

1 ENGROSSED HOUSE
2 BILL NO. 3468

By: Jordan of the House

3 and

4 McCortney of the Senate

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7
8 [medical marijuana - creating the Oklahoma Cannabis
9 Commission - creating the Oklahoma Cannabis
10 Commission Governing Board - creating office of the
11 Oklahoma Cannabis Commissioner]
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15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 8001 of Title 63, unless there
18 is created a duplication in numbering, reads as follows:

19 This act shall be known and may be cited as the "Oklahoma
20 Medical Marijuana Act of 2018".

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 8002 of Title 63, unless there
23 is created a duplication in numbering, reads as follows:

24 As used in this act:

- 1 1. "Acquire" or "acquisition" means coming to possess marijuana
2 by means of any legal source herein authorized, not from an
3 unauthorized source, and in accordance with this act and any rules
4 promulgated under this act;
- 5 2. "Applicant" means a person or entity applying for a
6 dispensary license, commercial grower license, processor license,
7 medical marijuana testing laboratory license or transporter license;
- 8 3. "Approved" means to be approved by the Oklahoma Cannabis
9 Commission and provided a license;
- 10 4. "Assist" or "assisting" means helping a licensed patient
11 make medical use of marijuana by enabling the medical use by any
12 means authorized under this act;
- 13 5. "Attestation" means a medical document that is signed by an
14 Oklahoma board-certified physician for the use of medical marijuana
15 approved by the state;
- 16 6. "Authorization" means a medical document that is signed by
17 an Oklahoma board-certified physician for the use of medical
18 marijuana approved by the state;
- 19 7. "Batch" means the usable flower and trim consisting of a
20 specific lot or lots of marijuana grown by a commercial growing
21 facility from one or more seeds or cuttings of the same strain of
22 marijuana;
- 23 8. "Board" means the Oklahoma Cannabis Commission Governing
24 Board as created in Section 4 of this act;

- 1 9. "Cardholder" means a licensed patient, a dispensary agent, a
2 commercial growing facility agent, a processor agent, a medical
3 marijuana testing laboratory agent or a designated caregiver;
- 4 10. "Caregiver" means a family member or paid helper who
5 regularly looks after a homebound medical marijuana license holder;
- 6 11. "Commercial grower" means an entity or person that:
7 a. has been licensed by the Oklahoma Cannabis Commission
8 pursuant to this act, and
9 b. cultivates, prepares, manufactures and sells to and
10 delivers usable marijuana to licensed dispensaries,
11 other licensed commercial growers or licensed
12 processors;
- 13 12. "Commission" means the Oklahoma Cannabis Commission as
14 created in Section 3 of this act;
- 15 13. "Commissioner" means the Oklahoma Cannabis Commissioner as
16 created in Section 6 of this act;
- 17 14. "Department" means the State Department of Health;
- 18 15. "Designated caregiver" means a person who is at least
19 twenty-one (21) years of age, has not been convicted of an excluded
20 violent crime, has agreed to assist a physically disabled licensed
21 patient with the medical use of marijuana and who has registered
22 with the Oklahoma Cannabis Commission. A designated caregiver
23 includes, without limitation, a parent of a licensed patient who is
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1 under the age of eighteen (18) and is required to register as a
2 designated caregiver under this act;

3 16. "Device used for the consumption of medical marijuana" or
4 "device" means all equipment, products and materials of any kind
5 which are used, intended for use or fashioned specifically for use
6 in planting, propagating, cultivating, growing, harvesting,
7 manufacturing, compounding, converting, producing, processing,
8 preparing, testing, analyzing, packaging, repackaging, storing,
9 containing, concealing, injecting, ingesting, inhaling or otherwise
10 introducing medical marijuana into the human body;

11 17. "Dispensary" means an entity that has been licensed by the
12 Oklahoma Cannabis Commission pursuant to this act to sell at retail
13 medical marijuana and medical marijuana products or derivatives to a
14 licensed patient or his or her caregiver;

15 18. "Dispensary agent" means an employee, supervisor, volunteer
16 or agent of a dispensary who works at the dispensary and has
17 registered with the Oklahoma Cannabis Commission under this act or
18 an owner, officer or board member of a dispensary who has registered
19 with the Oklahoma Cannabis Commission under this act;

20 19. "Edible" or "edibles" means marijuana-infused products that
21 are consumed orally;

22 20. "Excluded violent crime" means:

23 a. a violent crime as provided for in Section 571 of
24 Title 57 of the Oklahoma Statutes. Provided, however,

1 an offense that has been sealed by a court or for
2 which a pardon has been granted is not considered an
3 excluded violent crime, or

4 b. a violation of a state or federal controlled dangerous
5 substance law that was classified as a felony in the
6 jurisdiction where the person was convicted, but shall
7 not include:

8 (1) an offense for which the sentence, including any
9 term of probation, incarceration or supervised
10 release, was completed ten (10) or more years
11 earlier, or

12 (2) an offense that has been sealed by a court or for
13 which a pardon has been granted;

14 21. "Flower" or "flowers" means the reproductive organs of the
15 marijuana plant that may be referred to as the hairy, sticky bud or
16 parts of the plant that are harvested and used to consume in a
17 variety of marijuana products;

18 22. "Growing facility" or "grower" means an entity that:

- 19 a. has been licensed by the Oklahoma Cannabis Commission,
20 b. cultivates, prepares, manufactures, processes and
21 packages usable medical marijuana, and
22 c. sells and delivers usable medical marijuana to a
23 dispensary;

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1 23. "Growing facility agent" means an employee, supervisor or
2 agent of a growing facility who works at the growing facility and
3 has registered with the Oklahoma Cannabis Commission under this act;

4 24. "Hazardous materials" means materials, whether solid,
5 liquid or gas, which are toxic to human, animal, aquatic or plant
6 life, and the disposal of which materials is controlled by state or
7 federal guidelines;

8 25. "Homebound" means a patient that cannot leave home without
9 considerable and taxing effort;

10 26. "Laboratory" means a place or business approved by the
11 Oklahoma Cannabis Commission for the testing of marijuana and
12 marijuana-derived products;

13 27. "Laboratory agent" means an employee, supervisor or agent
14 of a laboratory who works at a testing laboratory and has registered
15 with the Oklahoma Cannabis Commission;

16 28. "Licensed patient" or "patient" means a person who has been
17 issued a medical marijuana license;

18 29. "Lineage" means the lineal descent of a marijuana plant
19 from an ancestor;

20 30. "Marijuana" means all parts of the plant Cannabis, whether
21 growing or not, the seeds thereof, the resin extracted from any part
22 of such plant and every compound, manufacture, salt, derivative,
23 mixture or preparation of such plant, its seeds or resin, but shall
24 not include:

- a. the mature stalks of such plant or fiber produced from such stalks,
- b. oil or cake made from the seeds of such plant, including cannabidiol derived from the seeds of the marijuana plant,
- c. any other compound, manufacture, salt, derivative, mixture or preparation of such mature stalks, except the resin extracted therefrom, including cannabidiol derived from mature stalks, fiber, oil or cake, and
- d. the sterilized seed of such plant which is incapable of germination;

31. "Manufacture" means the production, preparation, propagation, compounding or processing of a controlled dangerous substance, either directly or indirectly by extraction from substances of natural or synthetic origin, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis. "Manufacturer" includes any person who packages, repackages or labels any container of any controlled dangerous substance, except practitioners who dispense or compound prescription orders for delivery to the ultimate consumer;

32. "Medical marijuana program" means the governing operations of the Oklahoma Cannabis Commission;

33. "Medical purpose" means an intention to utilize medical marijuana for physical or mental treatment, for diagnosis or for the

1 prevention of a disease condition not in violation of any state law
2 and not for the purpose of satisfying physiological or psychological
3 dependence or other abuse;

4 34. "Medical use" means the acquisition, possession, use,
5 delivery, transfer or transportation of marijuana or paraphernalia
6 relating to the administration of marijuana to treat a licensed
7 patient;

8 35. "Oklahoma board-certified physician" means a medical doctor
9 or osteopathic physician, licensed, registered or otherwise
10 permitted to prescribe, distribute, dispense, conduct research with
11 respect to, use for scientific purposes or administer a controlled
12 dangerous substance in the course of professional practice or
13 research in this state;

14 36. "Person" means an individual, corporation, government or
15 governmental subdivision or agency, business trust, estate, trust,
16 partnership or association or any other legal entity;

17 37. "Pesticide" means a substance used for destroying insects
18 or other organisms harmful to cultivated plants or to animals;

19 38. "Production" includes the manufacture, planting,
20 cultivation, growing or harvesting of a controlled dangerous
21 substance;

22 39. "Primary caregiver" means a person at least eighteen (18)
23 years of age who has agreed to take responsibility for managing the
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1 well-being of a licensed patient with respect to the medical use of
2 marijuana pursuant to this act;

3 40. "Private business information" means information that if
4 disclosed would give advantage to competitors or bidders including,
5 but not limited to, information related to the plans of an
6 applicant, site location, operations, strategy or product
7 development and marketing unless approval for release of those
8 records is granted by the business entity;

9 41. "Processor" means a person or entity licensed by the
10 Oklahoma Cannabis Commission to distill or process marijuana plants
11 into concentrates, edibles and other forms for consumption pursuant
12 to Oklahoma Cannabis Commission standards;

13 42. "Processor agent" means an employee, supervisor or agent of
14 a licensed processor who works at the processor and has registered
15 with the Oklahoma Cannabis Commission;

16 43. "Recommendation" means a medical document that is signed by
17 an Oklahoma board-certified physician for the use of medical
18 marijuana approved by the state;

19 44. "Registered to conduct business" means an individual or
20 business that has:

21 a. provided proof that the business applicant is in good
22 standing with the Oklahoma Secretary of State,
23 Oklahoma Tax Commission and the Internal Revenue
24 Service,

- b. demonstrated the ability to operate a business in compliance with applicable laws, rules and regulations,
- c. provided a detailed plan for acquiring and producing sufficient quantities of the product they are engaged in,
- d. developed a business plan for operating the business in which they are engaged in,
- e. demonstrated financial stability, and
- f. demonstrated a plan for economic impact and community benefit;

45. "Resident" means a person who lives in the State of Oklahoma permanently;

46. "State" means the State of Oklahoma or any other state of the United States;

47. "Strain" or "strains" means the classification for marijuana plants in either pure sativa, indica afghanica, ruderalis, or hybrid varieties;

48. "Transporter" means a person who is licensed by the Oklahoma Cannabis Commission to transport marijuana from an Oklahoma-licensed dispensary, licensed commercial grower facility or licensed processor facility to an Oklahoma-licensed dispensary, licensed commercial grower facility or licensed processing facility;

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

4 50. "Written certification" means a document, not a medical
5 prescription, signed by an Oklahoma board-certified physician
6 stating that in the professional opinion of the physician, after
7 having completed an assessment of the medical history of the patient
8 and current medical condition made in the course of a physician-
9 patient relationship, the patient has a medical condition that can
10 be treated, minimized or relieved by the use of medical marijuana,
11 and the use of medical marijuana would not cause a significant
12 health risk to the patient.

13 SECTION 3. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 8003 of Title 63, unless there
15 is created a duplication in numbering, reads as follows:

16 A. Upon certification of election returns favoring passage of
17 State Question No. 788, Initiative Petition No. 412, there is hereby
18 created the Oklahoma Cannabis Commission.

19 B. The Oklahoma Cannabis Commission shall address issues
20 related to the medical marijuana program in Oklahoma including, but
21 not limited to, operations relating to the issuance of licenses, the
22 dispensing, cultivating, processing, transporting and sale of
23 medical marijuana in Oklahoma and any issues the Commission finds
24 relevant as it relates to the medical marijuana program.

1 C. The Oklahoma Cannabis Commission shall be initially
2 developed by the State Department of Health but shall become its own
3 agency with rights and responsibilities similar to all other state
4 agencies and commissions:

5 1. On or before July 1, 2019; or

6 2. If at any time the federal government takes control of the
7 State Department of Health, the Oklahoma Cannabis Commission shall
8 immediately become a separate state agency.

9 The Commissioner of the State Department of Health shall notify
10 the Governor when the Oklahoma Cannabis Commission Governing Board
11 has enough board members to form a quorum. Upon receiving said
12 notice, the Governor shall sign an executive order establishing the
13 Oklahoma Cannabis Commission as a separate state agency no longer
14 under the control of the State Department of Health.

15 D. The State Department of Health shall provide support staff
16 to perform designated duties of the Commission. The State
17 Department of Health shall also provide space for meetings of the
18 Commission.

19 E. The Oklahoma Cannabis Commission shall adopt regulations
20 regarding the administration of medical marijuana not later than one
21 hundred twenty (120) days after the establishment of the Commission.

22 F. The Oklahoma Cannabis Commission shall exercise its
23 respective powers and perform its respective duties and functions as
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1 specified in this section as well as Title 63 of the Oklahoma
2 Statutes.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 8004 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 A. Upon certification of election returns favoring passage of
7 State Question No. 788, Initiative Petition No. 412, there is hereby
8 created the Oklahoma Cannabis Commission Governing Board, within the
9 Oklahoma Department of Health, until the Oklahoma Cannabis
10 Commission becomes its own agency.

11 B. The Oklahoma Cannabis Commission Governing Board shall
12 consist of twelve (12) voting members all of whom shall be citizens
13 of the United States and residents of the State of Oklahoma for the
14 past five (5) years.

15 C. All members of the Board shall be appointed by the Governor,
16 and with the exception of the initial seven members, shall be
17 confirmed by the Oklahoma State Senate. The members shall be as
18 follows:

19 1. One member of the Board shall be proposed by the
20 Commissioner of the State Department of Health and shall be a
21 physician licensed to practice medicine in Oklahoma for not less
22 than five (5) years;

23 2. One member of the Board shall be proposed by the
24 Commissioner of the Department of Mental Health and Substance Abuse

1 Services and shall be a physician licensed to practice medicine in
2 Oklahoma for not less than five (5) years;

3 3. One member of the Board shall be proposed by the Attorney
4 General and shall be an attorney admitted to the practice of law in
5 Oklahoma for not less than five (5) years;

6 4. One member of the Board shall be proposed by the Director of
7 the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control
8 and shall have at least five (5) years of experience in
9 investigations;

10 5. One member of the Board shall be proposed by the
11 Commissioner of Public Safety and shall be a certified peace officer
12 with at least five (5) years of law enforcement experience and has
13 been certified by the Council on Law Enforcement Education and
14 Training;

15 6. One member of the Board shall be proposed by the
16 Commissioner of the Oklahoma State Banking Department and shall be a
17 certified public accountant or public accountant who has been
18 practicing in Oklahoma for at least five (5) years and has a
19 comprehensive knowledge of the principles and practices of corporate
20 finance; and

21 7. One member of the Board shall be proposed by the Executive
22 Director of the Oklahoma Department of Commerce and shall have been
23 engaged in business in a management-level capacity for at least five
24 (5) years.

1 The first seven members of the Board may be fully appointed upon
2 certification of election returns favoring passage of State Question
3 No. 788, Initiative Petition No. 412, by the Governor, with the
4 temporary consent of the President Pro Tempore of the Oklahoma State
5 Senate, and full confirmation by the Oklahoma State Senate within
6 the 1st Session of the 57th Oklahoma Legislature. The Governor
7 shall make the appointments for the first seven members on or before
8 July 31, 2018.

9 D. Following certification of the 2018 general election results
10 and administration of the oath of office, the newly elected Governor
11 shall appoint the remaining five members of the Board each residing
12 in and representing one of the five Congressional Districts for the
13 State of Oklahoma. The remaining five members shall be individuals
14 who have obtained a license under the provisions of the Oklahoma
15 Medical Marijuana Act of 2018, and represent a segment of the
16 medical marijuana industry. No more than two individuals who hold
17 the same type of license shall be appointed to the Board.

18 E. The terms of office of the initial members appointed to the
19 Board shall be as follows:

- 20 1. Six members shall serve until June 30, 2022; and
- 21 2. Six members shall serve until June 30, 2024.

22 All subsequent appointments shall be for terms of four (4) years.
23 Members of the Board shall not serve more than two consecutive
24 terms.

1 F. In addition to the twelve voting members, two nonvoting
2 members shall be appointed from the State Legislature as follows:

3 1. One member shall be appointed by the Speaker of the Oklahoma
4 House of Representatives; and

5 2. One member shall be appointed by the President Pro Tempore
6 of the Oklahoma State Senate.

7 G. Legislators and appointed members who serve on the Board
8 shall be exempt from dual-office-holding prohibitions pursuant to
9 Section 6 of Title 51 of the Oklahoma Statutes.

10 H. Any vacancy on the Board shall be filled for the unexpired
11 term in the same manner as the original appointment. The member
12 appointed to fill such vacancy shall be from the same category
13 described as the member vacating the position.

14 I. The Governor shall not appoint a person as a member of the
15 Board if the person discharged a sentence for a conviction of a
16 felony in the five (5) years immediately preceding his or her
17 appointment or if the person discharged a sentence for a conviction
18 of a felony pursuant to any state or federal law regarding the
19 possession, distribution, manufacturing, cultivation or use of a
20 controlled substance in the ten (10) years immediately preceding his
21 or her appointment.

22 J. The term of any member of the Board who misses more than two
23 consecutive regular Board meetings without good cause is terminated
24

1 and such member's successor shall be appointed in the manner
2 provided for appointments under this section.

3 K. Board members may receive compensation for their services
4 and shall be reimbursed for necessary travel and other reasonable
5 expenses incurred in the performance of their official duties.

6 L. Prior to confirmation, each member shall file with the
7 Secretary of State a financial disclosure statement in the form
8 required and prescribed by the Executive Director. Each member
9 shall renew the statement by January 1.

10 M. A chair and vice chair shall be elected annually from the
11 membership of the Board. A majority of voting Board members shall
12 constitute a quorum, but the concurrence of a majority of the
13 members appointed to the Board is required for any final
14 determination by the Board.

15 N. The Board shall hold at least one meeting each quarter and
16 additional meetings as may be prescribed by rules of the Board. In
17 addition, special meetings may be called by the Commissioner of the
18 Oklahoma Cannabis Commission, any four Board members or chair, if
19 written notification of such meeting is delivered to each member at
20 least seventy-two (72) hours prior to such meeting. In emergency
21 situations in which a majority of the Board certifies that
22 exigencies of time require that the Board meet without delay, the
23 requirements of public notice and seventy-two (72) hours of actual
24 advance written notice to members may be dispensed with and Board

1 members, as well as the public, shall receive such notice as is
2 reasonable under the circumstances.

3 O. The Board shall keep complete and accurate records of all of
4 its meetings.

5 P. The Board shall act in accordance with the provisions of the
6 Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the
7 Administrative Procedures Act.

8 SECTION 5. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 8005 of Title 63, unless there
10 is created a duplication in numbering, reads as follows:

11 A. Upon certification of election returns favoring passage of
12 State Question No. 788, Initiative Petition No. 412, it shall be the
13 duty of the Oklahoma Cannabis Commission Governing Board to:

14 1. Promulgate such rules and regulations governing the medical
15 marijuana program as it deems necessary to carry out the purposes of
16 State Question No. 788, Initiative Petition No. 412. The Board
17 shall adopt any rule promulgated by the State Department of Health
18 prior to its establishment as a separate state agency;

19 2. Recommend necessary additions or revisions to the rules and
20 regulations of the Board pertaining to the medical marijuana
21 program;

22 3. Examine and analyze the statutory and regulatory laws
23 relating to medical marijuana within this state;

24

1 4. Examine and analyze the laws and events in other states and
2 the nation with respect to medical marijuana;

3 5. Determine a possible framework for the future governance of
4 the medical marijuana program in Oklahoma including proper oversight
5 and regulation of medical marijuana license recipients and
6 caregivers, medical marijuana dispensaries, medical marijuana grow
7 sites and medical marijuana processing sites;

8 6. Recommend necessary amendments to the laws of the state
9 pertaining to medical marijuana;

10 7. Determine steps the state shall take, whether administrative
11 or legislative in nature, to ensure that research on marijuana and
12 marijuana-derived products is being conducted for public purposes,
13 including the advancement of:

- 14 a. public health policy and public safety policy,
- 15 b. agronomic and horticultural best practices, and
- 16 c. medical and pharmacopoeia best practices;

17 8. Evaluate the sufficiency of the regulatory and security
18 safeguards adopted by the Board to ensure that access to and use of
19 medical marijuana is provided only to licensees authorized for such
20 purposes;

21 9. Hear and determine at a public hearing any contested
22 Oklahoma state license denial and any complaints against a licensee;

23 10. Administer oaths and issue subpoenas to require the
24 presence of persons and the production of papers, books and records

1 necessary to the determination of any hearing so held, all in
2 accordance with this section, Title 63 of the Oklahoma Statutes,
3 rules promulgated by the Board and any other statutory and
4 regulatory laws regarding marijuana;

5 11. Enter into agreements with the Oklahoma State Bureau of
6 Investigation and state and local law enforcement agencies for
7 conducting investigations, background checks, identification or
8 registration, or any combination thereof, of licensed operators and
9 employees in licensed premises, which conduct shall include, but not
10 be limited to, performing background investigations and criminal
11 record checks on an applicant applying for licensure and
12 investigating violations of any rule or regulation promulgated by
13 the Board. Nothing in this paragraph shall prevent or impair the
14 Oklahoma State Bureau of Investigation or state or local law
15 enforcement agencies from engaging in the activities set forth in
16 this paragraph on their own initiative.

17 12. Conduct a continuous study and investigation of medical
18 marijuana throughout the state for the purpose of ascertaining any
19 defects in law or in the rules and regulations promulgated pursuant
20 to this section;

21 13. Formulate and recommend changes to statute or any rule or
22 regulation for the purpose of preventing abuses and violations of
23 this section, Title 63 of the Oklahoma Statutes, rules promulgated
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1 by the Board or any other statutory and regulatory laws regarding
2 marijuana;

3 14. Guard against the use of statutory and regulatory laws as a
4 cloak for conducting illegal activities and to ensure that such
5 statutory and regulatory laws be in such form and be so administered
6 as to serve the true purpose and intent of the medical marijuana
7 program;

8 15. Report immediately to the Governor, the Attorney General,
9 the Speaker of the Oklahoma House of Representatives, the President
10 Pro Tempore of the Oklahoma State Senate and such other state
11 officers as the Board deems appropriate concerning any laws which it
12 determines require immediate amendment to prevent abuses and
13 violations of any rule or regulation promulgated pursuant to this
14 section or to remedy undesirable conditions in connection with the
15 administration or the operation of the Oklahoma Cannabis Commission;

16 16. Require such special reports from the Commissioner of the
17 Oklahoma Cannabis Commission as it considers necessary;

18 17. To issue temporary or permanent licenses to those involved
19 in the ownership of, participation in, or conduct of medical
20 marijuana;

21 18. Upon complaint, or upon its own motion, levy fines and to
22 suspend or revoke licenses issued pursuant to State Question No.
23 788, Initiative Petition No. 412;

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1 19. Obtain all information from licensees and other persons and
2 agencies that the Board deems necessary or desirable in the conduct
3 of business;

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

7 21. Apply for injunctive or declaratory relief to enforce the
8 provisions of this section and any rules promulgated pursuant to
9 this section;

10 22. Inspect and examine without notice all premises wherein
11 medical marijuana is cultivated, manufactured, sold or distributed,
12 and summarily seize, remove and impound, without notice or hearing
13 from such premises, any equipment, devices, supplies, books or
14 records for the purpose of examination or inspection;

15 23. Any property or property interest that is possessed, owned
16 or used in connection with the medical use of marijuana or acts
17 incidental to such use, shall not be harmed, neglected, injured or
18 destroyed while in the possession of the Oklahoma Cannabis
19 Commission or its designee, where such property has been seized in
20 connection with the claimed medical use of marijuana. Any such
21 property or property interest shall not be forfeited without
22 conviction of a criminal offense and pursuant to state or federal
23 law providing for such forfeiture. Marijuana and paraphernalia
24 seized by state or local law enforcement officials from a patient or

1 caregiver in connection with the claimed medical use of marijuana
2 shall be returned immediately upon the determination of the district
3 attorney or his or her designee that the patient or caregiver is
4 entitled to the protection contained in this paragraph as may be
5 evidenced, for example, by a decision not to prosecute, the
6 dismissal of charges or acquittal;

7 24. Work with the Council on Law Enforcement Education and
8 Training to create and maintain a training program for state or
9 local law enforcement regarding the provisions of this act and State
10 Question No. 788, Initiative Petition No. 412;

11 25. Work with the Department of Public Safety and local
12 Oklahoma tag agencies to determine a safe and cost-effective way to
13 produce secure licenses to approved patients, dispensary applicants,
14 commercial grower applicants, processor applicants and medical
15 marijuana testing laboratory applicants;

16 26. Work with the Oklahoma State Banking Department and the
17 State Treasurer to determine the feasibility of a state-chartered
18 bank;

19 27. Enter into contracts with any governmental entity to carry
20 out its duties;

21 28. Exercise such other incidental powers as may be necessary
22 to ensure the safe and orderly regulation of medical marijuana and
23 the secure collection of all revenues, taxes and license fees;

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

4 30. Establish and collect fees for performing background checks
5 on all applicants for licenses and on all persons with whom the
6 Board may agree with or contract with for providing goods or
7 services, as the Board deems appropriate;

8 31. Demand, at any time when business is being conducted,
9 access to and inspect, examine, photocopy and audit all papers,
10 books and records of applicants and licensees on their premises or
11 elsewhere as practicable and in the presence of the licensee or
12 agent of the licensee, pertaining to the gross income produced by
13 any medical marijuana establishment;

14 32. Require verification of income and all other matters
15 affecting the enforcement of the policies of the Board or any
16 provision of this section;

17 33. Impound or remove all papers, books and records of
18 applicants and licensees, without hearing, for inspection or
19 examination; and

20 34. Prescribe voluntary alternative methods for the making,
21 filing, signing, subscribing, verifying, transmitting, receiving or
22 storing of returns or other documents.

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1 SECTION 6. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8006 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Upon certification of election returns favoring passage of
5 State Question No. 788, Initiative Petition No. 412, there is hereby
6 created the Oklahoma Cannabis Commissioner.

7 B. The Oklahoma Cannabis Commissioner shall be the head of the
8 Oklahoma Cannabis Commission and shall be appointed by the Governor
9 with the advice and consent of the Senate. The initial Commissioner
10 shall be appointed by the Governor with the temporary consent of the
11 President Pro Tempore of the Oklahoma State Senate and full
12 confirmation by the Oklahoma State Senate within the 1st Session of
13 the 57th Oklahoma Legislature.

14 C. The Commissioner shall have been a qualified elector of the
15 state for at least five (5) years prior to the appointment, shall be
16 at least thirty-five (35) years old and cannot have been convicted
17 of a felony. The Commissioner shall be appointed for a term of four
18 (4) years. The Commissioner shall continue to serve until a
19 successor is duly appointed, confirmed and qualified. The
20 Commissioner may be removed by the Governor for cause after notice
21 and hearing. A successor to a Commissioner who dies, resigns or is
22 removed from office shall be appointed in the same manner as
23 provided in this section.

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1 D. The Commissioner shall prepare in writing a manual of all
2 employee positions for the Oklahoma Cannabis Commission including,
3 but not limited to, job classifications, seniority status, personnel
4 qualifications, duties, maximum and minimum salary schedules and
5 other personnel information as approved by the Oklahoma Cannabis
6 Commission Governing Board. The Commissioner may select, appoint
7 and employ such accountants, attorneys, auditors, inspectors,
8 examiners, clerks, secretaries and other personnel as the
9 Commissioner deems necessary for the proper administration of the
10 Oklahoma Cannabis Commission and any other statutory duties of the
11 Commissioner.

12 E. All officers and employees of the Commission shall be in the
13 exempt unclassified service as provided for in Section 840-5.5 of
14 Title 74 of the Oklahoma Statutes. All future appointees to such
15 positions shall be in the exempt unclassified service. Officers and
16 employees of the Commission shall not be terminable except for cause
17 as defined by the Board.

18 F. The Commissioner may delegate to any officer or employee of
19 the Commission any of the powers of the Commissioner and may
20 designate any officer or employee of the Commission to perform any
21 of the duties of the Commissioner.

22 G. The Commissioner and all other personnel shall, before
23 entering upon the discharge of their duties, take and subscribe to
24

1 the oath of office required of state officers as provided by Section
2 36.2A of Title 51 of the Oklahoma Statutes.

3 H. The Commissioner shall adopt an appropriate seal as the Seal
4 of the State Cannabis Commissioner.

5 I. Every certificate, assignment and conveyance executed by the
6 Commissioner, in pursuance of the authority conferred upon the
7 Commissioner by law and sealed with the seal of the Commission,
8 shall be received in evidence and recorded in the proper recording
9 offices in the same manner as a deed regularly acknowledged, as
10 required by law.

11 J. Whenever it is necessary for the Commissioner to approve any
12 instrument or to affix the official seal thereto, the Commissioner
13 may charge a fee for affixing the approval of the Commissioner or
14 the official seal to such instrument. Copies of all records and
15 papers in the office of the Commission, certified by the
16 Commissioner and authenticated by the seal, shall be received in
17 evidence in all cases equally and of like effect as the original.
18 Whenever it is proper to furnish a copy of any paper filed in the
19 Commission or to certify such paper, the Commissioner may charge a
20 fee for furnishing such copy, for affixing the official seal on such
21 copy or for certifying the same.

22 K. The Commissioner shall be authorized to suggest rules and
23 regulations governing the oversight of licensed medical marijuana
24 dispensaries located within this state. The rules and regulations

1 shall address inventory control, sales, personnel and security at
2 licensed medical marijuana dispensaries. The Commissioner is
3 further authorized to inspect any licensed medical marijuana
4 dispensary to determine if the dispensary is in compliance with
5 rules and regulations suggested by the Commissioner and applicable
6 state laws that govern the dispensing of medical marijuana to
7 medical marijuana license holders.

8 SECTION 7. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 8007 of Title 63, unless there
10 is created a duplication in numbering, reads as follows:

11 A. Upon certification of election returns favoring passage of
12 State Question No. 788, Initiative Petition No. 412, there is hereby
13 created the Oklahoma Cannabis Commission.

14 B. The Oklahoma Cannabis Commission shall address issues
15 related to the medical marijuana program in Oklahoma including, but
16 not limited to, monitoring and disciplinary actions as they relate
17 to the medical marijuana program.

18 C. 1. The Commission or its designee may perform on-site
19 assessments of a licensed grower or grower-applicant, a licensed
20 processor or processor-applicant, a licensed laboratory or a
21 laboratory-applicant, and a licensed dispensary or dispensary-
22 applicant, to determine compliance with these acts or submissions
23 made pursuant to this section. The Commission may enter the
24

1 premises of a licensed grower, licensed processor, licensed
2 laboratory, or licensed dispensary at any time to assess or monitor.

3 2. Twenty-four (24) hours of notice shall be provided to a
4 licensed grower or grower-applicant, a licensed processor or
5 processor-applicant, a licensed laboratory or a laboratory-applicant
6 and a licensed dispensary or dispensary-applicant, prior to an on-
7 site assessment, except when the Commission has reasonable suspicion
8 to believe that providing notice will result in the destruction of
9 evidence, or that providing such notice will impede the ability of
10 the Commission to enforce these regulations.

11 3. The Commission may review any and all records of a licensed
12 patient or primary caregiver, licensed dispensary, licensed grower,
13 a licensed processor and licensed laboratory, and may require and
14 conduct interviews with such persons or entities and persons
15 affiliated with such entities, for the purpose of determining
16 compliance with Commission requirements and applicable laws.

17 4. All licensed dispensaries, licensed growers, licensed
18 processors and licensed laboratories shall provide the Commission or
19 the designee of the Commission immediate access to any material and
20 information necessary for determining compliance with this section.

21 5. Failure by a licensed dispensary, licensed grower, licensed
22 processor or licensed laboratory to provide the Commission access to
23 the premises or materials may result in disciplinary action, in
24 accordance with this section.

1 6. Any failure to adhere to the provisions of this section that
2 is documented by the Commission during monitoring may result in
3 disciplinary action, in accordance with this section.

4 7. The Commission shall refer complaints alleging criminal
5 activity that are made against a licensed grower, licensed
6 processor, licensed laboratory or licensed dispensary to appropriate
7 Oklahoma state or local law enforcement authorities.

8 D. Disciplinary action may be taken against a licensed grower
9 or grower-applicant, a licensed processor or processor-applicant, a
10 licensed laboratory or a laboratory-applicant, a licensed dispensary
11 or dispensary-applicant or a licensed transporter or transporter-
12 applicant.

13 E. Disciplinary actions may include revocation, suspension or
14 denial of an application, license or Commission approval and other
15 action.

16 F. Disciplinary actions may be imposed for:

17 1. Failure to comply with or satisfy any provision of this
18 section;

19 2. Falsification or misrepresentation of any material or
20 information submitted to the Commission;

21 3. Failing to allow or impeding a monitoring visit by
22 authorized representatives of the Commission;

23 4. Failure to adhere to any acknowledgement, verification or
24 other representation made to the Commission;

1 5. Failure to submit or disclose information required by this
2 section or otherwise requested by the Commission;

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

5 7. Failure to comply with requested access by the Commission to
6 the premises or materials;

7 8. Failure to pay a required monetary penalty;

8 9. Diversion of cannabis or a cannabis-derived product, as
9 determined by the Commission;

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

12 11. Any other basis as identified in this section.

13 G. Disciplinary actions against a licensed grower, licensed
14 processor, licensed laboratory or licensed dispensary may include
15 the imposition of monetary penalties, which may be assessed by the
16 Commission in the amount of:

17 1. One Hundred Dollars (\$100.00) for the first assessed
18 monetary penalty in a calendar year;

19 2. Five Hundred Dollars (\$500.00) for the second assessed
20 monetary penalty in a calendar year; or

21 3. One Thousand Dollars (\$1,000.00) for every monetary penalty
22 thereafter assessed in a calendar year.

23 Penalties for sales to persons other than those allowed by law
24 occurring within any two-year time period shall be an initial fine

1 of Five Thousand Dollars (\$5,000.00) for a first violation and
2 revocation of licensing for a second violation within a two-year
3 period.

4 Proceeds from penalties collected shall be deposited in a
5 special revenue fund known as the Oklahoma Cannabis Commission Fund
6 with the State Treasurer.

7 H. The following persons or entities may request a hearing to
8 contest an action or proposed action of the Commission:

9 1. A licensed dispensary whose license has been summarily
10 suspended or who has received a notice of contemplated action to
11 suspend or revoke a license or take other disciplinary action;

12 2. A licensed dispensary-applicant whose application is denied
13 for any reason other than failure to submit a completed application
14 or failure to meet a submittal requirement;

15 3. A licensed grower whose license has been summarily suspended
16 or who has received a notice of contemplated action to suspend or
17 revoke a license or take other disciplinary action;

18 4. A licensed grower-applicant whose application is denied for
19 any reason other than failure to submit a completed application or
20 failure to meet a submittal requirement;

21 5. A licensed processor whose approval status has been
22 summarily suspended or who has received a notice of contemplated
23 action to suspend or revoke approval status or take other
24 disciplinary action;

1 6. A processor-applicant whose application is denied for any
2 reason other than failure to submit a completed application or
3 failure to meet a submittal requirement;

4 7. A licensed laboratory whose approval status has been
5 summarily suspended or who has received a notice of contemplated
6 action to suspend or revoke approval status or take other
7 disciplinary action;

8 8. A laboratory-applicant whose application is denied for any
9 reason other than failure to submit a completed application or
10 failure to meet a submittal requirement;

11 9. A licensed transporter whose approval status has been
12 summarily suspended or who has received a notice of contemplated
13 action to suspend or revoke approval status or take other
14 disciplinary action;

15 10. A transporter-applicant whose application is denied for any
16 reason other than failure to submit a completed application or
17 failure to meet a submittal requirement; and

18 11. A person whose participation with a licensed grower or
19 licensed entity is prohibited based on a criminal background check.

20 I. The appellant shall file the request for hearing within
21 thirty (30) calendar days of the date the action is taken or the
22 notice of contemplated action is received. The request shall:

23 1. Be properly addressed to the Oklahoma Cannabis Commission;

24

1 2. State the name, address and telephone number of the
2 appellant; and

3 3. Include a statement of the issue that the appellant
4 considers relevant to the review of the action.

5 J. 1. All hearings held pursuant to this section shall be
6 conducted by a hearing officer appointed by the Commission.

7 2. Hearings shall be conducted in Oklahoma City, Oklahoma, or,
8 with the consent of the parties, in another location.

9 3. Due to federal and state confidentiality laws, hearings held
10 pursuant to this section that concern licensed patients, patient-
11 applicants and licensed dispensary or dispensary-applicants shall be
12 closed to the public. Portions of hearings may further be closed to
13 prevent the disclosure of confidential information.

14 4. The hearing shall be recorded on audiotape or other means of
15 sound reproduction.

16 5. Any hearing provided for in this section may be held
17 telephonically, with the consent of the parties.

18 K. The Commission shall schedule and hold the hearing as soon
19 as practicable, but in no event later than sixty (60) calendar days
20 from the date the Commission receives a request for a hearing by an
21 appellant. The hearing examiner shall extend the sixty-day time
22 period upon motion for good cause shown or the parties may extend
23 the sixty-day time period by mutual agreement. The Commission shall
24 issue notice of hearing, which shall include:

1 1. A statement of the location, date and time of the hearing;

2 2. A short and plain statement of the legal authority under
3 which the hearing is to be held; and

4 3. A short and plain statement of the subject of the hearing.

5 L. All parties shall be given the opportunity to respond and
6 present evidence and argument on all relevant issues.

7 M. The record of the proceeding shall include the following:

8 1. All pleadings, motions and intermediate rulings;

9 2. Evidence and briefs received or considered;

10 3. A statement of matters officially noticed;

11 4. Offers of proof, objections and rulings thereon;

12 5. Proposed findings and conclusions; and

13 6. Any action recommended by the hearing examiner.

14 N. A party may request a copy of the audio recording of the
15 proceedings.

16 O. 1. A party may be represented by a person licensed to
17 practice law in Oklahoma or a nonlawyer representative, or may
18 represent himself or herself.

19 2. The rules of evidence as applied in the courts do not apply
20 in these proceedings. Any relevant evidence shall be admitted.
21 Irrelevant, immaterial or unduly repetitious evidence may be
22 excluded.

23

24

1 3. The experience, technical competence and specialized
2 knowledge of the hearing examiner, the Commission or the staff of
3 the Commission may be used in the evaluation of evidence.

4 4. The failure of an appellant to appear at the hearing at the
5 date and time noticed for the hearing shall constitute a default.

6 P. Unless the hearing examiner determines that a different
7 procedure is appropriate, the hearing shall be conducted in
8 accordance with the procedures set forth in this section. The
9 following procedures shall apply:

10 1. The appellant shall present an opening statement and the
11 Commission may present an opening statement or reserve the statement
12 until presentation of the case of the Commission;

13 2. After the opening statements, if made, the appellant shall
14 present its case;

15 3. Upon the conclusion of the case of the appellant, the
16 Commission shall present its case;

17 4. Upon conclusion of the case of the Commission, the appellant
18 may present rebuttal evidence; and

19 5. After presentation of the evidence by the parties, the
20 parties may present closing arguments.

21 Q. The appellant shall bear the burden of establishing by a
22 preponderance of the evidence that the decision made or proposed by
23 the Commission should be reversed or modified.

24

1 R. The hearing examiner may grant a continuance for good cause
2 shown. A motion to continue a hearing shall be made at least ten
3 (10) calendar days before the hearing date, unless emergency
4 circumstances arise.

5 S. 1. Any party requesting a telephonic hearing shall do so no
6 less than ten (10) business days prior to the date of the hearing.
7 Notice of the telephonic hearing shall be given to all parties and
8 shall include all necessary telephone numbers.

9 2. The appellant is responsible for ensuring the telephone
10 number to the location of the appellant for the telephonic hearing
11 is accurate and the appellant is available at said telephone number
12 at the time the hearing is to commence. Failure to provide the
13 correct telephone number or failure to be available at the
14 commencement of the hearing shall be treated as a failure to appear
15 and shall subject the appellant to a default judgment.

16 3. The in-person presence of some parties or witnesses at the
17 hearing shall not prevent the participation of other parties or
18 witnesses by telephone with prior approval of the hearing examiner.

19 T. 1. The parties may submit briefs including findings of fact
20 and conclusions of law for consideration by the hearing examiner.

21 2. No later than thirty (30) calendar days after the last
22 submission by a party, the hearing examiner shall prepare and submit
23 to the Commission or designee of the Commission a written
24 recommendation of action to be taken by the Commission or designee

1 of the Commission. The recommendation shall propose sustaining,
2 modifying or reversing the action or proposed action of the
3 Commission.

4 3. The Commission or designee of the Commission shall issue a
5 final written decision accepting or rejecting the recommendation of
6 the hearing examiner in whole or in part no later than thirty (30)
7 calendar days after receipt of the recommendation of the hearing
8 examiner. The final decision shall identify the final action taken.
9 Service of the final decision of the Commission or designee of the
10 Commission shall be made upon the appellant by registered or
11 certified mail.

12 4. The final decision or order shall be included in the file of
13 the appellant with the medical marijuana program.

14 SECTION 8. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 8008 of Title 63, unless there
16 is created a duplication in numbering, reads as follows:

17 A. Upon certification of election returns favoring passage of
18 State Question No. 788, Initiative Petition No. 412, there is hereby
19 created the Oklahoma Cannabis Commission. All responsibilities held
20 by the Oklahoma Department of Health pursuant to State Question No.
21 788, Initiative Petition No. 412, shall be transferred directly to
22 the Oklahoma Cannabis Commission.

23 B. The Oklahoma Cannabis Commission shall be the regulatory
24 office established under State Question No. 788, Initiative Petition

1 No. 412, which will receive and review applications for medical
2 marijuana license recipients.

3 C. The Oklahoma Cannabis Commission, with the aid of the Office
4 of Management and Enterprise Services, shall develop a website for
5 medical marijuana license applications.

6 D. Within thirty (30) days of the passage of State Question No.
7 788, Initiative Petition No. 412, the Oklahoma Cannabis Commission
8 shall make available on its website, in an easy-to-find location, an
9 application for a medical marijuana license or temporary medical
10 marijuana license.

11 E. Medical marijuana license applicants shall submit an
12 application to the Oklahoma Cannabis Commission for approval.

13 F. The application fee for a medical marijuana license shall be
14 One Hundred Dollars (\$100.00), or Twenty Dollars (\$20.00) for
15 individuals on Medicaid or Medicare. The methods of payment, to be
16 determined by the Oklahoma Cannabis Commission, shall be provided on
17 the website. Proceeds from the application fees collected shall be
18 deposited in a special revenue fund known as the Oklahoma Cannabis
19 Commission Fund with the State Treasurer.

20 G. To apply for a medical marijuana license, the applicant
21 shall:

22 1. Be a resident of Oklahoma and shall prove residency by a
23 valid driver license, utility bill or other acceptable method as
24 determined by the Commission; and

1 2. Be eighteen (18) years of age or older; provided, however, a
2 special exception will be granted to an applicant who is eighteen
3 (18) years of age or younger, and the application is signed by two
4 physicians as well as the parent or legal guardian of the applicant.

5 H. A written certification from an Oklahoma Board-certified
6 physician, as well as contact information for the physician, shall
7 be submitted with the application for a medical marijuana license.
8 The Oklahoma Cannabis Commission may contact the physician to verify
9 the applicant's need for a medical marijuana license. The physician
10 may only issue the written certification using accepted standards a
11 reasonable and prudent physician would follow when recommending or
12 approving any medication.

13 I. The Oklahoma Cannabis Commission shall review the medical
14 marijuana application, approve or reject the application and mail
15 the approval, rejection or status-update letter to the applicant
16 within fourteen (14) days of receipt of the application.

17 1. Applicants who are approved shall be issued a medical
18 marijuana license which shall act as proof of his or her approved
19 status.

20 2. If the Commission rejects an application for a medical
21 marijuana license, the letter to the applicant shall state the
22 reason why the application was rejected. Applications may only be
23 rejected by the Commission due to an applicant not meeting the
24

1 standards set forth in this section or the improper completion of an
2 application.

3 3. Letters that provide a status update to applicants shall
4 state a reason for the delay in either approval or rejection of the
5 application including situations where an application has been
6 properly submitted, but a delay in processing the application has
7 occurred.

8 J. Approval, rejection or status-update letters shall be sent
9 to the applicant in the same method the application was submitted to
10 the Commission.

11 K. The Oklahoma Cannabis Commission shall keep the following
12 records for each approved medical marijuana license:

- 13 1. A digital photograph of the medical marijuana licensee;
- 14 2. The expiration date of the license;
- 15 3. The county where the license was issued; and
- 16 4. The unique 24-character identification number assigned to
17 the medical marijuana licensee.

18 L. The Oklahoma Cannabis Commission shall make available a
19 method to validate the authenticity of the medical marijuana license
20 by the unique 24-character identification number as follows:

- 21 1. By accessing the website of the Oklahoma Cannabis
22 Commission;
- 23 2. By communication via telephone to the Oklahoma Cannabis
24 Commission; or

1 3. The Oklahoma Cannabis Commission may contract with other
2 state agencies to establish a method for verification should another
3 system be made available or determined to be more cost-effective.

4 M. All other records regarding a medical marijuana licensee
5 shall be maintained by the Oklahoma Cannabis Commission and shall be
6 deemed confidential. Such records shall be marked as confidential,
7 shall not be made available to the public and shall only be made
8 available to the licensee, designee of the licensee, the physician
9 of the licensee or the caregiver of the licensee.

10 1. The provisions of this subsection shall not prevent the
11 Commission from complying with a warrant or subpoena, nor with using
12 such records for the benefit of the licensee or the protection of
13 the Commission.

14 2. A log shall be kept with the file of the licensee to record
15 any event in which the records of the licensee were made available
16 and to whom the records were provided.

17 N. The Oklahoma Cannabis Commission shall provide for a
18 caregiver license for qualified caregivers of a medical marijuana
19 license holder who is homebound. The caregiver license shall
20 provide the caregiver the same rights as the medical marijuana
21 license holder, excluding use. Applicants for a caregiver license
22 shall submit the following to the Commission:

23 1. Proof of the homebound status of the medical marijuana
24 license holder;

1 2. Proof that the applicant is the designee of the medical
2 marijuana license holder;

3 3. Proof that the caregiver is eighteen (18) years of age or
4 older; and

5 4. Proof that the caregiver is an Oklahoma resident.

6 SECTION 9. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 8009 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

9 A. Only Oklahoma board-certified physicians may recommend
10 marijuana to a patient.

11 B. Prior to providing a recommendation, attestation or
12 authorization for marijuana to a patient, the physician shall:

13 1. Document that an appropriate physician-patient relationship
14 has been established with an in-person medical evaluation;

15 2. Review relevant clinical history. An objective evaluation
16 of the patient shall be obtained prior to a decision being made as
17 to whether to recommend marijuana for medical use. At a minimum,
18 the evaluation shall include, but is not limited to:

19 a. the history of the present illness of the patient,

20 b. social history,

21 c. past medical and surgical history,

22 d. alcohol- and substance-use history,

23 e. family history with emphasis on addiction, mental

24 illness or psychotic disorders,

- 1 f. physical examination,
- 2 g. documentation of therapies with inadequate response,
- 3 and
- 4 h. diagnosis requiring the marijuana recommendation;

5 3. Consult the central repository as required by Section 2-309D
6 of Title 63 of the Oklahoma Statutes prior to making or issuing a
7 recommendation, attestation or authorization for marijuana, for the
8 purpose of reviewing the controlled substance history of the
9 patient;

10 4. The decision to recommend marijuana shall be a shared
11 decision between the physician and the patient. The physician shall
12 discuss the risks and benefits of the use of marijuana with the
13 patient. Patients shall be advised of the variability and lack of
14 standardization of marijuana preparations and the effects of
15 marijuana. Patients shall be reminded not to drive or operate heavy
16 machinery while under the influence of marijuana. If the patient is
17 a minor or without decision-making capacity, the physician must
18 ensure that the parent, guardian or surrogate of the patient is
19 involved in the treatment plan and consents to the use of marijuana
20 by the patient; and

21 5. Produce a treatment agreement. A physician shall document a
22 written treatment plan that includes, but is not limited to:

- 1 a. review of other measures attempted to ease the
2 suffering caused by the medical condition that does
3 not involve the recommendation of marijuana,
4 b. advice about other options for managing the medical
5 condition,
6 c. determination that the patient may benefit from the
7 recommendation of marijuana,
8 d. advice about the potential risks of the medical use of
9 marijuana to include, but not be limited to:
10 (1) the variability of quality and concentration of
11 marijuana,
12 (2) the risk of cannabis use disorder,
13 (3) adverse events, exacerbation of psychotic
14 disorder, adverse cognitive effects for children
15 and young adults and other risks, including falls
16 or fractures,
17 (4) use of marijuana during pregnancy or
18 breastfeeding,
19 (5) the need to safeguard all marijuana and
20 marijuana-infused products from children and pets
21 or domestic animals, and
22 (6) the need to notify the patient that the marijuana
23 is to be used only by the patient and the
24

1 marijuana shall not be donated or otherwise
2 supplied to another individual,

3 e. additional diagnostic evaluations or other planned
4 treatments,

5 f. a specific duration for the marijuana authorization
6 for a period no longer than twenty-four (24) months,
7 and

8 g. a specific ongoing treatment plan as medically
9 appropriate.

10 C. Recommending marijuana for certain medical conditions is at
11 the professional discretion of the physician, which must be
12 exercised in accordance with the accepted standards a reasonable and
13 prudent physician would follow in recommending or approving any
14 medication. The indication, appropriateness and safety of the
15 recommendation should be evaluated in accordance with current
16 standards of practice and in compliance with state laws, rules and
17 regulations.

18 D. Where available, the physician recommending marijuana should
19 check the prescription-monitoring program each time a
20 recommendation, attestation, authorization or reauthorization is
21 issued. The physician should regularly assess the response of the
22 patient to the use of marijuana and overall health and level of
23 function, as medically appropriate. This assessment should include
24

1 the efficacy of the treatment to the patient, the goals of the
2 treatment and the progress of those goals.

3 E. A patient who has a history of substance use disorder or a
4 co-occurring mental health disorder may require specialized
5 assessment and treatment. The physician should seek a consultation
6 with, or refer the patient to, a pain management, psychiatric,
7 addiction or mental health specialist, as needed.

8 F. The physician should keep accurate and complete medical
9 records. Information that should appear in the medical record
10 includes, but is not necessarily limited to, the following:

11 1. The medical history of the patient, including a review of
12 prior medical records as appropriate;

13 2. Results of the physical examination, patient evaluation,
14 diagnostic, therapeutic and laboratory results;

15 3. Other treatments and prescribed medications;

16 4. Authorization, attestation or recommendation for marijuana
17 to include date, expiration and any additional information required
18 by state statute;

19 5. Instructions to the patient, including discussions of risks
20 and benefits, side effects and variable effects;

21 6. Results of ongoing assessment and monitoring of the response
22 of the patient to the use of marijuana; and

23 7. A copy of the signed treatment agreement including
24 instructions on safekeeping and instructions on not sharing.

1 G. Consistent with the prevailing standard of care, physicians
2 shall not recommend, attest or otherwise authorize marijuana for
3 themselves or a family member.

4 H. A physician who recommends marijuana should not have a
5 professional office located at a dispensary or cultivation center or
6 receive financial compensation from or hold a financial interest in
7 a dispensary or cultivation center. Nor should the physician be a
8 director, officer, member, incorporator, agent, employee or retailer
9 of a dispensary or cultivation center.

10 I. After an Oklahoma board-certified physician reviews a
11 patient and makes a recommendation for marijuana according to the
12 guidelines, the physician may provide to a patient a liability
13 waiver.

14 J. In addition to demonstrating the physician followed the
15 recommendation guidelines, the liability waiver shall include the
16 following language:

17 "This agreement releases (Physician) from all liability relating
18 to injuries that may occur from the use of marijuana. By signing
19 this agreement, I agree to hold (Physician) entirely free from any
20 liability, including financial responsibility for injuries incurred,
21 from the use of marijuana.

22 I also acknowledge the risks involved in the use of marijuana.
23 These include, but are not limited to:

24 1. The variability of quality and concentration of marijuana;

1 2. The risk of cannabis use disorder;

2 3. Exacerbation of psychotic disorders and adverse cognitive
3 effects for children and young adults;

4 4. Adverse events, exacerbation of psychotic disorder, adverse
5 cognitive effects for children and young adults and other risks,
6 including falls or fractures;

7 5. Use of marijuana during pregnancy or breastfeeding;

8 6. The need to safeguard all marijuana and marijuana-infused
9 products from children and pets or domestic animals; and

10 7. The need to notify the patient that the marijuana is to be
11 used only by the patient and the marijuana shall not be donated or
12 otherwise supplied to another individual.

13 I swear that I am participating voluntarily and that all risks
14 have been made clear to me. Additionally, I do not have any
15 conditions that will increase my likelihood of experiencing injuries
16 while engaging in this activity.

17 By signing below I forfeit all right to bring a suit against
18 (Physician) for any reason relating to the recommendation of
19 marijuana.

20 I will also make every effort to obey safety precautions as
21 listed in writing and as explained to me verbally. I will ask for
22 clarification when needed."
23
24

1 K. No Oklahoma board-certified physician may be unduly
2 stigmatized or harassed for issuing a written certification for a
3 patient.

4 L. An Oklahoma board-certified physician shall not be subject
5 to arrest, prosecution or penalty in any manner or denied any right
6 or privilege, including without limitation a civil penalty or
7 disciplinary action by the State Board of Medical Licensure and
8 Supervision or by any other business, occupation or professional
9 licensing board or bureau, solely for providing written
10 certification for a patient. The provisions of this subsection
11 shall not prevent the State Board of Medical Licensure and
12 Supervision from sanctioning a physician for failing to properly
13 evaluate the medical condition of a patient or for otherwise
14 violating the applicable physician-patient standard of care.

15 SECTION 10. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 8010 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 A. This section shall only go into effect upon certification of
19 election returns favoring passage of State Question No. 788,
20 Initiative Petition No. 412.

21 B. No school may refuse to enroll a person, nor landlord refuse
22 to lease to a person, solely for his or her status as a medical
23 marijuana license holder, unless failing to do so would cause the
24

1 school or landlord to lose a monetary or licensing-related benefit
2 under federal law or regulations.

3 C. Unless a failure to do so would cause an employer to lose a
4 monetary or licensing-related benefit under federal law or
5 regulations, an employer may not discriminate against a person when
6 hiring, terminating or imposing any term or condition of employment
7 or otherwise penalize a person solely based upon the status of the
8 person as a medical marijuana license holder or based upon results
9 of a drug test that shows the medical marijuana license holder tests
10 positive for marijuana or its components; provided, however,
11 employers may take action against a medical marijuana license holder
12 if the person uses or possesses marijuana while at the place of
13 employment of the medical marijuana license holder or during the
14 hours of employment.

15 D. A medical marijuana license holder or designated caregiver
16 in actual possession of a medical marijuana license card shall not
17 be subject to arrest, prosecution or penalty in any manner or denied
18 any right or privilege, including without limitation a civil penalty
19 or disciplinary action by a business, occupational or professional
20 licensing board or bureau, for the medical use of marijuana in
21 accordance with the medical marijuana program. No person holding a
22 medical marijuana license may be prohibited from holding a state-
23 issued license by virtue of such person being a medical marijuana
24 license holder.

1 E. For the purposes of medical care, including organ
2 transplants, the authorized use of marijuana by a medical marijuana
3 license holder must be considered the equivalent of the use of any
4 other medication under the direction of a physician and shall not
5 constitute the use of an illicit substance or otherwise disqualify a
6 registered qualifying patient from medical care.

7 F. No medical marijuana license holder may be denied custody,
8 visitation or parenting time with a minor based solely upon that
9 person being a medical marijuana license holder. There shall be no
10 presumption of neglect or child endangerment for conduct allowed
11 under the provisions of the medical marijuana program, unless the
12 behavior of the person creates an unreasonable danger to the health
13 and safety of the minor.

14 G. A person shall not be subject to arrest, prosecution or
15 penalty in any manner or denied any right or privilege, including
16 without limitation a civil penalty or disciplinary action by a
17 business, occupational or professional licensing board or bureau,
18 for providing a qualifying patient or designated caregiver with
19 marijuana paraphernalia for purposes of facilitating the medical use
20 of marijuana by a qualifying patient.

21 H. A person shall not be subject to arrest, prosecution or
22 penalty in any manner or denied any right or privilege, including
23 without limitation a civil penalty or disciplinary action by a
24 business, occupational or professional licensing board or bureau,

1 simply for being in the presence or vicinity of the medical use of
2 marijuana as allowed under the medical marijuana program or for
3 directly assisting a physically disabled qualifying patient with the
4 medical use of marijuana.

5 SECTION 11. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 8011 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

8 A. Upon certification of election returns favoring passage of
9 State Question No. 788, Initiative Petition No. 412, there is hereby
10 created the Oklahoma Cannabis Commission, and all responsibilities
11 held by the Oklahoma Department of Health pursuant to State Question
12 No. 788, Initiative Petition No. 412, shall be transferred directly
13 to the Oklahoma Cannabis Commission.

14 B. The Oklahoma Cannabis Commission shall be the regulatory
15 office established under State Question No. 788, Initiative Petition
16 No. 412, which will monitor, inspect and audit personal production
17 of medical marijuana.

18 C. The Oklahoma Cannabis Commission, with the aid of the Office
19 of Management and Enterprise Services, shall develop a website for
20 personal production license applications.

21 D. Within one hundred twenty (120) days of the passage of State
22 Question No. 788, Initiative Petition No. 412, the Oklahoma Cannabis
23 Commission shall make available, on its website, in an easy-to-find
24 location, an application for a personal production license.

1 E. A licensed patient may apply for a personal production
2 license to produce medical marijuana solely for the personal use of
3 the licensed patient. A personal production license applicant shall
4 submit his or her application to the Oklahoma Cannabis Commission
5 for approval.

6 F. A licensed patient may obtain no more than one personal
7 production license, which may be issued for production to occur
8 indoors in no more than one single location which shall be either
9 the primary residence of the patient or other property owned by the
10 patient.

11 G. No more than two personal production licenses shall be
12 issued for a given location, with proof that a second licensed
13 patient currently resides at the location. Multiple personal
14 production licenses may not be issued for nonresidential locations.

15 H. Licensed patients shall provide the following in order to be
16 considered for a personal production license to produce medical
17 marijuana:

18 1. Applicable nonrefundable fee;

19 2. A background check indicating no nonviolent felony
20 conviction in the two (2) years preceding the application, nor any
21 other felony conviction in the five (5) years preceding the
22 application;

23 3. Proof the person is not an inmate or person currently
24 incarcerated in a penal institution;

1 4. A description of the single indoor location that shall be
2 used in the growing of marijuana;

3 5. If the location is on property that is not owned by the
4 applicant, a written statement from the property owner or landlord
5 that grants to the applicant permission to grow marijuana on the
6 premises;

7 6. A written plan that ensures that the marijuana production
8 shall not be visible from the street or other public areas;

9 7. A written acknowledgement that the applicant will ensure
10 that all marijuana, marijuana-derived products and paraphernalia are
11 accessible only by the applicant and his or her primary caregiver,
12 if any, and that the marijuana, marijuana-derived products and
13 paraphernalia will be kept secure and out of the reach of children;

14 8. A written acknowledgement that medical marijuana or
15 marijuana-derived products that can support the rapid growth of
16 undesirable microorganisms are stored in a manner that prevents the
17 growth of said microorganisms;

18 9. A written acknowledgement that storage of medical marijuana
19 or marijuana-derived products is under conditions that will maintain
20 security and protect medical marijuana or marijuana-derived products
21 against physical, chemical and microbial contamination, as well as
22 against deterioration of the medical marijuana or marijuana-derived
23 product and the container;

24

1 10. Detailed information of the Oklahoma-licensed dispensary
2 from which the patient will buy marijuana plants, seedlings, seeds
3 or clippings. This information shall include, but not be limited
4 to, the following:

5 a. the name and license number of the commercial grower
6 or processor,

7 b. the address and phone number of the commercial grower
8 or processor,

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

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

11 e. the date of the transaction,

12 f. the total spent in dollars, and

13 g. any additional information as may be required by the
14 Commission;

15 11. A description of any device or series of devices that shall
16 be used to provide security and proof of the secure grounds; and

17 12. A written acknowledgement of the limitations of the right
18 to use and possess marijuana for medical purposes in Oklahoma.

19 I. All persons applying for a personal production license shall
20 consent to and undergo a national criminal history record check and
21 an Oklahoma criminal history record check by the Oklahoma State
22 Bureau of Investigation. Background check documentation shall be
23 submitted to the Commission.
24

1 SECTION 12. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8012 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Upon certification of election returns favoring passage of
5 State Question No. 788, Initiative Petition No. 412, there is hereby
6 created the Oklahoma Cannabis Commission, and all responsibilities
7 held by the Oklahoma Department of Health pursuant to State Question
8 No. 788, Initiative Petition No. 412, shall be transferred directly
9 to the Oklahoma Cannabis Commission.

10 B. The Oklahoma Cannabis Commission shall be the regulatory
11 office established under State Question No. 788, Initiative Petition
12 No. 412, which shall receive and review applications for
13 dispensaries that want to sell medical marijuana.

14 C. The Oklahoma Cannabis Commission, with the aid of the Office
15 of Management and Enterprise Services, shall develop a website for
16 dispensary applications.

17 D. The Oklahoma Cannabis Commission shall, within sixty (60)
18 days of the effective date of this act, make available on its
19 website or the website of the Oklahoma Cannabis Commission in an
20 easy-to-find location, an application for a dispensary license.

21 E. The application fee shall be Two Thousand Five Hundred
22 Dollars (\$2,500.00), and a method of payment shall be determined by
23 the Oklahoma Cannabis Commission and provided on the website.

24

1 F. Proceeds from the application fees collected shall be
2 deposited in a special revenue fund known as the Oklahoma Cannabis
3 Commission Fund with the State Treasurer.

4 G. A dispensary applicant, if an individual, must be a resident
5 of Oklahoma for at least three (3) years prior to the date of
6 application.

7 H. A dispensary applicant, if an entity, must be owned by a
8 resident of Oklahoma and must be registered to do business in
9 Oklahoma; provided, however, an entity applying for a dispensary
10 license may show ownership of non-Oklahoma residents, but the
11 percentage of ownership shall not exceed twenty-five percent (25%).

12 I. The Oklahoma Cannabis Commission shall review the dispensary
13 application, approve or reject the application and mail the
14 approval, rejection or status-update letter to the applicant within
15 fourteen (14) days of receipt of the application.

16 1. An approved applicant shall be issued a dispensary license
17 which shall act as proof of his or her approved status.

18 2. If the Commission rejects an application for a dispensary
19 license, the letter shall state the reason why the application was
20 rejected. Applications may only be rejected by the Commission due
21 to the applicant not meeting the standards set forth in this section
22 or the improper completion of an application.

23 3. Letters that provide a status update to applicants shall
24 state a reason for the delay in either approval or rejection of the

1 application including situations where an application has been
2 properly submitted, but a delay in processing the application has
3 occurred.

4 J. Approval, rejection or status-update letters shall be sent
5 to the applicant in the same method the application was submitted to
6 the Commission.

7 K. The Oklahoma Cannabis Commission shall approve all
8 applications for a dispensary license that meet the following
9 minimum criteria:

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

12 2. If the applicant is applying as an individual, the applicant
13 must show three (3) consecutive years of residency in the State of
14 Oklahoma immediately preceding the date the application is
15 submitted;

16 3. If the applicant is applying as an entity, the entity may
17 show ownership of persons who have not lived in Oklahoma for three
18 (3) consecutive years preceding the application, but that percentage
19 of ownership shall not exceed twenty-five percent (25%);

20 4. All individuals or entities applying for a dispensary
21 license must be registered to conduct business in the State of
22 Oklahoma;

23 5. All applicants shall disclose all ownership interests in the
24 dispensary; and

1 6. All applicants, including all owners of the entity applying
2 for a license, who:

3 a. have a nonviolent felony conviction in the two (2)
4 years preceding the application submission deadline,

5 b. have any other felony conviction in the five (5) years
6 preceding the application submission deadline, or

7 c. are inmates or persons currently incarcerated in a
8 penal institution,

9 may not qualify for or have an interest in a dispensary license.

10 SECTION 13. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 8013 of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Upon certification of election returns favoring passage of
14 State Question No. 788, Initiative Petition No. 412, there is hereby
15 created the Oklahoma Cannabis Commission, and all responsibilities
16 held by the Oklahoma Department of Health pursuant to State Question
17 No. 788, Initiative Petition No. 412, shall be transferred directly
18 to the Oklahoma Cannabis Commission.

19 B. The Oklahoma Cannabis Commission shall be the regulatory
20 office established under State Question No. 788, Initiative Petition
21 No. 412, which will monitor, inspect and audit licensed dispensaries
22 that sell medical marijuana.

23 C. Only an Oklahoma-licensed dispensary may conduct retail
24 sales of marijuana or marijuana derivatives in the form provided by

1 licensed processors, and these products can only be sold to a
2 medical marijuana license holder or his or her caregiver.

3 D. Dispensaries shall be required to complete a monthly sales
4 report and deliver the report to the Oklahoma Cannabis Commission.
5 This report shall be due on the 15th of each month and provide
6 reporting on the previous month. This report shall detail the
7 weight of marijuana purchased at wholesale and the weight of
8 marijuana sold to medical marijuana license holders, and account for
9 any waste.

10 E. The detailed sales report shall include, but not be limited
11 to, the following:

- 12 1. Types of products sold;
- 13 2. Total sales in dollars;
- 14 3. Tax collected in dollars; and
- 15 4. Tax due in dollars.

16 F. All marijuana or marijuana derivatives shall be purchased
17 solely from Oklahoma-licensed commercial growers and Oklahoma-
18 licensed processors, and shall not be purchased from any out-of-
19 state providers.

20 G. The Oklahoma Cannabis Commission shall have oversight and
21 auditing responsibilities to ensure that all marijuana being grown
22 in Oklahoma is accounted for. Pursuant to these duties, the
23 Commission shall require that each dispensary keep records for every
24

1 transaction with commercial growers or licensed processors. These
2 records shall include, but not be limited to, the following:

3 1. The name and license number of the commercial grower or
4 processor;

5 2. The address and phone number of the commercial grower or
6 processor;

7 3. The type of product received during the transaction;

8 4. The batch number of the marijuana plant used;

9 5. The date of the transaction;

10 6. The total spent in dollars; and

11 7. Any additional information as may be required by the
12 Commission.

13 H. A dispensary may lawfully and in good faith sell, deliver,
14 distribute or dispense medical marijuana to a licensed patient or
15 designated caregiver upon presentation to the dispensary of a
16 medical marijuana license for that licensed patient or designated
17 caregiver, and one other form of a valid, state-issued
18 identification.

19 I. When presented with the medical marijuana license, the
20 dispensary shall provide to the licensed patient or designated
21 caregiver a receipt which shall state the name, address and registry
22 identification number of the dispensary, the name and registry
23 identification number of the licensed patient and the name of the
24 designated caregiver, if applicable, the date the marijuana was

1 sold, any recommendation or limitation by the physician as to the
2 form or forms of medical marijuana or dosage for the licensed
3 patient and the form and the quantity of medical marijuana sold.

4 J. When a dispensary sells, delivers, distributes or dispenses
5 medical marijuana to a licensed patient or designated caregiver, the
6 dispensary shall provide to that individual a safety insert which
7 shall be developed and approved by the Oklahoma Cannabis Commission
8 and shall include, but not be limited to:

9 1. Notice that the marijuana is only for the use of the patient
10 and the marijuana shall not be donated or otherwise supplied to
11 another individual;

12 2. The legal consequences of supplying medical marijuana to
13 another individual;

14 3. The variability of quality and concentration of marijuana;

15 4. The risk of cannabis use disorder;

16 5. Adverse events, exacerbation of psychotic disorder, adverse
17 cognitive effects for children and young adults and other risks,
18 including falls or fractures;

19 6. Use of marijuana during pregnancy or breastfeeding;

20 7. The need to safeguard all marijuana and marijuana-infused
21 products from children and pets or domestic animals;

22 8. How to recognize what may be problematic usage of medical
23 marijuana and obtain appropriate services or treatment for
24 problematic usage; and

1 9. Other information as determined by the Oklahoma Cannabis
2 Commission.

3 K. Medical marijuana dispensed to a licensed patient or
4 designated caregiver by a dispensary shall conform to any
5 recommendation, attestation or authorization by the physician as to
6 the form or forms of medical marijuana or dosage for the licensed
7 patient.

8 L. Penalties for sales to persons other than those allowed by
9 law occurring within any two-year time period shall be an initial
10 fine of Five Thousand Dollars (\$5,000.00) for the first violation
11 and revocation of licensing for a second violation within a two-year
12 period.

13 1. A licensed dispensary shall only be subject to a penalty if
14 a gross discrepancy exists and cannot be explained.

15 2. Proceeds from penalties collected shall be deposited in a
16 special revenue fund known as the Oklahoma Cannabis Commission Fund
17 with the State Treasurer.

18 M. A dispensary is required to keep an updated list of its
19 patients on-site for a minimum of five (5) years and shall keep all
20 medical patient paperwork on file in its system. These files are to
21 be labeled as "Confidential".

22 N. A licensed dispensary shall be subject to a penalty for
23 unauthorized dissemination of patient information.

24

1 1. Penalties for unauthorized dissemination of patient
2 information shall be an initial fine not to exceed Fifteen Thousand
3 Dollars (\$15,000.00) for each violation and revocation of licensing,
4 depending on the severity of the unauthorized dissemination.

5 2. Proceeds from penalties collected shall be deposited in a
6 special revenue fund known as the Oklahoma Cannabis Commission Fund
7 with the State Treasurer.

8 O. Each licensed dispensary shall contract with an independent
9 laboratory to test the medical marijuana sold by the dispensary.
10 The Oklahoma Cannabis Commission shall approve the laboratory and
11 require that the laboratory report testing results in a manner to be
12 determined by the Commission.

13 P. Each licensed dispensary shall develop, implement and
14 maintain on its premises policies and procedures relating to the
15 medical marijuana program, which shall at a minimum include the
16 following:

17 1. Distribution criteria for licensed patients or primary
18 caregivers appropriate for marijuana services, to include clear,
19 legible photocopies of the registry identification card and Oklahoma
20 photo identification card of every licensed patient or primary
21 caregiver served by the dispensary;

22 2. Testing criteria and procedures, which shall be consistent
23 with the testing requirements of the Oklahoma Cannabis Commission;

24 3. Alcohol- and drug-free workplace policies and procedures;

1 4. Employee policies and procedures to address the following
2 requirements:

- 3 a. job descriptions or employment contracts developed for
4 every employee that identify duties, authority,
5 responsibilities, qualifications and supervision, and
- 6 b. training materials concerning adherence to state and
7 federal confidentiality laws;

8 5. Personnel records for each employee that include an
9 application for employment and a record of any disciplinary action
10 taken;

11 6. On-site training curricula or contracts with outside
12 resources capable of meeting employee training needs to include, at
13 a minimum, the following topics:

- 14 a. professional conduct, ethics and patient
15 confidentiality, and
- 16 b. informational developments in the field of medical use
17 of marijuana;

18 7. Employee safety and security training materials provided to
19 each employee at the time of his or her initial employment, to
20 include:

- 21 a. training in the proper use of security measures and
22 controls that have been adopted, and

1 b. specific procedural instructions regarding how to
2 respond to an emergency including a robbery or violent
3 incident;

4 8. A general written security policy to address at a minimum:

- 5 a. safety and security procedures,
- 6 b. personal safety, and
- 7 c. crime prevention techniques;

8 9. Training documentation prepared for each employee and
9 statements signed by employees indicating the topics discussed which
10 shall include names and titles of presenters and the date, time and
11 place the employee received said training;

12 10. A written policy regarding the right of the licensed
13 dispensary to refuse service;

14 11. A confidentiality policy to ensure that identifying
15 information of licensed patients is not disclosed or disseminated
16 without authorization from the patient, except as otherwise required
17 by the Commission; and

18 12. Such other policies or procedures as the Commission may
19 require.

20 Q. A licensed dispensary shall maintain documentation of the
21 training of an employee for a period of at least six (6) months
22 after termination of the employment of an employee. Employee
23 training documentation shall be made available within twenty-four
24

1 (24) hours of a request by the Commission. The twenty-four-hour
2 period shall exclude holidays and weekends.

3 R. Each dispensary shall maintain a backup of all reports and
4 lists described in this section, off-site and in a secure location.
5 The backup of reports and lists shall be updated each week.

6 S. Failure to maintain all reports and lists described in this
7 section shall result in a review of the license held by the
8 dispensary with the potential for revocation of the dispensary
9 license.

10 SECTION 14. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 8014 of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Upon certification of election returns favoring passage of
14 State Question No. 788, Initiative Petition No. 412, there is hereby
15 created the Oklahoma Cannabis Commission, and all responsibilities
16 held by the Oklahoma Department of Health pursuant to State Question
17 No. 788, Initiative Petition No. 412, shall be transferred directly
18 to the Oklahoma Cannabis Commission.

19 B. The Oklahoma Cannabis Commission shall be the regulatory
20 office established under State Question No. 788, Initiative Petition
21 No. 412, which shall monitor, inspect and audit licensed
22 dispensaries that sell medical marijuana.

23
24

1 C. The Oklahoma Cannabis Commission may charge a fee not to
2 exceed Two Thousand Five Hundred Dollars (\$2,500.00) for inspections
3 and audits of licensed dispensaries.

4 D. A licensed dispensary shall not hire any person who:

5 1. Has a nonviolent felony conviction in the two (2) years
6 preceding employment;

7 2. Has any other felony conviction in the five (5) years
8 preceding employment; or

9 3. Is on probation, parole or otherwise under the custody and
10 control of the Oklahoma Department of Corrections.

11 It shall be the obligation of the licensed dispensary to perform a
12 background check on each applicant prior to employment.

13 E. All persons associated with a dispensary shall consent to
14 and undergo a national criminal history record check and an Oklahoma
15 criminal history record check by the Oklahoma State Bureau of
16 Investigation. Background check documentation shall be submitted
17 annually to the Commission.

18 F. All applicable fees associated with the national and
19 statewide criminal history record check shall be paid by the
20 licensed dispensary.

21 G. A licensed dispensary facility shall meet the following
22 security requirements:
23
24

1 1. The physical security controls set forth in Sections 1301.72
2 through 1301.74 of Title 21 of the Code of Federal Regulations, as
3 existing on January 1, 2018;

4 2. All storage and sale of marijuana occurs within a building
5 that:

- 6 a. has a complete roof enclosure supported by connecting
7 walls that are constructed of solid material extending
8 from the ground to the roof,
- 9 b. is secure against unauthorized entry,
- 10 c. has a foundation, slab or equivalent base to which the
11 floor is securely attached,
- 12 d. has floors, walls and ceilings constructed in such a
13 manner that they may be adequately cleaned, kept clean
14 and kept in good repair,
- 15 e. meets performance standards ensuring that storage and
16 processing activities may not be and are not
17 perceptible from outside the structure in terms of:
 - 18 (1) common visual observation,
 - 19 (2) odors, smell, fragrances or other olfactory
20 stimulus,
 - 21 (3) light pollution, glare or brightness,
 - 22 (4) adequate ventilation to prevent mold, and
 - 23 (5) noise,
- 24 f. provides complete visual screening, and

1 g. is accessible only through one or more lockable doors;

2 3. Current, detailed plans and elevation drawings of all
3 operational areas involved with medical marijuana that are
4 maintained on the premises of the dispensary facility, including:

5 a. all storage areas, ventilation systems and equipment
6 used for storage and sales,

7 b. all entrances and exits to the dispensary facility,

8 c. all windows, skylights and retractable mechanisms
9 built into the roof,

10 d. the location of all required security cameras,

11 e. the location of all alarm inputs, detectors and
12 sirens,

13 f. all video and alarm system surveillance areas,

14 g. all sales areas labeled according to the specific
15 activity occurring within the area,

16 h. all restricted and limited access areas identified,
17 and

18 i. all areas labeled according to purpose;

19 4. Access to areas where marijuana is stored is limited to
20 authorized personnel and:

21 a. designated by clearly marked signage, and

22 b. locked and accessible only by authorized personnel on
23 a current roster of authorized personnel;

24

1 5. Written policies regarding any nonregistered agent who may
2 visit the premises and a log of all visitors to the premises are
3 developed and maintained. The log shall consist of the name of the
4 visitor, purpose of visit, time of arrival and time of departure.
5 Visitors to a dispensary facility shall be attended to by a
6 dispensary facility agent at all times while present on the
7 premises. Contractors conducting repairs, maintenance or other
8 specific duties may be escorted to their worksite and left
9 unaccompanied while completing a job. Dispensary agents shall
10 ensure that the contractor and area under repair are under video
11 surveillance for the duration of the time spent on the premises by
12 the contractor; and

13 6. An alarm system is equipped that, upon attempted
14 unauthorized entry, transmits a signal directly to a central
15 protection company for a local or state police agency and a
16 designated dispensary agent. The alarm shall:

- 17 a. provide coverage for all points of ingress to and
18 egress from the dispensary facility including, without
19 limitation, doorways, windows, loading bays, skylights
20 and retractable roof mechanisms,
21 b. provide coverage of any room with an exterior wall,
22 any room containing a safe and any room used to grow
23 or store medical marijuana,

24

- c. be equipped with a panic drive that upon activation shall not only sound any audible alarm components but shall also notify law enforcement,
- d. have duress and hold-up features to enable a dispensary agent to activate a silent alarm notifying law enforcement of an emergency,
- e. be equipped with failure notification systems to notify dispensary facility and law enforcement of any failure in the alarm system, and
- f. have the ability to remain operational during a power outage.

H. A licensed dispensary shall take reasonable measures and precautions to ensure the following:

1. That all retail sales of medical marijuana shall be done in premises that are in compliance with local ordinances including, but not limited to, zoning, occupancy, licensing and building codes;

2. Dispensary staff involved in the handling, transportation, manufacture, testing or packaging of marijuana-derived products must complete general food-handler safety training;

3. That any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including a boil, sore or infected wound, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with preparation surfaces for

1 medical marijuana or marijuana-derived products, shall be excluded
2 from any operations which may be anticipated to result in such
3 contamination until the condition is corrected;

4 4. That hand-washing facilities are adequate, convenient and
5 furnished with running water at a suitable temperature. Hand-
6 washing facilities shall be located in the facility in medical
7 marijuana and marijuana-derived product preparation areas and where
8 good sanitary practices require employees to wash or sanitize their
9 hands. Hand-washing facilities shall provide effective hand-
10 cleaning and sanitizing preparations and sanitary towel service or
11 suitable drying devices;

12 5. That all persons involved in preparing or handling medical
13 marijuana or marijuana-derived products at the dispensary facility
14 conform to hygienic practices while on duty, including:

- 15 a. maintaining adequate personal cleanliness,
- 16 b. washing hands thoroughly in an adequate, hand-washing
17 area before starting work and at any other time when
18 hands may have become soiled or contaminated,
- 19 c. refraining from preparing or handling medical
20 marijuana or marijuana-derived products if the handler
21 has or may have an illness, open lesion, including
22 boils, sores or infected wounds, or any other abnormal
23 source of microbial contamination, until such
24 condition is corrected, and

1 d. complying with the other requirements of this section;

2 6. That there is sufficient space for placement of equipment
3 and storage of materials as is necessary for the maintenance of
4 sanitary operations for the sale of medical marijuana and marijuana-
5 derived products;

6 7. That litter and waste are properly removed, and the
7 operating systems for waste disposal are maintained in an adequate
8 manner so that they do not constitute a source of contamination in
9 areas where medical marijuana or marijuana-derived products are
10 exposed;

11 8. That there is adequate safety lighting in all areas where
12 medical marijuana or marijuana-derived products are processed or
13 stored, and where equipment or utensils are cleaned;

14 9. That the manufacturer provides adequate screening or other
15 protection against the entry of pests. Rubbish shall be disposed of
16 so as to minimize the development of odor, minimize the potential
17 for the waste becoming an attractant and harborage, or breeding
18 place for pests;

19 10. That buildings, fixtures and other physical facilities
20 where marijuana-derived products are stored are maintained in a
21 sanitary condition;

22 11. That all contact surfaces, including utensils and equipment
23 used for preparation of marijuana-derived products, are cleaned and
24

1 sanitized as frequently as necessary to protect against
2 contamination;

3 12. That all equipment and utensils used for preparation of
4 marijuana-derived products are designed and of such material and
5 workmanship as to be adequately cleanable, and are properly
6 maintained;

7 13. That only Environmental-Protection-Agency-(EPA)-registered
8 sanitizing agents are used in dispensary operations and used in
9 accordance with labeled instructions;

10 14. That toxic cleaning compounds, sanitizing agents and
11 pesticide chemicals shall be identified, held and stored in a manner
12 that protects against contamination of medical marijuana or
13 marijuana-derived products;

14 15. That the water supply is sufficient for the operations
15 intended and is derived from a source that is a regulated water
16 system. Private water supplies shall be from a water source that is
17 capable of providing a safe, potable and adequate supply of water to
18 meet the needs of the dispensary facility;

19 16. That plumbing shall be of adequate size and design,
20 adequately installed and maintained to carry sufficient quantities
21 of water to required locations throughout the facility and properly
22 convey sewage and liquid disposable waste from the facility;

23 17. That there are no cross-connections between the potable
24 water and wastewater lines;

1 18. That the manufacturer provide its employees with adequate,
2 readily accessible toilet facilities that are maintained in a
3 sanitary condition and good repair;

4 19. That all operations in the receipt, inspection, transport,
5 segregation, preparation, manufacture, packaging and storage of
6 medical marijuana or marijuana-derived products are conducted in
7 accordance with adequate security and sanitation principles;

8 20. That medical marijuana or marijuana-derived products that
9 can support the rapid growth of undesirable microorganisms are
10 stored and transported in a manner that prevents the growth of these
11 microorganisms;

12 21. That storage and transportation of medical marijuana or
13 marijuana-derived products are under conditions that will maintain
14 security and protect medical marijuana or marijuana-derived products
15 against physical, chemical and microbial contamination as well as
16 against deterioration of the medical marijuana or marijuana-derived
17 product and the container; and

18 22. That current material safety data sheets are kept on the
19 premises for all chemicals used including, but not limited to,
20 cleaning compounds, sanitizing agents and pesticides.

21 I. Any and all detailed plans, elevation drawings and written
22 policies shall be provided to the Oklahoma Cannabis Commission prior
23 to being deemed registered to conduct business in the state of
24 Oklahoma. In addition, the Oklahoma Cannabis Commission may inspect

1 the premises and business plans and conduct interviews of all
2 applicants prior to being deemed registered to conduct business in
3 the State of Oklahoma.

4 J. A dispensary facility shall maintain compliance with
5 applicable city or county building or structure rules, regulations
6 or ordinances and any other applicable state laws or rules regarding
7 buildings or structures.

8 SECTION 15. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 8015 of Title 63, unless there
10 is created a duplication in numbering, reads as follows:

11 A. Upon certification of election returns favoring passage of
12 State Question No. 788, Initiative Petition No. 412, there is hereby
13 created the Oklahoma Cannabis Commission, and all responsibilities
14 held by the Oklahoma Department of Health pursuant to State Question
15 No. 788, Initiative Petition No. 412, shall be transferred directly
16 to the Oklahoma Cannabis Commission.

17 B. The Oklahoma Cannabis Commission shall be the regulatory
18 office established under State Question No. 788, Initiative Petition
19 No. 412, which shall receive and review applications for processors
20 of medical marijuana.

21 C. The Oklahoma Cannabis Commission, with the aid of the Office
22 of Management and Enterprise Services, shall develop a website for
23 processor applications.

24

1 D. The Oklahoma Cannabis Commission shall within sixty (60)
2 days of the effective date of this act make available, in an easy-
3 to-find location, an application for a processor license.

4 E. The application fee shall be Two Thousand Five Hundred
5 Dollars (\$2,500.00). A method of payment shall be determined by the
6 Oklahoma Cannabis Commission and provided on the website.

7 F. Proceeds from the application fees collected for a processor
8 license shall be deposited in a special revenue fund known as the
9 Oklahoma Cannabis Commission Fund with the State Treasurer.

10 G. An applicant for a processor license, if an individual, must
11 be a resident of Oklahoma for at least three (3) years prior to the
12 date of application.

13 H. An applicant for a processor license, if an entity, must be
14 owned by a resident of the State of Oklahoma and shall be registered
15 to do business in Oklahoma; provided, however, an applying entity
16 may show ownership of non-Oklahoma residents but that percentage of
17 ownership shall not exceed twenty-five percent (25%).

18 I. The Oklahoma Cannabis Commission shall review the processor
19 application, approve or reject the application, and mail the
20 approval, rejection or status-update letter to the applicant within
21 fourteen (14) days of receipt of the application.

22 1. Approved applicants shall be issued a processor license
23 which shall act as proof of their approved status.

24

1 2. Rejection letters shall provide a reason for rejection.
2 Applications may only be rejected based on the applicant not meeting
3 the standards set forth in this section or improper completion of
4 the application.

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

9 J. Approval, rejection or status-update letters shall be sent
10 to the applicant in the same method the application was submitted to
11 the Commission.

12 K. The Oklahoma Cannabis Commission shall approve all
13 applications which meet the following minimum criteria:

14 1. The applicant is twenty-five (25) years of age or older;

15 2. The applicant, applying as an individual, can show three (3)
16 consecutive years of residency in the State of Oklahoma immediately
17 preceding the submission date of the application;

18 3. The entity applying for a license shows ownership of persons
19 who have not lived in Oklahoma for three (3) consecutive years
20 preceding the submission date of the application but that percentage
21 of ownership does not exceed twenty-five percent (25%);

22 4. The individuals or entities applying for the license are
23 registered to conduct business in the State of Oklahoma; and

24 5. The applicants have disclosed all ownership.

1 Applicants, including all owners of the entity, who have a
2 nonviolent felony conviction in the two (2) years preceding the
3 application submission deadline, have any other felony conviction in
4 the five (5) years preceding the application submission deadline, or
5 who are inmates or are currently incarcerated in a penal institution
6 may not qualify for or have an interest in a processor license for
7 medical marijuana.

8 SECTION 16. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 8016 of Title 63, unless there
10 is created a duplication in numbering, reads as follows:

11 A. Upon certification of election returns favoring passage of
12 State Question No. 788, Initiative Petition No. 412, there is hereby
13 created the Oklahoma Cannabis Commission, and all responsibilities
14 held by the Oklahoma Cannabis Commission pursuant to State Question
15 No. 788, Initiative Petition No. 412, shall be transferred directly
16 to the Oklahoma Cannabis Commission.

17 B. The Oklahoma Cannabis Commission shall be the regulatory
18 office established under State Question No. 788, Initiative Petition
19 No. 412, which shall monitor, inspect and audit processors of
20 medical marijuana.

21 C. A licensed processor may take marijuana plants and distill
22 or process these plants into concentrates, edibles and other forms
23 for consumption pursuant to Oklahoma Cannabis Commission standards.

24

1 D. As required by the provisions of this section, the Oklahoma
2 Cannabis Commission shall, within ninety (90) days of passage of
3 State Question No. 788, Initiative Petition No. 412, make available
4 a set of standards which shall be used by processors in the
5 preparation of edible marijuana products. Such standards shall be
6 consistent with current food preparation guidelines. No excessive
7 or punitive rules may be established by the Oklahoma Cannabis
8 Commission.

9 E. The Oklahoma Cannabis Commission may inspect a processing
10 operation once every year to determine its compliance with the
11 preparation standards. If deficiencies are found, a written report
12 of deficiency shall be issued to the processor. The processor shall
13 have one (1) month to correct the deficiency or be subject to a fine
14 of Five Hundred Dollars (\$500.00) for each deficiency.

15 F. A licensed processor may only sell marijuana to an Oklahoma-
16 licensed dispensary, Oklahoma-licensed packager, or other Oklahoma-
17 licensed processor. These sales shall be considered wholesale sales
18 and not subject to taxation. A processor may only purchase and use
19 marijuana that has been grown in Oklahoma from a licensed commercial
20 grower or other licensed processor.

21 G. A processor shall not sell marijuana or any marijuana
22 product directly to a medical marijuana license holder; provided,
23 however, a processor may process cannabis into a concentrated form
24 for a medical marijuana license holder for a fee.

1 H. A licensed processor shall complete a monthly yield and
2 sales report and deliver the report to the Oklahoma Cannabis
3 Commission. The report is due on the 15th of each month. The
4 report shall detail the following:

- 5 1. Amount of marijuana purchased in pounds;
- 6 2. The amount of marijuana cooked or processed in pounds;
- 7 3. The amount of waste in pounds; and
- 8 4. Total wholesale sales in dollars.

9 I. The Oklahoma Cannabis Commission shall have oversight and
10 auditing responsibilities to ensure that all marijuana being
11 processed is accounted for.

12 J. Penalties for gross discrepancies occurring within any two-
13 year time period shall be an initial fine of Five Thousand Dollars
14 (\$5,000.00) for the first violation and revocation of licensing for
15 the second violation in a two-year period.

16 1. A licensed processor shall only be subject to a penalty if a
17 gross discrepancy exists and cannot be explained.

18 2. Proceeds from penalties collected shall be deposited in a
19 special revenue fund known as the Oklahoma Cannabis Commission Fund
20 with the State Treasurer.

21 K. Processors are required to keep an updated list of all their
22 buyers on-site for a minimum of five (5) years in their system.

23 L. Each processor shall contract with an independent laboratory
24 to test the medical marijuana purchased and every product sold. The

1 Oklahoma Cannabis Commission shall approve the laboratory and
2 require that the laboratory report testing results in a manner
3 determined by the Commission.

4 M. Each processor shall develop, implement and maintain on its
5 premises policies and procedures relating to the medical marijuana
6 program which shall, at a minimum, include the following:

7 1. Testing criteria and procedures which shall be consistent
8 with the testing requirements of the Oklahoma Cannabis Commission;

9 2. Alcohol- and drug-free workplace policies and procedures;

10 3. Employee policies and procedures to address the following
11 requirements:

12 a. job descriptions or employment contracts developed for
13 every employee that identify duties, authority,
14 responsibilities, qualifications and supervision, and

15 b. training materials concerning adherence to state and
16 federal confidentiality laws;

17 4. Personnel records for each employee that include an
18 application for employment and a record of any disciplinary action
19 taken;

20 5. On-site training curricula or contracts with outside
21 resources capable of meeting employee training needs to include, at
22 a minimum, the following topics:

23 a. professional conduct, ethics and patient
24 confidentiality, and

1 b. informational developments in the field of medical use
2 of marijuana;

3 6. Employee safety and security training materials provided to
4 each employee at the time of his or her initial employment, to
5 include:

6 a. training in the proper use of security measures and
7 controls that have been adopted, and

8 b. specific procedural instructions regarding how to
9 respond to an emergency, including a robbery or
10 violent incident;

11 7. A general written security policy to address at a minimum:

12 a. safety and security procedures,

13 b. personal safety, and

14 c. crime prevention techniques;

15 8. Training documentation prepared for each employee and
16 statements signed by employees indicating the topics discussed which
17 shall include names and titles of presenters and the date, time and
18 place the employee received said training;

19 9. A written policy regarding the right of the processor to
20 refuse service;

21 10. A confidentiality policy to ensure that identifying
22 information of licensed patients is not disclosed or disseminated
23 without authorization from the patient, except as otherwise required
24 by the Commission; and

1 11. Such other policies or procedures as the Commission may
2 require.

3 N. A processor shall maintain documentation of any training of
4 an employee for a period of at least six (6) months after
5 terminating the employment of an employee. Employee training
6 documentation shall be made available within twenty-four (24) hours
7 of the request by the Commission. The twenty-four-hour period shall
8 exclude holidays and weekends.

9 O. Each processor shall maintain a backup of all reports and
10 lists described in this section, off-site and in a secure location.
11 The backup of reports and lists shall be updated each week.

12 P. Failure to maintain all reports and lists described in this
13 section shall result in a review of the license held by the
14 processor with the potential for revocation of the medical marijuana
15 processor license.

16 SECTION 17. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 8017 of Title 63, unless there
18 is created a duplication in numbering, reads as follows:

19 A. Upon certification of election returns favoring passage of
20 State Question No. 788, Initiative Petition No. 412, there is hereby
21 created the Oklahoma Cannabis Commission, and all responsibilities
22 held by the Oklahoma Department of Health pursuant to State Question
23 No. 788, Initiative Petition No. 412, shall be transferred directly
24 to the Oklahoma Cannabis Commission.

1 B. The Oklahoma Cannabis Commission shall be the regulatory
2 office established under State Question No. 788, Initiative Petition
3 No. 412, which will monitor, inspect and audit medical marijuana
4 processors.

5 C. The Oklahoma Cannabis Commission may charge a fee not to
6 exceed Ten Thousand Dollars (\$10,000.00) for inspections and audits
7 of processors of medical marijuana and processor applicants.

8 D. A processor shall not hire any person who:

9 1. Has a nonviolent felony conviction in the two (2) years
10 preceding employment;

11 2. Has any other felony conviction in the five (5) years
12 preceding employment; or

13 3. Is on probation, parole or who is otherwise under the
14 custody and control of the Oklahoma Department of Corrections.

15 It shall be the obligation of the processor to perform a background
16 check on each applicant prior to employment.

17 E. All persons associated with a processor shall consent to and
18 undergo a national criminal history record check and an Oklahoma
19 criminal history record check by the Oklahoma State Bureau of
20 Investigation. Background check documentation shall be submitted
21 annually to the Commission.

22 F. All applicable fees associated with the national and
23 statewide criminal history record check shall be paid by the
24 processor.

1 G. A processor facility shall meet the following security
2 requirements:

3 1. The physical security controls set forth in Sections 1301.72
4 through 1301.74 of Title 21 of the Code of Federal Regulations, as
5 existing on January 1, 2018;

6 2. All storage and sale of marijuana occurs within a building
7 that:

8 a. has a complete roof enclosure supported by connecting
9 walls that are constructed of solid material extending
10 from the ground to the roof,

11 b. is secure against unauthorized entry,

12 c. has a foundation, slab or equivalent base to which the
13 floor is securely attached,

14 d. has floors, walls and ceilings constructed in such a
15 manner that they may be adequately cleaned, kept clean
16 and kept in good repair,

17 e. meets performance standards ensuring that storage and
18 processing activities cannot be and are not
19 perceptible from outside the structure in terms of:

20 (1) common visual observation,

21 (2) odors, smell, fragrances or other olfactory
22 stimulus,

23 (3) light pollution, glare or brightness,

24 (4) adequate ventilation to prevent mold, and

- 1 (5) noise,
2 f. provides complete visual screening, and
3 g. is accessible only through one or more lockable doors;

4 3. Current detailed plans and elevation drawings of all
5 operational areas involved with medical marijuana are maintained on
6 the premises of the processor facility, including:

- 7 a. all storage areas, ventilation systems and equipment
8 used for production,
9 b. all entrances and exits to the processor facility,
10 c. all windows, skylights and retractable mechanisms
11 built into the roof,
12 d. the location of all required security cameras,
13 e. the location of all alarm inputs, detectors and
14 sirens,
15 f. all video and alarm system surveillance areas,
16 g. all sales areas labeled according to the specific
17 activity occurring within the area,
18 h. all restricted and limited access areas identified,
19 and
20 i. all areas labeled according to purpose;

21 4. Access to areas where marijuana is stored is limited to
22 authorized personnel and:

- 23 a. designated by clearly marked signage, and
24

1 b. locked and accessible only by authorized personnel on
2 a current roster of authorized personnel;

3 5. Written policies regarding any nonregistered agent who may
4 visit the premises and a log of all visitors to the premises are
5 developed and maintained. The log shall consist of the name of the
6 visitor, purpose of visit, time of arrival and time of departure.
7 Visitors to a processor facility shall be attended to by a processor
8 facility agent at all times while present on the premises.
9 Contractors conducting repairs, maintenance or other specific duties
10 may be escorted to their worksite and left unaccompanied while
11 completing a job. Processor agents shall ensure that the contractor
12 and area under repair are under video surveillance for the duration
13 of the time spent on the premises by the contractor; and

14 6. An alarm system is equipped that, upon attempted
15 unauthorized entry, transmits a signal directly to a central
16 protection company for a local or state police agency and a
17 designated processor agent. The alarm shall:

18 a. provide coverage for all points of ingress to and
19 egress from the processor facility including, without
20 limitation, doorways, windows, loading bays, skylights
21 and retractable roof mechanisms,

22 b. provide coverage of any room with an exterior wall,
23 any room containing a safe and any room used to grow
24 or store medical marijuana,

- c. be equipped with a panic drive that upon activation will not only sound any audible alarm components but will also notify law enforcement,
- d. have duress and hold-up features to enable a processor agent to activate a silent alarm notifying law enforcement of an emergency,
- e. be equipped with failure notification systems to notify the processor facility and law enforcement of any failure in the alarm system, and
- f. have the ability to remain operational during a power outage.

H. A processor shall take reasonable measures and precautions to ensure the following:

1. That all manufacturing shall be done in premises that are in compliance with local ordinances including, but not limited to, zoning, occupancy, licensing and building codes;

2. That the manufacturing operation and all equipment, implements and fixtures shall be used exclusively for the production of marijuana-derived products. Food processing for personnel, staff, or the general public shall be prohibited;

3. Producer and manufacturer staff involved in the handling, transportation, manufacture, testing or packaging of marijuana-derived products must complete general food-handler safety training;

1 4. That any person who, by medical examination or supervisory
2 observation, is shown to have or appears to have, an illness, open
3 lesion, including a boil, sore, or infected wound, or any other
4 abnormal source of microbial contamination for whom there is a
5 reasonable possibility of contact with preparation surfaces for
6 medical marijuana or marijuana-derived products, shall be excluded
7 from any operations which may be anticipated to result in such
8 contamination until the condition is corrected;

9 5. That hand-washing facilities are adequate, convenient and
10 furnished with running water at a suitable temperature. Hand-
11 washing facilities shall be located in the facility in medical
12 marijuana and marijuana-derived product preparation areas and where
13 good sanitary practices require employees to wash or sanitize their
14 hands. Hand-washing facilities shall provide effective hand-
15 cleaning and sanitizing preparations and sanitary towel service or
16 suitable drying devices;

17 6. That all persons involved in preparing or handling medical
18 marijuana or marijuana-derived products at the manufacturing
19 operation conform to hygienic practices while on duty, including:

- 20 a. maintaining adequate personal cleanliness,
- 21 b. washing hands thoroughly in an adequate hand-washing
22 area before starting work and at any other time when
23 the hands may have become soiled or contaminated,

24

1 c. refraining from preparing or handling medical
2 marijuana or marijuana-derived products if the handler
3 has or may have an illness, open lesion, including
4 boils, sores or infected wounds or any other abnormal
5 source of microbial contamination until such condition
6 is corrected, and

7 d. complying with the other requirements of this section;

8 7. That there is sufficient space for placement of equipment
9 and storage of materials as is necessary for the maintenance of
10 sanitary operations for production of medical marijuana and
11 marijuana-derived products;

12 8. That litter and waste are properly removed. Operating
13 systems for waste disposal shall be maintained in an adequate manner
14 so that they do not constitute a source of contamination in areas
15 where medical marijuana or marijuana-derived products are exposed;

16 9. That there is adequate safety lighting in all areas where
17 medical marijuana or marijuana-derived products are processed or
18 stored, and where equipment or utensils are cleaned;

19 10. That the manufacturer provides adequate screening or other
20 protection against the entry of pests. Rubbish shall be disposed of
21 so as to minimize the development of odor, minimize the potential
22 for the waste becoming an attractant and harborage, or breeding
23 place for pests;

1 11. That building, fixtures and other physical facilities where
2 marijuana-derived products are manufactured are maintained in a
3 sanitary condition;

4 12. That all contact surfaces, including utensils and equipment
5 used for preparation of marijuana-derived products, are cleaned and
6 sanitized as frequently as necessary to protect against
7 contamination;

8 13. That all equipment and utensils used for preparation of
9 marijuana-derived products are designed and of such material and
10 workmanship as to be adequately cleanable and are properly
11 maintained;

12 14. That only Environmental Protection Agency (EPA) registered
13 sanitizing agents are used in manufacturing operations and are used
14 in accordance with labeled instructions;

15 15. That toxic cleaning compounds, sanitizing agents and
16 pesticide chemicals shall be identified, held and stored in a manner
17 that protects against contamination of medical marijuana or
18 marijuana-derived products;

19 16. That the water supply is sufficient for the operations
20 intended and is derived from a source that is a regulated water
21 system. Private water supplies shall be from a water source that is
22 capable of providing a safe, potable and adequate supply of water to
23 meet the needs of the manufacturing facility;

24

1 17. That plumbing shall be of adequate size and design,
2 adequately installed and maintained to carry sufficient quantities
3 of water to required locations throughout the facility. The
4 plumbing shall properly convey sewage and liquid disposable waste
5 from the facility;

6 18. That there are no cross-connections between the potable and
7 wastewater lines;

8 19. That the manufacturer provides its employees with adequate,
9 readily accessible toilet facilities that are maintained in a
10 sanitary condition and good repair;

11 20. That all operations in the receipt, inspection, transport,
12 segregation, preparation, manufacture, packaging and storage of
13 medical marijuana or marijuana-derived products are conducted in
14 accordance with adequate security and sanitation principles;

15 21. That medical marijuana or marijuana-derived products that
16 can support the rapid growth of undesirable microorganisms are
17 stored and transported in a manner that prevents the growth of these
18 microorganisms;

19 22. That storage and transportation of medical marijuana or
20 marijuana-derived products are under conditions that will maintain
21 security and protect medical marijuana or marijuana-derived products
22 against physical, chemical and microbial contamination as well as
23 against deterioration of the medical marijuana or marijuana-derived
24 product and the container;

1 23. That current material safety data sheets are kept on the
2 premises for all chemicals used including, but not limited to,
3 cleaning compounds, sanitizing agents and pesticides;

4 24. That extraction for the purpose of manufacturing
5 concentrates is conducted in a closed system utilizing an oil
6 extractor solvent such as N-butane or carbon dioxide or utilizing
7 ethyl alcohol; and

8 25. That neither open flames nor electronic equipment is
9 utilized within twenty-five (25) feet from the building extraction
10 occurs in.

11 I. Inspection by the local fire marshal for the storage and use
12 of any hazardous chemicals shall be required prior to processing
13 medical marijuana.

14 J. The use of dimethylsulfoxide (DMSO) in the production of
15 marijuana-derived products and the possession of DMSO upon the
16 premises of a manufacturer is prohibited.

17 K. Any and all detailed plans, elevation drawings and written
18 policies shall be provided to the Oklahoma Cannabis Commission prior
19 to being deemed registered to conduct business in the State of
20 Oklahoma. In addition, the Oklahoma Cannabis Commission may inspect
21 the premises, business plans, and conduct interviews of all
22 applicants prior to being deemed registered to conduct business in
23 the State of Oklahoma.

1 L. The monthly visitors log and any changes to the detailed
2 plans, elevation drawings and written policies shall be reported to
3 the Commission along with the monthly yield and sales report on the
4 15th of each month.

5 M. A processing facility shall maintain compliance with
6 applicable city or county building or structure rules, regulations
7 or ordinances and any other applicable state laws or rules regarding
8 buildings or structures.

9 SECTION 18. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 8018 of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. Upon certification of election returns favoring passage of
13 State Question No. 788, Initiative Petition No. 412, there is hereby
14 created the Oklahoma Cannabis Commission, and all responsibilities
15 held by the Oklahoma Department of Health pursuant to State Question
16 No. 788, Initiative Petition No. 412, shall be transferred directly
17 to the Oklahoma Cannabis Commission.

18 B. The Oklahoma Cannabis Commission shall be the regulatory
19 office established under State Question No. 788, Initiative Petition
20 No. 412, which will receive and review applications for commercial
21 growers of medical marijuana.

22 C. The Oklahoma Cannabis Commission, with the aid of the Office
23 of Management and Enterprise Services, shall develop a website for
24 commercial grower applications.

1 D. The Oklahoma Cannabis Commission shall, within sixty (60)
2 days of the effective date of this act, make available in an easy-
3 to-find location, an application for a commercial grower license.

4 E. The application fee shall be Two Thousand Five Hundred
5 Dollars (\$2,500.00). The method of payment shall be determined by
6 the Oklahoma Cannabis Commission and provided on the website.

7 F. Proceeds from the application fees collected for a
8 commercial grower license shall be deposited in a special revenue
9 fund known as the Oklahoma Cannabis Commission Fund with the State
10 Treasurer.

11 G. A commercial grower applicant, if an individual, shall be a
12 resident of the State of Oklahoma for at least three (3) years prior
13 to the date of the application.

14 H. A commercial grower applicant, if an entity, shall be owned
15 by a resident of the State of Oklahoma and shall be registered to do
16 business in Oklahoma; provided, however, an entity applying for a
17 commercial grower license may show ownership of non-Oklahoma
18 residents but that percentage of ownership shall not exceed twenty-
19 five percent (25%).

20 I. The Oklahoma Cannabis Commission shall review the commercial
21 grower application, approve or reject the application and mail the
22 approval, rejection or status-update letter to the applicant within
23 fourteen (14) days of receipt of the application.

24

1 1. Approved applicants shall be issued a commercial growers
2 license which shall act as proof of their approved status.

3 2. Rejection letters shall provide a reason for the rejection.
4 Applications may only be rejected based on the applicant not meeting
5 the standards set forth in the provisions of this section or
6 improper completion of the application.

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

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

14 K. The Oklahoma Cannabis Commission shall approve all
15 applications which meet the following minimum criteria:

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

17 2. The applicant, applying as an individual, can show three (3)
18 consecutive years of residency in the State of Oklahoma immediately
19 preceding the submission date of the application;

20 3. The entity applying for a license shows ownership of persons
21 who have not lived in Oklahoma for three (3) consecutive years
22 preceding the submission date of the application but that percentage
23 of ownership does not exceed twenty-five percent (25%);
24

1 4. The individuals or entities applying for the license are
2 registered to conduct business in the State of Oklahoma; and

3 5. The applicants have disclosed all ownership.

4 Applicants, including all owners of the entity, who have a
5 nonviolent felony conviction in the two (2) years preceding the
6 application submission deadline, have any other felony conviction in
7 the five (5) years preceding the application submission deadline, or
8 who are inmates or are currently incarcerated in a penal institution
9 may not qualify for or have an interest in a commercial grower
10 license for medical marijuana.

11 SECTION 19. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 8019 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. Upon certification of election returns favoring passage of
15 State Question No. 788, Initiative Petition No. 412, there is hereby
16 created the Oklahoma Cannabis Commission, and all responsibilities
17 held by the Oklahoma Cannabis Commission pursuant to State Question
18 No. 788, Initiative Petition No. 412, shall be transferred directly
19 to the Oklahoma Cannabis Commission.

20 B. The Oklahoma Cannabis Commission shall be the regulatory
21 office established under State Question No. 788, Initiative Petition
22 No. 412, which shall monitor, inspect and audit commercial growers
23 of medical marijuana.

1 C. A licensed commercial grower may only sell marijuana to an
2 Oklahoma-licensed dispensary, Oklahoma-licensed packager, other
3 Oklahoma-licensed commercial grower or Oklahoma-licensed processor.
4 These sales shall be considered wholesale sales and not subject to
5 taxation. A commercial grower may only sell marijuana that has been
6 grown in Oklahoma.

7 D. A licensed commercial grower shall not sell marijuana
8 directly to a medical marijuana license holder.

9 E. A licensed commercial grower shall not sell marijuana
10 wholesale to an out-of-state wholesale provider. In the event the
11 federal government lifts restrictions on buying and selling
12 marijuana between states, a licensed commercial grower shall be
13 allowed to sell marijuana wholesale to an out-of-state wholesale
14 provider.

15 F. Until July 1, 2019, a licensed commercial grower shall not
16 be prosecuted in the courts of this state for the importation of
17 seeds, cuttings and clones to begin growing marijuana. Importation
18 may only be from another state which has legalized medical marijuana
19 and implemented a monitoring system.

20 G. All imported seeds, cuttings and clones shall be documented
21 by the licensed commercial grower. Such documents shall include but
22 not be limited to:

23 1. The name of the state the seeds, cuttings or clones were
24 purchased from;

- 1 2. The name of the entity that produced the seeds, cuttings or
- 2 clones;
- 3 3. The batch number;
- 4 4. The name of the strain; and
- 5 5. Any additional information as required by the Commission.

6 H. A licensed commercial grower shall complete a monthly yield
7 and sales report to the Oklahoma Cannabis Commission. The report
8 shall be due on the 15th of each month. The report shall detail the
9 following:

- 10 1. Amount of marijuana harvested in pounds;
- 11 2. The amount of drying or dried marijuana on hand;
- 12 3. The amount of marijuana sold to processors in pounds;
- 13 4. The amount of waste in pounds;
- 14 5. The amount of marijuana sold to retailers in pounds; and
- 15 6. Total wholesale sales in dollars.

16 I. The Oklahoma Cannabis Commission shall have oversight and
17 auditing responsibilities to ensure that all marijuana being grown
18 is accounted for.

19 J. Penalties for gross discrepancies occurring within any two-
20 year time period shall be an initial fine of Five Thousand Dollars
21 (\$5,000.00) for the first violation and revocation of licensing for
22 the second violation in a two-year period.

- 23 1. A licensed commercial grower shall only be subject to a
- 24 penalty if a gross discrepancy exists and cannot be explained.

1 2. Proceeds from penalties collected shall be deposited in a
2 special revenue fund known as Oklahoma Cannabis Commission Fund with
3 the State Treasurer.

4 K. There shall be no limits on the quantity of marijuana a
5 licensed grower may grow, but each batch shall be documented.

6 L. Commercial growers shall be required to keep an updated list
7 of their buyers on-site for a minimum of five (5) years, in their
8 system.

9 M. Each commercial grower shall contract with an independent
10 laboratory to test the medical marijuana sold by the dispensary.
11 The Oklahoma Cannabis Commission shall approve the laboratory and
12 require that the laboratory report testing results in a manner
13 determined by the Commission.

14 N. Each commercial grower shall develop, implement and maintain
15 on its premises policies and procedures relating to the medical
16 marijuana program, which shall at a minimum include the following:

17 1. Distribution criteria for licensed patients or primary
18 caregivers appropriate for marijuana services to include clear,
19 legible photocopies of the registry identification card and Oklahoma
20 photo identification card of every licensed patient or primary
21 caregiver served by the private entity;

22 2. Testing criteria and procedures, which shall be consistent
23 with the testing requirements of the Cannabis Commission;

24 3. Alcohol- and drug-free workplace policies and procedures;

1 4. Employee policies and procedures to address the following
2 requirements:

- 3 a. job descriptions or employment contracts developed for
4 every employee that identify duties, authority,
5 responsibilities, qualifications and supervision, and
- 6 b. training materials concerning adherence to state and
7 federal confidentiality laws;

8 5. Personnel records for each employee that include an
9 application for employment and a record of any disciplinary action
10 taken;

11 6. On-site training curricula or contracts with outside
12 resources capable of meeting employee training needs to include, at
13 a minimum, the following topics:

- 14 a. professional conduct, ethics and patient
15 confidentiality, and
- 16 b. informational developments in the field of medical use
17 of marijuana;

18 7. Employee safety and security training materials provided to
19 each employee at the time of his or her initial employment, to
20 include:

- 21 a. training in the proper use of security measures and
22 controls that have been adopted, and

1 b. specific procedural instructions regarding how to
2 respond to an emergency, including a robbery or
3 violent incident;

4 8. A general written security policy to address at a minimum:

- 5 a. safety and security procedures,
- 6 b. personal safety, and
- 7 c. crime prevention techniques;

8 9. Training documentation prepared for each employee and
9 statements signed by employees indicating the topics discussed which
10 shall include names and titles of presenters and the date, time and
11 place the employee received said training;

12 10. A written policy regarding the right of the commercial
13 grower to refuse service;

14 11. A confidentiality policy to ensure that identifying
15 information of licensed patients is not disclosed or disseminated
16 without authorization from the patient, except as otherwise required
17 by the Commission; and

18 12. Such other policies or procedures as the Commission may
19 require.

20 O. A commercial grower shall maintain documentation of the
21 training of an employee for a period of at least six (6) months
22 after terminating the employment of the employee. Employee training
23 documentation shall be made available within twenty-four (24) hours
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1 of a request by the Commission. The twenty-four-hour period shall
2 exclude holidays and weekends.

3 P. Each commercial grower shall maintain a backup of all
4 reports and lists described in this section, off-site and in a
5 secure facility. This backup shall be updated each week.

6 Q. Failure to maintain all reports and lists described in this
7 section shall result in review of the license of the commercial
8 grower with the potential revocation of the commercial grower
9 license.

10 SECTION 20. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 8020 of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Upon certification of election returns favoring passage of
14 State Question No. 788, Initiative Petition No. 412, there is hereby
15 created the Oklahoma Cannabis Commission, and all responsibilities
16 held by the Oklahoma Department of Health pursuant to State Question
17 No. 788, Initiative Petition No. 412, shall be transferred directly
18 to the Oklahoma Cannabis Commission.

19 B. The Oklahoma Cannabis Commission shall be the regulatory
20 office established under State Question No. 788, Initiative Petition
21 No. 412, which shall monitor, inspect and audit commercial growers
22 of medical marijuana.

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1 C. The Oklahoma Cannabis Commission may charge a fee not to
2 exceed Ten Thousand Dollars (\$10,000.00) for inspections and audits
3 of commercial growers of medical marijuana.

4 D. A commercial grower shall not hire any person who:

5 1. Has a nonviolent felony conviction in the two (2) years
6 preceding employment;

7 2. Has any other felony conviction in the five (5) years
8 preceding employment; or

9 3. Is on probation, parole or otherwise under the custody and
10 control of the Oklahoma Department of Corrections.

11 It shall be the obligation of the commercial grower to perform a
12 background check on each applicant prior to employment.

13 E. All persons associated with a commercial grower shall
14 consent to and undergo a national criminal history record check and
15 an Oklahoma criminal history record check by the Oklahoma State
16 Bureau of Investigation. Background check documentation shall be
17 submitted annually to the Commission.

18 F. All applicable fees associated with the national and
19 statewide criminal history record check shall be paid by the
20 commercial grower.

21 G. A commercial grower facility shall meet the following
22 security requirements:
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1 1. The physical security controls set forth in Sections 1301.72
2 through 1301.74 of Title 21 of the Code of Federal Regulations, as
3 existing on January 1, 2018;

4 2. All storage and sale of marijuana occurs within a building
5 that:

- 6 a. has a complete roof enclosure supported by connecting
7 walls that are constructed of solid material extending
8 from the ground to the roof,
- 9 b. is secure against unauthorized entry,
- 10 c. has a foundation, slab or equivalent base to which the
11 floor is securely attached,
- 12 d. meets performance standards ensuring that storage and
13 processing activities cannot be and are not
14 perceptible from outside the structure in terms of:
 - 15 (1) common visual observation,
 - 16 (2) odors, smell, fragrances or other olfactory
17 stimulus,
 - 18 (3) light pollution, glare or brightness,
 - 19 (4) adequate ventilation to prevent mold, and
 - 20 (5) noise,
- 21 e. provides complete visual screening, and
- 22 f. is accessible only through one or more lockable doors;

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1 3. Current detailed plans and elevation drawings of all
2 operational areas involved with medical marijuana are maintained on
3 the premises of the commercial grower facility, including:

- 4 a. all storage areas, ventilation systems and equipment
5 used for growing,
- 6 b. all entrances and exits to the commercial grower
7 facility,
- 8 c. all windows, skylights and retractable mechanisms
9 built into the roof,
- 10 d. the location of all required security cameras,
- 11 e. the location of all alarm inputs, detectors and
12 sirens,
- 13 f. all video and alarm system surveillance areas,
- 14 g. all sales areas labeled according to the specific
15 activity occurring within the area,
- 16 h. all restricted and limited access areas identified,
17 and
- 18 i. all nongrowing areas labeled according to purpose;

19 4. Access to areas where marijuana is stored is limited to
20 authorized personnel and:

- 21 a. designated by clearly marked signage, and
- 22 b. locked and accessible only by authorized personnel on
23 a current roster of authorized personnel;

1 5. Written policies regarding any nonregistered agent who may
2 visit the premises and a log of all visitors to the premises are
3 developed and maintained. The log shall consist of the name of the
4 visitor, purpose of visit, time of arrival and time of departure.
5 Visitors to a commercial grower facility shall be attended to by a
6 commercial grower facility agent at all times while present on the
7 premises. Contractors conducting repairs, maintenance or other
8 specific duties may be escorted to their worksite and left
9 unaccompanied while completing a job. Commercial grower agents
10 shall ensure that the contractor and area under repair are under
11 video surveillance for the duration of the time spent on the
12 premises by the contractor;

13 6. An alarm system is equipped that, upon attempted
14 unauthorized entry, transmits a signal directly to a central
15 protection company for a local or state police agency and a
16 designated commercial grower agent. The alarm shall:

- 17 a. provide coverage for all points of ingress to and
18 egress from the commercial grower facility including,
19 without limitation, doorways, windows, loading bays,
20 skylights and retractable roof mechanisms,
- 21 b. provide coverage of any room with an exterior wall,
22 any room containing a safe and any room used to grow
23 or store medical marijuana,

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- c. be equipped with a panic drive that upon activation shall not only sound any audible alarm components but shall also notify law enforcement,
- d. have duress and hold-up features to enable a commercial grower agent to activate a silent alarm notifying law enforcement of an emergency,
- e. be equipped with failure notification systems to notify the commercial grower facility and law enforcement of any failure in the alarm system, and
- f. have the ability to remain operational during a power outage; and

7. An accounting for all plants grown, including but not limited to:

- a. species,
- b. strains,
- c. whether it is a male or female plant,
- d. size,
- e. yield,
- f. lineage,
- g. batch number, and
- h. any unique characteristics.

H. A commercial grower shall take reasonable measures and precautions to ensure the following:

1 1. That all retail sales are done in premises that are in
2 compliance with local ordinances including, but not limited to,
3 zoning, occupancy, licensing and building codes;

4 2. That commercial grower staff involved in the handling,
5 transportation, manufacture, testing or packaging of marijuana have
6 completed general safety training;

7 3. That any person who, by medical examination or supervisory
8 observation, is shown to have or appears to have, an illness, open
9 lesion, including a boil, sore, or infected wound, or any other
10 abnormal source of microbial contamination for whom there is a
11 reasonable possibility of contact with preparation surfaces for
12 medical marijuana, shall be excluded from any operations which may
13 be anticipated to result in such contamination until the condition
14 is corrected;

15 4. That hand-washing facilities are adequate, convenient and
16 furnished with running water at a suitable temperature. Hand-
17 washing facilities shall be located in the facility in medical
18 marijuana and marijuana-derived product preparation areas and where
19 good sanitary practices require employees to wash or sanitize their
20 hands. Hand-washing facilities shall provide effective hand-
21 cleaning and sanitizing preparations and sanitary towel service or
22 suitable drying devices;

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1 5. That all persons involved in preparing or handling medical
2 marijuana at the commercial growing operation conform to hygienic
3 practices while on duty, including:

- 4 a. maintaining adequate personal cleanliness,
- 5 b. washing hands thoroughly in an adequate hand-washing
6 area before starting work and at any other time when
7 the hands may have become soiled or contaminated,
- 8 c. refraining from preparing or handling medical
9 marijuana if the handler has or may have an illness,
10 open lesion, including boils, sores or infected
11 wounds, or any other abnormal source of microbial
12 contamination, until such condition is corrected, and
13 d. complying with the other requirements of this section;

14 6. That there is sufficient space for placement of equipment
15 and storage of materials as is necessary for the maintenance of
16 sanitary operations for growing medical marijuana;

17 7. That litter and waste are properly removed and the operating
18 systems for waste disposal are maintained in an adequate manner so
19 that they do not constitute a source of contamination in areas where
20 medical marijuana is exposed;

21 8. That there is adequate safety lighting in all areas where
22 medical marijuana is processed or stored and where equipment or
23 utensils are cleaned;

1 9. That the commercial grower provides adequate screening or
2 other protection against the entry of pests. Rubbish shall be
3 disposed of so as to minimize the development of odor, minimize the
4 potential for the waste becoming an attractant and harborage or
5 breeding place for pests;

6 10. That buildings, fixtures and other physical facilities
7 where marijuana is stored are maintained in a sanitary condition;

8 11. That all contact surfaces, including utensils and equipment
9 used for preparation of marijuana, are cleaned and sanitized as
10 frequently as necessary to protect against contamination;

11 12. That all equipment and utensils used for preparation of
12 marijuana are designed and of such material and workmanship as to be
13 adequately cleanable and are properly maintained;

14 13. That only Environmental Protection Agency (EPA) registered
15 sanitizing agents are used in commercial growing operations and that
16 they are used in accordance with labeled instructions;

17 14. That toxic cleaning compounds, sanitizing agents and
18 pesticide chemicals shall be identified, held and stored in a manner
19 that protects against contamination of medical marijuana;

20 15. That the water supply is sufficient for the operations
21 intended and is derived from a source that is a regulated water
22 system. Private water supplies shall be from a water source that is
23 capable of providing a safe, potable and adequate supply of water to
24 meet the needs of the commercial growing facility;

1 16. That plumbing shall be of adequate size and design,
2 adequately installed and maintained to carry sufficient quantities
3 of water to required locations throughout the facility. The
4 plumbing shall properly convey sewage and liquid disposable waste
5 from the facility;

6 17. That there are no cross-connections between the potable and
7 wastewater lines;

8 18. That the commercial grower provide its employees with
9 adequate, readily accessible toilet facilities that are maintained
10 in a sanitary condition and good repair;

11 19. That all operations in the receipt, inspection, transport,
12 segregation, preparation, manufacture, packaging and storage of
13 medical marijuana are conducted in accordance with adequate security
14 and sanitation principles;

15 20. That medical marijuana that can support the rapid growth of
16 undesirable microorganisms are stored and transported in a manner
17 that prevents the growth of these microorganisms;

18 21. That storage and transportation of medical marijuana are
19 under conditions that will maintain security and protect medical
20 marijuana against physical, chemical and microbial contamination as
21 well as against deterioration of the medical marijuana or marijuana-
22 derived product and the container; and
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1 22. That current material safety data sheets are kept on the
2 premises for all chemicals used including, but not limited to,
3 cleaning compounds, sanitizing agents and pesticides.

4 I. Any and all detailed plans, elevation drawings and written
5 policies shall be provided to the Oklahoma Cannabis Commission prior
6 to being deemed registered to conduct business in the State of
7 Oklahoma. In addition, the Oklahoma Cannabis Commission may inspect
8 the premises and business plans, and conduct interviews of all
9 applicants prior to being deemed registered to conduct business in
10 the State of Oklahoma.

11 J. The monthly visitors log and any changes to the detailed
12 plans, elevation drawings and written policies shall be reported to
13 the Commission along with the monthly yield and sales report on the
14 15th of each month.

15 K. A commercial grower facility shall maintain compliance with
16 applicable city or county building or structure rules, regulations
17 or ordinances and any other applicable state laws or rules regarding
18 buildings or structures.

19 SECTION 21. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 8021 of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

22 A. This section shall only go into effect upon certification of
23 election returns favoring passage of State Question No. 788,
24 Initiative Petition No. 412.

1 B. A dispensary, commercial grower or processor licensed in
2 Oklahoma shall not sell or otherwise distribute a usable marijuana
3 product that has not been tested in accordance with this section.

4 C. A dispensary, commercial grower or processor licensed in
5 Oklahoma shall sample and test dried usable marijuana and
6 concentrated marijuana-derived products for microbiological
7 contaminants, using an approved laboratory. A dried marijuana
8 sample may be deemed to have passed the microbiological test if it
9 satisfies the standards set forth in Section 2023 of the United
10 States Pharmacopeia which provides the microbiological attributes of
11 nonsterile nutritional and dietary supplements.

12 D. A dispensary, commercial grower or processor licensed in
13 Oklahoma shall sample and test dried usable marijuana and
14 concentrated marijuana-derived products for mycotoxins, using an
15 approved laboratory.

16 E. A dispensary, commercial grower or processor licensed in
17 Oklahoma shall sample and test all concentrated marijuana-derived
18 products that are manufactured using solvent extraction methods for
19 the presence of solvent residue, using an approved laboratory. A
20 dispensary, commercial grower or processor shall determine on the
21 basis of the solvent residue test results whether the quantity of
22 solvent residue contained within a concentrated marijuana-derived
23 product poses a health risk to consumers. A dispensary, commercial
24 grower or processor shall not sell or distribute a concentrated

1 marijuana-derived product from a batch that is found to contain a
2 quantity of solvent residue that is likely to be harmful to human
3 health.

4 F. A dispensary, commercial grower or processor licensed in
5 Oklahoma shall sample and test all dried usable marijuana and
6 concentrated marijuana-derived products for quantity of
7 tetrahydrocannabinol (THC) and cannabidiol (CBD), using an approved
8 laboratory prior to sale, distribution or other use.

9 G. The Commission may require additional testing of marijuana
10 and marijuana-derived products by dispensaries, commercial growers
11 or processors, as it deems appropriate.

12 H. A dispensary, commercial grower or processor licensed in
13 Oklahoma may release an entire batch of dried marijuana or
14 concentrated marijuana-derived product for immediate manufacture,
15 sale or other use, provided the sample taken from the batch passes
16 the tests required in this section.

17 I. A dispensary, commercial grower or processor licensed in
18 Oklahoma shall ensure that the following testing procedures are
19 followed:

20 1. A dispensary, commercial grower or processor shall remove a
21 sample of no less than three (3) grams from every batch of
22 harvested, dried, usable marijuana, and no less than one (1) gram
23 from every batch of concentrated marijuana-derived product, and
24 transfer the sample to an approved laboratory for testing. The

1 remainder of the batch of dried, usable marijuana or concentrated
2 marijuana-derived product shall be segregated until the dispensary,
3 commercial grower or processor receives the results of laboratory
4 testing report and determines whether the batch meets the testing
5 requirements of this section;

6 2. A dispensary, commercial grower or processor shall
7 appropriately document the sampling and testing of all dried
8 marijuana and concentrated marijuana-derived product, and shall
9 utilize a Commission-approved laboratory for the purpose of testing
10 usable marijuana;

11 3. If a sample does not pass testing, the producer shall
12 determine whether remediation is appropriate and test another sample
13 from the batch at issue, or identify processes that will render the
14 dried marijuana or marijuana-derived product safe and retest in
15 accordance with the requirements of this section;

16 4. If the batch cannot be remediated to where it meets the
17 testing requirements of this section, the dispensary, commercial
18 grower or processor shall notify the Oklahoma Cannabis Commission
19 within twenty-four (24) hours and confirm the destruction and
20 disposal of the dried marijuana or concentrated marijuana-derived
21 product;

22 5. A dispensary, commercial grower or processor shall adopt and
23 maintain on the premises protocols regarding sampling, sample
24

1 testing, remediation and retesting, consistent with the provisions
2 of this section;

3 6. A dispensary, commercial grower or processor shall maintain
4 all results of laboratory tests conducted on marijuana or marijuana-
5 derived products produced by the dispensary, commercial grower or
6 processor or its contractor for a period of at least five (5) years,
7 and shall make those results available to qualified patients and
8 primary caregivers enrolled in the medical marijuana program upon
9 request; and

10 7. Repeated failure to pass testing may result in the
11 imposition of disciplinary action by the Commission consistent with
12 the provisions of this act.

13 SECTION 22. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 8022 of Title 63, unless there
15 is created a duplication in numbering, reads as follows:

16 A. Upon certification of election returns favoring passage of
17 State Question No. 788, Initiative Petition No. 412, there is hereby
18 created the Oklahoma Cannabis Commission, and all responsibilities
19 held by the Oklahoma Department of Health pursuant to State Question
20 No. 788, Initiative Petition No. 412, shall be transferred directly
21 to the Oklahoma Cannabis Commission.

22 B. The Oklahoma Cannabis Commission shall be the regulatory
23 office established under State Question No. 788, Initiative Petition
24

1 No. 412, which shall receive and review applications for medical
2 marijuana testing laboratories.

3 C. A laboratory applicant shall comply with the application
4 requirements of this section and shall submit such other information
5 as the laboratory applicant wishes to provide or such information as
6 the Commission may request for initial approval and periodic
7 evaluations during the approval period.

8 D. A laboratory may apply to become approved by the Commission
9 as an approved laboratory for the testing of marijuana and
10 marijuana-derived products in all or any one of the following
11 categories:

- 12 1. Mycotoxin analysis;
- 13 2. Microbiological contaminant analysis;
- 14 3. Solvent residue analysis;
- 15 4. Quantity of tetrahydrocannabinol (THC) and cannabidiol
16 (CBD); and
- 17 5. Such other testing categories as the Commission may
18 identify.

19 E. The Oklahoma Cannabis Commission, with the aid of the Office
20 of Management and Enterprise Services, shall develop a website for
21 medical marijuana testing laboratory applications.

22 F. The Oklahoma Cannabis Commission shall, within sixty (60)
23 days of the effective date of this act, make available on its
24

1 website in an easy-to-find location, an application for a medical
2 marijuana testing laboratory license.

3 G. The application fee shall be Two Thousand Five Hundred
4 Dollars (\$2,500.00). A method of payment shall be determined by the
5 Oklahoma Cannabis Commission and provided on the website.

6 H. Proceeds from the application fees collected shall be
7 deposited in a special revenue fund known as Oklahoma Cannabis
8 Commission Fund with the State Treasurer.

9 I. A laboratory applicant, if an individual, shall be a
10 resident of the State of Oklahoma for at least three (3) years prior
11 to the submission date of the application.

12 J. A laboratory applicant, if an entity, shall be owned by a
13 resident of the State of Oklahoma and shall be registered to do
14 business in Oklahoma; provided, however, an entity applying for a
15 license may show ownership of non-Oklahoma residents but their
16 percentage of ownership may not exceed twenty-five percent (25%).

17 K. The Oklahoma Cannabis Commission shall review the medical
18 marijuana testing laboratory application, approve or reject the
19 application, and mail the approval, rejection or status-update
20 letter to the applicant within fourteen (14) days of receipt of the
21 application.

22 1. Approved applicants shall be issued a medical marijuana
23 testing laboratory license which shall act as proof of their
24 approved status.

1 2. Rejection letters shall provide a reason for rejection.
2 Applications may only be rejected based on the applicant not meeting
3 the standards set forth in this section or improper completion of
4 the application.

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

9 L. Approval, rejection or status-update letters shall be sent
10 to the applicant in the same method the application was submitted to
11 the Commission.

12 M. The Oklahoma Cannabis Commission shall approve all
13 applications which meet the following minimum criteria:

14 1. The applicant is twenty-five (25) years of age or older;

15 2. The applicant demonstrates proficiency in testing marijuana
16 to the Commission or its designee prior to approval;

17 3. The applicant, applying as an individual, can show three (3)
18 consecutive years of residency in the State of Oklahoma immediately
19 preceding the date the application was submitted;

20 4. The applying entity has shown ownership of persons who have
21 not lived in Oklahoma for three (3) consecutive years preceding the
22 application but their percentage of ownership does not exceed
23 twenty-five percent (25%);
24

1 5. All applying individuals or entities are registered to
2 conduct business in the State of Oklahoma; and

3 6. All applicants have disclosed ownership.

4 The applicant, including owners of entity applicants, who has a
5 nonviolent felony conviction in the two (2) years preceding the
6 application submission deadline, any other felony conviction in the
7 five (5) years preceding the application submission deadline, or is
8 an inmate or a person currently incarcerated in a penal institution,
9 may not qualify for or have an interest in a medical marijuana
10 testing laboratory license.

11 N. Commission approval of a medical marijuana testing
12 laboratory for purposes of this section shall be for a term of one
13 (1) year and shall expire after that year, or upon closure of the
14 approved laboratory. An approved medical marijuana testing
15 laboratory shall apply for renewal of approval annually no later
16 than thirty (30) days prior to expiration.

17 O. The Commission may deny, withdraw or suspend approval of a
18 medical marijuana testing laboratory in accordance with this section
19 upon determination by the Commission that the laboratory has
20 violated a provision of this section, upon failure of a proficiency
21 test, upon the refusal of the laboratory to provide requested access
22 to premises or materials, or upon the failure of a laboratory to
23 comply with any standard, procedure or protocol developed, submitted
24 or maintained pursuant to the provisions of this act.

1 SECTION 23. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8023 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Upon certification of election returns favoring passage of
5 State Question No. 788, Initiative Petition No. 412, there is hereby
6 created the Oklahoma Cannabis Commission, and all responsibilities
7 held by the Oklahoma Cannabis Commission pursuant to State Question
8 No. 788, Initiative Petition No. 412, shall be transferred directly
9 to the Oklahoma Cannabis Commission.

10 B. The Oklahoma Cannabis Commission shall be the regulatory
11 office established under State Question No. 788, Initiative Petition
12 No. 412, which shall monitor, inspect and audit medical marijuana
13 testing laboratories.

14 C. A licensed medical marijuana testing laboratory may take
15 marijuana plants and distill or process these plants into
16 concentrates, edibles and other forms for consumption pursuant to
17 standards of the Oklahoma Cannabis Commission.

18 D. A licensed medical marijuana testing laboratory shall not
19 sell marijuana or any marijuana product directly to a medical
20 marijuana license holder.

21 E. The Oklahoma Cannabis Commission shall have oversight and
22 auditing responsibilities to ensure that all marijuana being tested
23 is accounted for.

24

1 F. Penalties for gross discrepancies occurring within any two-
2 year time period shall be an initial fine of Five Thousand Dollars
3 (\$5,000.00) for the first violation and revocation of licensing for
4 the second violation in a two-year period.

5 1. A licensed medical marijuana testing laboratory shall only
6 be subject to a penalty if a gross discrepancy exists and cannot be
7 explained.

8 2. Proceeds from penalties collected shall be deposited in a
9 special revenue fund known as the Oklahoma Cannabis Commission Fund
10 with the State Treasurer.

11 G. A medical marijuana testing laboratory is required to keep
12 an updated list of all its buyers on-site for a minimum of five (5)
13 years in its system.

14 H. A licensed medical marijuana testing laboratory may receive
15 test samples of marijuana or marijuana-derived products from any
16 licensed patient, licensed dispensary, licensed grower or licensed
17 processor.

18 I. A licensed medical marijuana testing laboratory or
19 laboratory applicant shall establish and implement policies for
20 sample preparation, documentation and transport, including:

- 21 1. Accepted test sample types;
- 22 2. Minimum test sample size;
- 23 3. Recommended test sample container;
- 24 4. Test sample labeling;

1 5. Transport and storage conditions such as refrigeration, as
2 appropriate;

3 6. Other requirements, such as use of preservatives, inert gas
4 or other measures designed to protect sample integrity; and

5 7. Creation of chain-of-custody documentation for each sample.

6 J. A licensed medical marijuana testing laboratory shall:

7 1. Record the receipt of every test sample received, the record
8 of which shall include:

9 a. the name and contact information of the licensed
10 producer that was the source of the sample,

11 b. an appropriately specific description of the sample,

12 c. the date of receipt of the sample,

13 d. a statement of the quantity including weight, volume,
14 number or other amount of the sample, and

15 e. a unique sample identifier for the sample; and

16 2. Inform each licensed producer or individual who submits a
17 test sample of the policies established in accordance with this
18 section.

19 K. A licensed medical marijuana testing laboratory shall
20 establish sample handling procedures for the tracking of test
21 samples through the analytical process, either by weight, volume,
22 number or other appropriate measure, to prevent diversion.

23

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1 1. A licensed medical marijuana testing laboratory shall store
2 each test sample under the appropriate conditions to protect the
3 physical and chemical integrity of the sample.

4 2. Analyzed test samples consisting of marijuana or marijuana-
5 derived products shall be appropriately segregated, controlled and
6 held in a controlled access area pending destruction or other
7 disposal.

8 3. Any portion of a marijuana or marijuana-derived test sample
9 that is not destroyed during analysis shall be:

- 10 a. returned to the licensed producer who provided the
11 sample, or
- 12 b. destroyed in a manner which prevents unauthorized use.
13 Such destruction shall be documented and witnessed by
14 at least two employees, one of whom shall be
15 supervisory or managerial personnel. If video
16 surveillance is used, only one employee is required to
17 be in attendance.

18 L. Each licensed medical marijuana testing laboratory shall
19 develop, implement and maintain on its premises policies and
20 procedures relating to the medical marijuana program, which shall at
21 a minimum include the following:

- 22 1. Testing criteria and procedures, which shall be consistent
23 with the testing requirements of the Oklahoma Cannabis Commission;
- 24 2. Alcohol- and drug-free workplace policies and procedures;

1 3. Employee policies and procedures to address the following
2 requirements:

- 3 a. job descriptions or employment contracts developed for
4 every employee that identify duties, authority,
5 responsibilities, qualifications and supervision, and
- 6 b. training materials concerning adherence to state and
7 federal confidentiality laws;

8 4. Personnel records for each employee that include an
9 application for employment and a record of any disciplinary action
10 taken;

11 5. On-site training curricula or contracts with outside
12 resources capable of meeting employee training needs to include, at
13 a minimum, the following topics:

- 14 a. professional conduct, ethics and patient
15 confidentiality, and
- 16 b. informational developments in the field of medical use
17 of marijuana;

18 6. Employee safety and security training materials provided to
19 each employee at the time of his or her initial employment, to
20 include:

- 21 a. training in the proper use of security measures and
22 controls that have been adopted, and

1 b. specific procedural instructions regarding how to
2 respond to an emergency, including a robbery or
3 violent incident;

4 7. A general written security policy to address at a minimum:

- 5 a. safety and security procedures,
6 b. personal safety, and
7 c. crime prevention techniques;

8 8. Training documentation prepared for each employee and
9 statements signed by employees indicating the topics discussed which
10 shall include names and titles of presenters and the date, time and
11 place the employee received said training;

12 9. A written policy regarding the right of the licensed medical
13 marijuana testing laboratory to refuse service; and

14 10. Such other policies or procedures as the Commission may
15 require.

16 M. A licensed medical marijuana testing laboratory shall
17 maintain documentation of the training of an employee for a period
18 of at least six (6) months after terminating the employment of an
19 employee. Employee training documentation shall be made available
20 within twenty-four (24) hours of a request by the Commission. The
21 twenty-four-hour period shall exclude holidays and weekends.

22 N. Each licensed medical marijuana testing laboratory shall
23 maintain a backup of all reports and lists described in this
24

1 section, off-site and at a secure facility. The backup of the
2 reports and lists shall be updated each week.

3 O. Failure to maintain all reports and lists described in this
4 section shall result in a review of the license held by the testing
5 laboratory with the potential for revocation of the medical
6 marijuana testing laboratory license.

7 SECTION 24. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 8024 of Title 63, unless there
9 is created a duplication in numbering, reads as follows:

10 A. Upon certification of election returns favoring passage of
11 State Question No. 788, Initiative Petition No. 412, there is hereby
12 created the Oklahoma Cannabis Commission, and all responsibilities
13 held by the Oklahoma Department of Health pursuant to State Question
14 No. 788, Initiative Petition No. 412, shall be transferred directly
15 to the Oklahoma Cannabis Commission.

16 B. The Oklahoma Cannabis Commission shall be the regulatory
17 office established under State Question No. 788, Initiative Petition
18 No. 412, which will monitor, inspect and audit medical marijuana
19 testing laboratories.

20 C. The Oklahoma Cannabis Commission may charge a fee not to
21 exceed Ten Thousand Dollars (\$10,000.00) for inspections and audits
22 of licensed medical marijuana testing laboratories and laboratory
23 applicants.

24

1 D. A licensed medical marijuana testing laboratory shall not
2 hire any person who:

3 1. Has a nonviolent felony conviction in the two (2) years
4 preceding employment;

5 2. Has any other felony conviction in the five (5) years
6 preceding employment; or

7 3. Is on probation, parole or otherwise under the custody and
8 control of the Oklahoma Department of Corrections.

9 It shall be the obligation of the licensed medical marijuana testing
10 laboratory to perform a background check prior to employment.

11 E. All persons associated with a licensed medical marijuana
12 testing laboratory shall consent to and undergo a national criminal
13 history record check and an Oklahoma criminal history record check
14 by the Oklahoma State Bureau of Investigation. Background check
15 documentation shall be submitted annually to the Commission.

16 F. All applicable fees associated with the national and
17 statewide criminal history record check shall be paid by the
18 licensed medical marijuana testing laboratory.

19 G. A licensed medical marijuana testing laboratory shall meet
20 the following security requirements:

21 1. The physical security controls set forth in Sections 1301.72
22 through 1301.74 of Title 21 of the Code of Federal Regulations, as
23 existing on January 1, 2018;

24 2. All storage of marijuana occurs within a building that:

- a. has a complete roof enclosure supported by connecting walls that are constructed of solid material extending from the ground to the roof,
- b. is secure against unauthorized entry,
- c. has a foundation, slab or equivalent base to which the floor is securely attached,
- d. has floors, walls and ceilings constructed in such a manner that they may be adequately cleaned, kept clean and kept in good repair,
- e. meets performance standards ensuring that storage and processing activities cannot be and are not perceptible from outside the structure in terms of:
 - (1) common visual observation,
 - (2) odors, smell, fragrances or other olfactory stimulus,
 - (3) light pollution, glare or brightness,
 - (4) adequate ventilation to prevent mold, and
 - (5) noise,
- f. provides complete visual screening, and
- g. is accessible only through one or more lockable doors;

3. Current detailed plans and elevation drawings of all operational areas involved with medical marijuana are maintained on the premises of the laboratory facility, including:

- a. all storage areas, ventilation systems and equipment used for testing,
- b. all entrances and exits to the laboratory facility,
- c. all windows, skylights and retractable mechanisms built into the roof,
- d. the location of all required security cameras,
- e. the location of all alarm inputs, detectors and sirens,
- f. all video and alarm system surveillance areas,
- g. all sales areas labeled according to the specific activity occurring within the area,
- h. all restricted and limited access areas identified, and
- i. all areas labeled according to purpose;

4. Access to areas where marijuana is stored is limited to authorized personnel and:

- a. designated by clearly marked signage, and
- b. locked and accessible only by authorized personnel on a current roster of authorized personnel;

5. Written policies regarding any nonregistered agent who may visit the premises and a log of all visitors to the premises are developed and maintained. The log shall consist of the name of the visitor, purpose of visit, time of arrival and time of departure. Visitors to a laboratory facility shall be attended to by a

1 laboratory facility agent at all times while present on the
2 premises. Contractors conducting repairs, maintenance or other
3 specific duties may be escorted to their worksite and left
4 unaccompanied while completing a job. Laboratory agents shall
5 ensure that the contractor and area under repair are under video
6 surveillance for the duration of the time spent on the premises by
7 the contractor; and

8 6. An alarm system is equipped that, upon attempted
9 unauthorized entry, transmits a signal directly to a central
10 protection company for a local or state police agency and a
11 designated laboratory agent. The alarm shall:

- 12 a. provide coverage for all points of ingress to and
13 egress from the laboratory facility including, without
14 limitation, doorways, windows, loading bays, skylights
15 and retractable roof mechanisms,
- 16 b. provide coverage of any room with an exterior wall,
17 any room containing a safe and any room used to grow
18 or store medical marijuana,
- 19 c. be equipped with a panic drive that upon activation
20 will not only sound any audible alarm components but
21 will also notify law enforcement,
- 22 d. have duress and hold-up features to enable a
23 laboratory agent to activate a silent alarm notifying
24 law enforcement of an emergency,

1 e. be equipped with failure notification systems to
2 notify laboratory facility and law enforcement of any
3 failure in the alarm system, and

4 f. have the ability to remain operational during a power
5 outage.

6 H. A licensed medical marijuana testing laboratory and a
7 laboratory applicant shall comply with all applicable local
8 ordinances, including but not limited to zoning, occupancy,
9 licensing and building codes.

10 I. The operators of a licensed medical marijuana testing
11 laboratory shall maintain the premises of the laboratory in a clean
12 and orderly condition and shall equip the premises with such
13 utensils and equipment as necessary to conduct the operations of the
14 laboratory. The operators of the laboratory shall ensure adequate
15 space for laboratory operations, sample storage and document
16 storage.

17 J. A licensed medical marijuana testing laboratory shall be
18 equipped with one or more secure, controlled access areas for
19 storage of marijuana and marijuana-derived product test samples,
20 marijuana-derived waste and reference standards. Access to such
21 storage areas shall be limited by the laboratory to authorized
22 individuals.

23 K. 1. Equipment used for the analysis of test samples shall be
24 adequately inspected, cleaned and maintained. Equipment used for

1 the generation or measurement of data shall be adequately tested and
2 calibrated on an appropriate schedule, as applicable.

3 2. Laboratory operations shall document procedures setting
4 forth in sufficient detail the methods and schedules to be used in
5 the routine inspection, cleaning, maintenance, testing and
6 calibration of equipment and shall specify, as appropriate, remedial
7 action to be taken in the event of failure or malfunction of
8 equipment. The procedures shall designate the personnel responsible
9 for the performance of each operation.

10 3. Records shall be maintained of all inspection, maintenance,
11 testing and calibrating operations. These records shall include the
12 date of the operation, the person who performed it, the written
13 procedure used and any deviations from the written procedure.

14 Records shall be kept of nonroutine repairs performed on equipment
15 as a result of failure and malfunction. Such records shall document
16 the nature of the repair, how and when the need for the repair was
17 discovered and any remedial action taken in response to the repair.

18 4. Computer systems used for the analysis of samples, retention
19 of data, sample tracking, calibration scheduling, management of
20 reference standards or other critical laboratory management
21 functions shall ensure that electronic records, electronic
22 signatures and handwritten signatures executed to electronic records
23 are trustworthy, reliable and generally equivalent to paper records
24 and handwritten signatures executed on paper.

1 L. 1. A licensed medical marijuana testing laboratory is
2 authorized to possess reagents, solutions and reference standards.

3 Such items shall be:

- 4 a. secured in accordance with the storage policies of the
5 licensed medical marijuana testing laboratory, labeled
6 to indicate identity, date received or prepared and
7 expiration or requalification date and, where
8 applicable, concentration or purity, storage
9 requirements and date opened,
- 10 b. stored under appropriate conditions to minimize
11 degradation or deterioration of the material, and
- 12 c. used only within the expiration or requalification
13 date of the item.

14 2. Deteriorated or outdated reagents and solutions shall be
15 properly destroyed.

16 3. A licensed medical marijuana testing laboratory may acquire
17 commercial reference standards for cannabinoids and other chemicals
18 or contaminants for the exclusive purpose of conducting testing for
19 which the laboratory is licensed. A licensed medical marijuana
20 testing laboratory may elect to internally produce reference
21 standards. When internally produced, a licensed medical marijuana
22 testing laboratory shall utilize standard analytical techniques to
23 document the purity and concentration of the internally produced
24 reference standards. A licensed medical marijuana testing

1 laboratory is authorized to obtain marijuana or marijuana-derived
2 product from a licensed nonprofit producer for this purpose.

3 4. A licensed medical marijuana testing laboratory shall obtain
4 or, for internally produced standards, shall create a certificate of
5 analysis (COA) for each lot of reference standard. Each COA shall
6 be kept on file and the lot number of the reference standard used
7 shall be recorded in the documentation for each analysis, as
8 applicable.

9 M. A licensed medical marijuana testing laboratory shall:

10 1. Utilize analytical methods that are appropriate for the
11 purpose of testing marijuana and marijuana-derived products;

12 2. Require analysts to demonstrate proficiency in the
13 performance of the analytical methods used;

14 3. Maintain written procedures for the analytical method used
15 for the analysis of each test sample, including:

16 a. sample preparation,

17 b. reagent, solution and reference standard preparation,

18 c. instrument setup, as applicable,

19 d. standardization of volumetric reagent solutions, as
20 applicable,

21 e. data acquisition, and

22 f. calculation of results;

23 4. Specify, as applicable to each analytical method used,
24 requirements for accuracy, precision, linearity, specificity, limit

1 of detection, limit of quantitation and other data quality
2 parameters;

3 5. Ensure that no deviations from licensed protocols or
4 standard operating procedures are made during any analytical process
5 without proper authorization and documentation; and

6 6. Use only primary standards or secondary standards for
7 quantitative analyses.

8 N. 1. A licensed medical marijuana testing laboratory shall
9 ensure that all data generated during the testing of a test sample,
10 except data generated by automated data collection systems, is
11 recorded directly, promptly and legibly in ink. All data shall be
12 annotated with the date of entry and signed or initialed by the
13 person recording the data. Any change in entries shall be made so
14 as not to obscure the original entry, shall indicate the reason for
15 such change and shall be dated and signed or initialed at the time
16 of the change.

17 2. In automated data collection systems, the individual
18 responsible for direct data input shall be identified at the time of
19 data input. Any change in automated data entries shall be made so
20 as not to void or delete the original entry, shall indicate the
21 reason for change, shall be dated and shall identify the responsible
22 individual.

23 3. For each final result reported, a licensed medical marijuana
24 testing laboratory shall verify that:

- a. any calculations or other data processing steps were performed correctly,
- b. the data meet any data quality requirements including, but not limited to, accuracy, precision and linearity,
- c. any reference standards used were of the appropriate purity and within their expiration or requalification dates,
- d. any volumetric solutions were properly standardized before use, and
- e. any test or measuring equipment used has been properly tested, verified and calibrated and is within its verification or calibration period.

0. 1. A licensed medical marijuana testing laboratory shall ensure that all raw data, documentation, protocols and final reports associated with analysis of a test sample are retained for two (2) years from the date of the completion of analysis.

2. A licensed medical marijuana testing laboratory shall maintain the records identified in this section. Such records shall be maintained:

- a. in a manner that allows retrieval as needed,
- b. under conditions of storage that minimize deterioration throughout the retention period, and
- c. in a manner that prevents unauthorized alteration.

1 P. A licensed medical marijuana testing laboratory shall
2 designate an individual as responsible for records maintenance.
3 Only authorized personnel may access the maintained records.

4 Q. 1. A laboratory report of a test conducted at the request
5 of a licensed producer or qualified patient shall contain the
6 following information:

- 7 a. the date of receipt of the test sample,
- 8 b. the description of the type or form of the test sample
9 including, but not limited to, the leaf, flower,
10 powder, oil or specific edible product,
- 11 c. the unique sample identifier,
- 12 d. information on whether sampling was performed by the
13 laboratory operation, by the compliant business or
14 individual which submitted the test sample, or by a
15 third party,
- 16 e. date on which analysis occurred,
- 17 f. the analytical method used, including at a minimum
18 identification of the type of analytical equipment
19 used,
- 20 g. the analytical results, including units of measure
21 where applicable,
- 22 h. the identity of the supervisory or management
23 personnel who reviewed and verified the data and
24

1 results and ensured that data quality, calibration and
2 other applicable requirements were met, and

3 i. the name, address and contact information of the
4 licensed medical marijuana testing laboratory that
5 conducted the test.

6 2. The laboratory report shall state that reported analytical
7 results apply only to the test sample received.

8 R. Unused marijuana, marijuana products or marijuana-derived
9 product waste that is in the possession of a licensed medical
10 marijuana testing laboratory shall be disposed of by transporting
11 the unused portion to a state or local law enforcement office or by
12 destruction of the material.

13 S. A licensed medical marijuana testing laboratory shall
14 promptly provide the Commission or designee of the Commission access
15 to a report of a test and any underlying data that is conducted on a
16 sample at the request of a licensed producer or qualified patient.
17 A licensed medical marijuana testing laboratory shall also provide
18 access to the Commission or designee of the Commission to laboratory
19 premises and to any material or information requested by the
20 Commission, for the purpose of determining compliance with the
21 requirements of this section.

22 T. A licensed medical marijuana testing laboratory shall retain
23 all results of laboratory tests conducted on marijuana or marijuana-
24 derived products for a period of at least two (2) years and shall

1 make them available to the Commission upon the request of the
2 Commission.

3 U. A licensed medical marijuana testing laboratory shall take
4 reasonable measures and precautions to ensure the following:

5 1. That all testing shall be done in premises that are in
6 compliance with local ordinances including, but not limited to,
7 zoning, occupancy, licensing and building codes;

8 2. That the testing operation and all equipment, implements and
9 fixtures shall be used exclusively for the testing of marijuana-
10 derived products and that any other use shall be prohibited;

11 3. Laboratory staff involved in the handling, transportation,
12 manufacture, testing or packaging of marijuana-derived products
13 shall complete general food-handler safety training;

14 4. That any person who, by medical examination or supervisory
15 observation, is shown to have or appears to have, an illness, open
16 lesion, including a boil, sore, or infected wound, or any other
17 abnormal source of microbial contamination for whom there is a
18 reasonable possibility of contact with preparation surfaces for
19 medical marijuana or marijuana-derived products, shall be excluded
20 from any operations which may be anticipated to result in such
21 contamination until the condition is corrected;

22 5. That hand-washing facilities are adequate, convenient and
23 furnished with running water at a suitable temperature. Hand-
24 washing facilities shall be located in the facility in medical

1 marijuana and marijuana-derived product preparation areas and where
2 good sanitary practices require employees to wash or sanitize their
3 hands. Hand-washing facilities shall provide effective hand-
4 cleaning and sanitizing preparations and sanitary towel service or
5 suitable drying devices;

6 6. That all persons involved in preparing or handling medical
7 marijuana or marijuana-derived products at the testing operation
8 conform to hygienic practices while on duty, including:

- 9 a. maintaining adequate personal cleanliness,
- 10 b. washing hands thoroughly in an adequate hand-washing
11 area before starting work and at any other time when
12 the hands may have become soiled or contaminated,
- 13 c. refraining from preparing or handling medical
14 marijuana or marijuana-derived products if the handler
15 has or may have an illness, open lesion, including
16 boils, sores or infected wounds, or any other abnormal
17 source of microbial contamination, until such
18 condition is corrected, and
- 19 d. complying with the other requirements of this section;

20 7. That there is sufficient space for placement of equipment
21 and storage of materials as is necessary for the maintenance of
22 sanitary operations for testing of medical marijuana and marijuana-
23 derived products;

24

1 8. That litter and waste are properly removed and the operating
2 systems for waste disposal are maintained in an adequate manner so
3 that they do not constitute a source of contamination in areas where
4 medical marijuana or marijuana-derived products are exposed;

5 9. That there is adequate safety lighting in all areas where
6 medical marijuana or marijuana-derived products are processed or
7 stored and where equipment or utensils are cleaned;

8 10. That the manufacturer provides adequate screening or other
9 protection against the entry of pests. Rubbish shall be disposed of
10 so as to minimize the development of odor, minimize the potential
11 for the waste becoming an attractant and harborage or breeding place
12 for pests;

13 11. That building, fixtures and other physical facilities where
14 marijuana-derived products are tested are maintained in a sanitary
15 condition;

16 12. That all contact surfaces, including utensils and equipment
17 used for testing marijuana-derived products are cleaned and
18 sanitized as frequently as necessary to protect against
19 contamination;

20 13. That all equipment and utensils used for testing marijuana-
21 derived products are designed and of such material and workmanship
22 as to be adequately cleanable and are properly maintained;

1 14. That only Environmental Protection Agency (EPA) registered
2 sanitizing agents are used in testing operations and that they are
3 used in accordance with labeled instructions;

4 15. That toxic cleaning compounds, sanitizing agents and
5 pesticide chemicals shall be identified, held and stored in a manner
6 that protects against contamination of medical marijuana or
7 marijuana-derived products;

8 16. That the water supply is sufficient for the operations
9 intended and is derived from a source that is a regulated water
10 system. Private water supplies shall be from a water source that is
11 capable of providing a safe, potable and adequate supply of water to
12 meet the needs of the testing facility;

13 17. That plumbing shall be of adequate size and design,
14 adequately installed and maintained to carry sufficient quantities
15 of water to required locations throughout the facility. The
16 plumbing shall properly convey sewage and liquid disposable waste
17 from the facility;

18 18. That there are no cross-connections between the potable and
19 wastewater lines;

20 19. That the manufacturer provide its employees with adequate,
21 readily accessible toilet facilities that are maintained in a
22 sanitary condition and good repair;

23 20. That all operations in the receipt, inspection, transport,
24 segregation, preparation, manufacture, packaging and storage of

1 medical marijuana or marijuana-derived products are conducted in
2 accordance with adequate security and sanitation principles;

3 21. That medical marijuana or marijuana-derived products that
4 can support the rapid growth of undesirable microorganisms are
5 stored and transported in a manner that prevents the growth of these
6 microorganisms;

7 22. That storage and transportation of medical marijuana or
8 marijuana-derived products are under conditions that will maintain
9 security and protect medical marijuana or marijuana-derived products
10 against physical, chemical and microbial contamination as well as
11 against deterioration of the medical marijuana or marijuana-derived
12 product and the container;

13 23. That current material safety data sheets are kept on the
14 premises for all chemicals used including, but not limited to,
15 cleaning compounds, sanitizing agents and pesticides; and

16 24. That extraction for the purpose of testing concentrates is
17 conducted in a closed system utilizing an oil extractor solvent such
18 as N-butane or carbon dioxide or utilizing ethyl alcohol.

19 V. Inspection by the local fire marshal for the storage and use
20 of any hazardous chemicals shall be required prior to processing
21 medical marijuana.

22 W. Any and all detailed plans, elevation drawing and written
23 policies shall be provided to the Oklahoma Cannabis Commission prior
24 to being deemed registered to conduct business in the State of

1 Oklahoma. In addition, the Oklahoma Cannabis Commission may inspect
2 the premises, business plans and conduct interviews of all
3 applicants prior to being deemed registered to conduct business in
4 the State of Oklahoma.

5 X. 1. A laboratory applicant shall be subject to proficiency
6 testing by the Commission or designee of the Commission prior to
7 approval. A licensed medical marijuana testing laboratory shall be
8 subject to proficiency testing at a frequency and at times to be
9 determined by the Commission. A laboratory applicant or licensed
10 medical marijuana testing laboratory shall cooperate with the
11 Commission or its designee for purposes of conducting proficiency
12 testing. The Commission or its designee may require submission of
13 marijuana and marijuana-derived product samples from licensed
14 nonprofit producers for purposes of proficiency testing.

15 2. A laboratory applicant and a licensed medical marijuana
16 testing laboratory shall be subject to inspection at times
17 determined by the Commission, in accordance with the provisions of
18 this section. The Commission may require the inspection of
19 premises, equipment and written materials to determine compliance
20 with this section and to determine compliance with the application
21 submissions of the laboratory applicant or licensed medical
22 marijuana testing laboratory including, but not limited to, standard
23 operating procedures and standards for testing.

24

1 3. If the Commission determines on the basis of a proficiency
2 test that a licensed medical marijuana testing laboratory has not
3 satisfactorily identified the presence, quantity or other relevant
4 factor pertaining to a given analyte, the Commission may withdraw
5 approval of the laboratory in whole or in part, require additional
6 tests, or require remedial actions be taken by the licensed medical
7 marijuana testing laboratory.

8 Y. The monthly visitors log and any changes to the detailed
9 plans, elevation drawings and written policies shall be reported to
10 the Commission along with the monthly yield and sales report due on
11 the 15th of each month.

12 Z. A licensed medical marijuana testing laboratory shall
13 maintain compliance with applicable city or county building or
14 structure rules, regulations or ordinances and any other applicable
15 state laws or rules regarding buildings or structures.

16 SECTION 25. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 8025 of Title 63, unless there
18 is created a duplication in numbering, reads as follows:

19 A. This section shall only go into effect upon certification of
20 election returns favoring passage of State Question No. 788,
21 Initiative Petition No. 412.

22 B. An Oklahoma dispensary, grower or producer shall not sell or
23 otherwise distribute a usable marijuana product that has not been
24 packaged and labeled in accordance with this section.

1 C. The label shall identify:

2 1. The name of the entity that produced the marijuana and the
3 name of the producer of the marijuana-derived product, as
4 applicable;

5 2. A batch number or code;

6 3. A production date or expiration date including a "use by" or
7 "freeze by" date for products capable of supporting the growth of
8 infectious, toxigenic or spoilage microorganisms;

9 4. The number of units of usable marijuana or concentrated
10 marijuana-derived product contained within the product, as
11 identified in Commission rules for the enrollment of licensed
12 patients;

13 5. For dried, usable marijuana, the quantity of
14 tetrahydrocannabinol (THC) and cannabidiol (CBD) which shall be
15 expressed by weight;

16 6. For concentrated marijuana-derived product, the quantity of
17 tetrahydrocannabinol (THC) and cannabidiol (CBD) which shall be
18 expressed by weight and by percentage of total weight;

19 7. Pesticide used in the production of the marijuana or
20 marijuana-derived product;

21 8. Instructions for use;

22 9. Warnings for use;

23 10. Instructions for appropriate storage;

24

1 11. Approved laboratory analysis, including the results of
2 strength and composition within ten percent (10%) of numbers shown
3 on the package;

4 12. The name of the strain, product facts or a nutrition fact
5 panel and a statement that the product is for medical use by
6 qualified patients, to be kept away from children, and not for
7 resale;

8 13. Whether the batch from which the product was derived was
9 sampled and tested by an approved laboratory; and

10 14. The name of the Commission-approved testing facility used
11 for active ingredient analysis and quantity of tetrahydrocannabinol
12 (THC) and cannabidiol (CBD), as applicable.

13 D. Medical marijuana packaging shall not bear a reasonable
14 resemblance to any commercially available product.

15 E. Medical marijuana packaging shall be packaged to minimize
16 its appeal to children and shall not depict images other than the
17 business name logo of the medical marijuana producer and image of
18 the product.

19 F. The medical marijuana trade name of the medical marijuana
20 producer is subject to approval by the Oklahoma Cannabis Commission
21 and shall comply with the following standards:

22 1. Names are limited to those which clearly reflect the nature
23 of the medical marijuana product;

1 2. Any name that is identical to, or confusingly similar to,
2 the name of an existing nonmarijuana product shall be prohibited;

3 3. Any name that is identical to, or confusingly similar to,
4 the name of an unlawful product or substance shall be prohibited;
5 and

6 4. Any name that contains language that suggests using medical
7 marijuana for recreational purposes or for a condition other than a
8 qualifying medical condition shall be prohibited.

9 SECTION 26. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 8026 of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. Upon certification of election returns favoring passage of
13 State Question No. 788, Initiative Petition No. 412, there is hereby
14 created the Oklahoma Cannabis Commission, and all responsibilities
15 held by the Oklahoma Department of Health pursuant to State Question
16 No. 788, Initiative Petition No. 412, shall be transferred directly
17 to the Oklahoma Cannabis Commission.

18 B. The Oklahoma Cannabis Commission shall be the regulatory
19 office established under State Question No. 788, Initiative Petition
20 No. 412, which will receive and review applications for transporting
21 medical marijuana.

22 C. The Oklahoma Cannabis Commission shall issue a marijuana
23 transportation license to qualifying applicants for a licensed
24 medical marijuana dispensary, licensed commercial grower or licensed

1 processor. The marijuana transportation license shall be issued at
2 the time of approval of a dispensary, commercial grower or
3 processing license.

4 D. The applicant shall appoint an agent, who shall be a natural
5 person, as the transporter.

6 E. All transporters shall be employees of a licensed medical
7 marijuana dispensary, licensed commercial grower, licensed processor
8 or licensed medical marijuana testing laboratory. Licensed medical
9 marijuana dispensaries, licensed commercial growers, licensed
10 processors, or licensed medical marijuana testing laboratories may
11 not subcontract out the transporting of medical marijuana.

12 F. A marijuana transportation license shall allow the holder to
13 transport marijuana from an Oklahoma-licensed medical marijuana
14 dispensary, licensed commercial grower facility, or licensed
15 processor facility to an Oklahoma-licensed medical marijuana
16 dispensary, licensed commercial grower facility, or licensed
17 processing facility.

18 G. All marijuana or marijuana-derived products shall be
19 transported in a locked container and clearly labeled "Medical
20 Marijuana or Derivative".

21 H. A licensed medical marijuana dispensary, licensed commercial
22 grower, licensed processor, or licensed medical marijuana testing
23 laboratory shall label the marijuana that is moved between the
24 licensed medical marijuana dispensary, licensed commercial grower,

1 licensed processor, or licensed medical marijuana testing laboratory
2 with a trip ticket that identifies the licensed medical marijuana
3 dispensary, licensed commercial grower, licensed processor, or
4 licensed medical marijuana testing laboratory by identification
5 number, the time, date, origin and destination of the marijuana
6 being transported, and the amount and form of marijuana that is
7 being transported.

8 I. A transporter agent may possess marijuana at any location
9 while the transporter agent is transferring marijuana to or from a
10 licensed medical marijuana dispensary, licensed commercial grower,
11 licensed processor, or licensed medical marijuana testing
12 laboratory. The Oklahoma Cannabis Commission shall administer and
13 enforce the provisions of this section concerning transportation.

14 J. The Oklahoma Cannabis Commission shall issue each
15 transporter agent a registry identification card within ten (10)
16 days of receipt of:

- 17 1. The name, address and date of birth of the person; and
- 18 2. A reasonable fee in an amount established by the Oklahoma
19 Cannabis Commission.

20 K. The Oklahoma Cannabis Commission shall not issue a registry
21 identification card to a transporter who has been convicted of a
22 felony offense.

23
24

1 L. The Oklahoma Cannabis Commission may conduct a criminal
2 background check of each transporter in order to carry out the
3 provisions of this section.

4 M. The Oklahoma Cannabis Commission shall notify the
5 transporter in writing of the reason for denying the registry
6 identification card.

7 N. A registry identification card for a transporter shall
8 expire one (1) year after the date of issuance.

9 O. A registry identification card of a transporter expires upon
10 notification to the Oklahoma Cannabis Commission by a dispensary or
11 commercial grower that the person ceases to work as a transporter.

12 P. The Oklahoma Cannabis Commission may set a reasonable fee as
13 established by rule for the issuance of a new, renewal or
14 replacement registry identification card to be paid to the Oklahoma
15 Cannabis Commission.

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

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

1 S. The Oklahoma Cannabis Commission shall adopt rules
2 governing:

3 1. The manner in which the Commission considers applications
4 for and renewals of registry identification cards for transporters;

5 2. The form and content of registration and renewal
6 applications for transporters;

7 3. Procedures for suspending or terminating the registration of
8 transporters who violate the provisions of this section or the rules
9 adopted under this section, procedures for appealing penalties, and
10 a schedule of penalties; and

11 4. Any other matters necessary for the fair, impartial,
12 stringent and comprehensive administration of the duties of the
13 Commission under this section.

14 SECTION 27. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 8027 of Title 63, unless there
16 is created a duplication in numbering, reads as follows:

17 A. Upon certification of election returns favoring passage of
18 State Question No. 788, Initiative Petition No. 412, there is hereby
19 created in the State Treasury a limited purpose fund to be known as
20 the "Oklahoma Cannabis Commission Fund". The fund shall be a
21 continuing fund, not subject to fiscal year limitations, and shall
22 consist of the proceeds of the sales tax levy and the fees and fines
23 of the Oklahoma Cannabis Commission provided for in this act and
24 State Question No. 788, Initiative Petition No. 412, and any monies

1 or assets contributed to the fund from any other source, public or
2 private.

3 B. The tax on retail medical marijuana sales shall be
4 established at seven percent (7%) of the gross amount received by
5 the seller.

6 C. The tax shall be collected at the point of sale. Tax
7 proceeds shall be applied primarily to finance the Oklahoma Cannabis
8 Commission.

9 D. If proceeds from the levy authorized by subsection A of this
10 section exceed the budgeted amount for running the regulatory and
11 licensing affairs of the medical marijuana program, any surplus
12 shall be apportioned with seventy-five percent (75%) going to the
13 General Revenue Fund and may only be expended for common education.
14 Twenty-five percent (25%) shall be apportioned to the Oklahoma State
15 Department of Health and earmarked for drug and alcohol
16 rehabilitation.

17 E. The Oklahoma Tax Commission may promulgate rules to
18 administer the provisions of this section.

19 SECTION 28. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 8028 of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

22 A. This section shall only go into effect upon certification of
23 election returns favoring passage of State Question No. 788,
24 Initiative Petition No. 412.

1 B. A city, incorporated town, or county of this state shall not
2 be prohibited from enacting reasonable zoning regulations applicable
3 to dispensaries or commercial grower facilities; provided, however,
4 the zoning regulations are the same as those for a licensed retail
5 pharmacy.

6 C. Counties and cities may enact medical marijuana guidelines
7 allowing medical marijuana license holders or caregivers to exceed
8 the state limits.

9 SECTION 29. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 8029 of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. This section shall only go into effect upon certification of
13 election returns favoring passage of State Question No. 788,
14 Initiative Petition No. 412.

15 B. No later than one hundred eighty (180) days after the
16 effective date of this act, the Oklahoma Cannabis Commission shall
17 adopt rules governing advertising restrictions for licensed
18 dispensaries and commercial grower facilities including, without
19 limitation, the advertising, marketing, packaging and promotion of
20 dispensaries and commercial grower facilities. The purpose of such
21 restriction is to avoid making the product of a dispensary or a
22 commercial grower facility appealing to children, including without
23 limitation:

24 1. Artwork;

1 2. Building signage;

2 3. Product design including, without limitation, shapes and
3 flavors;

4 4. Child-proof packaging that cannot be opened by a child or
5 that prevents ready access to toxic or a harmful amount of the
6 product, and that meets the testing requirements in accordance with
7 the method described in Section 1700 of Title 16 of the Code of
8 Federal Regulations, as existing on January 1, 2018;

9 5. Indoor displays that can be seen from outside the dispensary
10 or commercial grower facility; and

11 6. Other forms of marketing related to marijuana.

12 SECTION 30. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 8030 of Title 63, unless there
14 is created a duplication in numbering, reads as follows:

15 A. This section shall only go into effect upon certification of
16 election returns favoring passage of State Question No. 788,
17 Initiative Petition No. 412.

18 B. An application or renewal and supporting information
19 submitted by a qualifying patient or designated caregiver under the
20 provisions of this act including, without limitation, information
21 regarding the physician of the qualifying patient are considered
22 confidential medical records that are exempt from the Oklahoma Open
23 Records Act.

1 C. The dispensary records with patient information shall be
2 treated as confidential records that are exempt from the Oklahoma
3 Open Records Act.

4 D. All financial information provided by an applicant in its
5 application to the Oklahoma Cannabis Commission shall be treated as
6 confidential records that are exempt from the Oklahoma Open Records
7 Act.

8 E. All information provided by an applicant that constitutes
9 private business information shall be treated as confidential
10 records that are exempt from the Oklahoma Open Records Act.

11 SECTION 31. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 8031 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. This section shall only go into effect upon certification of
15 election returns favoring passage of State Question No. 788,
16 Initiative Petition No. 412.

17 B. A licensed patient shall be able to:

18 1. Consume marijuana legally;

19 2. Legally possess up to three (3) ounces of marijuana on his
20 or her person;

21 3. Legally possess up to six mature marijuana plants;

22 4. Legally possess up to six seedling plants;

23 5. Legally possess up to one (1) ounce of concentrated
24 marijuana;

1 6. Legally possess up to seventy-two (72) ounces of edible
2 marijuana; and

3 7. Legally possess up to eight (8) ounces of marijuana at his
4 or her residence.

5 C. Possession of up to one and one-half (1.5) ounces of
6 marijuana by persons who can state a medical condition, but are not
7 in possession of a state-issued medical marijuana license, shall
8 constitute a misdemeanor offense with a fine not to exceed Four
9 Hundred Dollars (\$400.00).

10 D. A device used for the consumption of medical marijuana shall
11 be considered legal to be sold, manufactured, distributed and
12 possessed.

13 E. No merchant, wholesaler, manufacturer or individual may
14 unduly be harassed or prosecuted for selling, manufacturing or
15 possessing medical marijuana paraphernalia.

16 F. A dispensary, commercial grower, transporter or processor is
17 not subject to the following:

18 1. Prosecution for the acquisition, possession, cultivation,
19 processing, preparation, manufacture, delivery, transfer, transport,
20 sale, supply or dispensing of marijuana and related supplies in
21 accordance with the provisions of this act and any rule adopted
22 under this act;

23 2. Inspection, unless otherwise provided for in this act or
24 upon a search warrant issued by a court or judicial officer;

1 3. Seizure of marijuana, unless otherwise proved for in this
2 act or except upon any order issued by a court or judicial officer
3 and with due process of law; or

4 4. Imposition of a penalty or denial of a right or privilege
5 including, without limitation, imposition of a civil penalty or
6 disciplinary action by a business, occupational or professional
7 licensing board or entity, solely for acting in accordance with the
8 provisions of this act.

9 G. A dispensary agent, commercial grower agent, transporter
10 agent or processor agent shall not be subject to arrest,
11 prosecution, search, seizure or penalty in any manner or denied any
12 right or privilege including, without limitation, civil penalty or
13 disciplinary action by a business, occupational or professional
14 licensing board or entity, solely for working for or with a
15 dispensary, commercial grower, transporter or processor to engage in
16 acts permitted pursuant to the provisions of this act.

17 H. A government medical assistance program or private health
18 insurer shall not be required to reimburse a person for costs
19 associated with the medical use of marijuana unless federal law
20 requires reimbursement.

21 I. An employer shall not be required to accommodate the
22 ingestion of marijuana in a workplace or an employee working while
23 under the influence of marijuana.

24

1 J. An individual or establishment in lawful possession of
2 property shall not be required to allow a guest, client, customer or
3 other visitor to use marijuana on or in that property.

4 K. An individual or establishment in lawful possession of
5 property shall not be required to admit a guest, client, customer,
6 or other visitor who is inebriated as a result of his or her medical
7 use of marijuana.

8 L. A landlord shall not be required to permit a licensed
9 patient to smoke marijuana on or in leased property, except that a
10 landlord may not prohibit the medical use of marijuana through means
11 other than smoking on leased property by a licensed patient.

12 M. A public school shall not be required to permit a licensed
13 patient who is a student to be present on school grounds, to attend
14 a school event, or to participate in extracurricular activities in
15 violation of the student discipline policies of the public school
16 when a school officer has a good-faith belief that the behavior of
17 the licensed patient is impaired.

18 SECTION 32. AMENDATORY 21 O.S. 2011, Section 1247, as
19 last amended by Section 1, Chapter 110, O.S.L. 2017 (21 O.S. Supp.
20 2017, Section 1247), is amended to read as follows:

21 Section 1247. A. The possession of lighted tobacco or lighted
22 medical marijuana in any form is a public nuisance and dangerous to
23 public health and is hereby prohibited when such possession is in
24 any indoor place used by or open to the public, all parts of a zoo

1 to which the public may be admitted, whether indoors or outdoors,
2 public transportation, or any indoor workplace, except where
3 specifically allowed by law. Commercial airport operators may
4 prohibit the use of lighted tobacco or lighted medical marijuana in
5 any area that is open to or used by the public whether located
6 indoors or outdoors, provided that the outdoor area is within one
7 hundred seventy-five (175) feet from an entrance.

8 As used in this section, "indoor workplace" means any indoor
9 place of employment or employment-type service for or at the request
10 of another individual or individuals, or any public or private
11 entity, whether part-time or full-time and whether for compensation
12 or not. Such services shall include, without limitation, any
13 service performed by an owner, employee, independent contractor,
14 agent, partner, proprietor, manager, officer, director, apprentice,
15 trainee, associate, servant or volunteer. An indoor workplace
16 includes work areas, employee lounges, restrooms, conference rooms,
17 classrooms, employee cafeterias, hallways, any other spaces used or
18 visited by employees, and all space between a floor and ceiling that
19 is predominantly or totally enclosed by walls or windows, regardless
20 of doors, doorways, open or closed windows, stairways, or the like.
21 The provisions of this section shall apply to such indoor workplace
22 at any given time, whether or not work is being performed.

23 B. All buildings and other properties, or portions thereof,
24 owned or operated by this state shall be designated as nonsmoking.

1 The provisions of this subsection shall not apply to veterans
2 centers operated by this state pursuant to the provisions of Section
3 221 et seq. of Title 72 of the Oklahoma Statutes, which shall be
4 designated nonsmoking effective January 1, 2015, at which time
5 veterans centers may establish outdoor designated smoking areas for
6 resident veterans only. Smoking shall only be allowed in designated
7 outdoor smoking areas.

8 C. All buildings and other properties, or portions thereof,
9 owned or operated by a county or municipal government, at the
10 discretion of the county or municipal governing body, may be
11 designated as entirely nonsmoking.

12 D. All educational facilities or portions thereof as defined in
13 the Smoking in Public Places and Indoor Workplaces Act and all
14 educational facilities as defined in the 24/7 Tobacco-free Schools
15 Act shall be designated as nonsmoking as provided for in Section 1-
16 1523 of Title 63 of the Oklahoma Statutes. All campuses, buildings
17 and grounds, or portions thereof, owned or operated by an
18 institution within The Oklahoma State System of Higher Education may
19 be designated as tobacco- and medical-marijuana-free, including
20 smoking or smokeless tobacco, by the institution upon adoption of a
21 policy stating the tobacco and medical marijuana restrictions for
22 the institution and an intent to enforce the penalty for violations
23 as set forth in subsection M of this section.

24

1 E. No smoking shall be allowed within twenty-five (25) feet of
2 the entrance or exit of any building specified in subsection B, C or
3 D of this section.

4 F. The restrictions provided in this section shall not apply to
5 stand-alone bars, stand-alone taverns and cigar bars as defined in
6 Section 1-1522 of Title 63 of the Oklahoma Statutes.

7 G. The restrictions provided in this section shall not apply to
8 the following:

9 1. The room or rooms where licensed charitable bingo games are
10 being operated, but only during the hours of operation of such
11 games;

12 2. Up to twenty-five percent (25%) of the guest rooms at a
13 hotel or other lodging establishment;

14 3. Retail tobacco stores predominantly engaged in the sale of
15 tobacco products and accessories and in which the sale of other
16 products is merely incidental and in which no food or beverage is
17 sold or served for consumption on the premises;

18 4. Workplaces where only the owner or operator of the
19 workplace, or the immediate family of the owner or operator,
20 performs any work in the workplace, and the workplace has only
21 incidental public access. "Incidental public access" means that a
22 place of business has only an occasional person, who is not an
23 employee, present at the business to transact business or make a
24

1 delivery. It does not include businesses that depend on walk-in
2 customers for any part of their business;

3 5. Workplaces occupied exclusively by one or more smokers, if
4 the workplace has only incidental public access;

5 6. Private offices occupied exclusively by one or more smokers;

6 7. Workplaces within private residences, except that smoking
7 shall not be allowed inside any private residence that is used as a
8 licensed child care facility during hours of operation;

9 8. Medical research or treatment centers, if smoking is
10 integral to the research or treatment;

11 9. A facility operated by a post or organization of past or
12 present members of the Armed Forces of the United States which is
13 exempt from taxation pursuant to Section 501(c)(8), 501(c)(10) or
14 501(c)(19) of the Internal Revenue Code, 26 U.S.C., Section
15 501(c)(8), 501(c)(10) or 501(c)(19), when such facility is utilized
16 exclusively by its members and their families and for the conduct of
17 post or organization nonprofit operations except during an event or
18 activity which is open to the public; and

19 10. Any outdoor seating area of a restaurant; provided, smoking
20 shall not be allowed within fifteen (15) feet of any exterior public
21 doorway or any air intake of a restaurant.

22 H. An employer not otherwise restricted from doing so may elect
23 to provide smoking rooms where no work is performed except for
24 cleaning and maintenance during the time the room is not in use for

1 smoking, provided each smoking room is fully enclosed and exhausted
2 directly to the outside in such a manner that no smoke can drift or
3 circulate into a nonsmoking area. No exhaust from a smoking room
4 shall be located within fifteen (15) feet of any entrance, exit or
5 air intake.

6 I. If smoking is to be permitted in any space exempted in
7 subsection F or G of this section or in a smoking room pursuant to
8 subsection H of this section, such smoking space must either occupy
9 the entire enclosed indoor space or, if it shares the enclosed space
10 with any nonsmoking areas, the smoking space shall be fully
11 enclosed, exhausted directly to the outside with no air from the
12 smoking space circulated to any nonsmoking area, and under negative
13 air pressure so that no smoke can drift or circulate into a
14 nonsmoking area when a door to an adjacent nonsmoking area is
15 opened. Air from a smoking room shall not be exhausted within
16 fifteen (15) feet of any entrance, exit or air intake. Any employer
17 may choose a more restrictive smoking policy, including being
18 totally smoke free.

19 J. Notwithstanding any other provision of this section, until
20 March 1, 2006, restaurants may have designated smoking and
21 nonsmoking areas or may be designated as being a totally nonsmoking
22 area. Beginning March 1, 2006, restaurants shall be totally
23 nonsmoking or may provide nonsmoking areas and designated smoking
24 rooms. Food and beverage may be served in such designated smoking

1 rooms which shall be in a location which is fully enclosed, directly
2 exhausted to the outside, under negative air pressure so smoke
3 cannot escape when a door is opened, and no air is recirculated to
4 nonsmoking areas of the building. No exhaust from such room shall
5 be located within twenty-five (25) feet of any entrance, exit or air
6 intake. Such room shall be subject to verification for compliance
7 with the provisions of this subsection by the State Department of
8 Health.

9 K. The person who owns or operates a place where smoking ~~or,~~
10 tobacco use or medical marijuana use is prohibited by law shall be
11 responsible for posting a sign or decal, at least four (4) inches by
12 two (2) inches in size, at each entrance to the building indicating
13 that the place is smoke-free ~~or,~~ tobacco-free or medical-marijuana-
14 free.

15 L. Responsibility for posting signs or decals shall be as
16 follows:

17 1. In privately owned facilities, the owner or lessee, if a
18 lessee is in possession of the facilities, shall be responsible;

19 2. In corporately owned facilities, the manager and/or
20 supervisor of the facility involved shall be responsible; and

21 3. In publicly owned facilities, the manager and/or supervisor
22 of the facility shall be responsible.

23

24

1 M. Any person who knowingly violates the provisions of this
2 section shall be punished by a citation and fine of not more than
3 One Hundred Dollars (\$100.00).

4 SECTION 33. AMENDATORY Section 50, Chapter 208, O.S.L.
5 2013 (85A O.S. Supp. 2017, Section 50), is amended to read as
6 follows:

7 Section 50. A. The employer shall promptly provide an injured
8 employee with medical, surgical, hospital, optometric, podiatric,
9 and nursing services, along any with medicine, crutches, ambulatory
10 devices, artificial limbs, eyeglasses, contact lenses, hearing aids,
11 and other apparatus as may be reasonably necessary in connection
12 with the injury received by the employee. The employer shall have
13 the right to choose the treating physician.

14 B. If the employer fails or neglects to provide medical
15 treatment within five (5) days after actual knowledge is received of
16 an injury, the injured employee may select a physician to provide
17 medical treatment at the expense of the employer; provided, however,
18 that the injured employee, or another in the employee's behalf, may
19 obtain emergency treatment at the expense of the employer where such
20 emergency treatment is not provided by the employer.

21 C. Diagnostic tests shall not be repeated sooner than six (6)
22 months from the date of the test unless agreed to by the parties or
23 ordered by the Commission for good cause shown.

24

1 D. Unless recommended by the treating doctor at the time
2 claimant reaches maximum medical improvement or by an independent
3 medical examiner, continuing medical maintenance shall not be
4 awarded by the Commission. The employer or insurance carrier shall
5 not be responsible for continuing medical maintenance or pain
6 management treatment that is outside the parameters established by
7 the Physician Advisory Committee or ODG. The employer or insurance
8 carrier shall not be responsible for continuing medical maintenance
9 or pain management treatment not previously ordered by the
10 Commission or approved in advance by the employer or insurance
11 carrier.

12 E. An employee claiming or entitled to benefits under this act,
13 shall, if ordered by the Commission or requested by the employer or
14 insurance carrier, submit himself or herself for medical
15 examination. If an employee refuses to submit himself or herself to
16 examination, his or her right to prosecute any proceeding under this
17 act shall be suspended, and no compensation shall be payable for the
18 period of such refusal.

19 F. For compensable injuries resulting in the use of a medical
20 device, ongoing service for the medical device shall be provided in
21 situations including, but not limited to, medical device battery
22 replacement, ongoing medication refills related to the medical
23 device, medical device repair, or medical device replacement.

24

1 G. The employer shall reimburse the employee for the actual
2 mileage in excess of twenty (20) miles round-trip to and from the
3 employee's home to the location of a medical service provider for
4 all reasonable and necessary treatment, for an evaluation of an
5 independent medical examiner and for any evaluation made at the
6 request of the employer or insurance carrier. The rate of
7 reimbursement for such travel expense shall be the official
8 reimbursement rate as established by the State Travel Reimbursement
9 Act. In no event shall the reimbursement of travel for medical
10 treatment or evaluation exceed six hundred (600) miles round trip.

11 H. Fee Schedule.

12 1. The Commission shall conduct a review of the Fee Schedule
13 every two (2) years. The Fee Schedule shall establish the maximum
14 rates that medical providers shall be reimbursed for medical care
15 provided to injured employees, including, but not limited to,
16 charges by physicians, dentists, counselors, hospitals, ambulatory
17 and outpatient facilities, clinical laboratory services, diagnostic
18 testing services, and ambulance services, and charges for durable
19 medical equipment, prosthetics, orthotics, and supplies. The most
20 current Fee Schedule established by the Administrator of the
21 Workers' Compensation Court prior to the effective date of this
22 section shall remain in effect, unless or until the Legislature
23 approves the Commission's proposed Fee Schedule.

24

1 2. Reimbursement for medical care shall be prescribed and
2 limited by the Fee Schedule as adopted by the Commission, after
3 notice and public hearing, and after approval by the Legislature by
4 joint resolution. The director of the Employees Group Insurance
5 Division of the Office of Management and Enterprise Services shall
6 provide the Commission such information as may be relevant for the
7 development of the Fee Schedule. The Commission shall develop the
8 Fee Schedule in a manner in which quality of medical care is assured
9 and maintained for injured employees. The Commission shall give due
10 consideration to additional requirements for physicians treating an
11 injured worker under this act, including, but not limited to,
12 communication with claims representatives, case managers, attorneys,
13 and representatives of employers, and the additional time required
14 to complete forms for the Commission, insurance carriers, and
15 employers.

16 3. In making adjustments to the Fee Schedule, the Commission
17 shall use, as a benchmark, the reimbursement rate for each Current
18 Procedural Terminology (CPT) code provided for in the fee schedule
19 published by the Centers for Medicare and Medicaid Services of the
20 U.S. Department of Health and Human Services for use in Oklahoma
21 (Medicare Fee Schedule) on the effective date of this section,
22 workers' compensation fee schedules employed by neighboring states,
23 the latest edition of "Relative Values for Physicians" (RVP), usual,
24 customary and reasonable medical payments to workers' compensation

1 health care providers in the same trade area for comparable
2 treatment of a person with similar injuries, and all other data the
3 Commission deems relevant. For services not valued by CMS, the
4 Commission shall establish values based on the usual, customary and
5 reasonable medical payments to health care providers in the same
6 trade area for comparable treatment of a person with similar
7 injuries.

8 a. No reimbursement shall be allowed for any magnetic
9 resonance imaging (MRI) unless the MRI is provided by
10 an entity that meets Medicare requirements for the
11 payment of MRI services or is accredited by the
12 American College of Radiology, the Intersocietal
13 Accreditation Commission or the Joint Commission on
14 Accreditation of Healthcare Organizations. For all
15 other radiology procedures, the reimbursement rate
16 shall be the lesser of the reimbursement rate allowed
17 by the 2010 Oklahoma Fee Schedule and two hundred
18 seven percent (207%) of the Medicare Fee Schedule.

19 b. For reimbursement of medical services for Evaluation
20 and Management of injured employees as defined in the
21 Fee Schedule adopted by the Commission, the
22 reimbursement rate shall not be less than one hundred
23 fifty percent (150%) of the Medicare Fee Schedule.

24

1 c. Any entity providing durable medical equipment,
2 prosthetics, orthotics or supplies shall be accredited
3 by a CMS-approved accreditation organization. If a
4 physician provides durable medical equipment,
5 prosthetics, orthotics, prescription drugs, or
6 supplies to a patient ancillary to the patient's
7 visit, reimbursement shall be no more than ten percent
8 (10%) above cost.

9 d. The Commission shall develop a reasonable stop-loss
10 provision of the Fee Schedule to provide for adequate
11 reimbursement for treatment for major burns, severe
12 head and neurological injuries, multiple system
13 injuries, and other catastrophic injuries requiring
14 extended periods of intensive care.

15 4. The right to recover charges for every type of medical care
16 for injuries arising out of and in the course of covered employment
17 as defined in this act shall lie solely with the Commission. When a
18 medical care provider has brought a claim to the Commission to
19 obtain payment for services, a party who prevails in full on the
20 claim shall be entitled to reasonable attorney fees.

21 5. Nothing in this section shall prevent an employer, insurance
22 carrier, group self-insurance association, or certified workplace
23 medical plan from contracting with a provider of medical care for a
24

1 reimbursement rate that is greater than or less than limits
2 established by the Fee Schedule.

3 6. A treating physician may not charge more than Four Hundred
4 Dollars (\$400.00) per hour for preparation for or testimony at a
5 deposition or appearance before the Commission in connection with a
6 claim covered by the Administrative Workers' Compensation Act.

7 7. The Commission's review of medical and treatment charges
8 pursuant to this section shall be conducted pursuant to the Fee
9 Schedule in existence at the time the medical care or treatment was
10 provided. The judgment approving the medical and treatment charges
11 pursuant to this section shall be enforceable by the Commission in
12 the same manner as provided in this act for the enforcement of other
13 compensation payments.

14 8. Charges for prescription drugs dispensed by a pharmacy shall
15 be limited to ninety percent (90%) of the average wholesale price of
16 the prescription, plus a dispensing fee of Five Dollars (\$5.00) per
17 prescription. "Average wholesale price" means the amount determined
18 from the latest publication designated by the Commission.

19 Physicians shall prescribe and pharmacies shall dispense generic
20 equivalent drugs when available. If the National Drug Code, or
21 "NDC", for the drug product dispensed is for a repackaged drug, then
22 the maximum reimbursement shall be the lesser of the original
23 labeler's NDC and the lowest-cost therapeutic equivalent drug
24 product. Compounded medications shall be billed by the compounding

1 pharmacy at the ingredient level, with each ingredient identified
2 using the applicable NDC of the drug product, and the corresponding
3 quantity. Ingredients with no NDC area are not separately
4 reimbursable. Payment shall be based on a sum of the allowable fee
5 for each ingredient plus a dispensing fee of Five Dollars (\$5.00)
6 per prescription.

7 9. When medical care includes prescription drugs dispensed by a
8 physician or other medical care provider and the NDC for the drug
9 product dispensed is for a repackaged drug, then the maximum
10 reimbursement shall be the lesser of the original labeler's NDC and
11 the lowest-cost therapeutic equivalent drug product. Payment shall
12 be based upon a sum of the allowable fee for each ingredient plus a
13 dispensing fee of Five Dollars (\$5.00) per prescription. Compounded
14 medications shall be billed by the compounding pharmacy.

15 10. Implantables are paid in addition to procedural
16 reimbursement paid for medical or surgical services. A
17 manufacturer's invoice for the actual cost to a physician, hospital
18 or other entity of an implantable device shall be adjusted by the
19 physician, hospital or other entity to reflect, at the time
20 implanted, all applicable discounts, rebates, considerations and
21 product replacement programs and shall be provided to the payer by
22 the physician or hospital as a condition of payment for the
23 implantable device. If the physician, or an entity in which the
24 physician has a financial interest other than an ownership interest

1 of less than five percent (5%) in a publically traded company,
2 provides implantable devices, this relationship shall be disclosed
3 to patient, employer, insurance company, third-party commission,
4 certified workplace medical plan, case managers, and attorneys
5 representing claimant and defendant. If the physician, or an entity
6 in which the physician has a financial interest other than an
7 ownership interest of less than five percent (5%) in a publically
8 traded company, buys and resells implantable devices to a hospital
9 or another physician, the markup shall be limited to ten percent
10 (10%) above cost.

11 11. Payment for medical care as required by this act shall be
12 due within forty-five (45) days of the receipt by the employer or
13 insurance carrier of a complete and accurate invoice, unless the
14 employer or insurance carrier has a good-faith reason to request
15 additional information about such invoice. Thereafter, the
16 Commission may assess a penalty up to twenty-five percent (25%) for
17 any amount due under the Fee Schedule that remains unpaid on the
18 finding by the Commission that no good-faith reason existed for the
19 delay in payment. If the Commission finds a pattern of an employer
20 or insurance carrier willfully and knowingly delaying payments for
21 medical care, the Commission may assess a civil penalty of not more
22 than Five Thousand Dollars (\$5,000.00) per occurrence.

23 12. If an employee fails to appear for a scheduled appointment
24 with a physician, the employer or insurance company shall pay to the

1 physician a reasonable charge, to be determined by the Commission,
2 for the missed appointment. In the absence of a good-faith reason
3 for missing the appointment, the Commission shall order the employee
4 to reimburse the employer or insurance company for the charge.

5 13. Physicians providing treatment under this act shall
6 disclose under penalty of perjury to the Commission, on a form
7 prescribed by the Commission, any ownership or interest in any
8 health care facility, business, or diagnostic center that is not the
9 physician's primary place of business. The disclosure shall include
10 any employee leasing arrangement between the physician and any
11 health care facility that is not the physician's primary place of
12 business. A physician's failure to disclose as required by this
13 section shall be grounds for the Commission to disqualify the
14 physician from providing treatment under this act.

15 I. Formulary. The Commission by rule shall adopt a closed
16 formulary. Rules adopted by the Commission shall allow an appeals
17 process for claims in which a treating doctor determines and
18 documents that a drug not included in the formulary is necessary to
19 treat an injured employee's compensable injury. The Commission by
20 rule shall require the use of generic pharmaceutical medications and
21 clinically appropriate over-the-counter alternatives to prescription
22 medications unless otherwise specified by the prescribing doctor, in
23 accordance with applicable state law.

24

1 J. The certification of election returns favoring passage of
2 State Question No. 788, Initiative Petition No. 412, shall not
3 create a requirement for an employer to provide an injured employee
4 with medical marijuana treatment; provided, however, upon its
5 passage, employers may opt to provide medical marijuana treatment to
6 an injured employee that has been issued an Oklahoma medical
7 marijuana license.

8 SECTION 34. AMENDATORY Section 58, Chapter 208, O.S.L.
9 2013 (85A O.S. Supp. 2017, Section 58), is amended to read as
10 follows:

11 Section 58. A. 1. Every hospital or other person furnishing
12 the injured employee with medical services shall permit its records
13 to be copied by and shall furnish full written information to the
14 Commission, the Workers' Compensation Fraud Investigation Unit, the
15 employer, the carrier, and the employee or the employee's
16 dependents.

17 2. The reasonable cost of copies shall be paid by the requestor
18 to the health care or medical service provider furnishing them.

19 B. No person who in good faith under subsection A of this
20 section or under rules established by the Commission reports medical
21 information shall incur legal liability for the disclosure of the
22 information.

23 C. Upon certification of election returns favoring passage of
24 State Question No. 788, Initiative Petition No. 412, records

1 pursuant to subsection A of this section shall include those
2 regarding medical marijuana recommendations and usage.

3 SECTION 35. AMENDATORY Section 116, Chapter 208, O.S.L.
4 2013 (85A O.S. Supp. 2017, Section 209), is amended to read as
5 follows:

6 Section 209. A. A qualified employer's liability under the
7 benefit plan and otherwise prescribed in this act shall be exclusive
8 and in place of all other liability of the qualified employer and
9 any of its employees at common law or otherwise, for a covered
10 employee's occupational injury or loss of services, to the covered
11 employee, or the spouse, personal representative, parents, or
12 dependents of the covered employee, or any other person. The
13 exclusive remedy protections provided by this subsection shall be as
14 broad as the exclusive remedy protections of Section 5 of this act,
15 and thus preclude a covered employee's claim against a qualified
16 employer, its employees, and insurer for negligence or other causes
17 of action.

18 B. Except as otherwise provided by its benefit plan, or
19 applicable federal law, a qualified employer is only subject to
20 liability in any action brought by a covered employee or his or her
21 dependent family members for injury resulting from an occupational
22 injury if the injury is the result of an intentional tort on the
23 part of the qualified employer. An intentional tort shall exist
24 only when the covered employee is injured because of willful,

1 deliberate, specific intent of the qualified employer to cause such
2 injury. Allegations or proof that the qualified employer had
3 knowledge that such injury was substantially certain to result from
4 its conduct shall not constitute an intentional tort. The issue of
5 whether an act is an intentional tort shall be a question of law for
6 the court or the duly appointed arbitrator, as applicable.

7 C. If an employee tests positive for intoxication, use of an
8 illegal controlled substance, or a legal controlled substance,
9 including medical marijuana or its derivatives, that is used in
10 contravention with a treating physician's orders within twenty-four
11 (24) hours of being injured or reporting an injury, he or she shall
12 not be eligible to receive benefits under a qualified employer's
13 benefit plan. In order to retain exclusive remedy and enjoy
14 immunity from common law negligence claims, an employee shall be
15 entitled to receive benefits under a qualified employer's benefit
16 plan if the employee can prove by a preponderance of the evidence
17 that the acts described by this section were not the major cause of
18 an injury.

19 D. Any benefits paid under a qualified employer's benefit plan
20 shall offset any other award against such qualified employer under
21 subsection B of this section.

22 E. Other than an action brought to enforce the provisions of
23 the benefit plan, any action brought by a covered employee or his or
24 her spouse, personal representative, parents, or dependents based on

