

1 **SENATE FLOOR VERSION**

2 February 20, 2019

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 882

By: Weaver of the Senate

and

Fetgatter of the House

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8
9 [medical marijuana - Oklahoma Medical Marijuana
10 Waste Management Act - license - codification -
effective date]

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

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

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

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

22 Medical Marijuana waste shall be subject to the provisions of
23 this act and shall not be subject to the provisions of the Uniform
24

1 Controlled and Dangerous Substances Act, as provided in Section 2-
2 101 et seq. of Title 63 of the Oklahoma Statutes.

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

6 A. As used in this act:

7 1. "Authority" shall mean the Oklahoma Medical Marijuana
8 Authority or successor agency;

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

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

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

17 5. "License" shall mean a Medical Marijuana Waste Disposal
18 License;

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

21 7. "Medical Marijuana Waste" shall include, but not be limited
22 to unused, surplus, returned or out-of-date marijuana, recalled
23 marijuana, marijuana that has failed laboratory testing, plant
24 debris of the plant of the genus cannabis, including dead plants and

1 all unused plant parts and roots, and any wastewater generated
2 during growing and processing; and

3 8. "Medical Marijuana Waste Disposal License" shall mean a
4 license issued by the Oklahoma Medical Marijuana Authority or
5 successor agency.

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

9 A. There is hereby created and authorized a Medical Marijuana
10 Waste Disposal License. A person or entity in possession of a
11 Medical Marijuana Waste Disposal License shall be entitled to
12 possess, transport and dispose of medical marijuana waste. No
13 person or entity shall possess, transport or dispose of medical
14 marijuana waste without a valid Medical Marijuana Waste Disposal
15 License. The Oklahoma Medical Marijuana Authority shall issue
16 licenses upon proper application by a licensee and determination by
17 the Authority that the proposed site and facility are physically and
18 technically suitable. Upon a finding that a proposed medical
19 marijuana waste facility is not physically or technically suitable,
20 the Authority shall deny the license. The Authority may, upon
21 determining that public health or safety requires emergency action,
22 issue a temporary permit for treatment or storage of medical
23 marijuana waste for a period not to exceed ninety (90) days. The
24 Authority shall not, for the first year of the licensure program,

1 issue more than ten (10) licenses. Upon the conclusion of the first
2 year, the Authority shall assess the need for additional licenses
3 and shall, if demonstrated, increase the number of licenses as
4 deemed necessary by the Authority.

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

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

- 9 a. an attestation that the applicant is authorized to
10 make application on behalf of the entity,
- 11 b. full name of the organization,
- 12 c. trade name, if applicable,
- 13 d. type of business organization,
- 14 e. complete mailing address,
- 15 f. an attestation that the commercial entity will not be
16 located on tribal land,
- 17 g. telephone number and email address of entity, and
- 18 h. name, residential address and date of birth of each
19 owner and each member, manager and board member, if
20 applicable;

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

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

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

- a. a list of all persons and/or entities that have an ownership interest in the entity,
- b. a certificate of good standing from the Oklahoma Secretary of State, if applicable,
- c. an Affidavit of Lawful Presence for each owner,
- d. proof that the proposed location of the disposal service is at least one thousand (1,000) feet from a public or private school. The distance shall be measured from any entrance of the school to the nearest property line point of the facility, and

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

7 4. No license shall be issued except upon proof of sufficient
8 liability insurance and financial responsibility. Liability
9 insurance shall be provided by applicant and shall apply to sudden
10 and nonsudden bodily injury or property damage on, below or above
11 the surface, as required by the rules of the Authority. Such
12 insurance shall be maintained for the period of operation of the
13 facility and shall provide coverage for damages resulting from
14 operation of the facility during operation and after closing. In
15 lieu of liability insurance required by this paragraph, an
16 equivalent amount of cash, securities, bond or alternate financial
17 assurance of a type and in an amount acceptable to the Authority,
18 may be substituted; provided, that such deposit shall be maintained
19 for a period of five (5) years after the date of last operation of
20 the facility;

21 5. Submission of an application for a medical marijuana waste
22 disposal license shall constitute permission for entry to and
23 inspection of the licensee's facility during hours of operation and
24 other reasonable times. Refusal to permit such entry of inspection

1 shall constitute grounds for the nonrenewal, suspension or
2 revocation of a license. The Authority may perform an annual
3 unannounced on-site inspection of a licensed licensee's operations
4 and facility. If the Authority receives a complaint concerning a
5 licensee's noncompliance with this act, the Authority may conduct
6 additional unannounced, on-site inspections beyond an annual
7 inspection. The Authority shall refer all complaints alleging
8 criminal activity that are made against a licensed processor to
9 appropriate state or local law enforcement authorities;

10 6. The Authority shall issue a permit for each medical
11 marijuana disposal facilities operated by a licensee. A permit
12 shall be issued only upon proper application by a licensee and
13 determination by the Authority that the proposed site and facility
14 are physically and technically suitable. Upon a finding that a
15 proposed medical marijuana waste facility is not physically or
16 technically suitable, the Authority shall deny the permit. The
17 Authority shall have the authority to revoke a permit upon a finding
18 that the site and facility are not physically and technically
19 suitable for processing. The Authority may, upon determining that
20 public health or safety requires emergency action, issue a temporary
21 permit for treatment or storage of medical marijuana waste for a
22 period not to exceed ninety (90) days;

23 7. The cost of a medical marijuana waste disposal license shall
24 be Five Thousand Dollars (\$5,000.00) for the initial license. The

1 cost of a medical marijuana waste disposal facility permit shall be
2 Five Hundred Dollars (\$500.00). A facility permit that has been
3 revoked shall remit a reinstatement fee of Five Hundred Dollars
4 (\$500.00) to restore the facility permit. All license and permit
5 fees shall be deposited into the Public Health Special Fund as
6 provided in Section 1-107 of Title 63 of the Oklahoma Statutes;

7 8. All commercial licensees, as defined in Section 3 of this
8 act, shall utilize a licensed medical marijuana waste disposal
9 service to process all medical marijuana waste generated by the
10 licensee; and

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

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

16 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
17 February 20, 2019 - DO PASS AS AMENDED
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