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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

23

24



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

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

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

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

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

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

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

24 b. For an outdoor medical marijuana grow facility:

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

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

9 d. As used in this paragraph:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 14. All applicants shall submit an applicant photograph.

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

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

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

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

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

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

6 H. A license for a medical marijuana business, medical  
7 marijuana research facility, medical marijuana education facility or  
8 medical marijuana waste disposal facility shall not be issued to or  
9 held by:

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

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

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

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

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

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

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

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

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

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

14           a.    unlawful sales or purchases,

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

19           c.    any grossly inaccurate or fraudulent reporting,

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

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

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

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

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

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

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



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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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



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

4 a. any individual that has a direct or indirect interest  
5 in a licensed medical marijuana business, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

4 9. Standards of performance;

5 10. The employment of laboratory personnel;

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 Passed the Senate the 23rd day of March, 2023.

2  
3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2023.

7  
8 \_\_\_\_\_  
9 Presiding Officer of the House  
10 of Representatives