

OKLAHOMA STATE SENATE
CONFERENCE
COMMITTEE REPORT

May 18, 2021

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB1033

By: Leewright of the Senate and Fetgatter of the House

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

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

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

Respectfully submitted,

SENATE CONFEREES:

Leewright

McCortney

Brooks

Paxton

Coleman

Pugh

HOUSE CONFEREES:

Conference Committee on Alcohol, Tobacco and Controlled Substances

1 STATE OF OKLAHOMA

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

3 CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 SENATE BILL NO. 1033

6 By: Leewright of the Senate

7 and

8 Fetgatter of the House

9 CONFERENCE COMMITTEE SUBSTITUTE

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

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

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

SECTION 1. AMENDATORY Section 1, State Question No. 788,
Initiative Petition No. 412, as last amended by Section 44, Chapter

1 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), is amended to
2 read as follows:

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

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

12 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

9 The licensed location shall be grandfathered in as to the setback
10 distance as long as the property is used in accordance with the
11 original licensed purpose.

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

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

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

4 3. For purposes of this subsection:

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

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

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

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

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

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

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

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

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

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

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

21 2. Notwithstanding the grandfather provisions in Section 425 of
22 this title for a medical marijuana dispensary, upon the request for
23 renewal or transfer of a retail marijuana dispensary license, a
24 municipal government may object to the continued licensure of the

1 medical marijuana dispensary when it is operating contrary to the
2 required setback distance from a school including the error in
3 measurement allowance authorized by Section 425 of this title. The
4 municipal objection authorized by this subsection is discretionary;
5 however, if documentation for an objection is submitted by the
6 municipal government to the Oklahoma Medical Marijuana Authority,
7 the Authority shall defer to the municipal government's
8 documentation. Upon the municipal government providing the
9 documentation required by this subsection, the Authority shall not
10 renew or transfer the medical marijuana dispensary license and shall
11 cause the license to be revoked.

12 3. To prevent the granting of the grandfather provisions of
13 Section 425 of this title as a matter of law, the municipal
14 government shall provide the following documentation to the
15 Authority prior to renewal or transfer of a license:

16 a. a municipal resolution finding that the marijuana
17 dispensary is located within the prohibited setback
18 distance from a school that was openly in existence in
19 such a way that the public generally would have known
20 of the school's existence and operation in that
21 location prior to the original marijuana dispensary
22 being licensed. For purposes of this subparagraph,
23 "openly in existence" means any building, location or
24 structure on a school site that has visible outward

1 markings indicating the building, location or
2 structure was operating as a school which would serve
3 as sufficient notice of the existence of the school or
4 a reason for further inquiry on the part of the
5 marijuana dispensary license applicant. "Openly in
6 existence" shall not mean any school that operated
7 secretly or discreetly without any signs or other
8 markings on any building, location or structure on the
9 school site, undeveloped land or a structure owned by
10 a school that was not openly used and marked as a
11 school site, or any school site that was established
12 after the marijuana dispensary had been established
13 and licensed by the Authority, and

14 b. documentation of the measured distance from the school
15 to the marijuana dispensary utilizing the method for
16 determining the setback distance less any allowable
17 error in measurement calculated and remeasured on and
18 after the effective date of this act as authorized by
19 Section 425 of this title.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23

24

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

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

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

12 a. the licensee or applicant has violated, does not meet,
13 or has failed to comply with any of the terms,
14 conditions or provisions of the act, any rules
15 promulgated pursuant thereto, or any supplemental
16 relevant state or local law, rule or regulation,

17 b. the licensee or applicant has failed to comply with
18 any special terms or conditions that were placed upon
19 the license pursuant to an order of the State
20 Department of Health, Oklahoma Medical Marijuana
21 Authority or the municipality, or

22 c. the licensed premises of a medical marijuana business
23 or applicant have been operated in a manner that
24 adversely affects the public health or welfare or the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 b. all partners of a general partnership,

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

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

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

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

8 50. "Production batch" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 SECTION 5. AMENDATORY Section 4, Chapter 11, O.S.L. 2019
9 (63 O.S. Supp. 2020, Section 427.4), is amended to read as follows:

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

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

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

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

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

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

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

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

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

21 2. Serve all warrants, summonses, subpoenas, administrative
22 citations, notices or other processes relating to the enforcement of
23 laws regulating medical marijuana, concentrate, and medical
24 marijuana product;

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

4 4. ~~Require~~ As provided in Section 427.6 of this title, require
5 any business applicant or licensee, upon twenty-four (24) hours
6 notice or upon a showing of necessity, to permit an inspection of
7 licensed premises during business hours or at any time of apparent
8 operation, marijuana equipment, and marijuana accessories, or books
9 and records; and to permit the testing of or examination of medical
10 marijuana, concentrate, or product; and

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

14 SECTION 6. AMENDATORY Section 13, Chapter 11, O.S.L.
15 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as
16 follows:

17 Section 427.13. A. All medical marijuana and medical marijuana
18 products shall be purchased solely from an Oklahoma-licensed medical
19 marijuana business, and shall not be purchased from any out-of-state
20 providers.

21 B. 1. The Oklahoma Medical Marijuana Authority shall have
22 oversight and auditing responsibilities to ensure that all marijuana
23 being grown in Oklahoma is accounted for and shall implement an
24 inventory tracking system. Pursuant to these duties, the Authority

1 shall require that each medical marijuana business keep records for
2 every transaction with another medical marijuana business, patient
3 or caregiver. Inventory shall be tracked and updated after each
4 individual sale and reported to the Authority.

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

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

22 3. Each medical marijuana business, medical marijuana research
23 facility, medical marijuana education facility and medical marijuana
24 waste disposal facility shall develop written standard operating

1 procedures outlining the manner in which it operates as prescribed
2 by the Authority and shall use a seed-to-sale tracking system or
3 integrate its own seed-to-sale tracking system with the seed-to-sale
4 tracking system established by the Authority in accordance with the
5 limitations set forth herein.

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

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

22 5. All inventory tracking records containing patient
23 information shall comply with all relevant state and federal laws
24 including, but not limited to, the Health Insurance Portability and

1 Accountability Act of 1996 (HIPAA), and shall not be retained by any
2 medical marijuana business for more than sixty (60) days.

3 SECTION 7. AMENDATORY Section 14, Chapter 11, O.S.L.
4 2019, as last amended by Section 51, Chapter 161, O.S.L. 2020, (63
5 O.S. Supp. 2020, Section 427.14), is amended to read as follows:

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

- 9 1. Medical marijuana commercial grower;
- 10 2. Medical marijuana processor;
- 11 3. Medical marijuana dispensary;
- 12 4. Medical marijuana transporter; and
- 13 5. Medical marijuana testing laboratory.

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

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

20 D. The nonrefundable application fee for a medical marijuana
21 business license shall be Two Thousand Five Hundred Dollars
22 (\$2,500.00).

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

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

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

7 3. Applicants shall submit a complete application to the
8 ~~Department~~ Authority before the application may be accepted or
9 considered;

10 4. All applications shall be complete and accurate in every
11 detail;

12 5. All applications shall include all attachments or
13 supplemental information required by the forms supplied by the
14 Authority;

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

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

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

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

- 1 c. any applicant applying as an entity shall show that
2 seventy-five percent (75%) of all members, managers,
3 executive officers, partners, board members or any
4 other form of business ownership are Oklahoma
5 residents pursuant to paragraph 11 of this subsection,
6 d. all applying individuals or entities shall be
7 registered to conduct business in ~~the State of~~
8 ~~Oklahoma~~ this state,
9 e. all applicants shall disclose all ownership interests
10 pursuant to ~~this act~~ the Oklahoma Medical Marijuana
11 and Patient Protection Act, and
12 f. applicants shall not have been convicted of a
13 nonviolent felony in the last two (2) years, and any
14 other felony conviction within the last five (5)
15 years, shall not be current inmates, or currently
16 incarcerated in a jail or corrections facility;

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

1 9. All applicants for a medical marijuana business license,
2 research facility license or education facility license authorized
3 by ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
4 Act shall undergo an Oklahoma criminal history background check
5 conducted by the Oklahoma State Bureau of Investigation (OSBI)
6 within thirty (30) days prior to the application for the license,
7 including:

- 8 a. individual applicants applying on their own behalf,
- 9 b. individuals applying on behalf of an entity,
- 10 c. all principal officers of an entity, and
- 11 d. all owners of an entity as defined by ~~this act~~ Section
12 427.2 of this title;

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

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

- 24 a. an unexpired Oklahoma-issued driver license,

- b. an Oklahoma voter identification card,
- c. a utility bill preceding the date of application, excluding cellular telephone and Internet bills,
- d. a residential property deed to property in ~~the State of Oklahoma~~ this state, and
- e. a rental agreement preceding the date of application for residential property located in ~~the State of Oklahoma~~ this state.

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

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

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

- a. front and back of an Oklahoma driver license,
- b. front and back of an Oklahoma identification card,
- c. a United States passport or other photo identification issued by the United States government,

1 d. certified copy of the applicant's birth certificate
2 for minor applicants who do not possess a document
3 listed in this section, or

4 e. a tribal identification card approved for
5 identification purposes by the Oklahoma Department of
6 Public Safety; and

7 14. All applicants shall submit an applicant photograph.

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

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

15 2. Approved applicants shall be issued a medical marijuana
16 business license for the specific category applied under which shall
17 act as proof of their approved status. Rejection letters shall
18 provide a reason for the rejection. Applications may only be
19 rejected based on the applicant not meeting the standards set forth
20 in the provisions of this section, improper completion of the
21 application, or for a reason provided for in ~~this act~~ the Oklahoma
22 Medical Marijuana and Patient Protection Act. If an application is
23 rejected for failure to provide required information, the applicant
24 shall have thirty (30) days to submit the required information for

1 reconsideration. No additional application fee shall be charged for
2 such reconsideration.

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

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

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

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

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

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

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

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

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

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

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

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

1 J. The failure of an applicant to provide the requested
2 information by the Authority deadline may be grounds for denial of
3 the application.

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

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

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

24

1 N. An original medical marijuana business license issued on or
2 after June 26, 2018, by the Authority, for a medical marijuana
3 commercial grower, a medical marijuana processor or a medical
4 marijuana dispensary shall be deemed to have been grandfathered into
5 the location on the date the original license was first issued for
6 purposes of determining the authority of the business to conduct and
7 continue the same type of business at that location under a license
8 issued by the Authority, except as may be provided in Sections 425
9 and 426.1 of this title. Any change in ownership after the original
10 medical marijuana business license has been issued by the Authority
11 shall be construed by the Authority to be a continuation of the same
12 type of business originally licensed at that location. Nothing
13 shall authorize the Authority to deny issuance or renewal of a
14 license or transfer of license due to a change in ownership for the
15 same business location previously licensed, except when a revocation
16 is otherwise authorized by law or a protest is made under the
17 municipal compliance provisions of Section 426.1 of this title.

18 SECTION 8. AMENDATORY Section 16, Chapter 11, O.S.L.
19 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as
20 follows:

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

24

1 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
2 this title, the Oklahoma Medical Marijuana Authority shall issue a
3 medical marijuana transporter license to licensed medical marijuana
4 commercial growers, processors and dispensaries upon issuance of
5 such licenses and upon each renewal.

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

14 D. A medical marijuana transporter license shall be valid for
15 one (1) year and shall not be transferred with a change of
16 ownership. A licensed medical marijuana transporter shall be
17 responsible for all medical marijuana, concentrate and products once
18 the transporter takes control of the product.

19 E. A transporter license shall be required for any person or
20 entity to transport or transfer medical marijuana, concentrate or
21 product from a licensed medical marijuana business to another
22 medical marijuana business, or from a medical marijuana business to
23 a medical marijuana research facility or medical marijuana education
24 facility.

1 F. A medical marijuana transporter licensee may contract with
2 multiple licensed medical marijuana businesses.

3 G. A medical marijuana transporter may maintain a licensed
4 premises to temporarily store medical marijuana, concentrate and
5 products and to use as a centralized distribution point. A medical
6 marijuana transporter may store and distribute medical marijuana,
7 concentrate and products from the licensed premises. The licensed
8 premises shall meet all security requirements applicable to a
9 medical marijuana business.

10 H. A medical marijuana transporter licensee shall use the seed-
11 to-sale tracking system developed pursuant to ~~this act~~ the Oklahoma
12 Medical Marijuana and Patient Protection Act to create shipping
13 manifests documenting the transport of medical marijuana,
14 concentrate and products throughout the state.

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

19 J. All medical marijuana, concentrate and product shall be
20 transported:

21 1. In vehicles equipped with Global Positioning System (GPS)
22 trackers;

23 2. In a locked container and clearly labeled "Medical Marijuana
24 or Derivative"; and

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

3 K. A transporter agent may possess marijuana at any location
4 while the transporter agent is transferring marijuana to or from a
5 licensed medical marijuana business, medical marijuana research
6 facility or medical marijuana education facility. The Department
7 shall administer and enforce the provisions of this section
8 concerning transportation.

9 L. The Authority shall issue a transporter agent license to
10 individual agents, employees, officers or owners of a transporter
11 license in order for the individual to qualify to transport medical
12 marijuana or product.

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

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

- 18 1. The name, address and date of birth of the person;
- 19 2. Proof of residency as required for a medical marijuana
20 business license;
- 21 3. Proof of identity as required for a medical marijuana
22 business license;
- 23 4. Possession of a valid Oklahoma driver license;
- 24 5. Verification of employment with a licensed transporter;

1 6. The application and affiliated fee; and

2 7. A criminal background check conducted by the Oklahoma State
3 Bureau of Investigation, paid for by the applicant.

4 O. If the transporter agent application is denied, the
5 Department shall notify the transporter in writing of the reason for
6 denying the registry identification card.

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

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

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

20 S. Vehicles used in the transport of medical marijuana or
21 medical marijuana product shall be:

22 1. Insured at or above the legal requirements in ~~Oklahoma~~ this
23 state;

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

1 3. In possession of a shipping container as defined in Section
2 427.2 of this act title capable of securing all transported product.

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

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

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

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

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

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

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

1 5. The arrival date and estimated time of arrival;

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

4 7. Notation of the transporting licensee.

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

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

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

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

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

20 SECTION 9. AMENDATORY Section 2, Chapter 337, O.S.L.
21 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as
22 follows:

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

- 1 1. "Authority" shall mean the Oklahoma Medical Marijuana
2 Authority, or successor agency;
- 3 2. "Commercial licensee" shall mean any person or entity issued
4 a license by the Oklahoma Medical Marijuana Authority, or successor
5 agency, to conduct commercial business in this state;
- 6 3. "Disposal" shall mean the ~~final~~ disposition of medical
7 marijuana waste by ~~either~~ a process which renders the waste unusable
8 and unrecognizable through physical destruction or a recycling
9 process;
- 10 4. "Facility" shall mean a location where the disposal of
11 medical marijuana waste takes place by a licensee;
- 12 5. "License" shall mean a medical marijuana waste disposal
13 license;
- 14 6. "Licensee" shall mean the holder of a medical marijuana
15 waste disposal license;
- 16 7. "Medical marijuana waste" shall mean:
17 a. unused, surplus, returned or out-of-date marijuana and
18 plant debris of the plant of the genus Cannabis,
19 including dead plants and all unused plant parts,
20 except the term shall not include seeds, roots, stems,
21 stalks and fan leaves; ~~and~~,
22 b. all product which is deemed to fail laboratory testing
23 and cannot be remediated or decontaminated, and
- 24

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

3 (1) have gone out of business,

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

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

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

12 SECTION 10. AMENDATORY Section 4, Chapter 337, O.S.L.
13 2019 (63 O.S. Supp. 2020, Section 430), is amended to read as
14 follows:

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

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

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

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

17 a. an attestation that the applicant is authorized to
18 make application on behalf of the entity,

19 b. full name of the organization,

20 c. trade name, if applicable,

21 d. type of business organization,

22 e. complete mailing address,

23 f. an attestation that the commercial entity will not be
24 located on tribal land,

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

16 SECTION 11. AMENDATORY Section 7, State Question No.
17 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426),
18 is amended to read as follows:

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

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

24

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

8 D. Pursuant to Section 13 of this act, the Oklahoma Tax
9 Commission shall have authority to assess, collect and enforce the
10 tax specified in subsection A of this section including any interest
11 and penalty thereon.

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

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

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

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

12

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