

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2095

By: Echols

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to medical marijuana; amending 63
10 O.S. 2021, Section 426, as amended by Section 27,
11 Chapter 228, O.S.L. 2022 (63 O.S. Supp. 2022, Section
12 426), which relates to taxes on retail sales of
13 medical marijuana; updating statutory citation;
14 providing for the permanent revocation of medical
15 marijuana business license for nonpayment of taxes;
16 amending 63 O.S. 2021, Sections 427.3, as amended by
17 Section 1, Chapter 342, O.S.L. 2022, 427.4, as
18 amended by Section 9, Chapter 251, O.S.L. 2022,
19 427.6, as last amended by Section 1, Chapter 328,
20 O.S.L. 2022, 427.14, as amended by Section 4, Chapter
21 332, O.S.L. 2022, 427.16, as amended by Section 16,
22 Chapter 251, O.S.L. 2022, 427.17, as last amended by
23 Section 1, Chapter 353, O.S.L. 2022, 427.19, as
24 amended by Section 19, Chapter 251, O.S.L. 2022, and
427.20, as amended by Section 20, Chapter 251, O.S.L.
2022 (63 O.S. Supp. 2022, Sections 427.3, 427.4,
427.6, 427.14, 427.16, 427.17, 427.19 and 427.20),
which relate to the Oklahoma Medical Marijuana and
Patient Protection Act; providing certain state
agencies investigative and enforcement authority
relating to medical marijuana business licenses;
granting certain state agencies peace officer powers;
providing for the execution of warrants; authorizing
certain state agencies to perform on-site assessments
and record reviews; directing the Oklahoma Medical
Marijuana Authority to refer complaints to certain
state agencies; making certain acts unlawful;
providing penalties; authorizing the subpoena of
documents under certain circumstances; prohibiting

1 the transferability of medical marijuana business
2 licenses; providing restrictions on holding medical
3 marijuana commercial grower license; directing the
4 Authority to restrict issuing medical marijuana
5 commercial grower licenses under certain
6 circumstances; allowing certain state agencies
7 enforcement powers relating to the transportation of
8 medical marijuana; enabling certain state agencies
9 monitoring, inspection and auditing powers of medical
10 marijuana testing laboratories; providing for the
11 permission of certain state agencies to enter and
12 inspect medical marijuana research and education
13 facilities; providing licensing penalties for
14 refusing to permit entry for inspections; authorizing
15 unannounced on-site inspections; directing the
16 Authority to refer complaints of criminal activity to
17 state or local law enforcement authorities; amending
18 63 O.S. 2021, Section 430, as amended by Section 3,
19 Chapter 317, O.S.L. 2022 (63 O.S. Supp. 2022, Section
20 430), which relates to the Oklahoma Medical Marijuana
21 Waste Management Act; authorizing unannounced on-site
22 inspections by certain state agencies; and providing
23 an effective date.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, as
amended by Section 27, Chapter 228, O.S.L. 2022 (63 O.S. Supp. 2022,
Section 426), is amended to read as follows:

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

B. This tax shall be collected at the point of sale. Except as
provided for in subsection D, tax proceeds will be applied primarily
to finance the regulatory office.

1 C. Except as provided for in subsection D, if proceeds from the
2 levy authorized by subsection A of this section exceed the budgeted
3 amount for running the regulatory office, any surplus shall be
4 apportioned with seventy-five percent (75%) going to the General
5 Revenue Fund and may only be expended for common education including
6 funding redbud school grants pursuant to Section 3-104 of Title 70
7 of the Oklahoma Statutes. Twenty-five percent (25%) shall be
8 apportioned to the State Department of Health and earmarked for drug
9 and alcohol rehabilitation and prevention.

10 D. Pursuant to Section ~~14~~ 255.2 of ~~this act~~ Title 68 of the
11 Oklahoma Statutes, the Oklahoma Tax Commission shall have authority
12 to assess, collect and enforce the tax specified in subsection A of
13 this section including any interest and penalty thereon.

14 E. For fiscal year 2022, proceeds from the levy authorized by
15 subsection A of this section shall be apportioned as follows:

16 1. The first Sixty-five Million Dollars (\$65,000,000.00) shall
17 be apportioned as follows:

18 a. fifty-nine and twenty-three hundredths percent
19 (59.23%) to the State Public Common School Building
20 Equalization Fund,

21 b. thirty-four and sixty-two hundredths percent (34.62%)
22 to the Oklahoma Medical Marijuana Authority, a
23 division within the Oklahoma State Department of
24 Health, and

1 c. six and fifteen hundredths percent (6.15%) to the
2 Oklahoma State Department of Health and earmarked for
3 drug and alcohol rehabilitation; and

4 2. Any surplus collections shall be apportioned to the General
5 Revenue Fund of the State Treasury.

6 F. If any medical marijuana business licensee is found to have
7 intentionally not paid the tax as required by the provisions of this
8 section, the medical marijuana business license of the business
9 licensee shall be permanently revoked and the business licensee
10 shall be permanently ineligible to receive any other type of medical
11 marijuana business license issue by the Oklahoma Medical Marijuana
12 Authority including licenses for a dispensary, commercial grower
13 operation, processing facility, transportation, research, education
14 facility, and waste disposal facility.

15 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.3, as
16 amended by Section 1, Chapter 342, O.S.L. 2022 (63 O.S. Supp. 2022,
17 Section 427.3), is amended to read as follows:

18 Section 427.3 A. There is hereby created the Oklahoma Medical
19 Marijuana Authority within the State Department of Health which
20 shall address issues related to the medical marijuana program in
21 Oklahoma including, but not limited to, the issuance of patient
22 licenses and medical marijuana business licenses, and the
23 dispensing, cultivating, processing, testing, transporting, storage,
24

1 research, and the use of and sale of medical marijuana pursuant to
2 the Oklahoma Medical Marijuana and Patient Protection Act.

3 B. The Department shall provide support staff to perform
4 designated duties of the Authority. The Department shall also
5 provide office space for meetings of the Authority.

6 C. The Authority shall implement the provisions of the Oklahoma
7 Medical Marijuana and Patient Protection Act consistently with the
8 voter-approved State Question No. 788, Initiative Petition No. 412,
9 subject to the provisions of the Oklahoma Medical Marijuana and
10 Patient Protection Act.

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

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

- 19 a. public health policy and public safety policy,
- 20 b. agronomic and horticultural best practices, and
- 21 c. medical and pharmacopoeia best practices;

22 2. Contract with third-party vendors and other governmental
23 entities in order to carry out the respective duties and functions
24

1 as specified in the Oklahoma Medical Marijuana and Patient
2 Protection Act;

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

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

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

12 6. Inspect and examine all licensed premises of medical
13 marijuana businesses, research facilities, education facilities, and
14 waste disposal facilities in which medical marijuana is cultivated,
15 manufactured, sold, stored, transported, tested, distributed, or
16 disposed of;

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

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

24

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

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

7 11. Establish regulations, which require a medical marijuana
8 business to submit information to the Authority, deemed reasonably
9 necessary to assist the Authority in the prevention of diversion of
10 medical marijuana by a licensed medical marijuana business. Such
11 information required by the Authority may include, but shall not be
12 limited to:

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

1 12. Declare and establish a moratorium on processing and
2 issuing new medical marijuana business licenses pursuant to Section
3 427.14 of this title for an amount of time the Authority deems
4 necessary; and

5 13. The Authority shall be authorized to enter into and
6 negotiate the terms of a Memorandum of Understanding between the
7 Department and other state agencies concerning the enforcement of
8 laws regulating medical marijuana in this state. The Oklahoma State
9 Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State
10 Bureau of Investigation, and the Oklahoma Attorney General shall
11 have full authority to investigate and enforce any violations of the
12 law regarding medical marijuana including medical marijuana business
13 licenses held by commercial growers, processors, transporters,
14 researchers, education facilities, and waste disposal facilities.

15 SECTION 3. AMENDATORY 63 O.S. 2021, Section 427.4, as
16 amended by Section 9, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022,
17 Section 427.4), is amended to read as follows:

18 Section 427.4 A. The Oklahoma Medical Marijuana Authority
19 shall employ an Executive Director and other personnel as necessary
20 to assist the Authority in carrying out its duties. The Executive
21 Director shall be appointed by the Governor, with the advice and
22 consent of the Senate. The Executive Director shall serve at the
23 pleasure of the Governor and may be removed or replaced without
24

1 cause. Compensation for the Executive Director shall be determined
2 pursuant to Section 3601.2 of Title 74 of the Oklahoma Statutes.

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

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

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

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

16 D. The Executive Director may delegate to any officer or
17 employee of the Authority any of the powers of the Executive
18 Director and may designate any officer or employee of the Authority
19 to perform any of the duties of the Executive Director.

20 E. The Executive Director may promulgate rules governing the
21 oversight and implementation of the Oklahoma Medical Marijuana and
22 Patient Protection Act.

23 F. The Authority is hereby authorized to create employment
24 positions necessary for the implementation of its obligations

1 pursuant to the Oklahoma Medical Marijuana and Patient Protection
2 Act including, but not limited to, investigators of the Authority
3 and a director of enforcement. The Authority, the director of
4 enforcement, the Executive Director, ~~and~~ investigators of the
5 Authority, the Oklahoma State Bureau of Narcotics and Dangerous
6 Drugs Control, the Oklahoma State Bureau of Investigation, and the
7 Attorney General shall have all the powers and authority of a peace
8 officer of this state for the purpose of enforcing the provisions of
9 the Oklahoma Medical Marijuana and Patient Protection Act and other
10 laws pertaining to medical marijuana, rules promulgated by the
11 Executive Director, or criminal laws of this state. These powers
12 shall include but not be limited to:

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

18 2. Serving and executing all warrants, summonses, subpoenas,
19 administrative citations, notices or other processes relating to the
20 enforcement of laws regulating marijuana, concentrate, and marijuana
21 product;

22 3. Seizing any marijuana or marijuana product illegally held in
23 violation of the Oklahoma Medical Marijuana and Patient Protection
24

1 Act, any other laws of this state, or any rules promulgated by the
2 Executive Director;

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

6 5. Referring any evidence, reports, or charges regarding
7 violations of any provision of the Oklahoma Medical Marijuana and
8 Patient Protection Act that carries criminal penalty, or of any
9 other criminal laws of this state, to the appropriate law
10 enforcement authority and prosecutorial authority for action;

11 6. Aiding the enforcement authorities of this state or any
12 county or municipality of the state, or the federal government, in
13 prosecutions of violations of the Oklahoma Medical Marijuana and
14 Patient Protection Act or any other laws of this state that carry
15 criminal penalty involving crimes discovered during the
16 investigation of violations or suspected violations of the Oklahoma
17 Medical Marijuana and Patient Protection Act or other laws
18 pertaining to medical marijuana or any rules promulgated pursuant
19 thereto;

20 7. Requiring any business applicant or licensee to permit an
21 inspection of licensed premises during business hours or at any time
22 of apparent operation, marijuana equipment, and marijuana
23 accessories, or books and records; and to permit the testing of or
24 examination of medical marijuana, concentrate, or product;

1 8. Requiring applicants and licensees to submit complete and
2 current applications, information and fees required by the Oklahoma
3 Medical Marijuana and Patient Protection Act, the Oklahoma Medical
4 Marijuana Waste Management Act and Sections 420 through 426.1 of
5 this title, and approve material changes made by the applicant or
6 licensee;

7 9. Requiring medical marijuana business licensees to submit a
8 sample or unit of medical marijuana or medical marijuana product to
9 the quality assurance laboratory when the Authority has reason to
10 believe the medical marijuana or medical marijuana product may be
11 unsafe for patient consumption or inhalation or has not been tested
12 in accordance with the provisions of the Oklahoma Medical Marijuana
13 and Patient Protection Act and the rules and regulations promulgated
14 by the Executive Director. The licensee shall provide the samples
15 or units of medical marijuana or medical marijuana products at its
16 own expense but shall not be responsible for the costs of testing;
17 and

18 10. Requiring medical marijuana business licensees to
19 periodically submit samples or units of medical marijuana or medical
20 marijuana products to the quality assurance laboratory for quality
21 assurance purposes. Licensed growers, processors, dispensaries and
22 transporters shall not be required to submit samples or units of
23 medical marijuana or medical marijuana products more than twice a
24 year. The licensee shall provide the samples or units of medical

1 marijuana or medical marijuana products at its own expense but shall
2 not be responsible for the costs of testing.

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

6 H. During the course of an investigation, the director of
7 enforcement or any investigator of the Authority as provided by
8 subsection F of this section may arrest a violator or suspected
9 violator of any laws of this state committed in the presence of the
10 director of enforcement or any investigator of the Authority or upon
11 the development of probable cause that such crime has been
12 committed. The director of enforcement or any investigator of the
13 Authority as provided by subsection F of this section may, upon
14 request of a sheriff or another peace officer of this state, or any
15 political subdivision thereof, assist in the apprehension and arrest
16 of a violator or suspected violator of any of the laws of this
17 state.

18 I. The Executive Director may employ or contract with
19 attorneys, as needed, to advise the Executive Director and the
20 Authority on all legal matters and to appear for and represent the
21 Executive Director and the Authority in all administrative hearings
22 and all litigation or other proceedings which may arise in the
23 discharge of their duties. At the request of the Executive
24 Director, such attorneys shall assist district attorneys in

1 prosecuting charges of violators of the Oklahoma Medical Marijuana
2 and Patient Protection Act or any other laws of this state that
3 carry criminal penalty involving crimes discovered during the
4 investigation of violations or suspected violations of the Oklahoma
5 Medical Marijuana and Patient Protection Act or other laws
6 pertaining to medical marijuana or any rules promulgated pursuant
7 thereto.

8 SECTION 4. AMENDATORY 63 O.S. 2021, Section 427.6, as
9 last amended by Section 1, Chapter 328, O.S.L. 2022 (63 O.S. Supp.
10 2022, Section 427.6), is amended to read as follows:

11 Section 427.6 A. The Oklahoma Medical Marijuana Authority
12 shall address issues related to the medical marijuana program in
13 this state including, but not limited to, monitoring and
14 disciplinary actions as they relate to the medical marijuana
15 program.

16 B. 1. The Authority ~~or~~, its designee, or the Oklahoma State
17 Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State
18 Bureau of Investigation, and the Attorney General may perform on-
19 site inspections or investigations of a licensee or applicant for
20 any medical marijuana business license, research facility, education
21 facility or waste disposal facility to determine compliance with
22 applicable laws, rules and regulations or submissions made pursuant
23 to this section. The Authority, its designee, or the Oklahoma State
24 Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State

1 Bureau of Investigation, and the Attorney General may enter the
2 licensed premises of a medical marijuana business, research
3 facility, education facility or waste disposal facility licensee or
4 applicant to assess or monitor compliance or ensure qualifications
5 for licensure.

6 2. Post-licensure inspections shall be limited to twice per
7 calendar year. However, investigations and additional inspections
8 may occur when the Authority believes an investigation or additional
9 inspection is necessary due to a possible violation of applicable
10 laws, rules or regulations. ~~The State Commissioner of Health~~
11 Authority may adopt rules imposing penalties including, but not
12 limited to, monetary fines and suspension or revocation of licensure
13 for failure to allow the Authority reasonable access to the licensed
14 premises for purposes of conducting an inspection.

15 3. The Authority, its designee, or the Oklahoma State Bureau of
16 Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of
17 Investigation, and the Attorney General may review relevant records
18 of a licensed medical marijuana business, licensed medical marijuana
19 research facility, licensed medical marijuana education facility or
20 licensed medical marijuana waste disposal facility, and may require
21 and conduct interviews with such persons or entities and persons
22 affiliated with such entities, for the purpose of determining
23 compliance with Authority requirements and applicable laws, rules
24 and regulations.

1 4. The Authority may refer complaints alleging criminal
2 activity that are made against a licensee to appropriate state or
3 local law enforcement authorities including, but not limited to, the
4 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the
5 Oklahoma State Bureau of Investigation, and the Attorney General.

6 C. Disciplinary action may be taken against an applicant or
7 licensee for not adhering to applicable laws pursuant to the terms,
8 conditions and guidelines set forth in the Oklahoma Medical
9 Marijuana and Patient Protection Act.

10 D. Disciplinary actions may include revocation, suspension or
11 denial of an application, license or final authorization and other
12 action deemed appropriate by the Authority.

13 E. Disciplinary actions may be imposed upon a medical marijuana
14 business licensee for:

15 1. Failure to comply with or satisfy any provision of
16 applicable laws, rules or regulations;

17 2. Falsification or misrepresentation of any material or
18 information submitted to the Authority or other licensees;

19 3. Failing to allow or impeding entry by authorized
20 representatives of the Authority;

21 4. Failure to adhere to any acknowledgement, verification or
22 other representation made to the Authority;

1 5. Failure to submit or disclose information required by
2 applicable laws, rules or regulations or otherwise requested by the
3 Authority;

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

6 7. Failure to comply with requested access by the Authority to
7 the licensed premises or materials;

8 8. Failure to pay a required monetary penalty;

9 9. Diversion of medical marijuana or any medical marijuana
10 product, as determined by the Authority;

11 10. Threatening or harming a medical marijuana patient
12 licensee, caregiver licensee, a medical practitioner or an employee
13 of the Authority; and

14 11. Any other basis indicating a violation of the applicable
15 laws and regulations as identified by the Authority.

16 F. Disciplinary actions against a licensee may include the
17 imposition of monetary penalties, which may be assessed by the
18 Authority. The Authority may suspend or revoke a license for
19 failure to pay any monetary penalty lawfully assessed by the
20 Authority against a licensee.

21 G. 1. In addition to any other penalties prescribed by law,
22 penalties for sales, purchases or transfers for value of medical
23 marijuana by a medical marijuana business or employees or agents of
24 the medical marijuana business to persons other than those allowed

1 by law occurring within any one-year time period may include an
2 initial fine of Five Thousand Dollars (\$5,000.00) for a first
3 violation and a fine of Fifteen Thousand Dollars (\$15,000.00) for
4 any subsequent violation.

5 2. Penalties for grossly inaccurate or fraudulent reporting
6 occurring within any two-year time period may include an initial
7 administrative fine of Five Thousand Dollars (\$5,000.00) for a first
8 violation and an administrative fine of Ten Thousand Dollars
9 (\$10,000.00) for any subsequent violation. The medical marijuana
10 business shall be subject to a revocation of any license granted
11 pursuant to the Oklahoma Medical Marijuana and Patient Protection
12 Act upon a second incident of grossly inaccurate or fraudulent
13 reporting in a ten-year period by the medical marijuana business or
14 any employee or agent thereof.

15 3. After investigation by the Authority, the Authority may
16 revoke the license of any person directly involved with the
17 diversion of marijuana.

18 4. If the Authority, after investigation, is able to establish,
19 by a preponderance of evidence, a pattern of diversion or negligence
20 leading to diversion, the Authority may revoke any business licenses
21 associated with the diversion and any entity with common ownership.

22 H. 1. In addition to any other penalties prescribed by law, a
23 first offense for intentional and impermissible diversion of medical
24 marijuana, medical marijuana concentrate, or medical marijuana

1 products for value by a patient or caregiver to an unauthorized
2 person shall be subject to an administrative fine of Four Hundred
3 Dollars (\$400.00). The Authority shall have the authority to
4 enforce the provisions of this subsection.

5 2. In addition to any other penalties prescribed by law, an
6 additional incident resulting in a second offense for impermissible
7 diversion of medical marijuana, medical marijuana concentrate, or
8 medical marijuana products by a patient or caregiver to an
9 unauthorized person for value shall be subject to an administrative
10 fine of One Thousand Dollars (\$1,000.00), and shall result in
11 revocation of the license or licenses of the person.

12 3. Any person who shares less than three (3) grams of medical
13 marijuana with an unauthorized person, without the transfer being
14 for value or other consideration, shall not be subject to criminal
15 prosecution but shall be subject to an administrative fine of Four
16 Hundred Dollars (\$400.00).

17 I. The intentional diversion of medical marijuana, medical
18 marijuana concentrate or medical marijuana products by a licensed
19 medical marijuana patient or caregiver, medical marijuana business
20 or employee of a medical marijuana business to an unauthorized minor
21 person who the licensed medical marijuana patient or caregiver,
22 medical marijuana business or employee of a medical marijuana
23 business knew or reasonably should have known to be a minor person
24 shall be subject to an administrative fine of Two Thousand Five

1 Hundred Dollars (\$2,500.00). For an additional incident resulting
2 in a second or subsequent offense, the licensed medical marijuana
3 patient or caregiver, medical marijuana business or employee of a
4 medical marijuana business shall be subject to a cite and release
5 citation and, upon a finding of guilt or a plea of no contest, a
6 fine of Five Thousand Dollars (\$5,000.00) and automatic revocation
7 of the medical marijuana license.

8 J. In addition to any other penalties prescribed by law, it
9 shall be unlawful for a licensed medical marijuana commercial grower
10 to knowingly hire or employ undocumented immigrants to perform work
11 inside a medical marijuana commercial grow facility or anywhere on
12 the property of the medical marijuana commercial grow operation. A
13 licensed medical marijuana commercial grower who violates the
14 provisions of this subsection shall, upon conviction, be guilty of a
15 misdemeanor punishable by imprisonment in the county jail for a term
16 not exceeding one (1) year, or by a fine not exceeding Five Hundred
17 Dollars (\$500.00), or by both such fine and imprisonment. In
18 addition, the license of the medical marijuana commercial grower
19 shall be subject to revocation.

20 K. In addition to any other remedies provided for by law, the
21 Authority, pursuant to its rules and regulations, may issue a
22 written order to any licensee the Authority has reason to believe
23 has violated Sections 420 through 426.1 of this title, the Oklahoma
24 Medical Marijuana and Patient Protection Act, the Oklahoma Medical

1 Marijuana Waste Management Act, or any rules promulgated by the
2 State Commissioner of Health and to whom the Authority has served,
3 not less than thirty (30) days previously, a written notice of
4 violation of such statutes or rules.

5 1. The written order shall state with specificity the nature of
6 the violation. The Authority may impose any disciplinary action
7 authorized under the provisions of this section including, but not
8 limited to, the assessment of monetary penalties.

9 2. Any order issued pursuant to the provisions of this section
10 shall become a final order unless, not more than thirty (30) days
11 after the order is served to the licensee, the licensee requests an
12 administrative hearing in accordance with the rules and regulations
13 of the Authority. Upon such request, the Authority shall promptly
14 initiate administrative proceedings.

15 ~~K.~~ L. Whenever the Authority finds that an emergency exists
16 requiring immediate action in order to protect the health or welfare
17 of the public, the Authority may issue an order, without providing
18 notice or hearing, stating the existence of said emergency and
19 requiring that action be taken as the Authority deems necessary to
20 meet the emergency. Such action may include, but is not limited to,
21 ordering the licensee to immediately cease and desist operations by
22 the licensee. The order shall be effective immediately upon
23 issuance. Any person to whom the order is directed shall comply
24 immediately with the provisions of the order. The Authority may

1 assess a penalty not to exceed Ten Thousand Dollars (\$10,000.00) per
2 day of noncompliance with the order. In assessing such a penalty,
3 the Authority shall consider the seriousness of the violation and
4 any efforts to comply with applicable requirements. Upon
5 application to the Authority, the licensee shall be offered a
6 hearing within ten (10) days of the issuance of the order.

7 ~~H.~~ M. All hearings held pursuant to this section shall be in
8 accordance with the Oklahoma Administrative Procedures Act.

9 SECTION 5. AMENDATORY 63 O.S. 2021, Section 427.14, as
10 amended by Section 4, Chapter 332, O.S.L. 2022 (63 O.S. Supp. 2022,
11 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 fee for a medical marijuana commercial grower
8 license shall be calculated based upon the total amount of square
9 feet of canopy or acres the grower estimates will be harvested for
10 the year. The annual, nonrefundable license fee shall be based upon
11 the total amount of square feet of canopy harvested by the grower
12 during the previous twelve (12) months. The amount of the fees
13 shall be determined as follows:

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

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

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

23 (3) Tier 3: Twenty thousand one (20,001) square feet
24 of canopy to forty thousand (40,000) square feet

1 of canopy, the fee shall be Ten Thousand Dollars
2 (\$10,000.00),

3 (4) Tier 4: Forty thousand one (40,001) square feet
4 of canopy to sixty thousand (60,000) square feet
5 of canopy, the fee shall be Twenty Thousand
6 Dollars (\$20,000.00),

7 (5) Tier 5: Sixty thousand one (60,001) square feet
8 of canopy to eighty thousand (80,000) square feet
9 of canopy, the fee shall be Thirty Thousand
10 Dollars (\$30,000.00),

11 (6) Tier 6: Eighty thousand one (80,001) square feet
12 of canopy to ninety-nine thousand nine hundred
13 ninety-nine (99,999) square feet of canopy, the
14 fee shall be Forty Thousand Dollars (\$40,000.00),
15 and

16 (7) Tier 7: One hundred thousand (100,000) square
17 feet of canopy and beyond, the fee shall be Fifty
18 Thousand Dollars (\$50,000.00), plus an additional
19 twenty-five cents (\$0.25) per square foot of
20 canopy over one hundred thousand (100,000) square
21 feet.

22 b. For an outdoor medical marijuana grow facility:
23
24

- (1) Tier 1: Up to two and one-half (2 1/2) acres, the fee shall be Two Thousand Five Hundred Dollars (\$2,500.00),
- (2) Tier 2: Two and one-half (2 1/2) acres up to five (5) acres, the fee shall be Five Thousand Dollars (\$5,000.00),
- (3) Tier 3: Five (5) acres up to ten (10) acres, the fee shall be Ten Thousand Dollars (\$10,000.00),
- (4) Tier 4: Ten (10) acres up to twenty (20) acres, the fee shall be Twenty Thousand Dollars (\$20,000.00),
- (5) Tier 5: Twenty (20) acres up to thirty (30) acres, the fee shall be Thirty Thousand Dollars (\$30,000.00),
- (6) Tier 6: Thirty (30) acres up to forty (40) acres, the fee shall be Forty Thousand Dollars (\$40,000.00),
- (7) Tier 7: Forty (40) acres up to fifty (50) acres, the fee shall be Fifty Thousand Dollars (\$50,000.00), and
- (8) Tier 8: If the amount of acreage exceeds fifty (50) acres, the fee shall be Fifty Thousand Dollars (\$50,000.00) plus an additional Two 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 annual, nonrefundable license fee for a medical
18 marijuana processor license shall be determined as follows:

19 a. Tier 1: Zero (0) to ten thousand (10,000) pounds of
20 biomass or production or use of up to one hundred
21 (100) liters of cannabis concentrate, the annual fee
22 shall be Two Thousand Five Hundred Dollars
23 (\$2,500.00),
24

- 1 b. Tier 2: Ten thousand one (10,001) pounds to fifty
2 thousand (50,000) pounds of biomass or production or
3 use from one hundred one (101) to three hundred fifty
4 (350) liters of cannabis concentrate, the annual fee
5 shall be Five Thousand Dollars (\$5,000.00),
- 6 c. Tier 3: Fifty thousand one (50,001) pounds to one
7 hundred fifty thousand (150,000) pounds of biomass or
8 production or use from three hundred fifty-one (351)
9 to six hundred fifty (650) liters of cannabis
10 concentrate, the annual fee shall be Ten Thousand
11 Dollars (\$10,000.00),
- 12 d. Tier 4: One hundred fifty thousand one (150,001)
13 pounds to three hundred thousand (300,000) pounds of
14 biomass or production or use from six hundred fifty-
15 one (651) to one thousand (1,000) liters of cannabis
16 concentrate, the annual fee shall be Fifteen Thousand
17 Dollars (\$15,000.00), and
- 18 e. Tier 5: More than three hundred thousand one
19 (300,001) pounds of biomass or production or use in
20 excess of one thousand one (1,001) liters of cannabis
21 concentrate, the annual fee shall be Twenty Thousand
22 Dollars (\$20,000.00).

23 For purposes of this paragraph only, if the cannabis concentrate
24 is in nonliquid form, every one thousand (1,000) grams of

1 concentrated marijuana shall be calculated as one (1) liter of
2 cannabis concentrate.

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

11 5. The annual, nonrefundable license fee for a medical
12 marijuana testing laboratory shall be Twenty Thousand Dollars
13 (\$20,000.00).

14 E. All applicants seeking licensure or licensure renewal as a
15 medical marijuana business shall comply with the following general
16 requirements:

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

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

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

1 4. All applications shall be complete and accurate in every
2 detail;

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

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

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

11 a. twenty-five (25) years of age or older,

12 b. if applying as an individual, proof that the applicant
13 is an Oklahoma resident pursuant to paragraph 11 of
14 this subsection,

15 c. if applying as an entity, proof that seventy-five
16 percent (75%) of all members, managers, executive
17 officers, partners, board members or any other form of
18 business ownership are Oklahoma residents pursuant to
19 paragraph 11 of this subsection,

20 d. if applying as an individual or entity, proof that the
21 individual or entity is registered to conduct business
22 in the State of Oklahoma,

23

24

1 e. disclosure of all ownership interests pursuant to the
2 Oklahoma Medical Marijuana and Patient Protection Act,
3 and

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

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

20 8. There shall be no limit to the number of medical marijuana
21 business licenses or categories that an individual or entity can
22 apply for or receive, although each application and each category
23 shall require a separate application and application fee. A
24 commercial grower, processor and dispensary, or any combination

1 thereof, are authorized to share the same address or physical
2 location, subject to the restrictions set forth in the Oklahoma
3 Medical Marijuana and Patient Protection Act;

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

- 11 a. individual applicants applying on their own behalf,
- 12 b. individuals applying on behalf of an entity,
- 13 c. all principal officers of an entity, and
- 14 d. all owners of an entity as defined by the Oklahoma
15 Medical Marijuana and Patient Protection Act;

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

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

1 documentation of proof of residency shall include a combination of
2 the following:

- 3 a. an unexpired Oklahoma-issued driver license,
- 4 b. an Oklahoma identification card,
- 5 c. a utility bill preceding the date of application,
6 excluding cellular telephone and Internet bills,
- 7 d. a residential property deed to property in the State
8 of Oklahoma, and
- 9 e. a rental agreement preceding the date of application
10 for residential property located in the State of
11 Oklahoma.

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

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

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

- 22 a. front of an Oklahoma driver license,
- 23 b. front of an Oklahoma identification card,

24

- 1 c. a United States passport or other photo identification
2 issued by the United States government, or
3 d. a tribal identification card approved for
4 identification purposes by the Oklahoma Department of
5 Public Safety; and

6 14. All applicants shall submit an applicant photograph.

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

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

14 2. Approved applicants shall be issued a medical marijuana
15 business license for the specific category applied under, which
16 shall act as proof of their approved status. Rejection and denial
17 letters shall provide a reason for the rejection or denial.

18 Applications may only be rejected or denied based on the applicant
19 not meeting the standards set forth in the provisions of the
20 Oklahoma Medical Marijuana and Patient Protection Act and Sections
21 420 through 426.1 of this title, improper completion of the
22 application, or for a reason provided for in the Oklahoma Medical
23 Marijuana and Patient Protection Act and Sections 420 through 426.1
24 of this title. If an application is rejected for failure to provide

1 required information, the applicant shall have thirty (30) days to
2 submit the required information for reconsideration. No additional
3 application fee shall be charged for such reconsideration. Unless
4 the Authority determines otherwise, an application that has been
5 resubmitted but is still incomplete or contains errors that are not
6 clerical or typographical in nature shall be denied.

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

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

14 H. A license for a medical marijuana business, medical
15 marijuana research facility, medical marijuana education facility or
16 medical marijuana waste disposal facility shall not be issued to or
17 held by:

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

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

22 3. A corporation, if the criminal history of any of its
23 officers, directors or stockholders indicates that the officer,
24 director or stockholder has been convicted of a nonviolent felony

1 within two (2) years of the date of application, or within five (5)
2 years for any other felony;

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

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

7 a. file taxes, interest or penalties due related to a
8 medical marijuana business, or

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

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

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

15 8. A person who was involved in the management or operations of
16 any medical marijuana business, medical marijuana research facility,
17 medical marijuana education facility or medical marijuana waste
18 disposal facility that, after the initiation of a disciplinary
19 action, has had a medical marijuana license revoked, not renewed, or
20 surrendered during the five (5) years preceding submission of the
21 application and for the following violations:

22 a. unlawful sales or purchases,

23 b. any fraudulent acts, falsification of records or

24 misrepresentation to the Authority, medical marijuana

1 patient licensees, caregiver licensees or medical
2 marijuana business licensees,

3 c. any grossly inaccurate or fraudulent reporting,

4 d. threatening or harming any medical marijuana patient,
5 caregiver, medical practitioner or employee of the
6 Authority,

7 e. knowingly or intentionally refusing to permit the
8 Authority access to premises or records,

9 f. using a prohibited, hazardous substance for processing
10 in a residential area,

11 g. criminal acts relating to the operation of a medical
12 marijuana business, or

13 h. any violations that endanger public health and safety
14 or product safety.

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

19 J. The failure of an applicant or licensee to provide the
20 requested information by the Authority deadline may be grounds for
21 denial of the application.

22 K. All applicants and licensees shall submit information to the
23 Authority in a full, faithful, truthful and fair manner. The
24 Authority may recommend denial of an application where the applicant

1 or licensee made misstatements, omissions, misrepresentations or
2 untruths in the application or in connection with the background
3 investigation of the applicant. This type of conduct may be grounds
4 for administrative action against the applicant or licensee. Typos
5 and scrivener errors shall not be grounds for denial.

6 L. A licensed medical marijuana business premises shall be
7 subject to and responsible for compliance with applicable provisions
8 consistent with the zoning where such business is located as
9 described in the most recent versions of the Oklahoma Uniform
10 Building Code, the International Building Code and the International
11 Fire Code, unless granted an exemption by a municipality or
12 appropriate code enforcement entity.

13 M. All medical marijuana business, medical marijuana research
14 facility, medical marijuana education facility and medical marijuana
15 waste disposal facility licensees shall pay the relevant licensure
16 fees prior to receiving licensure to operate.

17 N. A medical marijuana business, medical marijuana research
18 facility, medical marijuana education facility or medical marijuana
19 waste disposal facility that attempts to renew its license after the
20 expiration date of the license shall pay a late renewal fee in an
21 amount to be determined by the Authority to reinstate the license.
22 Late renewal fees are nonrefundable. A license that has been
23 expired for more than ninety (90) days shall not be renewed.

24

1 O. No medical marijuana business, medical marijuana research
2 facility, medical marijuana education facility or medical marijuana
3 waste disposal facility shall possess, sell or transfer medical
4 marijuana or medical marijuana products without a valid, unexpired
5 license issued by the Authority.

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

8 Q. The Authority shall be prohibited from issuing medical
9 marijuana commercial grower licenses from Tier 2 through Tier 8, as
10 set forth in subparagraph b of paragraph 2 of subsection D of this
11 section, if one thousand (1,000) or more active medical marijuana
12 commercial grower licenses are in circulation at one time. If, on
13 the effective date of this act, there are one thousand (1,000) or
14 more active medical marijuana commercial grower licenses comprised
15 of Tier 2 through Tier 8 in circulation, the Authority shall be
16 prohibited from issuing additional licenses above Tier 1 until such
17 time as the total number of medical marijuana commercial grower
18 licenses from Tier 2 through Tier 8 are fewer than one thousand
19 (1,000).

20 SECTION 6. AMENDATORY 63 O.S. 2021, Section 427.16, as
21 amended by Section 16, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022,
22 Section 427.16), is amended to read as follows:
23
24

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

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

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

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

1 and medical marijuana products once the transporter takes control of
2 the product.

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

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

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

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

24

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 license
9 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 7. 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~~, the
17 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the
18 Oklahoma State Bureau of Investigation, and the Attorney General are
19 hereby enabled to monitor, inspect and audit a licensed testing
20 laboratory under the Oklahoma Medical Marijuana and Patient
21 Protection Act.

22 B. 1. The Authority is hereby authorized to contract with a
23 private laboratory for the purpose of conducting compliance testing
24 of medical marijuana testing laboratories licensed in this state.

1 Any such laboratory under contract for compliance testing shall be
2 prohibited from conducting any other commercial medical marijuana
3 testing in this state. The laboratory the Authority contracts with
4 for compliance testing shall not employ, or be owned by, the
5 following:

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

16 2. The private laboratory under contract with the Authority for
17 compliance testing and a board or committee comprised of licensed
18 Oklahoma medical marijuana laboratories currently accredited by the
19 International Organization for Standardization (ISO) shall provide
20 to the Authority its recommendations for all equipment and standards
21 to be utilized by licensed medical marijuana testing laboratories
22 when testing samples of medical marijuana, medical marijuana
23 concentrate, and medical marijuana products as well as standard
24 operating procedures when extracting and testing medical marijuana,

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

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

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

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

1 F. A separate license shall be required for each specific
2 laboratory.

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

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

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

1 business for product development. The Authority may require a
2 medical marijuana business to submit a sample of medical marijuana,
3 medical marijuana concentrate or medical marijuana product to a
4 medical marijuana testing or quality assurance laboratory upon
5 demand.

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

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

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

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

22 L. A medical marijuana testing laboratory may utilize a
23 licensed medical marijuana transporter to transport samples of
24 medical marijuana, medical marijuana concentrate and medical

1 marijuana product for testing, in accordance with the Oklahoma
2 Medical Marijuana and Patient Protection Act and the rules adopted
3 pursuant thereto, between the originating medical marijuana business
4 requesting testing services and the destination laboratory
5 performing testing services.

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

23
24

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

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

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

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

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

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

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

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

22 8. The mandatory use by a laboratory of an inventory tracking
23 system to ensure all harvest and production batches or samples
24 containing medical marijuana, medical marijuana concentrate or

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

7 9. Standards of performance;

8 10. The employment of laboratory personnel;

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

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

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

18 14. The immediate recall of medical marijuana or medical
19 marijuana products that test above allowable thresholds or are
20 otherwise determined to be unsafe;

21 15. The establishment by the laboratory of a system to document
22 the complete chain of custody for samples from receipt through
23 disposal;

24

1 16. The establishment by the laboratory of a system to retain
2 and maintain all required records, including business records, and
3 processes to ensure results are reported in a timely and accurate
4 manner; and

5 17. Any other aspect of laboratory testing of medical marijuana
6 or medical marijuana product deemed necessary by the Executive
7 Director.

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

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

21 Q. A medical marijuana testing laboratory shall test samples
22 from each harvest batch or product batch, as appropriate, of medical
23 marijuana, medical marijuana concentrate and medical marijuana
24

1 product for each of the following categories of testing, consistent
2 with standards developed by the Executive Director:

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

10 R. A licensed medical marijuana testing laboratory shall test
11 each individual harvest batch. A grower shall separate each harvest
12 lot of usable marijuana into harvest batches containing no more than
13 fifteen (15) pounds, with the exception of any plant material to be
14 sold to a licensed processor for the purposes of turning the plant
15 material into concentrate which may be separated into harvest
16 batches of no more than fifty (50) pounds. A processor shall
17 separate each medical marijuana production lot into production
18 batches containing no more than four (4) liters of concentrate or
19 nine (9) pounds for nonliquid products, and for final products, the
20 Oklahoma Medical Marijuana Authority shall be authorized to
21 promulgate rules on final products as necessary. Provided, however,
22 the Authority shall not require testing of final products less often
23 than every one thousand (1,000) grams of THC. As used in this
24

1 subsection, "final products" shall include, but not be limited to,
2 cookies, brownies, candies, gummies, beverages and chocolates.

3 S. Medical marijuana testing laboratory licensure shall be
4 contingent upon successful on-site inspection, successful
5 participation in proficiency testing and ongoing compliance with the
6 applicable requirements in this section.

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

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

22 V. Unless authorized by the provisions of this section, a
23 commercial grower shall not transfer or sell medical marijuana and a
24 processor shall not transfer, sell or process into a concentrate or

1 product any medical marijuana, medical marijuana concentrate or
2 medical marijuana product unless samples from each harvest batch or
3 production batch from which that medical marijuana, medical
4 marijuana concentrate or medical marijuana product was derived has
5 been tested by a medical marijuana testing laboratory and passed all
6 contaminant tests required by the Oklahoma Medical Marijuana and
7 Patient Protection Act and applicable laws, rules and regulations.
8 A licensed commercial grower may transfer medical marijuana that has
9 failed testing to a licensed processor only for the purposes of
10 decontamination or remediation and only in accordance with the
11 provisions of the Oklahoma Medical Marijuana and Patient Protection
12 Act and the rules and regulations promulgated by the Executive
13 Director. Remediated and decontaminated medical marijuana may be
14 returned only to the originating licensed commercial grower.

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

17 SECTION 8. AMENDATORY 63 O.S. 2021, Section 427.19, as
18 amended by Section 19, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022,
19 Section 427.19), is amended to read as follows:

20 Section 427.19 A. A medical marijuana research license may be
21 issued to a person to grow, cultivate, possess and transfer, by sale
22 or donation, marijuana pursuant to the Oklahoma Medical Marijuana
23 and Patient Protection Act for the limited research purposes
24 identified in this section.

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

6 C. A medical marijuana research license may be issued for the
7 following research purposes:

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

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

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

- 5 a. the quality, study design, value or impact of the
6 project,
- 7 b. whether the applicant has the appropriate personnel,
8 expertise, facilities, infrastructure, funding and
9 human, animal or other approvals in place to
10 successfully conduct the project, and
- 11 c. whether the amount of marijuana to be grown by the
12 applicant is consistent with the scope and goals of
13 the project.

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

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

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

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

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

19 I. Submission of an application for a medical marijuana
20 research license shall constitute permission for entry to and
21 inspection of the facility of the medical marijuana research
22 licensee during hours of operation and other reasonable times.
23 Refusal to permit such entry for inspection shall constitute grounds
24 for the nonrenewal, suspension, or revocation of the medical

1 marijuana research license. The Authority, the Oklahoma State
2 Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State
3 Bureau of Investigation, and the Attorney General may perform an
4 unannounced on-site inspection of the operations and any facility of
5 the medical marijuana research licensee. If the Authority receives
6 a complaint concerning noncompliance by a medical marijuana research
7 licensee, the Authority, the Oklahoma State Bureau of Narcotics and
8 Dangerous Drugs Control, the Oklahoma State Bureau of Investigation,
9 and the Attorney General may conduct additional unannounced, on-site
10 inspections beyond the required biannual inspections provided for in
11 Section 427.6 of this title. The Authority shall refer all
12 complaints alleging criminal activity that are made against a
13 licensed medical marijuana research facility to appropriate state or
14 local law enforcement authorities.

15 SECTION 9. AMENDATORY 63 O.S. 2021, Section 427.20, as
16 amended by Section 20, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022,
17 Section 427.20), is amended to read as follows:

18 Section 427.20 A. There is hereby created a medical marijuana
19 education facility license.

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

23 C. A medical marijuana education facility license may only be
24 granted to a not-for-profit organization structured under Section

1 501(c) (3) of the Internal Revenue Code, operating as a not-for-
2 profit organization in this state registered with the Office of the
3 Secretary of State.

4 D. A medical marijuana education facility license may only be
5 granted upon the submission of an annual fee of Five Hundred Dollars
6 (\$500.00) to the Oklahoma Medical Marijuana Authority.

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

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

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

13 3. To demonstrate the application and use of product
14 manufacturing technologies;

15 4. To conduct genomic, horticultural or agricultural research;
16 and

17 5. To conduct research on marijuana-affiliated products or
18 systems.

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

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

6 1. The quality, study design, value or impact of the project;

7 2. Whether the applicant has the appropriate personnel,
8 expertise, facilities, infrastructure, funding and human, animal or
9 other approvals in place to successfully conduct the project; and

10 3. Whether the amount of marijuana to be grown by the applicant
11 is consistent with the scope and goals of the project.

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

15 G. A medical marijuana education facility licensee may only
16 transfer, by sale or donation, marijuana grown within its operation
17 to medical marijuana research licensees. The Authority may revoke a
18 medical marijuana education facility license for violations of this
19 section and any other violation of applicable laws, rules and
20 regulations.

21 H. A medical marijuana education facility licensee may contract
22 to perform research in conjunction with a public higher education
23 research institution or another research licensee.

24

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

11 J. Submission of an application for a medical marijuana
12 education facility license shall constitute permission for entry to
13 and inspection of the facility of the medical marijuana education
14 facility licensee during hours of operation and other reasonable
15 times. Refusal to permit such entry for inspection shall constitute
16 grounds for the nonrenewal, suspension, or revocation of the medical
17 marijuana education facility license. The Authority, the Oklahoma
18 State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma
19 State Bureau of Investigation, and the Attorney General may perform
20 an unannounced on-site inspection of the operations and any facility
21 of the medical marijuana education facility licensee. If the
22 Authority receives a complaint concerning noncompliance by a medical
23 marijuana education facility licensee, the Authority, the Oklahoma
24 State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma

1 State Bureau of Investigation, and the Attorney General may conduct
2 additional unannounced, on-site inspections beyond the required
3 biannual inspections provided for in Section 427.6 of this title.
4 The Authority shall refer all complaints alleging criminal activity
5 that are made against a licensed medical marijuana education
6 facility to appropriate state or local law enforcement authorities.

7 SECTION 10. AMENDATORY 63 O.S. 2021, Section 430, as
8 amended by Section 3, Chapter 317, O.S.L. 2022 (63 O.S. Supp. 2022,
9 Section 430), is amended to read as follows:

10 Section 430. A. There is hereby created and authorized a
11 medical marijuana waste disposal license. A person or entity in
12 possession of a medical marijuana waste disposal license shall be
13 entitled to possess, transport and dispose of medical marijuana
14 waste. No person or entity shall dispose of medical marijuana waste
15 without a valid medical marijuana waste disposal license. The
16 Oklahoma Medical Marijuana Authority shall issue licenses upon
17 proper application by a licensee and determination by the Authority
18 that the proposed site and facility are physically and technically
19 suitable. Upon a finding that a proposed medical marijuana waste
20 disposal facility is not physically or technically suitable, the
21 Authority shall deny the license. The Authority may, upon
22 determining that public health or safety requires emergency action,
23 issue a temporary license for treatment or storage of medical
24 marijuana waste for a period not to exceed ninety (90) days. The

1 Authority shall not, for the first year of the licensure program,
2 issue more than ten medical marijuana waste disposal licenses. Upon
3 the conclusion of the first year, the Authority shall assess the
4 need for additional medical marijuana waste disposal licenses and
5 shall, if demonstrated, increase the number of licenses as deemed
6 necessary by the Authority.

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

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

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

13 b. full name of the organization,

14 c. trade name, if applicable,

15 d. type of business organization,

16 e. complete mailing address,

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

19 g. telephone number and email address of the entity, and

20 h. name, residential address and date of birth of each
21 owner and each member, manager and board member, if
22 applicable;

23 2. The application for a medical marijuana waste disposal
24 license made by an individual on his or her own behalf shall be on

1 the form prescribed by the Authority and shall include, but not be
2 limited to:

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

15 3. Each application shall be accompanied by the following
16 documentation:

- 17 a. a list of all persons or entities that have an
18 ownership interest in the entity,
- 19 b. a certificate of good standing from the Secretary of
20 State, if applicable,
- 21 c. an Affidavit of Lawful Presence for each owner,
- 22 d. proof that the proposed location of the disposal
23 facility is at least one thousand (1,000) feet from a
24 school. The distance indicated in this subparagraph

1 shall be measured from the nearest property line of
2 such school to the nearest perimeter wall of the
3 premises of such disposal facility. If any school is
4 established within one thousand (1,000) feet of any
5 disposal facility after such disposal facility has
6 been licensed, the provisions of this subparagraph
7 shall not be a deterrent to the renewal of such
8 license or warrant revocation of the license. For the
9 purposes of this section, "school" shall mean the same
10 as provided in Section 427.2 of this title, and

11 e. documents establishing the applicant, the members,
12 managers and board members, if applicable, and
13 seventy-five percent (75%) of the ownership interests
14 are Oklahoma residents as established in Section 420
15 et seq. of this title, as it relates to proof of
16 residency.

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

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

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

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

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

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

21 H. All commercial licensees, as defined in Section 428.1 of
22 this title, shall utilize a licensed medical marijuana waste
23 disposal service to process all medical marijuana waste generated by
24 the licensee.

1 I. The State Commissioner of Health shall promulgate rules for
2 the implementation of the Oklahoma Medical Marijuana Waste
3 Management Act. Promulgated rules shall address disposal process
4 standards, site security and any other subject matter deemed
5 necessary by the Authority.

6 SECTION 11. This act shall become effective November 1, 2023.

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8 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED
9 SUBSTANCES, dated 02/23/2023 - DO PASS, As Amended.

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