

1 ENGROSSED HOUSE AMENDMENT

TO

2 ENGROSSED SENATE BILL NO. 1543

By: Treat, Thompson, and Rosino
of the Senate

3

and

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Echols of the House

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[medical marijuana - Authority separate and distinct
agency - Executive Director - pay certain expenses -
9 provisions relating to Medical Marijuana Advisory
Council - exemption - effective date]

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AUTHOR: Add the following House Coauthor: Fetgatter

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AMENDMENT NO. 1. Strike the stricken title, enacting clause, and
entire bill and insert:

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"An Act relating to medical marijuana; amending 63
O.S. 2021, Sections 420, as last amended by Section
17 1, Chapter 553, O.S.L. 2021, 421, 422, 423, 425, as
last amended by Section 5, Chapter 553, O.S.L. 2021,
18 426.1, as last amended by Section 7, Chapter 553,
O.S.L. 2021, and 427.2, as last amended by Section
19 8, Chapter 553, O.S.L. 2021, which relate to medical
marijuana; conforming language; updating statutory
20 language; amending 63 O.S. 2021, Section 427.3, as
last amended by Section 9, Chapter 553, O.S.L. 2021,
21 which relates to Oklahoma Medical Marijuana
Authority; making Authority separate and distinct
22 agency; directing Authority and Executive Director
of the Authority to continue to exercise statutory
23 powers, duties, and responsibilities; providing for
continuation of rights and privileges of certain
24 licenses subject to certain condition; providing for

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1 succession to contractual rights and
2 responsibilities; requiring Executive Director to
3 adopt and enforce certain rules and authorizing
4 further rulemaking authority; authorizing execution
5 of certain agreement; requiring consent of employees
6 prior to transfer; providing certain protections
7 relating to salary, leave, time earned, and
8 benefits; requiring transfer of personnel to be
9 coordinated with Office of Management and Enterprise
10 Services; requiring Authority to pay certain
11 expenses; abolishing certain division within State
12 Department of Health upon completion of transfer;
13 directing certain coordination; providing for
14 certain transfers; amending 63 O.S. 2021, Section
15 427.4, as amended by Section 10, Chapter 553, O.S.L.
16 2021, which relates to Executive Director of the
17 Authority; providing for appointment of Executive
18 Director; modifying enforcement powers of Authority;
19 requiring investigators to meet certain training
20 requirements; authorizing certain arrests and
21 assistance of law enforcement; allowing Executive
22 Director to employ or contract with attorneys;
23 conforming language; updating statutory language;
24 amending 63 O.S. 2021, Sections 427.6, as last
amended by Section 11, Chapter 553, O.S.L. 2021,
427.9, 427.10, 427.11, 427.13, as last amended by
Section 16, Chapter 553, O.S.L. 2021, 427.14, as
last amended by Section 17, Chapter 553, O.S.L.
2021, 427.16, as last amended by Section 18, Chapter
553, O.S.L. 2021, 427.17, 427.18, 427.19, 427.20,
and 427.22, which relate to medical marijuana;
conforming language; updating statutory language;
authorizing Executive Director to conduct
administrative proceedings; prescribing procedures;
authorizing delegation of functions to
administrative law judges; amending 63 O.S. 2021,
Section 427.23, which relates to medical marijuana;
removing provisions relating to Medical Marijuana
Advisory Council; conforming language; updating
statutory language; amending 63 O.S. 2021, Sections
427.24 and 430, as last amended by Section 28,
Chapter 553, O.S.L. 2021, which relate to medical
marijuana; conforming language; updating statutory
language; and providing an effective date.

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

1 SECTION 1. AMENDATORY 63 O.S. 2021, Section 420, as last
2 amended by Section 1, Chapter 553, O.S.L. 2021, is amended to read
3 as follows:

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

- 6 1. Consume marijuana legally;
- 7 2. Legally possess up to three (3) ounces or eighty-four and
8 nine-tenths (84.9) grams of marijuana on their person;
- 9 3. Legally possess six mature marijuana plants and the
10 harvested marijuana therefrom;
- 11 4. Legally possess six seedling plants;
- 12 5. Legally possess one (1) ounce or twenty-eight and three-
13 tenths (28.3) grams of concentrated marijuana;
- 14 6. Legally possess seventy-two (72) ounces or two thousand
15 thirty-seven and six-tenths (2,037.6) grams of edible marijuana;
- 16 7. Legally possess up to eight (8) ounces or two hundred
17 twenty-six and four-tenths (226.4) grams of marijuana in their
18 residence; and
- 19 8. Legally possess seventy-two (72) ounces of topical
20 marijuana.

21 B. Possession of up to one and one-half (1.5) ounces or forty-
22 two and forty-five one-hundredths (42.45) grams of marijuana by
23 persons who can state a medical condition, but are not in possession
24 of a state-issued medical marijuana patient license, shall

1 constitute a misdemeanor offense not subject to imprisonment but
2 punishable by a fine not to exceed Four Hundred Dollars (\$400.00).
3 Any law enforcement officer who comes in contact with a person in
4 violation of this subsection and who is satisfied as to the identity
5 of the person, as well as any other pertinent information the law
6 enforcement officer deems necessary, shall issue to the person a
7 written citation containing a notice to answer the charge against
8 the person in the appropriate court. Upon receiving the written
9 promise of the alleged violator to answer as specified in the
10 citation, the law enforcement officer shall release the person upon
11 personal recognizance unless there has been a violation of another
12 provision of law.

13 C. ~~A regulatory office~~ The Oklahoma Medical Marijuana Authority
14 shall be established ~~under the State Department of Health~~ which
15 shall receive applications for medical marijuana patient and
16 caregiver license recipients, dispensaries, growers and processors
17 within sixty (60) days of the passage of this initiative.

18 D. ~~The State Department of Health~~ Authority shall, within
19 thirty (30) days of passage of this initiative, make available on
20 its website, in an easy-to-find location, an application for a
21 medical marijuana patient license. The license shall be valid for
22 two (2) years. The biannual application fee shall be One Hundred
23 Dollars (\$100.00), or Twenty Dollars (\$20.00) for individuals on
24 Medicaid, Medicare or SoonerCare. The methods of payment shall be

1 provided on the website of the ~~Department~~ Authority. Reprints of
2 the medical marijuana patient license shall be Twenty Dollars
3 (\$20.00).

4 E. A short-term medical marijuana patient license application
5 shall also be made available on the website of the ~~State Department~~
6 ~~of Health~~ Authority. A short-term medical marijuana patient license
7 shall be granted to any applicant who can meet the requirements for
8 a two-year medical marijuana patient license, but whose physician
9 recommendation for medical marijuana is only valid for sixty (60)
10 days. Short-term medical marijuana patient licenses shall be issued
11 for sixty (60) days. The fee for a short-term medical marijuana
12 patient license, reprints of the short-term medical marijuana
13 patient license and the procedure for extending or renewing the
14 license shall be determined by the ~~Department~~ Executive Director of
15 the Authority.

16 F. A temporary medical marijuana patient license application
17 shall also be available on the website of the ~~State Department of~~
18 ~~Health~~ Authority for residents of other states. Temporary medical
19 marijuana patient licenses shall be granted to medical marijuana
20 license holders from other states, provided that such states have
21 state-regulated medical marijuana programs and applicants can prove
22 they are members of such programs. Temporary medical marijuana
23 patient licenses shall be issued for thirty (30) days. The cost for
24 a temporary medical marijuana patient license shall be One Hundred

1 Dollars (\$100.00). Renewal shall be granted with resubmission of a
2 new application. No additional criteria shall be required.
3 Reprints of the temporary medical marijuana patient license shall be
4 Twenty Dollars (\$20.00).

5 G. Medical marijuana patient license applicants shall submit
6 their applications to the ~~State Department of Health~~ Authority for
7 approval. The applicant shall be a resident of ~~Oklahoma~~ this state
8 and shall prove residency by a valid driver license, utility bills,
9 or other accepted methods.

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

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

1 J. The ~~State Department of Health~~ Authority shall ensure that
2 all medical marijuana patient and caregiver records and information
3 are sealed to protect the privacy of medical marijuana patient
4 license applicants.

5 K. A caregiver license shall be made available for qualified
6 caregivers of a medical marijuana patient license holder who is
7 homebound. As provided in Section 427.11 of this title, the
8 caregiver license shall provide the caregiver the same rights as the
9 medical marijuana patient licensee including the ability to possess
10 marijuana, marijuana products and mature and immature plants
11 pursuant to the Oklahoma Medical Marijuana and Patient Protection
12 Act, but excluding the ability to use marijuana or marijuana
13 products unless the caregiver has a medical marijuana patient
14 license. Applicants for a caregiver license shall submit proof of
15 the license status and homebound status of the medical marijuana
16 patient and proof that the applicant is the designee of the medical
17 marijuana patient. The applicant shall also submit proof that he or
18 she is eighteen (18) years of age or older and proof of his or her
19 ~~Oklahoma~~ state residency.

20 L. All applicants for a medical marijuana patient license shall
21 be eighteen (18) years of age or older. A special exception shall
22 be granted to an applicant under the age of eighteen (18); however,
23 these applications shall be signed by two physicians and the parent
24 or legal guardian of the applicant.

1 M. All applications for a medical marijuana patient license
2 shall be signed by an Oklahoma physician licensed by and in good
3 standing with the State Board of Medical Licensure and Supervision
4 ~~or,~~ the State Board of Osteopathic Examiners, or the Board of
5 Podiatric Medical Examiners. There are no qualifying conditions. A
6 medical marijuana patient license shall be recommended according to
7 the accepted standards a reasonable and prudent physician would
8 follow when recommending or approving any medication. No physician
9 may be unduly stigmatized or harassed for signing a medical
10 marijuana patient license application.

11 N. Counties and cities may enact medical marijuana guidelines
12 allowing medical marijuana patient license holders or caregiver
13 license holders to exceed the state limits set forth in subsection A
14 of this section.

15 SECTION 2. AMENDATORY 63 O.S. 2021, Section 421, is
16 amended to read as follows:

17 Section 421. A. ~~The State Department of Health~~ Oklahoma
18 Medical Marijuana Authority shall, within thirty (30) days of
19 passage of this initiative, make available on its website in an
20 easy-to-find location an application for a medical marijuana
21 dispensary license. The application fee shall be Two Thousand Five
22 Hundred Dollars (\$2,500.00). A method of payment shall be provided
23 on the website of the ~~Department~~ Authority. Dispensary applicants
24 must all be residents of ~~Oklahoma~~ this state. Any entity applying

1 for a dispensary license must be owned by ~~an Oklahoma resident~~ a
2 resident of this state and must be registered to do business in
3 ~~Oklahoma~~ this state. The ~~Department~~ Authority shall have ninety
4 (90) business days to review the application; approve, reject or
5 deny the application; and mail the approval, rejection or denial
6 letter stating reasons for the rejection or denial to the applicant.

7 B. The ~~State Department of Health~~ Authority shall approve all
8 applications which meet the following criteria:

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

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

13 3. All applying entities must show that all members, managers,
14 and board members are ~~Oklahoma~~ residents of this state;

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

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

20 6. All applicants must disclose all ownership interests in the
21 dispensary.

22 Applicants with a nonviolent felony conviction in the last two
23 (2) years, any other felony conviction in the last five (5) years,
24 inmates in the custody of the Department of Corrections or any

1 person currently incarcerated shall not qualify for a medical
2 marijuana dispensary license.

3 C. Licensed medical marijuana dispensaries shall be required to
4 complete a monthly sales report to the ~~State Department of Health~~
5 Authority. This report shall be due on the fifteenth of each month
6 and provide reporting on the previous month. This report shall
7 detail the weight of marijuana purchased at wholesale and the weight
8 of marijuana sold to licensed medical marijuana patients and
9 licensed caregivers and account for any waste. The report shall
10 show total sales in dollars, tax collected in dollars, and tax due
11 in dollars. The ~~State Department of Health~~ Authority shall have
12 oversight and auditing responsibilities to ensure that all marijuana
13 being grown is accounted for.

14 D. Only a licensed medical marijuana dispensary may conduct
15 retail sales of marijuana or marijuana derivatives. Beginning on
16 the effective date of this act, licensed medical marijuana
17 dispensaries shall be authorized to package and sell pre-rolled
18 marijuana to licensed medical marijuana patients and licensed
19 caregivers. The products described in this subsection shall contain
20 only the ground parts of the marijuana plant and shall not include
21 marijuana concentrates or derivatives. The total net weight of each
22 pre-roll packaged and sold by a medical marijuana dispensary shall
23 not exceed one (1) gram. These products shall be tested, packaged
24 and labeled in accordance with ~~Oklahoma~~ state law and rules

1 promulgated by the ~~State Commissioner of Health~~ Executive Director
2 of the Oklahoma Medical Marijuana Authority.

3 E. No medical marijuana dispensary shall offer or allow a
4 medical marijuana patient licensee, caregiver licensee or other
5 member of the public to handle or otherwise have physical contact
6 with any medical marijuana not contained in a sealed or separate
7 package. Provided, such prohibition shall not preclude an employee
8 of the medical marijuana dispensary from handling loose or
9 nonpackaged medical marijuana to be placed in packaging consistent
10 with the Oklahoma Medical Marijuana and Patient Protection Act and
11 the rules promulgated by the ~~Authority~~ Executive Director for the
12 packaging of medical marijuana for retail sale. Provided, further,
13 such prohibition shall not prevent a medical marijuana dispensary
14 from displaying samples of its medical marijuana in separate display
15 cases, jars or other containers and allowing medical marijuana
16 patient licensees and caregiver licensees the ability to handle or
17 smell the various samples as long as the sample medical marijuana is
18 used for display purposes only and is not offered for retail sale.

19 SECTION 3. AMENDATORY 63 O.S. 2021, Section 422, is
20 amended to read as follows:

21 Section 422. A. The ~~State Department of Health~~ Oklahoma
22 Medical Marijuana Authority shall, within thirty (30) days of
23 passage of this initiative, make available on its website in an
24 easy-to-find location an application for a commercial grower

1 license. The application fee shall be Two Thousand Five Hundred
2 Dollars (\$2,500.00). A method of payment shall be provided on the
3 website of the ~~Department~~ Authority. The ~~State Department of Health~~
4 Authority shall have ninety (90) days to review the application;
5 approve, reject or deny the application; and mail the approval,
6 rejection or denial letter stating the reasons for the rejection or
7 denial to the applicant.

8 B. The ~~State Department of Health~~ Authority shall approve all
9 applications which meet the following criteria:

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

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

14 3. All applying entities must show that all members, managers,
15 and board members are ~~Oklahoma~~ residents of this state;

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

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

21 6. All applicants must disclose all ownership interests in the
22 commercial grower operation.

23 Applicants with a nonviolent felony conviction in the last two
24 (2) years, any other felony conviction in the last five (5) years,

1 inmates in the custody of the Department of Corrections or any
2 person currently incarcerated shall not qualify for a commercial
3 grower license.

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

1 Authority shall have oversight and auditing responsibilities to
2 ensure that all marijuana being grown by licensed commercial growers
3 is accounted for.

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

6 E. Beginning on ~~the effective date of this act~~ November 1,
7 2021, licensed commercial growers shall be authorized to package and
8 sell pre-rolled marijuana to licensed medical marijuana
9 dispensaries. The products described in this subsection shall
10 contain only the ground parts of the marijuana plant and shall not
11 include marijuana concentrates or derivatives. The total net weight
12 of each pre-roll packaged and sold by medical marijuana commercial
13 growers shall not exceed one (1) gram. These products must be
14 tested, packaged and labeled in accordance with ~~Oklahoma~~ state law
15 and rules promulgated by the ~~State Commissioner of Health~~ Executive
16 Director of the Oklahoma Medical Marijuana Authority.

17 SECTION 4. AMENDATORY 63 O.S. 2021, Section 423, is
18 amended to read as follows:

19 Section 423. A. The ~~State Department of Health~~ Oklahoma
20 Medical Marijuana Authority shall, within thirty (30) days of
21 passage of this initiative, make available on its website in an
22 easy-to-find location an application for a medical marijuana
23 processing license. The ~~Department~~ Authority shall be authorized to
24

1 issue two types of medical marijuana processor licenses based on the
2 level of risk posed by the type of processing conducted:

- 3 1. Nonhazardous medical marijuana processor license; and
- 4 2. Hazardous medical marijuana processor license.

5 The application fee for a nonhazardous or hazardous medical
6 marijuana processor license shall be Two Thousand Five Hundred
7 Dollars (\$2,500.00). A method of payment shall be provided on the
8 website of the ~~Department~~ Authority. The ~~State Department of Health~~
9 Authority shall have ninety (90) days to review the application;
10 approve, reject or deny the application; and mail the approval,
11 rejection or denial letter stating the reasons for the rejection or
12 denial to the applicant.

13 B. The ~~State Department of Health~~ Authority shall approve all
14 applications which meet the following criteria:

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

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

19 3. All applying entities must show that all members, managers,
20 and board members are ~~Oklahoma~~ residents of this state;

21 4. An applying entity may show ownership of ~~non-Oklahoma~~
22 nonstate residents, but that percentage ownership may not exceed
23 twenty-five percent (25%);

24

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

3 6. All applicants must disclose all ownership interests in the
4 processing operation.

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

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

13 2. ~~As required by subsection D of this section, the State~~
14 ~~Department of Health~~ The Executive Director of the Authority shall,
15 within sixty (60) days of passage of this initiative, make available
16 a set of standards which shall be used by licensed processors in the
17 preparation of edible marijuana products. The standards should be
18 in line with current food preparation guidelines. No excessive or
19 punitive rules may be established by the ~~State Department of Health~~
20 Executive Director.

21 3. Up to two times a year, the ~~State Department of Health~~
22 Authority may inspect a processing operation and determine its
23 compliance with the preparation standards. If deficiencies are
24 found, a written report of the deficiency shall be issued to the

1 licensed processor. The licensed processor shall have one (1) month
2 to correct the deficiency or be subject to a fine of Five Hundred
3 Dollars (\$500.00) for each deficiency.

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

8 5. Under no circumstances may a licensed processor sell
9 marijuana or any marijuana product directly to a licensed medical
10 marijuana patient or licensed caregiver. However, a licensed
11 processor may process cannabis into a concentrated form for a
12 licensed medical marijuana patient for a fee.

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

23 D. The ~~Department~~ Authority shall oversee the inspection and
24 compliance of licensed processors producing products with marijuana

1 as an additive. ~~The State Department of Health shall be compelled~~
2 ~~to, within thirty (30) days of passage of this initiative, appoint~~
3 ~~twelve (12) Oklahoma residents to the Medical Marijuana Advisory~~
4 ~~Council, who are marijuana industry experts, to create a list of~~
5 ~~food safety standards for processing and handling medical marijuana~~
6 ~~in Oklahoma. These standards shall be adopted by the Department and~~
7 ~~the Department may enforce these standards for licensed processors.~~
8 ~~The Department shall develop a standards review procedure and these~~
9 ~~standards can be altered by calling another council of twelve (12)~~
10 ~~Oklahoma marijuana industry experts. A signed letter of twenty~~
11 ~~operating, licensed processors shall constitute a need for a new~~
12 ~~council and standards review.~~

13 ~~E.~~ If it becomes permissible under federal law, marijuana may
14 be moved across state lines.

15 ~~F.~~ E. Any device used for the processing or consumption of
16 medical marijuana shall be considered legal to be sold,
17 manufactured, distributed and possessed. No merchant, wholesaler,
18 manufacturer or individual may be unduly harassed or prosecuted for
19 selling, manufacturing or possessing marijuana paraphernalia.

20 SECTION 5. AMENDATORY 63 O.S. 2021, Section 425, as last
21 amended by Section 5, Chapter 553, O.S.L. 2021, is amended to read
22 as follows:

23 Section 425. A. No school or landlord may refuse to enroll or
24 lease to and may not otherwise penalize a person solely for his or

1 her status as a medical marijuana patient licensee, unless failing
2 to do so would cause the school or landlord the potential to lose a
3 monetary or licensing-related benefit under federal law or
4 regulations.

5 B. Unless a failure to do so would cause an employer the
6 potential to lose a monetary or licensing-related benefit under
7 federal law or regulations, an employer may not discriminate against
8 a person in hiring, termination or imposing any term or condition of
9 employment or otherwise penalize a person based upon the status of
10 the person as a medical marijuana patient licensee. Employers may
11 take action against a medical marijuana patient licensee if the
12 licensee uses or possesses marijuana while in his or her place of
13 employment or during the hours of employment. Employers may not
14 take action against a medical marijuana patient licensee solely
15 based upon the status of an employee as a medical marijuana patient
16 licensee or the results of a drug test showing positive for
17 marijuana or its components.

18 C. For the purposes of medical care, including organ
19 transplants, the authorized use of marijuana by a medical marijuana
20 patient licensee shall be considered the equivalent of the use of
21 any other medication under the direction of a physician and does not
22 constitute the use of an illicit substance or otherwise disqualify a
23 registered qualifying patient from medical care.

24

1 D. No medical marijuana patient licensee may be denied custody
2 of or visitation or parenting time with a minor child, and there is
3 no presumption of neglect or child endangerment for conduct allowed
4 under this law unless the behavior of the medical marijuana patient
5 licensee creates an unreasonable danger to the safety of the minor
6 child.

7 E. No person who possesses a medical marijuana patient license
8 may be unduly withheld from holding another state-issued license by
9 virtue of his or her status as a medical marijuana patient licensee
10 including, but not limited to, a concealed carry permit.

11 F. 1. No city or local municipality may unduly change or
12 restrict zoning laws to prevent the opening of a medical marijuana
13 dispensary.

14 2. For purposes of this subsection, an undue change or
15 restriction of municipal zoning laws means an act which entirely
16 prevents medical marijuana dispensaries from operating within
17 municipal boundaries as a matter of law. Municipalities may follow
18 their standard planning and zoning procedures to determine if
19 certain zones or districts would be appropriate for locating
20 marijuana-licensed premises, medical marijuana businesses or any
21 other premises where marijuana or its by-products are cultivated,
22 grown, processed, stored or manufactured.

23 3. A medical marijuana dispensary does not include those other
24 entities licensed by the Oklahoma Medical Marijuana Authority as

1 marijuana-licensed premises, medical marijuana businesses or other
2 facilities or locations where marijuana or any product containing
3 marijuana or its by-products are cultivated, grown, processed,
4 stored or manufactured.

5 G. The location of any medical marijuana dispensary is
6 specifically prohibited within one thousand (1,000) feet of any
7 public school or private school. The distance indicated in this
8 subsection shall be measured from the nearest property line of such
9 public school or private school to the nearest perimeter wall of the
10 licensed premises of such medical marijuana dispensary. If a
11 medical marijuana dispensary met the requirements of this subsection
12 at the time of its initial licensure, the medical marijuana
13 dispensary licensee shall be permitted to continue operating at the
14 licensed premises in the same manner and not be subject to
15 nonrenewal or revocation due to subsequent events or changes in
16 regulations occurring after licensure that would render the medical
17 marijuana dispensary in violation by being within one thousand
18 (1,000) feet of a public school or private school. If any public
19 school or private school is established within one thousand (1,000)
20 feet of any medical marijuana dispensary after such medical
21 marijuana dispensary has been licensed, the provisions of this
22 subsection shall not be a deterrent to the renewal of such license
23 or warrant revocation of the license. For purposes of this
24 subsection, a property owned, used or operated by a public school or

1 by a private school that is not used for classroom instruction on
2 core curriculum, such as an administrative building, athletic
3 facility, ballpark, field or stadium, shall not constitute a public
4 school or private school unless such property is located on the same
5 campus as a building used for classroom instruction on core
6 curriculum.

7 H. Research shall be provided for under this law. A researcher
8 may apply to the ~~State Department of Health~~ Oklahoma Medical
9 Marijuana Authority for a special research license. The research
10 license shall be granted, provided the applicant meets the criteria
11 listed in the Oklahoma Medical Marijuana and Patient Protection Act.
12 Research licensees shall be required to file monthly consumption
13 reports to the ~~State Department of Health~~ Authority with amounts of
14 marijuana used for research. Biomedical and clinical research which
15 is subject to federal regulations and institutional oversight shall
16 not be subject to oversight by the ~~State Department of Health~~
17 Authority.

18 SECTION 6. AMENDATORY 63 O.S. 2021, Section 426.1, as
19 last amended by Section 7, Chapter 553, O.S.L. 2021, is amended to
20 read as follows:

21 Section 426.1 A. All licensure revocation hearings conducted
22 pursuant to marijuana licenses established in the Oklahoma Statutes
23 shall be recorded. A party may request a copy of the recording of
24

1 the proceedings. Copies shall be provided to local law enforcement
2 if the revocation was based on alleged criminal activity.

3 B. The ~~State Department of Health~~ Oklahoma Medical Marijuana
4 Authority shall assist any law enforcement officer in the
5 performance of his or her duties upon such request by the law
6 enforcement officer or the request of other local officials having
7 jurisdiction. Except for license information concerning licensed
8 patients, as defined in Section 427.2 of this title, the ~~Department~~
9 Authority shall share information with law enforcement agencies upon
10 request without a subpoena or search warrant.

11 C. The ~~State Department of Health~~ Authority shall make
12 available all information on whether or not a medical marijuana
13 patient or caregiver license is valid to law enforcement
14 electronically through an online verification system.

15 D. The ~~Department~~ Authority shall make available to ~~Oklahoma~~
16 state agencies and political subdivisions a list of marijuana-
17 licensed premises, medical marijuana businesses or any other
18 premises where marijuana or its by-products are licensed to be
19 cultivated, grown, processed, stored or manufactured to aid ~~Oklahoma~~
20 state agencies and county and municipal governments in identifying
21 locations within their jurisdiction and ensuring compliance with
22 applicable laws, rules and regulations.

23 E. Any marijuana-licensed premises, medical marijuana business
24 or any other premises where marijuana or its by-products are

1 licensed to be cultivated, grown, processed, stored or manufactured
2 shall submit with its application or request to change location,
3 after notifying the political subdivision of its intent, a
4 certificate of compliance from the political subdivision where the
5 facility of the applicant or licensee is to be located certifying
6 compliance with zoning classifications, applicable municipal
7 ordinances and all applicable safety, electrical, fire, plumbing,
8 waste, construction and building specification codes.

9 Once a certificate of compliance has been submitted to the
10 Oklahoma Medical Marijuana Authority showing full compliance as
11 outlined in this subsection, no additional certificate of compliance
12 shall be required for license renewal unless a change of use or
13 occupancy occurs, or there is any change concerning the facility or
14 location that would, by law, require additional inspection,
15 licensure or permitting by the state or municipality.

16 SECTION 7. AMENDATORY 63 O.S. 2021, Section 427.2, as
17 last amended by Section 8, Chapter 553, O.S.L. 2021, is amended to
18 read as follows:

19 Section 427.2 As used in the Oklahoma Medical Marijuana and
20 Patient Protection Act:

21 1. "Advertising" means the act of providing consideration for
22 the publication, dissemination, solicitation, or circulation, of
23 visual, oral, or written communication to induce directly or
24 indirectly any person to patronize a particular medical marijuana

1 business, or to purchase particular medical marijuana or a medical
2 marijuana product. Advertising includes marketing, but does not
3 include packaging and labeling;

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

5 3. "Batch number" means a unique numeric or alphanumeric
6 identifier assigned prior to testing to allow for inventory tracking
7 and traceability;

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

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

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

14 a. designed or constructed to be significantly difficult
15 for children under five (5) years of age to open and
16 not difficult for normal adults to use properly as
17 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
18 1700.20 (1995),

19 b. opaque so that the outermost packaging does not allow
20 the product to be seen without opening the packaging
21 material, and

22 c. resealable to maintain its child-resistant
23 effectiveness for multiple openings for any product
24

1 intended for more than a single use or containing
2 multiple servings;

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

6 ~~8. "Commissioner" means the State Commissioner of Health;~~

7 ~~9.~~ "Complete application" means a document prepared in
8 accordance with the provisions set forth in the Oklahoma Medical
9 Marijuana and Patient Protection Act, rules promulgated pursuant
10 thereto, and the forms and instructions provided by the ~~Department,~~
11 Oklahoma Medical Marijuana Authority including any supporting
12 documentation required and the applicable license application fee;

13 ~~10. "Department" means the State Department of Health;~~

14 ~~11.~~ 9. "Director" means the Executive Director of the Oklahoma
15 Medical Marijuana Authority;

16 ~~12.~~ 10. "Dispense" means the selling of medical marijuana or a
17 medical marijuana product to a qualified patient or the designated
18 caregiver of the patient that is packaged in a suitable container
19 appropriately labeled for subsequent administration to or use by a
20 qualifying patient;

21 ~~13.~~ 11. "Dispensary" means a medical marijuana dispensary, an
22 entity that has been licensed by the ~~Department~~ Authority pursuant
23 to the Oklahoma Medical Marijuana and Patient Protection Act to
24 purchase medical marijuana or medical marijuana products from a

1 licensed medical marijuana commercial grower or licensed medical
2 marijuana processor, to prepare and package noninfused pre-rolled
3 medical marijuana, and to sell medical marijuana or medical
4 marijuana products to licensed patients and caregivers as defined in
5 this section, or sell or transfer products to another licensed
6 dispensary;

7 ~~14.~~ 12. "Edible medical marijuana product" means any medical-
8 marijuana-infused product for which the intended use is oral
9 consumption including, but not limited to, any type of food, drink
10 or pill;

11 ~~15.~~ 13. "Entity" means an individual, general partnership,
12 limited partnership, limited liability company, trust, estate,
13 association, corporation, cooperative or any other legal or
14 commercial entity;

15 ~~16.~~ 14. "Flower" means the reproductive organs of the marijuana
16 or cannabis plant referred to as the bud or parts of the plant that
17 are harvested and used for consumption in a variety of medical
18 marijuana products;

19 ~~17.~~ 15. "Flowering" means the reproductive state of the
20 marijuana or cannabis plant in which there are physical signs of
21 flower or budding out of the nodes of the stem;

22 ~~18.~~ 16. "Food-based medical marijuana concentrate" means a
23 medical marijuana concentrate that was produced by extracting
24 cannabinoids from medical marijuana through the use of propylene

1 glycol, glycerin, butter, olive oil, coconut oil or other typical
2 food-safe cooking fats;

3 ~~19.~~ 17. "Harvest batch" means a specifically identified
4 quantity of medical marijuana that is uniform in strain, cultivated
5 utilizing the same cultivation practices, harvested at the same time
6 from the same location and cured under uniform conditions;

7 ~~20.~~ 18. "Harvested marijuana" means postflowering medical
8 marijuana not including trim, concentrate or waste;

9 ~~21.~~ 19. "Heat- or pressure-based medical marijuana concentrate"
10 means a medical marijuana concentrate that was produced by
11 extracting cannabinoids from medical marijuana through the use of
12 heat or pressure;

13 ~~22.~~ 20. "Immature plant" means a nonflowering marijuana plant
14 that has not demonstrated signs of flowering;

15 ~~23.~~ 21. "Inventory tracking system" means the required tracking
16 system that accounts for the entire life span of medical marijuana
17 and medical marijuana products, including any testing samples
18 thereof and medical marijuana waste;

19 ~~24.~~ 22. "Licensed patient" or "patient" means a person who has
20 been issued a medical marijuana patient license by the ~~State~~
21 ~~Department of Health or~~ Oklahoma Medical Marijuana Authority;

22 ~~25.~~ 23. "Licensed premises" means the premises specified in an
23 application for a medical marijuana business license, medical
24 marijuana research facility license or medical marijuana education

1 facility license pursuant to the Oklahoma Medical Marijuana and
2 Patient Protection Act that are owned or in possession of the
3 licensee and within which the licensee is authorized to cultivate,
4 manufacture, distribute, sell, store, transport, test or research
5 medical marijuana or medical marijuana products in accordance with
6 the provisions of the Oklahoma Medical Marijuana and Patient
7 Protection Act and rules promulgated pursuant thereto;

8 ~~26.~~ 24. "Manufacture" means the production, propagation,
9 compounding or processing of a medical marijuana product, excluding
10 marijuana plants, either directly or indirectly by extraction from
11 substances of natural or synthetic origin, or independently by means
12 of chemical synthesis, or by a combination of extraction and
13 chemical synthesis;

14 ~~27.~~ 25. "Marijuana" shall have the same meaning as such term is
15 defined in Section 2-101 of this title;

16 ~~28.~~ 26. "Material change" means any change that would affect
17 the qualifications for licensure of an applicant or licensee;

18 ~~29.~~ 27. "Mature plant" means a harvestable female marijuana
19 plant that is flowering;

20 ~~30.~~ 28. "Medical marijuana business (MMB)" means a licensed
21 medical marijuana dispensary, medical marijuana processor, medical
22 marijuana commercial grower, medical marijuana laboratory, medical
23 marijuana business operator or a medical marijuana transporter;

24

1 ~~31.~~ 29. "Medical marijuana concentrate" or "concentrate" means
2 a specific subset of medical marijuana that was produced by
3 extracting cannabinoids from medical marijuana. Categories of
4 medical marijuana concentrate include water-based medical marijuana
5 concentrate, food-based medical marijuana concentrate, solvent-based
6 medical marijuana concentrate, and heat- or pressure-based medical
7 marijuana concentrate;

8 ~~32.~~ 30. "Medical marijuana commercial grower" or "commercial
9 grower" means an entity licensed to cultivate, prepare and package
10 medical marijuana or package medical marijuana as pre-rolls, and
11 transfer or contract for transfer medical marijuana and medical
12 marijuana pre-rolls to a medical marijuana dispensary, medical
13 marijuana processor, any other medical marijuana commercial grower,
14 medical marijuana research facility or medical marijuana education
15 facility. A commercial grower may sell seeds, flower or clones to
16 commercial growers pursuant to the Oklahoma Medical Marijuana and
17 Patient Protection Act;

18 ~~33.~~ 31. "Medical marijuana education facility" or "education
19 facility" means a person or entity approved pursuant to the Oklahoma
20 Medical Marijuana and Patient Protection Act to operate a facility
21 providing training and education to individuals involving the
22 cultivation, growing, harvesting, curing, preparing, packaging or
23 testing of medical marijuana, or the production, manufacture,
24 extraction, processing, packaging or creation of medical-marijuana-

1 infused products or medical marijuana products as described in the
2 Oklahoma Medical Marijuana and Patient Protection Act;

3 ~~34.~~ 32. "Medical-marijuana-infused product" means a product
4 infused with medical marijuana including, but not limited to, edible
5 products, ointments and tinctures;

6 ~~35.~~ 33. "Medical marijuana product" or "product" means a
7 product that contains cannabinoids that have been extracted from
8 plant material or the resin therefrom by physical or chemical means
9 and is intended for administration to a qualified patient including,
10 but not limited to, oils, tinctures, edibles, pills, topical forms,
11 gels, creams, vapors, patches, liquids, and forms administered by a
12 nebulizer, excluding live plant forms which are considered medical
13 marijuana;

14 ~~36.~~ 34. "Medical marijuana processor" means a person or entity
15 licensed pursuant to the Oklahoma Medical Marijuana and Patient
16 Protection Act to operate a business including the production,
17 manufacture, extraction, processing, packaging or creation of
18 concentrate, medical-marijuana-infused products or medical marijuana
19 products as described in the Oklahoma Medical Marijuana and Patient
20 Protection Act;

21 ~~37.~~ 35. "Medical marijuana research facility" or "research
22 facility" means a person or entity approved pursuant to the Oklahoma
23 Medical Marijuana and Patient Protection Act to conduct medical
24

1 marijuana research. A medical marijuana research facility is not a
2 medical marijuana business;

3 ~~38.~~ 36. "Medical marijuana testing laboratory" or "laboratory"
4 means a public or private laboratory licensed pursuant to the
5 Oklahoma Medical Marijuana and Patient Protection Act to conduct
6 testing and research on medical marijuana and medical marijuana
7 products;

8 ~~39.~~ 37. "Medical marijuana transporter" or "transporter" means
9 a person or entity that is licensed pursuant to the Oklahoma Medical
10 Marijuana and Patient Protection Act. A medical marijuana
11 transporter does not include a medical marijuana business that
12 transports its own medical marijuana, medical marijuana concentrate
13 or medical marijuana products to a property or facility adjacent to
14 or connected to the licensed premises if the property is another
15 licensed premises of the same medical marijuana business;

16 ~~40.~~ 38. "Medical marijuana waste" or "waste" means unused,
17 surplus, returned or out-of-date marijuana, plant debris of the
18 plant of the genus Cannabis including dead plants and all unused
19 plant parts and roots, except the term shall not include roots,
20 stems, stalks and fan leaves;

21 ~~41.~~ 39. "Medical use" means the acquisition, possession, use,
22 delivery, transfer or transportation of medical marijuana, medical
23 marijuana products, medical marijuana devices or paraphernalia
24

1 relating to the administration of medical marijuana to treat a
2 licensed patient;

3 ~~42.~~ 40. "Mother plant" means a marijuana plant that is grown or
4 maintained for the purpose of generating clones, and that will not
5 be used to produce plant material for sale to a medical marijuana
6 processor or medical marijuana dispensary;

7 ~~43.~~ 41. "Oklahoma physician" or "physician" means a physician
8 licensed by and in good standing with the State Board of Medical
9 Licensure and Supervision, the State Board of Osteopathic Examiners
10 or the Board of Podiatric Medical Examiners;

11 ~~44.~~ 42. "Oklahoma resident" means an individual who can provide
12 proof of residency as required by the Oklahoma Medical Marijuana and
13 Patient Protection Act;

14 ~~45.~~ 43. "Owner" means, except where the context otherwise
15 requires, a direct beneficial owner including, but not limited to,
16 all persons or entities as follows:

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

24

- e. all beneficiaries that hold a beneficial interest in a trust and all trustees of a trust,
- f. all persons or entities that own interest in a joint venture,
- g. all persons or entities that own an interest in an association,
- h. the owners of any other type of legal entity, and
- i. any other person holding an interest or convertible note in any entity which owns, operates or manages a licensed facility;

~~46.~~ 44. "Package" or "packaging" means any container or wrapper that may be used by a medical marijuana business to enclose or contain medical marijuana;

~~47.~~ 45. "Person" means a natural person, partnership, association, business trust, company, corporation, estate, limited liability company, trust or any other legal entity or organization, or a manager, agent, owner, director, servant, officer or employee thereof, except that "person" does not include any governmental organization;

~~48.~~ 46. "Pesticide" means any substance or mixture of substances intended for preventing, destroying, repelling or mitigating any pest or any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant, except that the term "pesticide" shall not include any article that

1 is a "new animal drug" as designated by the United States Food and
2 Drug Administration;

3 ~~49.~~ 47. "Production batch" means:

4 a. any amount of medical marijuana concentrate of the
5 same category and produced using the same extraction
6 methods, standard operating procedures and an
7 identical group of harvest batch of medical marijuana,
8 or

9 b. any amount of medical marijuana product of the same
10 exact type, produced using the same ingredients,
11 standard operating procedures and the same production
12 batch of medical marijuana concentrate;

13 ~~50.~~ 48. "Public institution" means any entity established or
14 controlled by the federal government, state government, or a local
15 government or municipality including, but not limited to,
16 institutions of higher education or related research institutions;

17 ~~51.~~ 49. "Public money" means any funds or money obtained by the
18 holder from any governmental entity including, but not limited to,
19 research grants;

20 ~~52.~~ 50. "Recommendation" means a document that is signed or
21 electronically submitted by a physician on behalf of a patient for
22 the use of medical marijuana pursuant to the Oklahoma Medical
23 Marijuana and Patient Protection Act;

24

1 ~~53.~~ 51. "Registered to conduct business" means a person that
2 has provided proof that the business applicant or licensee is in
3 good standing with the ~~Oklahoma~~ Secretary of State;

4 ~~54.~~ 52. "Remediation" means the process by which a harvest
5 batch or production batch that fails testing undergoes a procedure
6 to remedy the harvest batch or production batch and is retested in
7 accordance with ~~Oklahoma~~ state laws, rules and regulations;

8 ~~55.~~ 53. "Research project" means a discrete scientific endeavor
9 to answer a research question or a set of research questions related
10 to medical marijuana and is required for a medical marijuana
11 research license. A research project shall include a description of
12 a defined protocol, clearly articulated goals, defined methods and
13 outputs, and a defined start and end date. The description shall
14 demonstrate that the research project will comply with all
15 requirements in the Oklahoma Medical Marijuana and Patient
16 Protection Act and rules promulgated pursuant thereto. All research
17 and development conducted by a medical marijuana research facility
18 shall be conducted in furtherance of an approved research project;

19 ~~56.~~ 54. "Revocation" means the final decision by the ~~Department~~
20 Authority that any license issued pursuant to the Oklahoma Medical
21 Marijuana and Patient Protection Act is rescinded because the
22 individual or entity does not comply with the applicable
23 requirements set forth in the Oklahoma Medical Marijuana and Patient
24 Protection Act or rules promulgated pursuant thereto;

1 ~~57.~~ 55. "School" means a public or private elementary, middle
2 or high school used for school classes and instruction. A
3 homeschool, daycare or child-care facility shall not be considered a
4 "school" as used in the Oklahoma Medical Marijuana and Patient
5 Protection Act;

6 ~~58.~~ 56. "Shipping container" means a hard-sided container with
7 a lid or other enclosure that can be secured in place. A shipping
8 container is used solely for the transport of medical marijuana,
9 medical marijuana concentrate, or medical marijuana products between
10 medical marijuana businesses, a medical marijuana research facility,
11 or a medical marijuana education facility;

12 ~~59.~~ 57. "Solvent-based medical marijuana concentrate" means a
13 medical marijuana concentrate that was produced by extracting
14 cannabinoids from medical marijuana through the use of a solvent
15 approved by the ~~Department~~ Executive Director;

16 ~~60.~~ 58. "State Question" means Oklahoma State Question No. 788,
17 Initiative Petition No. 412, approved by a majority vote of the
18 citizens of Oklahoma on June 26, 2018;

19 ~~61.~~ 59. "Strain" means the name given to a particular variety
20 of medical marijuana that is based on a combination of factors which
21 may include, but is not limited to, botanical lineage, appearance,
22 chemical profile and accompanying effects. An example of a "strain"
23 would be "OG Kush" or "Pineapple Express";

24

1 ~~62.~~ 60. "THC" means tetrahydrocannabinol, which is the primary
2 psychotropic cannabinoid in marijuana formed by decarboxylation of
3 naturally tetrahydrocannabinolic acid, which generally occurs by
4 exposure to heat;

5 ~~63.~~ 61. "Transporter agent" means a person who transports
6 medical marijuana or medical marijuana products as an employee of a
7 licensed medical marijuana business and holds a transporter agent
8 license specific to that business pursuant to the Oklahoma Medical
9 Marijuana and Patient Protection Act;

10 ~~64.~~ 62. "Universal symbol" means the image established by the
11 ~~State Department of Health or~~ Oklahoma Medical Marijuana Authority
12 and made available to licensees through its website indicating that
13 the medical marijuana or the medical marijuana product contains THC;

14 ~~65.~~ 63. "Usable marijuana" means the dried leaves, flowers,
15 oils, vapors, waxes and other portions of the marijuana plant and
16 any mixture or preparation thereof, excluding seeds, roots, stems,
17 stalks and fan leaves; and

18 ~~66.~~ 64. "Water-based medical marijuana concentrate" means a
19 concentrate that was produced by extracting cannabinoids from
20 medical marijuana through the use of only water, ice or dry ice.

21 SECTION 8. AMENDATORY 63 O.S. 2021, Section 427.3, as
22 last amended by Section 9, Chapter 553, O.S.L. 2021, is amended to
23 read as follows:

24

1 Section 427.3 A. There is hereby created the Oklahoma Medical
2 Marijuana Authority ~~within the State Department of Health~~ which
3 shall address issues related to the medical marijuana program in
4 ~~Oklahoma~~ this state including, but not limited to, the issuance of
5 patient licenses and medical marijuana business licenses, and the
6 dispensing, cultivating, processing, testing, transporting, storage,
7 research, and the use of and sale of medical marijuana pursuant to
8 the Oklahoma Medical Marijuana and Patient Protection Act.

9 B. ~~The Department shall provide support staff to perform~~
10 ~~designated duties of the Authority. The Department shall also~~
11 ~~provide office space for meetings of the Authority.~~

12 1. Beginning on the effective date of this act, the Authority
13 shall cease to be part of or a division of the State Department of
14 Health and shall be deemed to be a separate and distinct agency, to
15 be known as the Oklahoma Medical Marijuana Authority. The Authority
16 and the Executive Director of the Authority shall continue to
17 exercise their statutory powers, duties, and contractual
18 responsibilities. All records, property, equipment, assets, monies,
19 financial interests, liabilities, matters pending, and funds of the
20 division shall be transferred to the Authority.

21 2. All licenses granted by the Department pertaining to medical
22 marijuana shall maintain rights and privileges under the authority
23 of the Authority; provided, however, that all licenses shall be
24 subject to revocation, suspension, or disciplinary action for

1 violation of any of the provisions of the Oklahoma Medical Marijuana
2 and Patient Protection Act and rules promulgated by the Executive
3 Director.

4 3. The Authority shall succeed to any contractual rights or
5 responsibilities incurred by the Department pertaining to medical
6 marijuana.

7 4. Rules promulgated by the State Commissioner of Health
8 pertaining to medical marijuana that are in effect on the effective
9 date of this act shall be immediately adopted and enforced by the
10 Executive Director. The Executive Director maintains the authority
11 to further promulgate and enforce rules.

12 5. The Department and the Authority may enter into an agreement
13 for the transfer of personnel from the Department to the Authority.
14 No employee shall be transferred to the Authority except on the
15 freely given written consent of the employee. All employees who are
16 transferred to the Authority shall not be required to accept a
17 lesser grade or salary than presently received. All employees shall
18 retain leave, sick, and annual time earned, and any retirement and
19 longevity benefits which have accrued during their tenure with the
20 Department. The transfer of personnel between the state agencies
21 shall be coordinated with the Office of Management and Enterprise
22 Services.

23 6. The expenses incurred by the Authority as a result of the
24 transfer required by this subsection shall be paid by the Authority.

1 7. The division within the Department known as the Oklahoma
2 Medical Marijuana Authority shall be abolished by the Department
3 after the transfer has been completed.

4 8. The Office of Management and Enterprise Services shall
5 coordinate the transfer of records, property, equipment, assets,
6 funds, allotments, purchase orders, liabilities, outstanding
7 financial obligations, or encumbrances provided for in this
8 subsection.

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

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

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

- 22 a. public health policy and public safety policy,
- 23 b. agronomic and horticultural best practices, and
- 24 c. medical and pharmacopoeia best practices;

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

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

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

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

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

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

24

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

3 9. Establish a fee schedule and collect fees for performing
4 background checks as the ~~Commissioner~~ Executive Director deems
5 appropriate. The fees charged pursuant to this paragraph shall not
6 exceed the actual cost incurred for each background check;

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

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

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

1 g. any other information as the Authority reasonably
2 deems necessary.

3 SECTION 9. AMENDATORY 63 O.S. 2021, Section 427.4, as
4 amended by Section 10, Chapter 553, O.S.L. 2021, is amended to read
5 as follows:

6 Section 427.4 A. The Oklahoma Medical Marijuana Authority, ~~in~~
7 ~~conjunction with the State Department of Health,~~ shall employ an
8 Executive Director and other personnel as necessary to assist the
9 Authority in carrying out its duties. The Executive Director shall
10 be appointed by the Governor, with the advice and consent of the
11 Senate. The Executive Director shall serve at the pleasure of the
12 Governor and may be removed or replaced without cause. Compensation
13 for the Executive Director shall be determined pursuant to Section
14 3601.2 of Title 74 of the Oklahoma Statutes.

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

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

19 2. The individual or his or her spouse, parent, child, spouse
20 of a child, sibling, or spouse of a sibling has an application for a
21 medical marijuana business license pending before the ~~Department~~
22 Authority or is a member of the board of directors of a medical
23 marijuana business, or is an individual financially interested in
24 any licensee or medical marijuana business.

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

4 D. The ~~Commissioner~~ Executive Director may delegate to any
5 officer or employee of the ~~Department~~ Authority any of the powers of
6 the Executive Director and may designate any officer or employee of
7 the ~~Department~~ Authority to perform any of the duties of the
8 Executive Director.

9 E. The Executive Director ~~shall be authorized to suggest~~ may
10 promulgate rules governing the oversight and implementation of the
11 Oklahoma Medical Marijuana and Patient Protection Act.

12 F. The ~~Department~~ Authority is hereby authorized to create
13 employment positions necessary for the implementation of its
14 obligations pursuant to the Oklahoma Medical Marijuana and Patient
15 Protection Act including, but not limited to, ~~Authority~~
16 investigators of the Authority and a ~~senior~~ director of enforcement.
17 The ~~Department and the Authority~~, the ~~senior~~ director of
18 enforcement, the Executive Director, and ~~Department~~ investigators of
19 the Authority shall have all the powers and authority of ~~any~~ a peace
20 officer of this state for the purpose of enforcing the provisions of
21 the Oklahoma Medical Marijuana and Patient Protection Act and other
22 laws pertaining to medical marijuana, rules promulgated by the
23 Executive Director, or criminal laws of this state. These powers
24 shall include but not be limited to:

1 1. ~~Investigate~~ Investigating violations or suspected violations
2 of the Oklahoma Medical Marijuana and Patient Protection Act ~~and or~~
3 other laws pertaining to medical marijuana, any rules promulgated
4 pursuant thereto, and any violations of criminal laws of this state
5 discovered through the course of such investigations;

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

10 3. ~~Assist or aid~~ Seizing any marijuana or marijuana product
11 illegally held in violation of the Oklahoma Medical Marijuana and
12 Patient Protection Act, any other laws of this state, or any rules
13 promulgated by the Executive Director;

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

17 5. Referring any evidence, reports, or charges regarding
18 violations of any provision of the Oklahoma Medical Marijuana and
19 Patient Protection Act that carries criminal penalty, or of any
20 other criminal laws of this state, to the appropriate law
21 enforcement authority and prosecutorial authority for action;

22 6. Aiding the enforcement authorities of this state or any
23 county or municipality of the state, or the federal government, in
24 prosecutions of violations of the Oklahoma Medical Marijuana and

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

7 ~~4. Require~~ 7. Requiring any business applicant or licensee to
8 permit an inspection of licensed premises during business hours or
9 at any time of apparent operation, marijuana equipment, and
10 marijuana accessories, or books and records; and to permit the
11 testing of or examination of medical marijuana, concentrate, or
12 product;

13 ~~5. Require~~ 8. Requiring applicants and licensees to submit
14 complete and current applications, information and fees required by
15 the Oklahoma Medical Marijuana and Patient Protection Act, the
16 Oklahoma Medical Marijuana Waste Management Act and Sections 420
17 through 426.1 of this title, and approve material changes made by
18 the applicant or licensee;

19 ~~6. Require~~ 9. Requiring medical marijuana business licensees
20 to submit a sample or unit of medical marijuana or medical marijuana
21 product to the quality assurance laboratory when the ~~Department~~
22 Authority has reason to believe the medical marijuana or medical
23 marijuana product may be unsafe for patient consumption or
24 inhalation or has not been tested in accordance with the provisions

1 of the Oklahoma Medical Marijuana and Patient Protection Act and the
2 rules and regulations ~~of the Department~~ promulgated by the Executive
3 Director. The licensee shall provide the samples or units of
4 medical marijuana or medical marijuana products at its own expense
5 but shall not be responsible for the costs of testing; and

6 ~~7. Require~~ 10. Requiring medical marijuana business licensees
7 to periodically submit samples or units of medical marijuana or
8 medical marijuana products to the quality assurance laboratory for
9 quality assurance purposes. Licensed growers, processors,
10 dispensaries and transporters shall not be required to submit
11 samples or units of medical marijuana or medical marijuana products
12 more than twice a year. The licensee shall provide the samples or
13 units of medical marijuana or medical marijuana products at its own
14 expense but shall not be responsible for the costs of testing.

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

18 H. During the course of an investigation, the director of
19 enforcement or any investigator of the Authority as provided by
20 subsection F of this section may arrest a violator or suspected
21 violator of any laws of this state committed in the presence of the
22 director of enforcement or any investigator of the Authority or upon
23 the development of probable cause that such crime has been
24 committed. The director of enforcement or any investigator of the

1 Authority as provided by subsection F of this section may, upon
2 request of a sheriff or another peace officer of this state, or any
3 political subdivision thereof, assist in the apprehension and arrest
4 of a violator or suspected violator of any of the laws of this
5 state.

6 I. The Executive Director may employ or contract with
7 attorneys, as needed, to advise the Executive Director and the
8 Authority on all legal matters and to appear for and represent the
9 Executive Director and the Authority in all administrative hearings
10 and all litigation or other proceedings which may arise in the
11 discharge of their duties. At the request of the Executive
12 Director, such attorneys shall assist district attorneys in
13 prosecuting charges of violators of the Oklahoma Medical Marijuana
14 and Patient Protection Act or any other laws of this state that
15 carry criminal penalty involving crimes discovered during the
16 investigation of violations or suspected violations of the Oklahoma
17 Medical Marijuana and Patient Protection Act or other laws
18 pertaining to medical marijuana or any rules promulgated pursuant
19 thereto.

20 SECTION 10. AMENDATORY 63 O.S. 2021, Section 427.6, as
21 last amended by Section 11, Chapter 553, O.S.L. 2021, is amended to
22 read as follows:

23 Section 427.6 A. ~~The State Department of Health~~ Oklahoma
24 Medical Marijuana Authority shall address issues related to the

1 medical marijuana program in ~~Oklahoma~~ this state including, but not
2 limited to, monitoring and disciplinary actions as they relate to
3 the medical marijuana program.

4 B. 1. The ~~Department~~ Authority or its designee may perform on-
5 site inspections or investigations of a licensee or applicant for
6 any medical marijuana business license, research facility, education
7 facility or waste disposal facility to determine compliance with
8 applicable laws, rules and regulations or submissions made pursuant
9 to this section. The ~~Department~~ Authority may enter the licensed
10 premises of a medical marijuana business, research facility,
11 education facility or waste disposal facility licensee or applicant
12 to assess or monitor compliance or ensure qualifications for
13 licensure.

14 2. Post-licensure inspections shall be limited to twice per
15 calendar year. However, investigations and additional inspections
16 may occur when the ~~Department~~ Authority believes an investigation or
17 additional inspection is necessary due to a possible violation of
18 applicable laws, rules or regulations. The ~~State Commissioner of~~
19 ~~Health~~ Executive Director of the Authority may adopt rules imposing
20 penalties including, but not limited to, monetary fines and
21 suspension or revocation of licensure for failure to allow the
22 Authority reasonable access to the licensed premises for purposes of
23 conducting an inspection.

24

1 3. The ~~Department~~ Authority may review relevant records of a
2 licensed medical marijuana business, licensed medical marijuana
3 research facility, licensed medical marijuana education facility or
4 licensed medical marijuana waste disposal facility, and may require
5 and conduct interviews with such persons or entities and persons
6 affiliated with such entities, for the purpose of determining
7 compliance with ~~Department~~ requirements of the Executive Director
8 and applicable laws, rules and regulations.

9 4. The ~~Department~~ Authority may refer complaints alleging
10 criminal activity that are made against a licensee to appropriate
11 ~~Oklahoma~~ state or local law enforcement authorities.

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

16 D. Disciplinary actions may include revocation, suspension or
17 denial of an application, license or final authorization and other
18 action deemed appropriate by the ~~Department~~ Executive Director.

19 E. Disciplinary actions may be imposed upon a medical marijuana
20 business licensee for:

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

23
24

- 1 2. Falsification or misrepresentation of any material or
2 information submitted to the ~~Department~~ Authority or other
3 licensees;
- 4 3. Failing to allow or impeding entry by authorized
5 representatives of the ~~Department~~ Authority;
- 6 4. Failure to adhere to any acknowledgement, verification or
7 other representation made to the ~~Department~~ Authority;
- 8 5. Failure to submit or disclose information required by
9 applicable laws, rules or regulations or otherwise requested by the
10 ~~Department~~ Authority;
- 11 6. Failure to correct any violation of this section cited as a
12 result of a review or audit of financial records or other materials;
- 13 7. Failure to comply with requested access by the ~~Department~~
14 Authority to the licensed premises or materials;
- 15 8. Failure to pay a required monetary penalty;
- 16 9. Diversion of medical marijuana or any medical marijuana
17 product, as determined by the ~~Department~~ Authority;
- 18 10. Threatening or harming a medical marijuana patient
19 licensee, caregiver licensee, a medical practitioner or an employee
20 of the ~~Department~~ Authority; and
- 21 11. Any other basis indicating a violation of the applicable
22 laws and regulations as identified by the ~~Department~~ Authority.
- 23 F. Disciplinary actions against a licensee may include the
24 imposition of monetary penalties, which may be assessed by the

1 ~~Department~~ Authority. The ~~Department~~ Authority may suspend or
2 revoke a license for failure to pay any monetary penalty lawfully
3 assessed by the ~~Department~~ Authority against a licensee.

4 G. Penalties for sales or purchases by a medical marijuana
5 business to persons other than those allowed by law occurring within
6 any two-year time period may include an initial fine of One Thousand
7 Dollars (\$1,000.00) for a first violation and a fine of Five
8 Thousand Dollars (\$5,000.00) for any subsequent violation.

9 Penalties for grossly inaccurate or fraudulent reporting occurring
10 within any two-year time period may include an initial fine of Five
11 Thousand Dollars (\$5,000.00) for a first violation and a fine of Ten
12 Thousand Dollars (\$10,000.00) for any subsequent violation. The
13 medical marijuana business may be subject to a revocation of any
14 license granted pursuant to the Oklahoma Medical Marijuana and
15 Patient Protection Act upon a showing that the violation was willful
16 or grossly negligent.

17 H. 1. First offense for intentional and impermissible
18 diversion of medical marijuana, concentrate, or products by a
19 patient or caregiver to an unauthorized person shall not be punished
20 under a criminal statute but may be subject to a fine of Two Hundred
21 Dollars (\$200.00).

22 2. The second offense for impermissible diversion of medical
23 marijuana, concentrate, or products by a patient or caregiver to an
24 unauthorized person shall not be punished under a criminal statute

1 but may be subject to a fine of not to exceed Five Hundred Dollars
2 (\$500.00) and may result in revocation of the license upon a showing
3 that the violation was willful or grossly negligent.

4 I. The intentional diversion of medical marijuana, medical
5 marijuana concentrate or medical marijuana products by a licensed
6 medical marijuana patient or caregiver, medical marijuana business
7 or employee of a medical marijuana business to an unauthorized minor
8 person who the licensed medical marijuana patient or caregiver,
9 medical marijuana business or employee of a medical marijuana
10 business knew or reasonably should have known to be a minor person
11 shall be subject to a cite and release citation and, upon a finding
12 of guilt or a plea of no contest, a fine of Two Thousand Five
13 Hundred Dollars (\$2,500.00). For a second or subsequent offense,
14 the licensed medical marijuana patient or caregiver, medical
15 marijuana business or employee of a medical marijuana business shall
16 be subject to a cite and release citation and, upon a finding of
17 guilt or a plea of no contest, a fine of Five Thousand Dollars
18 (\$5,000.00) and automatic termination of the medical marijuana
19 license.

20 J. Nothing in this section shall be construed to prevent the
21 criminal prosecution, after the presentation of evidence and a
22 finding beyond a reasonable doubt, of a licensed medical marijuana
23 patient or caregiver, medical marijuana business or employee of a
24 medical marijuana business who has diverted medical marijuana,

1 medical marijuana concentrate or medical marijuana products to an
2 unauthorized person with the intent or knowledge that the
3 unauthorized person was to engage in the distribution or trafficking
4 of medical marijuana, medical marijuana concentrate or medical
5 marijuana products.

6 K. In addition to any other remedies provided for by law, the
7 ~~Department Authority~~, pursuant to ~~its~~ rules and regulations
8 promulgated by the Executive Director, may issue a written order to
9 any licensee the ~~Department Authority~~ has reason to believe has
10 violated Sections 420 through 426.1 of this title, the Oklahoma
11 Medical Marijuana and Patient Protection Act, the Oklahoma Medical
12 Marijuana Waste Management Act, or any rules promulgated by the
13 ~~State Commissioner of Health~~ Executive Director and to whom the
14 ~~Department Authority~~ has served, not less than thirty (30) days
15 previously, a written notice of violation of such statutes or rules.

16 1. The written order shall state with specificity the nature of
17 the violation. The ~~Department Authority~~ may impose any disciplinary
18 action authorized under the provisions of this section including,
19 but not limited to, the assessment of monetary penalties.

20 2. Any order issued pursuant to the provisions of this section
21 shall become a final order unless, not more than thirty (30) days
22 after the order is served to the licensee, the licensee requests an
23 administrative hearing in accordance with the rules and regulations
24 ~~of the Department~~ promulgated by the Executive Director. Upon such

1 request, the ~~Department~~ Authority shall promptly initiate
2 administrative proceedings.

3 L. Whenever the ~~Department~~ Executive Director finds that an
4 emergency exists requiring immediate action in order to protect the
5 health or welfare of the public, the ~~Department~~ Executive Director
6 may issue an order, without providing notice or hearing, stating the
7 existence of ~~said~~ an emergency and requiring that action be taken as
8 the ~~Department~~ Executive Director deems necessary to meet the
9 emergency. Such action may include, but is not limited to, ordering
10 the licensee to immediately cease and desist operations by the
11 licensee. The order shall be effective immediately upon issuance.
12 Any person to whom the order is directed shall comply immediately
13 with the provisions of the order. The ~~Department~~ Authority may
14 assess a penalty not to exceed Ten Thousand Dollars (\$10,000.00) per
15 day of noncompliance with the order. In assessing such a penalty,
16 the ~~Department~~ Authority shall consider the seriousness of the
17 violation and any efforts to comply with applicable requirements.
18 Upon application to the ~~Department~~ Authority, the licensee shall be
19 offered a hearing within ten (10) days of the issuance of the order.

20 M. 1. The Executive Director may conduct hearings, issue final
21 agency orders, impose disciplinary action as provided by this
22 section for violation of state laws and rules pertaining to medical
23 marijuana including, but not limited to, violation of this section,
24 and take such other action as may be necessary to enforce state laws

1 and rules pertaining to medical marijuana pursuant to the
2 Administrative Procedures Act. All hearings held pursuant to this
3 section shall be in accordance with the ~~Oklahoma~~ Administrative
4 Procedures Act.

5 2. The Executive Director may delegate to an administrative law
6 judge the authority to conduct hearings, issue final agency orders,
7 or impose disciplinary action as provided by this section for
8 violation of state laws and rules pertaining to medical marijuana
9 including, but not limited to, violation of this section. When the
10 administrative law judge issues a final agency order, that order
11 becomes the final order of the Authority without further proceeding
12 unless there is a request for rehearing, reopening, or
13 reconsideration pursuant to Section 317 of Title 75 of the Oklahoma
14 Statutes or a filing for judicial review pursuant to Section 318 of
15 Title 75 of the Oklahoma Statutes.

16 SECTION 11. AMENDATORY 63 O.S. 2021, Section 427.9, is
17 amended to read as follows:

18 Section 427.9 A. The Oklahoma Medical Marijuana Authority may
19 contact the recommending physician of an applicant for a medical
20 marijuana patient license or current holder of a medical marijuana
21 patient license to verify the need of the applicant or licensee for
22 the license and the information submitted with the application.

23 B. An applicant for a medical marijuana patient license who can
24 demonstrate his or her status as a one-hundred-percent-disabled

1 veteran as determined by the U.S. Department of Veterans Affairs and
2 codified at 38 C.F.R., Section 3.340(a)(2013) shall pay a reduced
3 biannual application fee of Twenty Dollars (\$20.00). The methods of
4 payment, as determined by the Authority, shall be provided on the
5 website. However, the Authority shall ensure that all applicants
6 have an option to submit the license application and payment by
7 means other than solely by submission of the application and fee
8 online.

9 C. The patient license shall be valid for up to two (2) years
10 from the date of issuance, unless the recommendation of the
11 physician is terminated pursuant to the Oklahoma Medical Marijuana
12 and Patient Protection Act or revoked by the ~~Department~~ Authority.

13 SECTION 12. AMENDATORY 63 O.S. 2021, Section 427.10, is
14 amended to read as follows:

15 Section 427.10 A. Only licensed Oklahoma allopathic,
16 osteopathic and podiatric physicians may provide a medical marijuana
17 recommendation for a medical marijuana patient license under the
18 Oklahoma Medical Marijuana and Patient Protection Act.

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

23 C. No physician shall be subject to arrest, prosecution or
24 penalty in any manner or denied any right or privilege under

1 ~~Oklahoma~~ state, municipal or county statute, ordinance or
2 resolution, including without limitation a civil penalty or
3 disciplinary action by the State Board of Medical Licensure and
4 Supervision, the State Board of Osteopathic Examiners, the Board of
5 Podiatric Medical Examiners or by any other business, occupation or
6 professional licensing board or bureau, solely for providing a
7 medical marijuana recommendation for a patient or for monitoring,
8 treating or prescribing scheduled medication to patients who are
9 medical marijuana licensees. The provisions of this subsection
10 shall not prevent the relevant professional licensing boards from
11 sanctioning a physician for failing to properly evaluate the medical
12 condition of a patient or for otherwise violating the applicable
13 physician-patient standard of care.

14 D. A physician who recommends use of medical marijuana shall
15 not be located at the same physical address as a licensed medical
16 marijuana dispensary.

17 E. If the physician determines the continued use of medical
18 marijuana by the patient no longer meets the requirements set forth
19 in the Oklahoma Medical Marijuana and Patient Protection Act, the
20 physician shall notify the ~~Department~~ Oklahoma Medical Marijuana
21 Authority and the license shall be immediately voided without right
22 to an individual proceeding.

23 SECTION 13. AMENDATORY 63 O.S. 2021, Section 427.11, is
24 amended to read as follows:

1 Section 427.11 A. The caregiver license shall provide the
2 caregiver the same rights as the medical marijuana patient licensee,
3 including the ability to possess marijuana, marijuana products, and
4 mature and immature plants pursuant to the Oklahoma Medical
5 Marijuana and Patient Protection Act, but excluding the ability to
6 use marijuana or marijuana products unless the caregiver has a
7 medical marijuana patient license. Caregivers shall be authorized
8 to deliver marijuana and products to their authorized patients.
9 Caregivers shall be authorized to possess medical marijuana and
10 medical marijuana products up to the sum of the possession limits
11 for the patients under his or her care pursuant to the Oklahoma
12 Medical Marijuana and Patient Protection Act.

13 B. An individual caregiver shall be limited to exercising the
14 marijuana cultivation rights of no more than five licensed patients
15 as prescribed by the Oklahoma Medical Marijuana and Patient
16 Protection Act.

17 C. The license of a caregiver shall not extend beyond the
18 expiration date of the underlying patient license regardless of the
19 issue date.

20 D. A medical marijuana patient license holder may request, at
21 any time, to withdraw the license of his or her caregiver. In the
22 event that such a request is made or upon the expiration of the
23 medical marijuana license of the patient, the license of the
24

1 caregiver shall be immediately withdrawn by the ~~Department~~ Oklahoma
2 Medical Marijuana Authority without the right to a hearing.

3 SECTION 14. AMENDATORY 63 O.S. 2021, Section 427.13, as
4 last amended by Section 16, Chapter 553, O.S.L. 2021, is amended to
5 read as follows:

6 Section 427.13 A. All medical marijuana and medical marijuana
7 products shall be purchased solely from ~~an Oklahoma-licensed a~~
8 state-licensed medical marijuana business, and shall not be
9 purchased from any out-of-state providers.

10 B. 1. The Authority shall have oversight and auditing
11 responsibilities to ensure that all marijuana being grown in
12 ~~Oklahoma~~ this state is accounted for and shall implement an
13 inventory tracking system. Pursuant to these duties, the Authority
14 shall require that each medical marijuana business, medical
15 marijuana research facility, medical marijuana education facility
16 and medical marijuana waste disposal facility keep records for every
17 transaction with another medical marijuana business, patient or
18 caregiver. Inventory shall be tracked and updated after each
19 individual sale and reported to the Authority.

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

23 a. notification of when marijuana seeds and clones are
24 planted,

- b. notification of when marijuana plants are harvested and destroyed,
- c. notification of when marijuana is transported, sold, stolen, diverted or lost,
- d. a complete inventory of all marijuana, seeds, plant tissue, clones, plants, usable marijuana or trim, leaves and other plant matter, batches of extract, and marijuana concentrates,
- e. all samples sent to a testing laboratory, an unused portion of a sample returned to a licensee, all samples utilized by licensee for purposes of negotiating a sale, and
- f. all samples used for quality testing by a licensee.

3. Each medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility shall use a seed-to-sale tracking system or integrate its own seed-to-sale tracking system with the seed-to-sale tracking system established by the Authority.

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

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

- 1 b. the address and phone number of the medical marijuana
2 business that cultivated, manufactured or sold the
3 medical marijuana or medical marijuana product,
4 c. the type of product received during the transaction,
5 d. the batch number of the marijuana plant used,
6 e. the date of the transaction,
7 f. the total spent in dollars,
8 g. all point-of-sale records,
9 h. marijuana excise tax records, and
10 i. any additional information as may be reasonably
11 required by the ~~Department~~ Executive Director of the
12 Oklahoma Medical Marijuana Authority.

13 5. All inventory tracking records retained by a medical
14 marijuana business, medical marijuana research facility, medical
15 marijuana education facility or medical marijuana waste disposal
16 facility containing medical marijuana patient or caregiver
17 information shall comply with all relevant state and federal laws
18 including, but not limited to, the Health Insurance Portability and
19 Accountability Act of 1996 (HIPAA).

20 SECTION 15. AMENDATORY 63 O.S. 2021, Section 427.14, as
21 last amended by Section 17, Chapter 553, O.S.L. 2021, is amended to
22 read as follows:
23
24

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

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

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

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

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

18 E. All applicants seeking licensure or licensure renewal as a
19 medical marijuana business shall comply with the following general
20 requirements:

- 21 1. All applications for licenses and registrations authorized
22 pursuant to this section shall be made upon forms prescribed by the
23 Authority;

24

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

4 3. Applicants shall submit a complete application to the
5 ~~Department~~ Authority before the application may be accepted or
6 considered;

7 4. All applications shall be complete and accurate in every
8 detail;

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

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

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

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

1 business ownership are ~~Oklahoma~~ residents of this
2 state pursuant to paragraph 11 of this subsection,

3 d. if applying as an individual or entity, proof that the
4 individual or entity is registered to conduct business
5 in ~~the State of Oklahoma~~ this state,

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

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

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

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

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

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

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

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

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

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

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

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

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

- 23 a. front of ~~an Oklahoma~~ a state-issued driver license,

24

1 b. front of ~~an Oklahoma~~ a state-issued identification
2 card,

3 c. a United States passport or other photo identification
4 issued by the United States government, or

5 d. a tribal identification card approved for
6 identification purposes by the ~~Oklahoma~~ Department of
7 Public Safety; and

8 14. All applicants shall submit an applicant photograph.

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

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

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

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

1 Marijuana and Patient Protection Act and Sections 420 through 426.1
2 of this title. If an application is rejected for failure to provide
3 required information, the applicant shall have thirty (30) days to
4 submit the required information for reconsideration. No additional
5 application fee shall be charged for such reconsideration. Unless
6 the ~~Department~~ Authority determines otherwise, an application that
7 has been resubmitted but is still incomplete or contains errors that
8 are not clerical or typographical in nature shall be denied.

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

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

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

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

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

24

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

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

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

10 a. file taxes, interest or penalties due related to a
11 medical marijuana business, or

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

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

16 7. A person whose authority to be a caregiver, as defined in
17 Section 427.2 of this title, has been revoked by the ~~Department~~
18 Authority; or

19 8. A person who was involved in the management or operations of
20 any medical marijuana business, medical marijuana research facility,
21 medical marijuana education facility or medical marijuana waste
22 disposal facility that, after the initiation of a disciplinary
23 action, has had a medical marijuana license revoked, not renewed, or
24

1 surrendered during the five (5) years preceding submission of the
2 application and for the following violations:

- 3 a. unlawful sales or purchases,
- 4 b. any fraudulent acts, falsification of records or
5 misrepresentation to the Authority, medical marijuana
6 patient licensees, caregiver licensees or medical
7 marijuana business licensees,
- 8 c. any grossly inaccurate or fraudulent reporting,
- 9 d. threatening or harming any medical marijuana patient,
10 caregiver, medical practitioner or employee of the
11 ~~Department~~ Authority,
- 12 e. knowingly or intentionally refusing to permit the
13 ~~Department~~ Authority access to premises or records,
- 14 f. using a prohibited, hazardous substance for processing
15 in a residential area,
- 16 g. criminal acts relating to the operation of a medical
17 marijuana business, or
- 18 h. any violations that endanger public health and safety
19 or product safety.

20 I. In investigating the qualifications of an applicant or a
21 licensee, the ~~Department~~, Authority and municipalities may have
22 access to criminal history record information furnished by a
23 criminal justice agency subject to any restrictions imposed by such
24 an agency.

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 misstatements,
8 omissions, misrepresentations or untruths in the application or in
9 connection with the background investigation of the applicant. This
10 type of conduct may be grounds for administrative action against the
11 applicant or licensee. Typos and scrivener errors shall not be
12 grounds for denial.

13 L. A licensed medical marijuana business premises shall be
14 subject to and responsible for compliance with applicable provisions
15 consistent with the zoning where such business is located as
16 described in the most recent versions of the Oklahoma Uniform
17 Building Code, the International Building Code and the International
18 Fire Code, unless granted an exemption by a municipality or
19 appropriate code enforcement entity.

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

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

9 O. No medical marijuana business, medical marijuana research
10 facility, medical marijuana education facility or medical marijuana
11 waste disposal facility shall possess, sell or transfer medical
12 marijuana or medical marijuana products without a valid, unexpired
13 license issued by the ~~Department~~ Authority.

14 SECTION 16. AMENDATORY 63 O.S. 2021, Section 427.16, as
15 last amended by Section 18, Chapter 553, O.S.L. 2021 is amended to
16 read as follows:

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

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

1 issued to licensed medical marijuana research facilities, medical
2 marijuana education facilities and medical marijuana testing
3 laboratories upon issuance of such licenses and upon each renewal.

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

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

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

24

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

3 G. A medical marijuana transporter may maintain a licensed
4 premises to temporarily store medical marijuana, medical marijuana
5 concentrate and medical marijuana products and to use as a
6 centralized distribution point. A medical marijuana transporter may
7 store and distribute medical marijuana, medical marijuana
8 concentrate and medical marijuana products from the licensed
9 premises. The licensed premises shall meet all security
10 requirements applicable to a medical marijuana business.

11 H. A medical marijuana transporter licensee shall use the seed-
12 to-sale tracking system developed pursuant to the Oklahoma Medical
13 Marijuana and Patient Protection Act to create shipping manifests
14 documenting the transport of medical marijuana, medical marijuana
15 concentrate and medical marijuana products throughout the state.

16 I. A licensed medical marijuana transporter may maintain and
17 operate one or more warehouses in the state to handle medical
18 marijuana, medical marijuana concentrate and medical marijuana
19 products. Each location shall be registered and inspected by the
20 Authority prior to its use.

21 J. With the exception of a lawful transfer between medical
22 marijuana businesses who are licensed to operate at the same
23 physical address, all medical marijuana, medical marijuana
24 concentrate and medical marijuana products shall be transported:

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

3 2. In a locked container and clearly labeled "Medical Marijuana
4 or Derivative"; and

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

7 K. A transporter agent may possess marijuana at any location
8 while the transporter agent is transferring marijuana to or from a
9 licensed medical marijuana business, licensed medical marijuana
10 research facility or licensed medical marijuana education facility.
11 The ~~Department~~ Authority shall administer and enforce the provisions
12 of this section concerning transportation.

13 L. The Authority shall issue a transporter agent license to
14 individual agents, employees, officers or owners of a transporter
15 license in order for the individual to qualify to transport medical
16 marijuana, medical marijuana concentrate or medical marijuana
17 products.

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

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

24 1. The name, address and date of birth of the person;

- 1 2. Proof of current ~~Oklahoma~~ state residency;
- 2 3. Proof of identity as required for a medical marijuana
- 3 business license;
- 4 4. Possession of a valid ~~Oklahoma~~ state-issued driver license;
- 5 5. Verification of employment with a licensed transporter;
- 6 6. The application and affiliated fee; and
- 7 7. A copy of the criminal background check conducted by the
- 8 Oklahoma State Bureau of Investigation, paid for by the applicant.

9 O. If the transporter agent application is denied, the
10 ~~Department~~ Authority shall notify the transporter in writing of the
11 reason for denying the registry identification card.

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

16 Q. The ~~Department~~ Authority may revoke the registry
17 identification card of a transporter agent who knowingly violates
18 any provision of this section, and the transporter is subject to any
19 other penalties established by law for the violation.

20 R. The ~~Department~~ Authority may revoke or suspend the
21 transporter license of a transporter that the ~~Department~~ Authority
22 determines knowingly aided or facilitated a violation of any
23 provision of this section, and the license holder is subject to any
24 other penalties established in law for the violation.

1 S. Vehicles used in the transport of medical marijuana or
2 medical marijuana product shall be:

3 1. Insured at or above the legal requirements in ~~Oklahoma~~ this
4 state;

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

6 3. In possession of a shipping container as defined in Section
7 427.2 of this title capable of securing all transported products.

8 T. Prior to the transport of any medical marijuana, medical
9 marijuana concentrate or medical marijuana products, an inventory
10 manifest shall be prepared at the origination point of the medical
11 marijuana. The inventory manifest shall include the following
12 information:

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

14 a. the licensee number for the commercial grower,
15 processor or dispensary,

16 b. address of origination of transport, and

17 c. name and contact information for the originating
18 licensee;

19 2. For the end recipient license holder of the medical
20 marijuana:

21 a. the license number for the dispensary, commercial
22 grower, processor, research facility or education
23 facility destination,

24 b. address of the destination, and

1 c. name and contact information for the destination
2 licensee;

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

5 4. The date of the transport and the approximate time of
6 departure;

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

8 6. Printed names and signatures of the personnel accompanying
9 the transport; and

10 7. Notation of the transporting licensee.

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

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

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

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

23 SECTION 17. AMENDATORY 63 O.S. 2021, Section 427.17, is
24 amended to read as follows:

1 Section 427.17 A. There is hereby created a medical marijuana
2 testing laboratory license as a category of the medical marijuana
3 business license. The Oklahoma Medical Marijuana Authority is
4 hereby enabled to monitor, inspect and audit a licensed testing
5 laboratory under the Oklahoma Medical Marijuana and Patient
6 Protection Act.

7 B. The Authority is hereby authorized to contract with a
8 private laboratory for the purpose of conducting compliance testing
9 of medical marijuana testing laboratories licensed in this state.
10 Any such laboratory under contract for compliance testing shall be
11 prohibited from conducting any other commercial medical marijuana
12 testing in this state. The laboratory the Authority contracts with
13 for compliance testing shall not employ, or be owned by, the
14 following:

15 1. Any individual that has a direct or indirect interest in a
16 licensed medical marijuana business; or

17 2. Any individual or his or her spouse, parent, child, spouse
18 of a child, sibling or spouse of a sibling that has an application
19 for a medical marijuana business license pending before the
20 ~~Department~~ Authority or is a member of the board of directors of a
21 medical marijuana business, or is an individual financially
22 interested in any licensee or medical marijuana business located
23 within this state.

24

1 C. The Authority shall develop acceptable testing practices
2 including, but not limited to, testing, standards, quality control
3 analysis, equipment certification and calibration, and chemical
4 identification and substances used.

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

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

11 F. A separate license shall be required for each specific
12 laboratory.

13 G. A medical marijuana testing laboratory license may be issued
14 to a person who performs testing on medical marijuana and medical
15 marijuana products for medical marijuana businesses, medical
16 marijuana research facilities, medical marijuana education
17 facilities, and testing on marijuana and marijuana products grown or
18 produced by a patient or caregiver on behalf of a patient, upon
19 verification of registration. A medical marijuana testing
20 laboratory may also conduct research related to the development and
21 improvement of its testing practices and procedures. No state-
22 approved medical marijuana testing facility shall operate unless a
23 medical laboratory director is on site during operational hours.

24

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

6 I. A medical marijuana testing laboratory may accept samples of
7 medical marijuana, medical marijuana concentrate or medical
8 marijuana product from a medical marijuana business, medical
9 marijuana research facility or medical marijuana education facility
10 for testing purposes only, which purposes may include the provision
11 of testing services for samples submitted by a medical marijuana
12 business for product development. The ~~Department~~ Authority may
13 require a medical marijuana business to submit a sample of medical
14 marijuana, medical marijuana concentrate or medical marijuana
15 product to a medical marijuana testing or quality assurance
16 laboratory upon demand.

17 J. A medical marijuana testing laboratory may accept samples of
18 medical marijuana, medical marijuana concentrate or medical
19 marijuana product from an individual person for testing only under
20 the following conditions:

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

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

4 K. A medical marijuana testing laboratory may transfer samples
5 to another medical marijuana testing laboratory for testing. All
6 laboratory reports provided to or by a medical marijuana business or
7 to a patient or caregiver shall identify the medical marijuana
8 testing laboratory that actually conducted the test.

9 L. A medical marijuana testing laboratory may utilize a
10 licensed medical marijuana transporter to transport samples of
11 medical marijuana, medical marijuana concentrate and medical
12 marijuana product for testing, in accordance with the Oklahoma
13 Medical Marijuana and Patient Protection Act and the rules adopted
14 pursuant thereto, between the originating medical marijuana business
15 requesting testing services and the destination laboratory
16 performing testing services.

17 M. The medical marijuana testing laboratory shall establish
18 policies to prevent the existence of or appearance of undue
19 commercial, financial or other influences that may diminish the
20 competency, impartiality and integrity of the testing processes or
21 results of the laboratory, or that may diminish public confidence in
22 the competency, impartiality and integrity of the testing processes
23 or results of the laboratory. At a minimum, employees, owners or
24 agents of a medical marijuana testing laboratory who participate in

1 any aspect of the analysis and results of a sample are prohibited
2 from improperly influencing the testing process, improperly
3 manipulating data or improperly benefiting from any ongoing
4 financial, employment, personal or business relationship with the
5 medical marijuana business that provided the sample. A medical
6 marijuana testing laboratory shall not test samples for any medical
7 marijuana business in which an owner, employee or agent of the
8 medical marijuana testing laboratory has any form of ownership or
9 financial interest in the medical marijuana business.

10 N. The ~~Department~~ Authority, pursuant to rules promulgated by
11 the ~~State Commissioner of Health~~ Executive Director of the
12 Authority, shall develop standards, policies and procedures as
13 necessary for:

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

18 2. Testing procedures, testing standards for cannabinoid and
19 terpenoid potency and safe levels of contaminants, and remediation
20 procedures;

21 3. Controlled access areas for storage of medical marijuana and
22 medical marijuana product test samples, waste and reference
23 standards;

24

1 4. Records to be retained and computer systems to be utilized
2 by the laboratory;

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

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

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

9 8. The mandatory use by a laboratory of an inventory tracking
10 system to ensure all harvest and production batches or samples
11 containing medical marijuana, medical marijuana concentrate or
12 medical marijuana products are identified and tracked from the point
13 they are transferred from a medical marijuana business, a patient or
14 a caregiver through the point of transfer, destruction or disposal.
15 The inventory tracking system reporting shall include the results of
16 any tests that are conducted on medical marijuana, medical marijuana
17 concentrate or medical marijuana product;

18 9. Standards of performance;

19 10. The employment of laboratory personnel;

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

22 12. The successful participation in a ~~Department-approved~~
23 proficiency testing program approved by the Executive Director for
24

1 each testing category listed in this section, in order to obtain and
2 maintain certification;

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

6 14. The immediate recall of medical marijuana or medical
7 marijuana products that test above allowable thresholds or are
8 otherwise determined to be unsafe;

9 15. The establishment by the laboratory of a system to document
10 the complete chain of custody for samples from receipt through
11 disposal;

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

16 17. Any other aspect of laboratory testing of medical marijuana
17 or medical marijuana product deemed necessary by the ~~Department~~
18 Executive Director.

19 O. A medical marijuana testing laboratory shall promptly
20 provide the ~~Department~~ Authority or designee of the ~~Department~~
21 Authority access to a report of a test and any underlying data that
22 is conducted on a sample at the request of a medical marijuana
23 business or qualified patient. A medical marijuana testing
24 laboratory shall also provide access to the ~~Department~~ Authority or

1 designee of the ~~Department~~ Authority to laboratory premises and to
2 any material or information requested by the ~~Department~~ Authority to
3 determine compliance with the requirements of this section.

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

8 Q. A medical marijuana testing laboratory shall test samples
9 from each harvest batch or product batch, as appropriate, of medical
10 marijuana, medical marijuana concentrate and medical marijuana
11 product for each of the following categories of testing, consistent
12 with standards developed by the ~~Commissioner~~ Executive Director:

- 13 1. Microbials;
- 14 2. Mycotoxins;
- 15 3. Residual solvents;
- 16 4. Pesticides;
- 17 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 18 6. Terpenoid type and concentration; and
- 19 7. Heavy metals.

20 R. A licensed medical marijuana testing laboratory shall test
21 each individual harvest batch. A grower shall separate each harvest
22 lot of usable marijuana into harvest batches containing no more than
23 fifteen (15) pounds, with the exception of any plant material to be
24 sold to a licensed processor for the purposes of turning the plant

1 material into concentrate which may be separated into harvest
2 batches of no more than fifty (50) pounds. A processor shall
3 separate each medical marijuana production lot into production
4 batches containing no more than four (4) liters of concentrate or
5 nine (9) pounds for nonliquid products, and for final products, the
6 Oklahoma Medical Marijuana Authority shall be authorized to
7 promulgate rules on final products as necessary. Provided, however,
8 the Authority shall not require testing of final products less often
9 than every one thousand (1,000) grams of THC. As used in this
10 subsection, "final products" shall include, but not be limited to,
11 cookies, brownies, candies, gummies, beverages and chocolates.

12 S. Medical marijuana testing laboratory licensure shall be
13 contingent upon successful on-site inspection, successful
14 participation in proficiency testing and ongoing compliance with the
15 applicable requirements in this section.

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

23 U. Medical marijuana testing laboratories shall obtain
24 accreditation by an accrediting body approved by the ~~Commissioner~~

1 Executive Director within one (1) year of the date the initial
2 license is issued. Renewal of any medical marijuana testing
3 laboratory license shall be contingent upon accreditation in
4 accordance with this subsection. All medical marijuana testing
5 laboratories shall obtain accreditation prior to applying for and
6 receiving a medical marijuana testing laboratory license.

7 V. Unless authorized by the provisions of this section, a
8 commercial grower shall not transfer or sell medical marijuana and a
9 processor shall not transfer, sell or process into a concentrate or
10 product any medical marijuana, medical marijuana concentrate or
11 medical marijuana product unless samples from each harvest batch or
12 production batch from which that medical marijuana, medical
13 marijuana concentrate or medical marijuana product was derived has
14 been tested by a medical marijuana testing laboratory and passed all
15 contaminant tests required by the Oklahoma Medical Marijuana and
16 Patient Protection Act and applicable laws, rules and regulations.
17 A licensed commercial grower may transfer medical marijuana that has
18 failed testing to a licensed processor only for the purposes of
19 decontamination or remediation and only in accordance with the
20 provisions of the Oklahoma Medical Marijuana and Patient Protection
21 Act and the rules and regulations ~~of the Department~~ promulgated by
22 the Executive Director. Remediated and decontaminated medical
23 marijuana may be returned only to the originating licensed
24 commercial grower.

1 W. Kief shall not be transferred or sold except as authorized
2 in the rules and regulations ~~of the Department~~ promulgated by the
3 Executive Director.

4 SECTION 18. AMENDATORY 63 O.S. 2021, Section 427.18, is
5 amended to read as follows:

6 Section 427.18 A. ~~An Oklahoma~~ A medical marijuana business
7 shall not sell, transfer or otherwise distribute medical marijuana
8 or medical marijuana product that has not been packaged and labeled
9 in accordance with this section and rules promulgated by the ~~State~~
10 ~~Commissioner of Health~~ Executive Director of the Oklahoma Medical
11 Marijuana Authority.

12 B. A medical marijuana dispensary shall return medical
13 marijuana and medical marijuana product that does not meet packaging
14 or labeling requirements in this section or rules promulgated
15 pursuant thereto to the entity who transferred it to the dispensary.
16 The medical marijuana dispensary shall document to whom the item was
17 returned, what was returned and the date of the return or dispose of
18 any usable marijuana that does not meet these requirements in
19 accordance with the Oklahoma Medical Marijuana and Patient
20 Protection Act.

21 C. 1. Medical marijuana packaging shall be packaged to
22 minimize its appeal to children and shall not depict images other
23 than the business name logo of the medical marijuana producer and
24 image of the product.

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

5 3. Labels on a container shall not include any false or
6 misleading statements.

7 4. No container shall be intentionally or knowingly labeled so
8 as to cause a reasonable patient confusion as to whether the medical
9 marijuana, medical marijuana concentrate or medical marijuana
10 product is a trademarked product or labeled in a manner that
11 violates any federal trademark law or regulation.

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

14 6. All medical marijuana, medical marijuana concentrate and
15 medical marijuana products shall be in a child-resistant container
16 at the point of transfer to the patient or caregiver.

17 D. ~~The State Department of Health~~ Executive Director shall
18 develop minimum standards for packaging and labeling of medical
19 marijuana and medical marijuana products. Such standards shall
20 include, but not be limited to, the required contents of labels to
21 be affixed to all medical marijuana and medical marijuana products
22 prior to transfer to a licensed patient or caregiver, which shall
23 include, at a minimum:

24 1. THC and other cannabinoid potency, and terpenoid potency;

1 2. A statement indicating that the product has been tested for
2 contaminants;

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

5 4. Any other information the ~~Department~~ Executive Director
6 deems necessary.

7 SECTION 19. AMENDATORY 63 O.S. 2021, Section 427.19, is
8 amended to read as follows:

9 Section 427.19 A. A medical marijuana research license may be
10 issued to a person to grow, cultivate, possess and transfer, by sale
11 or donation, marijuana pursuant to the Oklahoma Medical Marijuana
12 and Patient Protection Act for the limited research purposes
13 identified in this section.

14 B. The annual fee for a medical marijuana research license
15 shall be Five Hundred Dollars (\$500.00) and shall be payable by an
16 applicant for a medical marijuana research license upon submission
17 of his or her application to the Oklahoma Medical Marijuana
18 Authority.

19 C. A medical marijuana research license may be issued for the
20 following research purposes:

- 21 1. To test chemical potency and composition levels;
- 22 2. To conduct clinical investigations of marijuana-derived
23 medicinal products;

24

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

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

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

7 D. 1. As part of the application process for a medical
8 marijuana research license, an applicant shall submit to the
9 Authority a description of the research that the applicant intends
10 to conduct and whether the research will be conducted with a public
11 institution or using public money. If the research will not be
12 conducted with a public institution or with public money, the
13 Authority shall grant the application if it determines that the
14 applicant meets the criteria in this section.

15 2. If the research will be conducted with a public institution
16 or public money, the ~~Department~~ Authority shall review the research
17 project of the applicant to determine if it meets the requirements
18 of this section and to assess the following:

19 a. the quality, study design, value or impact of the
20 project,

21 b. whether the applicant has the appropriate personnel,
22 expertise, facilities, infrastructure, funding and
23 human, animal or other approvals in place to
24 successfully conduct the project, and

1 c. whether the amount of marijuana to be grown by the
2 applicant is consistent with the scope and goals of
3 the project.

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

7 E. A medical marijuana research licensee may only transfer, by
8 sale or donation, marijuana grown within its operation to other
9 medical marijuana research licensees. The ~~Department~~ Authority may
10 revoke a medical marijuana research license for violations of this
11 section and any other violation of the Oklahoma Medical Marijuana
12 and Patient Protection Act.

13 F. A medical marijuana research licensee may contract to
14 perform research in conjunction with a public higher education
15 research institution or another medical marijuana research licensee.

16 G. The growing, cultivating, possessing or transferring, by
17 sale or donation, of marijuana in accordance with this section and
18 the rules promulgated pursuant thereto, by a medical marijuana
19 research licensee shall not be a criminal or civil offense under
20 state law. A medical marijuana research license shall be issued in
21 the name of the applicant and shall specify the location in ~~Oklahoma~~
22 this state at which the medical marijuana research licensee intends
23 to operate. A medical marijuana research licensee shall not allow
24 any other person to exercise the privilege of the license.

1 H. If the research conducted includes a public institution or
2 public money, the Authority shall review any reports made by medical
3 marijuana research licensees under state licensing authority rule
4 and provide the Authority with its determination on whether the
5 research project continues to meet research qualifications pursuant
6 to this section.

7 SECTION 20. AMENDATORY 63 O.S. 2021, Section 427.20, is
8 amended to read as follows:

9 Section 427.20 A. There is hereby created a medical marijuana
10 education facility license.

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

14 C. A medical marijuana education facility license may only be
15 granted to a not-for-profit organization structured under Section
16 501(c)(3) of the Internal Revenue Code, operating as ~~an Oklahoma a~~
17 not-for-profit organization in this state registered ~~organization~~
18 with the Office of the Secretary of State.

19 D. A medical marijuana education facility license may only be
20 granted upon the submission of an annual fee of Five Hundred Dollars
21 (\$500.00) to the Oklahoma Medical Marijuana Authority.

22 E. A medical marijuana education facility license may be issued
23 for the following education and research purposes:
24

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

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

5 3. To demonstrate the application and use of product
6 manufacturing technologies;

7 4. To conduct genomic, horticultural or agricultural research;
8 and

9 5. To conduct research on marijuana-affiliated products or
10 systems.

11 F. As part of the application process for a medical marijuana
12 education facility license, an applicant shall submit to the
13 Authority a description of the project and curriculum that the
14 applicant intends to conduct and whether the project and curriculum
15 will be conducted with a public institution or using public money.
16 If the project and curriculum will not be conducted with a public
17 institution or with public money, the Authority shall grant the
18 application. If the research will be conducted with a public
19 institution or public money, the Authority shall review the research
20 project of the applicant to determine if it meets the requirements
21 of this section and to assess the following:

22 1. The quality, study design, value or impact of the project;
23
24

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

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

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

9 G. A medical marijuana education facility licensee may only
10 transfer, by sale or donation, marijuana grown within its operation
11 to medical marijuana research licensees. The ~~Department~~ Authority
12 may revoke a medical marijuana education facility license for
13 violations of this section and any other violation of applicable
14 laws, rules and regulations.

15 H. A medical marijuana education facility licensee may contract
16 to perform research in conjunction with a public higher education
17 research institution or another research licensee.

18 I. The growing, cultivating, possessing or transferring, by
19 sale or donation, of marijuana in accordance with this section and
20 the rules promulgated pursuant thereto, by a medical marijuana
21 education facility licensee shall not be a criminal or civil offense
22 under state law. A medical marijuana education facility license
23 shall be issued in the name of the applicant and shall specify the
24 location in ~~Oklahoma~~ this state at which the medical marijuana

1 education facility licensee intends to operate. A medical marijuana
2 education facility licensee shall not allow any other person to
3 exercise the privilege of the license.

4 SECTION 21. AMENDATORY 63 O.S. 2021, Section 427.22, is
5 amended to read as follows:

6 Section 427.22 A. All medical marijuana patient and caregiver
7 records and information including, but not limited to, any
8 application or renewal and supporting information submitted by a
9 qualifying patient or designated caregiver under the provisions of
10 the Oklahoma Medical Marijuana and Patient Protection Act and
11 information regarding the physician of the qualifying patient shall
12 be considered confidential medical records that are exempt from the
13 Oklahoma Open Records Act.

14 B. The dispensary records with patient information shall be
15 treated as confidential records that are exempt from the Oklahoma
16 Open Records Act.

17 C. All financial information provided by an applicant or a
18 licensee in an application to the Authority shall be treated as
19 confidential records that are exempt from the Oklahoma Open Records
20 Act.

21 D. All information provided by an applicant or a licensee that
22 constitutes private business information shall be treated as
23 confidential records that are exempt from the Oklahoma Open Records
24 Act.

1 E. As used in this section, "private business information"
2 means information that, if disclosed, would give advantage to
3 competitors or bidders including, but not limited to, information
4 related to the planning, site location, operations, strategy or
5 product development and marketing of an applicant, unless approval
6 for release of those records is granted by the business.

7 F. All monthly report, inventory tracking and seed-to-sale
8 information, data and records submitted to the ~~Department~~ Authority
9 shall be treated as confidential records and are exempt from the
10 Oklahoma Open Records Act.

11 G. Except for license information concerning licensed patients,
12 the ~~Department~~ Authority may share confidential information with
13 other ~~Oklahoma~~ state agencies to assist those agencies in ensuring
14 compliance with applicable laws, rules and regulations.

15 SECTION 22. AMENDATORY 63 O.S. 2021, Section 427.23, is
16 amended to read as follows:

17 Section 427.23 ~~A.~~ The State Commissioner of Health Executive
18 Director of the Oklahoma Medical Marijuana Authority, the Oklahoma
19 Tax Commission, the State Treasurer, the Secretary of State and the
20 Director of the Office of Management and Enterprise Services shall
21 promulgate rules to implement the provisions of the Oklahoma Medical
22 Marijuana and Patient Protection Act.

23 ~~B. The Medical Marijuana Advisory Council, in addition to the~~
24 ~~powers and duties granted in Section 423 of this title, may~~

1 ~~recommend to the State Commissioner of Health rules relating to all~~
2 ~~aspects regarding the safe cultivation and manufacturing of medical~~
3 ~~marijuana products. In addition to the twelve (12) members required~~
4 ~~in Section 423 of this title, the State Department of Health may~~
5 ~~appoint up to eight additional members. The makeup of the Council~~
6 ~~shall include medical marijuana industry representation.~~

7 SECTION 23. AMENDATORY 63 O.S. 2021, Section 427.24, is
8 amended to read as follows:

9 Section 427.24 A. Whenever an authorized agent of the ~~State~~
10 ~~Department of Health~~ Oklahoma Medical Marijuana Authority finds, in
11 whole or in part, that the medical marijuana or medical marijuana
12 product fails to meet the requirements of Sections 420 through 426.1
13 of ~~Title 63 of the Oklahoma Statutes~~ this title or the Oklahoma
14 Medical Marijuana and Patient Protection Act as it relates to health
15 and safety, the medical marijuana or medical marijuana product is
16 handled in violation of applicable laws or rules and regulations ~~of~~
17 ~~the Department~~ promulgated by the Executive Director of the
18 Authority, or the medical marijuana or medical marijuana product may
19 be poisonous, deleterious to health or is otherwise unsafe, an
20 electronic or physical tag or other appropriate marking or hold
21 shall be affixed to the medical marijuana or medical marijuana
22 product which shall give notice that the medical marijuana or
23 medical marijuana product is or is suspected of being manufactured,
24 produced, transferred, sold or offered for sale in violation of

1 applicable laws or rules and regulations ~~of the Department~~
2 promulgated by the Executive Director and is embargoed. The notice
3 shall further provide a warning to all persons not to remove or
4 dispose of the medical marijuana or medical marijuana product until
5 permission for removal or disposal is given by the ~~Department~~
6 Executive Director. It shall be unlawful for any person to remove
7 or dispose of the medical marijuana or medical marijuana product
8 embargoed without permission by the ~~Department~~ Executive Director.

9 B. If the ~~State Commissioner of Health~~ Executive Director finds
10 that medical marijuana or medical marijuana product embargoed
11 pursuant to subsection A of this section does not meet the
12 requirements of applicable laws or rules and regulations ~~of the~~
13 ~~Department~~ promulgated by the Executive Director, or is poisonous,
14 deleterious to health or otherwise unsafe, the ~~Commissioner~~
15 Executive Director may institute an action in the district court in
16 whose jurisdiction the medical marijuana or medical marijuana
17 product is embargoed for the condemnation and destruction of the
18 medical marijuana or medical marijuana product. If the ~~Commissioner~~
19 Executive Director finds that the medical marijuana or medical
20 marijuana product embargoed does meet the requirements of applicable
21 laws and the rules and regulations ~~of the Department~~ promulgated by
22 the Executive Director and is not poisonous, deleterious to health
23 or otherwise unsafe, the ~~Commissioner~~ Executive Director shall
24 remove the embargo. In any court proceeding regarding an embargo,

1 neither the ~~State Department of Health, the Oklahoma Medical~~
2 ~~Marijuana Authority~~ or the ~~Commissioner~~ Executive Director shall be
3 held liable if the court finds reasonable belief for the embargo.

4 C. Except as otherwise provided in subsection D of this
5 section, if the court finds that the embargoed medical marijuana or
6 medical marijuana product, in whole or in part, is in violation of
7 any applicable laws or rules and regulations ~~of the Department~~
8 promulgated by the Executive Director or is poisonous, deleterious
9 to health or otherwise unsafe, the medical marijuana or medical
10 marijuana product shall be destroyed at the expense of the defendant
11 under the supervision of the ~~Commissioner~~ Executive Director. All
12 court costs, fees, costs of storage and disposal and other proper
13 expenses shall be paid by the defendant of the medical marijuana or
14 medical marijuana product.

15 D. The court may order that the medical marijuana or medical
16 marijuana product be delivered to the defendant for appropriate
17 labeling or processing under the supervision of the ~~Commissioner~~
18 Executive Director only if:

- 19 1. The violation can be corrected by proper processing of
20 medical marijuana or medical marijuana product;
- 21 2. All costs, fees and expenses have been paid; and
- 22 3. A sufficient bond is executed and conditioned for
23 appropriate labeling or processing as the court may require.

24

1 The expense of supervision shall be paid to the ~~Commissioner~~
2 Executive Director by the person obtaining release of the medical
3 marijuana or medical marijuana product under bond.

4 SECTION 24. AMENDATORY 63 O.S. 2021, Section 430, as
5 last amended by Section 28, Chapter 553, O.S.L. 2021, is amended to
6 read as follows:

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

1 need for additional medical marijuana waste disposal licenses and
2 shall, if demonstrated, increase the number of licenses as deemed
3 necessary by the Authority.

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

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

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

10 b. full name of the organization,

11 c. trade name, if applicable,

12 d. type of business organization,

13 e. complete mailing address,

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

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

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

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

24

- a. the first, middle and last name of the applicant and 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 the nearest property line of such public or private school to the

1 nearest perimeter wall of the premises of such
2 disposal facility. If any public or private school is
3 established within one thousand (1,000) feet of any
4 disposal facility after such disposal facility has
5 been licensed, the provisions of this subparagraph
6 shall not be a deterrent to the renewal of such
7 license or warrant revocation of the license, and
8 e. documents establishing the applicant, the members,
9 managers and board members, if applicable, and
10 seventy-five percent (75%) of the ownership interests
11 are ~~Oklahoma~~ residents of this state as established in
12 Section 420 et seq. of this title, as it relates to
13 proof of state residency.

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

23 D. Submission of an application for a medical marijuana waste
24 disposal license shall constitute permission for entry to and

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

13 E. The Authority shall issue an annual permit for each medical
14 marijuana waste disposal facility operated by a licensee. A permit
15 shall be issued only upon proper application by a licensee and
16 determination by the Authority that the proposed site and facility
17 are physically and technically suitable. Upon a finding that a
18 proposed medical marijuana waste disposal facility is not physically
19 or technically suitable, the Authority shall deny the permit. The
20 Authority shall have the authority to revoke a permit upon a finding
21 that the site and facility are not physically and technically
22 suitable for processing. The Authority may, upon determining that
23 public health or safety requires emergency action, issue a temporary
24

1 permit for treatment or storage of medical marijuana waste for a
2 period not to exceed ninety (90) days.

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

12 G. The holder of a medical marijuana waste disposal license
13 shall not be required to obtain a medical marijuana transporter
14 license provided for in the Oklahoma Medical Marijuana and Patient
15 Protection Act for purposes of transporting medical marijuana waste.

16 H. All commercial licensees, as defined in Section 428.1 of
17 this title, shall utilize a licensed medical marijuana waste
18 disposal service to process all medical marijuana waste generated by
19 the licensee.

20 I. ~~The State Commissioner of Health~~ Executive Director of the
21 Authority shall promulgate rules for the implementation of the
22 Oklahoma Medical Marijuana Waste Management Act. Promulgated rules
23 shall address disposal process standards, site security and any

24

1 other subject matter deemed necessary by the ~~Authority~~ Executive
2 Director.

3 SECTION 25. This act shall become effective November 1, 2022."
4 Passed the House of Representatives the 28th day of April, 2022.

5
6
7 Presiding Officer of the House of
8 Representatives

9 Passed the Senate the ____ day of _____, 2022.

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12 Presiding Officer of the Senate

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