

FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3468

				Of the printed Bill
Page	<u>2</u>	Section	<u>1</u>	Lines <u>9</u>
				Of the Engrossed Bill

Page 2, Section 1, Line 9:

By inserting new Sections 1 and 2 into the bill:

(see attached)

Page 2, Section 1, Line 10:

By deleting after the word "Section" the following language: "10021 of Title 74" and inserting in lieu thereof, the following: "8003 of Title 63";

Page 3, Section 1, Line 4½:

By inserting a new paragraph to read as follows: "The Commissioner of the State Department of Health shall notify the Governor when the Oklahoma Cannabis Commission Governing Board has enough board members to form a quorum. Upon receiving said notice, the Governor shall sign an executive order establishing the Oklahoma Cannabis Commission as a separate state agency no longer under the control of the State Department of Health.";

Page 3, Section 1, Line 11:

By deleting after the word "the" and before the period "." the following language: "effective date of this act" and inserting in lieu thereof, the following: "establishment of the Commission";

Page 3, Section 2, Line 17:

By deleting after the word "Section" the following language: "10022 of Title 74" and inserting in lieu thereof, the following: "8004 of Title 63";

(see below)

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: JP Jordan

Adopted: _____

Reading Clerk

Page 5, Section 2, Line 21:

By inserting after the period "." the following language: "The Governor shall make the appointments for the first seven members on or before July 31, 2018.";

Page 6, Section 2, Line 2:

By inserting after the period "." the following language: "The remaining five members shall be individuals who have obtained a license under the provisions of the Oklahoma Medical Marijuana Act of 2018, and represent a segment of the medical marijuana industry. No more than two individuals who hold the same type of license shall be appointed to the Board."

Page 8, Section 3, Line 17:

By deleting after the word "Section" the following language: "10023 of Title 74" and inserting in lieu thereof, the following: "8005 of Title 63";

Page 8, Section 3, Line 21:

By inserting after the word "the" the following language: "Oklahoma Cannabis Commission Governing";

Page 8, Section 3, Line 24:

By inserting after the number "412" and before the semicolon ";" the following language: ". The Board shall adopt any rule promulgated by the State Department of Health prior to its establishment as a separate state agency";

Page 9, Section 3, Line 2:

By deleting after the word "the" the following language: "State Department of Health" and inserting in lieu thereof, the following: "Board";

Page 9, Section 3, Line 23:

By deleting after the word "the" the following language: "State Department of Health" and inserting in lieu thereof, the following: "Board";

Page 12, Section 3, Line 20½:

By inserting new paragraphs to read as follows:

"23. Any property or property interest that is possessed, owned or used in connection with the medical use of marijuana or acts incidental to such use, shall not be harmed, neglected, injured, or destroyed while in the possession of the Oklahoma Cannabis Commission or its designee, where such property has been seized in connection with the claimed medical use of marijuana. Any such property or property interest shall not be forfeited without conviction of a criminal offense and pursuant to state or federal law providing for such forfeiture. Marijuana and paraphernalia seized by state or local law enforcement officials from a patient or caregiver in connection with the claimed medical use of marijuana shall be returned immediately upon the determination of the district attorney or his or her designee that the patient or caregiver is entitled to the protection contained in this paragraph as may be evidenced, for example, by a decision not to prosecute, the dismissal of charges or acquittal;

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

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

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

Page 14, Section 4, Line 5:

By deleting after the word "Section" the following language: "10024 of Title 74" and inserting in lieu thereof, the following: "8006 of Title 63";

Page 17, Section 4, Line 1:

By deleting after the word "to" the word "promulgate" and inserting in lieu thereof, the word "suggest";

Page 17, Section 4, Line 8:

By deleting after the word "regulations" the word "promulgate" and inserting in lieu thereof, the word "suggest"; and

Page 17, Section 5, Line 11:

By inserting new sections 3-31 into the bill:

(see attached)

and by renumbering the subsequent sections of the bill.

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

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

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

9 As used in this act:

10 1. "Acquire" or "acquisition" means coming to possess marijuana
11 by means of any legal source herein authorized, not from an
12 unauthorized source, and in accordance with this act and any rules
13 promulgated under this act;

14 2. "Applicant" means a person or entity applying for a
15 dispensary license, commercial grower license, processor license,
16 medical marijuana testing laboratory license or transporter license;

17 3. "Approved" means to be approved by the Oklahoma Cannabis
18 Commission and provided a license;

19 4. "Assist" or "assisting" means helping a licensed patient
20 make medical use of marijuana by enabling the medical use by any
21 means authorized under this act;

22 5. "Attestation" means a medical document that is signed by an
23 Oklahoma board-certified physician for the use of medical marijuana
24 approved by the state;

1 6. "Authorization" means a medical document that is signed by
2 an Oklahoma board-certified physician for the use of medical
3 marijuana approved by the state;

4 7. "Batch" means the usable flower and trim consisting of a
5 specific lot or lots of marijuana grown by a commercial growing
6 facility from one or more seeds or cuttings of the same strain of
7 marijuana;

8 8. "Board" means the Oklahoma Cannabis Commission Governing
9 Board as created in Section 4 of this act;

10 9. "Cardholder" means a licensed patient, a dispensary agent, a
11 commercial growing facility agent, a processor agent, a medical
12 marijuana testing laboratory agent or a designated caregiver;

13 10. "Caregiver" means a family member or paid helper who
14 regularly looks after a homebound medical marijuana license holder;

15 11. "Commercial grower" means an entity or person that:

16 a. has been licensed by the Oklahoma Cannabis Commission
17 pursuant to this act, and

18 b. cultivates, prepares, manufactures and sells to and
19 delivers usable marijuana to licensed dispensaries,
20 other licensed commercial growers or licensed
21 processors;

22 12. "Commission" means the Oklahoma Cannabis Commission as
23 created in Section 3 of this act;

1 13. "Commissioner" means the Oklahoma Cannabis Commissioner as
2 created in Section 6 of this act;

3 14. "Department" means the State Department of Health;

4 15. "Designated caregiver" means a person who is at least
5 twenty-one (21) years of age, has not been convicted of an excluded
6 violent crime, has agreed to assist a physically disabled licensed
7 patient with the medical use of marijuana and who has registered
8 with the Oklahoma Cannabis Commission. A designated caregiver
9 includes, without limitation, a parent of a licensed patient who is
10 under the age of eighteen (18) and is required to register as a
11 designated caregiver under this act;

12 16. "Device used for the consumption of medical marijuana" or
13 "device" means all equipment, products and materials of any kind
14 which are used, intended for use or fashioned specifically for use
15 in planting, propagating, cultivating, growing, harvesting,
16 manufacturing, compounding, converting, producing, processing,
17 preparing, testing, analyzing, packaging, repackaging, storing,
18 containing, concealing, injecting, ingesting, inhaling or otherwise
19 introducing medical marijuana into the human body;

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

1 18. "Dispensary agent" means an employee, supervisor, volunteer
2 or agent of a dispensary who works at the dispensary and has
3 registered with the Oklahoma Cannabis Commission under this act or
4 an owner, officer or board member of a dispensary who has registered
5 with the Oklahoma Cannabis Commission under this act;

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

8 20. "Excluded violent crime" means:

- 9 a. a violent crime as provided for in Section 571 of
10 Title 57 of the Oklahoma Statutes. Provided, however,
11 an offense that has been sealed by a court or for
12 which a pardon has been granted is not considered an
13 excluded violent crime, or
- 14 b. a violation of a state or federal controlled dangerous
15 substance law that was classified as a felony in the
16 jurisdiction where the person was convicted, but shall
17 not include:
- 18 (1) an offense for which the sentence, including any
19 term of probation, incarceration or supervised
20 release, was completed ten (10) or more years
21 earlier, or
- 22 (2) an offense that has been sealed by a court or for
23 which a pardon has been granted;
- 24

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

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

- 6 a. has been licensed by the Oklahoma Cannabis Commission,
- 7 b. cultivates, prepares, manufactures, processes and
8 packages usable medical marijuana, and
- 9 c. sells and delivers usable medical marijuana to a
10 dispensary;

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

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

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

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

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

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

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

8 30. "Marijuana" means all parts of the plant *Cannabis sativa*
9 L., whether growing or not, the seeds thereof, the resin extracted
10 from any part of such plant and every compound, manufacture, salt,
11 derivative, mixture or preparation of such plant, its seeds or
12 resin, but shall not include:

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

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

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

12 33. "Medical purpose" means an intention to utilize medical
13 marijuana for physical or mental treatment, for diagnosis or for the
14 prevention of a disease condition not in violation of any state law
15 and not for the purpose of satisfying physiological or psychological
16 dependence or other abuse;

17 34. "Medical use" means the acquisition, possession, use,
18 delivery, transfer or transportation of marijuana or paraphernalia
19 relating to the administration of marijuana to treat a licensed
20 patient;

21 35. "Oklahoma board-certified physician" means a medical doctor
22 or osteopathic physician, licensed, registered or otherwise
23 permitted to prescribe, distribute, dispense, conduct research with
24 respect to, use for scientific purposes or administer a controlled

1 dangerous substance in the course of professional practice or
2 research in this state;

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

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

8 38. "Production" includes the manufacture, planting,
9 cultivation, growing or harvesting of a controlled dangerous
10 substance;

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

15 40. "Private business information" means information that if
16 disclosed would give advantage to competitors or bidders including,
17 but not limited to, information related to the plans of an
18 applicant, site location, operations, strategy or product
19 development and marketing unless approval for release of those
20 records is granted by the business entity;

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

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

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

7 44. "Registered to conduct business" means an individual or
8 business that has:

- 9 a. provided proof that the business applicant is in good
10 standing with the Oklahoma Secretary of State,
11 Oklahoma Tax Commission and the Internal Revenue
12 Service,
- 13 b. demonstrated the ability to operate a business in
14 compliance with applicable laws, rules and
15 regulations,
- 16 c. provided a detailed plan for acquiring and producing
17 sufficient quantities of the product they are engaged
18 in,
- 19 d. developed a business plan for operating the business
20 in which they are engaged in,
- 21 e. demonstrated financial stability, and
- 22 f. demonstrated a plan for economic impact and community
23 benefit;

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

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

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

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

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

15 50. "Written certification" means a document, not a medical
16 prescription, signed by an Oklahoma board-certified physician
17 stating that in the professional opinion of the physician, after
18 having completed an assessment of the medical history of the patient
19 and current medical condition made in the course of a physician-
20 patient relationship, the patient has a medical condition that can
21 be treated, minimized or relieved by the use of medical marijuana,
22 and the use of medical marijuana would not cause a significant
23 health risk to the patient.

1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8007 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.

7 B. The Oklahoma Cannabis Commission shall address issues
8 related to the medical marijuana program in Oklahoma including, but
9 not limited to, monitoring and disciplinary actions as they relate
10 to the medical marijuana program.

11 C. 1. The Commission or its designee may perform on-site
12 assessments of a licensed grower or grower-applicant, a licensed
13 processor or processor-applicant, a licensed laboratory or a
14 laboratory-applicant, and a licensed dispensary or dispensary-
15 applicant, to determine compliance with these acts or submissions
16 made pursuant to this section. The Commission may enter the
17 premises of a licensed grower, licensed processor, licensed
18 laboratory, or licensed dispensary at any time to assess or monitor.

19 2. Twenty-four (24) hours of notice shall be provided to a
20 licensed grower or grower-applicant, a licensed processor or
21 processor-applicant, a licensed laboratory or a laboratory-applicant
22 and a licensed dispensary or dispensary-applicant, prior to an on-
23 site assessment, except when the Commission has reasonable suspicion
24 to believe that providing notice will result in the destruction of

1 evidence, or that providing such notice will impede the ability of
2 the Commission to enforce these regulations.

3 3. The Commission may review any and all records of a licensed
4 patient or primary caregiver, licensed dispensary, licensed grower,
5 a licensed processor and licensed laboratory, and may require and
6 conduct interviews with such persons or entities and persons
7 affiliated with such entities, for the purpose of determining
8 compliance with Commission requirements and applicable laws.

9 4. All licensed dispensaries, licensed growers, licensed
10 processors and licensed laboratories shall provide the Commission or
11 the designee of the Commission immediate access to any material and
12 information necessary for determining compliance with this section.

13 5. Failure by a licensed dispensary, licensed grower, licensed
14 processor or licensed laboratory to provide the Commission access to
15 the premises or materials may result in disciplinary action, in
16 accordance with this section.

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

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

1 D. Disciplinary action may be taken against a licensed grower
2 or grower-applicant, a licensed processor or processor-applicant, a
3 licensed laboratory or a laboratory-applicant, a licensed dispensary
4 or dispensary-applicant or a licensed transporter or transporter-
5 applicant.

6 E. Disciplinary actions may include revocation, suspension or
7 denial of an application, license or Commission approval and other
8 action.

9 F. Disciplinary actions may be imposed for:

10 1. Failure to comply with or satisfy any provision of this
11 section;

12 2. Falsification or misrepresentation of any material or
13 information submitted to the Commission;

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

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

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

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

22 7. Failure to comply with requested access by the Commission to
23 the premises or materials;

24 8. Failure to pay a required monetary penalty;

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

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

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

6 G. Disciplinary actions against a licensed grower, licensed
7 processor, licensed laboratory or licensed dispensary may include
8 the imposition of monetary penalties, which may be assessed by the
9 Commission in the amount of:

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

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

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

16 Penalties for sales to persons other than those allowed by law
17 occurring within any two-year time period shall be an initial fine
18 of Five Thousand Dollars (\$5,000.00) for a first violation and
19 revocation of licensing for a second violation within a two-year
20 period.

21 Proceeds from penalties collected shall be deposited in a
22 special revenue fund known as the "Oklahoma Cannabis Commission
23 Fund" with the State Treasurer.

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

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

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

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

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

15 5. A licensed processor whose approval status has been
16 summarily suspended or who has received a notice of contemplated
17 action to suspend or revoke approval status or take other
18 disciplinary action;

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

22 7. A licensed laboratory whose approval status has been
23 summarily suspended or who has received a notice of contemplated
24

1 action to suspend or revoke approval status or take other
2 disciplinary action;

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

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

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

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

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

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

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

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

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

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

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

8 4. The hearing shall be recorded on audiotape or other means of
9 sound reproduction.

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

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

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

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

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

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

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

2 1. All pleadings, motions and intermediate rulings;

3 2. Evidence and briefs received or considered;

4 3. A statement of matters officially noticed;

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

6 5. Proposed findings and conclusions; and

7 6. Any action recommended by the hearing examiner.

8 N. A party may request a copy of the audio recording of the
9 proceedings.

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

13 2. The rules of evidence as applied in the courts do not apply
14 in these proceedings. Any relevant evidence shall be admitted.
15 Irrelevant, immaterial or unduly repetitious evidence may be
16 excluded.

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

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

22 P. Unless the hearing examiner determines that a different
23 procedure is appropriate, the hearing shall be conducted in
24

1 accordance with the procedures set forth in this section. The
2 following procedures shall apply:

3 1. The appellant shall present an opening statement and the
4 Commission may present an opening statement or reserve the statement
5 until presentation of the case of the Commission;

6 2. After the opening statements, if made, the appellant shall
7 present its case;

8 3. Upon the conclusion of the case of the appellant, the
9 Commission shall present its case;

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

12 5. After presentation of the evidence by the parties, the
13 parties may present closing arguments.

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

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

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

1 2. The appellant is responsible for ensuring the telephone
2 number to the location of the appellant for the telephonic hearing
3 is accurate and the appellant is available at said telephone number
4 at the time the hearing is to commence. Failure to provide the
5 correct telephone number or failure to be available at the
6 commencement of the hearing shall be treated as a failure to appear
7 and shall subject the appellant to a default judgment.

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

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

13 2. No later than thirty (30) calendar days after the last
14 submission by a party, the hearing examiner shall prepare and submit
15 to the Commission or designee of the Commission a written
16 recommendation of action to be taken by the Commission or designee
17 of the Commission. The recommendation shall propose sustaining,
18 modifying or reversing the action or proposed action of the
19 Commission.

20 3. The Commission or designee of the Commission shall issue a
21 final written decision accepting or rejecting the recommendation of
22 the hearing examiner in whole or in part no later than thirty (30)
23 calendar days after receipt of the recommendation of the hearing
24 examiner. The final decision shall identify the final action taken.

1 Service of the final decision of the Commission or designee of the
2 Commission shall be made upon the appellant by registered or
3 certified mail.

4 4. The final decision or order shall be included in the file of
5 the appellant with the medical cannabis program.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 8008 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

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

15 B. The Oklahoma Cannabis Commission shall be the regulatory
16 office established under State Question No. 788, Initiative Petition
17 No. 412, which will receive and review applications for medical
18 marijuana license recipients.

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

22 D. Within thirty (30) days of the passage of State Question No.
23 788, Initiative Petition No. 412, the Oklahoma Cannabis Commission
24 shall make available on its website, in an easy-to-find location, an

1 application for a medical marijuana license or temporary medical
2 marijuana license.

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

5 F. The application fee for a medical marijuana license shall be
6 One Hundred Dollars (\$100.00), or Twenty Dollars (\$20.00) for
7 individuals on Medicaid or Medicare. The methods of payment, to be
8 determined by the Oklahoma Cannabis Commission, shall be provided on
9 the website. Proceeds from the application fees collected shall be
10 deposited in a special revenue fund known as the "Oklahoma Cannabis
11 Commission Fund" with the State Treasurer.

12 G. To apply for a medical marijuana license, the applicant
13 shall:

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

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

21 H. A written certification from an Oklahoma Board certified
22 physician, as well as contact information for the physician, shall
23 be submitted with the application for a medical marijuana license.

24 The Oklahoma Cannabis Commission may contact the physician to verify

1 the applicant's need for a medical marijuana license. The physician
2 may only issue the written certification using accepted standards a
3 reasonable and prudent physician would follow when recommending or
4 approving any medication.

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

9 1. Applicants who are approved shall be issued a medical
10 marijuana license which shall act as proof of his or her approved
11 status.

12 2. If the Commission rejects an application for a medical
13 marijuana license, the letter to the applicant shall state the
14 reason why the application was rejected. Applications may only be
15 rejected by the Commission due to an applicant not meeting the
16 standards set forth in this section or the improper completion of an
17 application.

18 3. Letters that provide a status update to applicants shall
19 state a reason for the delay in either approval or rejection of the
20 application including situations where an application has been
21 properly submitted, but a delay in processing the application has
22 occurred.

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

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

- 6 1. A digital photograph of the medical marijuana licensee;
- 7 2. The expiration date of the license;
- 8 3. The county where the license was issued; and
- 9 4. The unique 24-character identification number assigned to
10 the medical marijuana licensee.

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

- 14 1. By accessing the website of the Oklahoma Cannabis
15 Commission;
- 16 2. By communication via telephone to the Oklahoma Cannabis
17 Commission; or
- 18 3. The Oklahoma Cannabis Commission may contract with other
19 state agencies to establish a method for verification should another
20 system be made available or determined to be more cost-effective.

21 M. All other records regarding a medical marijuana licensee
22 shall be maintained by the Oklahoma Cannabis Commission and shall be
23 deemed confidential. Such records shall be marked as confidential,
24 shall not be made available to the public and shall only be made

1 available to the licensee, designee of the licensee, the physician
2 of the licensee or the caregiver of the licensee.

3 1. The provisions of this subsection shall not prevent the
4 Commission from complying with a warrant or subpoena, nor with using
5 such records for the benefit of the licensee or the protection of
6 the Commission.

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

10 N. The Oklahoma Cannabis Commission shall provide for a
11 caregiver license for qualified caregivers of a medical marijuana
12 license holder who is homebound. The caregiver license shall
13 provide the caregiver the same rights as the medical marijuana
14 license holder, excluding use. Applicants for a caregiver license
15 shall submit the following to the Commission:

16 1. Proof of the homebound status of the medical marijuana
17 license holder;

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

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

22 4. Proof that the caregiver is an Oklahoma resident.
23
24

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8009 of Title 63, unless there is created a duplication in numbering, reads as follows:

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

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

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

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

- a. the history of the present illness of the patient,
- b. social history,
- c. past medical and surgical history,
- d. alcohol- and substance-use history,
- e. family history with emphasis on addiction, mental illness or psychotic disorders,
- f. physical examination,
- g. documentation of therapies with inadequate response,
- and
- h. diagnosis requiring the marijuana recommendation;

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

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

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

- 19 a. review of other measures attempted to ease the
20 suffering caused by the medical condition that does
21 not involve the recommendation of marijuana,
- 22 b. advice about other options for managing the medical
23 condition,

- 1 c. determination that the patient may benefit from the
2 recommendation of marijuana,
- 3 d. advice about the potential risks of the medical use of
4 marijuana to include, but not be limited to:
- 5 (1) the variability of quality and concentration of
6 marijuana,
- 7 (2) the risk of cannabis use disorder,
- 8 (3) adverse events, exacerbation of psychotic
9 disorder, adverse cognitive effects for children
10 and young adults and other risks, including falls
11 or fractures,
- 12 (4) use of marijuana during pregnancy or breast-
13 feeding,
- 14 (5) the need to safeguard all marijuana and
15 marijuana-infused products from children and pets
16 or domestic animals, and
- 17 (6) the need to notify the patient that the marijuana
18 is to be used only by the patient and the
19 marijuana shall not be donated or otherwise
20 supplied to another individual,
- 21 e. additional diagnostic evaluations or other planned
22 treatments,
- 23
24

- f. a specific duration for the marijuana authorization for a period no longer than twenty-four (24) months, and
- g. a specific ongoing treatment plan as medically appropriate.

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

D. Where available, the physician recommending marijuana should check the prescription-monitoring program each time a recommendation, attestation, authorization or reauthorization is issued. The physician should regularly assess the response of the patient to the use of marijuana and overall health and level of function, as medically appropriate. This assessment should include the efficacy of the treatment to the patient, the goals of the treatment and the progress of those goals.

E. A patient who has a history of substance use disorder or a co-occurring mental health disorder may require specialized assessment and treatment. The physician should seek a consultation

1 with, or refer the patient to, a pain management, psychiatric,
2 addiction or mental health specialist, as needed.

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

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

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

10 3. Other treatments and prescribed medications;

11 4. Authorization, attestation or recommendation for marijuana
12 to include date, expiration and any additional information required
13 by state statute;

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

16 6. Results of ongoing assessment and monitoring of the response
17 of the patient to the use of marijuana; and

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

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

23 H. A physician who recommends marijuana should not have a
24 professional office located at a dispensary or cultivation center or

1 receive financial compensation from or hold a financial interest in
2 a dispensary or cultivation center. Nor should the physician be a
3 director, officer, member, incorporator, agent, employee or retailer
4 of a dispensary or cultivation center.

5 I. After an Oklahoma board-certified physician reviews a
6 patient and makes a recommendation for marijuana according to the
7 guidelines, the physician may provide to a patient a liability
8 waiver.

9 J. In addition to demonstrating the physician followed the
10 recommendation guidelines, the liability waiver shall include the
11 following language:

12 "This agreement releases (Physician) from all liability relating
13 to injuries that may occur from the use of marijuana. By signing
14 this agreement, I agree to hold (Physician) entirely free from any
15 liability, including financial responsibility for injuries incurred,
16 from the use of marijuana.

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

- 19 1. The variability of quality and concentration of marijuana;
- 20 2. The risk of cannabis use disorder;
- 21 3. Exacerbation of psychotic disorders and adverse cognitive
- 22 effects for children and young adults;
- 23
- 24

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

4 5. Use of marijuana during pregnancy or breast-feeding;

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

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

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

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

17 I will also make every effort to obey safety precautions as
18 listed in writing and as explained to me verbally. I will ask for
19 clarification when needed."

20 K. No Oklahoma board-certified physician may be unduly
21 stigmatized or harassed for issuing a written certification for a
22 patient.

23 L. An Oklahoma board-certified physician shall not be subject
24 to arrest, prosecution or penalty in any manner or denied any right

1 or privilege, including without limitation a civil penalty or
2 disciplinary action by the State Board of Medical Licensure and
3 Supervision or by any other business, occupation or professional
4 licensing board or bureau, solely for providing written
5 certification for a patient. The provisions of this subsection
6 shall not prevent the State Board of Medical Licensure and
7 Supervision from sanctioning a physician for failing to properly
8 evaluate the medical condition of a patient or for otherwise
9 violating the applicable physician-patient standard of care.

10 SECTION 6. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 8010 of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

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

16 B. No school may refuse to enroll a person, nor landlord refuse
17 to lease to a person, solely for his or her status as a medical
18 marijuana license holder, unless failing to do so would cause the
19 school or landlord to lose a monetary or licensing-related benefit
20 under federal law or regulations.

21 C. Unless a failure to do so would cause an employer to lose a
22 monetary or licensing-related benefit under federal law or
23 regulations, an employer may not discriminate against a person when
24 hiring, terminating or imposing any term or condition of employment

1 or otherwise penalize a person solely based upon the status of the
2 person as a medical marijuana license holder or based upon results
3 of a drug test that shows the medical marijuana license holder tests
4 positive for marijuana or its components; provided, however,
5 employers may take action against a medical marijuana license holder
6 if the person uses or possesses marijuana while at the place of
7 employment of the medical marijuana license holder or during the
8 hours of employment.

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

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

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

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

15 H. A person shall not be subject to arrest, prosecution or
16 penalty in any manner or denied any right or privilege, including
17 without limitation a civil penalty or disciplinary action by a
18 business, occupational or professional licensing board or bureau,
19 simply for being in the presence or vicinity of the medical use of
20 marijuana as allowed under the medical marijuana program or for
21 directly assisting a physically disabled qualifying patient with the
22 medical use of marijuana.
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1 SECTION 7. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8011 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 will monitor, inspect and audit personal production
13 of 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 personal production license applications.

17 D. Within one hundred twenty (120) days of the passage of State
18 Question No. 788, the Oklahoma Cannabis Commission shall make
19 available, on its website, in an easy-to-find location, an
20 application for a personal production license.

21 E. A licensed patient may apply for a personal production
22 license to produce medical marijuana solely for the personal use of
23 the licensed patient. A personal production license applicant shall
24

1 submit his or her application to the Oklahoma Cannabis Commission
2 for approval.

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

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

12 H. Licensed patients shall provide the following in order to be
13 considered for a personal production license to produce medical
14 marijuana:

15 1. Applicable nonrefundable fee;

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

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

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

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

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

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

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

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

22 10. Detailed information of the Oklahoma-licensed dispensary
23 from which the patient will buy marijuana plants, seedlings, seeds
24

1 or clippings. This information shall include, but not be limited
2 to, the following:

3 a. the name and license number of the commercial grower
4 or processor,

5 b. the address and phone number of the commercial grower
6 or processor,

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

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

9 e. the date of the transaction,

10 f. the total spent in dollars, and

11 g. any additional information as may be required by the
12 Commission;

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

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

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

22 SECTION 8. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 8012 of Title 63, unless there
24 is created a duplication in numbering, reads as follows:

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

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

11 C. The Oklahoma Cannabis Commission, with the aid of the Office
12 of Management and Enterprise Services, shall develop a website for
13 dispensary applications.

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

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

21 F. Proceeds from the application fees collected shall be
22 deposited in a special revenue fund known as the "Oklahoma Cannabis
23 Commission Fund" with the State Treasurer.

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

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

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

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

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

20 3. Letters that provide a status update to applicants shall
21 state a reason for the delay in either approval or rejection of the
22 application including situations where an application has been
23 properly submitted, but a delay in processing the application has
24 occurred.

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

4 K. The Oklahoma Cannabis Commission shall approve all
5 applications for a dispensary license that meet the following
6 minimum criteria:

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

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

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

17 4. All individuals or entities applying for a dispensary
18 license must be registered to conduct business in the State of
19 Oklahoma;

20 5. All applicants shall disclose all ownership interests in the
21 dispensary; and

22 6. All applicants, including all owners of the entity applying
23 for a license, who:
24

- a. have a nonviolent felony conviction in the two (2) years preceding the application submission deadline,
- b. have any other felony conviction in the five (5) years preceding the application submission deadline, or
- c. are inmates or persons currently incarcerated in a penal institution,

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

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8013 of Title 63, unless there is created a duplication in numbering, reads as follows:

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

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

C. Only an Oklahoma-licensed dispensary may conduct retail sales of marijuana or marijuana derivatives in the form provided by licensed processors, and these products can only be sold to a medical marijuana license holder or his or her caregiver.

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

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

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

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

18 G. The Oklahoma Cannabis Commission shall have oversight and
19 auditing responsibilities to ensure that all marijuana being grown
20 in Oklahoma is accounted for. Pursuant to these duties, the
21 Commission shall require that each dispensary keep records for every
22 transaction with commercial growers or licensed processors. These
23 records shall include, but not be limited to, the following:

- 1 1. The name and license number of the commercial grower or
2 processor;
- 3 2. The address and phone number of the commercial grower or
4 processor;
- 5 3. The type of product received during the transaction;
- 6 4. The batch number of the marijuana plant used;
- 7 5. The date of the transaction;
- 8 6. The total spent in dollars; and
- 9 7. Any additional information as may be required by the
10 Commission.

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

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

1 form or forms of medical marijuana or dosage for the licensed
2 patient and the form and the quantity of medical marijuana sold.

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

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

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

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

14 4. The risk of cannabis use disorder;

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

18 6. Use of marijuana during pregnancy or breast feeding;

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

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

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
17 Fund" 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.

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
7 Fund" 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 10. 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;

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,

- 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 11. 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.

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

2. Rejection letters shall provide a reason for rejection.

Applications may only be rejected based on the applicant not meeting the standards set forth in this section or improper completion of the application.

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

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

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

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

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

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

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

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 12. 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.

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
20 Fund" 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 13. 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

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 processor facility shall be attended to by a processor
facility agent at all times while present on the premises.
Contractors conducting repairs, maintenance or other specific duties
may be escorted to their worksite and left unaccompanied while
completing a job. Processor agents shall ensure that the contractor
and area under repair are under video surveillance for the duration
of the time spent on the premises by the contractor; and

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

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

b. provide coverage of any room with an exterior wall,
any room containing a safe and any room used to grow
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,

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;

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; and

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.

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

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

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

21 L. The monthly visitors log and any changes to the detailed
22 plans, elevation drawings and written policies shall be reported to
23 the Commission along with the monthly yield and sales report on the
24 15th of each month.

1 M. A processing facility shall maintain compliance with
2 applicable city or county building or structure rules, regulations
3 or ordinances and any other applicable state laws or rules regarding
4 buildings or structures.

5 SECTION 14. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 8018 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 receive and review applications for commercial
17 growers 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 commercial grower applications.

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

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

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

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

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

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

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

23 2. Rejection letters shall provide a reason for the rejection.
24 Applications may only be rejected based on the applicant not meeting

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

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

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

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

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

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

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

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

22 5. The applicants have disclosed all ownership.

23 Applicants, including all owners of the entity, who have a
24 nonviolent felony conviction in the two (2) years preceding the

1 application submission deadline, have any other felony conviction in
2 the five (5) years preceding the application submission deadline, or
3 who are inmates or are currently incarcerated in a penal institution
4 may not qualify for or have an interest in a commercial grower
5 license for medical marijuana.

6 SECTION 15. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 8019 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

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

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

19 C. A licensed commercial grower may only sell marijuana to an
20 Oklahoma-licensed dispensary, Oklahoma-licensed packager, other
21 Oklahoma-licensed commercial grower or Oklahoma-licensed processor.
22 These sales shall be considered wholesale sales and not subject to
23 taxation. A commercial grower may only sell marijuana that has been
24 grown in Oklahoma.

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

3 E. A licensed commercial grower shall not sell marijuana
4 wholesale to an out-of-state wholesale provider. In the event the
5 federal government lifts restrictions on buying and selling
6 marijuana between states, a licensed commercial grower shall be
7 allowed to sell marijuana wholesale to an out-of-state wholesale
8 provider.

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

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

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

19 2. The name of the entity that produced the seeds, cuttings or
20 clones;

21 3. The batch number;

22 4. The name of the strain; and

23 5. Any additional information as required by the Commission.
24

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

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

11 I. The Oklahoma Cannabis Commission shall have oversight and
12 auditing responsibilities to ensure that all marijuana being grown
13 is accounted for.

14 J. Penalties for gross discrepancies occurring within any two-
15 year time period shall be an initial fine of Five Thousand Dollars
16 (\$5,000.00) for the first violation and revocation of licensing for
17 the second violation in a two-year period.

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

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

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

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

4 M. Each commercial grower shall contract with an independent
5 laboratory to test the medical marijuana sold by the dispensary.
6 The Oklahoma Cannabis Commission shall approve the laboratory and
7 require that the laboratory report testing results in a manner
8 determined by the Commission.

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

12 1. Distribution criteria for licensed patients or primary
13 caregivers appropriate for marijuana services to include clear,
14 legible photocopies of the registry identification card and Oklahoma
15 photo identification card of every licensed patient or primary
16 caregiver served by the private entity;

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

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

20 4. Employee policies and procedures to address the following
21 requirements:

22 a. job descriptions or employment contracts developed for
23 every employee that identify duties, authority,
24 responsibilities, qualifications and supervision, and

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

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

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

a. professional conduct, ethics and patient confidentiality, and

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

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

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

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

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

a. safety and security procedures,

b. personal safety, and

c. crime prevention techniques;

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

5 10. A written policy regarding the right of the commercial
6 grower to refuse service;

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

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

13 O. A commercial grower shall maintain documentation of the
14 training of an employee for a period of at least six (6) months
15 after terminating the employment of the employee. Employee training
16 documentation shall be made available within twenty-four (24) hours
17 of a request by the Commission. The twenty-four-hour period shall
18 exclude holidays and weekends.

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

22 Q. Failure to maintain all reports and lists described in this
23 section shall result in review of the license of the commercial
24

grower with the potential revocation of the commercial grower license.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8020 of Title 63, unless there is created a duplication in numbering, reads as follows:

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

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

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

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

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

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

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

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

5 E. All persons associated with a commercial grower shall
6 consent to and undergo a national criminal history record check and
7 an Oklahoma criminal history record check by the Oklahoma State
8 Bureau of Investigation. Background check documentation shall be
9 submitted annually to the Commission.

10 F. All applicable fees associated with the national and
11 statewide criminal history record check shall be paid by the
12 commercial grower.

13 G. A commercial grower facility shall meet the following
14 security requirements:

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

18 2. All storage and sale of marijuana occurs within a building
19 that:

- 20 a. has a complete roof enclosure supported by connecting
21 walls that are constructed of solid material extending
22 from the ground to the roof,
23 b. is secure against unauthorized entry,

- c. has a foundation, slab or equivalent base to which the floor is securely attached,
- d. 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,
- e. provides complete visual screening, and
- f. 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 commercial grower facility, including:

- a. all storage areas, ventilation systems and equipment used for growing,
- b. all entrances and exits to the commercial grower 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 nongrowing 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 commercial grower facility shall be attended to by a commercial grower facility agent at all times while present on the premises. Contractors conducting repairs, maintenance or other specific duties may be escorted to their worksite and left unaccompanied while completing a job. Commercial grower agents shall ensure that the contractor and area under repair are under

1 video surveillance for the duration of the time spent on the
2 premises by the contractor;

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

- 7 a. provide coverage for all points of ingress to and
8 egress from the commercial grower facility including,
9 without limitation, doorways, windows, loading bays,
10 skylights and retractable roof mechanisms,
- 11 b. provide coverage of any room with an exterior wall,
12 any room containing a safe and any room used to grow
13 or store medical marijuana,
- 14 c. be equipped with a panic drive that upon activation
15 shall not only sound any audible alarm components but
16 shall also notify law enforcement,
- 17 d. have duress and hold-up features to enable a
18 commercial grower agent to activate a silent alarm
19 notifying law enforcement of an emergency,
- 20 e. be equipped with failure notification systems to
21 notify the commercial grower facility and law
22 enforcement of any failure in the alarm system, and
- 23 f. have the ability to remain operational during a power
24 outage; and

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

- 3 a. species,
- 4 b. strains,
- 5 c. whether it is a male or female plant,
- 6 d. size,
- 7 e. yield,
- 8 f. lineage,
- 9 g. batch number, and
- 10 h. any unique characteristics.

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

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

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

19 3. That any person who, by medical examination or supervisory
20 observation, is shown to have or appears to have, an illness, open
21 lesion, including a boil, sore, or infected wound, or any other
22 abnormal source of microbial contamination for whom there is a
23 reasonable possibility of contact with preparation surfaces for
24 medical marijuana, shall be excluded from any operations which may

1 be anticipated to result in such contamination until the condition
2 is corrected;

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

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

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

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

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

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

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

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

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

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

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

4 14. 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;

7 15. That the water supply is sufficient for the operations
8 intended and is derived from a source that is a regulated water
9 system. Private water supplies shall be from a water source that is
10 capable of providing a safe, potable and adequate supply of water to
11 meet the needs of the commercial growing facility;

12 16. That plumbing shall be of adequate size and design,
13 adequately installed and maintained to carry sufficient quantities
14 of water to required locations throughout the facility. The
15 plumbing shall properly convey sewage and liquid disposable waste
16 from the facility;

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

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

22 19. That all operations in the receipt, inspection, transport,
23 segregation, preparation, manufacture, packaging and storage of
24

1 medical marijuana are conducted in accordance with adequate security
2 and sanitation principles;

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

6 21. That storage and transportation of medical marijuana are
7 under conditions that will maintain security and protect medical
8 marijuana against physical, chemical and microbial contamination as
9 well as against deterioration of the medical marijuana or marijuana-
10 derived product and the container; and

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

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

21 J. The monthly visitors log and any changes to the detailed
22 plans, elevation drawings and written policies shall be reported to
23 the Commission along with the monthly yield and sales report on the
24 15th of each month.

1 K. A commercial grower facility shall maintain compliance with
2 applicable city or county building or structure rules, regulations
3 or ordinances and any other applicable state laws or rules regarding
4 buildings or structures.

5 SECTION 17. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 8021 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

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

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

14 C. A dispensary, commercial grower or processor licensed in
15 Oklahoma shall sample and test dried usable marijuana and
16 concentrated marijuana-derived products for microbiological
17 contaminants, using an approved laboratory. A dried marijuana
18 sample may be deemed to have passed the microbiological test if it
19 satisfies the standards set forth in Section 2023 of the United
20 States Pharmacopeia which provides the microbiological attributes of
21 nonsterile nutritional and dietary supplements.

22 D. A dispensary, commercial grower or processor licensed in
23 Oklahoma shall sample and test dried usable marijuana and
24

1 concentrated marijuana-derived products for mycotoxins, using an
2 approved laboratory.

3 E. A dispensary, commercial grower or processor licensed in
4 Oklahoma shall sample and test all concentrated marijuana-derived
5 products that are manufactured using solvent extraction methods for
6 the presence of solvent residue, using an approved laboratory. A
7 dispensary, commercial grower or processor shall determine on the
8 basis of the solvent residue test results whether the quantity of
9 solvent residue contained within a concentrated marijuana-derived
10 product poses a health risk to consumers. A dispensary, commercial
11 grower or processor shall not sell or distribute a concentrated
12 marijuana-derived product from a batch that is found to contain a
13 quantity of solvent residue that is likely to be harmful to human
14 health.

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

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

23 H. A dispensary, commercial grower or processor licensed in
24 Oklahoma may release an entire batch of dried marijuana or

1 concentrated marijuana-derived product for immediate manufacture,
2 sale or other use, provided the sample taken from the batch passes
3 the tests required in this section.

4 I. A dispensary, commercial grower or processor licensed in
5 Oklahoma shall ensure that the following testing procedures are
6 followed:

7 1. A dispensary, commercial grower or processor shall remove a
8 sample of no less than three (3) grams from every batch of
9 harvested, dried, usable marijuana, and no less than one (1) gram
10 from every batch of concentrated marijuana-derived product, and
11 transfer the sample to an approved laboratory for testing. The
12 remainder of the batch of dried, usable marijuana or concentrated
13 marijuana-derived product shall be segregated until the dispensary,
14 commercial grower or processor receives the results of laboratory
15 testing report and determines whether the batch meets the testing
16 requirements of this section;

17 2. A dispensary, commercial grower or processor shall
18 appropriately document the sampling and testing of all dried
19 marijuana and concentrated marijuana-derived product, and shall
20 utilize a Commission-approved laboratory for the purpose of testing
21 usable marijuana;

22 3. If a sample does not pass testing, the producer shall
23 determine whether remediation is appropriate and test another sample
24 from the batch at issue, or identify processes that will render the

1 dried marijuana or marijuana-derived product safe and retest in
2 accordance with the requirements of this section;

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

9 5. A dispensary, commercial grower or processor shall adopt and
10 maintain on the premises protocols regarding sampling, sample
11 testing, remediation and retesting, consistent with the provisions
12 of this section;

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

20 7. Repeated failure to pass testing may result in the
21 imposition of disciplinary action by the Commission consistent with
22 the provisions of this act.
23
24

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8022 of Title 63, unless there is created a duplication in numbering, reads as follows:

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

B. The Oklahoma Cannabis Commission shall be the regulatory office established under State Question No. 788, Initiative Petition No. 412, which shall receive and review applications for medical marijuana testing laboratories.

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

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

1. Mycotoxin analysis;
2. Microbiological contaminant analysis;

1 3. Solvent residue analysis;

2 4. Quantity of tetrahydrocannabinol (THC) and cannabidiol
3 (CBD); and

4 5. Such other testing categories as the Commission may
5 identify.

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

9 F. The Oklahoma Cannabis Commission shall, within sixty (60)
10 days of the effective date of this act, make available on its
11 website in an easy-to-find location, an application for a medical
12 marijuana testing laboratory license.

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

16 H. Proceeds from the application fees collected shall be
17 deposited in a special revenue fund known as "Oklahoma Cannabis
18 Commission Fund" with the State Treasurer.

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

22 J. A laboratory applicant, if an entity, shall be owned by a
23 resident of the State of Oklahoma and shall be registered to do
24 business in Oklahoma; provided, however, an entity applying for a

1 license may show ownership of non-Oklahoma residents but their
2 percentage of ownership may not exceed twenty-five percent (25%).

3 K. The Oklahoma Cannabis Commission shall review the medical
4 marijuana testing laboratory application, approve or reject the
5 application, and mail the approval, rejection or status update
6 letter to the applicant within fourteen (14) days of receipt of the
7 application.

8 1. Approved applicants shall be issued a medical marijuana
9 testing laboratory license which shall act as proof of their
10 approved status.

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

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

19 L. Approval, rejection or status-update letters shall be sent
20 to the applicant in the same method the application was submitted to
21 the Commission.

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

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

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

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

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

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

12 6. All applicants have disclosed ownership.

13 The applicant, including owners of entity applicants, who has a
14 nonviolent felony conviction in the two (2) years preceding the
15 application submission deadline, any other felony conviction in the
16 five (5) years preceding the application submission deadline, or is
17 an inmate or a person currently incarcerated in a penal institution,
18 may not qualify for or have an interest in a medical marijuana
19 testing laboratory license.

20 N. Commission approval of a medical marijuana testing
21 laboratory for purposes of this section shall be for a term of one
22 (1) year and shall expire after that year, or upon closure of the
23 approved laboratory. An approved medical marijuana testing
24

1 laboratory shall apply for renewal of approval annually no later
2 than thirty (30) days prior to expiration.

3 O. The Commission may deny, withdraw or suspend approval of a
4 medical marijuana testing laboratory in accordance with this section
5 upon determination by the Commission that the laboratory has
6 violated a provision of this section, upon failure of a proficiency
7 test, upon the refusal of the laboratory to provide requested access
8 to premises or materials, or upon the failure of a laboratory to
9 comply with any standard, procedure or protocol developed, submitted
10 or maintained pursuant to the provisions of this act.

11 SECTION 19. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 8023 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 medical marijuana
23 testing laboratories.

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

5 D. A licensed medical marijuana testing laboratory shall not
6 sell marijuana or any marijuana product directly to a medical
7 marijuana license holder.

8 E. The Oklahoma Cannabis Commission shall have oversight and
9 auditing responsibilities to ensure that all marijuana being tested
10 is accounted for.

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

15 1. A licensed medical marijuana testing laboratory shall only
16 be subject to a penalty if a gross discrepancy exists and cannot be
17 explained.

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

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

1 H. A licensed medical marijuana testing laboratory may receive
2 test samples of marijuana or marijuana-derived products from any
3 licensed patient, licensed dispensary, licensed grower or licensed
4 processor.

5 I. A licensed medical marijuana testing laboratory or
6 laboratory applicant shall establish and implement policies for
7 sample preparation, documentation and transport, including:

- 8 1. Accepted test sample types;
- 9 2. Minimum test sample size;
- 10 3. Recommended test sample container;
- 11 4. Test sample labeling;
- 12 5. Transport and storage conditions such as refrigeration, as
13 appropriate;
- 14 6. Other requirements, such as use of preservatives, inert gas
15 or other measures designed to protect sample integrity; and
- 16 7. Creation of chain-of-custody documentation for each sample.

17 J. A licensed medical marijuana testing laboratory shall:

- 18 1. Record the receipt of every test sample received, the record
19 of which shall include:
 - 20 a. the name and contact information of the licensed
21 producer that was the source of the sample,
 - 22 b. an appropriately specific description of the sample,
 - 23 c. the date of receipt of the sample,

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

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

4 2. Inform each licensed producer or individual who submits a
5 test sample of the policies established in accordance with this
6 section.

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

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

14 2. Analyzed test samples consisting of marijuana or marijuana-
15 derived products shall be appropriately segregated, controlled and
16 held in a controlled access area pending destruction or other
17 disposal.

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

20 a. returned to the licensed producer who provided the
21 sample, or

22 b. destroyed in a manner which prevents unauthorized use.
23 Such destruction shall be documented and witnessed by
24 at least two employees, one of whom shall be

1 supervisory or managerial personnel. If video
2 surveillance is used, only one employee is required to
3 be in attendance.

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

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

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

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

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

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

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

21 5. On-site training curricula or contracts with outside
22 resources capable of meeting employee training needs to include, at
23 a minimum, the following topics:
24

1 a. professional conduct, ethics and patient
2 confidentiality, and

3 b. informational developments in the field of medical use
4 of marijuana;

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

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

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

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

14 a. safety and security procedures,

15 b. personal safety, and

16 c. crime prevention techniques;

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

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

23 10. Such other policies or procedures as the Commission may
24 require.

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

7 N. Each licensed medical marijuana testing laboratory shall
8 maintain a backup of all reports and lists described in this
9 section, off-site and at a secure facility. The backup of the
10 reports and lists shall be updated each week.

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

15 SECTION 20. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 8024 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

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

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 testing laboratories.

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 licensed medical marijuana testing laboratories and laboratory
8 applicants.

9 D. A licensed medical marijuana testing laboratory shall not
10 hire any person who:

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

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

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

17 It shall be the obligation of the licensed medical marijuana testing
18 laboratory to perform a background check prior to employment.

19 E. All persons associated with a licensed medical marijuana
20 testing laboratory shall consent to and undergo a national criminal
21 history record check and an Oklahoma criminal history record check
22 by the Oklahoma State Bureau of Investigation. Background check
23 documentation shall be submitted annually to the Commission.
24

1 F. All applicable fees associated with the national and
2 statewide criminal history record check shall be paid by the
3 licensed medical marijuana testing laboratory.

4 G. A licensed medical marijuana testing laboratory shall meet
5 the following security requirements:

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

9 2. All storage of marijuana occurs within a building that:

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

1 (3) light pollution, glare or brightness,

2 (4) adequate ventilation to prevent mold, and

3 (5) noise,

4 f. provides complete visual screening, and

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

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

9 a. all storage areas, ventilation systems and equipment
10 used for testing,

11 b. all entrances and exits to the laboratory facility,

12 c. all windows, skylights and retractable mechanisms
13 built into the roof,

14 d. the location of all required security cameras,

15 e. the location of all alarm inputs, detectors and
16 sirens,

17 f. all video and alarm system surveillance areas,

18 g. all sales areas labeled according to the specific
19 activity occurring within the area,

20 h. all restricted and limited access areas identified,
21 and

22 i. all areas labeled according to purpose;

23 4. Access to areas where marijuana is stored is limited to
24 authorized personnel and:

1 a. designated by clearly marked signage, and

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

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

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

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

- b. provide coverage of any room with an exterior wall, any room containing a safe and any room used to grow 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 laboratory agent to activate a silent alarm notifying law enforcement of an emergency,
- e. be equipped with failure notification systems to notify laboratory 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 medical marijuana testing laboratory and a laboratory applicant shall comply with all applicable local ordinances, including but not limited to zoning, occupancy, licensing and building codes.

I. The operators of a licensed medical marijuana testing laboratory shall maintain the premises of the laboratory in a clean and orderly condition and shall equip the premises with such utensils and equipment as necessary to conduct the operations of the laboratory. The operators of the laboratory shall ensure adequate

1 space for laboratory operations, sample storage and document
2 storage.

3 J. A licensed medical marijuana testing laboratory shall be
4 equipped with one or more secure, controlled access areas for
5 storage of marijuana and marijuana-derived product test samples,
6 marijuana-derived waste and reference standards. Access to such
7 storage areas shall be limited by the laboratory to authorized
8 individuals.

9 K. 1. Equipment used for the analysis of test samples shall be
10 adequately inspected, cleaned and maintained. Equipment used for
11 the generation or measurement of data shall be adequately tested and
12 calibrated on an appropriate schedule, as applicable.

13 2. Laboratory operations shall document procedures setting
14 forth in sufficient detail the methods and schedules to be used in
15 the routine inspection, cleaning, maintenance, testing and
16 calibration of equipment and shall specify, as appropriate, remedial
17 action to be taken in the event of failure or malfunction of
18 equipment. The procedures shall designate the personnel responsible
19 for the performance of each operation.

20 3. Records shall be maintained of all inspection, maintenance,
21 testing and calibrating operations. These records shall include the
22 date of the operation, the person who performed it, the written
23 procedure used and any deviations from the written procedure.

24 Records shall be kept of nonroutine repairs performed on equipment

1 as a result of failure and malfunction. Such records shall document
2 the nature of the repair, how and when the need for the repair was
3 discovered and any remedial action taken in response to the repair.

4 4. Computer systems used for the analysis of samples, retention
5 of data, sample tracking, calibration scheduling, management of
6 reference standards or other critical laboratory management
7 functions shall ensure that electronic records, electronic
8 signatures and handwritten signatures executed to electronic records
9 are trustworthy, reliable and generally equivalent to paper records
10 and handwritten signatures executed on paper.

11 L. 1. A licensed medical marijuana testing laboratory is
12 authorized to possess reagents, solutions and reference standards.
13 Such items shall be:

- 14 a. secured in accordance with the storage policies of the
15 licensed medical marijuana testing laboratory, labeled
16 to indicate identity, date received or prepared and
17 expiration or requalification date, and, where
18 applicable, concentration or purity, storage
19 requirements and date opened,
- 20 b. stored under appropriate conditions to minimize
21 degradation or deterioration of the material, and
- 22 c. used only within the expiration or requalification
23 date of the item.

1 2. Deteriorated or outdated reagents and solutions shall be
2 properly destroyed.

3 3. A licensed medical marijuana testing laboratory may acquire
4 commercial reference standards for cannabinoids and other chemicals
5 or contaminants for the exclusive purpose of conducting testing for
6 which the laboratory is licensed. A licensed medical marijuana
7 testing laboratory may elect to internally produce reference
8 standards. When internally produced, a licensed medical marijuana
9 testing laboratory shall utilize standard analytical techniques to
10 document the purity and concentration of the internally produced
11 reference standards. A licensed medical marijuana testing
12 laboratory is authorized to obtain marijuana or marijuana-derived
13 product from a licensed nonprofit producer for this purpose.

14 4. A licensed medical marijuana testing laboratory shall obtain
15 or, for internally-produced standards, shall create a certificate of
16 analysis (COA) for each lot of reference standard. Each COA shall
17 be kept on file and the lot number of the reference standard used
18 shall be recorded in the documentation for each analysis, as
19 applicable.

20 M. A licensed medical marijuana testing laboratory shall:

21 1. Utilize analytical methods that are appropriate for the
22 purpose of testing marijuana and marijuana-derived products;

23 2. Require analysts to demonstrate proficiency in the
24 performance of the analytical methods used;

1 3. Maintain written procedures for the analytical method used
2 for the analysis of each test sample, including:

- 3 a. sample preparation,
- 4 b. reagent, solution and reference standard preparation,
- 5 c. instrument setup, as applicable,
- 6 d. standardization of volumetric reagent solutions, as
- 7 applicable,
- 8 e. data acquisition, and
- 9 f. calculation of results;

10 4. Specify, as applicable to each analytical method used,
11 requirements for accuracy, precision, linearity, specificity, limit
12 of detection, limit of quantitation and other data quality
13 parameters;

14 5. Ensure that no deviations from licensed protocols or
15 standard operating procedures are made during any analytical process
16 without proper authorization and documentation; and

17 6. Use only primary standards or secondary standards for
18 quantitative analyses.

19 N. 1. A licensed medical marijuana testing laboratory shall
20 ensure that all data generated during the testing of a test sample,
21 except data generated by automated data collection systems, is
22 recorded directly, promptly and legibly in ink. All data shall be
23 annotated with the date of entry and signed or initialed by the
24 person recording the data. Any change in entries shall be made so

1 as not to obscure the original entry, shall indicate the reason for
2 such change and shall be dated and signed or initialed at the time
3 of the change.

4 2. In automated data collection systems, the individual
5 responsible for direct data input shall be identified at the time of
6 data input. Any change in automated data entries shall be made so
7 as not to void or delete the original entry, shall indicate the
8 reason for change, shall be dated and shall identify the responsible
9 individual.

10 3. For each final result reported, a licensed medical marijuana
11 testing laboratory shall verify that:

- 12 a. any calculations or other data processing steps were
13 performed correctly,
- 14 b. the data meet any data quality requirements including,
15 but not limited to, accuracy, precision and linearity,
- 16 c. any reference standards used were of the appropriate
17 purity and within their expiration or requalification
18 dates,
- 19 d. any volumetric solutions were properly standardized
20 before use, and
- 21 e. any test or measuring equipment used has been properly
22 tested, verified and calibrated and is within its
23 verification or calibration period.

24

1 O. 1. A licensed medical marijuana testing laboratory shall
2 ensure that all raw data, documentation, protocols and final reports
3 associated with analysis of a test sample are retained for two (2)
4 years from the date of the completion of analysis.

5 2. A licensed medical marijuana testing laboratory shall
6 maintain the records identified in this section. Such records shall
7 be maintained:

- 8 a. in a manner that allows retrieval as needed,
- 9 b. under conditions of storage that minimize
10 deterioration throughout the retention period, and
- 11 c. in a manner that prevents unauthorized alteration.

12 P. A licensed medical marijuana testing laboratory shall
13 designate an individual as responsible for records maintenance.
14 Only authorized personnel may access the maintained records.

15 Q. 1. A laboratory report of a test conducted at the request
16 of a licensed producer or qualified patient shall contain the
17 following information:

- 18 a. the date of receipt of the test sample,
- 19 b. the description of the type or form of the test sample
20 including, but not limited to, the leaf, flower,
21 powder, oil or specific edible product,
- 22 c. the unique sample identifier,
- 23 d. information on whether sampling was performed by the
24 laboratory operation, by the compliant business or

- 1 individual which submitted the test sample, or by a
2 third party,
- 3 e. date on which analysis occurred,
- 4 f. the analytical method used, including at a minimum
5 identification of the type of analytical equipment
6 used,
- 7 g. the analytical results, including units of measure
8 where applicable,
- 9 h. the identity of the supervisory or management
10 personnel who reviewed and verified the data and
11 results and ensured that data quality, calibration and
12 other applicable requirements were met, and
- 13 i. the name, address and contact information of the
14 licensed medical marijuana testing laboratory that
15 conducted the test.

16 2. The laboratory report shall state that reported analytical
17 results apply only to the test sample received.

18 R. Unused marijuana, marijuana products or marijuana-derived
19 product waste that is in the possession of a licensed medical
20 marijuana testing laboratory shall be disposed of by transporting
21 the unused portion to a state or local law enforcement office or by
22 destruction of the material.

23 S. A licensed medical marijuana testing laboratory shall
24 promptly provide the Commission or designee of the Commission access

1 to a report of a test and any underlying data that is conducted on a
2 sample at the request of a licensed producer or qualified patient.
3 A licensed medical marijuana testing laboratory shall also provide
4 access to the Commission or designee of the Commission to laboratory
5 premises and to any material or information requested by the
6 Commission, for the purpose of determining compliance with the
7 requirements of this section.

8 T. A licensed medical marijuana testing laboratory shall retain
9 all results of laboratory tests conducted on marijuana or marijuana-
10 derived products for a period of at least two (2) years and shall
11 make them available to the Commission upon the request of the
12 Commission.

13 U. A licensed medical marijuana testing laboratory shall take
14 reasonable measures and precautions to ensure the following:

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

18 2. That the testing operation and all equipment, implements and
19 fixtures shall be used exclusively for the testing of marijuana-
20 derived products and that any other use shall be prohibited;

21 3. Laboratory staff involved in the handling, transportation,
22 manufacture, testing or packaging of marijuana-derived products
23 shall 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 testing operation
19 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,

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
6 condition 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 testing of medical marijuana and marijuana-
11 derived products;

12 8. That litter and waste are properly removed and the operating
13 systems for waste disposal are maintained in an adequate manner so
14 that they do not constitute a source of contamination in areas where
15 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 place
23 for pests;

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

4 12. That all contact surfaces, including utensils and equipment
5 used for testing 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 testing marijuana-
9 derived products are designed and of such material and workmanship
10 as to be adequately cleanable and are properly maintained;

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

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

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

23 17. That plumbing shall be of adequate size and design,
24 adequately installed and maintained to carry sufficient quantities

1 of water to required locations throughout the facility. The
2 plumbing shall properly convey sewage and liquid disposable waste
3 from the facility;

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

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

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

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

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

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

7 V. Inspection by the local fire marshal for the storage and use
8 of any hazardous chemicals shall be required prior to processing
9 medical marijuana.

10 W. Any and all detailed plans, elevation drawing and written
11 policies shall be provided to the Oklahoma Cannabis Commission prior
12 to being deemed registered to conduct business in the State of
13 Oklahoma. In addition, the Oklahoma Cannabis Commission may inspect
14 the premises, business plans and conduct interviews of all
15 applicants prior to being deemed registered to conduct business in
16 the State of Oklahoma.

17 X. 1. A laboratory applicant shall be subject to proficiency
18 testing by the Commission or designee of the Commission prior to
19 approval. A licensed medical marijuana testing laboratory shall be
20 subject to proficiency testing at a frequency and at times to be
21 determined by the Commission. A laboratory applicant or licensed
22 medical marijuana testing laboratory shall cooperate with the
23 Commission or its designee for purposes of conducting proficiency
24 testing. The Commission or its designee may require submission of

1 marijuana and marijuana-derived product samples from licensed
2 nonprofit producers for purposes of proficiency testing.

3 2. A laboratory applicant and a licensed medical marijuana
4 testing laboratory shall be subject to inspection at times
5 determined by the Commission, in accordance with the provisions of
6 this section. The Commission may require the inspection of
7 premises, equipment and written materials to determine compliance
8 with this section and to determine compliance with the application
9 submissions of the laboratory applicant or licensed medical
10 marijuana testing laboratory including, but not limited to, standard
11 operating procedures and standards for testing.

12 3. If the Commission determines on the basis of a proficiency
13 test that a licensed medical marijuana testing laboratory has not
14 satisfactorily identified the presence, quantity or other relevant
15 factor pertaining to a given analyte, the Commission may withdraw
16 approval of the laboratory in whole or in part, require additional
17 tests, or require remedial actions be taken by the licensed medical
18 marijuana testing laboratory.

19 Y. The monthly visitors log and any changes to the detailed
20 plans, elevation drawings and written policies shall be reported to
21 the Commission along with the monthly yield and sales report due on
22 the 15th of each month.

23 Z. A licensed medical marijuana testing laboratory shall
24 maintain compliance with applicable city or county building or

1 structure rules, regulations or ordinances and any other applicable
2 state laws or rules regarding buildings or structures.

3 SECTION 21. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 8025 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

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

9 B. An Oklahoma dispensary, grower or producer shall not sell or
10 otherwise distribute a usable marijuana product that has not been
11 packaged and labeled in accordance with this section.

12 C. The label shall identify:

13 1. The name of the entity that produced the marijuana and the
14 name of the producer of the marijuana-derived product, as
15 applicable;

16 2. A batch number or code;

17 3. A production date or expiration date including a "use by" or
18 "freeze by" date for products capable of supporting the growth of
19 infectious, toxigenic or spoilage microorganisms;

20 4. The number of units of usable marijuana or concentrated
21 marijuana-derived product contained within the product, as
22 identified in Commission rules for the enrollment of licensed
23 patients;

1 5. For dried, usable marijuana, the quantity of
2 tetrahydrocannabinol (THC) and cannabidiol (CBD) which shall be
3 expressed by weight;

4 6. For concentrated marijuana-derived product, the quantity of
5 tetrahydrocannabinol (THC) and cannabidiol (CBD) which shall be
6 expressed by weight and by percentage of total weight;

7 7. Pesticide used in the production of the marijuana or
8 marijuana-derived product;

9 8. Instructions for use;

10 9. Warnings for use;

11 10. Instructions for appropriate storage;

12 11. Approved laboratory analysis, including the results of
13 strength and composition within ten percent (10%) of numbers shown
14 on the package;

15 12. The name of the strain, product facts or a nutrition fact
16 panel and a statement that the product is for medical use by
17 qualified patients, to be kept away from children, and not for
18 resale;

19 13. Whether the batch from which the product was derived was
20 sampled and tested by an approved laboratory; and

21 14. The name of the Commission-approved testing facility used
22 for active ingredient analysis and quantity of tetrahydrocannabinol
23 (THC) and cannabidiol (CBD), as applicable.

1 D. Medical marijuana packaging shall not bear a reasonable
2 resemblance to any commercially available product.

3 E. Medical marijuana packaging shall be packaged to minimize
4 its appeal to children and shall not depict images other than the
5 business name logo of the medical marijuana producer and image of
6 the product.

7 F. The medical marijuana trade name of the medical marijuana
8 producer is subject to approval by the Oklahoma Cannabis Commission
9 and shall comply with the following standards:

10 1. Names are limited to those which clearly reflect the nature
11 of the medical marijuana product;

12 2. Any name that is identical to, or confusingly similar to,
13 the name of an existing nonmarijuana product shall be prohibited;

14 3. Any name that is identical to, or confusingly similar to,
15 the name of an unlawful product or substance shall be prohibited;
16 and

17 4. Any name that contains language that suggests using medical
18 marijuana for recreational purposes or for a condition other than a
19 qualifying medical condition shall be prohibited.

20 SECTION 22. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 8026 of Title 63, unless there
22 is created a duplication in numbering, reads as follows:

23 A. Upon certification of election returns favoring passage of
24 State Question No. 788, Initiative Petition No. 412, there is hereby

1 created the Oklahoma Cannabis Commission, and all responsibilities
2 held by the Oklahoma Department of Health pursuant to State Question
3 No. 788, Initiative Petition No. 412 shall be transferred directly
4 to the Oklahoma Cannabis Commission.

5 B. The Oklahoma Cannabis Commission shall be the regulatory
6 office established under State Question No. 788, Initiative Petition
7 No. 412, which will receive and review applications for transporting
8 medical marijuana.

9 C. The Oklahoma Cannabis Commission shall issue a marijuana
10 transportation license to qualifying applicants for a licensed
11 medical marijuana dispensary, licensed commercial grower or licensed
12 processor. The marijuana transportation license shall be issued at
13 the time of approval of a dispensary, commercial grower or
14 processing license.

15 D. The applicant shall appoint an agent, who shall be a natural
16 person, as the transporter.

17 E. All transporters shall be employees of a licensed medical
18 marijuana dispensary, licensed commercial grower, licensed processor
19 or licensed medical marijuana testing laboratory. Licensed medical
20 marijuana dispensaries, licensed commercial growers, licensed
21 processors, or licensed medical marijuana testing laboratories may
22 not subcontract out the transporting of medical marijuana.

23 F. A marijuana transportation license shall allow the holder to
24 transport marijuana from an Oklahoma-licensed medical marijuana

1 dispensary, licensed commercial grower facility, or licensed
2 processor facility to an Oklahoma-licensed medical marijuana
3 dispensary, licensed commercial grower facility, or licensed
4 processing facility.

5 G. All marijuana or marijuana-derived products shall be
6 transported in a locked container and clearly labeled "Medical
7 Marijuana or Derivative".

8 H. A licensed medical marijuana dispensary, licensed commercial
9 grower, licensed processor, or licensed medical marijuana testing
10 laboratory shall label the marijuana that is moved between the
11 licensed medical marijuana dispensary, licensed commercial grower,
12 licensed processor, or licensed medical marijuana testing laboratory
13 with a trip ticket that identifies the licensed medical marijuana
14 dispensary, licensed commercial grower, licensed processor, or
15 licensed medical marijuana testing laboratory by identification
16 number, the time, date, origin and destination of the marijuana
17 being transported, and the amount and form of marijuana that is
18 being transported.

19 I. A transporter agent may possess marijuana at any location
20 while the transporter agent is transferring marijuana to or from a
21 licensed medical marijuana dispensary, licensed commercial grower,
22 licensed processor, or licensed medical marijuana testing
23 laboratory. The Oklahoma Cannabis Commission shall administer and
24 enforce the provisions of this section concerning transportation.

1 J. The Oklahoma Cannabis Commission shall issue each
2 transporter agent a registry identification card within ten (10)
3 days of receipt of:

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

5 2. A reasonable fee in an amount established by the Oklahoma
6 Cannabis Commission.

7 K. The Oklahoma Cannabis Commission shall not issue a registry
8 identification card to a transporter who has been convicted of a
9 felony offense.

10 L. The Oklahoma Cannabis Commission may conduct a criminal
11 background check of each transporter in order to carry out the
12 provisions of this section.

13 M. The Oklahoma Cannabis Commission shall notify the
14 transporter in writing of the reason for denying the registry
15 identification card.

16 N. A registry identification card for a transporter shall
17 expire one (1) year after the date of issuance.

18 O. A registry identification card of a transporter expires upon
19 notification to the Oklahoma Cannabis Commission by a dispensary or
20 commercial grower that the person ceases to work as a transporter.

21 P. The Oklahoma Cannabis Commission may set a reasonable fee as
22 established by rule for the issuance of a new, renewal or
23 replacement registry identification card to be paid to the Oklahoma
24 Cannabis Commission.

1 Q. The Oklahoma Cannabis Commission may revoke the registry
2 identification card of a transporter who knowingly violates any
3 provision of this section, and the cardholder is subject to any
4 other penalties established by law for the violation.

5 R. The Oklahoma Cannabis Commission may revoke or suspend the
6 transporter license of a transporter that the Commission determines
7 knowingly aided or facilitated a violation of any provision of this
8 section, and the license-holder is subject to any other penalties
9 established in law for the violation.

10 S. The Oklahoma Cannabis Commission shall adopt rules
11 governing:

12 1. The manner in which the Commission considers applications
13 for and renewals of registry identification cards for transporters;

14 2. The form and content of registration and renewal
15 applications for transporters;

16 3. Procedures for suspending or terminating the registration of
17 transporters who violate the provisions of this section or the rules
18 adopted under this section, procedures for appealing penalties, and
19 a schedule of penalties; and

20 4. Any other matters necessary for the fair, impartial,
21 stringent and comprehensive administration of the duties of the
22 Commission under this section.
23
24

1 SECTION 23. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8027 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 in the State Treasury a limited purpose fund to be known as
7 the "Oklahoma Cannabis Commission Fund". The fund shall be a
8 continuing fund, not subject to fiscal year limitations, and shall
9 consist of the proceeds of the sales tax levy and the fees and fines
10 of the Oklahoma Cannabis Commission provided for in this act and
11 State Question No. 788, Initiative Petition No. 412, and any monies
12 or assets contributed to the fund from any other source, public or
13 private.

14 B. The tax on retail medical marijuana sales shall be
15 established at seven percent (7%) of the gross amount received by
16 the seller.

17 C. The tax shall be collected at the point of sale. Tax
18 proceeds shall be applied primarily to finance the Oklahoma Cannabis
19 Commission.

20 D. If proceeds from the levy authorized by subsection A of this
21 section exceed the budgeted amount for running the regulatory and
22 licensing affairs of the medical marijuana program, any surplus
23 shall be apportioned with seventy-five percent (75%) going to the
24 General Revenue Fund and may only be expended for common education.

1 Twenty-five percent (25%) shall be apportioned to the Oklahoma State
2 Department of Health and earmarked for drug and alcohol
3 rehabilitation.

4 E. The Oklahoma Tax Commission may promulgate rules to
5 administer the provisions of this section.

6 SECTION 24. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 8028 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

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

12 B. A city, incorporated town, or county of this state shall not
13 be prohibited from enacting reasonable zoning regulations applicable
14 to dispensaries or commercial grower facilities; provided, however,
15 the zoning regulations are the same as those for a licensed retail
16 pharmacy.

17 C. Counties and cities may enact medical marijuana guidelines
18 allowing medical marijuana license holders or caregivers to exceed
19 the state limits.

20 SECTION 25. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 8029 of Title 63, unless there
22 is created a duplication in numbering, reads as follows:

23

24

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

4 B. No later than one hundred eighty (180) days after the
5 effective date of this act, the Oklahoma Cannabis Commission shall
6 adopt rules governing advertising restrictions for licensed
7 dispensaries and commercial grower facilities including, without
8 limitation, the advertising, marketing, packaging and promotion of
9 dispensaries and commercial grower facilities. The purpose of such
10 restriction is to avoid making the product of a dispensary or a
11 commercial grower facility appealing to children, including without
12 limitation:

13 1. Artwork;

14 2. Building signage;

15 3. Product design including, without limitation, shapes and
16 flavors;

17 4. Child-proof packaging that cannot be opened by a child or
18 that prevents ready access to toxic or a harmful amount of the
19 product, and that meets the testing requirements in accordance with
20 the method described in Section 1700 of Title 16 of the Code of
21 Federal Regulations, as existing on January 1, 2018;

22 5. Indoor displays that can be seen from outside the dispensary
23 or commercial grower facility; and

24 6. Other forms of marketing related to marijuana.

1 SECTION 26. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8030 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

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

7 B. An application or renewal and supporting information
8 submitted by a qualifying patient or designated caregiver under the
9 provisions of this act including, without limitation, information
10 regarding the physician of the qualifying patient are considered
11 confidential medical records that are exempt from the Oklahoma Open
12 Records Act.

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

16 D. All financial information provided by an applicant in its
17 application to the Oklahoma Cannabis Commission shall be treated as
18 confidential records that are exempt from the Oklahoma Open Records
19 Act.

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

SECTION 27. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8031 of Title 63, unless there is created a duplication in numbering, reads as follows:

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

B. A licensed patient shall be able to:

1. Consume marijuana legally;

2. Legally possess up to three (3) ounces of marijuana on his or her person;

3. Legally possess up to six mature marijuana plants;

4. Legally possess up to six seedling plants;

5. Legally possess up to one (1) ounce of concentrated marijuana;

6. Legally possess up to seventy-two (72) ounces of edible marijuana; and

7. Legally possess up to eight (8) ounces of marijuana at his or her residence.

C. Possession of up to one and one-half (1.5) ounces of marijuana by persons who can state a medical condition, but are not in possession of a state-issued medical marijuana license, shall constitute a misdemeanor offense with a fine not to exceed Four Hundred Dollars (\$400.00).

1 D. A device used for the consumption of medical marijuana shall
2 be considered legal to be sold, manufactured, distributed and
3 possessed.

4 E. No merchant, wholesaler, manufacturer or individual may
5 unduly be harassed or prosecuted for selling, manufacturing or
6 possessing medical marijuana paraphernalia.

7 F. A dispensary, commercial grower, transporter or processor is
8 not subject to the following:

9 1. Prosecution for the acquisition, possession, cultivation,
10 processing, preparation, manufacture, delivery, transfer, transport,
11 sale, supply or dispensing of marijuana and related supplies in
12 accordance with the provisions of this act and any rule adopted
13 under this act;

14 2. Inspection, unless otherwise provided for in this act or
15 upon a search warrant issued by a court or judicial officer;

16 3. Seizure of marijuana, unless otherwise proved for in this
17 act or except upon any order issued by a court or judicial officer
18 and with due process of law; or

19 4. Imposition of a penalty or denial of a right or privilege
20 including, without limitation, imposition of a civil penalty or
21 disciplinary action by a business, occupational or professional
22 licensing board or entity, solely for acting in accordance with the
23 provisions of this act.

1 G. A dispensary agent, commercial grower agent, transporter
2 agent or processor agent shall not be subject to arrest,
3 prosecution, search, seizure or penalty in any manner or denied any
4 right or privilege including, without limitation, civil penalty or
5 disciplinary action by a business, occupational or professional
6 licensing board or entity, solely for working for or with a
7 dispensary, commercial grower, transporter or processor to engage in
8 acts permitted pursuant to the provisions of this act.

9 H. A government medical assistance program or private health
10 insurer shall not be required to reimburse a person for costs
11 associated with the medical use of marijuana unless federal law
12 requires reimbursement.

13 I. An employer shall not be required to accommodate the
14 ingestion of marijuana in a workplace or an employee working while
15 under the influence of marijuana.

16 J. An individual or establishment in lawful possession of
17 property shall not be required to allow a guest, client, customer or
18 other visitor to use marijuana on or in that property.

19 K. An individual or establishment in lawful possession of
20 property shall not be required to admit a guest, client, customer,
21 or other visitor who is inebriated as a result of his or her medical
22 use of marijuana.

23 L. A landlord shall not be required to permit a licensed
24 patient to smoke marijuana on or in leased property, except that a

1 landlord may not prohibit the medical use of marijuana through means
2 other than smoking on leased property by a licensed patient.

3 M. A public school shall not be required to permit a licensed
4 patient who is a student to be present on school grounds, to attend
5 a school event, or to participate in extracurricular activities in
6 violation of the student discipline policies of the public school
7 when a school officer has a good-faith belief that the behavior of
8 the licensed patient is impaired.

9 SECTION 28. AMENDATORY 21 O.S. 2011, Section 1247, as
10 last amended by Section 1, Chapter 110, O.S.L. 2017 (21 O.S. Supp.
11 2017, Section 1247), is amended to read as follows:

12 Section 1247. A. The possession of lighted tobacco or lighted
13 medical marijuana in any form is a public nuisance and dangerous to
14 public health and is hereby prohibited when such possession is in
15 any indoor place used by or open to the public, all parts of a zoo
16 to which the public may be admitted, whether indoors or outdoors,
17 public transportation, or any indoor workplace, except where
18 specifically allowed by law. Commercial airport operators may
19 prohibit the use of lighted tobacco or lighted medical marijuana in
20 any area that is open to or used by the public whether located
21 indoors or outdoors, provided that the outdoor area is within one
22 hundred seventy-five (175) feet from an entrance.

23 As used in this section, "indoor workplace" means any indoor
24 place of employment or employment-type service for or at the request

1 of another individual or individuals, or any public or private
2 entity, whether part-time or full-time and whether for compensation
3 or not. Such services shall include, without limitation, any
4 service performed by an owner, employee, independent contractor,
5 agent, partner, proprietor, manager, officer, director, apprentice,
6 trainee, associate, servant or volunteer. An indoor workplace
7 includes work areas, employee lounges, restrooms, conference rooms,
8 classrooms, employee cafeterias, hallways, any other spaces used or
9 visited by employees, and all space between a floor and ceiling that
10 is predominantly or totally enclosed by walls or windows, regardless
11 of doors, doorways, open or closed windows, stairways, or the like.
12 The provisions of this section shall apply to such indoor workplace
13 at any given time, whether or not work is being performed.

14 B. All buildings and other properties, or portions thereof,
15 owned or operated by this state shall be designated as nonsmoking.
16 The provisions of this subsection shall not apply to veterans
17 centers operated by this state pursuant to the provisions of Section
18 221 et seq. of Title 72 of the Oklahoma Statutes, which shall be
19 designated nonsmoking effective January 1, 2015, at which time
20 veterans centers may establish outdoor designated smoking areas for
21 resident veterans only. Smoking shall only be allowed in designated
22 outdoor smoking areas.

23 C. All buildings and other properties, or portions thereof,
24 owned or operated by a county or municipal government, at the

1 discretion of the county or municipal governing body, may be
2 designated as entirely nonsmoking.

3 D. All educational facilities or portions thereof as defined in
4 the Smoking in Public Places and Indoor Workplaces Act and all
5 educational facilities as defined in the 24/7 Tobacco-free Schools
6 Act shall be designated as nonsmoking as provided for in Section 1-
7 1523 of Title 63 of the Oklahoma Statutes. All campuses, buildings
8 and grounds, or portions thereof, owned or operated by an
9 institution within The Oklahoma State System of Higher Education may
10 be designated as tobacco-and medical-marijuana-free, including
11 smoking or smokeless tobacco, by the institution upon adoption of a
12 policy stating the tobacco and medical marijuana restrictions for
13 the institution and an intent to enforce the penalty for violations
14 as set forth in subsection M of this section.

15 E. No smoking shall be allowed within twenty-five (25) feet of
16 the entrance or exit of any building specified in subsection B, C or
17 D of this section.

18 F. The restrictions provided in this section shall not apply to
19 stand-alone bars, stand-alone taverns and cigar bars as defined in
20 Section 1-1522 of Title 63 of the Oklahoma Statutes.

21 G. The restrictions provided in this section shall not apply to
22 the following:
23
24

1 1. The room or rooms where licensed charitable bingo games are
2 being operated, but only during the hours of operation of such
3 games;

4 2. Up to twenty-five percent (25%) of the guest rooms at a
5 hotel or other lodging establishment;

6 3. Retail tobacco stores predominantly engaged in the sale of
7 tobacco products and accessories and in which the sale of other
8 products is merely incidental and in which no food or beverage is
9 sold or served for consumption on the premises;

10 4. Workplaces where only the owner or operator of the
11 workplace, or the immediate family of the owner or operator,
12 performs any work in the workplace, and the workplace has only
13 incidental public access. "Incidental public access" means that a
14 place of business has only an occasional person, who is not an
15 employee, present at the business to transact business or make a
16 delivery. It does not include businesses that depend on walk-in
17 customers for any part of their business;

18 5. Workplaces occupied exclusively by one or more smokers, if
19 the workplace has only incidental public access;

20 6. Private offices occupied exclusively by one or more smokers;

21 7. Workplaces within private residences, except that smoking
22 shall not be allowed inside any private residence that is used as a
23 licensed child care facility during hours of operation;

1 8. Medical research or treatment centers, if smoking is
2 integral to the research or treatment;

3 9. A facility operated by a post or organization of past or
4 present members of the Armed Forces of the United States which is
5 exempt from taxation pursuant to Section 501(c)(8), 501(c)(10) or
6 501(c)(19) of the Internal Revenue Code, 26 U.S.C., Section
7 501(c)(8), 501(c)(10) or 501(c)(19), when such facility is utilized
8 exclusively by its members and their families and for the conduct of
9 post or organization nonprofit operations except during an event or
10 activity which is open to the public; and

11 10. Any outdoor seating area of a restaurant; provided, smoking
12 shall not be allowed within fifteen (15) feet of any exterior public
13 doorway or any air intake of a restaurant.

14 H. An employer not otherwise restricted from doing so may elect
15 to provide smoking rooms where no work is performed except for
16 cleaning and maintenance during the time the room is not in use for
17 smoking, provided each smoking room is fully enclosed and exhausted
18 directly to the outside in such a manner that no smoke can drift or
19 circulate into a nonsmoking area. No exhaust from a smoking room
20 shall be located within fifteen (15) feet of any entrance, exit or
21 air intake.

22 I. If smoking is to be permitted in any space exempted in
23 subsection F or G of this section or in a smoking room pursuant to
24 subsection H of this section, such smoking space must either occupy

1 the entire enclosed indoor space or, if it shares the enclosed space
2 with any nonsmoking areas, the smoking space shall be fully
3 enclosed, exhausted directly to the outside with no air from the
4 smoking space circulated to any nonsmoking area, and under negative
5 air pressure so that no smoke can drift or circulate into a
6 nonsmoking area when a door to an adjacent nonsmoking area is
7 opened. Air from a smoking room shall not be exhausted within
8 fifteen (15) feet of any entrance, exit or air intake. Any employer
9 may choose a more restrictive smoking policy, including being
10 totally smoke free.

11 J. Notwithstanding any other provision of this section, until
12 March 1, 2006, restaurants may have designated smoking and
13 nonsmoking areas or may be designated as being a totally nonsmoking
14 area. Beginning March 1, 2006, restaurants shall be totally
15 nonsmoking or may provide nonsmoking areas and designated smoking
16 rooms. Food and beverage may be served in such designated smoking
17 rooms which shall be in a location which is fully enclosed, directly
18 exhausted to the outside, under negative air pressure so smoke
19 cannot escape when a door is opened, and no air is recirculated to
20 nonsmoking areas of the building. No exhaust from such room shall
21 be located within twenty-five (25) feet of any entrance, exit or air
22 intake. Such room shall be subject to verification for compliance
23 with the provisions of this subsection by the State Department of
24 Health.

1 K. The person who owns or operates a place where smoking ~~or~~,
2 tobacco use or medical marijuana use is prohibited by law shall be
3 responsible for posting a sign or decal, at least four (4) inches by
4 two (2) inches in size, at each entrance to the building indicating
5 that the place is smoke-free ~~or~~, tobacco-free or medical-marijuana-
6 free.

7 L. Responsibility for posting signs or decals shall be as
8 follows:

9 1. In privately owned facilities, the owner or lessee, if a
10 lessee is in possession of the facilities, shall be responsible;

11 2. In corporately owned facilities, the manager and/or
12 supervisor of the facility involved shall be responsible; and

13 3. In publicly owned facilities, the manager and/or supervisor
14 of the facility shall be responsible.

15 M. Any person who knowingly violates the provisions of this
16 section shall be punished by a citation and fine of not more than
17 One Hundred Dollars (\$100.00).

18 SECTION 29. AMENDATORY Section 50, Chapter 208, O.S.L.
19 2013 (85A O.S. Supp. 2017, Section 50), is amended to read as
20 follows:

21 Section 50. A. The employer shall promptly provide an injured
22 employee with medical, surgical, hospital, optometric, podiatric,
23 and nursing services, along any with medicine, crutches, ambulatory
24 devices, artificial limbs, eyeglasses, contact lenses, hearing aids,

1 and other apparatus as may be reasonably necessary in connection
2 with the injury received by the employee. The employer shall have
3 the right to choose the treating physician.

4 B. If the employer fails or neglects to provide medical
5 treatment within five (5) days after actual knowledge is received of
6 an injury, the injured employee may select a physician to provide
7 medical treatment at the expense of the employer; provided, however,
8 that the injured employee, or another in the employee's behalf, may
9 obtain emergency treatment at the expense of the employer where such
10 emergency treatment is not provided by the employer.

11 C. Diagnostic tests shall not be repeated sooner than six (6)
12 months from the date of the test unless agreed to by the parties or
13 ordered by the Commission for good cause shown.

14 D. Unless recommended by the treating doctor at the time
15 claimant reaches maximum medical improvement or by an independent
16 medical examiner, continuing medical maintenance shall not be
17 awarded by the Commission. The employer or insurance carrier shall
18 not be responsible for continuing medical maintenance or pain
19 management treatment that is outside the parameters established by
20 the Physician Advisory Committee or ODG. The employer or insurance
21 carrier shall not be responsible for continuing medical maintenance
22 or pain management treatment not previously ordered by the
23 Commission or approved in advance by the employer or insurance
24 carrier.

1 E. An employee claiming or entitled to benefits under this act,
2 shall, if ordered by the Commission or requested by the employer or
3 insurance carrier, submit himself or herself for medical
4 examination. If an employee refuses to submit himself or herself to
5 examination, his or her right to prosecute any proceeding under this
6 act shall be suspended, and no compensation shall be payable for the
7 period of such refusal.

8 F. For compensable injuries resulting in the use of a medical
9 device, ongoing service for the medical device shall be provided in
10 situations including, but not limited to, medical device battery
11 replacement, ongoing medication refills related to the medical
12 device, medical device repair, or medical device replacement.

13 G. The employer shall reimburse the employee for the actual
14 mileage in excess of twenty (20) miles round-trip to and from the
15 employee's home to the location of a medical service provider for
16 all reasonable and necessary treatment, for an evaluation of an
17 independent medical examiner and for any evaluation made at the
18 request of the employer or insurance carrier. The rate of
19 reimbursement for such travel expense shall be the official
20 reimbursement rate as established by the State Travel Reimbursement
21 Act. In no event shall the reimbursement of travel for medical
22 treatment or evaluation exceed six hundred (600) miles round trip.

23 H. Fee Schedule.
24

1 1. The Commission shall conduct a review of the Fee Schedule
2 every two (2) years. The Fee Schedule shall establish the maximum
3 rates that medical providers shall be reimbursed for medical care
4 provided to injured employees, including, but not limited to,
5 charges by physicians, dentists, counselors, hospitals, ambulatory
6 and outpatient facilities, clinical laboratory services, diagnostic
7 testing services, and ambulance services, and charges for durable
8 medical equipment, prosthetics, orthotics, and supplies. The most
9 current Fee Schedule established by the Administrator of the
10 Workers' Compensation Court prior to the effective date of this
11 section shall remain in effect, unless or until the Legislature
12 approves the Commission's proposed Fee Schedule.

13 2. Reimbursement for medical care shall be prescribed and
14 limited by the Fee Schedule as adopted by the Commission, after
15 notice and public hearing, and after approval by the Legislature by
16 joint resolution. The director of the Employees Group Insurance
17 Division of the Office of Management and Enterprise Services shall
18 provide the Commission such information as may be relevant for the
19 development of the Fee Schedule. The Commission shall develop the
20 Fee Schedule in a manner in which quality of medical care is assured
21 and maintained for injured employees. The Commission shall give due
22 consideration to additional requirements for physicians treating an
23 injured worker under this act, including, but not limited to,
24 communication with claims representatives, case managers, attorneys,

1 and representatives of employers, and the additional time required
2 to complete forms for the Commission, insurance carriers, and
3 employers.

4 3. In making adjustments to the Fee Schedule, the Commission
5 shall use, as a benchmark, the reimbursement rate for each Current
6 Procedural Terminology (CPT) code provided for in the fee schedule
7 published by the Centers for Medicare and Medicaid Services of the
8 U.S. Department of Health and Human Services for use in Oklahoma
9 (Medicare Fee Schedule) on the effective date of this section,
10 workers' compensation fee schedules employed by neighboring states,
11 the latest edition of "Relative Values for Physicians" (RVP), usual,
12 customary and reasonable medical payments to workers' compensation
13 health care providers in the same trade area for comparable
14 treatment of a person with similar injuries, and all other data the
15 Commission deems relevant. For services not valued by CMS, the
16 Commission shall establish values based on the usual, customary and
17 reasonable medical payments to health care providers in the same
18 trade area for comparable treatment of a person with similar
19 injuries.

20 a. No reimbursement shall be allowed for any magnetic
21 resonance imaging (MRI) unless the MRI is provided by
22 an entity that meets Medicare requirements for the
23 payment of MRI services or is accredited by the
24 American College of Radiology, the Intersocietal

1 Accreditation Commission or the Joint Commission on
2 Accreditation of Healthcare Organizations. For all
3 other radiology procedures, the reimbursement rate
4 shall be the lesser of the reimbursement rate allowed
5 by the 2010 Oklahoma Fee Schedule and two hundred
6 seven percent (207%) of the Medicare Fee Schedule.

7 b. For reimbursement of medical services for Evaluation
8 and Management of injured employees as defined in the
9 Fee Schedule adopted by the Commission, the
10 reimbursement rate shall not be less than one hundred
11 fifty percent (150%) of the Medicare Fee Schedule.

12 c. Any entity providing durable medical equipment,
13 prosthetics, orthotics or supplies shall be accredited
14 by a CMS-approved accreditation organization. If a
15 physician provides durable medical equipment,
16 prosthetics, orthotics, prescription drugs, or
17 supplies to a patient ancillary to the patient's
18 visit, reimbursement shall be no more than ten percent
19 (10%) above cost.

20 d. The Commission shall develop a reasonable stop-loss
21 provision of the Fee Schedule to provide for adequate
22 reimbursement for treatment for major burns, severe
23 head and neurological injuries, multiple system
24

1 injuries, and other catastrophic injuries requiring
2 extended periods of intensive care.

3 4. The right to recover charges for every type of medical care
4 for injuries arising out of and in the course of covered employment
5 as defined in this act shall lie solely with the Commission. When a
6 medical care provider has brought a claim to the Commission to
7 obtain payment for services, a party who prevails in full on the
8 claim shall be entitled to reasonable attorney fees.

9 5. Nothing in this section shall prevent an employer, insurance
10 carrier, group self-insurance association, or certified workplace
11 medical plan from contracting with a provider of medical care for a
12 reimbursement rate that is greater than or less than limits
13 established by the Fee Schedule.

14 6. A treating physician may not charge more than Four Hundred
15 Dollars (\$400.00) per hour for preparation for or testimony at a
16 deposition or appearance before the Commission in connection with a
17 claim covered by the Administrative Workers' Compensation Act.

18 7. The Commission's review of medical and treatment charges
19 pursuant to this section shall be conducted pursuant to the Fee
20 Schedule in existence at the time the medical care or treatment was
21 provided. The judgment approving the medical and treatment charges
22 pursuant to this section shall be enforceable by the Commission in
23 the same manner as provided in this act for the enforcement of other
24 compensation payments.

1 8. Charges for prescription drugs dispensed by a pharmacy shall
2 be limited to ninety percent (90%) of the average wholesale price of
3 the prescription, plus a dispensing fee of Five Dollars (\$5.00) per
4 prescription. "Average wholesale price" means the amount determined
5 from the latest publication designated by the Commission.

6 Physicians shall prescribe and pharmacies shall dispense generic
7 equivalent drugs when available. If the National Drug Code, or
8 "NDC", for the drug product dispensed is for a repackaged drug, then
9 the maximum reimbursement shall be the lesser of the original
10 labeler's NDC and the lowest-cost therapeutic equivalent drug
11 product. Compounded medications shall be billed by the compounding
12 pharmacy at the ingredient level, with each ingredient identified
13 using the applicable NDC of the drug product, and the corresponding
14 quantity. Ingredients with no NDC area are not separately
15 reimbursable. Payment shall be based on a sum of the allowable fee
16 for each ingredient plus a dispensing fee of Five Dollars (\$5.00)
17 per prescription.

18 9. When medical care includes prescription drugs dispensed by a
19 physician or other medical care provider and the NDC for the drug
20 product dispensed is for a repackaged drug, then the maximum
21 reimbursement shall be the lesser of the original labeler's NDC and
22 the lowest-cost therapeutic equivalent drug product. Payment shall
23 be based upon a sum of the allowable fee for each ingredient plus a
24

1 dispensing fee of Five Dollars (\$5.00) per prescription. Compounded
2 medications shall be billed by the compounding pharmacy.

3 10. Implantables are paid in addition to procedural
4 reimbursement paid for medical or surgical services. A
5 manufacturer's invoice for the actual cost to a physician, hospital
6 or other entity of an implantable device shall be adjusted by the
7 physician, hospital or other entity to reflect, at the time
8 implanted, all applicable discounts, rebates, considerations and
9 product replacement programs and shall be provided to the payer by
10 the physician or hospital as a condition of payment for the
11 implantable device. If the physician, or an entity in which the
12 physician has a financial interest other than an ownership interest
13 of less than five percent (5%) in a publically traded company,
14 provides implantable devices, this relationship shall be disclosed
15 to patient, employer, insurance company, third-party commission,
16 certified workplace medical plan, case managers, and attorneys
17 representing claimant and defendant. If the physician, or an entity
18 in which the physician has a financial interest other than an
19 ownership interest of less than five percent (5%) in a publically
20 traded company, buys and resells implantable devices to a hospital
21 or another physician, the markup shall be limited to ten percent
22 (10%) above cost.

23 11. Payment for medical care as required by this act shall be
24 due within forty-five (45) days of the receipt by the employer or

1 insurance carrier of a complete and accurate invoice, unless the
2 employer or insurance carrier has a good-faith reason to request
3 additional information about such invoice. Thereafter, the
4 Commission may assess a penalty up to twenty-five percent (25%) for
5 any amount due under the Fee Schedule that remains unpaid on the
6 finding by the Commission that no good-faith reason existed for the
7 delay in payment. If the Commission finds a pattern of an employer
8 or insurance carrier willfully and knowingly delaying payments for
9 medical care, the Commission may assess a civil penalty of not more
10 than Five Thousand Dollars (\$5,000.00) per occurrence.

11 12. If an employee fails to appear for a scheduled appointment
12 with a physician, the employer or insurance company shall pay to the
13 physician a reasonable charge, to be determined by the Commission,
14 for the missed appointment. In the absence of a good-faith reason
15 for missing the appointment, the Commission shall order the employee
16 to reimburse the employer or insurance company for the charge.

17 13. Physicians providing treatment under this act shall
18 disclose under penalty of perjury to the Commission, on a form
19 prescribed by the Commission, any ownership or interest in any
20 health care facility, business, or diagnostic center that is not the
21 physician's primary place of business. The disclosure shall include
22 any employee leasing arrangement between the physician and any
23 health care facility that is not the physician's primary place of
24 business. A physician's failure to disclose as required by this

1 section shall be grounds for the Commission to disqualify the
2 physician from providing treatment under this act.

3 I. Formulary. The Commission by rule shall adopt a closed
4 formulary. Rules adopted by the Commission shall allow an appeals
5 process for claims in which a treating doctor determines and
6 documents that a drug not included in the formulary is necessary to
7 treat an injured employee's compensable injury. The Commission by
8 rule shall require the use of generic pharmaceutical medications and
9 clinically appropriate over-the-counter alternatives to prescription
10 medications unless otherwise specified by the prescribing doctor, in
11 accordance with applicable state law.

12 J. The certification of election returns favoring passage of
13 State Question No. 788, Initiative Petition No. 412, shall not
14 create a requirement for an employer to provide an injured employee
15 with medical marijuana treatment; provided, however, upon its
16 passage, employers may opt to provide medical marijuana treatment to
17 an injured employee that has been issued an Oklahoma medical
18 marijuana license.

19 SECTION 30. AMENDATORY Section 58, Chapter 208, O.S.L.
20 2013 (85A O.S. Supp. 2017, Section 58), is amended to read as
21 follows:

22 Section 58. A. 1. Every hospital or other person furnishing
23 the injured employee with medical services shall permit its records
24 to be copied by and shall furnish full written information to the

1 Commission, the Workers' Compensation Fraud Investigation Unit, the
2 employer, the carrier, and the employee or the employee's
3 dependents.

4 2. The reasonable cost of copies shall be paid by the requestor
5 to the health care or medical service provider furnishing them.

6 B. No person who in good faith under subsection A of this
7 section or under rules established by the Commission reports medical
8 information shall incur legal liability for the disclosure of the
9 information.

10 C. Upon certification of election returns favoring passage of
11 State Question No. 788, Initiative Petition No. 412, records
12 pursuant to subsection A of this section shall include those
13 regarding medical marijuana recommendations and usage.

14 SECTION 31. AMENDATORY Section 116, Chapter 208, O.S.L.
15 2013 (85A O.S. Supp. 2017, Section 209), is amended to read as
16 follows:

17 Section 209. A. A qualified employer's liability under the
18 benefit plan and otherwise prescribed in this act shall be exclusive
19 and in place of all other liability of the qualified employer and
20 any of its employees at common law or otherwise, for a covered
21 employee's occupational injury or loss of services, to the covered
22 employee, or the spouse, personal representative, parents, or
23 dependents of the covered employee, or any other person. The
24 exclusive remedy protections provided by this subsection shall be as

1 broad as the exclusive remedy protections of Section 5 of this act,
2 and thus preclude a covered employee's claim against a qualified
3 employer, its employees, and insurer for negligence or other causes
4 of action.

5 B. Except as otherwise provided by its benefit plan, or
6 applicable federal law, a qualified employer is only subject to
7 liability in any action brought by a covered employee or his or her
8 dependent family members for injury resulting from an occupational
9 injury if the injury is the result of an intentional tort on the
10 part of the qualified employer. An intentional tort shall exist
11 only when the covered employee is injured because of willful,
12 deliberate, specific intent of the qualified employer to cause such
13 injury. Allegations or proof that the qualified employer had
14 knowledge that such injury was substantially certain to result from
15 its conduct shall not constitute an intentional tort. The issue of
16 whether an act is an intentional tort shall be a question of law for
17 the court or the duly appointed arbitrator, as applicable.

18 C. If an employee tests positive for intoxication, use of an
19 illegal controlled substance, or a legal controlled substance,
20 including medical marijuana or its derivatives, that is used in
21 contravention with a treating physician's orders within twenty-four
22 (24) hours of being injured or reporting an injury, he or she shall
23 not be eligible to receive benefits under a qualified employer's
24 benefit plan. In order to retain exclusive remedy and enjoy

1 immunity from common law negligence claims, an employee shall be
2 entitled to receive benefits under a qualified employer's benefit
3 plan if the employee can prove by a preponderance of the evidence
4 that the acts described by this section were not the major cause of
5 an injury.

6 D. Any benefits paid under a qualified employer's benefit plan
7 shall offset any other award against such qualified employer under
8 subsection B of this section.

9 E. Other than an action brought to enforce the provisions of
10 the benefit plan, any action brought by a covered employee or his or
11 her spouse, personal representative, parents, or dependents based on
12 a claim against a qualified employer arising out of any occupational
13 injury shall be filed no later than two (2) years from the date of
14 the injury or death giving rise to such action."

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