 5. Solicit, request from or recommend, directly or indirectly,
20 to any such person or to any officer, agent or employee thereof, the
21 appointment of any person to any place or position, and every such
22 person, and every officer, agent or employee thereof, is hereby
23 forbidden to offer to any ~~member or~~ employee of the ABLE Commission
24 any gift, gratuity, emolument or employment;

1 6. Accept employment within the alcoholic beverage industry for
2 any holder of a license issued pursuant to the provisions of the
3 Oklahoma Alcoholic Beverage Control Act; or

4 7. Represent, directly or indirectly, any such licensee in any
5 proceedings before the Executive Director of the Oklahoma Department
6 of Marijuana and Alcohol, the ABLE Commission or the Tax Commission
7 within two (2) years following separation from the ~~ABLE Commission~~
8 Department.

9 B. Violation of any provision of subsection A of this section
10 shall constitute a misdemeanor. In addition to the penal
11 provisions, any person convicted shall be immediately removed from
12 the office or position he or she holds.

13 C. No license of any kind shall be granted to or retained by
14 any person or any partnership containing any partner who is related
15 to ~~any member of the ABLE Commission or to the~~ Division Director or
16 Assistant Division Director by affinity or consanguinity within the
17 third degree or who is related to any other employee of the ABLE
18 Commission by affinity or consanguinity in the first degree. If a
19 license is held in violation of the provisions of this subsection,
20 the ~~member or~~ employee of the ABLE Commission shall not be entitled
21 to receive any compensation or other monies from the State of
22 Oklahoma while a license is held in violation of the provisions of
23 this subsection.

1 D. It shall be unlawful for any ~~member or~~ employee of the ABLE
2 Commission to lend, expend or contribute any money, funds, property
3 or other thing of value, or use his or her official position for the
4 purpose of securing the nomination or election or the defeat of any
5 candidate for public office in the State of Oklahoma.

6 E. Any person who shall violate the provisions of subsection D
7 of this section shall, upon conviction, be fined not less than Two
8 Thousand Five Hundred Dollars (\$2,500.00) nor more than Five
9 Thousand Dollars (\$5,000.00), or be imprisoned in the county jail
10 for not more than one (1) year, or by both such fine and
11 imprisonment. Any person found guilty of violating the provisions
12 of this subsection shall, upon conviction, in addition to the
13 criminal penalty imposed herein, be discharged from the office or
14 position he or she holds and shall not be rehired to any state
15 position.

16 SECTION 19. AMENDATORY Section 131, Chapter 366, O.S.L.
17 2016 (37A O.S. Supp. 2020, Section 5-128), is amended to read as
18 follows:

19 Section 5-128. A. There is hereby created in the State
20 Treasury a fund to be known as the "Alcoholic Beverage Control Fund"
21 which shall consist of revenues collected by the state from license
22 and registration fees, with any interest, fines or penalties levied
23 and collected by the ABLE Commission, a division of the Oklahoma
24 Department of Marijuana and Alcohol, pursuant to the provisions of

1 the Oklahoma Alcoholic Beverage Control Act; provided, the first
2 Three Hundred Thousand Dollars (\$300,000.00) of such revenues
3 collected each fiscal year shall be deposited to the Community-Based
4 Substance Abuse Revolving Fund and the next Twenty Thousand Dollars
5 (\$20,000.00) of such revenues collected each fiscal year shall be
6 deposited in the Prevention of Youth Access to Alcohol Revolving
7 Fund. Any unappropriated balance in the ~~Oklahoma~~ Alcoholic Beverage
8 Control Fund at the close of each fiscal year shall revert to the
9 General Revenue Fund of the State of Oklahoma, except for the amount
10 necessary to satisfy any appropriations made or to be made from the
11 fund by the Oklahoma State Legislature for the ensuing fiscal year.

12 All such monies collected by the ABLE Commission pursuant to the
13 provisions of the Oklahoma Alcoholic Beverage Control Act shall be
14 deposited in the State Treasury for credit to the General Revenue
15 Fund of the state, except as provided in subsection B of this
16 section.

17 B. There is hereby created in the State Treasury a revolving
18 fund for the ABLE Commission, a division of the Oklahoma Department
19 of Marijuana and Alcohol, to be designated the "Alcoholic Beverage
20 Governance Revolving Fund". The fund shall be a continuing fund,
21 not subject to fiscal year limitations, and shall consist of any
22 monies received from the surcharge collected by the Tax Commission
23 pursuant to subsection ~~F~~ G of Section ~~13~~ 2-101 of this ~~act~~ title and
24 any other sources of funds provided by law. All monies accruing to

1 the credit of the fund shall be budgeted and expended by the ABLE
2 Commission for general operations. Expenditures from the fund shall
3 be made upon warrants issued by the State Treasurer against claims
4 filed as prescribed by law with the Director of the Office of
5 Management and Enterprise Services for approval and payment.

6 SECTION 20. AMENDATORY 47 O.S. 2011, Section 156, as
7 amended by Section 2, Chapter 380, O.S.L. 2014 (47 O.S. Supp. 2020,
8 Section 156), is amended to read as follows:

9 Section 156. A. Unless otherwise provided for by law, no state
10 board, commission, department, institution, official, or employee,
11 except the following, shall purchase any passenger automobile or bus
12 with public funds:

- 13 1. The Department of Public Safety;
- 14 2. The Department of Human Services;
- 15 3. The State Department of Rehabilitation Services;
- 16 4. The Department of Wildlife Conservation;
- 17 5. The Department of Corrections;
- 18 6. The State Department of Education;
- 19 7. The Oklahoma School of Science and Mathematics;
- 20 8. The Oklahoma State Bureau of Narcotics and Dangerous Drugs
21 Control;
- 22 9. The Oklahoma State Bureau of Investigation;
- 23 10. The Transportation Commission;
- 24 11. The Oklahoma Department of Agriculture, Food, and Forestry;

- 1 12. The State Department of Health;
- 2 13. The Department of Mental Health and Substance Abuse
- 3 Services;
- 4 14. The J.D. McCarty Center for Children with Developmental
- 5 Disabilities;
- 6 15. The Military Department of the State of Oklahoma;
- 7 16. The Oklahoma Tourism and Recreation Department;
- 8 17. The Oklahoma Conservation Commission;
- 9 18. The Oklahoma Water Resources Board;
- 10 19. The Department of Mines;
- 11 20. The Office of Juvenile Affairs;
- 12 21. The Oklahoma Department of Veteran Affairs;
- 13 22. The Oklahoma Supreme Court;
- 14 23. The District Attorneys Council and Oklahoma district
- 15 attorneys, provided adequate funding exists;
- 16 24. The Oklahoma Boll Weevil Eradication Organization; ~~and~~
- 17 25. The Oklahoma Horse Racing Commission; and
- 18 26. The Oklahoma Department of Marijuana and Alcohol.

19 B. 1. The Oklahoma School for the Deaf at Sulphur, the
20 Oklahoma School for the Blind at Muskogee, and any state institution
21 of higher education may purchase, own, or keep if now owned, or
22 acquire by lease or gift, and use and maintain such station wagons,
23 automobiles, trucks, or buses as are reasonably necessary for the
24 implementation of the educational programs of said institutions.

1 2. No bus operated, owned, or used by such educational
2 institutions shall be permitted to carry any person other than
3 students, faculty members, employees, or volunteers of such
4 institutions. The provisions of this section shall not be construed
5 to prohibit:

6 a. the operation of intracampus buses or buses routed
7 directly between portions of the campus of any
8 institution not adjacent to each other, nor to
9 prohibit the collection of fares from such students,
10 faculty members, or employees of such institutions,
11 sufficient in amount to cover the reasonable cost of
12 such transportation, or

13 b. the Oklahoma School for the Blind or the Oklahoma
14 School for the Deaf from entering into agreements with
15 local public school districts pursuant to the
16 Interlocal Cooperation Act for the mutual use of the
17 schools' and the districts' vehicles. Such use may
18 include, but is not limited to, the transportation of
19 students from local school districts with students
20 from the Oklahoma School for the Blind or the Oklahoma
21 School for the Deaf in vehicles owned by the Oklahoma
22 School for the Blind or the Oklahoma School for the
23 Deaf when traveling to school-related activities.
24

1 C. The J.D. McCarty Center for Children with Developmental
2 Disabilities, the Oklahoma Department of Libraries, the Oklahoma
3 Department of Veterans Affairs, and the Oklahoma Veterans Centers
4 may own and maintain such passenger vehicles as those institutions
5 have acquired prior to May 1, 1981.

6 D. The use of station wagons, automobiles, and buses, other
7 than as provided for in this section, shall be permitted only upon
8 written request for such use by heads of departments of the
9 institution, approved in writing by the president of said
10 institution or by some administrative official of said institution
11 authorized by the president to grant said approval. Such use shall
12 be permitted only for official institutional business or activities
13 connected therewith. Such use shall be subject to the provisions of
14 Section 156.1 of this title forbidding personal use of such
15 vehicles, and to the penalties therein declared.

16 E. Any person convicted of violating the provisions of this
17 section shall be guilty of a misdemeanor and shall be punished by
18 fine or imprisonment, or both, as provided for in Section 156.1 of
19 this title.

20 F. For the purpose of this section and Section 156.3 of this
21 title, a station wagon is classified as a passenger automobile and
22 may not be purchased solely for the use of transporting property.
23 Such vehicles shall include, but not be limited to, all vehicles
24 which have no separate luggage compartment or trunk but which do not

1 have open beds, whether the same are called station wagons, vans,
2 suburbans, town and country, blazers, or any other names. All state
3 boards, commissions, departments, and institutions may own and
4 maintain station wagons purchased solely for the purpose of
5 transporting property if acquired prior to July 1, 1985.

6 G. The provisions of this section and Section 156.1 of this
7 title shall not apply to public officials who are statewide elected
8 commissioners.

9 SECTION 21. AMENDATORY Section 1, State Question No.
10 788, Initiative Petition No. 412, as last amended by Section 44,
11 Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), is
12 amended to read as follows:

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

- 15 1. Consume marijuana legally;
- 16 2. Legally possess up to three (3) ounces of marijuana on their
17 person;
- 18 3. Legally possess six mature marijuana plants;
- 19 4. Legally possess six seedling plants;
- 20 5. Legally possess one (1) ounce of concentrated marijuana;
- 21 6. Legally possess seventy-two (72) ounces of edible marijuana;
- 22 and
- 23 7. Legally possess up to eight (8) ounces of marijuana in their
24 residence.

1 B. Possession of up to one and one-half (1.5) ounces of
2 marijuana by persons who can state a medical condition, but are not
3 in possession of a state-issued medical marijuana patient license,
4 shall constitute a misdemeanor offense punishable by a fine not to
5 exceed Four Hundred Dollars (\$400.00) and shall not be subject to
6 imprisonment for the offense. Any law enforcement officer who comes
7 in contact with a person in violation of this subsection and who is
8 satisfied as to the identity of the person, as well as any other
9 pertinent information the law enforcement officer deems necessary,
10 shall issue to the person a written citation containing a notice to
11 answer the charge against the person in the appropriate court. Upon
12 receiving the written promise of the alleged violator to answer as
13 specified in the citation, the law enforcement officer shall release
14 the person upon personal recognizance unless there has been a
15 violation of another provision of law.

16 C. A regulatory office shall be established ~~under~~ within the
17 ~~State Department of Health~~ Oklahoma Department of Marijuana and
18 Alcohol which shall receive applications for medical marijuana
19 patient license recipients, dispensaries, growers, and packagers
20 within sixty (60) days of the passage of this initiative.

21 D. The ~~State Department of Health~~ Oklahoma Medical Marijuana
22 Authority of the Oklahoma Department of Marijuana and Alcohol shall,
23 within thirty (30) days of passage of this initiative, make
24 available on its website, in an easy-to-find location, an

1 application for a medical marijuana patient license. The license
2 shall be good for two (2) years. The application fee shall be One
3 Hundred Dollars (\$100.00), or Twenty Dollars (\$20.00) for
4 individuals on Medicaid, Medicare or SoonerCare. The methods of
5 payment shall be provided on the website of the ~~Department~~
6 Authority.

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

18 F. A temporary medical marijuana patient license application
19 shall also be made available on the website of the ~~Department~~
20 Oklahoma Medical Marijuana Authority. A temporary medical marijuana
21 patient license shall be granted to any medical marijuana ~~license~~
22 ~~holder~~ patient licensee from ~~other states~~ another state, provided
23 that the state has a state-regulated medical marijuana program, and
24 the applicant can prove he or she is a member of such program.

1 Temporary medical marijuana patient licenses shall be issued for
2 thirty (30) days. The cost for a temporary medical marijuana
3 patient license shall be One Hundred Dollars (\$100.00). Renewal
4 shall be granted with resubmission of a new application. No
5 additional criteria shall be required.

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

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

20 I. The ~~State Department of Health~~ Oklahoma Medical Marijuana
21 Authority shall only keep the following records for each approved
22 medical marijuana patient license:

- 23 1. A digital photograph of the ~~license holder~~ licensee;
- 24 2. The expiration date of the license;

1 3. The county where the card was issued; and

2 4. A unique ~~24-character~~ twenty-four-character identification
3 number assigned to the license.

4 J. ~~The State Department of Health~~ Oklahoma Medical Marijuana
5 Authority shall make available, both on its website and through a
6 telephone verification system, an easy method to validate the
7 authenticity of the medical marijuana patient license by the unique
8 ~~24-character~~ twenty-four-character identification number.

9 K. ~~The State Department of Health~~ Oklahoma Medical Marijuana
10 Authority shall ensure that all application records and information
11 are sealed to protect the privacy of medical marijuana patient
12 license applicants.

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

1 marijuana patient and proof that the applicant is the designee of
2 the medical marijuana patient. The applicant shall also submit
3 proof that he or she is eighteen (18) years of age or older and
4 proof of his or her Oklahoma residency. This shall be the only
5 criteria for a caregiver license.

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

10 N. All applications for a medical marijuana patient license
11 shall be signed by an Oklahoma physician. There are no qualifying
12 conditions. A medical marijuana patient license must be recommended
13 according to the accepted standards a reasonable and prudent
14 physician would follow when recommending or approving any
15 medication. No physician may be unduly stigmatized or harassed for
16 signing a medical marijuana patient license application.

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

21 SECTION 22. AMENDATORY Section 2, State Question No.
22 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 421),
23 is amended to read as follows:

24

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

16 B. ~~The Oklahoma State Department of Health~~ Oklahoma Medical
17 Marijuana Authority must approve all applications which meet the
18 following criteria:

- 19 1. Applicant must be age twenty-five (25) or older;
- 20 2. Any applicant, applying as an individual, must show
21 residency in the State of Oklahoma;
- 22 3. All applying entities must show that all members, managers,
23 and board members are Oklahoma residents;

24

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

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

6 6. All applicants must disclose all ownership~~+~~.

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

13 C. ~~Retailers~~ Dispensaries will be required to complete a
14 monthly sales report to the ~~Oklahoma Department of Health~~ Oklahoma
15 Medical Marijuana Authority. This report will be due on the ~~15th~~
16 fifteenth of each month and provide reporting on the previous month.
17 This report will detail the weight of marijuana purchased at
18 wholesale and the weight of marijuana sold to ~~card holders~~ medical
19 marijuana patient licensees or licensed caregivers, and account for
20 any waste. The report will show total sales in dollars, tax
21 collected in dollars, and tax due in dollars. The ~~Oklahoma State~~
22 ~~Department of Health~~ Oklahoma Medical Marijuana Authority will have
23 oversight and auditing responsibilities to ensure that all marijuana
24 being grown is accounted for. A ~~retailer~~ dispensary will only be

1 subject to a penalty if a gross discrepancy exists and cannot be
2 explained. Penalties for fraudulent reporting occurring within any
3 ~~2-year~~ two-year time period will be an initial fine of Five Thousand
4 Dollars (\$5,000.00) (first) and revocation of licensing (second).

5 D. Only a licensed medical marijuana ~~retailer~~ dispensary may
6 conduct retail sales of marijuana, or marijuana derivatives in the
7 form provided by licensed processors, and these products can only be
8 sold to a medical marijuana ~~license holder~~ patient licensee or ~~their~~
9 his or her licensed caregiver. Penalties for fraudulent sales
10 occurring within any ~~2-year~~ two-year time period will be an initial
11 fine of Five Thousand Dollars (\$5,000.00) (first) and revocation of
12 licensing (second).

13 SECTION 23. AMENDATORY Section 3, State Question No.
14 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 422),
15 is amended to read as follows:

16 Section 422. A. The ~~Oklahoma State Department of Health~~
17 Oklahoma Medical Marijuana Authority of the Oklahoma Department of
18 Marijuana and Alcohol will within thirty (30) days of passage of
19 this initiative, make available, on ~~their~~ its website, in an easy-
20 to-find location, an application for a commercial grower license.
21 The application fee will be Two Thousand Five Hundred Dollars
22 (\$2,500.00) and methods of payment will be provided on the website.
23 The ~~Oklahoma State Department of Health~~ Oklahoma Medical Marijuana
24 Authority has two (2) weeks to review application, approve or reject

1 the application, and mail the approval/rejection letter (if
2 rejected, stating reasons for rejection) to the applicant.

3 B. ~~The Oklahoma State Department of Health~~ Oklahoma Medical
4 Marijuana Authority must approve all applications which meet the
5 following criteria:

6 1. Applicant must be age twenty-five (25) or older;

7 2. Any applicant, applying as an individual, must show
8 residency in the State of Oklahoma;

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

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

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

16 6. All applicants must disclose all ownership~~+~~.

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

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

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

1 ~~year~~ two-year time period will be an initial fine of Five Thousand
2 Dollars (\$5,000.00) (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 SECTION 24. AMENDATORY Section 4, State Question No.
6 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 423),
7 is amended to read as follows:

8 Section 423. A. The ~~Oklahoma State Department of Health~~
9 Oklahoma Medical Marijuana Authority of the Oklahoma Department of
10 Marijuana and Alcohol shall within thirty (30) days of passage of
11 this initiative, make available, on ~~their~~ its website, in an easy-
12 to-find location, an application for a medical marijuana processing
13 license. The application fee shall be Two Thousand Five Hundred
14 Dollars (\$2,500.00) and methods of payment will be provided on the
15 website. The ~~Oklahoma State Department of Health~~ Oklahoma Medical
16 Marijuana Authority shall have two (2) weeks to review the
17 application, approve or reject the application, and mail the
18 approval/rejection letter (if rejected, stating reasons for
19 rejection) to the applicant.

20 B. The ~~Oklahoma State Department of Health~~ Oklahoma Medical
21 Marijuana Authority must approve all applications which meet the
22 following criteria:

- 23 1. Applicant must be age twenty-five (25) or older;

24

1 2. Any applicant, applying as an individual, must show
2 residency in the State of Oklahoma;

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

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

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

10 6. All applicants must disclose all ownership~~+~~.

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

17 C. A licensed processor may take marijuana plants and distill
18 or process these plants into concentrates, edibles, and other forms
19 for consumption. As required by subsection D of this section, the
20 ~~Oklahoma State Department of Health~~ Oklahoma Medical Marijuana
21 Authority will, within sixty (60) days of passage of this
22 initiative, make available a set of standards which will be used by
23 licensed processors in the preparation of edible marijuana products.
24 This should be in line with current food preparation guidelines and

1 no excessive or punitive rules may be established by the ~~Oklahoma~~
2 ~~State Department of Health~~ Oklahoma Medical Marijuana Authority.
3 Once a year, the ~~Oklahoma State Department of Health~~ Oklahoma
4 Medical Marijuana Authority may inspect a processing operation and
5 determine its compliance with the preparation standards. If
6 deficiencies are found, a written report of deficiency will be
7 issued to the processor. The processor will have one (1) month to
8 correct the deficiency or be subject to a fine of Five Hundred
9 Dollars (\$500.00) for each deficiency. A licensed processor may
10 sell marijuana products it creates to a licensed ~~retailer~~
11 dispensary, or any other licensed processor. Further, these sales
12 will be considered wholesale sales and not subject to taxation.
13 Under no circumstances may a licensed processor sell marijuana, or
14 any marijuana product, directly to a medical marijuana ~~license~~
15 ~~holder~~ patient licensee. However, a licensed processor may process
16 cannabis into a concentrated form, for a medical ~~license holder~~
17 marijuana patient licensee, for a fee. Processors will be required
18 to complete a monthly yield and sales report to the ~~Oklahoma State~~
19 ~~Department of Health~~ Oklahoma Medical Marijuana Authority. This
20 report will be due on the ~~15th~~ fifteenth of each month and provide
21 reporting on the previous month. This report will detail amount of
22 marijuana purchased in pounds, the amount of marijuana cooked or
23 processed in pounds, and the amount of waste in pounds.
24 Additionally, this report will show total wholesale sales in

1 dollars. The ~~Oklahoma State Department of Health~~ Oklahoma Medical
2 Marijuana Authority will have oversight and auditing
3 responsibilities to ensure that all marijuana being grown is
4 accounted for. A licensed processor will only be subject to a
5 penalty if a gross discrepancy exists and cannot be explained.
6 Penalties for fraudulent reporting occurring within any ~~2-year~~ two-
7 year time period will be an initial fine of Five Thousand Dollars
8 (\$5,000.00) (first) and revocation of licensing (second).

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

22 E. If it becomes permissible, under federal law, marijuana may
23 be moved across state lines.

24

1 F. Any device used for the consumption of medical marijuana
2 shall be considered legal to be sold, manufactured, distributed, and
3 possessed. No merchant, wholesaler, manufacturer, or individual may
4 unduly be harassed or prosecuted for selling, manufacturing, or
5 possession of medical marijuana paraphernalia.

6 SECTION 25. AMENDATORY Section 6, State Question No.
7 788, Initiative Petition No. 412, as last amended by Section 46,
8 Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 425), is
9 amended to read as follows:

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

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

21 1. The status of the person as a medical marijuana ~~license~~
22 ~~holder~~ patient licensee; or

23 2. Employers may take action against a holder of a medical
24 marijuana patient license if the holder uses or possesses marijuana

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

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

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

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

23
24

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

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

14 3. For purposes of this section, "~~retail marijuana~~
15 ~~establishment~~" "medical marijuana dispensary" means an entity
16 licensed by the ~~State Department of Health~~ Oklahoma Medical
17 Marijuana Authority of the Oklahoma Department of Marijuana and
18 Alcohol as a medical marijuana dispensary. ~~Retail~~ A medical
19 marijuana ~~establishment~~ dispensary does not include those other
20 entities licensed by the ~~Department~~ Authority as marijuana-licensed
21 premises, medical marijuana businesses or other facilities or
22 locations where marijuana or any product containing marijuana or its
23 by-products are cultivated, grown, processed, stored or
24 manufactured.

1 G. The location of any ~~retail~~ medical marijuana ~~establishment~~
2 dispensary is specifically prohibited within one thousand (1,000)
3 feet of any public or private school entrance.

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

15 SECTION 26. AMENDATORY Section 4, Chapter 509, O.S.L.
16 2019 (63 O.S. Supp. 2020, Section 426.1), is amended to read as
17 follows:

18 Section 426.1 A. Except for revocation hearings concerning
19 licensed patients, as defined in Section ~~2 of Enrolled House Bill~~
20 ~~No. 2612~~ 427.2 of the ~~1st Session of the 57th Oklahoma Legislature~~
21 this title, all licensure revocation hearings conducted pursuant to
22 marijuana licenses established in the Oklahoma Statutes shall be
23 recorded. A party may request a copy of the recording of the
24

1 proceedings. Copies shall be provided to local law enforcement if
2 the revocation was based on alleged criminal activity.

3 B. ~~The State Department of Health~~ Oklahoma Department of
4 Marijuana and Alcohol and the Oklahoma Medical Marijuana Authority
5 shall assist any law enforcement officer in the performance of his
6 or her duties upon such request by the law enforcement officer or
7 the request of other local officials having jurisdiction. Except
8 for license information concerning licensed patients, as defined in
9 ~~Section 2 of Enrolled House Bill No. 2612 of the 1st Session~~ 427.2
10 ~~of the 57th Oklahoma Legislature~~ this title, the ~~Department~~
11 Authority shall share information with law enforcement agencies upon
12 request without a subpoena or search warrant.

13 C. ~~The State Department of Health~~ Authority shall make
14 available all information displayed on medical marijuana patient
15 licenses, as well as whether or not the license is valid, to law
16 enforcement electronically through the Oklahoma Law Enforcement
17 Telecommunications System.

18 D. ~~The Department~~ Authority shall make available to political
19 subdivisions a list of marijuana-licensed premises, medical
20 marijuana businesses or any other premises where marijuana or its
21 by-products are licensed to be cultivated, grown, processed, stored
22 or manufactured to aid county and municipal governments in
23 identifying locations within their jurisdiction and ensure
24 compliance with local regulations.

1 E. All marijuana-licensed premises, medical marijuana
2 businesses or any other premises where marijuana or its by-products
3 are licensed to be cultivated, grown, processed, stored or
4 manufactured shall submit with their application, after notifying
5 the political subdivision of their intent, a certificate of
6 compliance from the political subdivision where the facility of the
7 applicant or use is to be located certifying compliance with zoning
8 classifications, applicable municipal ordinances and all applicable
9 safety, electrical, fire, plumbing, waste, construction and building
10 specification codes.

11 SECTION 27. AMENDATORY Section 2, Chapter 11, O.S.L.
12 2019, as last amended by Section 48, Chapter 161, O.S.L. 2020 (63
13 O.S. Supp. 2020, Section 427.2), is amended to read as follows:

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

16 1. "Advertising" means the act of providing consideration for
17 the publication, dissemination, solicitation, or circulation, of
18 visual, oral, or written communication to induce directly or
19 indirectly any person to patronize a particular medical marijuana
20 business, or to purchase particular medical marijuana or a medical
21 marijuana product. Advertising includes marketing, but does not
22 include packaging and labeling;

23 2. "Authority" means the Oklahoma Medical Marijuana Authority,
24 a division of the Oklahoma Department of Marijuana and Alcohol;

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

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

6 5. "Caregiver" means a family member or assistant who regularly
7 looks after a medical marijuana ~~license holder~~ patient licensee whom
8 a physician attests needs assistance;

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

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

15 b. opaque so that the outermost packaging does not allow
16 the product to be seen without opening the packaging
17 material, and

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

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

1 8. ~~"Commissioner" means the State Commissioner of Health;~~

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

8 10. 9. "Department" means the ~~State Department of Health~~
9 Oklahoma Department of Marijuana and Alcohol;

10 11. ~~"Director" means the Executive Director of the Oklahoma~~
11 ~~Medical Marijuana Authority;~~

12 12. 10. "Dispense" means the selling of medical marijuana or a
13 medical marijuana product to a qualified patient or the designated
14 caregiver of the patient that is packaged in a suitable container
15 appropriately labeled for subsequent administration to or use by a
16 qualifying patient;

17 13. 11. "Dispensary" means a medical marijuana dispensary, an
18 entity that has been licensed by the ~~Department~~ Authority pursuant
19 to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
20 Act to purchase medical marijuana or medical marijuana products from
21 a licensed medical marijuana commercial grower or medical marijuana
22 processor, sell medical marijuana or medical marijuana products to
23 patients and caregivers as defined under this ~~act~~ section, or sell
24 or transfer products to another dispensary;

1 12. "Division Director" means the Division Director of the
2 Oklahoma Medical Marijuana Authority;

3 ~~14.~~ 13. "Edible medical marijuana product" means any medical-
4 marijuana-infused product for which the intended use is oral
5 consumption including, but not limited to, any type of food, drink
6 or pill;

7 ~~15.~~ 14. "Entity" means an individual, general partnership,
8 limited partnership, limited liability company, trust, estate,
9 association, corporation, cooperative, or any other legal or
10 commercial entity;

11 15. "Executive Director" means the Executive Director of the
12 Oklahoma Department of Marijuana and Alcohol;

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

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

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

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

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

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

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

1 22. "Heat- or pressure-based medical marijuana concentrate"
2 means a medical marijuana concentrate that was produced by
3 extracting cannabinoids from medical marijuana through the use of
4 heat or pressure;

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

7 24. "Inventory tracking system" means the required tracking
8 system that accounts for medical marijuana from either the seed or
9 immature plant stage until the medical marijuana or medical
10 marijuana product is sold to a patient at a medical marijuana
11 dispensary, transferred to a medical marijuana research facility,
12 destroyed by a medical marijuana business or used in a research
13 project by a medical marijuana research facility;

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

17 26. "Licensed premises" means the premises specified in an
18 application for a medical marijuana business license, medical
19 marijuana research facility license or medical marijuana education
20 facility license pursuant to ~~this act~~ the Oklahoma Medical Marijuana
21 and Patient Protection Act that are owned or in possession of the
22 licensee and within which the licensee is authorized to cultivate,
23 manufacture, distribute, sell, store, transport, test or research
24 medical marijuana or medical marijuana products in accordance with

1 the provisions of ~~this act~~ the Oklahoma Medical Marijuana and
2 Patient Protection Act and rules promulgated pursuant thereto;

3 27. "Manufacture" means the production, propagation,
4 compounding or processing of a medical marijuana product, excluding
5 marijuana plants, either directly or indirectly by extraction from
6 substances of natural or synthetic origin, or independently by means
7 of chemical synthesis, or by a combination of extraction and
8 chemical synthesis;

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

12 29. "Material change" means any change that would require a
13 substantive revision to the standard operating procedures of a
14 licensee for the cultivation or production of medical marijuana,
15 medical marijuana concentrate or medical marijuana products;

16 30. "Mature plant" means a harvestable female marijuana plant
17 that is flowering;

18 31. "Medical marijuana business (MMB)" means a licensed medical
19 marijuana dispensary, medical marijuana processor, medical marijuana
20 commercial grower, medical marijuana laboratory, medical marijuana
21 business operator, or a medical marijuana transporter;

22 32. "Medical marijuana concentrate" or "concentrate" means a
23 specific subset of medical marijuana that was produced by extracting
24 cannabinoids from medical marijuana. Categories of medical

1 marijuana concentrate include water-based medical marijuana
2 concentrate, food-based medical marijuana concentrate, solvent-based
3 medical marijuana concentrate, and heat- or pressure-based medical
4 marijuana concentrate;

5 33. "Medical marijuana commercial grower" or "commercial
6 grower" means an entity licensed to cultivate, prepare and package
7 medical marijuana and transfer or contract for transfer medical
8 marijuana to a medical marijuana dispensary, medical marijuana
9 processor, any other medical marijuana commercial grower, medical
10 marijuana research facility, medical marijuana education facility
11 and pesticide manufacturers. A commercial grower may sell seeds,
12 flower or clones to commercial growers pursuant to ~~this act~~ the
13 Oklahoma Medical Marijuana and Patient Protection Act;

14 34. "Medical marijuana education facility" or "education
15 facility" means a person or entity approved pursuant to ~~this act~~
16 Section 427.20 of this title to operate a facility providing
17 training and education to individuals involving the cultivation,
18 growing, harvesting, curing, preparing, packaging or testing of
19 medical marijuana, or the production, manufacture, extraction,
20 processing, packaging or creation of medical-marijuana-infused
21 products or medical marijuana products as described in ~~this act~~ the
22 Oklahoma Medical Marijuana and Patient Protection Act;

23
24

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

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

12 37. "Medical marijuana processor" means a person or entity
13 licensed pursuant to ~~this act~~ Section 423 of this title and the
14 Oklahoma Medical Marijuana and Patient Protection Act to operate a
15 business including the production, manufacture, extraction,
16 processing, packaging or creation of concentrate, medical-marijuana-
17 infused products or medical marijuana products as described in ~~this~~
18 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

19 38. "Medical marijuana research facility" or "research
20 facility" means a person or entity approved pursuant to ~~this act~~
21 Section 427.19 of this title to conduct medical marijuana research.
22 A medical marijuana research facility is not a medical marijuana
23 business;

1 39. "Medical marijuana testing laboratory" or "laboratory"
2 means a public or private laboratory licensed pursuant to ~~this act~~,
3 Section 427.17 of this title to conduct testing and research on
4 medical marijuana and medical marijuana products;

5 40. "Medical marijuana transporter" or "transporter" means a
6 person or entity that is licensed pursuant to ~~this act~~ Section
7 427.16 of this title. A medical marijuana transporter does not
8 include a medical marijuana business that transports its own medical
9 marijuana, medical marijuana concentrate or medical marijuana
10 products to a property or facility adjacent to or connected to the
11 licensed premises if the property is another licensed premises of
12 the same medical marijuana business;

13 41. "Medical marijuana waste" or "waste" means unused, surplus,
14 returned or out-of-date marijuana, plant debris of the plant of the
15 genus Cannabis, including dead plants and all unused plant parts and
16 roots, except the term shall not include roots, stems, stalks and
17 fan leaves;

18 42. "Medical use" means the acquisition, possession, use,
19 delivery, transfer or transportation of medical marijuana, medical
20 marijuana products, medical marijuana devices or paraphernalia
21 relating to the administration of medical marijuana to treat a
22 licensed patient;

23 43. "Mother plant" means a marijuana plant that is grown or
24 maintained for the purpose of generating clones, and that will not

1 be used to produce plant material for sale to a medical marijuana
2 processor or medical marijuana dispensary;

3 44. "Oklahoma physician" or "physician" means a physician
4 licensed by and in good standing with the State Board of Medical
5 Licensure and Supervision, the State Board of Osteopathic Examiners
6 or the Board of Podiatric Medical Examiners;

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

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

- 13 a. all shareholders owning an interest of a corporate
14 entity and all officers of a corporate entity,
- 15 b. all partners of a general partnership,
- 16 c. all general partners and all limited partners that own
17 an interest in a limited partnership,
- 18 d. all members that own an interest in a limited
19 liability company,
- 20 e. all beneficiaries that hold a beneficial interest in a
21 trust and all trustees of a trust,
- 22 f. all persons or entities that own interest in a joint
23 venture,

24

- 1 g. all persons or entities that own an interest in an
2 association,
3 h. the owners of any other type of legal entity, and
4 i. any other person holding an interest or convertible
5 note in any entity which owns, operates or manages a
6 licensed facility;

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

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

16 49. "Pesticide" means any substance or mixture of substances
17 intended for preventing, destroying, repelling or mitigating any
18 pest or any substance or mixture of substances intended for use as a
19 plant regulator, defoliant or desiccant, except that the term
20 "pesticide" shall not include any article that is a "new animal
21 drug" as designated by the United States Food and Drug
22 Administration;

23 50. "Production batch" means:
24

- 1 a. any amount of medical marijuana concentrate of the
2 same category and produced using the same extraction
3 methods, standard operating procedures and an
4 identical group of harvest batch of medical marijuana,
5 or
6 b. any amount of medical marijuana product of the same
7 exact type, produced using the same ingredients,
8 standard operating procedures and the same production
9 batch of medical marijuana concentrate;

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

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

17 53. "Recommendation" means a document that is signed or
18 electronically submitted by a physician on behalf of a patient for
19 the use of medical marijuana pursuant to ~~this act~~ Sections 420 and
20 427.10 of this title;

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

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

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

17 57. "Revocation" means the final decision by the ~~Department~~
18 Authority that any license issued pursuant to ~~this act~~ the Oklahoma
19 Medical Marijuana and Patient Protection Act is rescinded because
20 the individual or entity does not comply with the applicable
21 requirements set forth in ~~this act~~ the Oklahoma Medical Marijuana
22 and Patient Protection Act or rules promulgated pursuant thereto;

23 58. "School" means a public or private preschool or a public or
24 private elementary or secondary school used for school classes and

1 instruction. A homeschool, daycare or child-care facility shall not
2 be considered a "school" as used in ~~this act~~ the Oklahoma Medical
3 Marijuana and Patient Protection Act;

4 59. "Shipping container" means a hard-sided container with a
5 lid or other enclosure that can be secured in place. A shipping
6 container is used solely for the transport of medical marijuana,
7 medical marijuana concentrate, or medical marijuana products between
8 medical marijuana businesses, a medical marijuana research facility,
9 or a medical marijuana education facility;

10 60. "Solvent-based medical marijuana concentrate" means a
11 medical marijuana concentrate that was produced by extracting
12 cannabinoids from medical marijuana through the use of a solvent
13 approved by the ~~Department~~ Authority;

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

17 62. "Strain" means the classification of marijuana or cannabis
18 plants in either pure sativa, indica, afghanica, ruderalis or hybrid
19 varieties;

20 63. "THC" means tetrahydrocannabinol, which is the primary
21 psychotropic cannabinoid in marijuana formed by decarboxylation of
22 naturally tetrahydrocannabinolic acid, which generally occurs by
23 exposure to heat;

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

10 65. "Transporter agent" means a person who transports medical
11 marijuana or medical marijuana products for a licensed transporter
12 and holds a transporter agent license pursuant to ~~this act~~ Section
13 427.16 of this title;

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

18 67. "Usable marijuana" means the dried leaves, flowers, oils,
19 vapors, waxes and other portions of the marijuana plant and any
20 mixture or preparation thereof, excluding seed, roots, stems, stalks
21 and fan leaves; and

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

1 SECTION 28. AMENDATORY Section 3, Chapter 11, O.S.L.
2 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
3 Supp. 2020, Section 427.3), is amended to read as follows:

4 Section 427.3 A. There is hereby created the Oklahoma Medical
5 Marijuana Authority ~~within, a division of the State Department of~~
6 ~~Health~~ Oklahoma Department of Marijuana and Alcohol, which shall
7 address issues related to the medical marijuana program in Oklahoma
8 including, but not limited to, the issuance of patient licenses and
9 medical marijuana business licenses, and the dispensing,
10 cultivating, processing, testing, transporting, storage, research,
11 and the use of and sale of medical marijuana pursuant to ~~this act~~
12 the Oklahoma Medical Marijuana and Patient Protection Act.

13 B. The Department shall provide support staff to perform
14 designated duties of the Authority. The Department shall also
15 provide office space for meetings of the Authority.

16 C. The ~~Department~~ Authority shall implement the provisions of
17 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act
18 consistently with the voter-approved State Question No. 788,
19 Initiative Petition No. 412, subject to the provisions of ~~this act~~
20 the Oklahoma Medical Marijuana and Patient Protection Act.

21 D. The ~~Department~~ Authority shall exercise its respective
22 powers and perform its respective duties and functions as specified
23 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
24

1 ~~Act and Title 63 of the Oklahoma Statutes~~ this title including, but
2 not limited to, the following:

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

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

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

14 3. Upon complaint or upon its own motion and upon a completed
15 investigation, levy fines as prescribed in ~~this act~~ the Oklahoma
16 Medical Marijuana and Patient Protection Act and suspend or revoke
17 licenses pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
18 Patient Protection Act;

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

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

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

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

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

14 9. Establish a fee schedule and collect fees for performing
15 background checks as the ~~Commissioner~~ Executive Director of the
16 Oklahoma Department of Marijuana and Alcohol deems appropriate. The
17 fees charged pursuant to this paragraph shall not exceed the actual
18 cost incurred for each background check; and

19 10. Require verification for sources of finance for medical
20 marijuana businesses.

21 SECTION 29. AMENDATORY Section 4, Chapter 11, O.S.L.
22 2019 (63 O.S. Supp. 2020, Section 427.4), is amended to read as
23 follows:
24

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

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

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

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

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

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

1 E. The Executive Director of the Department shall be authorized
2 to suggest rules governing the oversight and implementation of ~~this~~
3 ~~act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

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

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

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

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

22 4. Require any business licensee, upon twenty-four (24) hours
23 notice or upon a showing of necessity, to permit an inspection of
24 licensed premises during business hours or at any time of apparent

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

4 5. Require applicants to submit complete and current
5 applications, information required by ~~this act~~ the Oklahoma Medical
6 Marijuana and Patient Protection Act and fees, and approve material
7 changes made by the applicant or licensee.

8 SECTION 30. AMENDATORY Section 5, Chapter 11, O.S.L.
9 2019 (63 O.S. Supp. 2020, Section 427.5), is amended to read as
10 follows:

11 Section 427.5 There is hereby created in the State Treasury a
12 revolving fund for the ~~State Department of Health~~ Oklahoma Medical
13 Marijuana Authority, a division of the Oklahoma Department of
14 Marijuana and Alcohol, to be designated the "Oklahoma Medical
15 Marijuana Authority Revolving Fund". The fund shall be a continuing
16 fund, not subject to fiscal year limitations, and shall consist of
17 all monies received by the ~~Department~~ Authority from fees and fines
18 collected pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
19 Patient Protection Act and all monies received by the Oklahoma Tax
20 Commission from tax proceeds collected pursuant to Section 426 of
21 ~~Title 63 of the Oklahoma Statutes~~ this title. All monies accruing
22 to the credit of the fund are hereby appropriated and may be
23 budgeted and expended by the ~~Department~~ Authority for the purposes
24 set forth in Section 426 of ~~Title 63 of the Oklahoma Statutes~~ this

1 title. Expenditures from the fund shall be made upon warrants
2 issued by the State Treasurer against claims filed as prescribed by
3 law with the Director of the Office of Management and Enterprise
4 Services for approval and payment.

5 SECTION 31. AMENDATORY Section 6, Chapter 11, O.S.L.
6 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S.
7 Supp. 2020, Section 427.6), is amended to read as follows:

8 Section 427.6 A. The ~~State Department of Health~~ Oklahoma
9 Medical Marijuana Authority of the Oklahoma Department of Marijuana
10 and Alcohol shall address issues related to the medical marijuana
11 program in Oklahoma including, but not limited to, monitoring and
12 disciplinary actions as they relate to the medical marijuana
13 program.

14 B. 1. The ~~Department~~ Authority or its designee may perform on-
15 site assessments of a licensee or applicant for any medical
16 marijuana business license issued pursuant to ~~this act~~ the Oklahoma
17 Medical Marijuana and Patient Protection Act to determine compliance
18 with ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
19 Act or submissions made pursuant to this section. The ~~Department~~
20 Authority may enter the licensed premises of a medical marijuana
21 business licensee or applicant to assess or monitor compliance.

22 2. Inspections shall be limited to twice per calendar year and
23 twenty-four (24) hours of notice shall be provided to a medical
24 marijuana business applicant or licensee prior to an on-site

1 assessment. However, additional inspections may occur when the
2 ~~Department~~ Authority shows that an additional inspection is
3 necessary due to a violation of ~~this act~~ the Oklahoma Medical
4 Marijuana and Patient Protection Act. Such inspection may be
5 without notice if the ~~Department~~ Authority believes that such notice
6 will result in the destruction of evidence.

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

19 4. The ~~Department~~ Authority shall refer complaints alleging
20 criminal activity that are made against a licensee to appropriate
21 Oklahoma state or local law enforcement authorities.

22 C. Disciplinary action may be taken against an applicant or
23 licensee under ~~this act~~ the Oklahoma Medical Marijuana and Patient
24 Protection Act for not adhering to the law pursuant to the terms,

1 conditions and guidelines set forth in ~~this act~~ the Oklahoma Medical
2 Marijuana and Patient Protection Act.

3 D. Disciplinary actions may include revocation, suspension or
4 denial of an application, license or final authorization and other
5 action deemed appropriate by the ~~Department~~ Authority.

6 E. Disciplinary actions may be imposed upon a medical marijuana
7 business licensee for:

8 1. Failure to comply with or satisfy any provision of this
9 section;

10 2. Falsification or misrepresentation of any material or
11 information submitted to the ~~Department~~ Authority;

12 3. Failing to allow or impeding a monitoring visit by
13 authorized representatives of the ~~Department~~ Authority;

14 4. Failure to adhere to any acknowledgement, verification or
15 other representation made to the ~~Department~~ Authority;

16 5. Failure to submit or disclose information required by this
17 section or otherwise requested by the ~~Department~~ Authority;

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

20 7. Failure to comply with requested access by the ~~Department~~
21 Authority to the licensed premises or materials;

22 8. Failure to pay a required monetary penalty;

23 9. Diversion of medical marijuana or any medical marijuana
24 product, as determined by the ~~Department~~ Authority;

1 10. Threatening or harming a patient, a medical practitioner or
2 an employee of the ~~Department~~ Authority; and

3 11. Any other basis indicating a violation of the applicable
4 laws and regulations as identified by the ~~Department~~ Authority.

5 F. Disciplinary actions against a licensee may include the
6 imposition of monetary penalties, which may be assessed by the
7 ~~Department~~ Authority.

8 G. Penalties for sales by a medical marijuana business to
9 persons other than those allowed by law occurring within any two-
10 year time period may include an initial fine of One Thousand Dollars
11 (\$1,000.00) for a first violation and a fine of Five Thousand
12 Dollars (\$5,000.00) for any subsequent violation. The medical
13 marijuana business may be subject to a revocation of any license
14 granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
15 Patient Protection Act upon a showing that the violation was willful
16 or grossly negligent.

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

22 2. The second offense for impermissible diversion of medical
23 marijuana, concentrate, or products by a patient or caregiver to an
24 unauthorized person shall not be punished under a criminal statute

1 but may be subject to a fine of not to exceed Five Hundred Dollars
2 (\$500.00) and may result in revocation of the license upon a showing
3 that the violation was willful or grossly negligent.

4 I. The following persons or entities may request a hearing to
5 contest an action or proposed action of the ~~Department~~ Authority:

6 1. A medical marijuana business, research facility or education
7 facility licensee whose license has been summarily suspended or who
8 has received a notice of contemplated action to suspend or revoke a
9 license or take other disciplinary action; and

10 2. A patient or caregiver licensee whose license has been
11 summarily suspended or who has received notice of contemplated
12 action to suspend or revoke a license or take other disciplinary
13 action.

14 J. All hearings held pursuant to this section shall be in
15 accordance with the Oklahoma Administrative Procedures Act, Section
16 250 et seq. of Title 75 of the Oklahoma Statutes.

17 SECTION 32. AMENDATORY Section 7, Chapter 11, O.S.L.
18 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
19 Supp. 2020, Section 427.7), is amended to read as follows:

20 Section 427.7 A. The Oklahoma Medical Marijuana Authority of
21 the Oklahoma Department of Marijuana and Alcohol shall create a
22 medical marijuana use registry of patients and caregivers as
23 provided under this section. The handling of any records maintained
24 in the registry shall comply with all relevant state and federal

1 laws including, but not limited to, the Health Insurance Portability
2 and Accountability Act of 1996 (HIPAA).

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

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

7 2. Any court in this state.

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

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

20 E. The ~~Department~~ Authority shall ensure that all application
21 records and information are sealed to protect the privacy of medical
22 marijuana patient license applicants.

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1 SECTION 33. AMENDATORY Section 9, Chapter 11, O.S.L.
2 2019 (63 O.S. Supp. 2020, Section 427.9), is amended to read as
3 follows:

4 Section 427.9 A. The Oklahoma Medical Marijuana Authority of
5 the Oklahoma Department of Marijuana and Alcohol may contact the
6 recommending physician of an applicant for a medical marijuana
7 patient license to verify the need of the applicant for the license.

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

17 C. The patient license shall be valid for up to two (2) years
18 from the date of issuance, unless the recommendation of the
19 physician is terminated pursuant to ~~this act~~ Section 427.10 of this
20 title or revoked by the ~~Department~~ Oklahoma Medical Marijuana
21 Authority.

22 SECTION 34. AMENDATORY Section 10, Chapter 11, O.S.L.
23 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
24 Supp. 2020, Section 427.10), is amended to read as follows:

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

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

9 C. No physician shall be subject to arrest, prosecution or
10 penalty in any manner or denied any right or privilege under
11 Oklahoma state, municipal or county statute, ordinance or
12 resolution, including without limitation a civil penalty or
13 disciplinary action by the State Board of Medical Licensure and
14 Supervision ~~or~~, the State Board of Osteopathic Examiners or the
15 Board of Podiatric Medical Examiners or by any other business,
16 occupation or professional licensing board or bureau, solely for
17 providing a medical marijuana recommendation for a patient or for
18 monitoring, treating or prescribing scheduled medication to patients
19 who are medical marijuana patient licensees. The provisions of this
20 subsection shall not prevent the relevant professional licensing
21 boards from sanctioning a physician for failing to properly evaluate
22 the medical condition of a patient or for otherwise violating the
23 applicable physician-patient standard of care.

1 D. A physician who recommends use of medical marijuana shall
2 not be located at the same physical address as a dispensary.

3 E. If the physician determines the continued use of medical
4 marijuana by the patient no longer meets the requirements set forth
5 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
6 Act, the physician shall notify the ~~Department and the Authority,~~
7 and the Authority shall immediately revoke the license.

8 SECTION 35. AMENDATORY Section 13, Chapter 11, O.S.L.
9 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as
10 follows:

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

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

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

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

18 3. Each medical marijuana business shall use a seed-to-sale
19 tracking system or integrate its own seed-to-sale tracking system
20 with the seed-to-sale tracking system established by the Authority.

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

- 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~~ Authority.

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

SECTION 36. AMENDATORY Section 14, Chapter 11, O.S.L. 2019, as last amended by Section 51, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 427.14), is amended to read as follows:

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

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

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

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

16 D. The nonrefundable application fee for a medical marijuana
17 business license shall be Two Thousand Five Hundred Dollars
18 (\$2,500.00).

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

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

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

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

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

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

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

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

17 a. all applicants shall be age twenty-five (25) years of
18 age or older,

19 b. any applicant applying as an individual shall show
20 proof that the applicant is an Oklahoma resident
21 pursuant to paragraph 11 of this subsection,

22 c. any applicant applying as an entity shall show that
23 seventy-five percent (75%) of all members, managers,
24 executive officers, partners, board members or any

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

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

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

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

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

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

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

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

- 1 d. a residential property deed to property in the State
2 of Oklahoma, 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 are hereby exempt from the two-year or five-year
9 Oklahoma residence requirement mentioned above;

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

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

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

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

4 14. All applicants shall submit an applicant photograph.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 7. A person whose authority to be a caregiver as defined in
7 ~~this act~~ Section 427.2 of this title has been revoked by the
8 ~~Department~~ Authority.

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

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

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

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

16 M. All medical marijuana business licensees shall pay the
17 relevant licensure fees prior to receiving licensure to operate a
18 medical marijuana business, as defined in ~~this act~~ Section 427.2 of
19 this title for each class of license.

20 SECTION 37. AMENDATORY Section 15, Chapter 11, O.S.L.
21 2019 (63 O.S. Supp. 2020, Section 427.15), is amended to read as
22 follows:

23 Section 427.15 The ~~State Department of Health~~ Oklahoma Medical
24 Marijuana Authority of the Oklahoma Department of Marijuana and

1 Alcohol is hereby authorized to develop policies and procedures for
2 disclosure by a medical marijuana business of financial interest and
3 ownership.

4 SECTION 38. AMENDATORY Section 16, Chapter 11, O.S.L.
5 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as
6 follows:

7 Section 427.16 A. There is hereby created a medical marijuana
8 transporter license as a category of the medical marijuana business
9 license.

10 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
11 this title, the Authority shall issue a medical marijuana
12 transporter license to licensed medical marijuana commercial
13 growers, processors and dispensaries upon issuance of such licenses
14 and upon each renewal.

15 C. A medical marijuana transporter license may also be issued
16 to qualifying applicants who are registered with the Oklahoma
17 Secretary of State and otherwise meet the requirements for a medical
18 marijuana business license set forth in ~~this act~~ Section 427.14 of
19 this title and the requirements set forth in this section to provide
20 logistics, distribution and storage of medical marijuana, medical
21 marijuana concentrate and medical marijuana products.

22 D. A medical marijuana transporter license shall be valid for
23 one (1) year and shall not be transferred with a change of
24 ownership. A licensed medical marijuana transporter shall be

1 responsible for all medical marijuana, concentrate and products once
2 the transporter takes control of the product.

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

9 F. A medical marijuana transporter licensee may contract with
10 multiple licensed medical marijuana businesses.

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

18 H. A medical marijuana transporter licensee shall use the seed-
19 to-sale tracking system developed pursuant to ~~this act~~ Section
20 427.13 of this title to create shipping manifests documenting the
21 transport of medical marijuana, concentrate and products throughout
22 the state.

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1 I. A licensed medical marijuana transporter may maintain and
2 operate one or more warehouses in the state to handle medical
3 marijuana, concentrate and products.

4 J. All medical marijuana, concentrate and product shall be
5 transported:

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

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

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

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

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

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

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

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

13 O. If the transporter agent application is denied, the
14 ~~Department~~ Authority shall notify the transporter in writing of the
15 reason for denying the registry identification card.

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

20 Q. The ~~Department~~ Authority may revoke the registry
21 identification card of a transporter agent who knowingly violates
22 any provision of this section, and the transporter is subject to any
23 other penalties established by law for the violation.

24

1 R. The ~~Department~~ Authority may revoke or suspend the
2 transporter license of a transporter that the ~~Department~~ Authority
3 determines knowingly aided or facilitated a violation of any
4 provision of this section, and the licenseholder is subject to any
5 other penalties established in law for the violation.

6 S. Vehicles used in the transport of medical marijuana or
7 medical marijuana product shall be:

- 8 1. Insured at or above the legal requirements in Oklahoma;
- 9 2. Capable of securing medical marijuana during transport; and
- 10 3. In possession of a shipping container as defined in ~~this act~~
11 Section 427.2 of this title capable of securing all transported
12 product.

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

- 17 1. For the origination point of the medical marijuana:
 - 18 a. the licensee number for the commercial grower,
19 processor or dispensary,
 - 20 b. address of origination of transport, and
 - 21 c. name and contact information for the originating
22 licensee;
- 23 2. For the end recipient license holder of the medical
24 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.

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

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

1 4. A receiving licensee shall refuse to accept any medical
2 marijuana or product that is not accompanied by an inventory
3 manifest.

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

7 SECTION 39. AMENDATORY Section 17, Chapter 11, O.S.L.
8 2019, as amended by Section 4, Chapter 312, O.S.L. 2019 (63 O.S.
9 Supp. 2020, Section 427.17), is amended to read as follows:

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

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

21 C. The Authority shall have the authority to develop acceptable
22 testing and research practices, including but not limited to
23 testing, standards, quality control analysis, equipment
24 certification and calibration, and chemical identification and

1 substances used in bona fide research methods so long as it complies
2 with ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
3 Act.

4 D. A person who is a direct beneficial owner or an indirect
5 beneficial owner of a medical marijuana dispensary, medical
6 marijuana commercial grower, or medical marijuana processor shall
7 not be an owner of a laboratory.

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

11 F. A separate license shall be required for each specific
12 laboratory.

13 G. A medical marijuana testing laboratory license may be issued
14 to a person who performs testing and research on medical marijuana
15 and medical marijuana products for medical marijuana businesses,
16 medical marijuana research facilities, medical marijuana education
17 facilities, and testing and research on marijuana and marijuana
18 products grown or produced by a patient or caregiver on behalf of a
19 patient, upon verification of registration. No state-approved
20 medical marijuana testing facility shall operate unless a medical
21 laboratory director is on site during operational hours.

22 H. A laboratory applicant shall comply with the application
23 requirements of this section and shall submit such other information
24 as required for a medical marijuana business applicant, in addition

1 to any information the Authority may request for initial approval
2 and periodic evaluations during the approval period.

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

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

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

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

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

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

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

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

1 N. The ~~Department~~ Authority, pursuant to rules promulgated by
2 the ~~State Commissioner of Health~~ Executive Director of the Oklahoma
3 Department of Marijuana and Alcohol, shall develop standards,
4 policies and procedures as necessary for:

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

9 2. Testing procedures, testing standards for cannabinoid and
10 terpenoid potency and safe levels of contaminants, and remediation
11 procedures;

12 3. Controlled access areas for storage of medical marijuana and
13 medical marijuana product test samples, waste and reference
14 standards;

15 4. Records to be retained and computer systems to be utilized
16 by the laboratory;

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

19 6. A certificate of analysis (COA) for each lot of reference
20 standard;

21 7. The transport and disposal of unused marijuana, marijuana
22 products and waste;

23 8. The mandatory use by a laboratory of an inventory tracking
24 system to ensure all test batches or samples containing medical

1 marijuana, medical marijuana concentrate or medical marijuana
2 products are identified and tracked from the point they are
3 transferred from a medical marijuana business, a patient or a
4 caregiver through the point of transfer, destruction or disposal.
5 The inventory tracking system reporting shall include the results of
6 any tests that are conducted on medical marijuana, medical marijuana
7 concentrate or medical marijuana product;

8 9. Standards of performance;

9 10. The employment of laboratory personnel;

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

12 12. The successful participation in a ~~Department-approved~~ an
13 Authority-approved proficiency testing program for each testing
14 category listed in this section, in order to obtain and maintain
15 certification;

16 13. The establishment of and adherence to a quality assurance
17 and quality control program to ensure sufficient monitoring of
18 laboratory processes and quality of results reported;

19 14. The establishment by the laboratory of a system to document
20 the complete chain of custody for samples from receipt through
21 disposal;

22 15. The establishment by the laboratory of a system to retain
23 and maintain all required records, including business records, and
24

1 processes to ensure results are reported in a timely and accurate
2 manner; and

3 16. Any other aspect of laboratory testing of medical marijuana
4 or medical marijuana product deemed necessary by the ~~Department~~
5 Authority.

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

15 P. A medical marijuana testing laboratory shall retain all
16 results of laboratory tests conducted on marijuana or products for a
17 period of at least two (2) years and shall make them available to
18 the ~~Department~~ Authority upon request.

19 Q. A medical marijuana testing laboratory shall test samples
20 from each harvest batch or product batch, as appropriate, of medical
21 marijuana, medical marijuana concentrate and medical marijuana
22 product for each of the following categories of testing, consistent
23 with standards developed by the ~~Commissioner~~ Authority:

24 1. Microbials;

- 1 2. Mycotoxins;
- 2 3. Residual solvents;
- 3 4. Pesticides;
- 4 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 5 6. Terpenoid potency; and
- 6 7. Heavy metals.

7 R. A test batch shall not exceed ten (10) pounds of usable
8 marijuana or medical marijuana product, as appropriate. A grower
9 shall separate each harvest lot of usable marijuana into harvest
10 batches containing no more than ten (10) pounds. A processor shall
11 separate each medical marijuana production lot into production
12 batches containing no more than ten (10) pounds.

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 thereafter by an inspector
19 approved by the Authority.

20 U. Beginning on a date determined by the ~~Commissioner~~ Executive
21 Director of the Oklahoma Department of Marijuana and Alcohol, not
22 later than January 1, 2020, medical marijuana testing laboratory
23 licensure shall be contingent upon accreditation by the NELAC
24 Institute (TNI), ANSI/ASQ National Accreditation Board or another

1 accrediting body approved by the ~~Commissioner~~ Executive Director,
2 and any applicable standards as determined by the ~~Department~~
3 Authority.

4 V. A commercial grower shall not transfer or sell medical
5 marijuana and a processor shall not transfer, sell or process into a
6 concentrate or product any medical marijuana, medical marijuana
7 concentrate or medical marijuana product unless samples from each
8 harvest batch or production batch from which that medical marijuana,
9 medical marijuana concentrate or medical marijuana product was
10 derived has been tested by a medical marijuana testing facility for
11 contaminants and passed all contaminant tests required by ~~this act~~
12 the Oklahoma Medical Marijuana and Patient Protection Act.

13 SECTION 40. AMENDATORY Section 18, Chapter 11, O.S.L.
14 2019 (63 O.S. Supp. 2020, Section 427.18), is amended to read as
15 follows:

16 Section 427.18 A. An Oklahoma medical marijuana business shall
17 not sell, transfer or otherwise distribute medical marijuana or
18 medical marijuana product that has not been packaged and labeled in
19 accordance with this section and rules promulgated by the ~~State~~
20 ~~Commissioner of Health~~ Executive Director of the Oklahoma Department
21 of Marijuana and Alcohol.

22 B. A medical marijuana dispensary shall return medical
23 marijuana and medical marijuana product that does not meet packaging
24 or labeling requirements in this section or rules promulgated

1 pursuant thereto to the entity who transferred it to the dispensary.
2 The medical marijuana dispensary shall document to whom the item was
3 returned, what was returned and the date of the return or dispose of
4 any usable marijuana that does not meet these requirements in
5 accordance with ~~this act~~ the Oklahoma Medical Marijuana and Patient
6 Protection Act.

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

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

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

17 4. No container shall be intentionally or knowingly labeled so
18 as to cause a reasonable patient confusion as to whether the medical
19 marijuana, medical marijuana concentrate or medical marijuana
20 product is a trademarked product or labeled in a manner that
21 violates any federal trademark law or regulation.

22 5. The label on the container shall not make any claims
23 regarding health or physical benefits to the patient.
24

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

4 D. ~~The State Department of Health~~ Oklahoma Medical Marijuana
5 Authority shall develop minimum standards for packaging and labeling
6 of medical marijuana and medical marijuana products. Such standards
7 shall include, but not be limited to, the required contents of
8 labels to be affixed to all medical marijuana and medical marijuana
9 products prior to transfer to a licensed patient or caregiver, which
10 shall include, at a minimum:

11 1. A universal symbol indicating that the product contains
12 tetrahydrocannabinol (THC);

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

14 3. A statement indicating that the product has been tested for
15 contaminants;

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

18 5. Any other information the ~~Department~~ Authority deems
19 necessary.

20 SECTION 41. AMENDATORY Section 19, Chapter 11, O.S.L.
21 2019 (63 O.S. Supp. 2020, Section 427.19), is amended to read as
22 follows:

23 Section 427.19 A. A medical marijuana research license may be
24 issued to a person to grow, cultivate, possess and transfer, by sale

1 or donation, marijuana pursuant to ~~this act~~ the Oklahoma Medical
2 Marijuana and Patient Protection Act for the limited research
3 purposes identified in this section.

4 B. The fee for a medical marijuana research license shall be
5 Five Hundred Dollars (\$500.00) and shall be payable by an applicant
6 for a medical marijuana research license upon submission of his or
7 her application to the Authority.

8 C. A medical marijuana research license may be issued for the
9 following research purposes:

- 10 1. To test chemical potency and composition levels;
- 11 2. To conduct clinical investigations of marijuana-derived
12 medicinal products;
- 13 3. To conduct research on the efficacy and safety of
14 administering marijuana as part of medical treatment;
- 15 4. To conduct genomic, horticultural or agricultural research;
- 16 and
- 17 5. To conduct research on marijuana-affiliated products or
18 systems.

19 D. 1. As part of the application process for a medical
20 marijuana research license, an applicant shall submit to the
21 Authority a description of the research that the applicant intends
22 to conduct and whether the research will be conducted with a public
23 institution or using public money. If the research will not be
24 conducted with a public institution or with public money, the

1 Authority shall grant the application if it determines that the
2 applicant meets the criteria in this section.

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

7 a. the quality, study design, value or impact of the
8 project,

9 b. whether the applicant has the appropriate personnel,
10 expertise, facilities, infrastructure, funding and
11 human, animal or other approvals in place to
12 successfully conduct the project, and

13 c. whether the amount of marijuana to be grown by the
14 applicant is consistent with the scope and goals of
15 the project.

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

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

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

4 G. The growing, cultivating, possessing or transferring, by
5 sale or donation, of marijuana in accordance with this section and
6 the rules promulgated pursuant thereto, by a medical marijuana
7 research licensee shall not be a criminal or civil offense under
8 state law. A medical marijuana research license shall be issued in
9 the name of the applicant and shall specify the location in Oklahoma
10 at which the medical marijuana research licensee intends to operate.
11 A medical marijuana research licensee shall not allow any other
12 person to exercise the privilege of the license.

13 H. If the research conducted includes a public institution or
14 public money, the Authority shall review any reports made by medical
15 marijuana research licensees under state licensing authority rule
16 and provide the Authority with its determination on whether the
17 research project continues to meet research qualifications pursuant
18 to this section.

19 SECTION 42. AMENDATORY Section 20, Chapter 11, O.S.L.
20 2019 (63 O.S. Supp. 2020, Section 427.20), is amended to read as
21 follows:

22 Section 427.20 A. There is hereby created a medical marijuana
23 education facility license.

24

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

4 C. A medical marijuana education facility license may only be
5 granted to a not-for-profit organization structured under Section
6 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
7 not-for-profit registered organization with the Office of the
8 Secretary of State.

9 D. A medical marijuana education facility license may only be
10 granted upon the submission of a fee of Five Hundred Dollars
11 (\$500.00) to the Authority.

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

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

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

18 3. To demonstrate the application and use of product
19 manufacturing technologies;

20 4. To conduct genomic, horticultural or agricultural research;
21 and

22 5. To conduct research on marijuana-affiliated products or
23 systems.

24

1 F. As part of the application process for a medical marijuana
2 education facility license, an applicant shall submit to the
3 Authority a description of the project and curriculum that the
4 applicant intends to conduct and whether the project and curriculum
5 will be conducted with a public institution or using public money.
6 If the research will not be conducted with a public institution or
7 with public money, the Authority shall grant the application. If
8 the research will be conducted with a public institution or public
9 money, the Authority shall review the research project of the
10 applicant to determine if it meets the requirements of this section
11 and to assess the following:

- 12 1. The quality, study design, value or impact of the project;
- 13 2. Whether the applicant has the appropriate personnel,
14 expertise, facilities, infrastructure, funding, and human, animal or
15 other approvals in place to successfully conduct the project; and
- 16 3. Whether the amount of marijuana to be grown by the applicant
17 is consistent with the scope and goals of the project.

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

21 G. A medical marijuana education facility licensee may only
22 transfer, by sale or donation, marijuana grown within its operation
23 to medical marijuana research licensees. The ~~Department~~ Authority
24 may revoke a medical marijuana education facility license for

1 violations of this section and any other violation of ~~this act~~ the
2 Oklahoma Medical Marijuana and Patient Protection Act.

3 H. A medical marijuana education facility licensee may contract
4 to perform research in conjunction with a public higher education
5 research institution or another research licensee.

6 I. The growing, cultivating, possessing or transferring, by
7 sale or donation, of marijuana in accordance with this section and
8 the rules promulgated pursuant thereto, by a medical marijuana
9 education facility licensee shall not be a criminal or civil offense
10 under state law. A medical marijuana education facility license
11 shall be issued in the name of the applicant and shall specify the
12 location in Oklahoma at which the medical marijuana education
13 facility licensee intends to operate. A medical marijuana education
14 facility licensee shall not allow any other person to exercise the
15 privilege of the license.

16 SECTION 43. AMENDATORY Section 23, Chapter 11, O.S.L.
17 2019, as amended by Section 11, Chapter 477, O.S.L. 2019 (63 O.S.
18 Supp. 2020, Section 427.23), is amended to read as follows:

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

1 B. The Food Safety Standards Board, in addition to the powers
2 and duties granted in Section 423 of ~~Title 63 of the Oklahoma~~
3 ~~Statutes this title~~, may recommend to the ~~State Commissioner of~~
4 ~~Health~~ Executive Director of the Oklahoma Department of Marijuana
5 and Alcohol rules relating to all aspects of the cultivation and
6 manufacture of medical marijuana products.

7 SECTION 44. AMENDATORY Section 2, Chapter 337, O.S.L.
8 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as
9 follows:

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

12 1. "Authority" shall mean the Oklahoma Medical Marijuana
13 Authority, a division of the Oklahoma Department of Marijuana and
14 Alcohol, or successor agency;

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

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

21 4. "Facility" shall mean a location where the disposal of
22 medical marijuana waste takes place 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 unused, surplus,
4 returned or out-of-date marijuana and plant debris of the plant of
5 the genus Cannabis, including dead plants and all unused plant
6 parts, except the term shall not include roots, stems, stalks and
7 fan leaves; and

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

11 SECTION 45. AMENDATORY Section 4, Chapter 337, O.S.L.
12 2019 (63 O.S. Supp. 2020, Section 430), is amended to read as
13 follows:

14 Section 430. A. There is hereby created and authorized a
15 medical marijuana waste disposal license. A person or entity in
16 possession of a medical marijuana waste disposal license shall be
17 entitled to possess, transport and dispose of medical marijuana
18 waste. No person or entity shall possess, transport or dispose of
19 medical marijuana waste without a valid medical marijuana waste
20 disposal license. The Oklahoma Medical Marijuana Authority shall
21 issue licenses upon proper application by a licensee and
22 determination by the Authority that the proposed site and facility
23 are physically and technically suitable. Upon a finding that a
24 proposed medical marijuana waste disposal facility is not physically

1 or technically suitable, the Authority shall deny the license. The
2 Authority may, upon determining that public health or safety
3 requires emergency action, issue a temporary license for treatment
4 or storage of medical marijuana waste for a period not to exceed
5 ninety (90) days. The Authority shall not, for the first year of
6 the licensure program, issue more than ten licenses. Upon the
7 conclusion of the first year, the Authority shall assess the need
8 for additional licenses and shall, if demonstrated, increase the
9 number of licenses as deemed necessary by the Authority.

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

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

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

23
24

1 h. name, residential address and date of birth of each
2 owner and each member, manager and board member, if
3 applicable;

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

8 a. the first, middle and last name of the applicant and
9 suffix, if applicable,

10 b. the residence address and mailing address of the
11 applicant,

12 c. the date of birth of the applicant,

13 d. the preferred telephone number and email address of
14 the applicant,

15 e. an attestation that the information provided by the
16 applicant is true and correct, and

17 f. a statement signed by the applicant pledging not to
18 divert marijuana to any individual or entity that is
19 not lawfully entitled to possess marijuana; and

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

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

- 1 b. a certificate of good standing from the Oklahoma
2 Secretary of State, if applicable,
3 c. an Affidavit of Lawful Presence for each owner,
4 d. proof that the proposed location of the disposal
5 facility is at least one thousand (1,000) feet from a
6 public or private school. The distance shall be
7 measured from any entrance of the school to the
8 nearest property line point of the facility, and
9 e. documents establishing the applicant, the members,
10 managers and board members, if applicable, and
11 seventy-five percent (75%) of the ownership interests
12 are Oklahoma residents as established in Section 420
13 et seq. of ~~Title 63 of the Oklahoma Statutes~~ this
14 title, as it relates to proof of residency.

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

1 assurance, of a type and in an amount acceptable to the Authority,
2 may be substituted; provided, that such deposit shall be maintained
3 for a period of five (5) years after the date of last operation of
4 the facility.

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

19 E. The Authority shall issue a permit for each medical
20 marijuana waste disposal facility operated by a licensee. A permit
21 shall be issued only upon proper application by a licensee and
22 determination by the Authority that the proposed site and facility
23 are physically and technically suitable. Upon a finding that a
24 proposed medical marijuana waste disposal facility is not physically

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

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

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

22 H. All commercial licensees, as defined in Section ~~2~~ 428.1 of
23 ~~this act~~ this title, shall utilize a licensed medical marijuana
24

1 waste disposal service to process all medical marijuana waste
2 generated by the licensee.

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

9 SECTION 46. REPEALER Section 4, Chapter 366, O.S.L.
10 2016, as last amended by Section 2, Chapter 322, O.S.L. 2019 (37A
11 O.S. Supp. 2020, Section 1-104), is hereby repealed.

12 SECTION 47. This act shall become effective July 1, 2021.

13 SECTION 48. It being immediately necessary for the preservation
14 of the public peace, health or safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

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18 58-1-8226 GRS 05/16/21
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