

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 806

By: Garvin

AS INTRODUCED

An Act relating to medical marijuana; amending 63 O.S. 2021, Section 427.14, as last amended by Section 2, Chapter 328, O.S.L. 2022 (63 O.S. Supp. 2022, Section 427.14), which relates to medical marijuana business license; requiring insurance verification for licensees transporting medical marijuana; amending 63 O.S. 2021, Section 427.16, as last amended by Section 16, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022, Section 427.16), which relates to medical marijuana transporter license; specifying requirements; and providing an effective date.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, as last amended by Section 2, Chapter 328, O.S.L. 2022 (63 O.S. Supp. 2022, Section 427.14), is amended to read as follows:

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

1. Medical marijuana commercial grower;
2. Medical marijuana processor;
3. Medical marijuana dispensary;

1 4. Medical marijuana transporter; and

2 5. Medical marijuana testing laboratory.

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

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

9 D. The annual, nonrefundable application fee for a medical
10 marijuana business license shall be Two Thousand Five Hundred
11 Dollars (\$2,500.00).

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

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

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

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

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

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

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

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

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

10 b. if applying as an individual, proof that the applicant
11 is a resident of this state pursuant to paragraph 11
12 of this subsection,

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

18 d. if applying as an individual or entity, proof that the
19 individual or entity is registered to conduct business
20 in this state,

21 e. disclosure of all ownership interests pursuant to the
22 Oklahoma Medical Marijuana and Patient Protection Act,
23 and

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

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

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

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

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

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

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

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

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

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

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

18 14. All applicants shall submit an applicant photograph.

19 F. The Authority shall review the medical marijuana business
20 application; approve, reject or deny the application; and mail the
21 approval, rejection, denial or status-update letter to the applicant
22 within ninety (90) business days of receipt of the application.
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1 G. 1. The Authority shall review the medical marijuana
2 business applications and conduct all investigations, inspections
3 and interviews before approving the application.

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

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

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

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

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

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

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

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

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

21 a. file taxes, interest or penalties due related to a
22 medical marijuana business, or

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

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

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

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

12 a. unlawful sales or purchases,

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

17 c. any grossly inaccurate or fraudulent reporting,

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

21 e. knowingly or intentionally refusing to permit the
22 Authority access to premises or records,

23 f. using a prohibited, hazardous substance for processing
24 in a residential area,

1 g. criminal acts relating to the operation of a medical
2 marijuana business, or

3 h. any violations that endanger public health and safety
4 or product safety.

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

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

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

20 L. A licensed medical marijuana business premises shall be
21 subject to and responsible for compliance with applicable provisions
22 consistent with the zoning where such business is located as
23 described in the most recent versions of the Oklahoma Uniform
24 Building Code, the International Building Code and the International

1 Fire Code, unless granted an exemption by a municipality or
2 appropriate code enforcement entity.

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

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

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

20 P. A medical marijuana business license holder shall require
21 all individuals employed under their license to be issued a
22 credential pursuant to the provisions of Section ~~3 of this act~~
23 427.14a of this title prior to employment.

1 Q. A medical marijuana business license holder shall provide
2 the Authority insurance verifications for all individuals licensed
3 to transport medical marijuana or medical marijuana product. The
4 Authority may determine the contents required from the insurance
5 verifications, which may include, but not be limited to, type of
6 coverage, amount of coverage, or vehicles insured under coverage.

7 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.16, as
8 last amended by Section 16, Chapter 251, O.S.L. 2022 (63 O.S. Supp.
9 2022, Section 427.16), is amended to read as follows:

10 Section 427.16. A. There is hereby created a medical marijuana
11 transporter license as a category of the medical marijuana business
12 license.

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

21 C. A medical marijuana transporter license may also be issued
22 to qualifying applicants who are registered with the Secretary of
23 State and otherwise meet the requirements for a medical marijuana
24 business license set forth in the Oklahoma Medical Marijuana and

1 Patient Protection Act and the requirements set forth in this
2 section to provide logistics, distribution and storage of medical
3 marijuana, medical marijuana concentrate and medical marijuana
4 products.

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

11 E. A transporter license shall be required for any person or
12 entity to transport or transfer medical marijuana, medical marijuana
13 concentrate or medical marijuana products from a licensed medical
14 marijuana business to another medical marijuana business, or from a
15 medical marijuana business to a medical marijuana research facility
16 or medical marijuana education facility.

17 F. A medical marijuana transporter licensee may contract with
18 multiple licensed medical marijuana businesses.

19 G. A medical marijuana transporter may maintain a licensed
20 premises to temporarily store medical marijuana, medical marijuana
21 concentrate and medical marijuana products and to use as a
22 centralized distribution point. A medical marijuana transporter may
23 store and distribute medical marijuana, medical marijuana
24 concentrate and medical marijuana products from the licensed

1 premises. The licensed premises shall meet all security
2 requirements applicable to a medical marijuana business.

3 H. A medical marijuana transporter licensee shall use the seed-
4 to-sale tracking system developed pursuant to the Oklahoma Medical
5 Marijuana and Patient Protection Act to create shipping manifests
6 documenting the transport of medical marijuana, medical marijuana
7 concentrate and medical marijuana products throughout the state.

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

13 J. With the exception of a lawful transfer between medical
14 marijuana businesses who are licensed to operate at the same
15 physical address, all medical marijuana, medical marijuana
16 concentrate and medical marijuana products shall be transported:

17 1. In vehicles equipped with Global Positioning System (GPS)
18 trackers;

19 2. In a locked container and clearly labeled "Medical Marijuana
20 or Derivative"; and

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

23 K. A transporter agent may possess marijuana at any location
24 while the transporter agent is transferring marijuana to or from a

1 licensed medical marijuana business, licensed medical marijuana
2 research facility or licensed medical marijuana education facility.
3 The Authority shall administer and enforce the provisions of this
4 section concerning transportation.

5 L. The Authority shall issue a transporter agent license to
6 individual agents, employees, officers or owners of a transporter
7 license in order for the individual to qualify to transport medical
8 marijuana, medical marijuana concentrate or medical marijuana
9 products.

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

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

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

1 O. If the transporter agent application is denied, the
2 Authority shall notify the transporter in writing of the reason for
3 denying the registry identification card.

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

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

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

17 S. ~~Vehicles used in the transport of~~ Any vehicle used in the
18 duties of a licensed medical marijuana business transporting medical
19 marijuana or medical marijuana product shall be:

20 1. Insured at or above the legal requirements in this state in
21 accordance with subsection Q of Section 427.14 of this title;

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

23 3. In possession of a shipping container as defined in Section
24 427.2 of this title capable of securing all transported products.

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

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

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

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

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

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

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

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

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

3 7. Notation of the transporting licensee.

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

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

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

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

16 SECTION 3. This act shall become effective November 1, 2023.

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