

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 264 By: Garvin of the Senate
3 and
4 Marti of the House
5
6

7 An Act relating to medical marijuana; amending 63
8 O.S. 2021, Sections 421, as last amended by Section
9 1, Chapter 332, O.S.L. 2022, 422, as last amended by
10 Section 2, Chapter 332, O.S.L. 2022, and 423, as last
11 amended by Section 3, Chapter 332, O.S.L. 2022 (63
12 O.S. Supp. 2022, Sections 421, 422, and 423), which
13 relate to licensing requirements for medical
14 marijuana dispensaries, commercial growers, and
15 processors; modifying method of application
16 submission; amending 63 O.S. 2021, Section 427.3, as
17 last amended by Section 1, Chapter 342, O.S.L. 2022
18 (63 O.S. Supp. 2022, Section 427.3), which relates to
19 Oklahoma Medical Marijuana Authority duties and
20 functions; allowing for the purchase of motor
21 vehicles; authorizing the Oklahoma Medical Marijuana
22 Authority to create a petty cash fund for certain
23 purpose; amending 63 O.S. 2021, Section 427.14, as
24 last amended by Section 4, Chapter 332, O.S.L. 2022
(63 O.S. Supp. 2022, Section 427.14), which relates
to the medical marijuana business license; modifying
calculation for type of indoor and outdoor growing
operation; requiring remittance of certain fees prior
to licensing approval; modifying method of
application submission; removing provision for fees
for reconsideration; providing for promulgation of
rules for required application materials to the
Authority prior to determination for business
licensing fees; amending 63 O.S. 2021, Sections
427.16, as last amended by Section 16, Chapter 251,
O.S.L. 2022, and 427.17, as last amended by Section
1, Chapter 353, O.S.L. 2022 (63 O.S. Supp. 2022,
Sections 427.16 and 427.17), which relate to medical
marijuana transport and testing laboratory licenses;
clarifying language; amending Section 1, Chapter 352,
O.S.L. 2022 (63 O.S. Supp. 2022, Section 427.25),

1 which relates to secret shoppers; allowing for use of
2 certain fund; allowing for secret shoppers to perform
3 certain duties; modifying laboratory testing;
4 exempting licensing requirements for secret shoppers;
5 updating statutory language and reference; providing
6 for codification; and providing an effective date.

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AMENDMENT NO. 1. Page 1, Line 6 through Page 2, Line 2 1/2, strike
the title to read as follows:

"[medical marijuana - requirements for medical
marijuana dispensaries - commercial growers -
Oklahoma Medical Marijuana Authority - licensing
approval - medical marijuana transport and testing
laboratory licenses - secret shoppers - effective
date]"

Passed the House of Representatives the 26th day of April, 2023.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2023.

Presiding Officer of the Senate

3 and

4 Marti of the House

5
6 An Act relating to medical marijuana; amending 63
7 O.S. 2021, Sections 421, as last amended by Section
8 1, Chapter 332, O.S.L. 2022, 422, as last amended by
9 Section 2, Chapter 332, O.S.L. 2022, and 423, as last
10 amended by Section 3, Chapter 332, O.S.L. 2022 (63
11 O.S. Supp. 2022, Sections 421, 422, and 423), which
12 relate to licensing requirements for medical
13 marijuana dispensaries, commercial growers, and
14 processors; modifying method of application
15 submission; amending 63 O.S. 2021, Section 427.3, as
16 last amended by Section 1, Chapter 342, O.S.L. 2022
17 (63 O.S. Supp. 2022, Section 427.3), which relates to
18 Oklahoma Medical Marijuana Authority duties and
19 functions; allowing for the purchase of motor
20 vehicles; authorizing the Oklahoma Medical Marijuana
21 Authority to create a petty cash fund for certain
22 purpose; amending 63 O.S. 2021, Section 427.14, as
23 last amended by Section 4, Chapter 332, O.S.L. 2022
24 (63 O.S. Supp. 2022, Section 427.14), which relates
to the medical marijuana business license; modifying
calculation for type of indoor and outdoor growing
operation; requiring remittance of certain fees prior
to licensing approval; modifying method of
application submission; removing provision for fees
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rules for required application materials to the
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427.16, as last amended by Section 16, Chapter 251,
O.S.L. 2022, and 427.17, as last amended by Section
1, Chapter 353, O.S.L. 2022 (63 O.S. Supp. 2022,
Sections 427.16 and 427.17), which relate to medical
marijuana transport and testing laboratory licenses;
clarifying language; amending Section 1, Chapter 352,
O.S.L. 2022 (63 O.S. Supp. 2022, Section 427.25),
which relates to secret shoppers; allowing for use of
certain fund; allowing for secret shoppers to perform

1 certain duties; modifying laboratory testing;
2 exempting licensing requirements for secret shoppers;
3 updating statutory language and reference; providing
4 for codification; and providing an effective date.

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

6 SECTION 1. AMENDATORY 63 O.S. 2021, Section 421, as last
7 amended by Section 1, Chapter 332, O.S.L. 2022 (63 O.S. Supp. 2022,
8 Section 421), is amended to read as follows:

9 Section 421. A. The Oklahoma Medical Marijuana Authority shall
10 make available on its website in an easy-to-find location an
11 application for a medical marijuana dispensary license. The
12 application fee to be paid by the applicant shall be in the amounts
13 provided for in Section 427.14 of this title. A method of payment
14 for the application fee shall be provided on the website of the
15 Authority. Dispensary applicants must all be residents of Oklahoma.
16 Any entity applying for a dispensary license must be owned by an
17 Oklahoma resident and must be registered to do business in Oklahoma.
18 The Authority shall have ninety (90) business days to review the
19 application; approve, reject, or deny the application; and ~~mail~~ send
20 the approval, rejection, or denial letter stating reasons for the
21 rejection or denial to the applicant in the same method the
22 application was submitted to the Authority.

23 B. The Authority shall approve all applications which meet the
24 following criteria:

1 1. The applicant must be twenty-five (25) years of age or
2 older;

3 2. The applicant, if applying as an individual, must show
4 residency in ~~the State of Oklahoma~~ this state;

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

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

10 5. All applying individuals or entities must be registered to
11 conduct business in ~~the State of Oklahoma~~ this state; and

12 6. All applicants must disclose all ownership interests in the
13 dispensary.

14 Applicants with a nonviolent felony conviction in the last two
15 (2) years, any other felony conviction in the last five (5) years,
16 inmates in the custody of the Department of Corrections or any
17 person currently incarcerated shall not qualify for a medical
18 marijuana dispensary license.

19 C. Licensed medical marijuana dispensaries shall be required to
20 complete a monthly sales report to the Authority. This report shall
21 be due on the fifteenth of each month and provide reporting on the
22 previous month. This report shall detail the weight of marijuana
23 purchased at wholesale and the weight of marijuana sold to licensed
24 medical marijuana patients and licensed caregivers and account for

1 any waste. The report shall show total sales in dollars, tax
2 collected in dollars, and tax due in dollars. The Authority shall
3 have oversight and auditing responsibilities to ensure that all
4 marijuana being grown is accounted for.

5 D. Only a licensed medical marijuana dispensary may conduct
6 retail sales of marijuana or marijuana derivatives. Beginning on
7 ~~the effective date of this act~~ November 1, 2021, licensed medical
8 marijuana dispensaries shall be authorized to package and sell pre-
9 rolled marijuana to licensed medical marijuana patients and licensed
10 caregivers. The products described in this subsection shall contain
11 only the ground parts of the marijuana plant and shall not include
12 marijuana concentrates or derivatives. The total net weight of each
13 pre-roll packaged and sold by a medical marijuana dispensary shall
14 not exceed one (1) gram. These products shall be tested, packaged
15 and labeled in accordance with Oklahoma law and rules promulgated by
16 the Authority.

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

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

9 SECTION 2. AMENDATORY 63 O.S. 2021, Section 422, as last
10 amended by Section 2, Chapter 332, O.S.L. 2022 (63 O.S. Supp. 2022,
11 Section 422), is amended to read as follows:

12 Section 422. A. The Oklahoma Medical Marijuana Authority shall
13 make available on its website in an easy-to-find location an
14 application for a medical marijuana commercial grower license. The
15 application fee shall be paid by the applicant in the amounts
16 provided for in Section 427.14 of this title. A method of payment
17 for the application fee shall be provided on the website of the
18 Authority. The Authority shall have ninety (90) business days to
19 review the application; approve, reject, or deny the application;
20 and ~~mail~~ send the approval, rejection, or denial letter stating the
21 reasons for the rejection or denial to the applicant in the same
22 method the application was submitted to the Authority.

23 B. The Authority shall approve all applications which meet the
24 following criteria:

1 1. The applicant must be twenty-five (25) years of age or
2 older;

3 2. The applicant, if applying as an individual, must show
4 residency in ~~the State of Oklahoma~~ this state;

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

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

10 5. All applying individuals or entities must be registered to
11 conduct business in ~~the State of Oklahoma~~ this state; and

12 6. All applicants must disclose all ownership interests in the
13 commercial grower operation.

14 Applicants with a nonviolent felony conviction in the last two
15 (2) years, any other felony conviction in the last five (5) years,
16 inmates in the custody of the Department of Corrections or any
17 person currently incarcerated shall not qualify for a commercial
18 grower license.

19 C. A licensed medical marijuana commercial grower may sell
20 marijuana to a licensed medical marijuana dispensary or a licensed
21 medical marijuana processor. Further, sales by a licensed medical
22 marijuana commercial grower shall be considered wholesale sales and
23 shall not be subject to taxation. Under no circumstances may a
24 licensed medical marijuana commercial grower sell marijuana directly

1 to a licensed medical marijuana patient or licensed medical
2 marijuana caregiver. A licensed medical marijuana commercial grower
3 may only sell at the wholesale level to a licensed medical marijuana
4 dispensary, a licensed medical marijuana commercial grower or a
5 licensed medical marijuana processor. If the federal government
6 lifts restrictions on buying and selling marijuana between states,
7 then a licensed medical marijuana commercial grower would be allowed
8 to sell and buy marijuana wholesale from, or to, an out-of-state
9 wholesale provider. A licensed medical marijuana commercial grower
10 shall be required to complete a monthly yield and sales report to
11 the Authority. This report shall be due on the fifteenth of each
12 month and provide reporting on the previous month. This report
13 shall detail the amount of marijuana harvested in pounds, the amount
14 of drying or dried marijuana on hand, the amount of marijuana sold
15 to licensed processors in pounds, the amount of waste in pounds, and
16 the amount of marijuana sold to licensed medical marijuana
17 dispensaries in pounds. Additionally, this report shall show total
18 wholesale sales in dollars. The Authority shall have oversight and
19 auditing responsibilities to ensure that all marijuana being grown
20 by licensed medical marijuana commercial growers is accounted for.

21 D. There shall be no limits on how much marijuana a licensed
22 medical marijuana commercial grower can grow.

23 E. Beginning on ~~the effective date of this act~~ June 1, 2023,
24 licensed medical marijuana commercial growers shall be authorized to

1 package and sell pre-rolled marijuana to licensed medical marijuana
2 dispensaries. The products described in this subsection shall
3 contain only the ground parts of the marijuana plant and shall not
4 include marijuana concentrates or derivatives. The total net weight
5 of each pre-roll packaged and sold by licensed medical marijuana
6 commercial growers shall not exceed one (1) gram. These products
7 must be tested, packaged and labeled in accordance with Oklahoma law
8 and rules promulgated by the Authority.

9 SECTION 3. AMENDATORY 63 O.S. 2021, Section 423, as last
10 amended by Section 3, Chapter 332, O.S.L. 2022 (63 O.S. Supp. 2022,
11 Section 423), is amended to read as follows:

12 Section 423. A. The Oklahoma Medical Marijuana Authority shall
13 make available on its website in an easy-to-find location an
14 application for a medical marijuana processing license. The
15 Authority shall be authorized to issue two types of medical
16 marijuana processor licenses based on the level of risk posed by the
17 type of processing conducted:

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

20 The application fee for a nonhazardous or hazardous medical
21 marijuana processor license shall be paid by the applicant in the
22 amounts provided for in Section 427.14 of this title. A method of
23 payment shall be provided on the website of the Authority. The
24 Authority shall have ninety (90) business days to review the

1 application; approve, reject, or deny the application; and ~~mail~~ send
2 the approval, rejection, or denial letter stating the reasons for
3 the rejection or denial to the applicant in the same method the
4 application was submitted to the Authority.

5 B. The Authority shall approve all applications which meet the
6 following criteria:

7 1. The applicant must be twenty-five (25) years of age or
8 older;

9 2. The applicant, if applying as an individual, must show
10 residency in ~~the State of Oklahoma~~ this state;

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

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

16 5. All applying individuals or entities must be registered to
17 conduct business in ~~the State of Oklahoma~~ this state; and

18 6. All applicants must disclose all ownership interests in the
19 processing operation.

20 Applicants with a nonviolent felony conviction in the last two
21 (2) years, any other felony conviction in the last five (5) years,
22 inmates in the custody of the Department of Corrections or any
23 person currently incarcerated shall not qualify for a medical
24 marijuana processing license.

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

4 2. As required by subsection D of this section, the Authority
5 shall make available a set of standards which shall be used by
6 licensed processors in the preparation of edible marijuana products.
7 The standards should be in line with current food preparation
8 guidelines. No excessive or punitive rules may be established by
9 the Authority.

10 3. Up to two times a year, the Authority may inspect a
11 processing operation and determine its compliance with the
12 preparation standards. If deficiencies are found, a written report
13 of the deficiency shall be issued to the licensed processor. The
14 licensed processor shall have one (1) month to correct the
15 deficiency or be subject to a fine of Five Hundred Dollars (\$500.00)
16 for each deficiency.

17 4. A licensed processor may sell marijuana products it creates
18 to a licensed dispensary or any other licensed processor. All sales
19 by a licensed processor shall be considered wholesale sales and
20 shall not be subject to taxation.

21 5. Under no circumstances may a licensed processor sell
22 marijuana or any marijuana product directly to a licensed medical
23 marijuana patient or licensed caregiver. However, a licensed
24

1 processor may process cannabis into a concentrated form for a
2 licensed medical marijuana patient for a fee.

3 6. Licensed processors shall be required to complete a monthly
4 yield and sales report to the Authority. This report shall be due
5 on the fifteenth of each month and shall provide reporting on the
6 previous month. This report shall detail the amount of marijuana
7 and medical marijuana products purchased in pounds, the amount of
8 marijuana cooked or processed in pounds, and the amount of waste in
9 pounds. Additionally, this report shall show total wholesale sales
10 in dollars. The Authority shall have oversight and auditing
11 responsibilities to ensure that all marijuana being processed is
12 accounted for.

13 D. The Authority shall oversee the inspection and compliance of
14 licensed processors producing products with marijuana as an
15 additive. The Authority shall be compelled to, within thirty (30)
16 days of passage of this initiative, appoint twelve (12) Oklahoma
17 residents to the Medical Marijuana Advisory Council, who are
18 marijuana industry experts, to create a list of food safety
19 standards for processing and handling medical marijuana in Oklahoma.
20 These standards shall be adopted by the Authority and the Authority
21 may enforce these standards for licensed processors. The Authority
22 shall develop a standards review procedure and these standards can
23 be altered by calling another council of twelve (12) Oklahoma
24 marijuana industry experts. A signed letter of twenty operating,

1 licensed processors shall constitute a need for a new council and
2 standards review.

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

5 F. Any device used for the processing or consumption of medical
6 marijuana shall be considered legal to be sold, manufactured,
7 distributed and possessed. No merchant, wholesaler, manufacturer or
8 individual may be unduly harassed or prosecuted for selling,
9 manufacturing or possessing marijuana paraphernalia.

10 SECTION 4. AMENDATORY 63 O.S. 2021, Section 427.3, as
11 last amended by Section 1, Chapter 342, O.S.L. 2022 (63 O.S. Supp.
12 2022, Section 427.3), is amended to read as follows:

13 Section 427.3. A. There is hereby created the Oklahoma Medical
14 Marijuana Authority within the State Department of Health which
15 shall address issues related to the medical marijuana program in
16 Oklahoma including, but not limited to, the issuance of patient
17 licenses and medical marijuana business licenses, and the
18 dispensing, cultivating, processing, testing, transporting, storage,
19 research, and the use of and sale of medical marijuana pursuant to
20 the Oklahoma Medical Marijuana and Patient Protection Act.

21 B. The Department shall provide support staff to perform
22 designated duties of the Authority. The Department shall also
23 provide office space for meetings of the Authority.

24

1 C. The Authority shall implement the provisions of the Oklahoma
2 Medical Marijuana and Patient Protection Act consistently with the
3 voter-approved State Question No. 788, Initiative Petition No. 412,
4 subject to the provisions of the Oklahoma Medical Marijuana and
5 Patient Protection Act.

6 D. The Authority shall exercise its respective powers and
7 perform its respective duties and functions as specified in the
8 Oklahoma Medical Marijuana and Patient Protection Act and this title
9 including, but not limited to, the following:

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

- 14 a. public health policy and public safety policy,
- 15 b. agronomic and horticultural best practices, and
- 16 c. medical and pharmacopoeia best practices;

17 2. Contract with third-party vendors and other governmental
18 entities in order to carry out the respective duties and functions
19 as specified in the Oklahoma Medical Marijuana and Patient
20 Protection Act;

21 3. Upon complaint or upon its own motion and upon a completed
22 investigation, levy fines as prescribed in applicable laws, rules,
23 and regulations and suspend, revoke, or not renew licenses pursuant
24 to applicable laws, rules, and regulations;

1 4. Issue subpoenas for the appearance or production of persons,
2 records, and things in connection with disciplinary or contested
3 cases considered by the Authority;

4 5. Apply for injunctive or declaratory relief to enforce the
5 provisions of applicable laws, rules, and regulations;

6 6. Inspect and examine all licensed premises of medical
7 marijuana businesses, research facilities, education facilities, and
8 waste disposal facilities in which medical marijuana is cultivated,
9 manufactured, sold, stored, transported, tested, distributed, or
10 disposed of;

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

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

18 9. Establish a fee schedule and collect fees for performing
19 background checks as the Authority deems appropriate. The fees
20 charged pursuant to this paragraph shall not exceed the actual cost
21 incurred for each background check;

22 10. Establish a fee schedule and collect fees for material
23 changes requested by the licensee;

24

1 11. Establish regulations, which require a medical marijuana
2 business to submit information to the Authority, deemed reasonably
3 necessary to assist the Authority in the prevention of diversion of
4 medical marijuana by a licensed medical marijuana business. Such
5 information required by the Authority may include, but shall not be
6 limited to:

- 7 a. the square footage of the licensed premises,
- 8 b. a diagram of the licensed premises,
- 9 c. the number and type of lights at the licensed medical
10 marijuana commercial grower business,
- 11 d. the number, type, and production capacity of equipment
12 located at the medical marijuana processing facility,
- 13 e. the names, addresses, and telephone numbers of
14 employees or agents of a medical marijuana business,
- 15 f. employment manuals and standard operating procedures
16 for the medical marijuana business, and
- 17 g. any other information as the Authority reasonably
18 deems necessary; ~~and~~

19 12. Declare and establish a moratorium on processing and
20 issuing new medical marijuana business licenses pursuant to Section
21 427.14 of this title for an amount of time the Authority deems
22 necessary; and

23 13. Purchase and maintain motor vehicles for use by the
24 employees of the Authority.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 427.3b of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 The Oklahoma Medical Marijuana Authority is hereby given
5 authority to create a petty cash fund, which may be expended for the
6 purpose of providing for cash purchases for the implementation of
7 the Authority's secret shoppers pursuant to Section 427.25 of Title
8 63 of the Oklahoma Statutes.

9 SECTION 6. AMENDATORY 63 O.S. 2021, Section 427.14, as
10 last amended by Section 4, Chapter 332, O.S.L. 2022 (63 O.S. Supp.
11 2022, Section 427.14), is amended to read as follows:

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

- 15 1. Medical marijuana commercial grower;
- 16 2. Medical marijuana processor;
- 17 3. Medical marijuana dispensary;
- 18 4. Medical marijuana transporter; and
- 19 5. Medical marijuana testing laboratory.

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

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

4 D. 1. The annual, nonrefundable fee for a medical marijuana
5 transporter license shall be Two Thousand Five Hundred Dollars
6 (\$2,500.00).

7 2. The initial, nonrefundable fee for a medical marijuana
8 commercial grower license shall be calculated based upon the total
9 amount of square feet of canopy or acres the grower estimates will
10 be harvested, transferred, or sold for the year. The annual,
11 nonrefundable license fee shall be based upon the total amount of
12 square feet of canopy or acres harvested, transferred, or sold by
13 the grower during the previous twelve (12) months. The amount of
14 the fees shall be determined as follows:

15 a. For an indoor, greenhouse, or light deprivation
16 medical marijuana grow facility:

17 (1) Tier 1: Up to ten thousand (10,000) square feet
18 of canopy, the fee shall be Two Thousand Five
19 Hundred Dollars (\$2,500.00),

20 (2) Tier 2: Ten thousand one (10,001) square feet of
21 canopy to twenty thousand (20,000) square feet of
22 canopy, the fee shall be Five Thousand Dollars
23 (\$5,000.00),
24

- 1 (3) Tier 3: Twenty thousand one (20,001) square feet
2 of canopy to forty thousand (40,000) square feet
3 of canopy, the fee shall be Ten Thousand Dollars
4 (\$10,000.00),
- 5 (4) Tier 4: Forty thousand one (40,001) square feet
6 of canopy to sixty thousand (60,000) square feet
7 of canopy, the fee shall be Twenty Thousand
8 Dollars (\$20,000.00),
- 9 (5) Tier 5: Sixty thousand one (60,001) square feet
10 of canopy to eighty thousand (80,000) square feet
11 of canopy, the fee shall be Thirty Thousand
12 Dollars (\$30,000.00),
- 13 (6) Tier 6: Eighty thousand one (80,001) square feet
14 of canopy to ninety-nine thousand nine hundred
15 ninety-nine (99,999) square feet of canopy, the
16 fee shall be Forty Thousand Dollars (\$40,000.00),
17 and
- 18 (7) Tier 7: One hundred thousand (100,000) square
19 feet of canopy and beyond, the fee shall be Fifty
20 Thousand Dollars (\$50,000.00), plus an additional
21 twenty-five cents (\$0.25) per square foot of
22 canopy over one hundred thousand (100,000) square
23 feet.

24 b. For an outdoor medical marijuana grow facility:

- 1 (1) Tier 1: ~~Up to~~ Less than two and one-half (2 1/2)
2 acres, the fee shall be Two Thousand Five Hundred
3 Dollars (\$2,500.00),
- 4 (2) Tier 2: Two and one-half (2 1/2) acres up to
5 five (5) acres, the fee shall be Five Thousand
6 Dollars (\$5,000.00),
- 7 (3) Tier 3: Five (5) acres up to ten (10) acres, the
8 fee shall be Ten Thousand Dollars (\$10,000.00),
- 9 (4) Tier 4: Ten (10) acres up to twenty (20) acres,
10 the fee shall be Twenty Thousand Dollars
11 (\$20,000.00),
- 12 (5) Tier 5: Twenty (20) acres up to thirty (30)
13 acres, the fee shall be Thirty Thousand Dollars
14 (\$30,000.00),
- 15 (6) Tier 6: Thirty (30) acres up to forty (40)
16 acres, the fee shall be Forty Thousand Dollars
17 (\$40,000.00),
- 18 (7) Tier 7: Forty (40) acres up to fifty (50) acres,
19 the fee shall be Fifty Thousand Dollars
20 (\$50,000.00), and
- 21 (8) Tier 8: If the amount of acreage exceeds fifty
22 (50) acres, the fee shall be Fifty Thousand
23 Dollars (\$50,000.00) plus an additional Two
24 Hundred Fifty Dollars (\$250.00) per acre.

1 c. For a medical marijuana commercial grower that has a
2 combination of both indoor and outdoor growing
3 facilities at one location, the medical marijuana
4 commercial grower shall be required to obtain a
5 separate license from the Authority for each type of
6 grow operation and shall be subject to the licensing
7 fees provided for in subparagraphs a and b of this
8 paragraph.

9 d. As used in this paragraph:

10 (1) "canopy" means the total surface area within a
11 cultivation area that is dedicated to the
12 cultivation of flowering marijuana plants. The
13 surface area of the plant canopy must be
14 calculated in square feet and measured and must
15 include all of the area within the boundaries
16 where the cultivation of the flowering marijuana
17 plants occurs. If the surface of the plant
18 canopy consists of noncontiguous areas, each
19 component area must be separated by identifiable
20 boundaries. If a tiered or shelving system is
21 used in the cultivation area, the surface area of
22 each tier or shelf must be included in
23 calculating the area of the plant canopy.
24 Calculation of the area of the plant canopy may

1 not include the areas within the cultivation area
2 that are used to cultivate immature marijuana
3 plants and seedlings, prior to flowering, and
4 that are not used at any time to cultivate mature
5 marijuana plants. If the flowering plants are
6 vertically grown in cylinders, the square footage
7 of the canopy shall be measured by the
8 circumference of the cylinder multiplied by the
9 total length of the cylinder,

10 (2) "greenhouse" means a structure located outdoors
11 that is completely covered by a material that
12 allows a controlled level of light transmission,
13 and

14 (3) "light deprivation" means a structure that has
15 concrete floors and the ability to manipulate
16 natural light.

17 3. The initial, nonrefundable fee for a medical marijuana
18 processor license shall be Two Thousand Five Hundred Dollars
19 (\$2,500.00). The annual, nonrefundable license fee for a medical
20 marijuana processor license shall be determined based on the
21 previous twelve (12) months as follows:

22 a. Tier 1: ~~Zero~~ The transfer or sale of zero (0) to ten
23 thousand (10,000) pounds of biomass or ~~production or~~
24 ~~use~~ the production, transfer, or sale of up to one

1 hundred (100) liters of cannabis concentrate,
2 whichever is greater, the annual fee shall be Two
3 Thousand Five Hundred Dollars (\$2,500.00),

4 b. Tier 2: ~~Ten~~ The transfer or sale of ten thousand one
5 (10,001) pounds to fifty thousand (50,000) pounds of
6 biomass or ~~production or use from~~ the production,
7 transfer, or sale of one hundred one (101) to three
8 hundred fifty (350) liters of cannabis concentrate,
9 whichever is greater, the annual fee shall be Five
10 Thousand Dollars (\$5,000.00),

11 c. Tier 3: ~~Fifty~~ The transfer or sale of fifty thousand
12 one (50,001) pounds to one hundred fifty thousand
13 (150,000) pounds of biomass or ~~production or use from~~
14 the production, transfer, or sale of three hundred
15 fifty-one (351) to six hundred fifty (650) liters of
16 cannabis concentrate, whichever is greater, the annual
17 fee shall be Ten Thousand Dollars (\$10,000.00),

18 d. Tier 4: ~~One~~ The transfer or sale of one hundred fifty
19 thousand one (150,001) pounds to three hundred
20 thousand (300,000) pounds of biomass or ~~production or~~
21 ~~use from~~ the production, transfer, or sale of six
22 hundred fifty-one (651) to one thousand (1,000) liters
23 of cannabis concentrate, whichever is greater, the
24

1 annual fee shall be Fifteen Thousand Dollars
2 (\$15,000.00), and

3 e. Tier 5: ~~More~~ The transfer or sale of more than three
4 hundred thousand one (300,001) pounds of biomass or
5 ~~production or use~~ the production, transfer, or sale in
6 excess of one thousand one (1,001) liters of cannabis
7 concentrate, the annual fee shall be Twenty Thousand
8 Dollars (\$20,000.00).

9 For purposes of this paragraph only, if the cannabis concentrate
10 is in nonliquid form, every one thousand (1,000) grams of
11 concentrated marijuana shall be calculated as one (1) liter of
12 cannabis concentrate.

13 4. The initial, nonrefundable fee for a medical marijuana
14 dispensary license shall be Two Thousand Five Hundred Dollars
15 (\$2,500.00). The annual, nonrefundable license fee for a medical
16 marijuana dispensary license shall be calculated at ten percent
17 (10%) of the sum of twelve (12) calendar months of the combined
18 annual state sales tax and state excise tax of the dispensary during
19 the previous twelve (12) months. The minimum fee shall be not less
20 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum
21 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

22 5. The annual, nonrefundable license fee for a medical
23 marijuana testing laboratory shall be Twenty Thousand Dollars
24 (\$20,000.00).

1 E. All applicants seeking licensure or licensure renewal as a
2 medical marijuana business shall comply with the following general
3 requirements:

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

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

10 3. Applicants shall submit a complete application to the
11 Authority before the application may be accepted or considered;

12 4. All applications shall be complete and accurate in every
13 detail;

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

17 6. All applications for a transporter license, initial
18 dispensary license, initial processor license, or laboratory license
19 shall be accompanied by a full remittance for the whole amount of
20 the ~~application fees.~~ Application license fee as set forth in
21 subsection D of this section. All submissions of grower
22 applications, renewal processor applications, and renewal dispensary
23 applications shall be accompanied by a remittance of a fee of Two
24 Thousand Five Hundred Dollars (\$2,500.00). The Authority shall

1 invoice license applicants, if applicable, for any additional
2 licensing fees owed pursuant to subsection D of this section prior
3 to approval of a license application. License fees are
4 nonrefundable;

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

- 7 a. twenty-five (25) years of age or older,
- 8 b. if applying as an individual, proof that the applicant
9 is an Oklahoma resident pursuant to paragraph 11 of
10 this subsection,
- 11 c. if applying as an entity, proof that seventy-five
12 percent (75%) of all members, managers, executive
13 officers, partners, board members or any other form of
14 business ownership are Oklahoma residents pursuant to
15 paragraph 11 of this subsection,
- 16 d. if applying as an individual or entity, proof that the
17 individual or entity is registered to conduct business
18 ~~in the State of Oklahoma~~ this state,
- 19 e. disclosure of all ownership interests pursuant to the
20 Oklahoma Medical Marijuana and Patient Protection Act,
21 and
- 22 f. proof that the medical marijuana business, medical
23 marijuana research facility, medical marijuana
24 education facility and medical marijuana waste

1 disposal facility applicant or licensee has not been
2 convicted of a nonviolent felony in the last two (2)
3 years, or any other felony conviction within the last
4 five (5) years, is not a current inmate in the custody
5 of the Department of Corrections, or currently
6 incarcerated in a jail or corrections facility;

7 8. There shall be no limit to the number of medical marijuana
8 business licenses or categories that an individual or entity can
9 apply for or receive, although each application and each category
10 shall require a separate application and application fee. A
11 commercial grower, processor and dispensary, or any combination
12 thereof, are authorized to share the same address or physical
13 location, subject to the restrictions set forth in the Oklahoma
14 Medical Marijuana and Patient Protection Act;

15 9. All applicants for a medical marijuana business license,
16 research facility license or education facility license authorized
17 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
18 a renewal of such license, shall undergo an Oklahoma criminal
19 history background check conducted by the Oklahoma State Bureau of
20 Investigation (OSBI) within thirty (30) days prior to the
21 application for the license, including:

- 22 a. individual applicants applying on their own behalf,
- 23 b. individuals applying on behalf of an entity,
- 24 c. all principal officers of an entity, and

1 d. all owners of an entity as defined by the Oklahoma
2 Medical Marijuana and Patient Protection Act;

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

6 11. In order to be considered an Oklahoma resident for purposes
7 of a medical marijuana business application, all applicants shall
8 provide proof of Oklahoma residency for at least two (2) years
9 immediately preceding the date of application or five (5) years of
10 continuous Oklahoma residency during the preceding twenty-five (25)
11 years immediately preceding the date of application. Sufficient
12 documentation of proof of residency shall include a combination of
13 the following:

- 14 a. an unexpired Oklahoma-issued driver license,
- 15 b. an Oklahoma identification card,
- 16 c. a utility bill preceding the date of application,
17 excluding cellular telephone and Internet bills,
- 18 d. a residential property deed to property in ~~the State~~
19 ~~of Oklahoma~~ this state, and
- 20 e. a rental agreement preceding the date of application
21 for residential property located in ~~the State of~~
22 ~~Oklahoma~~ this state.

1 Applicants that were issued a medical marijuana business license
2 prior to August 30, 2019, are hereby exempt from the two-year or
3 five-year Oklahoma residence requirement mentioned above;

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

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

- 11 a. front of an Oklahoma driver license,
- 12 b. front of an Oklahoma identification card,
- 13 c. a United States passport or other photo identification
14 issued by the United States government, or
- 15 d. a tribal identification card approved for
16 identification purposes by the ~~Oklahoma~~ Department of
17 Public Safety; and

18 14. All applicants shall submit an applicant photograph.

19 F. The Authority shall review the medical marijuana business
20 application; approve, reject, or deny the application; and ~~mail~~ send
21 the approval, rejection, denial, or status-update letter to the
22 applicant in the same method the application was submitted to the
23 Authority within ninety (90) business days of receipt of the
24 application.

1 G. 1. The Authority shall review the medical marijuana
2 business applications ~~and,~~ conduct all investigations, inspections,
3 and interviews, and collect all license and application fees before
4 approving the application.

5 2. Approved applicants shall be issued a medical marijuana
6 business license for the specific category applied under, which
7 shall act as proof of their approved status. Rejection and denial
8 letters shall provide a reason for the rejection or denial.
9 Applications may only be rejected or denied based on the applicant
10 not meeting the standards set forth in the provisions of the
11 Oklahoma Medical Marijuana and Patient Protection Act and Sections
12 420 through 426.1 of this title, improper completion of the
13 application, unpaid license or application fees, or for a reason
14 provided for in the Oklahoma Medical Marijuana and Patient
15 Protection Act and Sections 420 through 426.1 of this title. If an
16 application is rejected for failure to provide required information,
17 the applicant shall have thirty (30) days to submit the required
18 information for reconsideration. ~~No additional application fee~~
19 ~~shall be charged for such reconsideration.~~ Unless the Authority
20 determines otherwise, an application that has been resubmitted but
21 is still incomplete or contains errors that are not clerical or
22 typographical in nature shall be denied.

23 3. Status-update letters shall provide a reason for delay in
24 either approval, rejection or denial should a situation arise in

1 which an application was submitted properly but a delay in
2 processing the application occurred.

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

6 H. A license for a medical marijuana business, medical
7 marijuana research facility, medical marijuana education facility or
8 medical marijuana waste disposal facility shall not be issued to or
9 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 7. A person whose authority to be a caregiver, as defined in
6 Section 427.2 of this title, has been revoked by the Authority; or

7 8. A person who was involved in the management or operations of
8 any medical marijuana business, medical marijuana research facility,
9 medical marijuana education facility or medical marijuana waste
10 disposal facility that, after the initiation of a disciplinary
11 action, has had a medical marijuana license revoked, not renewed, or
12 surrendered during the five (5) years preceding submission of the
13 application and for the following violations:

14 a. unlawful sales or purchases,

15 b. any fraudulent acts, falsification of records or
16 misrepresentation to the Authority, medical marijuana
17 patient licensees, caregiver licensees or medical
18 marijuana business licensees,

19 c. any grossly inaccurate or fraudulent reporting,

20 d. threatening or harming any medical marijuana patient,
21 caregiver, medical practitioner or employee of the
22 Authority,

23 e. knowingly or intentionally refusing to permit the
24 Authority access to premises or records,

- 1 f. using a prohibited, hazardous substance for processing
- 2 in a residential area,
- 3 g. criminal acts relating to the operation of a medical
- 4 marijuana business, or
- 5 h. any violations that endanger public health and safety
- 6 or product safety.

7 I. In investigating the qualifications of an applicant or a
8 licensee, the Authority and municipalities may have access to
9 criminal history record information furnished by a criminal justice
10 agency subject to any restrictions imposed by such an agency.

11 J. The failure of an applicant or licensee to provide the
12 requested information by the Authority deadline may be grounds for
13 denial of the application.

14 K. All applicants and licensees shall submit information to the
15 Authority in a full, faithful, truthful and fair manner. The
16 Authority may recommend denial of an application where the applicant
17 or licensee made misstatements, omissions, misrepresentations or
18 untruths in the application or in connection with the background
19 investigation of the applicant. This type of conduct may be grounds
20 for administrative action against the applicant or licensee. Typos
21 and scrivener errors shall not be grounds for denial.

22 L. A licensed medical marijuana business premises shall be
23 subject to and responsible for compliance with applicable provisions
24 consistent with the zoning where such business is located as

1 described in the most recent versions of the Oklahoma Uniform
2 Building Code, the International Building Code and the International
3 Fire Code, unless granted an exemption by a municipality or
4 appropriate code enforcement entity.

5 M. All medical marijuana business, medical marijuana research
6 facility, medical marijuana education facility and medical marijuana
7 waste disposal facility licensees shall pay the relevant licensure
8 fees prior to receiving licensure to operate.

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

16 O. No medical marijuana business, medical marijuana research
17 facility, medical marijuana education facility or medical marijuana
18 waste disposal facility shall possess, sell or transfer medical
19 marijuana or medical marijuana products without a valid, unexpired
20 license issued by the Authority.

21 P. The Executive Director of the Authority may promulgate rules
22 to implement the provisions of this section including, but not
23 limited to, required application materials to be submitted by the

24

1 applicant and utilized by the Authority to determine medical
2 marijuana business licensing fees pursuant to this section.

3 SECTION 7. AMENDATORY 63 O.S. 2021, Section 427.16, as
4 last amended by Section 16, Chapter 251, O.S.L. 2022 (63 O.S. Supp.
5 2022, Section 427.16), is amended to read as follows:

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

9 B. Pursuant to Section 424 of this title, the Oklahoma Medical
10 Marijuana Authority shall issue a medical marijuana transporter
11 license to licensed medical marijuana commercial growers, processors
12 and dispensaries upon issuance of such licenses and upon each
13 renewal. Medical marijuana transporter licenses shall also be
14 issued to licensed medical marijuana research facilities, medical
15 marijuana education facilities and medical marijuana testing
16 laboratories upon issuance of such licenses and upon each renewal.

17 C. A medical marijuana transporter license may also be issued
18 to qualifying applicants who are registered with the Secretary of
19 State and otherwise meet the requirements for a medical marijuana
20 business license set forth in the Oklahoma Medical Marijuana and
21 Patient Protection Act and the requirements set forth in this
22 section to provide logistics, distribution and storage of medical
23 marijuana, medical marijuana concentrate and medical marijuana
24 products.

1 D. A medical marijuana transporter license shall be valid for
2 one (1) year and shall not be transferred with a change of
3 ownership. A licensed medical marijuana transporter shall be
4 responsible for all medical marijuana, medical marijuana concentrate
5 and medical marijuana products once the transporter takes control of
6 the product.

7 E. A transporter license shall be required for any person or
8 entity to transport or transfer medical marijuana, medical marijuana
9 concentrate or medical marijuana products from a licensed medical
10 marijuana business to another medical marijuana business, or from a
11 medical marijuana business to a medical marijuana research facility
12 or medical marijuana education facility.

13 F. A medical marijuana transporter licensee may contract with
14 multiple licensed medical marijuana businesses.

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

23 H. A medical marijuana transporter licensee shall use the seed-
24 to-sale tracking system developed pursuant to the Oklahoma Medical

1 Marijuana and Patient Protection Act to create shipping manifests
2 documenting the transport of medical marijuana, medical marijuana
3 concentrate and medical marijuana products throughout the state.

4 I. A licensed medical marijuana transporter may maintain and
5 operate one or more warehouses in the state to handle medical
6 marijuana, medical marijuana concentrate and medical marijuana
7 products. Each location shall be registered and inspected by the
8 Authority prior to its use.

9 J. With the exception of a lawful transfer between medical
10 marijuana businesses who are licensed to operate at the same
11 physical address, all medical marijuana, medical marijuana
12 concentrate and medical marijuana products shall be transported:

13 1. In vehicles equipped with Global Positioning System (GPS)
14 trackers;

15 2. In a locked container and clearly labeled "Medical Marijuana
16 or Derivative"; and

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

19 K. A transporter agent may possess marijuana at any location
20 while the transporter agent is transferring marijuana to or from a
21 licensed medical marijuana business, licensed medical marijuana
22 research facility or licensed medical marijuana education facility.
23 The Authority shall administer and enforce the provisions of this
24 section concerning transportation.

1 L. The Authority shall issue a transporter agent license to
2 individual agents, employees, officers or owners of a transporter
3 license in order for the individual to qualify to transport medical
4 marijuana, medical marijuana concentrate or medical marijuana
5 products.

6 M. The annual fee for a transporter agent license shall be
7 Twenty-five Dollars (\$25.00) and shall be paid by the transporter
8 license holder or the individual applicant. Transporter agent
9 license reprints shall be Twenty Dollars (\$20.00).

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

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

21 O. If the transporter agent application is denied, the
22 Authority shall notify the transporter in writing of the reason for
23 denying the registry identification card.

24

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

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

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

14 S. Vehicles used in the transport of medical marijuana or
15 medical marijuana product shall be:

- 16 1. Insured at or above the legal requirements in this state;
- 17 2. Capable of securing medical marijuana during transport; and
- 18 3. In possession of a shipping container as defined in Section
19 427.2 of this title capable of securing all transported products.

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

- 1 1. For the origination point of the medical marijuana:
 - 2 a. the licensee number for the commercial grower,
 - 3 processor or dispensary,
 - 4 b. address of origination of transport, and
 - 5 c. name and contact information for the originating
 - 6 licensee;
- 7 2. For the end recipient license holder of the medical
8 marijuana:
 - 9 a. the license number for the dispensary, commercial
 - 10 grower, processor, research facility or education
 - 11 facility destination,
 - 12 b. address of the destination, and
 - 13 c. name and contact information for the destination
 - 14 licensee;
- 15 3. Quantities by weight or unit of each type of medical
16 marijuana product contained in transport;
- 17 4. The date of the transport and the approximate time of
18 departure;
- 19 5. The arrival date and estimated time of arrival;
- 20 6. Printed names and signatures of the personnel accompanying
21 the transport; and
- 22 7. Notation of the transporting licensee.
- 23 U. 1. A separate inventory manifest shall be prepared for each
24 licensee receiving the medical marijuana.

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

5 3. A receiving licensee shall refuse to accept any medical
6 marijuana, medical marijuana concentrate or medical marijuana
7 products that are not accompanied by an inventory manifest.

8 4. Originating and receiving licensees shall maintain copies of
9 inventory manifests and logs of quantities of medical marijuana
10 received for seven (7) years from date of receipt.

11 SECTION 8. AMENDATORY 63 O.S. 2021, Section 427.17, as
12 last amended by Section 1, Chapter 353, O.S.L. 2022 (63 O.S. Supp.
13 2022, Section 427.17), is amended to read as follows:

14 Section 427.17. A. There is hereby created a medical marijuana
15 testing laboratory license as a category of the medical marijuana
16 business license. The Oklahoma Medical Marijuana Authority is
17 hereby enabled to monitor, inspect and audit a licensed testing
18 laboratory under the Oklahoma Medical Marijuana and Patient
19 Protection Act.

20 B. 1. The Authority is hereby authorized to contract with a
21 private laboratory for the purpose of conducting compliance testing
22 of medical marijuana testing laboratories licensed in this state.
23 Any such laboratory under contract for compliance testing shall be
24 prohibited from conducting any other commercial medical marijuana

1 testing in this state. The laboratory the Authority contracts with
2 for compliance testing shall not employ, or be owned by, the
3 following:

- 4 a. any individual that has a direct or indirect interest
5 in a licensed medical marijuana business, or
- 6 b. any individual or his or her spouse, parent, child,
7 spouse of a child, sibling or spouse of a sibling that
8 has an application for a medical marijuana business
9 license pending before the Authority or is a member of
10 the board of directors of a medical marijuana
11 business, or is an individual financially interested
12 in any licensee or medical marijuana business located
13 within this state.

14 2. The private laboratory under contract with the Authority for
15 compliance testing and a board or committee comprised of licensed
16 Oklahoma medical marijuana laboratories currently accredited by the
17 International Organization for Standardization (ISO) shall provide
18 to the Authority its recommendations for all equipment and standards
19 to be utilized by licensed medical marijuana testing laboratories
20 when testing samples of medical marijuana, medical marijuana
21 concentrate, and medical marijuana products as well as standard
22 operating procedures when extracting and testing medical marijuana,
23 medical marijuana concentrate, and medical marijuana products. The
24 recommendations shall be submitted to the Authority no later than

1 June 1, 2023. The Authority shall have ninety (90) days from the
2 date it receives the recommendations to promulgate new rules or
3 modify its current rules for laboratory standards and testing.
4 Beginning June 1, 2024, medical marijuana testing laboratories
5 renewing their medical marijuana business license shall be subject
6 to and comply with any new or modified rules relating to the testing
7 of medical marijuana, medical marijuana concentrate, and medical
8 marijuana products. The refusal or failure of a medical marijuana
9 testing laboratory licensee to comply with new or modified rules
10 relating to laboratory standards and testing procedures promulgated
11 under the provisions of this paragraph shall result in the permanent
12 revocation of the medical marijuana testing laboratory license.

13 C. The Authority shall develop acceptable testing practices
14 including, but not limited to, testing, standards, quality control
15 analysis, equipment certification and calibration, and chemical
16 identification and substances used.

17 D. A person who is a direct beneficial owner of a medical
18 marijuana dispensary, medical marijuana commercial grower or medical
19 marijuana processor shall not be an owner of a laboratory.

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

23 F. A separate license shall be required for each specific
24 laboratory.

1 G. A medical marijuana testing laboratory license may be issued
2 to a person who performs testing on medical marijuana and medical
3 marijuana products for medical marijuana businesses, medical
4 marijuana research facilities, medical marijuana education
5 facilities, and testing on marijuana and marijuana products grown or
6 produced by a patient or caregiver on behalf of a patient, upon
7 verification of registration. A medical marijuana testing
8 laboratory may also conduct research related to the development and
9 improvement of its testing practices and procedures. No state-
10 approved medical marijuana testing facility shall operate unless a
11 medical laboratory director is on site during operational hours.

12 H. Laboratory applicants and licensees shall comply with the
13 application requirements of this section and shall submit such other
14 information as required for a medical marijuana business applicant,
15 in addition to any information the Authority may request for initial
16 approval and periodic evaluations during the approval period.

17 I. A medical marijuana testing laboratory may accept samples of
18 medical marijuana, medical marijuana concentrate or medical
19 marijuana product from a medical marijuana business, medical
20 marijuana research facility or medical marijuana education facility
21 for testing purposes only, which purposes may include the provision
22 of testing services for samples submitted by a medical marijuana
23 business for product development. The Authority may require a
24 medical marijuana business to submit a sample of medical marijuana,

1 medical marijuana concentrate or medical marijuana product to a
2 medical marijuana testing or quality assurance laboratory upon
3 demand.

4 J. A medical marijuana testing laboratory may accept samples of
5 medical marijuana, medical marijuana concentrate or medical
6 marijuana product from an individual person for testing only under
7 the following conditions:

8 1. The individual person is a patient or caregiver pursuant to
9 the Oklahoma Medical Marijuana and Patient Protection Act or is a
10 participant in an approved clinical or observational study conducted
11 by a research facility; and

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

15 K. A medical marijuana testing laboratory may transfer samples
16 to another medical marijuana testing laboratory for testing. All
17 laboratory reports provided to or by a medical marijuana business or
18 to a patient or caregiver shall identify the medical marijuana
19 testing laboratory that actually conducted the test.

20 L. A medical marijuana testing laboratory may utilize a
21 licensed medical marijuana transporter to transport samples of
22 medical marijuana, medical marijuana concentrate and medical
23 marijuana product for testing, in accordance with the Oklahoma
24 Medical Marijuana and Patient Protection Act and the rules adopted

1 pursuant thereto, between the originating medical marijuana business
2 requesting testing services and the destination laboratory
3 performing testing services.

4 M. The medical marijuana testing laboratory shall establish
5 policies to prevent the existence of or appearance of undue
6 commercial, financial or other influences that may diminish the
7 competency, impartiality and integrity of the testing processes or
8 results of the laboratory, or that may diminish public confidence in
9 the competency, impartiality and integrity of the testing processes
10 or results of the laboratory. At a minimum, employees, owners or
11 agents of a medical marijuana testing laboratory who participate in
12 any aspect of the analysis and results of a sample are prohibited
13 from improperly influencing the testing process, improperly
14 manipulating data or improperly benefiting from any ongoing
15 financial, employment, personal or business relationship with the
16 medical marijuana business that provided the sample. A medical
17 marijuana testing laboratory shall not test samples for any medical
18 marijuana business in which an owner, employee or agent of the
19 medical marijuana testing laboratory has any form of ownership or
20 financial interest in the medical marijuana business.

21 N. The Authority, pursuant to rules promulgated by the
22 Executive Director of the Authority, shall develop standards,
23 policies and procedures as necessary for:

24

- 1 1. The cleanliness and orderliness of a laboratory premises and
2 the location of the laboratory in a secure location, and inspection,
3 cleaning and maintenance of any equipment or utensils used for the
4 analysis of test samples;
- 5 2. Testing procedures, testing standards for cannabinoid and
6 terpenoid potency and safe levels of contaminants, and remediation
7 procedures;
- 8 3. Controlled access areas for storage of medical marijuana and
9 medical marijuana product test samples, waste and reference
10 standards;
- 11 4. Records to be retained and computer systems to be utilized
12 by the laboratory;
- 13 5. The possession, storage and use by the laboratory of
14 reagents, solutions and reference standards;
- 15 6. A certificate of analysis (COA) for each lot of reference
16 standard;
- 17 7. The transport and disposal of unused marijuana, marijuana
18 products and waste;
- 19 8. The mandatory use by a laboratory of an inventory tracking
20 system to ensure all harvest and production batches or samples
21 containing medical marijuana, medical marijuana concentrate or
22 medical marijuana products are identified and tracked from the point
23 they are transferred from a medical marijuana business, a patient or
24 a caregiver through the point of transfer, destruction or disposal.

1 The inventory tracking system reporting shall include the results of
2 any tests that are conducted on medical marijuana, medical marijuana
3 concentrate or medical marijuana product;

4 9. Standards of performance;

5 10. The employment of laboratory personnel;

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

8 12. The successful participation in a proficiency testing
9 program approved by the Executive Director for each testing category
10 listed in this section, in order to obtain and maintain
11 certification;

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

15 14. The immediate recall of medical marijuana or medical
16 marijuana products that test above allowable thresholds or are
17 otherwise determined to be unsafe;

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

21 16. The establishment by the laboratory of a system to retain
22 and maintain all required records, including business records, and
23 processes to ensure results are reported in a timely and accurate
24 manner; and

1 17. Any other aspect of laboratory testing of medical marijuana
2 or medical marijuana product deemed necessary by the Executive
3 Director.

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

13 P. A medical marijuana testing laboratory shall retain all
14 results of laboratory tests conducted on marijuana or products for a
15 period of at least seven (7) years and shall make them available to
16 the Authority upon request.

17 Q. A medical marijuana testing laboratory shall test samples
18 from each harvest batch or product batch, as appropriate, of medical
19 marijuana, medical marijuana concentrate and medical marijuana
20 product for each of the following categories of testing, consistent
21 with standards developed by the Executive Director:

- 22 1. Microbials;
- 23 2. Mycotoxins;
- 24 3. Residual solvents;

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

5 R. A licensed medical marijuana testing laboratory shall test
6 each individual harvest batch. A grower shall separate each harvest
7 ~~lot~~ of usable marijuana into harvest batches containing no more than
8 fifteen (15) pounds, with the exception of any plant material to be
9 sold to a licensed processor for the purposes of turning the plant
10 material into concentrate which may be separated into harvest
11 batches of no more than fifty (50) pounds. A processor shall
12 separate each medical marijuana production lot into production
13 batches containing no more than four (4) liters of concentrate or
14 nine (9) pounds for nonliquid products, and for final products, the
15 Oklahoma Medical Marijuana Authority shall be authorized to
16 promulgate rules on final products as necessary. Provided, however,
17 the Authority shall not require testing of final products less often
18 than every one thousand (1,000) grams of THC. As used in this
19 subsection, "final products" shall include, but not be limited to,
20 cookies, brownies, candies, gummies, beverages and chocolates.

21 S. Medical marijuana testing laboratory licensure shall be
22 contingent upon successful on-site inspection, successful
23 participation in proficiency testing and ongoing compliance with the
24 applicable requirements in this section.

1 T. A medical marijuana testing laboratory shall be inspected
2 prior to initial licensure and up to two (2) times per year
3 thereafter by an inspector approved by the Authority. The Authority
4 may enter the licensed premises of a testing laboratory to conduct
5 investigations and additional inspections when the Authority
6 believes an investigation or additional inspection is necessary due
7 to a possible violation of applicable laws, rules or regulations.

8 U. Medical marijuana testing laboratories shall obtain
9 accreditation by an accrediting body approved by the Executive
10 Director within one (1) year of the date the initial license is
11 issued. Renewal of any medical marijuana testing laboratory license
12 shall be contingent upon accreditation in accordance with this
13 subsection. All medical marijuana testing laboratories shall obtain
14 accreditation prior to applying for and receiving a medical
15 marijuana testing laboratory license.

16 V. Unless authorized by the provisions of this section, a
17 commercial grower shall not transfer or sell medical marijuana and a
18 processor shall not transfer, sell or process into a concentrate or
19 product any medical marijuana, medical marijuana concentrate or
20 medical marijuana product unless samples from each harvest batch or
21 production batch from which that medical marijuana, medical
22 marijuana concentrate or medical marijuana product was derived has
23 been tested by a medical marijuana testing laboratory and passed all
24 contaminant tests required by the Oklahoma Medical Marijuana and

1 Patient Protection Act and applicable laws, rules and regulations.
2 A licensed commercial grower may transfer medical marijuana that has
3 failed testing to a licensed processor only for the purposes of
4 decontamination or remediation and only in accordance with the
5 provisions of the Oklahoma Medical Marijuana and Patient Protection
6 Act and the rules and regulations promulgated by the Executive
7 Director. Remediated and decontaminated medical marijuana may be
8 returned only to the originating licensed commercial grower.

9 W. Kief shall not be transferred or sold except as authorized
10 in the rules and regulations promulgated by the Executive Director.

11 SECTION 9. AMENDATORY Section 1, Chapter 352, O.S.L.
12 2022 (63 O.S. Supp. 2022, Section 427.25), is amended to read as
13 follows:

14 Section 427.25. A. The Oklahoma Medical Marijuana Authority
15 shall implement rules to employ secret shoppers. Secret shoppers
16 shall purchase medical marijuana or marijuana products from licensed
17 medical marijuana dispensaries utilizing cash from the petty cash
18 fund authorized in Section 5 of this act.

19 B. ~~For each purchase, the~~ The secret shopper shall ~~buy~~ be
20 authorized to:

21 1. Purchase an amount of medical marijuana or marijuana
22 products sufficient for five complete compliance tests; or
23
24

1 2. Attempt to purchase medical marijuana or marijuana products
2 in order to prove compliance with the Oklahoma Medical Marijuana and
3 Patient Protection Act or any rule determined by the Authority.

4 ~~Four samples~~ C. Samples collected pursuant to paragraph 1 of
5 subsection B of this section shall be tested by licensed medical
6 marijuana testing laboratories, one of which shall be the laboratory
7 of origin, if applicable, and one of which shall be the Authority's
8 assurance laboratory. One sample shall be kept in reserve by the
9 Authority in the event of a discrepancy between the testing
10 laboratories, which may require retesting of the medical marijuana
11 or marijuana products. When making purchases from a licensed
12 medical marijuana dispensary, the secret shopper shall ask for the
13 certificate of analysis for each product purchased.

14 ~~C.~~ D. The secret shopper shall deliver the medical marijuana or
15 marijuana products to a quality assurance laboratory, which may be
16 the Authority's assurance laboratory, for homogenization. Once the
17 samples have been homogenized, the samples shall be delivered to
18 ~~four~~ one randomly selected licensed medical marijuana testing
19 ~~laboratories~~ laboratory for compliance testing and the Authority's
20 assurance laboratory, which shall include the testing for
21 pesticides, heavy metals, microbials, residual solvents for
22 extracted products, and potency. One sample shall be kept by the
23 Authority in reserve. If the medical marijuana or marijuana
24 products were previously tested with available results from a

1 licensed medical marijuana testing laboratory, that testing
2 laboratory shall be one of the ~~four~~ two licensed medical marijuana
3 testing laboratories chosen by the Authority. For the avoidance of
4 doubt, neither the licensed medical marijuana dispensary nor the
5 licensed medical marijuana testing laboratory shall be told that the
6 business entity is selling medical marijuana or marijuana products
7 to a secret shopper or testing samples submitted by a secret shopper
8 employed by the Authority and posing as a licensed medical marijuana
9 patient.

10 ~~D.~~ E. The Authority shall inspect, by secret shopper, a minimum
11 of fifty licensed medical marijuana dispensaries annually beginning
12 January 1, 2024. In the year 2025, the Authority shall inspect, by
13 secret shopper, a minimum of ten percent (10%) of randomly selected
14 licensed medical marijuana dispensaries in Oklahoma per year.

15 ~~E.~~ F. 1. When the licensed medical marijuana testing
16 laboratories unanimously confirm test results with safety failures
17 for contaminants, the Authority shall recall the medical marijuana
18 or marijuana product within seven (7) days of obtaining the test
19 results. The name of the licensed medical marijuana dispensary and
20 any other relevant product information shall be made public via a
21 press release issued by the Authority. If there is greater than one
22 but less than four contaminant fails among the licensed medical
23 marijuana testing laboratories, the Authority shall work with a
24

1 quality assurance laboratory to verify the results of the licensed
2 medical marijuana testing laboratories and take appropriate action.

3 2. When the average of total potency or total terpene results
4 collected from a licensed medical marijuana testing laboratory for a
5 particular product is outside the allowable limits, the Authority
6 shall work with a quality assurance laboratory to verify the results
7 of the testing laboratory. If results are verified to be outside
8 the allowable limits, the Authority shall require relabeling of the
9 medical marijuana or marijuana products.

10 3. All investigative results shall be retained by the Authority
11 for a minimum of three (3) years.

12 4. The Authority shall implement rules to notify any licensed
13 medical marijuana dispensary and licensed medical marijuana grower
14 or licensed medical marijuana processor of any investigative results
15 determined to be noncompliant.

16 5. After the licensed medical marijuana dispensary and licensed
17 medical marijuana grower or licensed medical marijuana processor is
18 notified of the investigative results, such results may be used by
19 the Authority to take action against the licensee, assess fines, or
20 assess other civil penalties available to the Authority.

21 6. The Authority shall implement rules on sharing such
22 investigative results with any other law enforcement agencies or
23 regulatory authorities.

1 7. The Authority may elect to conduct further evaluations of
2 the investigative results at any time for verification or for other
3 purposes reasonably related to sanitation, public health, or public
4 safety.

5 ~~F.~~ G. The failure of any licensed medical marijuana business to
6 cooperate with the provisions of this section may result in the
7 revocation of the license at the discretion of the Authority.

8 ~~G.~~ H. Any secret shopper performing any provision of this
9 section shall not be required to fulfill licensing requirements of
10 Section 420 of this title for a patient license and shall be able to
11 enter a dispensary with appropriate authorization as determined by
12 the Authority.

13 I. The Authority shall implement rules necessary to enforce the
14 provisions of this ~~act~~ section.

15 SECTION 10. This act shall become effective November 1, 2023.

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