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February 13, 2020

By: Standridge

An Act relating to medical marijuana; amending Section 2, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 421), which relates to medical marijuana dispensary license; authorizing licensed pharmacy to apply for dispensary license and operate as dispensary upon certain federal action; clarifying language; and providing an effective date.

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

SECTION 1. AMENDATORY Section 2, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 421), is amended to read as follows:

Section 421. A. The ~~Oklahoma~~ State Department of Health shall, within thirty (30) days of passage of this initiative, make available, on ~~their~~ the Department's website, in an easy to find location, an application for a medical marijuana dispensary license. The application fee shall be Two Thousand Five Hundred Dollars (\$2,500.00) and a method of payment ~~will~~ shall be provided on the website. ~~Retail~~ Dispensary applicants must all be Oklahoma state residents. Any entity applying for a ~~retail~~ dispensary license must

1 be owned by an Oklahoma state resident and must be registered to do
2 business in Oklahoma. The ~~Oklahoma State Department of Health~~
3 Department shall have two (2) weeks to review the application,
4 approve or ~~reject~~ deny the application, and mail the
5 ~~approval/rejection~~ approval or denial letter ~~(if rejected, stating~~
6 any reasons for rejection) denial, to the applicant.

7 B. The ~~Oklahoma State Department of Health~~ Department must
8 approve all applications which meet the following criteria:

9 1. ~~Applicant~~ The applicant must be age twenty-five (25) or
10 older;

11 2. Any applicant, applying as an individual, must show
12 residency in the State of Oklahoma;

13 3. All applying entities must show that all members, managers,
14 and board members are Oklahoma residents;

15 4. An applying entity may show ownership of non-Oklahoma
16 residents, but that percentage ownership may not exceed twenty-five
17 percent (25%);

18 5. All applying individuals or entities must be registered to
19 conduct business in the State of Oklahoma;

20 6. All applicants must disclose all ownership;

21 7. Applicant(s) with only nonviolent felony conviction(s) in
22 the last two (2) years, any other felony conviction in five 5
23 (years), inmates, or any person currently incarcerated may not
24 qualify for a medical marijuana dispensary license.

1 C. ~~Retailers will~~ Dispensaries shall be required to ~~complete~~
2 submit a monthly sales report to the ~~Oklahoma Department of Health~~
3 Department. This report ~~will~~ shall be due on the 15th of each month
4 and provide reporting on the previous month. This report ~~will~~ shall
5 detail the weight of marijuana purchased at wholesale and the weight
6 of marijuana sold to card holders, and account for any waste. The
7 report ~~will~~ shall show total sales in dollars, tax collected in
8 dollars, and tax due in dollars. The ~~Oklahoma State Department of~~
9 ~~Health will~~ Department shall have oversight and auditing
10 responsibilities to ensure that all marijuana being grown is
11 accounted for. A retailer ~~will~~ shall only be subject to a penalty
12 if a gross discrepancy exists and cannot be explained. Penalties
13 for fraudulent reporting occurring within any ~~2-year~~ two-year time
14 period ~~will be~~ shall be punishable by an initial fine of Five
15 Thousand Dollars (\$5,000.00) ~~(first)~~ for the first offense and
16 revocation of ~~licensing (second)~~ license for a subsequent offense.

17 D. Only a licensed medical marijuana ~~retailer~~ dispensary may
18 conduct retail sales of marijuana, or marijuana derivatives in the
19 form provided by licensed processors, and these products ~~can~~ may
20 only be sold to a medical marijuana license holder or ~~their~~
21 caregiver of the medical marijuana license holder. Penalties for
22 fraudulent sales occurring within any ~~2-year~~ two-year time period
23 ~~will be~~ shall be punishable by an initial fine of Five Thousand
24

1 Dollars (\$5,000.00) ~~(first)~~ for the first offense and revocation of
2 ~~licensing (second)~~ license for a subsequent offense.

3 E. Upon action by the federal government to remove marijuana
4 from Schedule I of the Uniform Controlled Dangerous Substances Act,
5 a licensed pharmacy in this state may apply for a medical marijuana
6 dispensary license as provided for in this section and in Section
7 427.1 et seq. of this title and may operate as a medical marijuana
8 dispensary upon approval of the application.

9 SECTION 2. This act shall become effective November 1, 2020.

10 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM
11 February 13, 2020 - DO PASS
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