

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 HOUSE BILL 3956

By: Fetgatter of the House

5 and

6 **Standridge** of the Senate

7
8
9 AS INTRODUCED

10 An Act relating to medical marijuana; amending
11 Section 14, Chapter 11, O.S.L. 2019, as amended by
12 Section 6, Chapter 509, O.S.L. 2019 and Section 16,
13 Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2019, Sections
14 427.14 and 427.16), which relate to the Medical
15 Marijuana and Patient Protection Act; exempting
16 transporter agents from residency requirement;
17 removing requirement for Global Positioning System
18 (GPS) trackers on vehicles that transport medical
19 marijuana, concentrate and product; reducing
20 transporter agent license fee; and declaring an
21 emergency.

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

23 SECTION 1. AMENDATORY Section 14, Chapter 11, O.S.L.
24 2019, as amended by Section 6, Chapter 509, O.S.L. 2019 (63 O.S.
25 Supp. 2019, Section 427.14), is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

16 a. all applicants shall be age twenty-five (25) years of
17 age or older,

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

21 c. any applicant applying as an entity shall show that
22 seventy-five percent (75%) of all members, managers,
23 executive officers, partners, board members or any
24

- 1 other form of business ownership are Oklahoma
2 residents pursuant to paragraph 11 of this subsection,
- 3 d. all applying individuals or entities shall be
4 registered to conduct business in the State of
5 Oklahoma,
- 6 e. all applicants shall disclose all ownership interests
7 pursuant to ~~this act~~ the Oklahoma Medical Marijuana
8 and Patient Protection Act, and
- 9 f. applicants shall not have been convicted of a
10 nonviolent felony in the last two (2) years, and any
11 other felony conviction within the last five (5)
12 years, shall not be current inmates, or currently
13 incarcerated in a jail or corrections facility;

14 8. There shall be no limit to the number of medical marijuana
15 business licenses or categories that an individual or entity can
16 apply for or receive, although each application and each category
17 shall require a separate application and application fee. A
18 commercial grower, processor and dispensary, or any combination
19 thereof, are authorized to share the same address or physical
20 location, subject to the restrictions set forth in ~~this act~~ the
21 Oklahoma Medical Marijuana and Patient Protection Act;

22 9. All applicants for a medical marijuana business license,
23 research facility license or education facility license authorized
24 by this act shall undergo an Oklahoma criminal history background

1 check conducted by the Oklahoma State Bureau of Investigation (OSBI)
2 within thirty (30) days prior to the application for the license,
3 including:

- 4 a. individual applicants applying on their own behalf,
- 5 b. individuals applying on behalf of an entity,
- 6 c. all principal officers of an entity, and
- 7 d. all owners of an entity as defined by ~~this act~~ Section
8 427.2 of this title;

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

12 11. In order to be considered an Oklahoma resident for purposes
13 of a medical marijuana business application, all applicants shall
14 provide proof of Oklahoma residency for at least two (2) years
15 immediately preceding the date of application or five (5) years of
16 continuous Oklahoma residency during the preceding twenty-five (25)
17 years immediately preceding the date of application. Sufficient
18 documentation of proof of residency shall include a combination of
19 the following:

- 20 a. an unexpired Oklahoma-issued driver license,
 - 21 b. an Oklahoma voter identification card,
 - 22 c. a utility bill preceding the date of application,
23 excluding cellular telephone and Internet bills,
- 24

1 d. a residential property deed to property in the State
2 of Oklahoma, and

3 e. a rental agreement preceding the date of application
4 for residential property located in the State of
5 Oklahoma.

6 Upon the effective date of this act, a transporter agent shall be
7 exempt from the two-year or five-year Oklahoma residency requirement
8 provided for in paragraph 7 of this subsection;

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

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

- 16 a. front and back of an Oklahoma driver license,
17 b. front and back of an Oklahoma identification card,
18 c. a United States passport or other photo identification
19 issued by the United States government,
20 d. certified copy of the applicant's birth certificate
21 for minor applicants who do not possess a document
22 listed in this section, or

1 e. a tribal identification card approved for
2 identification purposes by the Oklahoma Department of
3 Public Safety; and

4 14. All applicants shall submit an applicant photograph.

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

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

12 2. Approved applicants shall be issued a medical marijuana
13 business license for the specific category applied under which shall
14 act as proof of their approved status. Rejection letters shall
15 provide a reason for the rejection. Applications may only be
16 rejected based on the applicant not meeting the standards set forth
17 in the provisions of this section, improper completion of the
18 application, or for a reason provided for in ~~this act~~ the Oklahoma
19 Medical Marijuana and Patient Protection Act. If an application is
20 rejected for failure to provide required information, the applicant
21 shall have thirty (30) days to submit the required information for
22 reconsideration. No additional application fee shall be charged for
23 such reconsideration.
24

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

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

8 H. A medical marijuana business license shall not be issued to
9 or held by:

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

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

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

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

23 a. file taxes, interest or penalties due related to a
24 medical marijuana business, or

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

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

5 7. A person whose authority to be a caregiver as defined in
6 ~~this act~~ Section 427.2 of this title has been revoked by the State
7 Department of Health; or

8 8. A publicly traded company.

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

21 J. The failure of an applicant to provide the requested
22 information by the Authority deadline may be grounds for denial of
23 the application.

1 K. All applicants shall submit information to the Department
2 and Authority in a full, faithful, truthful and fair manner. The
3 Department and Authority may recommend denial of an application
4 where the applicant made misstatements, omissions,
5 misrepresentations or untruths in the application or in connection
6 with the background investigation of the applicant. This type of
7 conduct may be considered as the basis for additional administrative
8 action against the applicant. Typos and scrivener errors shall not
9 be grounds for denial.

10 L. A licensed medical marijuana business premises shall be
11 subject to and responsible for compliance with applicable provisions
12 for medical marijuana business facilities as described in the most
13 recent versions of the Oklahoma Uniform Building Code, the
14 International Building Code and the International Fire Code, unless
15 granted an exemption by the Authority or municipality.

16 M. All medical marijuana business licensees shall pay the
17 relevant licensure fees prior to receiving licensure to operate a
18 medical marijuana business, as defined in ~~this act~~ Section 427.2 of
19 this title for each class of license.

20 SECTION 2. AMENDATORY Section 16, Chapter 11, O.S.L.
21 2019 (63 O.S. Supp. 2019, Section 427.16), is amended to read as
22 follows:
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1 Section 427.16 A. There is hereby created a medical marijuana
2 transporter license as a category of the medical marijuana business
3 license.

4 B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~
5 this title, the Oklahoma Medical Marijuana Authority shall issue a
6 medical marijuana transporter license to licensed medical marijuana
7 commercial growers, processors and dispensaries upon issuance of
8 such licenses and upon each renewal.

9 C. A medical marijuana transporter license may also be issued
10 to qualifying applicants who are registered with the Oklahoma
11 Secretary of State and otherwise meet the requirements for a medical
12 marijuana business license set forth in ~~this act~~ Section 427.14 of
13 this title and the requirements set forth in this section to provide
14 logistics, distribution and storage of medical marijuana, medical
15 marijuana concentrate and medical marijuana products.

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

21 E. A transporter license shall be required for any person or
22 entity to transport or transfer medical marijuana, concentrate or
23 product from a licensed medical marijuana business to another
24 medical marijuana business, or from a medical marijuana business to

1 a medical marijuana research facility or medical marijuana education
2 facility.

3 F. A medical marijuana transporter licensee may contract with
4 multiple licensed medical marijuana businesses.

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

12 H. A medical marijuana transporter licensee shall use the seed-
13 to-sale tracking system developed pursuant to Section 427.13 of this
14 ~~act~~ title to create shipping manifests documenting the transport of
15 medical marijuana, concentrate and products throughout the state.

16 I. A licensed medical marijuana transporter may maintain and
17 operate one or more warehouses in the state to handle medical
18 marijuana, concentrate and products.

19 J. All medical marijuana, concentrate and product shall be
20 transported:

21 1. ~~In vehicles equipped with Global Positioning System (GPS)~~
22 ~~trackers;~~

23 2. In a locked container and clearly labeled "Medical Marijuana
24 or Derivative"; and

1 ~~3.~~ 2. In a secured area of the vehicle that is not accessible
2 by the driver during transit.

3 K. A transporter agent may possess marijuana at any location
4 while the transporter agent is transferring marijuana to or from a
5 licensed medical marijuana business, medical marijuana research
6 facility or medical marijuana education facility. The State
7 Department of Health shall administer and enforce the provisions of
8 this section concerning transportation.

9 L. The Authority shall issue a transporter agent license to
10 individual agents, employees, officers or owners of a transporter
11 license in order for the individual to qualify to transport medical
12 marijuana or product.

13 M. The annual fee for a transporter agent license shall be ~~One~~
14 ~~Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be
15 paid by the transporter license holder or the individual applicant.

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

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

19 2. ~~Proof of residency as required for a medical marijuana~~
20 ~~business license;~~

21 ~~3.~~ Proof of identity as required for a medical marijuana
22 business license;

23 ~~4.~~ 3. Possession of a valid Oklahoma driver license;

24 ~~5.~~ 4. Verification of employment with a licensed transporter;

~~6.~~ 5. The application and affiliated fee; and

~~7.~~ 6. A criminal background check conducted by the Oklahoma State Bureau of Investigation, paid for by the applicant.

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

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

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

R. The State Department of Health may revoke or suspend the transporter license of a transporter that the Department determines knowingly aided or facilitated a violation of any provision of this section, and the licenseholder is subject to any other penalties established in law for the violation.

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

1. Insured at or above the legal requirements in Oklahoma;

2. Capable of securing medical marijuana during transport; and

1 3. In possession of a shipping container as defined in ~~this act~~
2 Section 427.2 of this title capable of securing all transported
3 product.

4 T. Prior to the transport of any medical marijuana or products,
5 an inventory manifest shall be prepared at the origination point of
6 the medical marijuana. The inventory manifest shall include the
7 following information:

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

- 9 a. the licensee number for the commercial grower,
10 processor or dispensary,
11 b. address of origination of transport, and
12 c. name and contact information for the originating
13 licensee;

14 2. For the end recipient license holder of the medical
15 marijuana:

- 16 a. the license number for the dispensary, commercial
17 grower, processor, research facility or education
18 facility destination,
19 b. address of the destination, and
20 c. name and contact information for the destination
21 licensee;

22 3. Quantities by weight or unit of each type of medical
23 marijuana product contained in transport;
24

1 4. The date of the transport and the approximate time of
2 departure;

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

4 6. Printed names and signatures of the personnel accompanying
5 the transport; and

6 7. Notation of the transporting licensee.

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

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

13 3. An inventory manifest shall not be altered after departing
14 the originating premises other than in cases where the printed name
15 and signature of receipt by the receiving licensee is necessary.

16 4. A receiving licensee shall refuse to accept any medical
17 marijuana or product that is not accompanied by an inventory
18 manifest.

19 5. Originating and receiving licensees shall maintain copies of
20 inventory manifests and logs of quantities of medical marijuana
21 received for three (3) years from date of receipt.

22 SECTION 3. It being immediately necessary for the preservation
23 of the public peace, health or safety, an emergency is hereby
24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.
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4 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/18/2020 - DO PASS,
5 As Coauthored.
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