

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB756 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Scott Fetgatter

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

PROPOSED
COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 756

By: McCortney of the Senate

and

Echols of the House

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to medical marijuana; amending Sections 14 and 18 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature, which relate to medical marijuana business licenses and packaging and labeling; removing licensing restriction for certain companies; and adding certain requirements and restrictions related to packaging.

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

SECTION 1. AMENDATORY Section 14 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is amended to read as follows:

Section 14. A. There is hereby created the medical marijuana business license, which shall include the following categories:

1. Medical marijuana commercial grower;
2. Medical marijuana processor;

3. Medical marijuana dispensary;
4. Medical marijuana transporter; and
5. Medical marijuana testing laboratory.

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

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

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

E. All applicants seeking licensure as a medical marijuana business shall comply with the following general requirements:

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

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

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

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

1 5. All applications shall include all attachments or
2 supplemental information required by the forms supplied by the
3 Authority;

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

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

9 a. all applicants shall be age twenty-five (25) or older,

10 b. any applicant applying as an individual shall show
11 proof that the applicant is an Oklahoma resident
12 pursuant to paragraph 11 of this subsection,

13 c. any applicant applying as an entity shall show that
14 seventy-five percent (75%) of all members, managers,
15 executive officers, partners, board members or any
16 other form of business ownership are Oklahoma
17 residents pursuant to paragraph 11 of this subsection,

18 d. all applying individuals or entities shall be
19 registered to conduct business in the State of
20 Oklahoma,

21 e. all applicants shall disclose all ownership interests
22 pursuant to this act, and

23 f. applicants shall not have been convicted of a
24 nonviolent felony in the last two (2) years, and any

1 other felony conviction within the last five (5)
2 years, shall not be current inmates, or currently
3 incarcerated in a jail or corrections facility;

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

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

- 17 a. individual applicants applying on their own behalf,
- 18 b. individuals applying on behalf of an entity,
- 19 c. all principal officers of an entity, and
- 20 d. all owners of an entity as defined by this act;

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

1 11. In order to be considered an Oklahoma resident for purposes
2 of a medical marijuana business application, all applicants shall
3 provide proof of Oklahoma residency for at least two (2) years
4 immediately preceding the date of application or five (5) years of
5 continuous Oklahoma residency during the preceding twenty-five (25)
6 years immediately preceding the date of application. Sufficient
7 documentation of proof of residency shall include a combination of
8 the following:

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

18 12. All license applicants shall be required to submit a
19 registration with the Oklahoma State Bureau of Narcotics and
20 Dangerous Drugs Control as provided in Sections ~~2-202~~ 2-302 through
21 ~~2-204~~ 2-304 of Title 63 of the Oklahoma Statutes;

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

- a. front and back of an Oklahoma driver license,
- b. front and back of an Oklahoma identification card,
- c. a United States passport or other photo identification issued by the United States government,
- d. certified copy of the applicant's birth certificate for minor applicants who do not possess a document listed in this section, or
- e. a tribal identification card approved for identification purposes by the Oklahoma Department of Public Safety; and

14. All applicants shall submit an applicant photograph.

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

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

2. Approved applicants shall be issued a medical marijuana business license for the specific category applied under which shall act as proof of their approved status. Rejection letters shall provide a reason for the rejection. Applications may only be rejected based on the applicant not meeting the standards set forth in the provisions of this section, improper completion of the

1 application, or for a reason provided for in this act. If an
2 application is rejected for failure to provide required information,
3 the applicant shall have thirty (30) days to submit the required
4 information for reconsideration. No additional application fee
5 shall be charged for such reconsideration.

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

10 4. Approval, rejection or status-update letters shall be sent
11 to the applicant in the same method the application was submitted to
12 the Department.

13 H. A license provided by this act or by Section 421, 422, 423
14 or 425 of Title 63 of the Oklahoma Statutes shall not be issued
15 until all relevant local licenses and permits have been issued by
16 the municipality, including but not limited to an occupancy permit
17 or certificate of compliance.

18 I. In the event that an applicant has not received the
19 necessary permits, certificates or licenses from a municipality, but
20 the applicant has fulfilled all other obligations required by this
21 act, the Authority shall grant a conditional license. A conditional
22 license shall remain valid for a period of one (1) year or until the
23 applicant obtains the necessary local permits, certificates or
24 licenses. An applicant shall not transfer any medical marijuana,

1 concentrate or products to a medical marijuana business, patient or
2 caregiver until approval is received from the Authority.

3 J. A medical marijuana business license shall not be issued to
4 or held by:

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

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

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

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

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

18 a. file taxes, interest or penalties due related to a
19 medical marijuana business, or

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

22 6. A sheriff, deputy sheriff, police officer or prosecuting
23 officer, or an officer or employee of the Authority or municipality;
24 or

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

3 ~~8. A publicly traded company.~~

4 K. In investigating the qualifications of an applicant or a
5 licensee, the Department, Authority and municipalities may have
6 access to criminal history record information furnished by a
7 criminal justice agency subject to any restrictions imposed by such
8 an agency. In the event the Department considers the criminal
9 history record of the applicant, the Department shall also consider
10 any information provided by the applicant regarding such criminal
11 history record, including but not limited to evidence of
12 rehabilitation, character references and educational achievements,
13 especially those items pertaining to the period of time between the
14 last criminal conviction of the applicant and the consideration of
15 the application for a state license.

16 L. The failure of an applicant to provide the requested
17 information by the Authority deadline may be grounds for denial of
18 the application.

19 M. All applicants shall submit information to the Department
20 and Authority in a full, faithful, truthful and fair manner. The
21 Department and Authority may recommend denial of an application
22 where the applicant made misstatements, omissions,
23 misrepresentations or untruths in the application or in connection
24 with the background investigation of the applicant. This type of

1 conduct may be considered as the basis for additional administrative
2 action against the applicant. Typos and scrivener errors shall not
3 be grounds for denial.

4 N. A licensed medical marijuana business premises shall be
5 subject to and responsible for compliance with applicable provisions
6 for medical marijuana business facilities as described in the most
7 recent versions of the Oklahoma Uniform Building Code, the
8 International Building Code and the International Fire Code, unless
9 granted an exemption by the Authority or municipality.

10 O. All medical marijuana business licensees shall pay the
11 relevant licensure fees prior to receiving licensure to operate a
12 medical marijuana business, as defined in this act for each class of
13 license.

14 SECTION 2. AMENDATORY Section 18 of Enrolled House Bill
15 No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is
16 amended to read as follows:

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

22 B. A medical marijuana dispensary shall return medical
23 marijuana and medical marijuana product that does not meet packaging
24 or labeling requirements in this section or rules promulgated

1 pursuant thereto to the entity who transferred it to the dispensary.
2 The medical marijuana dispensary shall document to whom the item was
3 returned, what was returned and the date of the return or dispose of
4 any usable marijuana that does not meet these requirements in
5 accordance with this act.

6 C. 1. Medical marijuana packaging shall be packaged to
7 minimize its appeal to children and shall not depict shapes, text or
8 designs appealing to children including, but not limited to,
9 cartoons, or any images other than the business name logo of the
10 medical marijuana producer and image of the product.

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

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

17 ~~4.~~ 3. No container shall be intentionally or knowingly labeled
18 so as to cause a reasonable patient confusion as to whether the
19 medical marijuana, medical marijuana concentrate or medical
20 marijuana product is a trademarked product or labeled in a manner
21 that violates any federal trademark law or regulation. Medical
22 marijuana packaging shall not bear a reasonable resemblance to any
23 commercially available product.

1 ~~5.~~ 4. The label on the container shall not make any claims
2 regarding health or physical benefits to the patient.

3 ~~6.~~ 5. All medical marijuana, medical marijuana concentrate and
4 medical marijuana products shall be in a child-resistant container
5 or child-resistant packaging as required by the federal Poison
6 Prevention Packaging Act of 1970 at the point of transfer to the
7 patient or caregiver.

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

15 1. A universal symbol indicating that the product contains
16 tetrahydrocannabinol (THC);

17 2. THC and other cannabinoid potency, and terpenoid potency;

18 3. A statement indicating that the product has been tested for
19 contaminants;

20 4. One or more product warnings to be determined by the
21 Department; and

22 5. Any other information the Department deems necessary.

23 E. Medical marijuana and medical marijuana product packages
24 shall:

1 1. Be plain;

2 2. Be opaque;

3 3. Be designed to maximize the shelf life of contained medical
4 marijuana products;

5 4. Be tamper-evident; and

6 5. Protect the product from contamination and shall not impart
7 any toxic or deleterious substance to the product.

8
9 57-1-8537 GRS 03/27/19