

OKLAHOMA STATE SENATE
CONFERENCE
COMMITTEE REPORT

May 23, 2023

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB813

By: Garvin of the Senate and Marti of the House


Title: Medical marijuana; authorizing the Oklahoma Medical Marijuana Authority to operate a quality assurance laboratory. Emergency.


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 (Request #2212) be adopted.

Respectfully submitted,


SENATE CONFEREES:





Garvin


Coleman


Thompson, K.



Weaver


Newhouse


Prieto

Young

HOUSE CONFEREES:

Conference Committee on Alcohol, Tobacco and Controlled Substances

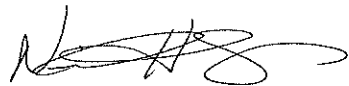
Senate Action _____ Date _____ House Action _____ Date _____

HOUSE CONFEREES

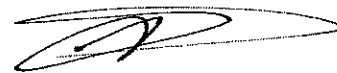
Dollens, Mickey

Fetgatter, Scott

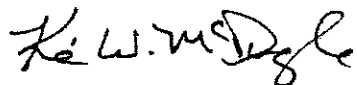
Hays, Neil



Marti, T.J.



McDugle, Kevin



Nichols, Monroe

Roberts, Eric



1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 CONFERENCE COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL NO. 813

By: Garvin of the Senate

and

Marti of the House

7
8 CONFERENCE COMMITTEE SUBSTITUTE

9 An Act relating to medical marijuana; amending 63
10 O.S. 2021, Sections 421, 422, and 423, as last
11 amended by Sections 1, 2, and 3, Chapter 332, O.S.L.
12 2022 (63 O.S. Supp. 2022, Sections 421, 422, and
13 423), which relate to licensing requirements for
14 medical marijuana dispensaries, commercial growers,
15 and processors; modifying method of application
16 submission; amending 63 O.S. 2021, Section 427.3, as
17 last amended by Section 2 of Enrolled House Bill No.
18 2095 of the 1st Session of the 59th Oklahoma
19 Legislature (63 O.S. Supp. 2022, Section 427.3),
20 which relates to Oklahoma Medical Marijuana Authority
21 duties and functions; allowing for the purchase of
22 motor vehicles; authorizing the Oklahoma Medical
23 Marijuana Authority to create a petty cash fund for
24 certain purpose; amending 63 O.S. 2021, Section
427.4, as amended by Section 3 of Enrolled House Bill
No. 2095 of the 1st Session of the 59th Oklahoma
Legislature (63 O.S. Supp. 2022, Section 427.4),
which relates to the Executive Director; updating
language; amending 63 O.S. 2021, Section 427.14, as
last amended by Section 5 of Enrolled House Bill No.
2095 of the 1st Session of the 59th Oklahoma
Legislature (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

1 materials to the Authority prior to determination for
2 business licensing fees; amending 63 O.S. 2021,
3 Sections 427.16, as last amended by Section 7 of
4 Enrolled House Bill No. 2095 of the 1st Session of
5 the 59th Oklahoma Legislature, and 427.17, as last
6 amended by Section 8 of Enrolled House Bill No. 2095
7 of the 1st Session of the 59th Oklahoma Legislature
8 (63 O.S. Supp. 2022, Sections 427.16 and 427.17),
9 which relate to medical marijuana transport and
10 testing laboratory licenses; providing contract
11 condition; allowing testing by Oklahoma Medical
12 Marijuana Authority assurance laboratory; authorizing
13 the Authority to operate a quality assurance
14 laboratory; allowing the Authority to use quality
15 assurance laboratory for certain purposes; permitting
16 the Authority to enter into certain agreements and
17 contracts; allowing the transfer and transport of
18 certain products; requiring the Authority to submit
19 certain report; providing for promulgation of rules;
20 clarifying language; amending Section 1, Chapter 352,
21 O.S.L. 2022 (63 O.S. Supp. 2022, Section 427.25),
22 which relates to secret shoppers; allowing for use of
23 certain fund; allowing for secret shoppers to perform
24 certain duties; modifying laboratory testing;
exempting licensing requirements for secret shoppers;
updating statutory language and reference; providing
for codification; providing an effective date; and
declaring an emergency.

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

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

Section 421. A. The Oklahoma Medical Marijuana Authority shall
make available on its website in an easy-to-find location an
application for a medical marijuana dispensary license. The
application fee to be paid by the applicant shall be in the amounts

1 provided for in Section 427.14 of this title. A method of payment
2 for the application fee shall be provided on the website of the
3 Authority. Dispensary applicants must all be residents of Oklahoma.
4 Any entity applying for a dispensary license must be owned by an
5 Oklahoma resident and must be registered to do business in Oklahoma.
6 The Authority shall have ninety (90) business days to review the
7 application; approve, reject, or deny the application; and ~~mail~~ send
8 the approval, rejection, or denial letter stating reasons for the
9 rejection or denial to the applicant in the same method the
10 application was submitted to the Authority.

11 B. The Authority shall approve all applications which meet the
12 following criteria:

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

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

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

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

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

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

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

8 C. Licensed medical marijuana dispensaries shall be required to
9 complete a monthly sales report to the Authority. This report shall
10 be due on the fifteenth of each month and provide reporting on the
11 previous month. This report shall detail the weight of marijuana
12 purchased at wholesale and the weight of marijuana sold to licensed
13 medical marijuana patients and licensed caregivers and account for
14 any waste. The report shall show total sales in dollars, tax
15 collected in dollars, and tax due in dollars. The Authority shall
16 have oversight and auditing responsibilities to ensure that all
17 marijuana being grown is accounted for.

18 D. Only a licensed medical marijuana dispensary may conduct
19 retail sales of marijuana or marijuana derivatives. Beginning on
20 ~~the effective date of this act~~ November 1, 2021, licensed medical
21 marijuana dispensaries shall be authorized to package and sell pre-
22 rolled marijuana to licensed medical marijuana patients and licensed
23 caregivers. The products described in this subsection shall contain
24 only the ground parts of the marijuana plant and shall not include

1 marijuana concentrates or derivatives. The total net weight of each
2 pre-roll packaged and sold by a medical marijuana dispensary shall
3 not exceed one (1) gram. These products shall be tested, packaged
4 and labeled in accordance with Oklahoma law and rules promulgated by
5 the Authority.

6 E. No medical marijuana dispensary shall offer or allow a
7 medical marijuana patient licensee, caregiver licensee or other
8 member of the public to handle or otherwise have physical contact
9 with any medical marijuana not contained in a sealed or separate
10 package. Provided, such prohibition shall not preclude an employee
11 of the medical marijuana dispensary from handling loose or
12 nonpackaged medical marijuana to be placed in packaging consistent
13 with the Oklahoma Medical Marijuana and Patient Protection Act and
14 the rules promulgated by the Authority for the packaging of medical
15 marijuana for retail sale. Provided, further, such prohibition
16 shall not prevent a medical marijuana dispensary from displaying
17 samples of its medical marijuana in separate display cases, jars or
18 other containers and allowing medical marijuana patient licensees
19 and caregiver licensees the ability to handle or smell the various
20 samples as long as the sample medical marijuana is used for display
21 purposes only and is not offered for retail sale.

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

1 Section 422. A. The Oklahoma Medical Marijuana Authority shall
2 make available on its website in an easy-to-find location an
3 application for a medical marijuana commercial grower license. The
4 application fee shall be paid by the applicant in the amounts
5 provided for in Section 427.14 of this title. A method of payment
6 for the application fee shall be provided on the website of the
7 Authority. The Authority shall have ninety (90) business days to
8 review the application; approve, reject, or deny the application;
9 and ~~mail~~ send the approval, rejection, or denial letter stating the
10 reasons for the rejection or denial to the applicant in the same
11 method the application was submitted to the Authority.

12 B. The Authority shall approve all applications which meet the
13 following criteria:

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

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

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

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

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

1 6. All applicants must disclose all ownership interests in the
2 commercial grower operation.

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

8 C. A licensed medical marijuana commercial grower may sell
9 marijuana to a licensed medical marijuana dispensary or a licensed
10 medical marijuana processor. Further, sales by a licensed medical
11 marijuana commercial grower shall be considered wholesale sales and
12 shall not be subject to taxation. Under no circumstances may a
13 licensed medical marijuana commercial grower sell marijuana directly
14 to a licensed medical marijuana patient or licensed medical
15 marijuana caregiver. A licensed medical marijuana commercial grower
16 may only sell at the wholesale level to a licensed medical marijuana
17 dispensary, a licensed medical marijuana commercial grower or a
18 licensed medical marijuana processor. If the federal government
19 lifts restrictions on buying and selling marijuana between states,
20 then a licensed medical marijuana commercial grower would be allowed
21 to sell and buy marijuana wholesale from, or to, an out-of-state
22 wholesale provider. A licensed medical marijuana commercial grower
23 shall be required to complete a monthly yield and sales report to
24 the Authority. This report shall be due on the fifteenth of each

1 month and provide reporting on the previous month. This report
2 shall detail the amount of marijuana harvested in pounds, the amount
3 of drying or dried marijuana on hand, the amount of marijuana sold
4 to licensed processors in pounds, the amount of waste in pounds, and
5 the amount of marijuana sold to licensed medical marijuana
6 dispensaries in pounds. Additionally, this report shall show total
7 wholesale sales in dollars. The Authority shall have oversight and
8 auditing responsibilities to ensure that all marijuana being grown
9 by licensed medical marijuana commercial growers is accounted for.

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

12 E. Beginning on ~~the effective date of this act~~ November 1,
13 2021, licensed medical marijuana commercial growers shall be
14 authorized to package and sell pre-rolled marijuana to licensed
15 medical marijuana dispensaries. The products described in this
16 subsection shall contain only the ground parts of the marijuana
17 plant and shall not include marijuana concentrates or derivatives.
18 The total net weight of each pre-roll packaged and sold by licensed
19 medical marijuana commercial growers shall not exceed one (1) gram.
20 These products must be tested, packaged and labeled in accordance
21 with Oklahoma law and rules promulgated by the Authority.

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

1 Section 423. A. The Oklahoma Medical Marijuana Authority shall
2 make available on its website in an easy-to-find location an
3 application for a medical marijuana processing license. The
4 Authority shall be authorized to issue two types of medical
5 marijuana processor licenses based on the level of risk posed by the
6 type of processing conducted:

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

9 The application fee for a nonhazardous or hazardous medical
10 marijuana processor license shall be paid by the applicant in the
11 amounts provided for in Section 427.14 of this title. A method of
12 payment shall be provided on the website of the Authority. The
13 Authority shall have ninety (90) business days to review the
14 application; approve, reject, or deny the application; and ~~mail~~ send
15 the approval, rejection, or denial letter stating the reasons for
16 the rejection or denial to the applicant in the same method the
17 application was submitted to the Authority.

18 B. The Authority shall approve all applications which meet the
19 following criteria:

- 20 1. The applicant must be twenty-five (25) years of age or
21 older;
- 22 2. The applicant, if applying as an individual, must show
23 residency in ~~the State of Oklahoma~~ this state;

24

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

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

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

8 6. All applicants must disclose all ownership interests in the
9 processing operation.

10 Applicants with a nonviolent felony conviction in the last two
11 (2) years, any other felony conviction in the last five (5) years,
12 inmates in the custody of the Department of Corrections or any
13 person currently incarcerated shall not qualify for a medical
14 marijuana processing license.

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

18 2. As required by subsection D of this section, the Authority
19 shall make available a set of standards which shall be used by
20 licensed processors in the preparation of edible marijuana products.
21 The standards should be in line with current food preparation
22 guidelines. No excessive or punitive rules may be established by
23 the Authority.

24

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

8 4. A licensed processor may sell marijuana products it creates
9 to a licensed dispensary or any other licensed processor. All sales
10 by a licensed processor shall be considered wholesale sales and
11 shall not be subject to taxation.

12 5. Under no circumstances may a licensed processor sell
13 marijuana or any marijuana product directly to a licensed medical
14 marijuana patient or licensed caregiver. However, a licensed
15 processor may process cannabis into a concentrated form for a
16 licensed medical marijuana patient for a fee.

17 6. Licensed processors shall be required to complete a monthly
18 yield and sales report to the Authority. This report shall be due
19 on the fifteenth of each month and shall provide reporting on the
20 previous month. This report shall detail the amount of marijuana
21 and medical marijuana products purchased in pounds, the amount of
22 marijuana cooked or processed in pounds, and the amount of waste in
23 pounds. Additionally, this report shall show total wholesale sales
24 in dollars. The Authority shall have oversight and auditing

1 responsibilities to ensure that all marijuana being processed is
2 accounted for.

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

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

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

24

1 SECTION 4. AMENDATORY 63 O.S. 2021, Section 427.3, as
2 last amended by Section 2 of Enrolled House Bill No. 2095 of the 1st
3 Session of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,
4 Section 427.3), is amended to read as follows:

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

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

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

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

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

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

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

12 3. Upon complaint or upon its own motion and upon a completed
13 investigation, levy fines as prescribed in applicable laws, rules,
14 and regulations and suspend, revoke, or not renew licenses pursuant
15 to applicable laws, rules, and regulations;

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

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

21 6. Inspect and examine all licensed premises of medical
22 marijuana businesses, research facilities, education facilities, and
23 waste disposal facilities in which medical marijuana is cultivated,
24

1 manufactured, sold, stored, transported, tested, distributed, or
2 disposed of;

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

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

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

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

16 11. Establish regulations, which require a medical marijuana
17 business to submit information to the Authority, deemed reasonably
18 necessary to assist the Authority in the prevention of diversion of
19 medical marijuana by a licensed medical marijuana business. Such
20 information required by the Authority may include, but shall not be
21 limited to:

- 22 a. the square footage of the licensed premises,
23 b. a diagram of the licensed premises,
24

- c. the number and type of lights at the licensed medical marijuana commercial grower business,
- d. the number, type, and production capacity of equipment located at the medical marijuana processing facility,
- e. the names, addresses, and telephone numbers of employees or agents of a medical marijuana business,
- f. employment manuals and standard operating procedures for the medical marijuana business, and
- g. any other information as the Authority reasonably deems necessary;

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

13. Enter into and negotiate the terms of Memorandums of Understanding between the Authority and other state agencies concerning the enforcement of laws regulating medical marijuana in this state. The Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, and the Oklahoma Attorney General shall have full authority to investigate and enforce any violations of the laws regarding medical marijuana including medical marijuana business licenses held by commercial growers, processors, transporters, researchers, education facilities, and waste disposal facilities;

1 14. Purchase and maintain motor vehicles for use by the
2 employees of the Authority; and

3 15. Enter into contracts and agreements for the payment of
4 food, lodging, and other authorized expenses as may be necessary to
5 host, conduct, sponsor, or participate in conferences, meetings, or
6 training sessions. The Authority may establish accounts as
7 necessary for the collection and distribution of funds, including
8 funds of sponsors and registration fees, related to such
9 conferences, meetings, and training sessions. Any expenses incurred
10 may be paid directly to the contracting agency or business
11 establishment.

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

15 There is hereby created a petty cash fund for the Oklahoma
16 Medical Marijuana Authority. The fund shall be used by the
17 Authority to supply its agents with money for undercover operations,
18 to perform statutory requirements, and to obtain evidence for case
19 presentations. The amount of the petty cash fund shall be
20 determined by the Director of the Office of Management and
21 Enterprise Services and the Executive Director of the Oklahoma
22 Medical Marijuana Authority. The Director of the Office of
23 Management and Enterprise Services shall be authorized to prescribe
24

1 forms, systems, and procedures for the administration of the petty
2 cash fund.

3 SECTION 6. AMENDATORY 63 O.S. 2021, Section 427.4, as
4 amended by Section 3 of Enrolled House Bill No. 2095 of the 1st
5 Session of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,
6 Section 427.4), is amended to read as follows:

7 Section 427.4. A. The Oklahoma Medical Marijuana Authority
8 shall employ an Executive Director and other personnel as necessary
9 to assist the Authority in carrying out its duties. The Executive
10 Director shall be appointed by the Governor, with the advice and
11 consent of the Senate. The Executive Director shall serve at the
12 pleasure of the Governor and may be removed or replaced without
13 cause. Compensation for the Executive Director shall be determined
14 pursuant to Section 3601.2 of Title 74 of the Oklahoma Statutes.

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

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

19 2. The individual or his or her spouse, parent, child, spouse
20 of a child, sibling, or spouse of a sibling has an application for a
21 medical marijuana business license pending before the Authority or
22 is a member of the board of directors of a medical marijuana
23 business, or is an individual financially interested in any licensee
24 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 Executive Director may delegate to any officer or
5 employee of the Authority any of the powers of the Executive
6 Director and may designate any officer or employee of the Authority
7 to perform any of the duties of the Executive Director.

8 E. The Executive Director may promulgate rules governing the
9 oversight and implementation of the Oklahoma Medical Marijuana and
10 Patient Protection Act.

11 F. The Authority is hereby authorized to create employment
12 positions necessary for the implementation of its obligations
13 pursuant to the Oklahoma Medical Marijuana and Patient Protection
14 Act including, but not limited to, investigators of the Authority
15 and a director of enforcement. The Authority, the director of
16 enforcement, the Executive Director, investigators of the Authority,
17 the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control,
18 the Oklahoma State Bureau of Investigation, and the Attorney General
19 shall have all the powers and authority of a peace officer of this
20 state for the purpose of enforcing the provisions of the Oklahoma
21 Medical Marijuana and Patient Protection Act and other laws
22 pertaining to medical marijuana, rules promulgated by the Executive
23 Director, or criminal laws of this state. These powers shall
24 include but not be limited to:

1 1. Investigating violations or suspected violations of the
2 Oklahoma Medical Marijuana and Patient Protection Act or other laws
3 pertaining to medical marijuana, any rules promulgated pursuant
4 thereto, and any violations of criminal laws of this state
5 discovered through the course of such investigations;

6 2. Serving and executing all warrants, summonses, subpoenas,
7 administrative citations, notices or other processes relating to the
8 enforcement of laws regulating marijuana, concentrate, and marijuana
9 product;

10 3. Seizing, destroying, confiscating, embargoing, or placing an
11 administrative hold on any marijuana or marijuana product not
12 properly logged in the inventory records tracking system or
13 untraceable product ~~not~~ required to be in the system, altered or
14 improperly packaged, or illegally held in violation of the Oklahoma
15 Medical Marijuana and Patient Protection Act, any other laws of this
16 state, or any rules promulgated by the Executive Director;

17 4. Assisting or aiding any law enforcement officer in the
18 performance of his or her duties upon such law enforcement officer's
19 request or the request of other local officials having jurisdiction;

20 5. Referring any evidence, reports, or charges regarding
21 violations of any provision of the Oklahoma Medical Marijuana and
22 Patient Protection Act that carries criminal penalty, or of any
23 other criminal laws of this state, to the appropriate law
24 enforcement authority and prosecutorial authority for action;

1 6. Aiding the enforcement authorities of this state or any
2 county or municipality of the state, or the federal government, in
3 prosecutions of violations of the Oklahoma Medical Marijuana and
4 Patient Protection Act or any other laws of this state that carry
5 criminal penalty involving crimes discovered during the
6 investigation of violations or suspected violations of the Oklahoma
7 Medical Marijuana and Patient Protection Act or other laws
8 pertaining to medical marijuana or any rules promulgated pursuant
9 thereto;

10 7. Requiring any business applicant or licensee to permit an
11 inspection of licensed premises during business hours or at any time
12 of apparent operation, marijuana equipment, and marijuana
13 accessories, or books and records; and to permit the testing of or
14 examination of medical marijuana, concentrate, or product;

15 8. Requiring applicants and licensees to submit complete and
16 current applications, information and fees required by the Oklahoma
17 Medical Marijuana and Patient Protection Act, the Oklahoma Medical
18 Marijuana Waste Management Act and Sections 420 through 426.1 of
19 this title, and approve material changes made by the applicant or
20 licensee;

21 9. Requiring medical marijuana business licensees to submit a
22 sample or unit of medical marijuana or medical marijuana product to
23 the quality assurance laboratory when the Authority has reason to
24 believe the medical marijuana or medical marijuana product may be

1 unsafe for patient consumption or inhalation or has not been tested
2 in accordance with the provisions of the Oklahoma Medical Marijuana
3 and Patient Protection Act and the rules and regulations promulgated
4 by the Executive Director. The licensee shall provide the samples
5 or units of medical marijuana or medical marijuana products at its
6 own expense but shall not be responsible for the costs of testing;
7 and

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

17 G. All investigators of the Authority shall meet all training
18 requirements and qualifications for peace officers as required by
19 Section 3311 et seq. of Title 70 of the Oklahoma Statutes.

20 H. During the course of an investigation, the Authority, as
21 provided by subsection F of this section, may arrest a violator or
22 suspected violator of any laws of this state committed in the
23 presence of the Authority or upon the development of probable cause
24 that such crime has been committed. The Authority as provided by

1 subsection F of this section may, upon request of a sheriff or
2 another peace officer of this state, or any political subdivision
3 thereof, assist in the apprehension and arrest of a violator or
4 suspected violator of any of the laws of this state.

5 I. The Executive Director may employ or contract with
6 attorneys, as needed, to advise the Authority on all legal matters
7 and to appear for and represent the Executive Director and the
8 Authority in all administrative hearings and all litigation or other
9 proceedings which may arise in the discharge of their duties. At
10 the request of the Executive Director, such attorneys shall assist
11 district attorneys in prosecuting charges of violators of the
12 Oklahoma Medical Marijuana and Patient Protection Act or any other
13 laws of this state that carry criminal penalty involving crimes
14 discovered during the investigation of violations or suspected
15 violations of the Oklahoma Medical Marijuana and Patient Protection
16 Act or other laws pertaining to medical marijuana or any rules
17 promulgated pursuant thereto.

18 SECTION 7. AMENDATORY 63 O.S. 2021, Section 427.14, as
19 last amended by Section 5 of Enrolled House Bill No. 2095 of the 1st
20 Session of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,
21 Section 427.14), is amended to read as follows:

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

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

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

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

12 D. 1. The annual, nonrefundable fee for a medical marijuana
13 transporter license shall be Two Thousand Five Hundred Dollars
14 (\$2,500.00).

15 2. The initial, nonrefundable fee for a medical marijuana
16 commercial grower license shall be calculated based upon the total
17 amount of square feet of canopy or acres the grower estimates will
18 be harvested, transferred, or sold for the year. The annual,
19 nonrefundable license fee shall be based upon the total amount of
20 square feet of canopy or acres harvested, transferred, or sold by
21 the grower during the previous twelve (12) months. The amount of
22 the fees shall be determined as follows:

- 23 a. For an indoor, greenhouse, or light deprivation
24 medical marijuana grow facility:

- 1 (1) Tier 1: Up to ten thousand (10,000) square feet
2 of canopy, the fee shall be Two Thousand Five
3 Hundred Dollars (\$2,500.00),
- 4 (2) Tier 2: Ten thousand one (10,001) square feet of
5 canopy to twenty thousand (20,000) square feet of
6 canopy, the fee shall be Five Thousand Dollars
7 (\$5,000.00),
- 8 (3) Tier 3: Twenty thousand one (20,001) square feet
9 of canopy to forty thousand (40,000) square feet
10 of canopy, the fee shall be Ten Thousand Dollars
11 (\$10,000.00),
- 12 (4) Tier 4: Forty thousand one (40,001) square feet
13 of canopy to sixty thousand (60,000) square feet
14 of canopy, the fee shall be Twenty Thousand
15 Dollars (\$20,000.00),
- 16 (5) Tier 5: Sixty thousand one (60,001) square feet
17 of canopy to eighty thousand (80,000) square feet
18 of canopy, the fee shall be Thirty Thousand
19 Dollars (\$30,000.00),
- 20 (6) Tier 6: Eighty thousand one (80,001) square feet
21 of canopy to ninety-nine thousand nine hundred
22 ninety-nine (99,999) square feet of canopy, the
23 fee shall be Forty Thousand Dollars (\$40,000.00),
24 and

1 (7) Tier 7: One hundred thousand (100,000) square
2 feet of canopy and beyond, the fee shall be Fifty
3 Thousand Dollars (\$50,000.00), plus an additional
4 twenty-five cents (\$0.25) per square foot of
5 canopy over one hundred thousand (100,000) square
6 feet.

7 b. For an outdoor medical marijuana grow facility:

8 (1) Tier 1: ~~Up to~~ Less than two and one-half (2 1/2)
9 acres, the fee shall be Two Thousand Five Hundred
10 Dollars (\$2,500.00),

11 (2) Tier 2: ~~Two~~ More than two and one-half (2 1/2)
12 acres up to five (5) acres, the fee shall be Five
13 Thousand Dollars (\$5,000.00),

14 (3) Tier 3: ~~Five~~ More than five (5) acres up to ten
15 (10) acres, the fee shall be Ten Thousand Dollars
16 (\$10,000.00),

17 (4) Tier 4: ~~Ten~~ More than ten (10) acres up to
18 twenty (20) acres, the fee shall be Twenty
19 Thousand Dollars (\$20,000.00),

20 (5) Tier 5: ~~Twenty~~ More than twenty (20) acres up to
21 thirty (30) acres, the fee shall be Thirty
22 Thousand Dollars (\$30,000.00),
23
24

1 (6) Tier 6: ~~Thirty~~ More than thirty (30) acres up to
2 forty (40) acres, the fee shall be Forty Thousand
3 Dollars (\$40,000.00),

4 (7) Tier 7: ~~Ferty~~ More than forty (40) acres up to
5 fifty (50) acres, the fee shall be Fifty Thousand
6 Dollars (\$50,000.00), and

7 (8) Tier 8: If the amount of acreage exceeds fifty
8 (50) acres, the fee shall be Fifty Thousand
9 Dollars (\$50,000.00) plus an additional Two
10 Hundred Fifty Dollars (\$250.00) per acre.

11 c. For a medical marijuana commercial grower that has a
12 combination of both indoor and outdoor growing
13 facilities at one location, the medical marijuana
14 commercial grower shall be required to obtain a
15 separate license from the Authority for each type of
16 grow operation and shall be subject to the licensing
17 fees provided for in subparagraphs a and b of this
18 paragraph.

19 d. As used in this paragraph:

20 (1) "canopy" means the total surface area within a
21 cultivation area that is dedicated to the
22 cultivation of flowering marijuana plants. The
23 surface area of the plant canopy must be
24 calculated in square feet and measured and must

1 include all of the area within the boundaries
2 where the cultivation of the flowering marijuana
3 plants occurs. If the surface of the plant
4 canopy consists of noncontiguous areas, each
5 component area must be separated by identifiable
6 boundaries. If a tiered or shelving system is
7 used in the cultivation area, the surface area of
8 each tier or shelf must be included in
9 calculating the area of the plant canopy.
10 Calculation of the area of the plant canopy may
11 not include the areas within the cultivation area
12 that are used to cultivate immature marijuana
13 plants and seedlings, prior to flowering, and
14 that are not used at any time to cultivate mature
15 marijuana plants. If the flowering plants are
16 vertically grown in cylinders, the square footage
17 of the canopy shall be measured by the
18 circumference of the cylinder multiplied by the
19 total length of the cylinder,

- 20 (2) "greenhouse" means a structure located outdoors
21 that is completely covered by a material that
22 allows a controlled level of light transmission,
23 and
24

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

4 3. The initial, nonrefundable fee for a medical marijuana
5 processor license shall be Two Thousand Five Hundred Dollars
6 (\$2,500.00). The annual, nonrefundable license fee for a medical
7 marijuana processor license shall be determined based on the
8 previous twelve (12) months as follows:

9 a. Tier 1: ~~Zero~~ The transfer or sale of zero (0) to ten
10 thousand (10,000) pounds of biomass or ~~production or~~
11 ~~use the production, transfer, or sale~~ of up to one
12 hundred (100) liters of cannabis concentrate,
13 whichever is greater, the annual fee shall be Two
14 Thousand Five Hundred Dollars (\$2,500.00),

15 b. Tier 2: ~~Ten~~ The transfer or sale of ten thousand one
16 (10,001) pounds to fifty thousand (50,000) pounds of
17 biomass or ~~production or use from the production,~~
18 ~~transfer, or sale of~~ one hundred one (101) to three
19 hundred fifty (350) liters of cannabis concentrate,
20 whichever is greater, the annual fee shall be Five
21 Thousand Dollars (\$5,000.00),

22 c. Tier 3: ~~Fifty~~ The transfer or sale of fifty thousand
23 one (50,001) pounds to one hundred fifty thousand
24 (150,000) pounds of biomass or ~~production or use from~~

1 the production, transfer, or sale of three hundred
2 fifty-one (351) to six hundred fifty (650) liters of
3 cannabis concentrate, whichever is greater, the annual
4 fee shall be Ten Thousand Dollars (\$10,000.00),

5 d. Tier 4: ~~One~~ The transfer or sale of one hundred fifty
6 thousand one (150,001) pounds to three hundred
7 thousand (300,000) pounds of biomass or ~~production or~~
8 ~~use from~~ the production, transfer, or sale of six
9 hundred fifty-one (651) to one thousand (1,000) liters
10 of cannabis concentrate, whichever is greater, the
11 annual fee shall be Fifteen Thousand Dollars
12 (\$15,000.00), and

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

19 For purposes of this paragraph only, if the cannabis concentrate
20 is in nonliquid form, every one thousand (1,000) grams of
21 concentrated marijuana shall be calculated as one (1) liter of
22 cannabis concentrate.

23 4. The initial, nonrefundable fee for a medical marijuana
24 dispensary license shall be Two Thousand Five Hundred Dollars

1 (\$2,500.00). The annual, nonrefundable license fee for a medical
2 marijuana dispensary license shall be calculated at ten percent
3 (10%) of the sum of twelve (12) calendar months of the combined
4 annual state sales tax and state excise tax of the dispensary during
5 the previous twelve (12) months. The minimum fee shall be not less
6 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum
7 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

8 5. The annual, nonrefundable license fee for a medical
9 marijuana testing laboratory shall be Twenty Thousand Dollars
10 (\$20,000.00).

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

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

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

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

22 4. All applications shall be complete and accurate in every
23 detail;

24

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

4 6. All applications for a transporter license, initial
5 dispensary license, initial processor license, or laboratory license
6 shall be accompanied by a full remittance for the whole amount of
7 the ~~application fees.~~ Application license fee as set forth in
8 subsection D of this section. All submissions of grower
9 applications, renewal processor applications, and renewal dispensary
10 applications shall be accompanied by a remittance of a fee of Two
11 Thousand Five Hundred Dollars (\$2,500.00). The Authority shall
12 invoice license applicants, if applicable, for any additional
13 licensing fees owed pursuant to subsection D of this section prior
14 to approval of a license application. License fees are
15 nonrefundable;

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

- 18 a. twenty-five (25) years of age or older,
- 19 b. if applying as an individual, proof that the applicant
20 is an Oklahoma resident pursuant to paragraph 11 of
21 this subsection,
- 22 c. if applying as an entity, proof that seventy-five
23 percent (75%) of all members, managers, executive
24 officers, partners, board members or any other form of

1 business ownership are Oklahoma residents pursuant to
2 paragraph 11 of this subsection,

3 d. if applying as an individual or entity, proof that the
4 individual or entity is registered to conduct business
5 in ~~the State of Oklahoma~~ this state,

6 e. disclosure of all ownership interests pursuant to the
7 Oklahoma Medical Marijuana and Patient Protection Act,
8 and

9 f. proof that the medical marijuana business, medical
10 marijuana research facility, medical marijuana
11 education facility and medical marijuana waste
12 disposal facility applicant or licensee has not been
13 convicted of a nonviolent felony in the last two (2)
14 years, or any other felony conviction within the last
15 five (5) years, is not a current inmate in the custody
16 of the Department of Corrections, or currently
17 incarcerated in a jail or corrections facility.

18 Upon reasonable suspicion that a medical marijuana business licensee
19 is illegally growing, processing, transferring, selling, disposing,
20 or diverting marijuana, the Authority, the Oklahoma State Bureau of
21 Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of
22 Investigation, or the Attorney General may subpoena documents
23 necessary to establish the personal identifying information of all
24 owners and individuals with any ownership interest in the business;

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

9 9. All applicants for a medical marijuana business license,
10 research facility license or education facility license authorized
11 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
12 a renewal of such license, shall undergo a national fingerprint-
13 based background check conducted by the Oklahoma State Bureau of
14 Investigation (OSBI) within thirty (30) days prior to the
15 application for the license, including:

- 16 a. individual applicants applying on their own behalf,
- 17 b. individuals applying on behalf of an entity,
- 18 c. all principal officers of an entity, and
- 19 d. all owners of an entity as defined by the Oklahoma
20 Medical Marijuana and Patient Protection Act;

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

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

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

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

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

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

- 4 a. front of an Oklahoma driver license,
- 5 b. front of an Oklahoma identification card,
- 6 c. a United States passport or other photo identification
7 issued by the United States government, or
- 8 d. a tribal identification card approved for
9 identification purposes by the Oklahoma Department of
10 Public Safety; and

11 14. All applicants shall submit an applicant photograph.

12 F. The Authority shall review the medical marijuana business
13 application; approve, reject, or deny the application; and ~~mail~~ send
14 the approval, rejection, denial, or status-update letter to the
15 applicant in the same method the application was submitted to the
16 Authority within ninety (90) business days of receipt of the
17 application.

18 G. 1. The Authority shall review the medical marijuana
19 business applications and, conduct all investigations, inspections,
20 and interviews, and collect all license and application fees before
21 approving the application.

22 2. Approved applicants shall be issued a medical marijuana
23 business license for the specific category applied under, which
24 shall act as proof of their approved status. Rejection and denial

1 letters shall provide a reason for the rejection or denial.
2 Applications may only be rejected or denied based on the applicant
3 not meeting the standards set forth in the provisions of the
4 Oklahoma Medical Marijuana and Patient Protection Act and Sections
5 420 through 426.1 of this title, improper completion of the
6 application, unpaid license or application fees, or for a reason
7 provided for in the Oklahoma Medical Marijuana and Patient
8 Protection Act and Sections 420 through 426.1 of this title. If an
9 application is rejected for failure to provide required information,
10 the applicant shall have thirty (30) days to submit the required
11 information for reconsideration. ~~No additional application fee~~
12 ~~shall be charged for such reconsideration.~~ Unless the Authority
13 determines otherwise, an application that has been resubmitted but
14 is still incomplete or contains errors that are not clerical or
15 typographical in nature shall be denied.

16 3. Status-update letters shall provide a reason for delay in
17 either approval, rejection or denial should a situation arise in
18 which an application was submitted properly but a delay in
19 processing the application occurred.

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

23 H. A license for a medical marijuana business, medical
24 marijuana research facility, medical marijuana education facility or

1 medical marijuana waste disposal facility shall not be issued to or
2 held by:

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

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

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

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

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

16 a. file taxes, interest or penalties due related to a
17 medical marijuana business, or

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

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

22 7. A person whose authority to be a caregiver, as defined in
23 Section 427.2 of this title, has been revoked by the Authority; or
24

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

- 8 a. unlawful sales or purchases,
- 9 b. any fraudulent acts, falsification of records or
10 misrepresentation to the Authority, medical marijuana
11 patient licensees, caregiver licensees or medical
12 marijuana business licensees,
- 13 c. any grossly inaccurate or fraudulent reporting,
- 14 d. threatening or harming any medical marijuana patient,
15 caregiver, medical practitioner or employee of the
16 Authority,
- 17 e. knowingly or intentionally refusing to permit the
18 Authority access to premises or records,
- 19 f. using a prohibited, hazardous substance for processing
20 in a residential area,
- 21 g. criminal acts relating to the operation of a medical
22 marijuana business, or
- 23 h. any violations that endanger public health and safety
24 or product safety.

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

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

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

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

23 M. All medical marijuana business, medical marijuana research
24 facility, medical marijuana education facility and medical marijuana

1 waste disposal facility licensees shall pay the relevant licensure
2 fees prior to receiving licensure to operate.

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

10 O. No medical marijuana business, medical marijuana research
11 facility, medical marijuana education facility or medical marijuana
12 waste disposal facility shall possess, sell or transfer medical
13 marijuana or medical marijuana products without a valid, unexpired
14 license issued by the Authority.

15 P. No more than one medical marijuana commercial grower license
16 shall be issued for any one property.

17 Q. The Executive Director of the Authority may promulgate rules
18 to implement the provisions of this section including, but not
19 limited to, required application materials to be submitted by the
20 applicant and utilized by the Authority to determine medical
21 marijuana business licensing fees pursuant to this section.

22 SECTION 8. AMENDATORY 63 O.S. 2021, Section 427.16, as
23 last amended by Section 7 of Enrolled House Bill No. 2095 of the 1st
24

1 Session of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,
2 Section 427.16), is amended to read as follows:

3 Section 427.16. A. There is hereby created a medical marijuana
4 transporter license as a category of the medical marijuana business
5 license.

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

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

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

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

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

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

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

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

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

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

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

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

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

16 K. A transporter agent may possess marijuana at any location
17 while the transporter agent is transferring marijuana to or from a
18 licensed medical marijuana business, licensed medical marijuana
19 research facility or licensed medical marijuana education facility.
20 The Authority shall administer the provisions of this section and
21 the Authority, the Oklahoma State Bureau of Narcotics and Dangerous
22 Drugs Control, the Oklahoma State Bureau of Investigation, and the
23 Attorney General shall have the authority to enforce the provisions
24 of this 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, and5 c. name and contact information for the originating6 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 education11 facility destination,12 b. address of the destination, and13 c. name and contact information for the destination14 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 9. AMENDATORY 63 O.S. 2021, Section 427.17, as
12 last amended by Section 8 of Enrolled House Bill No. 2095 of the 1st
13 Session of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,
14 Section 427.17), is amended to read as follows:

15 Section 427.17. A. There is hereby created a medical marijuana
16 testing laboratory license as a category of the medical marijuana
17 business license. The Oklahoma Medical Marijuana Authority, the
18 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the
19 Oklahoma State Bureau of Investigation, and the Attorney General are
20 hereby enabled to monitor, inspect and audit a licensed testing
21 laboratory under the Oklahoma Medical Marijuana and Patient
22 Protection Act.

23 B. ~~1-~~ The Authority is hereby authorized to operate a quality
24 assurance laboratory or to contract with a private laboratory for

1 the purpose of conducting compliance testing of medical marijuana
2 testing laboratories licensed in this state. Any such laboratory
3 under contract for compliance testing shall be prohibited from
4 conducting any other commercial medical marijuana testing in this
5 state. ~~The laboratory~~ If the Authority contracts with for
6 compliance testing a private laboratory to implement the
7 requirements of this section:

- 8 1. The laboratory shall not employ, or be owned by, the
9 following:
- 10 a. any individual that has a direct or indirect interest
 - 11 in a licensed medical marijuana business, or
 - 12 b. any individual or his or her spouse, parent, child,
 - 13 spouse of a child, sibling or spouse of a sibling that
 - 14 has an application for a medical marijuana business
 - 15 license pending before the Authority or is a member of
 - 16 the board of directors of a medical marijuana
 - 17 business, or is an individual financially interested
 - 18 in any licensee or medical marijuana business located
 - 19 within this state-; and

20 2. The private laboratory under contract with the Authority for
21 compliance testing and a board or committee comprised of licensed
22 Oklahoma medical marijuana laboratories currently accredited by the
23 International Organization for Standardization (ISO) shall provide
24 to the Authority its recommendations for all equipment and standards

1 to be utilized by licensed medical marijuana testing laboratories
2 when testing samples of medical marijuana, medical marijuana
3 concentrate, and medical marijuana products as well as standard
4 operating procedures when extracting and testing medical marijuana,
5 medical marijuana concentrate, and medical marijuana products. The
6 recommendations shall be submitted to the Authority no later than
7 June 1, 2023. The Authority shall have ninety (90) days from the
8 date it receives the recommendations to promulgate new rules or
9 modify its current rules for laboratory standards and testing.
10 Beginning June 1, 2024, medical marijuana testing laboratories
11 renewing their medical marijuana business license shall be subject
12 to and comply with any new or modified rules relating to the testing
13 of medical marijuana, medical marijuana concentrate, and medical
14 marijuana products. The refusal or failure of a medical marijuana
15 testing laboratory licensee to comply with new or modified rules
16 relating to laboratory standards and testing procedures promulgated
17 under the provisions of this paragraph shall result in the permanent
18 revocation of the medical marijuana testing laboratory license.

19 C. The Authority shall develop acceptable testing practices
20 including, but not limited to, testing, standards, quality control
21 analysis, equipment certification and calibration, and chemical
22 identification and substances used.

23
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1 D. A person who is a direct beneficial owner of a medical
2 marijuana dispensary, medical marijuana commercial grower or medical
3 marijuana processor shall not be an owner of a laboratory.

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

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

9 G. A medical marijuana testing laboratory license may be issued
10 to a person who performs testing on medical marijuana and medical
11 marijuana products for medical marijuana businesses, medical
12 marijuana research facilities, medical marijuana education
13 facilities, and testing on marijuana and marijuana products grown or
14 produced by a patient or caregiver on behalf of a patient, upon
15 verification of registration. A medical marijuana testing
16 laboratory may also conduct research related to the development and
17 improvement of its testing practices and procedures. No state-
18 approved medical marijuana testing facility shall operate unless a
19 medical laboratory director is on site during operational hours.

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

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

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

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

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

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

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

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

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

1 marijuana testing laboratory shall not test samples for any medical
2 marijuana business in which an owner, employee or agent of the
3 medical marijuana testing laboratory has any form of ownership or
4 financial interest in the medical marijuana business.

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

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

12 2. Testing procedures, testing standards for cannabinoid and
13 terpenoid potency and safe levels of contaminants, and remediation
14 procedures;

15 3. Controlled access areas for storage of medical marijuana and
16 medical marijuana product test samples, waste and reference
17 standards;

18 4. Records to be retained and computer systems to be utilized
19 by the laboratory;

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

22 6. A certificate of analysis (COA) for each lot of reference
23 standard;

24

1 7. The transport and disposal of unused marijuana, marijuana
2 products and waste;

3 8. The mandatory use by a laboratory of an inventory tracking
4 system to ensure all harvest and production batches or samples
5 containing medical marijuana, medical marijuana concentrate or
6 medical marijuana products are identified and tracked from the point
7 they are transferred from a medical marijuana business, a patient or
8 a caregiver through the point of transfer, destruction or disposal.
9 The inventory tracking system reporting shall include the results of
10 any tests that are conducted on medical marijuana, medical marijuana
11 concentrate or medical marijuana product;

12 9. Standards of performance;

13 10. The employment of laboratory personnel;

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

16 12. The successful participation in a proficiency testing
17 program approved by the Executive Director for each testing category
18 listed in this section, in order to obtain and maintain
19 certification;

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

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1 14. The immediate recall of medical marijuana or medical
2 marijuana products that test above allowable thresholds or are
3 otherwise determined to be unsafe;

4 15. The establishment by the laboratory of a system to document
5 the complete chain of custody for samples from receipt through
6 disposal;

7 16. The establishment by the laboratory of a system to retain
8 and maintain all required records, including business records, and
9 processes to ensure results are reported in a timely and accurate
10 manner; and

11 17. Any other aspect of laboratory testing of medical marijuana
12 or medical marijuana product deemed necessary by the Executive
13 Director.

14 O. A medical marijuana testing laboratory shall promptly
15 provide the Authority or designee of the Authority access to a
16 report of a test and any underlying data that is conducted on a
17 sample at the request of a medical marijuana business or qualified
18 patient. A medical marijuana testing laboratory shall also provide
19 access to the Authority or designee of the Authority to laboratory
20 premises and to any material or information requested by the
21 Authority to determine compliance with the requirements of this
22 section.

23 P. A medical marijuana testing laboratory shall retain all
24 results of laboratory tests conducted on marijuana or products for a

1 period of at least seven (7) years and shall make them available to
2 the Authority upon request.

3 Q. A medical marijuana testing laboratory shall test samples
4 from each harvest batch or product batch, as appropriate, of medical
5 marijuana, medical marijuana concentrate and medical marijuana
6 product for each of the following categories of testing, consistent
7 with standards developed by the Executive Director:

- 8 1. Microbials;
- 9 2. Mycotoxins;
- 10 3. Residual solvents;
- 11 4. Pesticides;
- 12 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 13 6. Terpenoid type and concentration; and
- 14 7. Heavy metals.

15 R. A licensed medical marijuana testing laboratory shall test
16 each individual harvest batch. A grower shall separate each harvest
17 lot of usable marijuana into harvest batches containing no more than
18 fifteen (15) pounds, with the exception of any plant material to be
19 sold to a licensed processor for the purposes of turning the plant
20 material into concentrate which may be separated into harvest
21 batches of no more than fifty (50) pounds. A processor shall
22 separate each medical marijuana production lot into production
23 batches containing no more than four (4) liters of concentrate or
24 nine (9) pounds for nonliquid products, and for final products, the

1 Oklahoma Medical Marijuana Authority shall be authorized to
2 promulgate rules on final products as necessary. Provided, however,
3 the Authority shall not require testing of final products less often
4 than every one thousand (1,000) grams of THC. As used in this
5 subsection, "final products" shall include, but not be limited to,
6 cookies, brownies, candies, gummies, beverages and chocolates.

7 S. Medical marijuana testing laboratory licensure shall be
8 contingent upon successful on-site inspection, successful
9 participation in proficiency testing and ongoing compliance with the
10 applicable requirements in this section.

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

18 U. Medical marijuana testing laboratories shall obtain
19 accreditation by an accrediting body approved by the Executive
20 Director or the Authority's quality assurance laboratory within one
21 (1) year of the date the initial license is issued. Renewal of any
22 medical marijuana testing laboratory license shall be contingent
23 upon accreditation in accordance with this subsection. All medical
24 marijuana testing laboratories shall obtain accreditation prior to

1 applying for and receiving a medical marijuana testing laboratory
2 license.

3 V. Unless authorized by the provisions of this section, a
4 commercial grower shall not transfer or sell medical marijuana and a
5 processor shall not transfer, sell or process into a concentrate or
6 product any medical marijuana, medical marijuana concentrate or
7 medical marijuana product unless samples from each harvest batch or
8 production batch from which that medical marijuana, medical
9 marijuana concentrate or medical marijuana product was derived has
10 been tested by a medical marijuana testing laboratory and passed all
11 contaminant tests required by the Oklahoma Medical Marijuana and
12 Patient Protection Act and applicable laws, rules and regulations.
13 A licensed commercial grower may transfer medical marijuana that has
14 failed testing to a licensed processor only for the purposes of
15 decontamination or remediation and only in accordance with the
16 provisions of the Oklahoma Medical Marijuana and Patient Protection
17 Act and the rules and regulations promulgated by the Executive
18 Director. Remediated and decontaminated medical marijuana may be
19 returned only to the originating licensed commercial grower.

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

22 SECTION 10. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 427.17a of Title 63, unless
24 there is created a duplication in numbering, reads as follows:

1 A. The Oklahoma Medical Marijuana Authority may operate a
2 quality assurance laboratory for the purpose of conducting
3 compliance testing of medical marijuana businesses licensed in this
4 state.

5 B. The Authority shall utilize the quality assurance laboratory
6 to:

7 1. Provide recommendations for all equipment and standards to
8 be utilized by licensed medical marijuana testing laboratories when
9 testing samples of medical marijuana, medical marijuana concentrate,
10 and medical marijuana products;

11 2. Provide standardized operating procedures when procuring,
12 collecting, extracting, and testing medical marijuana, medical
13 marijuana concentrate, and medical marijuana products;

14 3. Procure, handle, transfer, transport, and test samples taken
15 from medical marijuana licensed businesses;

16 4. Implement the secret shopper program pursuant to Section
17 427.25 of Title 63 of the Oklahoma Statutes; and

18 5. Detect and analyze any compounds that are not among the
19 targeted analytes and are unknown, unidentified, tentatively
20 identified, or known and injurious to human health if consumed.

21 C. In order to fulfill the provisions of subsection A of this
22 section, the Authority may:
23
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1 1. Enter into interlocal agreements with any other government
2 agency pursuant to Section 1001 et seq. of Title 74 of the Oklahoma
3 Statutes;

4 2. Select a laboratory information system through a competitive
5 bidding process pursuant to Section 85.7 of Title 74 of the Oklahoma
6 Statutes; or

7 3. Collect samples from harvest batches that failed testing.

8 D. The quality assurance laboratory may transport and transfer
9 medical marijuana, medical marijuana concentrate, and medical
10 marijuana product for testing between the originating medical
11 marijuana business, the quality assurance laboratory, and other
12 licensed medical marijuana testing laboratories pursuant to this
13 section.

14 E. The quality assurance laboratory shall comply with the
15 provisions of the Oklahoma Medical Marijuana and Patient Protection
16 Act when transporting samples of medical marijuana, medical
17 marijuana concentrate, and medical marijuana product for testing
18 between the originating medical marijuana business, the quality
19 assurance laboratory, and other licensed medical marijuana testing
20 laboratories pursuant to this section. Nothing in this section
21 shall require the quality assurance laboratory to apply for and
22 receive a license.

23 F. The Authority shall submit an annual report to the
24 Legislature on quality assurance activities and results.

1 G. The Authority may promulgate rules necessary for the
2 implementation of a quality assurance laboratory pursuant to this
3 section.

4 SECTION 11. AMENDATORY Section 1, Chapter 352, O.S.L.
5 2022 (63 O.S. Supp. 2022, Section 427.25), is amended to read as
6 follows:

7 Section 427.25. A. The Oklahoma Medical Marijuana Authority
8 shall implement rules to employ secret shoppers. Secret shoppers
9 shall purchase medical marijuana or marijuana products from licensed
10 medical marijuana dispensaries utilizing cash from the petty cash
11 fund authorized in Section 5 of this act.

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

14 1. Purchase an amount of medical marijuana or marijuana
15 products sufficient for ~~five~~ two complete compliance tests; or

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

19 ~~Four samples~~ C. Samples collected pursuant to paragraph 1 of
20 subsection B of this section shall be tested by licensed medical
21 marijuana testing laboratories, one of which shall be the laboratory
22 of origin, if applicable, and one of which may be the Authority's
23 quality assurance laboratory. One sample shall be kept in reserve
24 by the Authority in the event of a discrepancy between the testing

1 laboratories, which may require retesting of the medical marijuana
2 or marijuana products. When making purchases from a licensed
3 medical marijuana dispensary, the secret shopper shall ask for the
4 certificate of analysis for each product purchased.

5 ~~C.~~ D. The secret shopper shall deliver the medical marijuana or
6 marijuana products to a quality assurance laboratory, which may be
7 the Authority's quality assurance laboratory, for homogenization.
8 Once the samples have been homogenized, the samples shall be
9 delivered to ~~four randomly selected~~ two licensed medical marijuana
10 testing laboratories, one of which may be the Authority's quality
11 assurance laboratory, for compliance testing which shall include the
12 testing for pesticides, heavy metals, microbials, residual solvents
13 for extracted products, and potency. One sample shall be kept by
14 the Authority in reserve. If the medical marijuana or marijuana
15 products were previously tested with available results from a
16 licensed medical marijuana testing laboratory, that testing
17 laboratory shall be one of the ~~four~~ licensed medical marijuana
18 testing laboratories chosen by the Authority. For the avoidance of
19 doubt, neither the licensed medical marijuana dispensary nor the
20 licensed medical marijuana testing laboratory shall be told that the
21 business entity is selling medical marijuana or marijuana products
22 to a secret shopper or testing samples submitted by a secret shopper
23 employed by the Authority and posing as a licensed medical marijuana
24 patient.

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

6 E. F. 1. When the licensed medical marijuana testing
7 laboratories unanimously confirm test results with safety failures
8 for contaminants, the Authority shall recall the medical marijuana
9 or marijuana product within seven (7) days of obtaining the test
10 results. The name of the licensed medical marijuana dispensary and
11 any other relevant product information shall be made public via a
12 press release issued by the Authority. If there is greater than one
13 ~~but less than four~~ contaminant fails among the licensed medical
14 marijuana testing laboratories, the Authority shall work with a
15 quality assurance laboratory to verify the results of the licensed
16 medical marijuana testing laboratories and take appropriate action.

17 2. When the average of total potency or total terpene results
18 collected from a licensed medical marijuana testing laboratory for a
19 particular product is outside the allowable limits, the Authority
20 shall work with a quality assurance laboratory to verify the results
21 of the testing laboratory. If results are verified to be outside
22 the allowable limits, the Authority shall require relabeling of the
23 medical marijuana or marijuana products.

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

3 4. The Authority shall implement rules to notify any licensed
4 medical marijuana dispensary and licensed medical marijuana grower
5 or licensed medical marijuana processor of any investigative results
6 determined to be noncompliant.

7 5. After the licensed medical marijuana dispensary and licensed
8 medical marijuana grower or licensed medical marijuana processor is
9 notified of the investigative results, such results may be used by
10 the Authority to take action against the licensee, assess fines, or
11 assess other civil penalties available to the Authority.

12 6. The Authority shall implement rules on sharing such
13 investigative results with any other law enforcement agencies or
14 regulatory authorities.

15 7. The Authority may elect to conduct further evaluations of
16 the investigative results at any time for verification or for other
17 purposes reasonably related to sanitation, public health, or public
18 safety.

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

22 ~~G.~~ H. Any secret shopper performing any provision of this
23 section shall not be required to fulfill licensing requirements of
24 Section 420 of this title for a patient license and shall be able to

1 enter a dispensary with appropriate authorization as determined by
2 the Authority.

3 I. The Authority shall implement rules necessary to enforce the
4 provisions of this act section.

5 SECTION 12. This act shall become effective June 1, 2023.

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

10
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