

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 134

By: Rogers

AS INTRODUCED

An Act relating to medical marijuana; amending 63 O.S. 2021, Sections 421, as last amended by Section 1, Chapter 332, O.S.L. 2022, 422, as last amended by Section 2, Chapter 332, O.S.L. 2022, 423, as last amended by Section 3, Chapter 332, O.S.L. 2022, and 424 (63 O.S. Supp. 2022, Sections 421, 422, and 423), which relate to licensing requirements for medical marijuana dispensaries, commercial growers, processors, and transporters; providing for temporary and annual licenses; providing statutory references for fees; updating language; amending 63 O.S. 2021, Sections 427.14, as amended by Section 2, Chapter 328, O.S.L. 2022 and 427.16, as last amended by Section 16, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022, Sections 427.14 and 427.16), which relate to the Oklahoma Medical Marijuana and Patient Protection Act; creating temporary and annual licensing program for certain medical marijuana businesses; stating conditions for temporary licenses; requiring adherence to certain rules and regulations; clarifying obligations of the Oklahoma Medical Marijuana Authority when issuing temporary licenses; stating length of term of temporary licenses; providing for extensions under certain circumstances; establishing fees for temporary licenses and extensions; requiring submission of certain information to the Authority; authorizing rejection of applications; clarifying circumstances that allow for the issuance of annual medical marijuana business licenses; updating language; creating temporary licensing program for medical marijuana transporters; and declaring an emergency.

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

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

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

21 B. ~~The~~ In addition to the requirements provided for in the
22 Oklahoma Medical Marijuana and Patient Protection Act, the Authority
23 shall approve all applications which meet the following criteria:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 B. ~~The~~ In addition to the requirements provided for in the
2 Oklahoma Medical Marijuana and Patient Protection Act, the Authority
3 shall approve all applications which meet the following criteria:

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

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

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

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

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

15 6. All applicants must disclose all ownership interests in the
16 commercial grower operation.

17 Applicants with a nonviolent felony conviction in the last two
18 (2) years, any other felony conviction in the last five (5) years,
19 inmates in the custody of the Department of Corrections or any
20 person currently incarcerated shall not qualify for a temporary or
21 annual medical marijuana commercial grower license.

22 C. A licensed medical marijuana commercial grower may sell
23 marijuana to a licensed medical marijuana dispensary or a licensed
24 medical marijuana processor. Further, sales by a licensed medical
25

1 marijuana commercial grower shall be considered wholesale sales and
2 shall not be subject to taxation. Under no circumstances may a
3 licensed medical marijuana commercial grower sell marijuana directly
4 to a licensed medical marijuana patient or licensed medical
5 marijuana caregiver. A licensed medical marijuana commercial grower
6 may only sell at the wholesale level to a licensed medical marijuana
7 dispensary, a licensed medical marijuana commercial grower or a
8 licensed medical marijuana processor. If the federal government
9 lifts restrictions on buying and selling marijuana between states,
10 then a licensed medical marijuana commercial grower would be allowed
11 to sell and buy marijuana wholesale from, or to, an out-of-state
12 wholesale provider. A licensed medical marijuana commercial grower
13 shall be required to complete a monthly yield and sales report to
14 the Authority. This report shall be due on the fifteenth of each
15 month and provide reporting on the previous month. This report
16 shall detail the amount of marijuana harvested in pounds, the amount
17 of drying or dried marijuana on hand, the amount of marijuana sold
18 to licensed processors in pounds, the amount of waste in pounds, and
19 the amount of marijuana sold to licensed medical marijuana
20 dispensaries in pounds. Additionally, this report shall show total
21 wholesale sales in dollars. The Authority shall have oversight and
22 auditing responsibilities to ensure that all marijuana being grown
23 by licensed medical marijuana commercial growers is accounted for.

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

3 E. Beginning on ~~the effective date of this act~~ June 1, 2023,
4 licensed medical marijuana commercial growers shall be authorized to
5 package and sell pre-rolled marijuana to licensed medical marijuana
6 dispensaries. The products described in this subsection shall
7 contain only the ground parts of the marijuana plant and shall not
8 include marijuana concentrates or derivatives. The total net weight
9 of each pre-roll packaged and sold by licensed medical marijuana
10 commercial growers shall not exceed one (1) gram. These products
11 must be tested, packaged and labeled in accordance with Oklahoma law
12 and rules promulgated by the Authority.

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

16 Section 423. A. The Oklahoma Medical Marijuana Authority shall
17 make available on its website in an easy-to-find location an
18 application for a temporary medical marijuana processor license and
19 annual medical marijuana ~~processing~~ processor license. The
20 Authority shall be authorized to issue two types of annual medical
21 marijuana processor licenses based on the level of risk posed by the
22 type of processing conducted:

- 23 1. Nonhazardous medical marijuana processor license; and
- 24 2. Hazardous medical marijuana processor license.

1 The application ~~fee for a nonhazardous or hazardous medical~~
2 ~~marijuana processor license~~ fees for the temporary or annual license
3 shall be paid by the applicant in the amounts provided for in
4 Section 427.14 of this title. A method of payment shall be provided
5 on the website of the Authority. The Authority shall have ninety
6 (90) days to review the temporary medical marijuana processor
7 license application; approve, reject or deny the application; and
8 mail the approval, rejection or denial letter stating the reasons
9 for the rejection or denial to the applicant.

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

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

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

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

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

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

23 6. All applicants must disclose all ownership interests in the
24 processing operation.

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

6 C. 1. A licensed medical marijuana processor may take
7 marijuana plants and distill or process these plants into
8 concentrates, edibles, and other forms for consumption.

9 2. ~~As required by subsection D of this section, the~~ The
10 Authority shall make available a set of standards which shall be
11 used by licensed medical marijuana processors in the preparation of
12 edible marijuana products. The standards should be in line with
13 current food preparation guidelines. No excessive or punitive rules
14 may be established by the Authority.

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

22 4. A licensed medical marijuana processor may sell marijuana
23 products it creates to a licensed medical marijuana dispensary or
24 any other licensed medical marijuana processor. All sales by a

1 licensed medical marijuana processor shall be considered wholesale
2 sales and shall not be subject to taxation.

3 5. Under no circumstances may a licensed processor sell
4 marijuana or any marijuana product directly to a licensed medical
5 marijuana patient or licensed medical marijuana caregiver. However,
6 a licensed medical marijuana processor may process cannabis into a
7 concentrated form for a licensed medical marijuana patient for a
8 fee.

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

19 D. The Authority shall oversee the inspection and compliance of
20 licensed medical marijuana processors producing products with
21 marijuana as an additive. The Authority shall be compelled to
22 ~~within thirty (30) days of passage of this initiative,~~ appoint
23 twelve (12) Oklahoma residents to the Medical Marijuana Advisory
24 Council, who are marijuana industry experts, to create a list of

1 food safety standards for processing and handling medical marijuana
2 in Oklahoma. These standards shall be adopted by the Authority and
3 the Authority may enforce these standards for licensed medical
4 marijuana processors. The Authority shall develop a standards
5 review procedure and these standards can be altered by calling
6 another council of twelve (12) Oklahoma marijuana industry experts.
7 A signed letter of twenty operating, licensed processors shall
8 constitute a need for a new council and standards review.

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

11 F. Any device used for the processing or consumption of medical
12 marijuana shall be considered legal to be sold, manufactured,
13 distributed and possessed. No merchant, wholesaler, manufacturer or
14 individual may be unduly harassed or prosecuted for selling,
15 manufacturing or possessing marijuana paraphernalia.

16 SECTION 4. AMENDATORY 63 O.S. 2021, Section 424, is
17 amended to read as follows:

18 Section 424. A. A temporary medical marijuana transporter
19 license or an annual medical marijuana transportation transporter
20 license will shall be issued to qualifying applicants for a medical
21 marijuana retail, growing, or processing dispensary, medical
22 marijuana commercial grower, or medical marijuana processor license.
23 The ~~transportation~~ temporary or annual medical marijuana transporter
24 license will shall be issued at the time of approval of a ~~retail,~~

1 ~~growing, or processing~~ the temporary or annual medical marijuana
2 dispensary, medical marijuana commercial grower, or medical
3 marijuana processor license. The fees for the temporary or annual
4 license shall be paid by the applicant in the amounts provided for
5 in Section 427.14 of this title.

6 B. A ~~transportation~~ medical marijuana transporter license will
7 shall allow the holder to transport medical marijuana from an
8 ~~Oklahoma licensed~~ Oklahoma-licensed medical marijuana ~~retailer,~~
9 ~~licensed growing facility, or licensed processor facility to an~~
10 ~~Oklahoma licensed medical marijuana retailer, licensed growing~~
11 ~~facility, or licensed processing facility~~ dispensary, medical
12 marijuana commercial grower facility, or medical marijuana processor
13 facility to an Oklahoma-licensed medical marijuana dispensary,
14 medical marijuana commercial grower facility, or medical marijuana
15 processing facility.

16 C. All medical marijuana or medical marijuana products shall be
17 transported in a locked container and clearly labeled "Medical
18 Marijuana or Derivative".

19 SECTION 5. AMENDATORY 63 O.S. 2021, Section 427.14, as
20 amended by Section 2, Chapter 328, O.S.L. 2022 (63 O.S. Supp. 2022,
21 Section 427.14), is amended to read as follows:

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

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

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

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

13 ~~D. The annual, nonrefundable application fee for a medical~~
14 ~~marijuana business license shall be Two Thousand Five Hundred~~
15 ~~Dollars (\$2,500.00) Upon the effective date of this act, the~~
16 ~~Authority shall require all persons or entities seeking initial~~
17 ~~licensure as a medical marijuana commercial grower, medical~~
18 ~~marijuana processor, medical marijuana dispensary, or medical~~
19 ~~marijuana transporter to first apply for a temporary medical~~
20 ~~marijuana business license.~~

21 1. A temporary medical marijuana business license is a
22 conditional license and does not authorize the licensee to conduct
23 any sales of medical marijuana or marijuana products, the growing or
24 processing of marijuana, or the transportation of any medical

1 marijuana or marijuana products by the licensee. A temporary
2 medical marijuana business licensee shall follow all applicable
3 rules and regulations promulgated by the Authority.

4 2. A temporary medical marijuana business license does not
5 obligate the Authority to issue an annual medical marijuana business
6 license nor does the temporary medical marijuana business license
7 create a vested right in the holder to either an extension of the
8 temporary medical marijuana business license or to the granting of a
9 subsequent annual medical marijuana business license.

10 3. A temporary medical marijuana business license issued under
11 the provisions of this subsection shall be valid for one hundred
12 eighty (180) days from its effective date.

13 4. A temporary medical marijuana business license may be
14 extended by the Authority for additional ninety-day periods not to
15 exceed eighteen (18) months if:

16 a. an application for an annual license has been
17 submitted to the Authority prior to the initial
18 expiration date of the temporary medical marijuana
19 business license, and

20 b. the Authority determines that the application and
21 required documentation submitted by the applicant for
22 an annual medical marijuana business license is
23 deficient in some manner.

1 5. The nonrefundable application fee for a temporary medical
2 marijuana business license shall be One Thousand Dollars
3 (\$1,000.00). A nonrefundable fee of One Thousand Dollars
4 (\$1,000.00) shall be assessed for every ninety-day extension
5 requested by the holder of a temporary medical marijuana business
6 license and subsequently granted by the Authority.

7 6. In addition to the general requirements provided for in
8 subsection E of this section, applicants for a temporary medical
9 marijuana business license or applicants applying to renew a medical
10 marijuana business license shall submit the following to the
11 Authority:

12 a. business-formation documents, which may include, but
13 not be limited to, articles of incorporation,
14 operating agreements, partnership agreements, and
15 fictitious business name statements. The applicant
16 shall also provide all documents filed with the
17 Secretary of State,

18 b. financial information pertaining to the operations of
19 the medical marijuana business, which shall include
20 the following:

21 (1) a list of funds belonging to the applicant held
22 in savings, checking, or other accounts
23 maintained by a financial institution. The
24 applicant shall provide for each account the name

1 of the financial institution, the address of the
2 financial institution, account type, account
3 number, and the amount of money in the account,

4 (2) a list of loans made to the applicant for the
5 purposes of applying for or operating a medical
6 marijuana business. For each loan, the applicant
7 shall provide the amount of the loan, the date of
8 the loan, term of the loan, security provided for
9 the loan, and the name, address, and phone number
10 of the lender,

11 (3) a list of investments made into the medical
12 marijuana business. For each investment, the
13 applicant shall provide the amount of the
14 investment, the date of the investment, term of
15 the investment, and the name, address, and phone
16 number of the investor,

17 (4) a list of all monetary gifts, equipment, and
18 property of any kind given to the applicant for
19 the purpose of or in exchange for applying for or
20 operating a medical marijuana business. For each
21 gift, the applicant shall provide the value or a
22 description of the gift and the name, address,
23 and phone number of the provider of the gift,

1 (5) a complete list of every individual who has a
2 financial interest in the medical marijuana
3 business not otherwise disclosed in divisions (1)
4 through (4) of this subparagraph, along with a
5 description of the financial interest, and
6 (6) whether the applicant has an ownership or a
7 financial interest in any other medical marijuana
8 business licensed under the provisions of the
9 Oklahoma Medical Marijuana and Patient Protection
10 Act,

11 c. a complete and detailed diagram of the proposed
12 premises. If changes to the proposed premises occur
13 during the application period, a revised set of plans
14 shall be submitted to the Authority for final
15 inspection. The diagram shall be to scale and shall
16 show the following:

17 (1) boundaries of the property and the proposed
18 premises to be licensed, showing all boundaries,
19 dimensions, entrances and exits, interior
20 partitions, walls, rooms, windows, doorways, and
21 common or shared entryways, and shall include a
22 brief statement or description of the principal
23 activity to be conducted therein,

1 (2) the location of medical marijuana business
2 activities that will take place in each area of
3 the premises, and limited-access areas,

4 (3) where all cameras are located and a number
5 assigned to each camera for identification
6 purposes, and

7 (4) if the proposed premises consists of only a
8 portion of the property, labels indicating which
9 part of the property is the proposed premises and
10 what the remaining property is used for,

11 d. if the applicant is not the landowner of the real
12 property upon which the premises is located, the
13 applicant shall provide to the Authority a document
14 from the landowner or the agent of the landowner that
15 states that the applicant has the right to occupy the
16 property and acknowledging the applicant may use the
17 property for the medical marijuana business activity
18 for which the applicant is applying for licensure. An
19 applicant shall also provide a copy of the rental
20 agreement, as applicable,

21 e. if the applicant is the landowner of the real property
22 upon which the premises is located, the applicant
23 shall provide to the Authority a copy of the title or
24 deed to the property,

1 f. if the applicant is applying for a medical marijuana
2 commercial grower license, the applicant shall also
3 submit the following:

4 (1) for indoor and mixed light cultivation,
5 identification of all power sources for
6 cultivation activities including, but not limited
7 to, illumination, heating, cooling, and
8 ventilation,

9 (2) if the applicant is proposing to use a diversion
10 from a waterbody, groundwater well, or rain
11 catchment system as a water source for
12 cultivation, include the following locations on
13 the property diagram with locations also provided
14 as coordinates in either latitude and longitude
15 or the Oklahoma Coordinate System:

16 (a) sources of water used, including the
17 location of waterbody diversion, pump
18 location, and distribution system, and

19 (b) location, type, and capacity of each storage
20 unit to be used for cultivation, and

21 (3) a proposed cultivation plan, which shall include
22 identification of all water sources used for
23 cultivation activities, and

24 g. evidence of insurance including, but not limited to:

- 1 (1) general liability insurance,
- 2 (2) workers' compensation insurance or a copy of an
- 3 Affidavit of Exempt Status filed with the
- 4 Workers' Compensation Commission if compensation
- 5 coverage is not required pursuant to the
- 6 Administrative Workers' Compensation Act, and
- 7 (3) product liability insurance.

8 7. The Authority may request additional information from the
9 applicant.

10 8. The Authority may reject an application for an annual
11 medical marijuana business license if the requirements for a
12 temporary medical marijuana business license or any provision of the
13 Oklahoma Medical Marijuana and Patient Protection Act are not
14 satisfied.

15 For purposes of this subsection, "financial interest" shall
16 include any contractual agreements for profit-sharing,
17 subcontracting, or similar financial arrangements; provided, that
18 such disclosures alone shall not automatically indicate ownership of
19 the license or require disclosure as an owner of the license.

20 E. All applicants seeking licensure or licensure renewal as a
21 medical marijuana business shall comply with the following general
22 requirements:
23
24
25

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

4 2. Each application shall identify the city or county in which
5 the applicant seeks to obtain licensure as a medical marijuana
6 business;

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

9 4. All applications shall be complete and accurate in every
10 detail;

11 5. All applications shall include all attachments or
12 supplemental information required by the forms supplied by the
13 Authority;

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

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

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

1 officers, partners, board members or any other form of
2 business ownership are residents of this state
3 pursuant to paragraph 11 of this subsection,

4 d. if applying as an individual or entity, proof that the
5 individual or entity is registered to conduct business
6 in this state,

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

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

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

1 location, subject to the restrictions set forth in the Oklahoma
2 Medical Marijuana and Patient Protection Act;

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

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

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

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

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

- 3 a. an unexpired state-issued driver license,
- 4 b. a state-issued 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 this state,
8 and
- 9 e. a rental agreement preceding the date of application
10 for residential property located in this state.

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

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

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

- 21 a. front of a state-issued driver license,
- 22 b. front of a state-issued identification card,
- 23 c. a United States passport or other photo identification
24 issued by the United States government, or
25

1 d. a tribal identification card approved for
2 identification purposes by the Department of Public
3 Safety; and

4 14. All applicants shall submit an applicant photograph.

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

9 G. 1. The Authority shall review the medical marijuana
10 business license applications and conduct all investigations,
11 inspections, and interviews before approving the application for an
12 annual medical marijuana business license.

13 2. The annual, nonrefundable application fee for a medical
14 marijuana business license shall be One Thousand Five Hundred
15 Dollars (\$1,500.00).

16 3. Approved applicants shall be issued a an annual medical
17 marijuana business license for the specific category applied under,
18 which shall act as proof of their approved status. Rejection and
19 denial letters shall provide a reason for the rejection or denial.
20 Applications for an annual medical marijuana business license may
21 only be rejected or denied based on the applicant not meeting the
22 standards set forth in the provisions of subsection D of this
23 section for a temporary medical marijuana business license, the
24 provisions of the Oklahoma Medical Marijuana and Patient Protection

1 Act and Sections 420 through 426.1 of this title, improper
2 completion of the application, or for a reason provided for in the
3 Oklahoma Medical Marijuana and Patient Protection Act and Sections
4 420 through 426.1 of this title. If an application for an annual
5 medical marijuana business license is rejected for failure to
6 provide required information, the applicant shall ~~have thirty (30)~~
7 ~~days~~ be granted an extension of time as provided for in paragraph 4
8 of subsection D of this section to submit the required information
9 for reconsideration. ~~No additional application fee and shall be~~
10 ~~charged for such reconsideration~~ assessed a nonrefundable fee of One
11 Thousand Dollars (\$1,000.00) for every ninety-day extension
12 requested by the applicant and subsequently granted by the
13 Authority. Unless the Authority determines otherwise, an
14 application that has been resubmitted but is still incomplete or
15 contains errors that are not clerical or typographical in nature
16 shall be denied.

17 ~~3.~~ 4. Status-update letters shall provide a reason for delay in
18 either approval, rejection or denial should a situation arise in
19 which an application was submitted properly but a delay in
20 processing the application occurred.

21 ~~4.~~ 5. Approval, rejection, denial or status-update letters
22 shall be sent to the applicant in the same method the application
23 was submitted to the Authority.

1 6. Medical marijuana businesses issued a medical marijuana
2 business license prior to the effective date of this act shall be
3 required to submit business-formation documents, financial
4 information, and insurance information pertaining to the operations
5 of the medical marijuana business, as prescribed in subparagraphs a,
6 b, c, d, and g of paragraph 6 of subsection D of this section, to
7 the Authority upon renewal of the medical marijuana business
8 license. The medical marijuana business licensee shall have ninety
9 (90) days after the date of renewal to submit the required
10 documentation to the Authority. The medical marijuana business
11 licensee shall be authorized to continue operations during the
12 ninety-day period; provided, that if the medical marijuana business
13 licensee fails to submit the required documentation prior to the
14 expiration of the ninety-day period, the license of the medical
15 marijuana business shall be suspended until such time as the
16 documentation is submitted to the Authority.

17 7. Medical marijuana businesses that have been issued a
18 temporary and annual medical marijuana business license pursuant to
19 the provisions of subsection D of this section shall be required to
20 annually submit updated business-formation documents, financial
21 information, and insurance information pertaining to the operations
22 of the medical marijuana business, as prescribed in subparagraphs a,
23 b, c, d, and g of paragraph 6 of subsection D of this section, to
24

1 the Authority when seeking renewal of the medical marijuana business
2 license.

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

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

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

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

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

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

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

22 b. pay taxes, interest or penalties due related to a
23 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 SECTION 6. AMENDATORY 63 O.S. 2021, Section 427.16, as
2 last amended by Section 16, Chapter 251, O.S.L. 2022 (63 O.S. Supp.
3 2022, Section 427.16), is amended to read as follows:

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

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

17 C. A temporary or annual medical marijuana transporter license
18 may also be issued to qualifying applicants who are registered with
19 the Secretary of State and otherwise meet the requirements for a
20 medical marijuana business license set forth in Section 427.14 of
21 this title, the Oklahoma Medical Marijuana and Patient Protection
22 Act, and the requirements set forth in this section to provide
23 logistics, distribution and storage of medical marijuana, medical
24 marijuana concentrate and medical marijuana products.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 1. For the origination point of the medical marijuana:
 - 2 a. the licensee number for the commercial grower,
3 processor or dispensary,
4 b. address of origination of transport, and5 c. name and contact information for the originating6 licensee;
- 7 2. For the end recipient license holder of the medical
- 8 marijuana:
- 9 a. the license number for the dispensary, commercial
10 grower, processor, research facility or education11 facility destination,12 b. address of the destination, and13 c. name and contact information for the destination14 licensee;
- 15 3. Quantities by weight or unit of each type of medical
- 16 marijuana product contained in transport;
- 17 4. The date of the transport and the approximate time of
- 18 departure;
- 19 5. The arrival date and estimated time of arrival;
- 20 6. Printed names and signatures of the personnel accompanying
- 21 the transport; and
- 22 7. Notation of the transporting licensee.
- 23 U. 1. A separate inventory manifest shall be prepared for each
- 24 licensee receiving the medical marijuana.

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

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

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

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

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