

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 882

By: Weaver of the Senate

and

6 Fetgatter of the House

7
8
9 COMMITTEE SUBSTITUTE

10 An Act relating to medical marijuana; creating the
11 Oklahoma Medical Marijuana Waste Management Act;
12 providing for medical marijuana to be subject to the
13 provisions of this act; providing definitions;
14 creating certain license; requiring certain license
15 for disposal of medical marijuana waste; directing
16 limit on available licenses; directing certain
17 application information be provided; requiring
18 certain liability insurance or financial assurance;
19 allowing annual inspection; requiring permit for each
20 facility; providing for cost of license and permit;
21 directing fees to be deposited; authorizing
22 promulgation of rules; providing for codification;
23 and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 427 of Title 63, unless there is
created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma
Medical Marijuana Waste Management Act".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 428 of Title 63, unless there is
3 created a duplication in numbering, reads as follows:

4 Medical Marijuana waste shall be subject to the provisions of
5 this act and shall not be subject to the provisions of the Uniform
6 Controlled and Dangerous Substances Act, as provided in Section 2-
7 101 et seq. of Title 63 of the Oklahoma Statutes.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 429 of Title 63, unless there is
10 created a duplication in numbering, reads as follows:

11 A. As used in this act:

12 1. "Authority" shall mean the Oklahoma Medical Marijuana
13 Authority or successor agency;

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

17 3. "Disposal" shall mean the final disposition of medical
18 marijuana waste by either a process which renders the waste unusable
19 through physical destruction or a recycling process;

20 4. "Facility" shall mean a location where the disposal of
21 medical marijuana waste takes place by a licensee;

22 5. "License" shall mean a Medical Marijuana Waste Disposal
23 License;

1 6. "Licensee" shall mean the holder of a Medical Marijuana
2 Waste Disposal License;

3 7. "Medical Marijuana Waste" shall include, but not be limited
4 to unused, surplus, returned or out-of-date marijuana, recalled
5 marijuana, marijuana that has failed laboratory testing, plant
6 debris of the plant of the genus cannabis, including dead plants and
7 all unused plant parts and roots, and any wastewater generated
8 during growing and processing; and

9 8. "Medical Marijuana Waste Disposal License" shall mean a
10 license issued by the Oklahoma Medical Marijuana Authority or
11 successor agency.

12 SECTION 4. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 430 of Title 63, unless there is
14 created a duplication in numbering, reads as follows:

15 A. There is hereby created and authorized a Medical Marijuana
16 Waste Disposal License. A person or entity in possession of a
17 Medical Marijuana Waste Disposal License shall be entitled to
18 possess, transport and dispose of medical marijuana waste. No
19 person or entity shall possess, transport or dispose of medical
20 marijuana waste without a valid Medical Marijuana Waste Disposal
21 License. The Oklahoma Medical Marijuana Authority shall issue
22 licenses upon proper application by a licensee and determination by
23 the Authority that the proposed site and facility are physically and
24 technically suitable. Upon a finding that a proposed medical

1 marijuana waste facility is not physically or technically suitable,
2 the Authority shall deny the license. The Authority may, upon
3 determining that public health or safety requires emergency action,
4 issue a temporary permit for treatment or storage of medical
5 marijuana waste for a period not to exceed ninety (90) days. The
6 Authority shall not, for the first year of the licensure program,
7 issue more than ten (10) licenses. Upon the conclusion of the first
8 year, the Authority shall assess the need for additional licenses
9 and shall, if demonstrated, increase the number of licenses as
10 deemed necessary by the Authority.

11 B. Entities applying for a Medical Marijuana Waste Disposal
12 License shall undergo the following screening process:

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

- 15 a. an attestation that the applicant is authorized to
- 16 make application on behalf of the entity,
- 17 b. full name of the organization,
- 18 c. trade name, if applicable,
- 19 d. type of business organization,
- 20 e. complete mailing address,
- 21 f. an attestation that the commercial entity will not be
- 22 located on tribal land,
- 23 g. telephone number and email address of entity, and
- 24

1 h. name, residential address and date of birth of each
2 owner and each member, manager and board member, if
3 applicable;

4 2. The application for a commercial license made by an
5 individual on their own behalf shall be on the form prescribed by
6 the Authority and shall include, but not be limited to:

- 7 a. the applicant's first, middle and last name and
8 suffix, if applicable,
- 9 b. the applicant's residence address and mailing address,
- 10 c. the applicant's date of birth,
- 11 d. the applicant's preferred telephone number and email
12 address,
- 13 e. an attestation that the information provided by the
14 applicant is true and correct, and
- 15 f. a statement signed by the applicant pledging not to
16 divert marijuana to any individual or entity that is
17 not lawfully entitled to possess marijuana;

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

- 20 a. a list of all persons and/or entities that have an
21 ownership interest in the entity,
- 22 b. a certificate of good standing from the Oklahoma
23 Secretary of State, if applicable,
- 24 c. an Affidavit of Lawful Presence for each owner,

1 d. proof that the proposed location of the disposal
2 service is at least one thousand (1,000) feet from a
3 public or private school. The distance shall be
4 measured from any entrance of the school to the
5 nearest property line point of the facility, and

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

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

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

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

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

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

5 7. The cost of a medical marijuana waste disposal license shall
6 be Five Thousand Dollars (\$5,000.00) for the initial license. The
7 cost of a medical marijuana waste disposal facility permit shall be
8 Five Hundred Dollars (\$500.00). A facility permit that has been
9 revoked shall remit a reinstatement fee of Five Hundred Dollars
10 (\$500.00) to restore the facility permit. All license and permit
11 fees shall be deposited into the Public Health Special Fund as
12 provided in Section 1-107 of Title 63 of the Oklahoma Statutes; and

13 8. All commercial licensees, as defined in Section 3 of this
14 act, shall utilize a licensed medical marijuana waste disposal
15 service to process all medical marijuana waste generated by the
16 licensee.

17 9. The Oklahoma Medical Marijuana Authority shall promulgate
18 rules for the implementation of this act. Promulgated rules shall
19 address disposal process standards, site security and any other
20 subject matter deemed necessary by the Authority.

21 SECTION 5. This act shall become effective November 1, 2019.
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