

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No. _____

COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend Engrossed House Bill No. 3228, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Standridge

Standridge-DC-FS-Req#4125
5/13/2020 11:32 AM

(Floor Amendments Only) Date and Time Filed: _____

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Regular Session of the 57th Legislature (2020)

3 FLOOR SUBSTITUTE
4 FOR ENGROSSED

5 HOUSE BILL NO. 3228

By: Echols of the House

and

Standridge of the Senate

7
8
9 FLOOR SUBSTITUTE

10 An Act relating to medical marijuana; amending
11 Section 1, State Question No. 788, Initiative
12 Petition No. 412, as last amended by Section 2,
13 Chapter 509, O.S.L. 2019 (63 O.S. Supp. 2019, Section
14 420), which relates to medical marijuana patient and
15 caregiver licensing requirements; clarifying
16 applicability of certain offense; specifying biannual
17 payment of application fees for patient licenses;
18 extending license period of temporary license;
19 broadening eligibility requirements for temporary
20 license; authorizing the State Department of Health
21 to deny patient license applications; removing
22 recordkeeping requirement related to approved medical
23 marijuana licenses; clarifying types of records and
24 information the Department must seal for privacy;
providing for the assessment of late renewal fees for
patients attempting to renew licenses after
expiration; making renewal fees nonrefundable;
prohibiting reinstatement of certain expired
licenses; amending Section 2, State Question No. 788,
Initiative Petition No. 412 (63 O.S. Supp. 2019,
Section 421), which relates to dispensary licensing
requirements; increasing time limitation for
reviewing medical marijuana dispensary license
applications; authorizing the Department to deny
dispensary license applications; deleting penalties
for gross discrepancy and fraudulent reporting and
fraudulent sales; authorizing the sale of pre-rolled
medical marijuana; authorizing dispensary to deliver

1 to certain private residences; requiring certain
2 verification; requiring patient or caregiver to
3 provide certain information; amending Section 3,
4 State Question No. 788, Initiative Petition No. 412
5 (63 O.S. Supp. 2019, Section 422), which relates to
6 commercial grower licensing requirements; increasing
7 time limitation for reviewing medical marijuana
8 commercial grower license applications; authorizing
9 the Department to deny commercial grower license
10 applications; authorizing commercial growers to
11 package and sell pre-rolled medical marijuana;
12 deleting penalties for gross discrepancy and
13 fraudulent reporting and fraudulent sales; amending
14 Section 4, State Question No. 788, Initiative
15 Petition No. 412 (63 O.S. Supp. 2019, Section 423),
16 which relates to medical marijuana processor
17 licensing requirements; increasing time limitation
18 for reviewing medical marijuana processing license
19 applications; authorizing the Department to deny
20 processing license applications; deleting penalties
21 for gross discrepancy and fraudulent reporting;
22 specifying entity that oversees inspection and
23 compliance of processors; amending Section 6, State
24 Question No. 788, Initiative Petition No. 412, as
amended by Section 3, Chapter 509, O.S.L. 2019 (63
O.S. Supp. 2019, Section 425), which relates to
protections for medical marijuana licensees;
clarifying certain exceptions; providing standard
related to child endangerment; specifying manner by
which distances between certain properties shall be
measured; conforming language; deleting obsolete
definition; amending Section 4, Chapter 509, O.S.L.
2019 (63 O.S. Supp. 2019, Section 426.1), which
relates to licensure revocation and hearings;
removing certain exception; removing and modifying
certain procedures by which certain information is
shared with law enforcement; directing the Department
to make list of marijuana-licensed premises available
to state agencies; requiring certain marijuana-
licensed premises and businesses to submit certain
documentation when requesting a location change;
allowing single certificate of compliance except
under certain conditions; amending Section 2, Chapter
11, O.S.L. 2019, as last amended by Section 1,
Chapter 390, O.S.L. 2019, Section 3, Chapter 11,
O.S.L. 2019, as amended by Section 6, Chapter 477,
O.S.L. 2019, Section 4, Chapter 11, O.S.L. 2019,

1 Section 6, Chapter 11, O.S.L. 2019, as amended by
2 Section 7, Chapter 477, O.S.L. 2019, Section 7,
3 Chapter 11, O.S.L. 2019, as amended by Section 5,
4 Chapter 509, O.S.L. 2019, Section 9, Chapter 11,
5 O.S.L. 2019, Section 10, Chapter 11, O.S.L. 2019, as
6 amended by Section 2, Chapter 390, O.S.L. 2019,
7 Section 11, Chapter 11, O.S.L. 2019, Section 13,
8 Chapter 11, O.S.L. 2019, Section 14, Chapter 11,
9 O.S.L. 2019, as amended by Section 6, Chapter 509,
10 O.S.L. 2019, Section 16, Chapter 11, O.S.L. 2019,
11 Section 17, Chapter 11, O.S.L. 2019, as amended by
12 Section 4, Chapter 312, O.S.L. 2019, Section 18,
13 Chapter 11, O.S.L. 2019, Section 19, Chapter 11,
14 O.S.L. 2019, Section 20, Chapter 11, O.S.L. 2019,
15 Section 22, Chapter 11, O.S.L. 2019 and Section 23,
16 Chapter 11, O.S.L. 2019, as amended by Section 11,
17 Chapter 477, O.S.L. 2019 (63 O.S. Supp. 2019,
18 Sections 427.2, 427.3, 427.4, 427.6, 427.7, 427.9,
19 427.10, 427.11, 427.13, 427.14, 427.16, 427.17,
20 427.18, 427.19, 427.20, 427.22 and 427.23), which
21 relate to the Oklahoma Medical Marijuana and Patient
22 Protection Act; modifying scope of certain
23 definitions; deleting certain definitions; updating
24 references to certain named act; clarifying duties
and functions of the Oklahoma Medical Marijuana
Authority; providing for the establishment of a fee
schedule and collection of fees under certain
circumstances; requiring licensees to submit certain
information; providing statutory citations;
authorizing on-site inspections or investigations of
medical marijuana businesses and certain facilities;
authorizing the State Department of Health to enter
licensed premises and certain facilities; providing
for post-licensure inspections; providing for
additional investigations and inspections under
certain circumstances; authorizing the State
Commissioner of Health to prescribe certain
penalties; defining term; authorizing the review of
licensed medical marijuana waste disposal facility
records; removing provision that allows licensees to
secure legal representation prior to interviews
conducted by the Department; providing penalties for
grossly inaccurate or fraudulent reports; authorizing
the Department to issue orders without notice or
hearing under certain circumstances; requiring
compliance with provisions of order; affording
opportunity to apply for a hearing after issuance of

1 order; clarifying privacy requirements for handling
2 records of patients and caregivers; deleting
3 references to certain federal act; authorizing the
4 Authority to contact recommending physicians of
5 licensees; expanding certain protections to
6 podiatrists; providing for patient license
7 revocation; allowing patients to request the
8 withdrawal of a caregiver license; directing
9 withdrawal of caregiver license without a hearing
10 under certain circumstances; directing certain
11 facilities to keep transaction records and utilize
12 seed-to-sale tracking system; deleting inventory
13 tracking recordkeeping requirement; providing certain
14 exception related to fees; modifying certain business
15 licensing requirement by including research,
16 education and waste disposal facility applicants and
17 licensees; requiring criminal history background
18 checks for license renewals; reducing allowed
19 documentation; providing exemption from residency
20 requirement for certain medical marijuana business
21 license applicants; modifying and deleting certain
22 identification requirements; providing for the denial
23 of business applications; prohibiting the issuance of
24 research, education and waste disposal facility
licenses to certain persons; removing requirement to
consider additional information when considering
criminal histories of business license applicants;
clarifying manner by which the Department may seek
administrative action against applicants or
licensees; modifying exemption to certain compliance
requirement; requiring research, education and waste
disposal facility licensees to pay licensure fees
prior to receiving license; providing late renewal
fee for reinstatement of licenses; making fee
nonrefundable; prohibiting reinstatement of certain
expired licenses; prohibiting medical marijuana
businesses, research, education and waste disposal
facilities from operating without a valid, unexpired
license; providing for the issuance of transporter
licenses to certain entities; authorizing transport
to patients, parents or legal guardians of patients,
and caregivers; prohibiting certain repeat transport;
directing promulgation of certain rules; limiting
delivery to certain private residences; removing
certain transport requirements; requiring certain
inspection and verification; prohibiting delivery to
certain locations; reducing transporter agent license

1 fee; providing for the reprint of licenses without
2 charge; stating fee for subsequent license reprints;
3 modifying and deleting certain qualifications for
4 issuing transporter agent registry identification
5 cards; deleting certain inventory manifest
6 prohibition; increasing amount of time inventory
7 manifests and logs shall be maintained; defining
8 term; removing ability of the Oklahoma Medical
9 Marijuana Authority to develop research practices and
10 methods; removing requirement that prohibits indirect
11 beneficial owners from owning a laboratory; narrowing
12 scope of testing laboratory licenses; requiring
13 laboratory licensees to comply with application
14 requirements; authorizing testing laboratories to
15 accept samples from research and education
16 facilities; allowing the testing of product to be
17 conducted at quality assurance laboratories;
18 directing the State Department of Health to develop
19 standards and policies for validation procedures;
20 specifying type of batches and samples that must be
21 identified and tracked by an inventory tracking
22 system; increasing amount of time required for
23 testing laboratories to retain test results; removing
24 test batch weight limitation; increasing number of
inspections required for testing laboratories after
licensure; authorizing additional investigations and
inspections under certain circumstances; authorizing
commercial growers to transfer certain product to
processors under certain conditions; deleting and
modifying certain labeling and packaging
requirements; making payment of research license and
education license fees annual; clarifying application
process requirements for medical marijuana education
facility licenses; authorizing revocation of licenses
for violations of applicable laws, rules and
regulations; specifying the type of records and
information that are considered confidential and
exempt from the Oklahoma Open Records Act;
authorizing the Department to share certain
information with the Oklahoma Tax Commission;
modifying name of entity that recommends rules to the
State Commissioner of Health; authorizing the State
Department of Health to appoint additional members to
the Medical Marijuana Advisory Council; authorizing
the Department to tag or mark medical marijuana and
medical marijuana product under certain conditions;
authorizing the Department to embargo medical

1 marijuana and medical marijuana product; making the
2 removal or disposal of embargoed medical marijuana
3 and medical marijuana product without permission
4 unlawful; allowing the State Commissioner of Health
5 to institute actions in district court for the
6 condemnation and destruction of embargoed medical
7 marijuana and medical marijuana product that fails to
8 meet certain requirements; providing for the removal
9 of embargo after certain determination by the
10 Commissioner; providing exemption from liability;
11 providing for the destruction of medical marijuana
12 and medical marijuana product upon findings made by
13 the court; requiring expenses associated with
14 destruction, court costs and fees to be paid by owner
15 or defendant; authorizing courts to order delivery of
16 medical marijuana and medical marijuana product to
17 owner or defendant under certain circumstances;
18 directing expenses for supervision be paid to
19 Commissioner by certain person; amending Sections 2,
20 3 and 4, Chapter 337, O.S.L. 2019 (63 O.S. Supp.
21 2019, Sections 428.1, 429 and 430), which relate to
22 the Oklahoma Medical Marijuana Waste Management Act;
23 modifying scope of certain definitions; authorizing
24 the destruction of marijuana roots and stalks;
eliminating limit on number of licenses; deleting
documentation requirements for entities that engage
in the disposal of medical marijuana waste; removing
requirement for entities to maintain disposal records
for certain period of time; clarifying manner by
which distance requirements shall be measured for
waste disposal facilities; removing alternative
financial assurance option; providing for the annual
issuance of permits; directing deposits into
different fund; updating statutory citations;
clarifying language; providing for codification; and
declaring an emergency.

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

SECTION 1. AMENDATORY Section 1, State Question No. 788,
Initiative Petition No. 412, as last amended by Section 2, Chapter

1 509, O.S.L. 2019 (63 O.S. Supp. 2019, Section 420), is amended to
2 read as follows:

3 Section 420. A. A person in possession of a state-issued
4 medical marijuana license shall be able to:

5 1. Consume marijuana legally;

6 2. Legally possess up to three (3) ounces (84.9 grams) of
7 marijuana on their person;

8 3. Legally possess six (6) mature marijuana plants;

9 4. Legally possess six (6) seedling plants;

10 5. Legally possess one (1) ounce (28.3 grams) of concentrated
11 marijuana;

12 6. Legally possess seventy-two (72) ounces (2,037.6 grams) of
13 edible marijuana; and

14 7. Legally possess up to eight (8) ounces (226.4 grams) of
15 marijuana in their residence.

16 B. Possession of up to one and one-half (1.5) ounces (42.45
17 grams) of marijuana by persons ~~who can state a medical condition,~~
18 ~~but not in possession of a state-issued~~ without a medical marijuana
19 license, shall constitute a misdemeanor offense punishable by a fine
20 not to exceed Four Hundred Dollars (\$400.00) and shall not be
21 subject to imprisonment for the offense. Any law enforcement
22 officer who comes in contact with a person in violation of this
23 subsection and who is satisfied as to the identity of the person, as
24 well as any other pertinent information the law enforcement officer

1 deems necessary, shall issue to the person a written citation
2 containing a notice to answer the charge against the person in the
3 appropriate court. Upon receiving the written promise of the
4 alleged violator to answer as specified in the citation, the law
5 enforcement officer shall release the person upon personal
6 recognizance unless there has been a violation of another provision
7 of law.

8 C. A regulatory office shall be established under the State
9 Department of Health which shall receive applications for medical
10 marijuana license recipients, dispensaries, growers, and ~~packagers~~
11 processors within sixty (60) days of the passage of this initiative.

12 D. The State Department of Health shall within thirty (30) days
13 of passage of this initiative, make available, on ~~their~~ its website,
14 in an easy to find location, an application for a medical marijuana
15 license. The license shall be good for two (2) years. The biannual
16 application fee shall be One Hundred Dollars (\$100.00), or Twenty
17 Dollars (\$20.00) for individuals on Medicaid, Medicare or
18 SoonerCare. The methods of payment shall be provided on the
19 website.

20 E. A temporary license application shall also be made available
21 on the website of the State Department of Health for residents of
22 other states. A temporary medical marijuana license shall be
23 granted to ~~any medical marijuana license holder from other states,~~
24 ~~provided that the state has a state regulated medical marijuana~~

1 ~~program, and the applicant can prove he or she is a member of such~~
2 applicants who meet all requirements applicable to medical marijuana
3 patient license applicants prescribed by law or rule, except the
4 residency requirement provided by subsection F of this section.

5 Temporary licenses shall be issued for ~~thirty (30)~~ ninety (90) days.

6 The cost for a temporary license shall be One Hundred Dollars
7 (\$100.00). Renewal will be granted with resubmission of a new
8 application. No additional criteria shall be required.

9 F. Medical marijuana license applicants shall submit his or her
10 application to the State Department of Health for approval. The
11 applicant must be a resident of Oklahoma and shall prove residency
12 by a valid driver license, utility bills, or other accepted methods.

13 G. The State Department of Health shall review the medical
14 marijuana application, approve ~~or~~, reject or deny the application,
15 and mail the approval ~~or~~, rejection or denial letter ~~to the~~
16 ~~applicant~~ stating any reasons for rejection or denial to the
17 applicant within fourteen (14) business days of receipt of the
18 application. Approved applicants shall be issued a medical
19 marijuana license which will act as proof of his or her approved
20 status. Applications may only be rejected or denied based on the
21 applicant not meeting stated criteria or improper completion of the
22 application.

23 H. ~~The State Department of Health shall only keep the following~~
24 ~~records for each approved medical license:~~

- ~~1. A digital photograph of the license holder;~~
- ~~2. The expiration date of the license;~~
- ~~3. The county where the card was issued; and~~
- ~~4. A unique 24-character identification number assigned to the license.~~

~~I.~~ The State Department of Health shall make available, both on its website, and through a telephone verification system, an easy method to validate the authenticity of a medical marijuana license by the unique ~~24-character~~ ten- to twenty-four-character identification number.

~~J.~~ I. The State Department of Health shall ensure that all ~~application~~ medical marijuana patient and caregiver records and information are sealed to protect the privacy of medical marijuana license applicants and such records shall not be shared with any other state agency or political subdivision without a warrant issued by a court of competent jurisdiction.

~~K.~~ J. A caregiver license shall be made available for qualified caregivers of a medical marijuana license holder who is homebound. As provided in Section ~~11 of Enrolled House Bill No. 2612~~ 427.11 of ~~the 1st Session of the 57th Oklahoma Legislature~~ this title, the caregiver license shall provide the caregiver the same rights as the medical marijuana patient licensee, including the ability to possess marijuana, marijuana products and mature and immature plants pursuant to the Oklahoma Medical Marijuana and Patient Protection

1 Act, but excluding the ability to use marijuana or marijuana
2 products unless the caregiver has a medical marijuana patient
3 license. Applicants for a caregiver license shall submit proof of
4 the license status and homebound status of the medical marijuana
5 license holder, that the caregiver is the designee of the medical
6 marijuana license holder, that the caregiver is eighteen (18) years
7 of age or older, and that the caregiver is an Oklahoma resident.
8 This shall be the only criteria for a caregiver license.

9 ~~H.~~ K. All applicants must be eighteen (18) years of age or
10 older. A special exception shall be granted to an applicant under
11 the age of eighteen (18), however these applications must be signed
12 by two (2) physicians and the parent or legal guardian of the
13 applicant.

14 ~~M.~~ L. All applications for a medical marijuana license shall be
15 signed by an Oklahoma physician. There are no qualifying
16 conditions. A medical marijuana license must be recommended
17 according to the accepted standards a reasonable and prudent
18 physician would follow when recommending or approving any
19 medication. No physician may be unduly stigmatized or harassed for
20 signing a medical marijuana license application.

21 ~~N.~~ M. A medical marijuana patient who attempts to renew his or
22 her license more than thirty (30) days after expiration of the
23 license shall pay a late renewal fee in an amount to be determined
24 by the Department to reinstate the license. Late renewal fees are

1 nonrefundable. A license that has been expired for more than ninety
2 (90) days shall not be reinstated.

3 N. Counties and cities may enact medical marijuana guidelines
4 allowing medical marijuana license holders or caregivers to exceed
5 the state limits set forth in subsection A of this section.

6 SECTION 2. AMENDATORY Section 2, State Question No. 788,
7 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 421), is
8 amended to read as follows:

9 Section 421. A. The ~~Oklahoma~~ State Department of Health shall,
10 within thirty (30) days of passage of this initiative, make
11 available, on ~~their~~ its website, in an easy-to-find location, an
12 application for a medical marijuana dispensary license. The
13 application fee shall be Two Thousand Five Hundred Dollars
14 (\$2,500.00) ~~and a.~~ A method of payment ~~will~~ shall be provided on
15 the Department's website. ~~Retail~~ Dispensary applicants must all be
16 Oklahoma state residents. Any entity applying for a ~~retail~~
17 dispensary license must be owned by an Oklahoma state resident and
18 must be registered to do business in Oklahoma. The ~~Oklahoma~~ State
19 Department of Health shall have ~~two (2) weeks~~ ninety (90) business
20 days to review the application, approve ~~or~~, reject or deny the
21 application, and mail the ~~approval/rejection~~ approval, rejection or
22 denial letter ~~(if rejected, stating any reasons for rejection)~~ or
23 denial to the applicant.

24

1 B. The ~~Oklahoma~~ State Department of Health ~~must~~ shall approve
2 all applications which meet the following criteria:

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

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

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

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

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

14 6. All applicants must disclose all ownership~~+~~.

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

21 C. ~~Retailers will~~ Dispensaries shall be required to complete a
22 monthly sales report to the ~~Oklahoma~~ State Department of Health.

23 This report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month
24 and provide reporting on the previous month. This report ~~will~~ shall

1 detail the weight of marijuana purchased at wholesale and the weight
2 of marijuana sold to card holders, and account for any waste. The
3 report ~~will~~ shall show total sales in dollars, tax collected in
4 dollars, and tax due in dollars. The ~~Oklahoma~~ State Department of
5 Health ~~will~~ shall have oversight and auditing responsibilities to
6 ensure that all marijuana being grown is accounted for. ~~A retailer~~
7 ~~will only be subject to a penalty if a gross discrepancy exists and~~
8 ~~cannot be explained. Penalties for fraudulent reporting occurring~~
9 ~~within any 2 year time period will be an initial fine of Five~~
10 ~~Thousand Dollars (\$5,000.00) (first) and revocation of licensing~~
11 ~~(second).~~

12 D. Only a licensed medical marijuana ~~retailer may~~ dispensary
13 shall conduct retail sales of marijuana, or marijuana derivatives in
14 the form provided by licensed processors, and these products ~~can~~
15 shall only be sold to a licensed medical marijuana ~~license holder~~
16 patients or ~~their caregiver. Penalties for fraudulent sales~~
17 ~~occurring within any 2 year time period will be an initial fine of~~
18 ~~Five Thousand Dollars (\$5,000.00) (first) and revocation of~~
19 ~~licensing (second)~~ licensed medical marijuana caregivers. Beginning
20 on the effective date of this act, licensed medical marijuana
21 dispensaries shall be authorized to package and sell to licensed
22 medical marijuana patients and licensed medical marijuana caregivers
23 pre-rolled medical marijuana containing only ground parts of the
24 medical marijuana plant and no concentrates or derivatives.

1 E. Beginning on a date determined by the State Commissioner of
2 Health, but no later than one hundred eighty (180) days after the
3 effective date of this act, a licensed medical marijuana dispensary
4 may deliver medical marijuana, medical marijuana concentrate or
5 medical marijuana products to the private residence of a licensed
6 medical marijuana patient, the parent or legal guardian of a
7 licensed medical marijuana patient, or a licensed medical marijuana
8 caregiver. Delivery shall only be permitted if the private
9 residence is located within a ten-mile radius of the dispensary;
10 however, this restriction shall not apply to cases in which there is
11 no dispensary located within a ten-mile radius of the private
12 residence. When contacted by a licensed medical marijuana patient
13 or caregiver for the purchase and delivery of medical marijuana,
14 medical marijuana concentrate or medical marijuana products, the
15 dispensary shall verify that the patient or caregiver is qualified
16 to purchase and receive a delivery of medical marijuana, medical
17 marijuana concentrate and medical marijuana products. The
18 information provided by the patient or caregiver shall, at a
19 minimum, include the following:

- 20 1. The name and date of birth of the patient or caregiver;
- 21 2. The ten- to twenty-four-character identification number
22 assigned to the medical marijuana patient or caregiver license;
- 23 3. If the patient is under eighteen (18) years of age, the name
24 and date of birth of the parent or legal guardian of the patient;

1 4. The address of the residence where the order will be
2 delivered; and

3 5. Any other information required by the State Department of
4 Health.

5 SECTION 3. AMENDATORY Section 3, State Question No. 788,
6 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 422), is
7 amended to read as follows:

8 Section 422. A. The ~~Oklahoma~~ State Department of Health ~~will~~
9 shall, within thirty (30) days of passage of this initiative, make
10 available~~7~~ on ~~their~~ its website~~7~~, in an easy-to-find location~~7~~, an
11 application for a commercial grower license. The application fee
12 ~~will~~ shall be Two Thousand Five Hundred Dollars (\$2,500.00) ~~and~~.
13 The methods of payment ~~will~~ shall be provided on the Department's
14 website. The ~~Oklahoma~~ State Department of Health ~~has two (2) weeks~~
15 shall have ninety (90) business days to review the application,
16 approve ~~or~~, reject or deny the application~~7~~ and mail the
17 ~~approval/rejection~~ approval, rejection or denial letter ~~(if~~
18 ~~rejected, stating reasons for rejection)~~ stating reasons for the
19 rejection or denial to the applicant.

20 B. The ~~Oklahoma~~ State Department of Health ~~must~~ shall approve
21 all applications which meet the following criteria:

22 1. ~~Applicant~~ The applicant must be ~~age~~ twenty-five (25) years
23 of age or older;
24

1 2. ~~Any~~ The applicant, if applying as an individual, must show
2 residency in the State of Oklahoma;

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

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

8 5. All applying individuals or entities must be registered to
9 conduct business in the State of Oklahoma; and

10 6. All applicants must disclose all ownership~~+~~.

11 ~~7. Applicant(s)~~ Applicants with ~~only~~ a nonviolent felony
12 ~~conviction(s)~~ conviction in the last two (2) years, any other felony
13 conviction in ~~5 (years)~~ the last five (5) years, inmates in the
14 custody of the Department of Corrections, or any person currently
15 incarcerated ~~may~~ shall not qualify for a commercial grower license.

16 C. A licensed commercial grower may sell marijuana to a
17 licensed ~~retailer~~, dispensary or a licensed ~~packager~~ processor.
18 Beginning on the effective date of this act, licensed commercial
19 growers shall be authorized to package and sell to licensed medical
20 marijuana dispensaries pre-rolled medical marijuana containing only
21 ground parts of the medical marijuana plant and no concentrates or
22 derivatives. Further, these sales ~~will~~ shall be considered
23 wholesale sales and not subject to taxation. Under no circumstances
24 may a licensed commercial grower sell marijuana directly to a

1 licensed medical marijuana license holder patient. A licensed
2 commercial grower may only sell at the wholesale level to a licensed
3 ~~retailer~~ commercial grower, licensed dispensary, or a licensed
4 processor. If the federal government lifts restrictions on buying
5 and selling marijuana between states, then a licensed commercial
6 grower would be allowed to sell and buy marijuana wholesale from, or
7 to, an out of state wholesale provider. A licensed commercial
8 grower ~~will be required to~~ shall, in the manner and form prescribed
9 by the State Department of Health, complete a monthly yield and
10 sales report to the ~~Oklahoma~~ State Department of Health. This
11 report ~~will~~ shall be due on the ~~15th~~ fifteenth of each month and
12 provide reporting on the previous month. ~~This~~ The report ~~will~~
13 shall, among other items prescribed by the State Department of
14 Health, detail the amount of marijuana harvested ~~in pounds,~~ the
15 amount of drying or dried marijuana on hand, the amount of marijuana
16 sold ~~to processors in pounds,~~ the amount of waste ~~in pounds,~~ and the
17 amount of marijuana sold to retailers in lbs. ~~Additionally, this~~
18 ~~report will show~~ and total wholesale sales in dollars. The ~~Oklahoma~~
19 State Department of Health ~~will~~ shall have oversight and auditing
20 responsibilities to ensure that all marijuana being grown by the
21 licensed commercial grower is accounted for. ~~A licensed grower will~~
22 ~~only be subject to a penalty if a gross discrepancy exists and~~
23 ~~cannot be explained. Penalties for fraudulent reporting or sales~~
24 ~~occurring within any 2 year time period will be an initial fine of~~

1 ~~Five Thousand Dollars (\$5,000.00) (first) and revocation of~~
2 ~~licensing (second).~~

3 D. There shall be no limits on how much marijuana a licensed
4 commercial grower can grow.

5 SECTION 4. AMENDATORY Section 4, State Question No. 788,
6 Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 423), is
7 amended to read as follows:

8 Section 423. A. The ~~Oklahoma~~ State Department of Health shall,
9 within thirty (30) days of passage of this initiative, make
10 available~~r~~ on ~~their~~ its website~~r~~, in an easy-to-find location~~r~~, an
11 application for a medical marijuana processing license. The
12 application fee shall be Two Thousand Five Hundred Dollars
13 (\$2,500.00) ~~and methods.~~ A method of payment ~~will~~ shall be provided
14 on the Department's website. The ~~Oklahoma~~ State Department of
15 Health shall have ~~two (2) weeks~~ ninety (90) business days to review
16 the application, approve ~~or~~, reject or deny the application, and
17 mail the ~~approval/rejection~~ approval, rejection or denial letter ~~(if~~
18 ~~rejected~~ stating reasons for rejection) or denial to the applicant.

19 B. The ~~Oklahoma~~ State Department of Health ~~must~~ shall approve
20 all applications which meet the following criteria:

21 1. ~~Applicant~~ The applicant must be ~~age~~ twenty-five (25) years
22 of age or older;

23 2. ~~Any~~ The applicant, if applying as an individual, must show
24 residency in the State of Oklahoma;

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

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

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

8 6. All applicants must disclose all ownership~~+~~.

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

15 C. A licensed processor may ~~take marijuana plants and~~ distill
16 or process ~~these~~ marijuana plants into concentrates, edibles~~7~~, and
17 other forms for consumption. As required by subsection D of this
18 section, the ~~Oklahoma~~ State Department of Health ~~will~~ shall, within
19 sixty (60) days of passage of this initiative, make available a set
20 of standards which ~~will~~ shall be used by licensed processors in the
21 preparation of edible marijuana products. This should be in line
22 with current food preparation guidelines ~~and no.~~ No excessive or
23 punitive rules may be established by the ~~Oklahoma~~ State Department
24 of Health. Once a year, the ~~Oklahoma~~ State Department of Health may

1 inspect a processing operation and determine its compliance with the
2 preparation standards. If deficiencies are found, a written report
3 of deficiency ~~will~~ shall be issued to the processor. The processor
4 ~~will~~ shall have one (1) month to correct the deficiency or be
5 subject to a fine of Five Hundred Dollars (\$500.00) for each
6 deficiency. A licensed processor may sell marijuana products it
7 creates to a licensed ~~retailer,~~ dispensary or any other licensed
8 processor. Further, these sales ~~will~~ shall be considered wholesale
9 sales and not subject to taxation. Under no circumstances may a
10 licensed processor sell marijuana~~,~~ or any marijuana product~~,~~
11 directly to a licensed medical marijuana ~~license holder~~ patient or
12 caregiver. However, a licensed processor may process cannabis into
13 a concentrated form~~,~~ for a licensed medical ~~license holder,~~
14 marijuana patient or caregiver for a fee. ~~Processors will~~ Licensed
15 processors shall, in the manner and form prescribed by the State
16 Department of Health, complete a monthly yield and sales report to
17 the ~~Oklahoma~~ State Department of Health. This report ~~will~~ shall be
18 due on the ~~15th~~ fifteenth of each month and provide reporting on the
19 previous month. ~~This~~ The report ~~will~~ shall, among other items
20 prescribed by the State Department of Health, detail the amount of
21 marijuana purchased ~~in pounds,~~ the amount of marijuana cooked or
22 processed ~~in pounds,~~ ~~and,~~ the amount of waste ~~in pounds.~~
23 ~~Additionally, this report will show~~ and total wholesale sales in
24 dollars. The ~~Oklahoma~~ State Department of Health ~~will~~ shall have

1 oversight and auditing responsibilities to ensure that all marijuana
2 being ~~grown~~ processed is accounted for. ~~A licensed processor will~~
3 ~~only be subject to a penalty if a gross discrepancy exists and~~
4 ~~cannot be explained. Penalties for fraudulent reporting occurring~~
5 ~~within any 2 year time period will be an initial fine of Five~~
6 ~~Thousand Dollars (\$5,000.00) (first) and revocation of licensing~~
7 ~~(second).~~

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

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

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

7 SECTION 5. AMENDATORY Section 6, State Question No. 788,
8 Initiative Petition No. 412, as amended by Section 3, Chapter 509,
9 O.S.L. 2019 (63 O.S. Supp. 2019, Section 425), is amended to read as
10 follows:

11 Section 425. A. No school or landlord may refuse to enroll or
12 lease to and may not otherwise penalize a person solely for his or
13 her status as a medical marijuana license holder, unless failing to
14 do so would, more likely than not, cause the school or landlord ~~the~~
15 ~~potential~~ to lose a monetary or licensing-related benefit under
16 federal law or regulations.

17 B. Unless a failure to do so would, more likely than not, cause
18 an employer ~~the potential~~ to lose a monetary or licensing-related
19 benefit under federal law or regulations, an employer may not
20 discriminate against a person in hiring, termination or imposing any
21 term or condition of employment or otherwise penalize a person based
22 upon ~~either~~:

23 1. ~~The~~ the status of the person as a medical marijuana license
24 holder; ~~or~~.

1 2. Employers may take action against a holder of a medical
2 marijuana license if the holder uses or possesses marijuana while in
3 his or her place of employment or during the hours of employment.
4 Employers may not take action against the holder of a medical
5 marijuana license solely based upon the status of an employee as a
6 medical marijuana license holder or the results of a drug test
7 showing positive for marijuana or its components.

8 C. For the purposes of medical care, including organ
9 transplants, the authorized use of marijuana by a medical marijuana
10 license holder shall be considered the equivalent of the use of any
11 other medication under the direction of a physician and does not
12 constitute the use of an illicit substance or otherwise disqualify a
13 registered qualifying patient from medical care.

14 D. No medical marijuana license holder may be denied custody of
15 ~~or~~, visitation with or parenting time with a minor child, and there
16 is no presumption of neglect or child endangerment for conduct
17 allowed under this law, unless, by clear and convincing evidence, it
18 is established that the behavior of the ~~person~~ patient creates ~~an~~
19 ~~unreasonable danger~~ a risk of irreparable harm to the safety of the
20 minor.

21 E. No person holding a medical marijuana license may ~~unduly be~~
22 ~~withheld from holding~~ be denied or restricted from holding a state-
23 issued license by virtue of their being a licensed medical marijuana
24

1 ~~license holder~~ patient including, but not limited to, a concealed
2 carry permit.

3 F. 1. No city or local municipality may unduly change or
4 restrict zoning laws to prevent the opening of a ~~retail marijuana~~
5 ~~establishment~~ medical marijuana dispensary.

6 2. For purposes of this subsection, an undue change or
7 restriction of municipal zoning laws means an act which entirely
8 prevents ~~retail marijuana establishments~~ dispensaries from operating
9 within municipal boundaries as a matter of law. Municipalities may
10 follow their standard planning and zoning procedures to determine if
11 certain zones or districts would be appropriate for locating
12 marijuana-licensed premises, medical marijuana businesses or any
13 other premises where marijuana or its by-products are cultivated,
14 grown, processed, stored or manufactured.

15 ~~3. For purposes of this section, "retail marijuana~~
16 ~~establishment" means an entity licensed by the State Department of~~
17 ~~Health as a medical marijuana dispensary. Retail marijuana~~
18 ~~establishment does not include those other entities licensed by the~~
19 ~~Department as marijuana-licensed premises, medical marijuana~~
20 ~~businesses or other facilities or locations where marijuana or any~~
21 ~~product containing marijuana or its by-products are cultivated,~~
22 ~~grown, processed, stored or manufactured.~~

23 G. 1. The location of any ~~retail marijuana establishment~~
24 medical marijuana dispensary is specifically prohibited within one

1 thousand (1,000) feet of any public or private school ~~entrance~~.

2 Upon the effective date of this act, the distance indicated in this
3 subsection shall be measured from the nearest property line of the
4 public or private school to the front entrance of the dispensary.

5 If any public or private school is established within one thousand
6 (1,000) feet of any dispensary after such dispensary has been
7 licensed, the provisions of this section shall not be a deterrent to
8 the renewal of such license or warrant revocation of the license.

9 2. For the purposes of this subsection, an athletic facility,
10 ballpark, field or stadium owned, used or operated by a public or
11 private school shall not constitute a school unless the athletic
12 facility, ballpark, field or stadium is located on the same property
13 as a building used primarily for nonathletic classroom instruction.

14 H. Research shall be provided for under this law. A researcher
15 may apply to the State Department of Health for a special research
16 license. The license shall be granted, provided the applicant meets
17 the criteria listed ~~under subsection B of Section 421 of this title~~
18 in the Oklahoma Medical Marijuana and Patient Protection Act.

19 Research license holders shall be required to file monthly
20 consumption reports to the State Department of Health with amounts
21 of marijuana used for research.

22 SECTION 6. AMENDATORY Section 4, Chapter 509, O.S.L.
23 2019 (63 O.S. Supp. 2019, Section 426.1), is amended to read as
24 follows:

1 Section 426.1. A. ~~Except for revocation hearings concerning~~
2 ~~licensed patients, as~~ As defined in Section ~~2~~ 427.2 of ~~Enrolled~~
3 ~~House Bill No. 2612 of the 1st Session of the 57th Oklahoma~~
4 ~~Legislature~~ this title, all licensure revocation hearings conducted
5 pursuant to marijuana licenses established in the Oklahoma Statutes
6 +shall be recorded. A party may request a copy of the recording of
7 the proceedings. ~~Copies shall be provided to local law enforcement~~
8 ~~if the revocation was based on alleged criminal activity.~~

9 B. The State Department of Health shall assist any law
10 enforcement officer in the performance of his or her duties upon
11 such request by the law enforcement officer or the request of other
12 local officials having jurisdiction. Except for license information
13 concerning licensed patients, as defined in Section ~~2~~ 427.2 of
14 ~~Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma~~
15 ~~Legislature~~ this title, the Department shall share information with
16 law enforcement agencies upon request without a subpoena or search
17 warrant.

18 C. The State Department of Health shall, upon request from law
19 enforcement using the patient's medical marijuana license number,
20 make available ~~all information displayed on medical marijuana~~
21 ~~licenses, as well as~~ to law enforcement a manner to verify whether
22 or not the license is valid, ~~to law enforcement electronically~~
23 ~~through the Oklahoma Law Enforcement Telecommunications System.~~

1 D. The Department shall make available to Oklahoma state
2 agencies and political subdivisions a list of marijuana-licensed
3 premises, medical marijuana businesses or any other premises where
4 marijuana or its by-products are licensed to be cultivated, grown,
5 processed, stored or manufactured to aid Oklahoma state, county and
6 municipal governments in identifying locations within their
7 jurisdiction and ~~ensure~~ ensuring compliance with ~~local~~ applicable
8 laws, rules and regulations.

9 E. ~~All~~ If located within the incorporated boundaries of any
10 city or town, all marijuana-licensed premises, medical marijuana
11 businesses or any other premises where marijuana or its by-products
12 are licensed to be cultivated, grown, processed, stored or
13 manufactured shall submit with ~~their~~ the application or request to
14 change location, after notifying the political subdivision of their
15 intent, a certificate of compliance from the political subdivision
16 where the facility or use of the applicant or ~~use~~ licensee is to be
17 located certifying compliance with zoning classifications,
18 applicable municipal ordinances and all applicable safety,
19 electrical, fire, plumbing, waste, construction and building
20 specification codes. Once a certificate of compliance has been
21 submitted to the Oklahoma Medical Marijuana Authority showing full
22 compliance as outlined in this section, no additional certificate of
23 compliance shall be required for license renewal unless a change of
24 use or occupancy occurs, or there is any change concerning the

1 facility or location that would by law require additional
2 inspection, licensure, or permitting by the state or municipal
3 government.

4 SECTION 7. AMENDATORY Section 2, Chapter 11, O.S.L.
5 2019, as last amended by Section 1, Chapter 390, O.S.L. 2019 (63
6 O.S. Supp. 2019, Section 427.2), is amended to read as follows:

7 Section 427.2. As used in ~~this act~~ the Oklahoma Medical
8 Marijuana and Patient Protection Act:

9 1. "Advertising" means the act of providing consideration for
10 the publication, dissemination, solicitation, or circulation, of
11 visual, oral, or written communication, to induce directly or
12 indirectly any person to patronize a particular medical marijuana
13 business, or to purchase particular medical marijuana or a medical
14 marijuana product. Advertising includes marketing, but does not
15 include packaging and labeling;

16 2. "Authority" means the Oklahoma Medical Marijuana Authority;

17 3. "Batch number" means a unique numeric or alphanumeric
18 identifier assigned prior to testing to allow for inventory tracking
19 and traceability;

20 4. "Cannabinoid" means any of the chemical compounds that are
21 active principles of marijuana;

22 5. "Caregiver" means a family member or assistant who regularly
23 looks after a medical marijuana license holder whom a physician
24 attests needs assistance;

1 6. "Child-resistant" means special packaging that is:

2 a. designed or constructed to be significantly difficult
3 for children under five (5) years of age to open and
4 not difficult for normal adults to use properly as
5 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
6 1700.20 (1995),

7 b. opaque so that the outermost packaging does not allow
8 the product to be seen without opening the packaging
9 material, and

10 c. resealable to maintain its child-resistant
11 effectiveness for multiple openings for any product
12 intended for more than a single use or containing
13 multiple servings;

14 7. "Clone" means a nonflowering plant cut from a mother plant
15 that is capable of developing into a new plant and has shown no
16 signs of flowering;

17 8. "Commissioner" means the State Commissioner of Health;

18 9. "Complete application" means a document prepared in
19 accordance with the provisions set forth in this act, rules
20 promulgated pursuant thereto, and the forms and instructions
21 provided by the Department, including any supporting documentation
22 required and the applicable license application fee;

23 10. "Department" means the State Department of Health;

24

1 11. "Director" means the Executive Director of the Oklahoma
2 Medical Marijuana Authority;

3 12. "Dispense" means the selling of medical marijuana or a
4 medical marijuana product to a qualified patient or the designated
5 caregiver of the patient that is packaged in a suitable container
6 appropriately labeled for subsequent administration to or use by a
7 qualifying patient;

8 13. "Dispensary" means a medical marijuana dispensary, an
9 entity that has been licensed by the Department pursuant to this act
10 to purchase medical marijuana or medical marijuana products from a
11 licensed medical marijuana commercial grower, medical marijuana
12 dispensary, or medical marijuana processor, to prepare and package
13 non-infused pre-rolled medical marijuana, and to sell medical
14 marijuana or medical marijuana products to patients and caregivers
15 as defined under this act, or sell or transfer products to another
16 dispensary;

17 14. "Edible medical marijuana product" means any medical-
18 marijuana-infused product for which the intended use is oral
19 consumption including, but not limited to, any type of food, drink
20 or pill;

21 15. "Entity" means an individual, general partnership, limited
22 partnership, limited liability company, trust, estate, association,
23 corporation, cooperative, or any other legal or commercial entity;

24

1 16. "Flower" means the reproductive organs of the marijuana or
2 cannabis plant referred to as the bud or parts of the plant that are
3 harvested and used to consume in a variety of medical marijuana
4 products;

5 17. "Flowering" means the reproductive state of the marijuana
6 or cannabis plant in which there are physical signs of flower or
7 budding out of the nodes of the stem;

8 18. "Food-based medical marijuana concentrate" means a medical
9 marijuana concentrate that was produced by extracting cannabinoids
10 from medical marijuana through the use of propylene glycol,
11 glycerin, butter, olive oil, coconut oil or other typical food-safe
12 cooking fats;

13 19. ~~"Good cause" for purposes of an initial, renewal or~~
14 ~~reinstatement license application, or for purposes of discipline of~~
15 ~~a licensee, means:~~

- 16 a. ~~the licensee or applicant has violated, does not meet,~~
17 ~~or has failed to comply with any of the terms,~~
18 ~~conditions or provisions of the act, any rules~~
19 ~~promulgated pursuant thereto, or any supplemental~~
20 ~~relevant state or local law, rule or regulation,~~
- 21 b. ~~the licensee or applicant has failed to comply with~~
22 ~~any special terms or conditions that were placed upon~~
23 ~~the license pursuant to an order of the State~~

24

1 ~~Department of Health, Oklahoma Medical Marijuana~~
2 ~~Authority or the municipality, or~~

3 e. ~~the licensed premises of a medical marijuana business~~
4 ~~or applicant have been operated in a manner that~~
5 ~~adversely affects the public health or welfare or the~~
6 ~~safety of the immediate vicinity in which the~~
7 ~~establishment is located;~~

8 ~~20.~~ "Harvest batch" means a specifically identified quantity of
9 medical marijuana that is ~~uniform in strain,~~ cultivated utilizing
10 the same cultivation practices, harvested at the same time from the
11 same location and cured under uniform conditions;

12 ~~21.~~ 20. "Harvested marijuana" means post-flowering medical
13 marijuana not including trim, concentrate or waste;

14 ~~22.~~ 21. "Heat- or pressure-based medical marijuana concentrate"
15 means a medical marijuana concentrate that was produced by
16 extracting cannabinoids from medical marijuana through the use of
17 heat or pressure;

18 ~~23.~~ 22. "Immature plant" means a nonflowering marijuana plant
19 that has not demonstrated signs of flowering;

20 ~~24.~~ 23. "Inventory tracking system" means the required tracking
21 system that accounts for the entire life span of medical marijuana,
22 from ~~either~~ the seed ~~or immature plant~~ stage until the medical
23 marijuana or medical marijuana product is ~~sold to a patient at a~~
24 ~~medical marijuana dispensary, transferred to a medical marijuana~~

1 ~~research facility, consumed, used, disposed of or otherwise~~
2 ~~destroyed by a medical marijuana business or used in a research~~
3 ~~project by a medical marijuana research facility;~~

4 ~~25.~~ 24. "Licensed patient" or "patient" means a person who has
5 been issued a medical marijuana patient license by the State
6 Department of Health or Oklahoma Medical Marijuana Authority;

7 ~~26.~~ 25. "Licensed premises" means the premises specified in an
8 application for a medical marijuana business license, medical
9 marijuana research facility license or medical marijuana education
10 facility license pursuant to this act that are owned or in
11 possession of the licensee and within which the licensee is
12 authorized to cultivate, manufacture, distribute, sell, store,
13 transport, test or research medical marijuana or medical marijuana
14 products in accordance with the provisions of this act and rules
15 promulgated pursuant thereto;

16 ~~27.~~ 26. "Manufacture" means the production, propagation,
17 compounding or processing of a medical marijuana product, excluding
18 marijuana plants, either directly or indirectly by extraction from
19 substances of natural or synthetic origin, or independently by means
20 of chemical synthesis, or by a combination of extraction and
21 chemical synthesis;

22 ~~28.~~ 27. "Marijuana" shall have the same meaning as such term is
23 defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this
24 title;

1 ~~29.~~ 28. "Material change" means any change that would ~~require a~~
2 ~~substantive revision to the standard operating procedures of a~~
3 affect the qualifications for licensure of an applicant or licensee
4 ~~for the cultivation or production of medical marijuana, medical~~
5 ~~marijuana concentrate or medical marijuana products;~~

6 ~~30.~~ 29. "Mature plant" means a harvestable female marijuana
7 plant that is flowering;

8 ~~31.~~ 30. "Medical marijuana business (MMB)" means a licensed
9 medical marijuana dispensary, medical marijuana processor, medical
10 marijuana commercial grower, medical marijuana laboratory, medical
11 marijuana business operator, or a medical marijuana transporter;

12 ~~32.~~ 31. "Medical marijuana concentrate" or "concentrate" means
13 a specific subset of medical marijuana that was produced by
14 extracting cannabinoids from medical marijuana. Categories of
15 medical marijuana concentrate include water-based medical marijuana
16 concentrate, food-based medical marijuana concentrate, solvent-based
17 medical marijuana concentrate, and heat- or pressure-based medical
18 marijuana concentrate;

19 ~~33.~~ 32. "Medical marijuana commercial grower" or "commercial
20 grower" means an entity licensed to cultivate, prepare and package
21 medical marijuana, package pre-rolled medical marijuana, and
22 transfer or contract for transfer of medical marijuana and pre-
23 rolled medical marijuana to a medical marijuana dispensary, medical
24 marijuana processor, any other medical marijuana commercial grower,

1 medical marijuana research facility~~7~~ and medical marijuana education
2 facility ~~and pesticide manufacturers~~. A commercial grower may sell
3 seeds, flower or clones to commercial growers pursuant to this act;

4 ~~34.~~ 33. "Medical marijuana education facility" or "education
5 facility" means a person or entity approved pursuant to this act to
6 operate a facility providing training and education to individuals
7 involving the cultivation, growing, harvesting, curing, preparing,
8 packaging or testing of medical marijuana, or the production,
9 manufacture, extraction, processing, packaging or creation of
10 medical-marijuana-infused products or medical marijuana products as
11 described in this act;

12 ~~35.~~ 34. "Medical-marijuana-infused product" means a product
13 infused with medical marijuana including, but not limited to, edible
14 products, ointments and tinctures, except pre-rolled medical
15 marijuana that does not contain medical marijuana concentrate shall
16 not constitute a medical-marijuana-infused product;

17 ~~36.~~ 35. "Medical marijuana product" or "product" means a
18 product that contains cannabinoids that have been extracted from
19 plant material or the resin therefrom by physical or chemical means
20 and is intended for administration to a qualified patient including,
21 but not limited to, oils, tinctures, edibles, pills, topical forms,
22 gels, creams, vapors, patches, liquids, and forms administered by a
23 nebulizer, excluding live plant forms which are considered medical
24 marijuana;

1 ~~37.~~ 36. "Medical marijuana processor" means a person or entity
2 licensed pursuant to this act to operate a business including the
3 production, manufacture, extraction, processing, packaging or
4 creation of concentrate, medical-marijuana-infused products or
5 medical marijuana products as described in this act;

6 ~~38.~~ 37. "Medical marijuana research facility" or "research
7 facility" means a person or entity approved pursuant to this act to
8 conduct medical marijuana research. A medical marijuana research
9 facility is not a medical marijuana business;

10 ~~39.~~ 38. "Medical marijuana testing laboratory" or "laboratory"
11 means a public or private laboratory licensed pursuant to this act,
12 to conduct testing and research on medical marijuana and medical
13 marijuana products;

14 ~~40.~~ 39. "Medical marijuana transporter" or "transporter" means
15 a person or entity that is licensed pursuant to this act. A medical
16 marijuana transporter does not include a medical marijuana business
17 that transports its own medical marijuana, medical marijuana
18 concentrate or medical marijuana products to a property or facility
19 adjacent to or connected to the licensed premises if the property is
20 another licensed premises of the same medical marijuana business;

21 ~~41.~~ 40. "Medical marijuana waste" or "waste" means unused,
22 surplus, returned or out-of-date marijuana, plant debris of the
23 plant of the genus Cannabis, including dead plants and all unused
24 plant parts and roots;

1 ~~42.~~ 41. "Medical use" means the acquisition, possession, use,
2 delivery, transfer or transportation of medical marijuana, medical
3 marijuana products, medical marijuana devices or paraphernalia
4 relating to the administration of medical marijuana to treat a
5 licensed patient;

6 ~~43.~~ 42. "Mother plant" means a marijuana plant that is grown or
7 maintained for the purpose of generating clones, and that will not
8 be used to produce plant material for sale to a medical marijuana
9 processor or medical marijuana dispensary;

10 ~~44.~~ 43. "Oklahoma physician" or "physician" means a physician
11 licensed by and in good standing with the State Board of Medical
12 Licensure and Supervision, the State Board of Osteopathic Examiners
13 or the Board of Podiatric Medical Examiners;

14 ~~45.~~ 44. "Oklahoma resident" means an individual who can provide
15 proof of residency as required by this act;

16 ~~46.~~ 45. "Owner" means, except where the context otherwise
17 requires, a direct beneficial owner including, but not limited to,
18 all persons or entities as follows:

- 19 a. all shareholders owning an interest of a corporate
20 entity and all officers of a corporate entity,
- 21 b. all partners of a general partnership,
- 22 c. all general partners and all limited partners that own
23 an interest in a limited partnership,

24

- 1 d. all members that own an interest in a limited
2 liability company,
- 3 e. all beneficiaries that hold a beneficial interest in a
4 trust and all trustees of a trust,
- 5 f. all persons or entities that own interest in a joint
6 venture,
- 7 g. all persons or entities that own an interest in an
8 association,
- 9 h. the owners of any other type of legal entity, and
- 10 i. any other person ~~holding an interest or convertible~~
11 ~~note in any entity which owns, operates or manages a~~
12 licensed facility or entity which contracts for or
13 receives more than ten percent (10%) of the gross
14 monthly income or profit of the medical marijuana
15 business or which is compensated, in whole or in part,
16 based on an allocation of a percentage of sales,
17 income, or profit of the medical marijuana business if
18 such allocation exceeds ten percent (10%) of the gross
19 monthly sales or income of the medical marijuana
20 business. For purposes of this subparagraph, any
21 person or entity who receives such compensation from a
22 medical marijuana business that was issued a license
23 prior to the effective date of this act shall not be
24 considered an owner of that medical marijuana business

1 under this subparagraph but shall disclose such
2 financial interest in the medical marijuana business
3 to the State Department of Health upon request and as
4 prescribed by the Department. This exception applies
5 only to persons or entities who received such
6 compensation or entered into contracts for such
7 compensation prior to the effective date of this act;

8 ~~47.~~ 46. "Package" or "packaging" means any container or wrapper
9 that may be used by a medical marijuana business to enclose or
10 contain medical marijuana;

11 ~~48.~~ 47. "Person" means a natural person, partnership,
12 association, business trust, company, corporation, estate, limited
13 liability company, trust or any other legal entity or organization,
14 or a manager, agent, owner, director, servant, officer or employee
15 thereof, except that "person" does not include any governmental
16 organization;

17 ~~49.~~ 48. "Pesticide" means any substance or mixture of
18 substances intended for preventing, destroying, repelling or
19 mitigating any pest or any substance or mixture of substances
20 intended for use as a plant regulator, defoliant or desiccant,
21 except that the term "pesticide" shall not include any article that
22 is a "new animal drug" as designated by the United States Food and
23 Drug Administration;

24 ~~50.~~ 49. "Production batch" means:

- 1 a. any amount of medical marijuana concentrate of the
2 same category and produced using the same extraction
3 methods, and standard operating procedures ~~and an~~
4 ~~identical group of harvest batch of medical marijuana,~~
5 or
6 b. any amount of medical marijuana product of the same
7 ~~exact~~ type, produced using the same ingredients,
8 standard operating procedures and the same production
9 batch of medical marijuana concentrate;

10 ~~51.~~ 50. "Public institution" means any entity established or
11 controlled by the federal government, state government, or a local
12 government or municipality including, but not limited to,
13 institutions of higher education or related research institutions;

14 ~~52.~~ 51. "Public money" means any funds or money obtained by the
15 holder from any governmental entity including, but not limited to,
16 research grants;

17 ~~53.~~ 52. "Recommendation" means a document that is signed or
18 electronically submitted by a physician on behalf of a patient for
19 the use of medical marijuana pursuant to this act;

20 ~~54.~~ 53. "Registered to conduct business" means a person that
21 has provided proof that the business applicant or commercial
22 licensee is in good standing with the Oklahoma Secretary of State
23 and:
24

- 1 a. is in good standing with the Oklahoma Tax Commission,
2 or
3 b. in the case of dispensaries only, is in good standing
4 with or has entered into a mutually agreeable payment
5 plan with the Oklahoma Tax Commission;

6 ~~55.~~ 54. "Remediation" means the process by which ~~the medical~~
7 ~~marijuana flower or trim, which has failed microbial testing, is~~
8 ~~processed into solvent-based medical marijuana concentrate and a~~
9 harvest batch or production batch that fails testing undergoes a
10 procedure to remedy the harvest batch or production batch and is
11 ~~retested as required by this act~~ in accordance with Oklahoma laws,
12 rules and regulations;

13 ~~56.~~ 55. "Research project" means a discrete scientific endeavor
14 to answer a research question or a set of research questions related
15 to medical marijuana and is required for a medical marijuana
16 research license. A research project shall include a description of
17 a defined protocol, clearly articulated goals, defined methods and
18 outputs, and a defined start and end date. The description shall
19 demonstrate that the research project will comply with all
20 requirements in this act and rules promulgated pursuant thereto.
21 All research and development conducted by a medical marijuana
22 research facility shall be conducted in furtherance of an approved
23 research project;

1 ~~57.~~ 56. "Revocation" means the final decision by the Department
2 that any license issued pursuant to this act is rescinded because
3 the individual or entity does not comply with the applicable
4 requirements set forth in this act or rules promulgated pursuant
5 thereto;

6 ~~58.~~ 57. "School" means a public or private preschool or a
7 public or private elementary or secondary school used for school
8 classes and instruction. A homeschool, daycare or child-care
9 facility shall not be considered a "school" as used in this act;

10 ~~59.~~ 58. "Shipping container" means a hard-sided container with
11 a lid or other enclosure that can be secured in place. A shipping
12 container is used solely for the transport of medical marijuana,
13 medical marijuana concentrate, or medical marijuana products between
14 medical marijuana businesses, a medical marijuana research facility,
15 or a medical marijuana education facility;

16 ~~60.~~ 59. "Solvent-based medical marijuana concentrate" means a
17 medical marijuana concentrate that was produced by extracting
18 cannabinoids from medical marijuana through the use of a solvent
19 approved by the Department;

20 ~~61.~~ 60. "State Question" means Oklahoma State Question No. 788,
21 Initiative Petition No. 412, approved by a majority vote of the
22 citizens of Oklahoma on June 26, 2018;

1 ~~62. "Strain" means the classification of marijuana or cannabis~~
2 ~~plants in either pure sativa, indica, afghanica, ruderalis or hybrid~~
3 ~~varieties;~~

4 ~~63.~~ 61. "THC" means tetrahydrocannabinol, which is the primary
5 psychotropic cannabinoid in marijuana formed by decarboxylation of
6 naturally tetrahydrocannabinolic acid, which generally occurs by
7 exposure to heat;

8 ~~64. "Test batch" means with regard to usable marijuana, a~~
9 ~~homogenous, identified quantity of usable marijuana by strain, no~~
10 ~~greater than ten (10) pounds, that is harvested during a seven-day~~
11 ~~period from a specified cultivation area, and with regard to oils,~~
12 ~~vapors and waxes derived from usable marijuana, means an identified~~
13 ~~quantity that is uniform, that is intended to meet specifications~~
14 ~~for identity, strength and composition, and that is manufactured,~~
15 ~~packaged and labeled during a specified time period according to a~~
16 ~~single manufacturing, packaging and labeling protocol;~~

17 ~~65.~~ 62. "Transporter agent" means a person who transports
18 medical marijuana or medical marijuana products for a licensed
19 transporter and holds a transporter agent license pursuant to this
20 act;

21 ~~66.~~ 63. "Universal symbol" means the image established by the
22 State Department of Health or Oklahoma Medical Marijuana Authority
23 and made available to licensees through its website indicating that
24 the medical marijuana or the medical marijuana product contains THC;

1 ~~67.~~ 64. "Usable marijuana" means the dried leaves, flowers,
2 oils, vapors, waxes and other portions of the marijuana plant and
3 any mixture or preparation thereof, excluding ~~seed~~ seeds, roots and
4 stalks; and

5 ~~68.~~ 65. "Water-based medical marijuana concentrate" means a
6 concentrate that was produced by extracting cannabinoids from
7 medical marijuana through the use of only water, ice, or dry ice.

8 SECTION 8. AMENDATORY Section 3, Chapter 11, O.S.L.
9 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S.
10 Supp. 2019, Section 427.3), is amended to read as follows:

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

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

22 C. The Department shall implement the provisions of this act
23 consistently with the voter-approved State Question No. 788,
24 Initiative Petition No. 412, subject to the provisions of this act.

1 D. The Department shall exercise its respective powers and
2 perform its respective duties and functions as specified in this act
3 and ~~Title 63 of the Oklahoma Statutes~~ this title including, but not
4 limited to, the following:

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

- 9 a. public health policy and public safety policy,
- 10 b. agronomic and horticultural best practices, and
- 11 c. medical and pharmacopoeia best practices;

12 2. Contract with third-party vendors and other governmental
13 entities in order to carry out the respective duties and functions
14 as specified in this act;

15 3. Upon complaint or upon its own motion and upon a completed
16 investigation, levy fines as prescribed in ~~this act~~ applicable laws,
17 rules and regulations and suspend ~~or,~~ revoke or not renew licenses
18 pursuant to ~~this act~~ applicable laws, rules and regulations;

19 4. Issue subpoenas for the appearance or production of persons,
20 records and things in connection with disciplinary or contested
21 cases considered by the Department;

22 5. Apply for injunctive or declaratory relief to enforce the
23 provisions of ~~this section and any~~ applicable laws, rules
24 ~~promulgated pursuant to this section~~ and regulations;

1 6. Inspect and examine, ~~with notice provided in accordance with~~
2 ~~this act~~, all licensed premises of medical marijuana businesses,
3 research facilities ~~and~~, education facilities and waste disposal
4 facilities in which medical marijuana is cultivated, manufactured,
5 sold, stored, transported, tested ~~or~~, distributed or disposed;

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

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

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

17 10. ~~Require verification for sources of finance for medical~~
18 ~~marijuana businesses~~ Establish a fee schedule and collect fees for
19 material changes requested by the licensee.

20 SECTION 9. AMENDATORY Section 4, Chapter 11, O.S.L. 2019
21 (63 O.S. Supp. 2019, Section 427.4), is amended to read as follows:

22 Section 427.4. A. The Oklahoma Medical Marijuana Authority, in
23 conjunction with the State Department of Health, shall employ an
24

1 Executive Director and other personnel as necessary to assist the
2 Authority in carrying out its duties.

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 Department 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 Commissioner may delegate to any officer or employee of
17 the Department any of the powers of the Executive Director and may
18 designate any officer or employee of the Department to perform any
19 of the duties of the Executive Director.

20 E. The Executive Director shall be authorized to suggest rules
21 governing the oversight and implementation of this act.

22 F. The Department is hereby authorized to create employment
23 positions necessary for the implementation of its obligations
24 pursuant to this act, including but not limited to Authority

1 investigators and a senior director of enforcement. The Department
2 and the Authority, the senior director of enforcement, the Executive
3 Director, and Department investigators shall have all the powers of
4 any peace officer to:

5 1. Investigate violations or suspected violations of this act
6 and any rules promulgated pursuant thereto;

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

11 3. Assist or aid any law enforcement officer in the performance
12 of his or her duties upon such law enforcement officer's request or
13 the request of other local officials having jurisdiction;

14 4. ~~Require~~ As provided in Section 427.6 of this title, require
15 any business applicant or licensee, ~~upon twenty-four (24) hours~~
16 ~~notice or upon a showing of necessity~~, to permit an inspection of
17 licensed premises during business hours or at any time of apparent
18 operation, marijuana equipment, and marijuana accessories, or books
19 and records; and to permit the testing of or examination of medical
20 marijuana, concentrate, or product; and

21 5. Require applicants and licensees to submit complete and
22 current applications, submit information and fees required by ~~this~~
23 ~~act and fees~~, the Oklahoma Medical Marijuana and Patient Protection
24

1 Act and the Oklahoma Medical Marijuana Waste Management Act, and
2 approve material changes made by the applicant or licensee.

3 SECTION 10. AMENDATORY Section 6, Chapter 11, O.S.L.
4 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S.
5 Supp. 2019, Section 427.6), is amended to read as follows:

6 Section 427.6. A. The State Department of Health shall address
7 issues related to the medical marijuana program in Oklahoma
8 including, but not limited to, monitoring and disciplinary actions
9 as they relate to the medical marijuana program.

10 B. 1. The Department or its designee may perform on-site
11 ~~assessments~~ inspections or investigations of a licensee or applicant
12 for any medical marijuana business ~~license issued pursuant to this~~
13 ~~act,~~ research facility, education facility or waste disposal
14 facility to determine compliance with ~~this act~~ applicable laws,
15 rules and regulations or submissions made pursuant to this section.
16 The Department may enter the licensed premises of a medical
17 marijuana business ~~licensee or applicant,~~ research facility,
18 education facility or waste disposal facility to assess or monitor
19 compliance or ensure qualifications for licensure.

20 2. ~~Inspections~~ Post-licensure inspections shall be limited to
21 twice per calendar year and twenty-four (24) hours of notice shall
22 be provided to a medical marijuana business applicant or licensee
23 prior to an on-site assessment. However, investigations and
24 additional inspections may occur without notice when the Department

1 ~~shows that~~ believes an investigation or additional inspection is
2 necessary due to a possible violation of ~~this act.~~ Such inspection
3 ~~may be without notice if the Department believes that such notice~~
4 ~~will result in the destruction of evidence~~ the applicable laws,
5 rules or regulations. The State Commissioner of Health may adopt
6 rules imposing penalties including, but not limited to, monetary
7 penalties and revocation of license, for failure to allow the
8 Department reasonable access to the licensed premises for purposes
9 of conducting an inspection. As used in this paragraph, "reasonable
10 access" shall include, but not be limited to, access during normal
11 business hours of operation after twenty-four (24) hours of notice
12 has been provided or, for investigations or additional inspections,
13 access during normal business hours of operation.

14 3. The Department may review relevant records of a licensed
15 medical marijuana business, licensed medical marijuana research
16 facility ~~or,~~ licensed medical marijuana education facility or
17 licensed medical marijuana waste disposal facility, and may require
18 and conduct interviews with such persons or entities and persons
19 affiliated with such entities, for the purpose of determining
20 compliance with Department requirements and applicable laws-
21 ~~However, prior to conducting any interviews with the medical~~
22 ~~marijuana business, research facility or education facility, the~~
23 ~~licensee shall be afforded sufficient time to secure legal~~

24

1 ~~representation during such questioning if requested by the business~~
2 ~~or facility or any of its agents or employees or contractors.~~

3 4. The Department shall refer complaints alleging criminal
4 activity that are made against a licensee to appropriate Oklahoma
5 state or local law enforcement authorities.

6 C. Disciplinary action may be taken against an applicant or
7 licensee ~~under this act~~ for not adhering to ~~the law~~ applicable laws
8 pursuant to the terms, conditions and guidelines set forth in ~~this~~
9 ~~act~~ the Oklahoma Medical 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 Department.

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 ~~this~~
16 ~~section~~ applicable laws, rules or regulations;

17 2. Falsification or misrepresentation of any material or
18 information submitted to the Department;

19 3. Failing to allow or impeding ~~a monitoring visit~~ entry by
20 authorized representatives of the Department;

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

23

24

1 5. Failure to submit or disclose information required by ~~this~~
2 ~~section~~ applicable laws, rules or regulations or as otherwise
3 requested by the Department;

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 Department 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 Department;

11 10. Threatening or harming a patient, a medical practitioner or
12 an employee of the Department; and

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

15 F. Disciplinary actions against a licensee may include the
16 imposition of monetary penalties, which may be assessed by the
17 Department.

18 G. Penalties for sales or purchases by a medical marijuana
19 business to persons other than those allowed by law occurring within
20 any two-year time period may include an initial fine of up to One
21 Thousand Dollars (\$1,000.00) for a first violation and a fine of up
22 to Five Thousand Dollars (\$5,000.00) for any subsequent violation.
23 Penalties for grossly inaccurate or fraudulent reporting occurring
24 within any two-year time period may include an initial fine of One

1 Thousand Dollars (\$1,000.00) for a first violation and a fine of
2 Five Thousand Dollars (\$5,000.00) for any subsequent violations.

3 The medical marijuana business may be subject to a revocation of any
4 license granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana
5 and Patient Protection Act upon a showing that the violation was
6 willful or grossly negligent.

7 H. 1. First offense for intentional and impermissible
8 diversion of medical marijuana, concentrate~~r~~ or products by a
9 patient or caregiver to an unauthorized person shall not be punished
10 under a criminal statute but may be subject to a fine of Two Hundred
11 Dollars (\$200.00).

12 2. The second offense for impermissible diversion of medical
13 marijuana, concentrate~~r~~ or products by a patient or caregiver to an
14 unauthorized person shall not be punished under a criminal statute
15 but may be subject to a fine of not to exceed Five Hundred Dollars
16 (\$500.00) and may result in revocation of the license upon a showing
17 that the violation was willful or grossly negligent.

18 I. The following persons or entities may request a hearing to
19 contest an action or proposed action of the Department:

20 1. A medical marijuana business, research facility or education
21 facility licensee whose license has been summarily suspended or who
22 has received a notice of contemplated action to suspend or revoke a
23 license or take other disciplinary action; and

24

1 2. A patient or caregiver licensee whose license has been
2 summarily suspended or who has received notice of contemplated
3 action to suspend or revoke a license or take other disciplinary
4 action.

5 J. Whenever the Department finds, upon clear and convincing
6 evidence, that an emergency exists requiring immediate action in
7 order to protect the public health or welfare, the Department may
8 issue an order, without notice or hearing, stating the existence of
9 the emergency and requiring that action be taken as the Department
10 deems necessary to meet the emergency. The order shall be effective
11 immediately upon issuance. Any person to whom the order is directed
12 shall comply immediately with the provisions of the order but shall
13 be offered a hearing within ten (10) days of the issuance of the
14 order. On the basis of the hearing, the Department shall continue
15 the order in effect, revoke or modify the order.

16 K. All hearings held pursuant to this section shall be in
17 accordance with the Oklahoma Administrative Procedures Act, ~~Section~~
18 ~~250 et seq. of Title 75 of the Oklahoma Statutes.~~

19 SECTION 11. AMENDATORY Section 7, Chapter 11, O.S.L.
20 2019, as amended by Section 5, Chapter 509, O.S.L. 2019 (63 O.S.
21 Supp. 2019, Section 427.7), is amended to read as follows:

22 Section 427.7. A. The Oklahoma Medical Marijuana Authority
23 shall create a medical marijuana use registry of patients and
24 caregivers as provided under this section. The handling of any

1 records maintained in the registry shall comply with all ~~relevant~~
2 applicable state and federal privacy laws ~~including, but not limited~~
3 ~~to, the Health Insurance Portability and Accountability Act of 1996~~
4 ~~(HIPAA)~~.

5 B. The medical marijuana use registry shall be accessible to:

6 1. Oklahoma-licensed medical marijuana dispensaries to verify
7 the license of a patient or caregiver by the ten- to twenty-four-
8 character identifier; and

9 2. Any court in this state.

10 C. All other records regarding a medical marijuana patient
11 licensee shall be maintained by the Authority and shall be deemed
12 confidential. The handling of any records maintained by the
13 Authority shall comply with all ~~relevant~~ applicable state and
14 federal privacy laws ~~including, but not limited to, the Health~~
15 ~~Insurance Portability and Accountability Act of 1996 (HIPAA)~~. Such
16 records shall be marked as confidential, shall not be made available
17 to the public, and shall only be made available to the licensee,
18 designee of the licensee, any physician of the licensee or the
19 caregiver of the licensee.

20 D. A log shall be kept with the file of the licensee to record
21 any event in which the records of the licensee were made available
22 and to whom the records were provided.

23 E. The Department shall ensure that all ~~application~~ medical
24 marijuana patient and caregiver records and information are sealed

1 to protect the privacy of medical marijuana patient license
2 applicants and licensees.

3 SECTION 12. AMENDATORY Section 9, Chapter 11, O.S.L.
4 2019 (63 O.S. Supp. 2019, Section 427.9), is amended to read as
5 follows:

6 Section 427.9. A. The Authority may contact the recommending
7 physician of a licensee or an applicant for a medical marijuana
8 patient license to verify the need of the applicant or licensee for
9 the license and the information submitted with the application.

10 B. An applicant for a medical marijuana patient license who can
11 demonstrate his or her status as a one-hundred-percent-disabled
12 veteran as determined by the U.S. Department of Veterans Affairs and
13 codified at 38 C.F.R., Section 3.340(a)(2013) shall pay a reduced
14 biannual application fee of Twenty Dollars (\$20.00). The methods of
15 payment, as determined by the Authority, shall be provided on the
16 website. However, the Authority shall ensure that all applicants
17 have an option to submit the license application and payment by
18 means other than solely by submission of the application and fee
19 online.

20 C. The medical marijuana patient license shall be valid for up
21 to two (2) years from the date of issuance, unless the
22 recommendation of the physician is terminated pursuant to ~~this act~~
23 Section 427.10 of this title or revoked by the Department.

24

1 SECTION 13. AMENDATORY Section 10, Chapter 11, O.S.L.
2 2019, as amended by Section 2, Chapter 390, O.S.L. 2019 (63 O.S.
3 Supp. 2019, Section 427.10), is amended to read as follows:

4 Section 427.10. A. Only licensed Oklahoma allopathic,
5 osteopathic and podiatric physicians may provide a medical marijuana
6 recommendation for a medical marijuana patient license under this
7 act.

8 B. A physician who has not completed his or her first residency
9 shall not meet the definition of "physician" under this section and
10 any recommendation for a medical marijuana patient license shall not
11 be processed by the Authority.

12 C. No physician shall be subject to arrest, prosecution or
13 penalty in any manner or denied any right or privilege under
14 Oklahoma state, municipal or county statute, ordinance or
15 resolution, including without limitation a civil penalty or
16 disciplinary action by the State Board of Medical Licensure and
17 Supervision ~~or~~, the State Board of Osteopathic Examiners or the
18 Board of Podiatric Medical Examiners or by any other business,
19 occupation or professional licensing board or bureau, solely for
20 providing a medical marijuana recommendation for a patient or for
21 monitoring, treating or prescribing scheduled medication to patients
22 who are medical marijuana licensees. The provisions of this
23 subsection shall not prevent the relevant professional licensing
24 boards from sanctioning a physician for failing to properly evaluate

1 the medical condition of a patient or for otherwise violating the
2 applicable physician-patient standard of care.

3 D. A physician who recommends use of medical marijuana shall
4 not be located at the same physical address as a dispensary.

5 E. If the physician determines the continued use of medical
6 marijuana by the patient no longer meets the requirements set forth
7 in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection
8 Act, the physician shall notify the Department and the ~~Authority~~
9 ~~shall immediately revoke the license~~ Department shall notify the
10 patient of the revocation and provide the patient thirty (30) days
11 to submit a new recommendation. If the patient fails to supply the
12 Department with a new doctor recommendation within thirty (30) days,
13 the patient license shall be immediately voided without a right to
14 an individual hearing.

15 SECTION 14. AMENDATORY Section 11, Chapter 11, O.S.L.
16 2019 (63 O.S. Supp. 2019, Section 427.11), is amended to read as
17 follows:

18 Section 427.11. A. The caregiver license shall provide the
19 caregiver the same rights as the medical marijuana patient licensee,
20 including the ability to possess marijuana, marijuana products, and
21 mature and immature plants pursuant to ~~this act~~ the Oklahoma Medical
22 Marijuana and Patient Protection Act, but excluding the ability to
23 use marijuana or marijuana products unless the caregiver has a
24 medical marijuana patient license. Caregivers shall be authorized

1 to deliver marijuana and products to their authorized patients.
2 Caregivers shall be authorized to possess medical marijuana and
3 medical marijuana products up to the sum of the possession limits
4 for the patients under his or her care pursuant to ~~this act~~ the
5 Oklahoma Medical Marijuana and Patient Protection Act.

6 B. An individual caregiver shall be limited to exercising the
7 marijuana cultivation rights of no more than five licensed patients
8 as prescribed by ~~this act~~ the Oklahoma Medical Marijuana and Patient
9 Protection Act.

10 C. The license of a caregiver shall not extend beyond the
11 expiration date of the underlying patient license regardless of the
12 issue date.

13 D. A medical marijuana patient licensee may request, at any
14 time, to withdraw his or her caregiver license. In the event that
15 such a request is made or upon the expiration of the license of the
16 patient, the caregiver license shall be immediately withdrawn by the
17 Department without a right to a hearing.

18 SECTION 15. AMENDATORY Section 13, Chapter 11, O.S.L.
19 2019 (63 O.S. Supp. 2019, Section 427.13), is amended to read as
20 follows:

21 Section 427.13. A. All medical marijuana and medical marijuana
22 products shall be purchased solely from an Oklahoma-licensed medical
23 marijuana business, and shall not be purchased from any out-of-state
24 providers.

1 B. 1. The Authority shall have oversight and auditing
2 responsibilities to ensure that all marijuana being grown in
3 Oklahoma is accounted for and shall implement an inventory tracking
4 system. Pursuant to these duties, the Authority shall require that
5 each medical marijuana business, research facility, education
6 facility and waste disposal facility keep records for every
7 transaction with another medical marijuana business, patient or
8 caregiver. Inventory shall be tracked and updated after each
9 individual sale and reported to the Authority.

10 2. The inventory tracking system licensees use shall allow for
11 integration of other seed-to-sale systems and, at a minimum, shall
12 include the following:

- 13 a. notification of when marijuana seeds are planted,
- 14 b. notification of when marijuana plants are harvested
15 and destroyed,
- 16 c. notification of when marijuana is transported, sold,
17 stolen, diverted or lost,
- 18 d. a complete inventory of all marijuana, seeds, plant
19 tissue, clones, plants, usable marijuana or trim,
20 leaves and other plant matter, batches of extract, and
21 marijuana concentrates,
- 22 e. all samples sent to a testing laboratory, an unused
23 portion of a sample returned to a licensee, all
24

1 samples utilized by licensee for purposes of
2 negotiating a sale, and

3 f. all samples used for quality testing by a licensee.

4 3. Each medical marijuana business, research facility,
5 education facility and waste disposal facility shall develop written
6 standard operating procedures outlining the full operation of the
7 business as prescribed by the Department and shall use a seed-to-
8 sale tracking system or integrate its own seed-to-sale tracking
9 system with the seed-to-sale tracking system established by the
10 Authority.

11 4. These records shall include, but not be limited to, the
12 following:

13 a. the name and license number of the medical marijuana
14 business that cultivated, manufactured or sold the
15 medical marijuana or medical marijuana product,

16 b. the address and phone number of the medical marijuana
17 business that cultivated, manufactured or sold the
18 medical marijuana or medical marijuana product,

19 c. the type of product received during the transaction,

20 d. the batch number of the marijuana plant used,

21 e. the date of the transaction,

22 f. the total spent in dollars,

23 g. all point-of-sale records,

24 h. marijuana excise tax records, and

1 i. any additional information as may be reasonably
2 required by the Department.

3 ~~5. All inventory tracking records containing patient
4 information shall comply with all relevant state and federal laws
5 including, but not limited to, the Health Insurance Portability and
6 Accountability Act of 1996 (HIPAA), and shall not be retained by any
7 medical marijuana business for more than sixty (60) days.~~

8 SECTION 16. AMENDATORY Section 14, Chapter 11, O.S.L.
9 2019, as amended by Section 6, Chapter 509, O.S.L. 2019 (63 O.S.
10 Supp. 2019, Section 427.14), is amended to read as follows:

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

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

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

22 C. The Authority shall make available on its website or the
23 website of the Oklahoma Medical Marijuana Authority in an easy-to-
24 find location, applications for a medical marijuana business.

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

4 E. All applicants seeking licensure or licensure renewal as a
5 medical marijuana business shall comply with the following general
6 requirements:

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

10 2. Each application shall identify the city or county in which
11 the applicant seeks to obtain licensure as a medical marijuana
12 business;

13 3. Applicants shall submit a complete application to the
14 Department before the application may be accepted or considered;

15 4. All applications shall be complete and accurate in every
16 detail;

17 5. All applications shall include all attachments or
18 supplemental information required by the forms supplied by the
19 Authority;

20 6. All applications shall be accompanied by a full remittance
21 for the whole amount of the application fees. Application fees,
22 unless otherwise prescribed by the Department, are nonrefundable;

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

- 1 a. all applicants shall be ~~age~~ twenty-five (25) years of
2 age or older,
- 3 b. any applicant applying as an individual shall show
4 proof that the applicant is an Oklahoma resident
5 pursuant to paragraph 11 of this subsection,
- 6 c. any applicant applying as an entity shall show that
7 seventy-five percent (75%) of all members, managers,
8 executive officers, partners, board members or any
9 other form of business ownership are Oklahoma
10 residents pursuant to paragraph 11 of this subsection,
- 11 d. all applying ~~individuals or~~ entities shall be
12 registered to conduct business in ~~the State of~~
13 ~~Oklahoma~~ this state,
- 14 e. all applicants shall disclose all ownership interests
15 pursuant to ~~this act~~ the Oklahoma Medical Marijuana
16 and Patient Protection Act, and
- 17 f. medical marijuana business, research facility,
18 education facility and waste disposal facility
19 applicants and licensees shall not have been convicted
20 of a nonviolent felony in the last two (2) years, and
21 any other felony conviction within the last five (5)
22 years, shall not be current inmates, or currently
23 incarcerated in a jail or corrections facility;
- 24

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

9 9. All applicants for a medical marijuana business license,
10 research facility license or education facility license ~~authorized~~
11 ~~by this act~~ or the renewal of such license shall undergo an Oklahoma
12 criminal history background check conducted by the Oklahoma State
13 Bureau of Investigation (OSBI) within thirty (30) days prior to the
14 application for the license, including:

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

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

23 11. In order to be considered an Oklahoma resident for purposes
24 of a medical marijuana business application, all applicants shall

1 provide proof of Oklahoma residency for at least two (2) years
2 immediately preceding the date of application or five (5) years of
3 continuous Oklahoma residency during the preceding twenty-five (25)
4 years immediately preceding the date of application. Sufficient
5 documentation of proof of residency shall include a combination of
6 the following:

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

18 Applicants who were issued a medical marijuana business license
19 prior to August 30, 2019, applicants who submitted a complete
20 medical marijuana business license application to the Authority
21 prior to August 30, 2019, and were granted a medical marijuana
22 business license after August 30, 2019, and medical marijuana
23 testing laboratories that were licensed by the Oklahoma State Bureau
24 of Narcotics and Dangerous Drugs Control prior to August 30, 2019,

1 are hereby exempt from the two-year or five-year Oklahoma residency
2 requirement provided by this paragraph. Upon the effective date of
3 this act, a transporter agent shall be exempt from the two-year or
4 five-year Oklahoma residency requirement provided by this paragraph;

5 12. All license applicants shall be required to submit a
6 registration with the Oklahoma State Bureau of Narcotics and
7 Dangerous Drugs Control as provided in Sections ~~2-202~~ 2-302 through
8 ~~2-204~~ 2-304 of ~~Title 63 of the Oklahoma Statutes~~ this title;

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

- 12 a. front ~~and back~~ of an ~~Oklahoma~~ a state-issued driver
13 license,
- 14 b. front ~~and back~~ of an ~~Oklahoma~~ a state-issued
15 identification card,
- 16 c. a United States passport or other photo identification
17 issued by the United States government, or
- 18 d. ~~certified copy of the applicant's birth certificate~~
19 ~~for minor applicants who do not possess a document~~
20 ~~listed in this section, or~~
- 21 ~~e.~~ a tribal identification card approved for
22 identification purposes by the Oklahoma Department of
23 Public Safety; and

24 14. All applicants shall submit an applicant photograph.

1 F. The Authority shall review the medical marijuana business
2 application, approve ~~or~~, reject or deny the application and mail the
3 approval, rejection, denial or status-update letter to the applicant
4 within ninety (90) days of receipt of the application.

5 G. 1. The Authority shall review the medical marijuana
6 business applications and conduct all investigations, inspections
7 and interviews before approving the application.

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

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

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

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

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

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

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

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

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

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

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

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

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

5 7. A person whose authority to be a caregiver as defined in
6 this act has been revoked by the Department; or

7 8. A ~~publicly traded company~~ person who was involved in the
8 management or operations of any medical marijuana business, research
9 facility, education facility or waste disposal facility that has had
10 a medical marijuana business license revoked by the Department at
11 any time during the five (5) years preceding submission of the
12 application.

13 I. In investigating the qualifications of an applicant or a
14 licensee, the Department, Authority and municipalities may have
15 access to criminal history record information furnished by a
16 criminal justice agency subject to any restrictions imposed by such
17 an agency. ~~In the event the Department considers the criminal~~
18 ~~history record of the applicant, the Department shall also consider~~
19 ~~any information provided by the applicant regarding such criminal~~
20 ~~history record, including but not limited to evidence of~~
21 ~~rehabilitation, character references and educational achievements,~~
22 ~~especially those items pertaining to the period of time between the~~
23 ~~last criminal conviction of the applicant and the consideration of~~
24 ~~the application for a state license.~~

1 J. The failure of an applicant or licensee to provide the
2 requested information by the Authority deadline may be grounds for
3 denial of the application.

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

14 L. A licensed medical marijuana business premises shall be
15 subject to and responsible for compliance with applicable provisions
16 for medical marijuana business facilities as described in the most
17 recent versions of the Oklahoma Uniform Building Code, the
18 International Building Code and the International Fire Code, unless
19 granted an exemption by the ~~Authority or municipality~~ entity
20 responsible for enforcement of the applicable code.

21 M. All medical marijuana business, research facility, education
22 facility and waste disposal facility licensees shall pay the
23 relevant licensure fees prior to receiving licensure to operate a
24

1 ~~medical marijuana business, as defined in this act for each class of~~
2 ~~license.~~

3 N. A medical marijuana business, research facility, education
4 facility or waste disposal facility that attempts to renew its
5 license more than thirty (30) days after expiration of the license
6 shall pay a late renewal fee in an amount to be determined by the
7 Department to reinstate the license. Late renewal fees are
8 nonrefundable. A license that has been expired for more than ninety
9 (90) days shall not be reinstated.

10 O. No medical marijuana business, research facility, education
11 facility or waste disposal facility shall operate without a valid,
12 unexpired license issued by the Department.

13 SECTION 17. AMENDATORY Section 16, Chapter 11, O.S.L.
14 2019 (63 O.S. Supp. 2019, Section 427.16), is amended to read as
15 follows:

16 Section 427.16. A. There is hereby created a medical marijuana
17 transporter license as a category of the medical marijuana business
18 license.

19 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
20 this title, the Oklahoma Medical Marijuana Authority shall issue a
21 medical marijuana transporter license to licensed medical marijuana
22 commercial growers, processors and dispensaries upon issuance of
23 such licenses and upon each renewal. Transporter licenses shall
24 also be issued to licensed research facilities, education facilities

1 and testing laboratories upon issuance of such licenses and upon
2 each renewal.

3 C. A medical marijuana transporter license may also be issued
4 to qualifying applicants who are registered with the Oklahoma
5 Secretary of State and otherwise meet the requirements for a medical
6 marijuana business license set forth in ~~this act~~ the Oklahoma
7 Medical Marijuana and Patient Protection Act and the requirements
8 set forth in this section to provide logistics, distribution and
9 storage of medical marijuana, medical marijuana concentrate and
10 medical marijuana products.

11 D. A medical marijuana transporter license shall be valid for
12 one (1) year and shall not be transferred with a change of
13 ownership. A licensed medical marijuana transporter shall be
14 responsible for all medical marijuana, concentrate and products once
15 the transporter takes control of the product.

16 E. A transporter license shall be required for any person or
17 entity to transport or transfer medical marijuana, concentrate or
18 product from ~~a licensed medical marijuana business to another~~
19 ~~medical marijuana business, or from a medical marijuana business to~~
20 ~~a medical marijuana research facility or medical marijuana education~~
21 facility:

22 1. A licensed medical marijuana business to another medical
23 marijuana business;

24

1 2. A medical marijuana business to a medical marijuana research
2 facility or medical marijuana education facility; or

3 3. A licensed medical marijuana dispensary to a patient, a
4 parent or legal guardian of a patient or a caregiver who placed the
5 order and who:

6 a. has a valid medical marijuana patient license, is the
7 parent or legal guardian of a patient with a valid
8 medical marijuana patient license or has a valid
9 medical marijuana caregiver license, and

10 b. possesses a current, state-issued identification card.

11 F. 1. A medical marijuana transporter licensee may contract
12 with multiple licensed medical marijuana businesses.

13 2. Beginning on a date determined by the State Commissioner of
14 Health, but no later than one hundred eighty (180) days after the
15 effective date of this act, a medical marijuana transporter licensee
16 may deliver medical marijuana, medical marijuana concentrate and
17 medical marijuana products to a licensed patient, the parent or
18 legal guardian of a licensed patient or a licensed caregiver. A
19 medical marijuana transporter shall be prohibited from delivering
20 medical marijuana, medical marijuana concentrate or medical
21 marijuana products more than once per day to the same patient,
22 parent or legal guardian of the patient, caregiver or private
23 residence. The State Commissioner of Health shall adopt rules
24 governing delivery of medical marijuana. Such rules shall, at a

1 minimum, limit the amount of medical marijuana and medical marijuana
2 products a delivery vehicle may transport to the amount of medical
3 marijuana or medical marijuana products necessary to fulfill patient
4 or caregiver orders placed prior to departure from the licensed
5 premises.

6 3. When delivering medical marijuana, medical marijuana
7 concentrate or medical marijuana products to a patient, parent or
8 legal guardian of a patient or a caregiver, the medical marijuana
9 transporter shall deliver such products only to the private
10 residence of the patient, parent or legal guardian of the patient,
11 or caregiver. A medical marijuana transporter shall deliver medical
12 marijuana, medical marijuana concentrate or medical marijuana
13 products only to a private residence located within a ten-mile
14 radius of the dispensary from which the medical marijuana, medical
15 marijuana concentrate or medical marijuana products were purchased;
16 however, this restriction shall not apply to cases in which there is
17 no dispensary located within a ten-mile radius of the private
18 residence.

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 ~~this act~~ the Oklahoma
5 Medical Marijuana and Patient Protection Act to create shipping
6 manifests documenting the transport of medical marijuana, medical
7 marijuana concentrate and medical marijuana products throughout the
8 state.

9 I. A licensed medical marijuana transporter may maintain and
10 operate one or more warehouses in the state to handle medical
11 marijuana, concentrate and products.

12 J. All medical marijuana, medical marijuana concentrate and
13 ~~product~~ medical marijuana products shall be transported:

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

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

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

20 in a manner prescribed by the Department.

21 K. 1. A transporter agent may possess marijuana at any
22 location while the transporter agent is transferring marijuana to or
23 from a licensed medical marijuana business, licensed medical
24 marijuana research facility ~~or~~, licensed medical marijuana education

1 facility, licensed medical marijuana patient or licensed medical
2 marijuana caregiver.

3 2. Prior to transferring possession of the medical marijuana,
4 medical marijuana concentrate or medical marijuana products to a
5 licensed patient, a parent or legal guardian of a licensed patient
6 or a licensed caregiver, the transporter agent shall inspect the
7 state-issued identification card of the patient, parent or legal
8 guardian of the patient or caregiver, and the medical marijuana
9 license of the patient or caregiver issued pursuant to Section 420
10 of this title. The transporter agent shall verify that the
11 information provided at the time of the order matches the name and
12 age on the state-issued identification card of the patient, parent
13 or legal guardian of the patient or caregiver.

14 3. The delivery of medical marijuana, medical marijuana
15 concentrate or medical marijuana products to a public or private
16 school, the campus of any institution of higher education or any
17 other public property is hereby prohibited.

18 The Department shall administer and enforce the provisions of
19 this section concerning transportation.

20 L. The Authority shall issue a transporter agent license to
21 individual agents, employees, officers or owners of a transporter
22 license in order for the individual to qualify to transport medical
23 marijuana, medical marijuana concentrate, or ~~product~~ medical
24 marijuana products.

1 M. The annual fee for a transporter agent license shall be ~~One~~
2 ~~Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be
3 paid by the transporter license holder or the individual applicant.
4 One license reprint within the licensure period shall be granted
5 free of charge. All subsequent license reprints shall incur a fee
6 of Twenty Dollars (\$20.00).

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

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

19 O. If the transporter agent application is denied, the
20 Department shall notify the transporter in writing of the reason for
21 denying the registry identification card.

22 P. A registry identification card for a transporter shall
23 expire one (1) year after the date of issuance or upon notification
24

1 from the holder of the transporter license that the transporter
2 agent ceases to work as a transporter.

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

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

12 S. Vehicles used in the transport of medical marijuana, medical
13 marijuana concentrate or medical marijuana ~~product~~ products shall
14 be:

15 1. Insured at or above the legal requirements in Oklahoma;

16 2. Capable of securing medical marijuana, medical marijuana
17 concentrate or medical marijuana products during transport; and

18 3. In possession of a shipping container as defined in this act
19 capable of securing all transported ~~product~~ 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 patient, caregiver,
 - 10 dispensary, commercial grower, processor, research
 - 11 facility or education 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. An inventory manifest shall not be altered after departing~~
6 ~~the originating premises other than in cases where the printed name~~
7 ~~and signature of receipt by the receiving licensee is necessary.~~

8 ~~4.~~ A receiving licensee shall refuse to accept any medical
9 marijuana, medical marijuana concentrate or medical marijuana
10 product that is not accompanied by an inventory manifest.

11 ~~5.~~ 4. Originating and receiving licensees shall maintain copies
12 of inventory manifests and logs of quantities of medical marijuana
13 received for ~~three (3)~~ seven (7) years from date of receipt.

14 V. As used in this section, "private residence" means private
15 premises where a person lives, such as a private dwelling place or
16 place of habitation, and specifically excludes any premises located
17 at a public or private school or on the campus of an institution of
18 higher education.

19 SECTION 18. AMENDATORY Section 17, Chapter 11, O.S.L.
20 2019, as amended by Section 4, Chapter 312, O.S.L. 2019 (63 O.S.
21 Supp. 2019, Section 427.17), is amended to read as follows:

22 Section 427.17. A. There is hereby created a medical marijuana
23 testing laboratory license as a category of the medical marijuana
24 business license. The Oklahoma Medical Marijuana Authority is

1 hereby enabled to monitor, inspect and audit a licensed testing
2 laboratory under ~~this act~~ the Oklahoma Medical Marijuana and Patient
3 Protection Act.

4 B. The Authority is hereby authorized to contract with a
5 private laboratory for the purpose of conducting compliance testing
6 of medical marijuana testing laboratories licensed in this state.
7 Any such laboratory under contract for compliance testing shall be
8 prohibited from conducting any other commercial medical marijuana
9 testing in this state.

10 C. The Authority shall have the authority to develop acceptable
11 testing ~~and research~~ practices, including, but not limited to,
12 testing, standards, quality control analysis, equipment
13 certification and calibration, and chemical identification and
14 substances used ~~in bona fide research methods so long as it complies~~
15 ~~with this act~~.

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

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

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

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

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

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

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

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

7 1. The individual person is a patient or caregiver pursuant to
8 this act or is a participant in an approved clinical or
9 observational study conducted by a research facility; and

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

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

18 L. A medical marijuana testing laboratory may utilize a
19 licensed medical marijuana transporter to transport samples of
20 medical marijuana, medical marijuana concentrate and medical
21 marijuana product for testing, in accordance with this act and the
22 rules adopted pursuant thereto, between the originating medical
23 marijuana business requesting testing services and the destination
24 laboratory performing testing services.

1 M. The medical marijuana testing laboratory shall establish
2 policies to prevent the existence of or appearance of undue
3 commercial, financial or other influences that may diminish the
4 competency, impartiality and integrity of the testing processes or
5 results of the laboratory, or that may diminish public confidence in
6 the competency, impartiality and integrity of the testing processes
7 or results of the laboratory. At a minimum, employees, owners or
8 agents of a medical marijuana testing laboratory who participate in
9 any aspect of the analysis and results of a sample are prohibited
10 from improperly influencing the testing process, improperly
11 manipulating data, or improperly benefiting from any ongoing
12 financial, employment, personal or business relationship with the
13 medical marijuana business that provided the sample.

14 N. The Department, pursuant to rules promulgated by the State
15 Commissioner of Health, shall develop standards, policies and
16 procedures as necessary for:

17 1. The cleanliness and orderliness of a laboratory premises and
18 the location of the laboratory in a secure location, and inspection,
19 cleaning and maintenance of any equipment or utensils used for the
20 analysis of test samples;

21 2. Testing procedures, testing standards for cannabinoid and
22 terpenoid potency and safe levels of contaminants, ~~and~~ remediation
23 procedures and validation procedures;

24

- 1 3. Controlled access areas for storage of medical marijuana and
2 medical marijuana product test samples, waste and reference
3 standards;
- 4 4. Records to be retained and computer systems to be utilized
5 by the laboratory;
- 6 5. The possession, storage and use by the laboratory of
7 reagents, solutions and reference standards;
- 8 6. A certificate of analysis (COA) for each lot of reference
9 standard;
- 10 7. The transport and disposal of unused marijuana, marijuana
11 products and waste;
- 12 8. The mandatory use by a laboratory of an inventory tracking
13 system to ensure all ~~test~~ harvest and production batches or samples
14 containing medical marijuana, medical marijuana concentrate or
15 medical marijuana products are identified and tracked from the point
16 they are transferred from a medical marijuana business, a patient or
17 a caregiver through the point of transfer, destruction or disposal.
18 The inventory tracking system reporting shall include the results of
19 any tests that are conducted on medical marijuana, medical marijuana
20 concentrate or medical marijuana product;
- 21 9. Standards of performance;
- 22 10. The employment of laboratory personnel;
- 23 11. A written standard operating procedure manual to be
24 maintained and updated by the laboratory;

1 12. The successful participation in a Department-approved
2 proficiency testing program for each testing category listed in this
3 section, in order to obtain and maintain certification;

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

7 14. The establishment by the laboratory of a system to document
8 the complete chain of custody for samples from receipt through
9 disposal;

10 15. The establishment by the laboratory of a system to retain
11 and maintain all required records, including business records, and
12 processes to ensure results are reported in a timely and accurate
13 manner; and

14 16. Any other aspect of laboratory testing of medical marijuana
15 or medical marijuana product deemed necessary by the Department.

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

1 P. A medical marijuana testing laboratory shall retain all
2 results of laboratory tests conducted on marijuana or products for a
3 period of at least ~~two (2)~~ seven (7) years and shall make them
4 available to the Department upon request.

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

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

17 R. ~~A test batch shall not exceed ten (10) pounds of usable~~
18 ~~marijuana or medical marijuana product, as appropriate.~~ A grower
19 shall separate each harvest lot of usable marijuana into harvest
20 batches containing no more than ten (10) pounds. A processor shall
21 separate each medical marijuana production lot into production
22 batches containing no more than ten (10) pounds.

23 S. Medical marijuana testing laboratory licensure shall be
24 contingent upon successful on-site inspection, successful

1 participation in proficiency testing and ongoing compliance with the
2 applicable requirements in this section.

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

11 U. Beginning on a date determined by the Commissioner, not
12 later than January 1, ~~2020~~ 2021, medical marijuana testing
13 laboratory licensure shall be contingent upon accreditation by the
14 NELAC Institute (TNI), ANSI/ASQ National Accreditation Board or
15 another accrediting body approved by the Commissioner, and any
16 applicable standards as determined by the Department.

17 V. ~~A~~ 1. Unless otherwise authorized by this section, a
18 commercial grower shall not transfer or sell medical marijuana and a
19 processor shall not transfer, sell or process into a concentrate or
20 product any medical marijuana, medical marijuana concentrate or
21 medical marijuana product unless samples from each harvest batch or
22 production batch from which that medical marijuana, medical
23 marijuana concentrate or medical marijuana product was derived has
24 been tested by a medical marijuana testing facility ~~for contaminants~~

1 and passed all ~~contaminant~~ tests required by ~~this act~~ the Oklahoma
2 Medical Marijuana and Patient Protection Act and applicable laws,
3 rules and regulations.

4 2. A commercial grower may transfer medical marijuana that has
5 failed testing to a processor only for the purposes of remediation
6 and only in accordance with the Oklahoma Medical Marijuana and
7 Patient Protection Act and the rules and regulations of the
8 Department.

9 3. Growers and processors who achieve process validation under
10 the rules and regulations set forth by the Department may transfer,
11 sell or process medical marijuana and medical marijuana products in
12 accordance with those rules and regulations.

13 SECTION 19. AMENDATORY Section 18, Chapter 11, O.S.L.
14 2019 (63 O.S. Supp. 2019, Section 427.18), is amended to read as
15 follows:

16 Section 427.18. A. An Oklahoma medical marijuana business
17 shall not sell, transfer or otherwise distribute medical marijuana
18 or medical marijuana product that has not been packaged and labeled
19 in accordance with this section and rules promulgated by the State
20 Commissioner of Health.

21 B. A medical marijuana dispensary shall return medical
22 marijuana and medical marijuana product that does not meet packaging
23 or labeling requirements in this section or rules promulgated
24 pursuant thereto to the entity who transferred it to the dispensary.

1 The medical marijuana dispensary shall document to whom the item was
2 returned, what was returned and the date of the return or dispose of
3 any usable marijuana that does not meet these requirements in
4 accordance with ~~this act~~ the Oklahoma Medical Marijuana and Patient
5 Protection Act.

6 C. 1. Medical marijuana packaging shall be packaged to
7 minimize its appeal to children and shall not depict images other
8 than the business name logo of the medical marijuana producer and
9 image of the product.

10 2. A medical marijuana business shall not place any content on
11 a container in a manner that reasonably appears to target
12 individuals under the age of twenty-one (21), including but not
13 limited to cartoon characters or similar images.

14 3. Labels on a container shall not include any false or
15 misleading statements.

16 4. No container shall be intentionally or knowingly labeled so
17 as to cause a reasonable patient confusion as to whether the medical
18 marijuana, medical marijuana concentrate or medical marijuana
19 product is a trademarked product or labeled in a manner that
20 violates any federal trademark law or regulation.

21 5. The label on the container shall not make any claims
22 regarding health or physical benefits to the patient.

23 6. All medical marijuana, medical marijuana concentrate and
24 medical marijuana products sold at a medical marijuana dispensary

1 shall be packaged in a child-resistant container ~~at the point of~~
2 ~~transfer to the patient or caregiver.~~

3 D. The State Department of Health shall develop minimum
4 standards for packaging and labeling of medical marijuana and
5 medical marijuana products. Such standards shall include, but not
6 be limited to, the required contents of labels to be affixed to all
7 medical marijuana and medical marijuana products prior to transfer
8 to a licensed patient or caregiver, which shall include, at a
9 minimum:

10 1. ~~A universal symbol indicating that the product contains~~
11 ~~tetrahydrocannabinol (THC);~~

12 ~~2.~~ THC and other cannabinoid potency, and terpenoid potency;

13 ~~3.~~ 2. A statement indicating that the product has been tested
14 for contaminants;

15 ~~4.~~ 3. One or more product warnings to be determined by the
16 Department; and

17 ~~5.~~ 4. Any other information the Department deems necessary.

18 SECTION 20. AMENDATORY Section 19, Chapter 11, O.S.L.
19 2019 (63 O.S. Supp. 2019, Section 427.19), is amended to read as
20 follows:

21 Section 427.19. A. A medical marijuana research license may be
22 issued to a person to grow, cultivate, possess and transfer, by sale
23 or donation, marijuana pursuant to ~~this act~~ the Oklahoma Medical
24

1 Marijuana and Patient Protection Act for the limited research
2 purposes identified in this section.

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

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

9 1. To test chemical potency and composition levels;

10 2. To conduct clinical investigations of marijuana-derived
11 medicinal products;

12 3. To conduct research on the efficacy and safety of
13 administering marijuana as part of medical treatment;

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

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

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

1 Authority shall grant the application if it determines that the
2 applicant meets the criteria in this section.

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

7 a. the quality, study design, value or impact of the
8 project,

9 b. whether the applicant has the appropriate personnel,
10 expertise, facilities, infrastructure, funding and
11 human, animal or other approvals in place to
12 successfully conduct the project, and

13 c. whether the amount of marijuana to be grown by the
14 applicant is consistent with the scope and goals of
15 the project.

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

19 E. A medical marijuana research licensee may only transfer, by
20 sale or donation, marijuana grown within its operation to other
21 medical marijuana research licensees. The Department may revoke a
22 medical marijuana research license for violations of this section
23 and any other violation of ~~this act~~ the Oklahoma Medical Marijuana
24 and 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 Oklahoma
10 at which the medical marijuana research licensee intends to operate.
11 A medical marijuana research licensee shall not allow any other
12 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 SECTION 21. AMENDATORY Section 20, Chapter 11, O.S.L.
20 2019 (63 O.S. Supp. 2019, Section 427.20), is amended to read as
21 follows:

22 Section 427.20. A. There is hereby created a medical marijuana
23 education facility license.

24

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

4 C. A medical marijuana education facility license may only be
5 granted to a not-for-profit organization structured under Section
6 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
7 not-for-profit registered organization with the Office of the
8 Secretary of State.

9 D. A medical marijuana education facility license may only be
10 granted upon the submission of ~~a~~ an annual fee of Five Hundred
11 Dollars (\$500.00) to the Authority.

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

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

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

18 3. To demonstrate the application and use of product
19 manufacturing technologies;

20 4. To conduct genomic, horticultural or agricultural research;
21 and

22 5. To conduct research on marijuana-affiliated products or
23 systems.

24

1 F. As part of the application process for a medical marijuana
2 education facility license, an applicant shall submit to the
3 Authority a description of the project and curriculum that the
4 applicant intends to conduct and whether the project and curriculum
5 will be conducted with a public institution or using public money.
6 If the ~~research~~ project and curriculum will not be conducted with a
7 public institution or with public money, the Authority shall grant
8 the application. If the research will be conducted with a public
9 institution or public money, the Authority shall review the research
10 project of the applicant to determine if it meets the requirements
11 of this section and to assess the following:

- 12 1. The quality, study design, value or impact of the project;
- 13 2. Whether the applicant has the appropriate personnel,
14 expertise, facilities, infrastructure, funding, and human, animal or
15 other approvals in place to successfully conduct the project; and
- 16 3. Whether the amount of marijuana to be grown by the applicant
17 is consistent with the scope and goals of the project.

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

21 G. A medical marijuana education facility licensee may only
22 transfer, by sale or donation, marijuana grown within its operation
23 to medical marijuana research licensees. The Department may revoke
24 a medical marijuana education facility license for violations of

1 this section and any other violation of ~~this act~~ applicable laws,
2 rules and regulations.

3 H. A medical marijuana education facility licensee may contract
4 to perform research in conjunction with a public higher education
5 research institution or another research licensee.

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

16 SECTION 22. AMENDATORY Section 22, Chapter 11, O.S.L.
17 2019 (63 O.S. Supp. 2019, Section 427.22), is amended to read as
18 follows:

19 Section 427.22. A. ~~An~~ All patient and caregiver records and
20 information, including, without limitation, an application or
21 renewal and supporting information submitted by a qualifying patient
22 or designated caregiver under the provisions of ~~this act including,~~
23 ~~without limitation,~~ the Oklahoma Medical Marijuana and Patient
24 Protection Act and information regarding the physician of the

1 qualifying patient, shall be considered confidential medical records
2 that are exempt from the Oklahoma Open Records Act.

3 B. The dispensary records with patient information shall be
4 treated as confidential records that are exempt from the Oklahoma
5 Open Records Act.

6 C. All financial information provided by an applicant in its
7 application to the Authority or licensee shall be treated as
8 confidential records that are exempt from the Oklahoma Open Records
9 Act.

10 D. All information provided by an applicant or licensee that
11 constitutes private business information shall be treated as
12 confidential records that are exempt from the Oklahoma Open Records
13 Act.

14 E. As used in this section, "private business information"
15 means information that, if disclosed, would give advantage to
16 competitors or bidders including, but not limited to, information
17 related to the planning, ~~site location,~~ operations, strategy, or
18 product development and marketing of an applicant, unless approval
19 for release of those records is granted by the business.

20 F. All monthly reports, inventory tracking and seed-to-sale
21 information, data and records submitted to the Oklahoma Medical
22 Marijuana Authority shall be treated as confidential and are exempt
23 from the Oklahoma Open Records Act.

24

1 G. Except for license information concerning licensed patients,
2 the Authority may share confidential information with the Oklahoma
3 Tax Commission to assist the Oklahoma Tax Commission in ensuring
4 compliance with applicable laws, rules and regulations.

5 SECTION 23. AMENDATORY Section 23, Chapter 11, O.S.L.
6 2019, as amended by Section 11, Chapter 477, O.S.L. 2019 (63 O.S.
7 Supp. 2019, Section 427.23), is amended to read as follows:

8 Section 427.23. A. The State Commissioner of Health, the
9 Oklahoma Tax Commission, the State Treasurer, the Secretary of State
10 and the Director of the Office of Management and Enterprise Services
11 shall promulgate rules to implement the provisions of ~~this act~~ the
12 Oklahoma Medical Marijuana and Patient Protection Act.

13 B. ~~The Food Safety Standards Board~~ Medical Marijuana Advisory
14 Council, in addition to the powers and duties granted in Section 423
15 of ~~Title 63 of the Oklahoma Statutes~~ this title, may recommend to
16 the State Commissioner of Health rules relating to all aspects ~~of~~
17 regarding the safe cultivation and manufacture manufacturing of
18 medical marijuana products. In addition to the twelve members
19 required in Section 423 of this title, the State Department of
20 Health may appoint up to eight additional members. The makeup of
21 the Medical Marijuana Advisory Council shall include medical
22 marijuana industry representation.

1 SECTION 24. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 427.24 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Whenever an authorized agent of the State Department of
5 Health finds, in whole or in part, that:

6 1. Any medical marijuana or medical marijuana product fails to
7 meet the requirements of Sections 420 through 426.1 of Title 63 of
8 the Oklahoma Statutes and the Oklahoma Medical Marijuana and Patient
9 Protection Act, as it relates to health and safety;

10 2. The medical marijuana or medical marijuana product is
11 handled in violation of applicable laws or rules and regulations of
12 the Department; or

13 3. The medical marijuana or medical marijuana product may be
14 poisonous, deleterious to health or is otherwise unsafe:

15 A tag or other appropriate marking shall be affixed to the
16 medical marijuana or medical marijuana product. The tag or other
17 appropriate marking shall give notice that the medical marijuana or
18 medical marijuana product is or is suspected of being manufactured,
19 produced, transferred, sold or offered for sale in violation of
20 applicable laws or rules and regulations of the Department. The tag
21 or other appropriate marking shall also give notice that the medical
22 marijuana or medical marijuana product is embargoed and shall
23 provide a warning that all persons shall be prohibited from removing
24 or disposing of the medical marijuana or medical marijuana product

1 until permission for removal or disposal is given by the State
2 Commissioner of Health. It shall be unlawful for any person to
3 remove or dispose of the embargoed medical marijuana or medical
4 marijuana product without permission.

5 B. 1. If the Commissioner finds that medical marijuana or
6 medical marijuana product embargoed pursuant to subsection A of this
7 section does not meet the requirements of applicable laws or rules
8 and regulations of the Department, or is poisonous, deleterious to
9 health or otherwise unsafe, the Commissioner may institute an action
10 in the district court, in whose jurisdiction the medical marijuana
11 or medical marijuana product is embargoed, for the condemnation and
12 destruction of the medical marijuana or medical marijuana product.

13 2. If the Commissioner later finds that the embargoed medical
14 marijuana or medical marijuana product does meet the requirements of
15 applicable laws and rules and regulations of the Department and is
16 not poisonous, deleterious to health or otherwise unsafe, the
17 Commissioner shall remove the embargo.

18 3. In any court proceeding regarding an embargo, the State
19 Department of Health, the Oklahoma Medical Marijuana Authority and
20 the State Commissioner of Health shall not be held liable if the
21 court finds reasonable belief for the embargo.

22 C. If the court finds that the embargoed medical marijuana or
23 medical marijuana product, in whole or in part, is in violation of
24 any applicable laws or Department rules or regulations or is

1 poisonous, deleterious to health, or otherwise unsafe, the medical
2 marijuana or medical marijuana product shall be destroyed under the
3 supervision of the Commissioner and at the expense of the owner or
4 defendant. All court costs, fees, cost of storage and other proper
5 expenses shall be paid by the owner or defendant of the medical
6 marijuana or medical marijuana product. The court may order that
7 the medical marijuana or medical marijuana product be delivered to
8 the owner or defendant for appropriate labeling or processing under
9 the supervision of the Commissioner if:

10 1. The violation can be corrected by proper processing of the
11 medical marijuana or medical marijuana product;

12 2. All costs, fees and expenses have been paid; and

13 3. A sufficient bond is executed and conditioned for
14 appropriate labeling or processing as the court may require.

15 The expense of supervision shall be paid to the Commissioner by the
16 person obtaining release of the medical marijuana or medical
17 marijuana product under bond.

18 SECTION 25. AMENDATORY Section 2, Chapter 337, O.S.L.
19 2019 (63 O.S. Supp. 2019, Section 428.1), is amended to read as
20 follows:

21 Section 428.1. As used in ~~this act~~ the Oklahoma Medical
22 Marijuana Waste Management Act:

23 1. "Authority" shall mean the Oklahoma Medical Marijuana
24 Authority, or successor agency;

1 2. "Commercial licensee" shall mean any person or entity issued
2 a license by the Oklahoma Medical Marijuana Authority, or successor
3 agency, to conduct commercial business in this state;

4 3. "Disposal" shall mean the ~~final~~ disposition of medical
5 marijuana waste by ~~either~~ a process which renders the waste unusable
6 and unrecognizable through physical destruction or a recycling
7 process;

8 4. "Facility" shall mean ~~a location~~ the licensed or permitted
9 premises where the disposal of medical marijuana waste takes place
10 by a licensee;

11 5. "License" shall mean a medical marijuana waste disposal
12 license;

13 6. "Licensee" shall mean the holder of a medical marijuana
14 waste disposal license;

15 7. "Medical marijuana waste" shall mean:

16 a. unused, surplus, returned or out-of-date marijuana and
17 plant debris of the plant of the genus Cannabis,
18 including dead plants and all unused plant parts,
19 except the term shall not include seeds, roots, stems,
20 stalks and fan leaves,

21 b. all product which is deemed to fail laboratory testing
22 and cannot be remediated, and

23 c. all product and inventory from commercial licensees,
24 medical marijuana research facilities and medical

1 marijuana education facilities that have gone out of
2 business and are not subject to the provisions of
3 Section 1560 of Title 12 of the Oklahoma Statutes; and

4 8. "Medical marijuana waste disposal license" shall mean a
5 license issued by the Oklahoma Medical Marijuana Authority, or
6 successor agency.

7 SECTION 26. AMENDATORY Section 3, Chapter 337, O.S.L.
8 2019 (63 O.S. Supp. 2019, Section 429), is amended to read as
9 follows:

10 Section 429. A. Medical marijuana waste shall be subject to
11 the provisions of ~~this act~~ the Oklahoma Medical Marijuana Waste
12 Management Act and shall not be subject to the provisions of the
13 Uniform Controlled Dangerous Substances Act. Nothing in ~~this act~~
14 the Oklahoma Medical Marijuana Waste Management Act shall alter or
15 affect the jurisdictional areas of environmental responsibility of
16 the Department of Environmental Quality as provided for in Title 27A
17 of the Oklahoma Statutes.

18 B. Commercial licensees, medical marijuana research facilities
19 and medical marijuana education facilities shall be authorized to
20 destroy the following marijuana plant parts without being required
21 to utilize the services of a medical marijuana waste disposal
22 facility:

- 23 1. ~~Root balls~~ Roots;
- 24 2. Stems;

1 3. Fan leaves; ~~and~~

2 4. Seeds; and

3 5. Stalks.

4 Unless restricted by local ordinance, commercial licensees,
5 medical marijuana research facilities and medical marijuana
6 education facilities shall be authorized to destroy the above-listed
7 marijuana plant parts on-site by open burning, incineration,
8 burying, mulching, composting or any other technique approved by the
9 Department of Environmental Quality.

10 ~~C. Commercial licensees, medical marijuana research facilities~~
11 ~~and medical marijuana education facilities engaged in the disposal~~
12 ~~of medical marijuana waste shall create and maintain documentation~~
13 ~~on a form prescribed by the Oklahoma Medical Marijuana Authority~~
14 ~~that includes precise weights or counts of medical marijuana waste~~
15 ~~and the manner in which the medical marijuana waste is disposed.~~
16 ~~Such documentation shall contain a witness affidavit and signature~~
17 ~~attesting to the lawful disposal of the medical marijuana waste~~
18 ~~under penalty of perjury. All disposal records shall be maintained~~
19 ~~by commercial licensees, medical marijuana research facilities and~~
20 ~~medical marijuana educational facilities for a period of five (5)~~
21 ~~years and shall be subject to inspection and auditing by the~~
22 ~~Authority.~~

1 SECTION 27. AMENDATORY Section 4, Chapter 337, O.S.L.
2 2019 (63 O.S. Supp. 2019, Section 430), is amended to read as
3 follows:

4 Section 430. A. There is hereby created and authorized a
5 medical marijuana waste disposal license. A person or entity in
6 possession of a medical marijuana waste disposal license shall be
7 entitled to possess, transport and dispose of medical marijuana
8 waste. No person or entity shall possess, transport or dispose of
9 medical marijuana waste without a valid medical marijuana waste
10 disposal license. The Oklahoma Medical Marijuana Authority shall
11 issue licenses upon proper application by a licensee and
12 determination by the Authority that the proposed site and facility
13 are physically and technically suitable. Upon a finding that a
14 proposed medical marijuana waste disposal facility is not physically
15 or technically suitable, the Authority shall deny the license. The
16 Authority may, upon determining that public health or safety
17 requires emergency action, issue a temporary license for treatment
18 or storage of medical marijuana waste for a period not to exceed
19 ninety (90) days. The Authority shall not, ~~for the first year of~~
20 ~~the licensure program~~ until November 1, 2020, issue more than ten
21 licenses. ~~Upon the conclusion of the first year, the Authority~~
22 ~~shall assess the need for additional licenses and shall, if~~
23 ~~demonstrated, increase~~ Beginning November 1, 2020, there shall be no
24

1 limit to the number of medical marijuana waste disposal licenses as
2 ~~deemed necessary~~ issued by the Authority.

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

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

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

9 b. full name of the organization,

10 c. trade name, if applicable,

11 d. type of business organization,

12 e. complete mailing address,

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

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

16 h. name, residential address and date of birth of each
17 owner and each member, manager and board member, if
18 applicable;

19 2. The application for a medical marijuana waste disposal
20 license made by an individual on his or her own behalf shall be on
21 the form prescribed by the Authority and shall include, but not be
22 limited to:

23 a. the first, middle and last name of the applicant and
24 suffix, if applicable,

- b. the residence address and mailing address of the applicant,
- c. the date of birth of the applicant,
- d. the preferred telephone number and email address of the applicant,
- e. an attestation that the information provided by the applicant is true and correct, and
- f. a statement signed by the applicant pledging not to divert marijuana to any individual or entity that is not lawfully entitled to possess marijuana; and

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

- a. a list of all persons or entities that have an ownership interest in the entity,
- b. a certificate of good standing from the Oklahoma Secretary of State, if applicable,
- c. an Affidavit of Lawful Presence for each owner,
- d. proof that the proposed location of the disposal facility is at least one thousand (1,000) feet from a public or private school. The distance indicated in this subparagraph shall be measured from any entrance the nearest property line of the public or private school to the nearest property line point front entrance of the disposal facility. If any public or

1 private school is established within one thousand
2 (1,000) feet of any disposal facility after such
3 disposal facility has been licensed, the provisions of
4 this subparagraph shall not be a deterrent to the
5 renewal of such license or warrant revocation of the
6 license, and

7 e. documents establishing the applicant, the members,
8 managers and board members, if applicable, and
9 seventy-five percent (75%) of the ownership interests
10 are Oklahoma residents as established in Section 420
11 ~~et seq. of Title 63 of the Oklahoma Statutes~~ of this
12 title, as it relates to proof of residency.

13 C. No license shall be issued except upon proof of sufficient
14 liability insurance and financial responsibility. Liability
15 insurance shall be provided by the applicant and shall apply to
16 sudden and nonsudden bodily injury or property damage on, below or
17 above the surface, as required by the rules of the Authority. Such
18 insurance shall be maintained for the period of operation of the
19 facility and shall provide coverage for damages resulting from
20 operation of the facility during operation and after closing. ~~In~~
21 ~~lieu of liability insurance required by this subsection, an~~
22 ~~equivalent amount of cash, securities, bond or alternate financial~~
23 ~~assurance, of a type and in an amount acceptable to the Authority,~~
24 ~~may be substituted; provided, that such deposit shall be maintained~~

1 ~~for a period of five (5) years after the date of last operation of~~
2 ~~the facility.~~

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

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

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

6 F. The cost of a medical marijuana waste disposal license shall
7 be Five Thousand Dollars (\$5,000.00) for the initial license. The
8 cost of a medical marijuana waste disposal facility permit shall be
9 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
10 facility permit that has been revoked shall be reinstated upon
11 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
12 to restore the facility permit. All license and permit fees shall
13 be deposited into the ~~Public Health Special Fund~~ Oklahoma Medical
14 Marijuana Authority Revolving Fund as provided in Section ~~1-107~~
15 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

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

20 H. All commercial licensees, as defined in Section ~~2~~ 428.1 of
21 this ~~act~~ title, shall utilize a licensed medical marijuana waste
22 disposal service to process all medical marijuana waste generated by
23 the licensee.

24

1 I. The State Commissioner of Health shall promulgate rules for
2 the implementation of this act. Promulgated rules shall address
3 disposal process standards, site security and any other subject
4 matter deemed necessary by the Authority.

5 SECTION 28. It being immediately necessary for the preservation
6 of the public peace, health or safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

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