

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 57th Legislature (2019)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2612

By: Echols

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to medical marijuana; creating the
10 Oklahoma Medical Marijuana and Patient Protection
11 Act; providing definitions; creating the Oklahoma
12 Medical Marijuana Authority; directing Authority to
13 address certain issues related to medical marijuana;
14 providing for support staff and office space; stating
15 duties of the Authority; authorizing employment of
16 Executive Director and personnel; providing
17 qualifications for positions; authorizing Executive
18 Director to delegate powers and duties and suggest
19 rules; granting the Authority and certain personnel
20 specific peace officer powers; creating the Oklahoma
21 Medical Marijuana Authority Revolving Fund; providing
22 sources of monies; appropriating monies for certain
23 purposes; authorizing State Department of Health to
24 address issues related to the medical marijuana
 program; allowing the Department to perform on-site
 assessments; establishing guidelines for conducting
 on-site assessments; providing disciplinary actions
 for certain violations; providing for the assessment
 of monetary penalties; allowing applicants and
 licensees to contest disciplinary actions; providing
 for the creation of a medical marijuana use registry;
 stating requirements of use registry; providing for
 confidentiality of certain medical marijuana licensee
 records; clarifying possession rights of licensees;
 prohibiting counties and municipalities from enacting
 certain possession guidelines; allowing property
 owners to prohibit certain medical marijuana use;
 prohibiting denial of eligibility in government
 assistance programs solely for status as patient or

1 caregiver; providing exception; prohibiting
2 restrictions on a licensee's right to own, purchase
3 or possess firearms; prohibiting assessment of
4 criminal or civil penalties to licensees who use
5 medical marijuana in accordance with medical
6 marijuana program; providing that government
7 assistance programs are not required to reimburse
8 certain costs; prohibiting employers from engaging in
9 certain employment practices with applicants or
10 employees that hold medical marijuana licenses;
11 providing exceptions; construing act; stating
12 remedies for aggrieved applicants or employees under
13 certain act; defining terms; establishing
14 restrictions for smoking or vaping medical marijuana
15 under certain act; authorizing Department to contact
16 recommending physicians to verify need; providing
17 reduced fee for certain applicants; stating term of
18 patient license; providing limitations on physicians
19 who may recommend medical marijuana to patients;
20 prohibiting assessment of criminal or civil penalties
21 for physicians who recommend medical marijuana;
22 prohibiting physician from co-locating with
23 dispensary; providing for patient license revocation;
24 stating rights of caregivers; limiting number of
patients to be designated for caregivers; limiting
term of license; stating guidelines and restrictions
for homegrown medical marijuana plants; prohibiting
use of certain extraction equipment or processes;
requiring certain products to be purchased from
Oklahoma-licensed businesses; granting Department
oversight and audit responsibilities for medical
marijuana program; providing inventory tracking
system guidelines; creating medical marijuana
business licenses; directing development of website
for medical marijuana business applications;
requiring Department to make medical marijuana
business applications available on website; stating
requirements, fee and licensing procedures for
medical marijuana business applicants; directing
applicants to submit certain information and
documentation; exempting applicants from certain
registration requirement; providing for approval or
rejection of license; providing for investigations,
interviews and inspections; providing certain
approval and rejection procedures; requiring certain
licenses and permits; providing for conditional
license; excluding certain applicants; providing

1 certain investigative procedures; providing certain
2 grounds for denial and disciplinary action; requiring
3 compliance with certain building codes; requiring
4 payment of fee before business begins operating;
5 directing applicants to disclose certain financial
6 information and documents; authorizing the Department
7 to develop policies and procedures for disclosure of
8 financial interest and ownership; directing
9 Department to receive applications and issue licenses
10 for medical marijuana transporters; defining scope of
11 license; providing procedures and guidelines for
12 obtaining transporter licenses; directing
13 transporters to use certain tracking system;
14 establishing procedures for transporting medical
15 marijuana or medical marijuana product; authorizing
16 the Department to issue transporter agent licenses;
17 stating fee; providing for the issuance of
18 transporter agent identification card; stating
19 contents of identification card; stating term of
20 license; authorizing Department to revoke or suspend
21 transporter licenses under certain circumstances;
22 specifying vehicle requirements for transporters;
23 requiring preparation of inventory manifests prior to
24 transporting product; requiring certain information
on inventory manifest; creating the medical marijuana
testing laboratory license; authorizing the Authority
to contract with laboratories for certain purpose;
authorizing the Department to develop certain testing
and research practices; placing restrictions on who
may own a testing laboratory; stating requirements
and licensing procedures for medical marijuana
testing laboratory applicants; requiring medical
laboratory director; providing for acceptance of
samples; authorizing certain transfer; authorizing
use of licensed transporters; directing laboratories
to establish certain policies related to the
integrity of testing processes; directing the
Department to develop certain standards, policies and
procedures; requiring laboratories to provide the
Department with access to test reports and premises;
providing for the retention of lab test results for
time certain; specifying mandatory testing
categories; requiring certain inspection and
proficiency testing; providing for laboratory
accreditation; prohibiting sale or transfer of
untested medical marijuana and medical marijuana
products; prohibiting the sale or distribution of

1 usable marijuana products unless packaged and labeled
2 in certain manner; requiring return of noncompliant
3 product; establishing certain packaging and labeling
4 requirements; providing for development of packaging
5 and labeling standards for medical marijuana;
6 requiring certain information be displayed on the
7 label; authorizing issuance of research license to
8 certain persons; stating fee for license; allowing
9 issuance of license for specific research purposes;
10 stating criteria for obtaining a medical marijuana
11 research license; providing limitations on the
12 transfer of marijuana grown for research purposes;
13 allowing for the revocation of research license under
14 certain circumstances; authorizing research licensees
15 to contract with institution of higher education;
16 providing exemption from civil or criminal liability
17 for licensed researchers who act in accordance with
18 the medical marijuana program; requiring certain
19 review for public institutions; creating the medical
20 marijuana education facility license; stating purpose
21 of license; stating fee for license; establishing
22 purposes for which the license may be issued;
23 directing applicant to submit certain information
24 with application; providing for the revocation of
license under certain circumstances; providing
limitations on the transfer of marijuana grown for
education purposes; authorizing education facility
licensees to contract with higher education research
institutions or other research licensees; providing
exemption from civil or criminal liability;
prohibiting medical marijuana businesses from
engaging in deceptive, false or misleading
advertising; prohibiting any form of advertising that
targets individuals under a certain age; making
certain records confidential and exempt from the
Oklahoma Open Records Act; defining term; providing
for promulgation and recommendation of rules;
amending 40 O.S. 2011, Section 552, as amended by
Section 17, Chapter 196, O.S.L. 2012 (40 O.S. Supp.
2018, Section 552), which relates to the Standards
for Workplace Drug and Alcohol Testing Act;
clarifying scope of certain definition; and providing
for codification.

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

2 SECTION 1. NEW LAW A new section of law to be codified
3 in the Oklahoma Statutes as Section 427.1 of Title 63, unless there
4 is created a duplication in numbering, reads as follows:

5 This act shall be known and may be cited as the "Oklahoma
6 Medical Marijuana and Patient Protection Act".

7 SECTION 2. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 427.2 of Title 63, unless there
9 is created a duplication in numbering, reads as follows:

10 As used in this act:

11 1. "Advertising" means the act of providing consideration for
12 the publication, dissemination, solicitation, or circulation, of
13 visual, oral, or written communication, to induce directly or
14 indirectly any person to patronize a particular medical marijuana
15 business, or to purchase particular medical marijuana or a medical
16 marijuana product. Advertising includes marketing, but does not
17 include packaging and labeling;

18 2. "Authority" means the Oklahoma Medical Marijuana Authority;

19 3. "Batch number" means a unique numeric or alphanumeric
20 identifier assigned prior to testing to allow for inventory tracking
21 and traceability;

22 4. "Cannabinoid" means any of the chemical compounds that are
23 active principles of marijuana;

24

1 5. "Caregiver" means a family member or assistant who regularly
2 looks after a medical marijuana license holder whom a physician
3 attests needs assistance;

4 6. "Child-resistant" means special packaging that is:

5 a. designed or constructed to be significantly difficult
6 for children under five (5) years of age to open and
7 not difficult for normal adults to use properly as
8 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
9 1700.20 (1995),

10 b. opaque so that the outermost packaging does not allow
11 the product to be seen without opening the packaging
12 material, and

13 c. resealable to maintain its child-resistant
14 effectiveness for multiple openings for any product
15 intended for more than a single use or containing
16 multiple servings;

17 7. "Clone" means a nonflowering plant cut from a mother plant
18 that is capable of developing into a new plant and has shown no
19 signs of flowering;

20 8. "Commissioner" means the State Commissioner of Health;

21 9. "Complete application" means a document prepared in
22 accordance with the provisions set forth in this act, rules
23 promulgated pursuant thereto, and the forms and instructions
24

1 provided by the Department, including any supporting documentation
2 required and the applicable license application fee;

3 10. "Department" means the State Department of Health;

4 11. "Director" means the Executive Director of the Oklahoma
5 Medical Marijuana Authority;

6 12. "Dispense" means the selling of medical marijuana or a
7 medical marijuana product to a qualified patient or the designated
8 caregiver of the patient that is packaged in a suitable container
9 appropriately labeled for subsequent administration to or use by a
10 qualifying patient;

11 13. "Dispensary" means a medical marijuana dispensary, an
12 entity that has been licensed by the Department pursuant to this act
13 to purchase medical marijuana or medical marijuana products from a
14 licensed medical marijuana commercial grower or medical marijuana
15 processor, sell medical marijuana or medical marijuana products to
16 patients and caregivers as defined under this act, or sell or
17 transfer products to another dispensary;

18 14. "Edible medical marijuana product" means any medical-
19 marijuana-infused product for which the intended use is oral
20 consumption including, but not limited to, any type of food, drink
21 or pill;

22 15. "Entity" means an individual, general partnership, limited
23 partnership, limited liability company, trust, estate, association,
24 corporation, cooperative, or any other legal or commercial entity;

1 16. "Flower" means the reproductive organs of the marijuana or
2 cannabis plant referred to as the bud or parts of the plant that are
3 harvested and used to consume in a variety of medical marijuana
4 products;

5 17. "Flowering" means the reproductive state of the marijuana
6 or cannabis plant in which there are physical signs of flower or
7 budding out of the nodes of the stem;

8 18. "Food-based medical marijuana concentrate" means a medical
9 marijuana concentrate that was produced by extracting cannabinoids
10 from medical marijuana through the use of propylene glycol,
11 glycerin, butter, olive oil, coconut oil or other typical food-safe
12 cooking fats;

13 19. "Good cause" for purposes of an initial, renewal or
14 reinstatement license application, or for purposes of discipline of
15 a licensee, means:

- 16 a. the licensee or applicant has violated, does not meet,
17 or has failed to comply with any of the terms,
18 conditions or provisions of the act, any rules
19 promulgated pursuant thereto, or any supplemental
20 relevant state or local law, rule or regulation,
- 21 b. the licensee or applicant has failed to comply with
22 any special terms or conditions that were placed upon
23 the license pursuant to an order of the State

24

1 Department of Health, Oklahoma Medical Marijuana
2 Authority or the municipality, or

3 c. the licensed premises of a medical marijuana business
4 or applicant have been operated in a manner that
5 adversely affects the public health or welfare or the
6 safety of the immediate vicinity in which the
7 establishment is located;

8 20. "Harvest batch" means a specifically identified quantity of
9 medical marijuana that is uniform in strain, cultivated utilizing
10 the same cultivation practices, harvested at the same time from the
11 same location and cured under uniform conditions;

12 21. "Harvested marijuana" means post-flowering medical
13 marijuana not including trim, concentrate or waste;

14 22. "Heat- or pressure-based medical marijuana concentrate"
15 means a medical marijuana concentrate that was produced by
16 extracting cannabinoids from medical marijuana through the use of
17 heat or pressure;

18 23. "Immature plant" means a nonflowering marijuana plant that
19 has not demonstrated signs of flowering;

20 24. "Inventory tracking system" means the required tracking
21 system that accounts for medical marijuana from either the seed or
22 immature plant stage until the medical marijuana or medical
23 marijuana product is sold to a patient at a medical marijuana
24 dispensary, transferred to a medical marijuana research facility,

1 destroyed by a medical marijuana business or used in a research
2 project by a medical marijuana research facility;

3 25. "Licensed patient" or "patient" means a person who has been
4 issued a medical marijuana patient license by the State Department
5 of Health or Oklahoma Medical Marijuana Authority;

6 26. "Licensed premises" means the premises specified in an
7 application for a medical marijuana business license, medical
8 marijuana research facility license or medical marijuana education
9 facility license pursuant to this act that are owned or in
10 possession of the licensee and within which the licensee is
11 authorized to cultivate, manufacture, distribute, sell, store,
12 transport, test or research medical marijuana or medical marijuana
13 products in accordance with the provisions of this act and rules
14 promulgated pursuant thereto;

15 27. "Manufacture" means the production, propagation,
16 compounding or processing of a medical marijuana product, excluding
17 marijuana plants, either directly or indirectly by extraction from
18 substances of natural or synthetic origin, or independently by means
19 of chemical synthesis, or by a combination of extraction and
20 chemical synthesis;

21 28. "Marijuana" shall have the same meaning as such term is
22 defined in Section 2-101 of Title 63 of the Oklahoma Statutes;

23 29. "Material change" means any change that would require a
24 substantive revision to the standard operating procedures of a

1 licensee for the cultivation or production of medical marijuana,
2 medical marijuana concentrate or medical marijuana products;

3 30. "Mature plant" means a harvestable female marijuana plant
4 that is flowering;

5 31. "Medical marijuana business (MMB)" means a licensed medical
6 marijuana dispensary, medical marijuana processor, medical marijuana
7 commercial grower, medical marijuana laboratory, medical marijuana
8 business operator, or a medical marijuana transporter;

9 32. "Medical marijuana concentrate" or "concentrate" means a
10 specific subset of medical marijuana that was produced by extracting
11 cannabinoids from medical marijuana. Categories of medical
12 marijuana concentrate include water-based medical marijuana
13 concentrate, food-based medical marijuana concentrate, solvent-based
14 medical marijuana concentrate, and heat- or pressure-based medical
15 marijuana concentrate;

16 33. "Medical marijuana commercial grower" or "commercial
17 grower" means an entity licensed to cultivate, prepare and package
18 medical marijuana and transfer or contract for transfer medical
19 marijuana to a medical marijuana dispensary, medical marijuana
20 processor, any other medical marijuana commercial grower, medical
21 marijuana research facility, medical marijuana education facility
22 and pesticide manufacturers. A commercial grower may sell seeds,
23 flower or clones to commercial growers pursuant to this act;

24

1 34. "Medical marijuana education facility" or "education
2 facility" means a person or entity approved pursuant to this act to
3 operate a facility providing training and education to individuals
4 involving the cultivation, growing, harvesting, curing, preparing,
5 packaging or testing of medical marijuana, or the production,
6 manufacture, extraction, processing, packaging or creation of
7 medical-marijuana-infused products or medical marijuana products as
8 described in this act;

9 35. "Medical-marijuana-infused product" means a product infused
10 with medical marijuana including, but not limited to, edible
11 products, ointments and tinctures;

12 36. "Medical marijuana product" or "product" means a product
13 that contains cannabinoids that have been extracted from plant
14 material or the resin therefrom by physical or chemical means and is
15 intended for administration to a qualified patient including, but
16 not limited to, oils, tinctures, edibles, pills, topical forms,
17 gels, creams, vapors, patches, liquids, and forms administered by a
18 nebulizer, excluding live plant forms which are considered medical
19 marijuana;

20 37. "Medical marijuana processor" means a person or entity
21 licensed pursuant to this act to operate a business including the
22 production, manufacture, extraction, processing, packaging or
23 creation of concentrate, medical-marijuana-infused products or
24 medical marijuana products as described in this act;

1 38. "Medical marijuana research facility" or "research
2 facility" means a person or entity approved pursuant to this act to
3 conduct medical marijuana research. A medical marijuana research
4 facility is not a medical marijuana business;

5 39. "Medical marijuana testing laboratory" or "laboratory"
6 means a public or private laboratory licensed pursuant to this act,
7 to conduct testing and research on medical marijuana and medical
8 marijuana products;

9 40. "Medical marijuana transporter" or "transporter" means a
10 person or entity that is licensed pursuant to this act. A medical
11 marijuana transporter does not include a medical marijuana business
12 that transports its own medical marijuana, medical marijuana
13 concentrate or medical marijuana products to a property or facility
14 adjacent to or connected to the licensed premises if the property is
15 another licensed premises of the same medical marijuana business;

16 41. "Medical marijuana waste" or "waste" means unused, surplus,
17 returned or out-of-date marijuana, plant debris of the plant of the
18 genus Cannabis, including dead plants and all unused plant parts and
19 roots;

20 42. "Medical use" means the acquisition, possession, use,
21 delivery, transfer or transportation of medical marijuana, medical
22 marijuana products, medical marijuana devices or paraphernalia
23 relating to the administration of medical marijuana to treat a
24 licensed patient;

1 43. "Mother plant" means a marijuana plant that is grown or
2 maintained for the purpose of generating clones, and that will not
3 be used to produce plant material for sale to a medical marijuana
4 processor or medical marijuana dispensary;

5 44. "Oklahoma physician" or "physician" means a physician
6 licensed by and in good standing with the State Board of Medical
7 Licensure and Supervision or the State Board of Osteopathic
8 Examiners;

9 45. "Oklahoma resident" means an individual who can provide
10 proof of residency as required by this act;

11 46. "Owner" means, except where the context otherwise requires,
12 a direct beneficial owner including, but not limited to, all persons
13 or entities as follows:

- 14 a. all shareholders owning an interest of a corporate
15 entity and all officers of a corporate entity,
- 16 b. all partners of a general partnership,
- 17 c. all general partners and all limited partners that own
18 an interest in a limited partnership,
- 19 d. all members that own an interest in a limited
20 liability company,
- 21 e. all beneficiaries that hold a beneficial interest in a
22 trust and all trustees of a trust,
- 23 f. all persons or entities that own interest in a joint
24 venture,

- 1 g. all persons or entities that own an interest in an
2 association,
3 h. the owners of any other type of legal entity, and
4 i. any other person holding an interest or convertible
5 note in any entity which owns, operates or manages a
6 licensed facility;

7 47. "Package" or "packaging" means any container or wrapper
8 that may be used by a medical marijuana business to enclose or
9 contain medical marijuana;

10 48. "Person" means a natural person, partnership, association,
11 business trust, company, corporation, estate, limited liability
12 company, trust or any other legal entity or organization, or a
13 manager, agent, owner, director, servant, officer or employee
14 thereof, except that "person" does not include any governmental
15 organization;

16 49. "Pesticide" means any substance or mixture of substances
17 intended for preventing, destroying, repelling or mitigating any
18 pest or any substance or mixture of substances intended for use as a
19 plant regulator, defoliant or desiccant, except that the term
20 "pesticide" shall not include any article that is a "new animal
21 drug" as designated by the United States Food and Drug
22 Administration;

23 50. "Production batch" means:
24

- 1 a. any amount of medical marijuana concentrate of the
2 same category and produced using the same extraction
3 methods, standard operating procedures and an
4 identical group of harvest batch of medical marijuana,
5 or
6 b. any amount of medical marijuana product of the same
7 exact type, produced using the same ingredients,
8 standard operating procedures and the same production
9 batch of medical marijuana concentrate;

10 51. "Public institution" means any entity established or
11 controlled by the federal government, state government, or a local
12 government or municipality including, but not limited to,
13 institutions of higher education or related research institutions;

14 52. "Public money" means any funds or money obtained by the
15 holder from any governmental entity including, but not limited to,
16 research grants;

17 53. "Recommendation" means a document that is signed or
18 electronically submitted by a physician on behalf of a patient for
19 the use of medical marijuana pursuant to this act;

20 54. "Registered to conduct business" means a person that has
21 provided proof that the business applicant is in good standing with
22 the Oklahoma Secretary of State and Oklahoma Tax Commission;

23 55. "Remediation" means the process by which the medical
24 marijuana flower or trim, which has failed microbial testing, is

1 processed into solvent-based medical marijuana concentrate and
2 retested as required by this act;

3 56. "Research project" means a discrete scientific endeavor to
4 answer a research question or a set of research questions related to
5 medical marijuana and is required for a medical marijuana research
6 license. A research project shall include a description of a
7 defined protocol, clearly articulated goals, defined methods and
8 outputs, and a defined start and end date. The description shall
9 demonstrate that the research project will comply with all
10 requirements in this act and rules promulgated pursuant thereto.
11 All research and development conducted by a medical marijuana
12 research facility shall be conducted in furtherance of an approved
13 research project;

14 57. "Revocation" means the final decision by the Department
15 that any license issued pursuant to this act is rescinded because
16 the individual or entity does not comply with the applicable
17 requirements set forth in this act or rules promulgated pursuant
18 thereto;

19 58. "School" means a public or private preschool or a public or
20 private elementary or secondary school used for school classes and
21 instruction. A homeschool, daycare or child-care facility shall not
22 be considered a "school" as used in this act;

23 59. "Shipping container" means a hard-sided container with a
24 lid or other enclosure that can be secured in place. A shipping

1 container is used solely for the transport of medical marijuana,
2 medical marijuana concentrate, or medical marijuana products between
3 medical marijuana businesses, a medical marijuana research facility,
4 or a medical marijuana education facility;

5 60. "Solvent-based medical marijuana concentrate" means a
6 medical marijuana concentrate that was produced by extracting
7 cannabinoids from medical marijuana through the use of a solvent
8 approved by the Department;

9 61. "State Question" means Oklahoma State Question No. 788,
10 Initiative Petition No. 412, approved by a majority vote of the
11 citizens of Oklahoma on June 26, 2018;

12 62. "Strain" means the classification of marijuana or cannabis
13 plants in either pure sativa, indica, afghanica, ruderalis or hybrid
14 varieties;

15 63. "THC" means tetrahydrocannabinol, which is the primary
16 psychotropic cannabinoid in marijuana formed by decarboxylation of
17 naturally tetrahydrocannabinolic acid, which generally occurs by
18 exposure to heat;

19 64. "Test batch" means with regard to usable marijuana, a
20 homogenous, identified quantity of usable marijuana by strain that
21 is harvested during a seven-day period from a specified cultivation
22 area, and with regard to oils, vapors and waxes derived from usable
23 marijuana, means an identified quantity that is uniform, that is
24 intended to meet specifications for identity, strength and

1 composition, and that is manufactured, packaged and labeled during a
2 specified time period according to a single manufacturing, packaging
3 and labeling protocol;

4 65. "Transporter agent" means a person who transports medical
5 marijuana or medical marijuana products for a licensed transporter
6 and holds a transporter agent license pursuant to this act;

7 66. "Universal symbol" means the image established by the State
8 Department of Health or Oklahoma Medical Marijuana Authority and
9 made available to licensees through its website indicating that the
10 medical marijuana or the medical marijuana product contains THC;

11 67. "Usable marijuana" means the dried leaves, flowers, oils,
12 vapors, waxes and other portions of the marijuana plant and any
13 mixture or preparation thereof, excluding seed, roots and stalks;
14 and

15 68. "Water-based medical marijuana concentrate" means a
16 concentrate that was produced by extracting cannabinoids from
17 medical marijuana through the use of only water, ice, or dry ice.

18 SECTION 3. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 427.3 of Title 63, unless there
20 is created a duplication in numbering, reads as follows:

21 A. There is hereby created the Oklahoma Medical Marijuana
22 Authority within the State Department of Health which shall address
23 issues related to the medical marijuana program in Oklahoma
24 including, but not limited to, the issuance of patient licenses and

1 medical marijuana business licenses, and the dispensing,
2 cultivating, processing, testing, transporting, storage, research,
3 and the use of and sale of medical marijuana pursuant to this act.

4 B. The Department shall provide support staff to perform
5 designated duties of the Authority. The Department shall also
6 provide office space for meetings of the Authority.

7 C. The Department shall implement the provisions of this act
8 consistently with the voter-approved State Question No. 788,
9 Initiative Petition No. 412, subject to the provisions of this act.

10 D. The Department shall exercise its respective powers and
11 perform its respective duties and functions as specified in this act
12 and Title 63 of the Oklahoma Statutes including, but not limited to,
13 the following:

14 1. Determine steps the state shall take, whether administrative
15 or legislative in nature, to ensure that research on marijuana and
16 marijuana products is being conducted for public purposes, including
17 the advancement of:

- 18 a. public health policy and public safety policy,
- 19 b. agronomic and horticultural best practices, and
- 20 c. medical and pharmacopoeia best practices;

21 2. Contract with third-party vendors and other governmental
22 entities in order to carry out the respective duties and functions
23 as specified in this act. The Department shall not contract with
24 any vendor providing commercial services to medical marijuana

1 businesses either directly, through affiliates, or any joint venture
2 or subsidiary;

3 3. Upon complaint or upon its own motion and upon a completed
4 investigation, levy fines as prescribed in this act and suspend or
5 revoke licenses pursuant to this act;

6 4. Issue subpoenas for the appearance or production of persons,
7 records and things in connection with disciplinary or contested
8 cases considered by the Department;

9 5. Apply for injunctive or declaratory relief to enforce the
10 provisions of this section and any rules promulgated pursuant to
11 this section;

12 6. Inspect and examine, with notice provided in accordance with
13 this act, all licensed premises of medical marijuana businesses,
14 research facilities and education facilities in which medical
15 marijuana is cultivated, manufactured, sold, stored, transported,
16 tested or distributed;

17 7. Work with the Oklahoma State Banking Department and the
18 State Treasurer to develop good practices and standards for banking
19 and finance for medical marijuana businesses;

20 8. Establish internal control procedures for licenses including
21 accounting procedures, reporting procedures and personnel policies;

22 9. Establish a fee schedule and collect fees for performing
23 background checks as the Commissioner deems appropriate. The fees
24

1 charged pursuant to this paragraph shall not exceed the actual cost
2 incurred for each background check; and

3 10. Require verification for sources of finance for medical
4 marijuana businesses.

5 SECTION 4. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 427.4 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

8 A. The Oklahoma Medical Marijuana Authority, in conjunction
9 with the State Department of Health, shall employ an Executive
10 Director and other personnel as necessary to assist the Authority in
11 carrying out its duties.

12 B. The Authority shall not employ an individual if any of the
13 following circumstances exist:

14 1. The individual has a direct or indirect interest in a
15 licensed medical marijuana business; or

16 2. The individual or his or her spouse, parent, child, spouse
17 of a child, sibling, or spouse of a sibling has an application for a
18 medical marijuana business license pending before the Department or
19 is a member of the board of directors of a medical marijuana
20 business, or is an individual financially interested in any licensee
21 or medical marijuana business.

22 C. All officers and employees of the Authority shall be in the
23 exempt unclassified service as provided for in Section 840-5.5 of
24 Title 74 of the Oklahoma Statutes.

1 D. The Commissioner may delegate to any officer or employee of
2 the Department any of the powers of the Executive Director and may
3 designate any officer or employee of the Department to perform any
4 of the duties of the Executive Director.

5 E. The Executive Director shall be authorized to suggest rules
6 governing the oversight and implementation of this act.

7 F. The Department is hereby authorized to create employment
8 positions necessary for the implementation of its obligations
9 pursuant to this act, including but not limited to Authority
10 investigators and a senior director of enforcement. The Department
11 and the Authority, the senior director of enforcement, the Executive
12 Director, and Department investigators shall have all the powers of
13 any peace officer to:

14 1. Investigate violations or suspected violations of this act
15 and any rules promulgated pursuant thereto;

16 2. Serve all warrants, summonses, subpoenas, administrative
17 citations, notices or other processes relating to the enforcement of
18 laws regulating medical marijuana, concentrate, and medical
19 marijuana product;

20 3. Assist or aid any law enforcement officer in the performance
21 of his or her duties upon such law enforcement officer's request or
22 the request of other local officials having jurisdiction;

23 4. Require any business licensee, upon twenty-four (24) hours
24 notice or upon a showing of necessity, to permit an inspection of

1 licensed premises during business hours or at any time of apparent
2 operation, marijuana equipment, and marijuana accessories, or books
3 and records; and to permit the testing of or examination of medical
4 marijuana, concentrate, or product; and

5 5. Require applicants to submit complete and current
6 applications, information required by this act and fees, and approve
7 material changes made by the applicant or licensee.

8 SECTION 5. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 427.5 of Title 63, unless there
10 is created a duplication in numbering, reads as follows:

11 There is hereby created in the State Treasury a revolving fund
12 for the State Department of Health to be designated the "Oklahoma
13 Medical Marijuana Authority Revolving Fund". The fund shall be a
14 continuing fund, not subject to fiscal year limitations, and shall
15 consist of all monies received by the Department from fees and fines
16 collected pursuant to this act and all monies received by the
17 Oklahoma Tax Commission from tax proceeds collected pursuant to
18 Section 426 of Title 63 of the Oklahoma Statutes. All monies
19 accruing to the credit of the fund are hereby appropriated and may
20 be budgeted and expended by the Department for the purposes set
21 forth in Section 426 of Title 63 of the Oklahoma Statutes.

22 Expenditures from the fund shall be made upon warrants issued by the
23 State Treasurer against claims filed as prescribed by law with the
24

1 Director of the Office of Management and Enterprise Services for
2 approval and payment.

3 SECTION 6. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 427.6 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 A. The State Department of Health shall address issues related
7 to the medical marijuana program in Oklahoma including, but not
8 limited to, monitoring and disciplinary actions as they relate to
9 the medical marijuana program.

10 B. 1. The Department or its designee may perform on-site
11 assessments of a licensee or applicant for any medical marijuana
12 business license issued pursuant to this act to determine compliance
13 with this act or submissions made pursuant to this section. The
14 Department may enter the licensed premises of a medical marijuana
15 business licensee or applicant to assess or monitor compliance.

16 2. Inspections shall be limited to twice per calendar year and
17 twenty-four (24) hours of notice shall be provided to a medical
18 marijuana business applicant or licensee prior to an on-site
19 assessment. However, additional inspections may occur when the
20 Department shows that an additional inspection is necessary due to a
21 violation of this act. Such inspection may be without notice if the
22 Department believes that such notice will result in the destruction
23 of evidence.

24

1 3. The Department may review relevant records of a licensed
2 medical marijuana business, licensed medical marijuana research
3 facility or licensed medical marijuana education facility, and may
4 require and conduct interviews with such persons or entities and
5 persons affiliated with such entities, for the purpose of
6 determining compliance with Department requirements and applicable
7 laws. However, prior to conducting any interviews with the medical
8 marijuana business, research facility or education facility, the
9 licensee shall be afforded sufficient time to secure legal
10 representation during such questioning if requested by the business
11 or facility or any of its agents or employees or contractors.

12 4. The Department shall refer complaints alleging criminal
13 activity that are made against a licensee to appropriate Oklahoma
14 state or local law enforcement authorities.

15 C. Disciplinary action may be taken against an applicant or
16 licensee under this act for not adhering to the law pursuant to the
17 terms, conditions and guidelines set forth in this act.

18 D. Disciplinary actions may include revocation, suspension or
19 denial of an application, license or final authorization and other
20 action deemed appropriate by the Department.

21 E. Disciplinary actions may be imposed upon a medical marijuana
22 business licensee for:

23 1. Failure to comply with or satisfy any provision of this
24 section;

- 1 2. Falsification or misrepresentation of any material or
2 information submitted to the Department;
- 3 3. Failing to allow or impeding a monitoring visit by
4 authorized representatives of the Department;
- 5 4. Failure to adhere to any acknowledgement, verification or
6 other representation made to the Department;
- 7 5. Failure to submit or disclose information required by this
8 section or otherwise requested by the Department;
- 9 6. Failure to correct any violation of this section cited as a
10 result of a review or audit of financial records or other materials;
- 11 7. Failure to comply with requested access by the Department to
12 the licensed premises or materials;
- 13 8. Failure to pay a required monetary penalty;
- 14 9. Diversion of medical marijuana or any medical marijuana
15 product, as determined by the Department;
- 16 10. Threatening or harming a patient, a medical practitioner or
17 an employee of the Department; and
- 18 11. Any other basis as identified by the Department.

19 F. Disciplinary actions against a licensee may include the
20 imposition of monetary penalties, which may be assessed by the
21 Department.

22 G. Penalties for sales by a medical marijuana business to
23 persons other than those allowed by law occurring within any two-
24 year time period may include an initial fine of One Thousand Dollars

1 (\$1,000.00) for a first violation and a fine of Five Thousand
2 Dollars (\$5,000.00) for any subsequent violation. The medical
3 marijuana business may be subject to a revocation of any license
4 granted pursuant to this act upon a showing that the violation was
5 willful or grossly negligent.

6 H. 1. First offense for intentional and impermissible
7 diversion of medical marijuana, concentrate, or products by a
8 patient or caregiver to an unauthorized person shall not be punished
9 under a criminal statute but may be subject to a fine of Two Hundred
10 Dollars (\$200.00).

11 2. The second offense for impermissible diversion of medical
12 marijuana, concentrate, or products by a patient or caregiver to an
13 unauthorized person shall not be punished under a criminal statute
14 but may be subject to a fine of not to exceed Five Hundred Dollars
15 (\$500.00) and may result in revocation of the license upon a showing
16 that the violation was willful or grossly negligent.

17 I. The following persons or entities may request a hearing to
18 contest an action or proposed action of the Department:

19 1. A medical marijuana business, research facility or education
20 facility licensee whose license has been summarily suspended or who
21 has received a notice of contemplated action to suspend or revoke a
22 license or take other disciplinary action; and

23 2. A patient or caregiver licensee whose license has been
24 summarily suspended or who has received notice of contemplated

1 action to suspend or revoke a license or take other disciplinary
2 action.

3 J. All hearings held pursuant to this section shall be in
4 accordance with the Oklahoma Administrative Procedures Act, Section
5 250 et seq. of Title 75 of the Oklahoma Statutes.

6 SECTION 7. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 427.7 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

9 A. The Authority shall create a medical marijuana use registry
10 of patients and caregivers as provided under this section. The
11 handling of any records maintained in the registry shall comply with
12 all relevant state and federal laws including, but not limited to,
13 the Health Insurance Portability and Accountability Act of 1996
14 (HIPAA).

15 B. The medical marijuana use registry shall be accessible to
16 Oklahoma-licensed medical marijuana dispensaries to verify the
17 license of a patient or caregiver by the twenty-four-character
18 identifier.

19 C. All other records regarding a medical marijuana licensee
20 shall be maintained by the Authority and shall be deemed
21 confidential. The handling of any records maintained by the
22 Authority shall comply with all relevant state and federal laws
23 including, but not limited to, the Health Insurance Portability and
24 Accountability Act of 1996 (HIPAA). Such records shall be marked as

1 confidential, shall not be made available to the public and shall
2 only be made available to the licensee, designee of the licensee,
3 any physician of the licensee or the caregiver of the licensee. No
4 personally identifiable information, as defined under HIPAA, shall
5 be stored at the Department.

6 D. A log shall be kept with the file of the licensee to record
7 any event in which the records of the licensee were made available
8 and to whom the records were provided.

9 E. The Department shall ensure that all application records and
10 information are sealed to protect the privacy of medical marijuana
11 patient license applicants.

12 SECTION 8. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 427.8 of Title 63, unless there
14 is created a duplication in numbering, reads as follows:

15 A. The rights to possess the marijuana products set forth in
16 Section 420 of Title 63 of the Oklahoma Statutes are cumulative and
17 a duly licensed individual may possess at any one time the totality
18 of the items listed therein and not be in violation of this act so
19 long as the individual holds a valid patient license or caregiver
20 license.

21 B. Municipal and county governing bodies may not enact medical
22 marijuana guidelines which restrict or interfere with the rights of
23 a licensed patient or caregiver to possess, purchase, cultivate or
24 transport medical marijuana within the legal limits set forth in

1 this act or Section 420 et seq. of Title 63 of the Oklahoma Statutes
2 or require patients or caregivers to obtain permits or licenses in
3 addition to the state-required licenses provided herein.

4 C. Nothing in this act or Section 420 et seq. of Title 63 of
5 the Oklahoma Statutes shall prohibit a residential or commercial
6 property or business owner from prohibiting the consumption of
7 medical marijuana or medical marijuana product by smoke or
8 vaporization on the premises, within the structures of the premises
9 or within ten (10) feet of the entryway to the premises. However, a
10 medical marijuana patient shall not be denied the right to consume
11 or use other medical marijuana products which are otherwise legal
12 and do not involve the smoking or vaporization of cannabis when
13 lawfully recommended pursuant to Section 420 of Title 63 of the
14 Oklahoma Statutes.

15 D. A medical marijuana patient or caregiver licensee shall not
16 be denied eligibility in public assistance programs including, but
17 not limited to, Medicaid, Supplemental Nutrition Assistance Program
18 (SNAP), Women, Infants, and Children Nutrition Program (WIC),
19 Temporary Assistance for Needy Families (TANF) or other such public
20 assistance programs based solely on his or her status as a medical
21 marijuana patient or caregiver licensee, unless required by federal
22 law.

23 E. A medical marijuana patient or caregiver licensee shall not
24 be denied the right to own, purchase or possess a firearm,

1 ammunition, or firearm accessories based solely on his or her status
2 as a medical marijuana patient or caregiver licensee. No state or
3 local agency, municipal or county governing authority shall
4 restrict, revoke, suspend or otherwise infringe upon the right of a
5 person to own, purchase or possess a firearm, ammunition, or firearm
6 accessories or any related firearms license or certification based
7 solely on their status as a medical marijuana patient or caregiver
8 licensee.

9 F. A medical marijuana patient or caregiver in actual
10 possession of a medical marijuana license shall not be subject to
11 arrest, prosecution or penalty in any manner or denied any right,
12 privilege or public assistance, under state law or municipal or
13 county ordinance or resolution including without limitation a civil
14 penalty or disciplinary action by a business, occupational or
15 professional licensing board or bureau, for the medical use of
16 marijuana in accordance with this act.

17 G. A government medical assistance program shall not be
18 required to reimburse a person for costs associated with the medical
19 use of marijuana unless federal law requires reimbursement.

20 H. Unless otherwise required by federal law or required to
21 obtain federal funding:

22 1. No employer may refuse to hire, discipline, discharge or
23 otherwise penalize an applicant or employee solely on the basis of
24

1 such applicant's or employee's status as a medical marijuana
2 licensee; and

3 2. No employer may refuse to hire, discipline, discharge or
4 otherwise penalize an applicant or employee solely on the basis of a
5 positive test for marijuana components or metabolites, unless:

6 a. the applicant or employee is not in possession of a
7 valid medical marijuana license,

8 b. the licensee possesses, consumes or is under the
9 influence of medical marijuana or medical marijuana
10 product while at the place of employment or during the
11 fulfillment of employment obligations, or

12 c. the position is one involving safety-sensitive job
13 duties, as such term is defined in subsection K of
14 this section.

15 I. Nothing in this act or Section 420 et seq. of Title 63 of
16 the Oklahoma Statutes shall:

17 1. Require an employer to permit or accommodate the use of
18 medical marijuana on the property or premises of any place of
19 employment or during hours of employment;

20 2. Require an employer, a government medical assistance
21 program, private health insurer, worker's compensation carrier or
22 self-insured employer providing worker's compensation benefits to
23 reimburse a person for costs associated with the use of medical
24 marijuana; or

1 3. Prevent an employer from having written policies regarding
2 drug testing and impairment in accordance with the Oklahoma
3 Standards for Workplace Drug and Alcohol Testing Act, Section 551 et
4 seq. of Title 40 of the Oklahoma Statutes.

5 J. Any applicant or employee aggrieved by a willful violation
6 of this section shall have, as his or her exclusive remedy, the same
7 remedies as provided for in the Oklahoma Standards for Workplace
8 Drug and Alcohol Testing Act set forth in Section 563 of Title 40 of
9 the Oklahoma Statutes.

10 K. As used in this section:

11 1. "Safety-sensitive" means any job that includes tasks or
12 duties that the employer reasonably believes could affect the safety
13 and health of the employee performing the task or others including,
14 but not limited to, any of the following:

- 15 a. the handling, packaging, processing, storage, disposal
16 or transport of hazardous materials,
- 17 b. the operation of a motor vehicle, other vehicle,
18 equipment, machinery or power tools,
- 19 c. repairing, maintaining or monitoring the performance
20 or operation of any equipment, machinery or
21 manufacturing process, the malfunction or disruption
22 of which could result in injury or property damage,
- 23 d. performing firefighting duties,

24

- e. the operation, maintenance or oversight of critical services and infrastructure including, but not limited to, electric, gas, and water utilities, power generation or distribution,
- f. the extraction, compression, processing, manufacturing, handling, packaging, storage, disposal, treatment or transport of potentially volatile, flammable, combustible materials, elements, chemicals or any other highly regulated component,
- g. dispensing pharmaceuticals,
- h. carrying a firearm, or
- i. direct patient care or direct child care; and

2. A "positive test for marijuana components or metabolites" means a result that is at or above the cutoff concentration level established by the United States Department of Transportation or Oklahoma law regarding being under the influence, whichever is lower.

L. All smokable, vaporized, vapable and e-cigarette medical marijuana product inhaled through vaporization or smoked by a medical marijuana licensee are subject to the same restrictions for tobacco under Section 1-1521 of Title 63 of the Oklahoma Statutes, commonly referred to as the "Smoking in Public Places and Indoor Workplaces Act".

1 SECTION 9. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 427.9 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The Authority may contact the recommending physician of an
5 applicant for a medical marijuana license to verify the need of the
6 applicant for the license.

7 B. An applicant for a medical marijuana license who can
8 demonstrate his or her status as a one-hundred-percent-disabled
9 veteran as determined by the U.S. Department of Veterans Affairs and
10 codified at 38 C.F.R., Section 3.340(a)(2013) shall pay a reduced
11 application fee of Twenty Dollars (\$20.00). The methods of payment,
12 as determined by the Authority, shall be provided on the website.
13 However, the Authority shall ensure that all applicants have an
14 option to submit the license application and payment by means other
15 than solely by submission of the application and fee online.

16 C. The patient license shall be valid for up to two (2) years
17 from the date of issuance, unless the recommendation of the
18 physician is terminated pursuant to this act or revoked by the
19 Department.

20 SECTION 10. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 427.10 of Title 63, unless there
22 is created a duplication in numbering, reads as follows:

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1 A. Only licensed Oklahoma allopathic and osteopathic physicians
2 may provide a medical marijuana recommendation for a medical
3 marijuana patient license under this act.

4 B. A physician who has not completed his or her first residency
5 shall not meet the definition of "physician" under this section and
6 any recommendation for a medical marijuana patient license shall not
7 be processed by the Authority.

8 C. No physician shall be subject to arrest, prosecution or
9 penalty in any manner or denied any right or privilege under
10 Oklahoma state, municipal or county statute, ordinance or
11 resolution, including without limitation a civil penalty or
12 disciplinary action by the State Board of Medical Licensure and
13 Supervision or the State Board of Osteopathic Examiners or by any
14 other business, occupation or professional licensing board or
15 bureau, solely for providing a medical marijuana recommendation for
16 a patient or for monitoring, treating or prescribing scheduled
17 medication to patients who are medical marijuana licensees. The
18 provisions of this subsection shall not prevent the relevant
19 professional licensing boards from sanctioning a physician for
20 failing to properly evaluate the medical condition of a patient or
21 for otherwise violating the applicable physician-patient standard of
22 care.

23 D. A physician who recommends use of medical marijuana shall
24 not be located at the same physical address as a dispensary.

1 E. If the physician determines the continued use of medical
2 marijuana by the patient no longer meets the requirements set forth
3 in this act, the physician shall notify the Department and the
4 Authority shall immediately revoke the license.

5 SECTION 11. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 427.11 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

8 A. The caregiver license shall provide the caregiver the same
9 rights as the medical marijuana patient licensee, including the
10 ability to possess marijuana, marijuana products, and mature and
11 immature plants pursuant to this act, but excluding the ability to
12 use marijuana or marijuana products unless the caregiver has a
13 medical marijuana patient license. Caregivers shall be authorized
14 to deliver marijuana and products to their authorized patients.
15 Caregivers shall be authorized to possess medical marijuana and
16 medical marijuana products up to the sum of the possession limits
17 for the patients under his or her care pursuant to this act.

18 B. An individual caregiver shall be limited to exercising the
19 marijuana cultivation rights of no more than five licensed patients
20 as prescribed by this act.

21 C. The license of a caregiver shall not extend beyond the
22 expiration date of the underlying patient license regardless of the
23 issue date.

1 SECTION 12. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 427.12 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. All medical marijuana grown by medical marijuana patient
5 license holders or caregivers may only be grown on real property
6 owned by the patient license holder or on real property for which
7 the patient license holder has the property owner's written
8 permission to grow marijuana on the property.

9 B. All medical marijuana plants grown by a patient or caregiver
10 shall be grown so that the marijuana is not accessible to a member
11 of the general public. No marijuana plants shall be visible from
12 any street adjacent to the property. For purposes of this section,
13 "visible" means viewable by a normal person with 20/20 eyesight
14 without the use of any device to assist in improving viewing
15 distance or vantage point.

16 C. It is expressly prohibited to operate extraction equipment
17 or utilize extraction processes if the equipment or process utilizes
18 butane, propane, carbon dioxide or any potentially hazardous
19 material in a residential property.

20 SECTION 13. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 427.13 of Title 63, unless there
22 is created a duplication in numbering, reads as follows:

23 A. All medical marijuana and medical marijuana products shall
24 be purchased solely from an Oklahoma-licensed medical marijuana

1 business, and shall not be purchased from any out-of-state
2 providers.

3 B. 1. The Authority shall have oversight and auditing
4 responsibilities to ensure that all marijuana being grown in
5 Oklahoma is accounted for and shall implement an inventory tracking
6 system. Pursuant to these duties, the Authority shall require that
7 each medical marijuana business keep records for every transaction
8 with another medical marijuana business, patient or caregiver.
9 Inventory shall be tracked and updated after each individual sale
10 and reported to the Authority.

11 2. The inventory tracking system licensees use shall allow for
12 integration of other seed-to-sale systems and, at a minimum, shall
13 include the following:

- 14 a. notification of when marijuana seeds are planted,
- 15 b. notification of when marijuana plants are harvested
16 and destroyed,
- 17 c. notification of when marijuana is transported, sold,
18 stolen, diverted or lost,
- 19 d. a complete inventory of all marijuana, seeds, plant
20 tissue, clones, plants, usable marijuana or trim,
21 leaves and other plant matter, batches of extract, and
22 marijuana concentrates,
- 23 e. all samples sent to a testing laboratory, an unused
24 portion of a sample returned to a licensee, all

1 samples utilized by licensee for purposes of
2 negotiating a sale, and

3 f. all samples used for quality testing by a licensee.

4 3. Each medical marijuana business shall use a seed-to-sale
5 tracking system or integrate its own seed-to-sale tracking system
6 with the seed-to-sale tracking system established by the Authority.

7 4. These records shall include, but not be limited to, the
8 following:

9 a. the name and license number of the medical marijuana
10 business that cultivated, manufactured or sold the
11 medical marijuana or medical marijuana product,

12 b. the address and phone number of the medical marijuana
13 business that cultivated, manufactured or sold the
14 medical marijuana or medical marijuana product,

15 c. the type of product received during the transaction,

16 d. the batch number of the marijuana plant used,

17 e. the date of the transaction,

18 f. the total spent in dollars,

19 g. all point-of-sale records,

20 h. marijuana excise tax records, and

21 i. any additional information as may be reasonably
22 required by the Department.

23 5. All inventory tracking records containing patient
24 information shall comply with all relevant state and federal laws

1 including, but not limited to, the Health Insurance Portability and
2 Accountability Act of 1996 (HIPAA), and shall not be retained by any
3 medical marijuana business for more than sixty (60) days.

4 SECTION 14. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 427.14 of Title 63, unless there
6 is created a duplication in numbering, reads as follows:

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

- 9 1. Medical marijuana commercial grower;
- 10 2. Medical marijuana processor;
- 11 3. Medical marijuana dispensary;
- 12 4. Medical marijuana transporter; and
- 13 5. Medical marijuana testing laboratory.

14 B. The Authority, with the aid of the Office of Management and
15 Enterprise Services, shall develop a website for medical marijuana
16 business applications.

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

20 D. The nonrefundable application fee for a medical marijuana
21 business license shall be Two Thousand Five Hundred Dollars
22 (\$2,500.00).

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

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

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

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

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

11 5. All applications shall include all attachments or
12 supplemental information required by the forms supplied by the
13 Authority;

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

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

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

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

23 c. any applicant applying as an entity shall show that
24 seventy-five percent (75%) of all members, managers,

- 1 executive officers, partners, board members, or any
2 other form of business ownership are Oklahoma
3 residents pursuant to paragraph 11 of this subsection,
- 4 d. all applying individuals or entities shall be
5 registered to conduct business in the State of
6 Oklahoma,
- 7 e. all applicants shall disclose all ownership interests
8 pursuant to this 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;

21 9. All applicants for a medical marijuana business license,
22 research facility license, or education facility license authorized
23 by this act shall undergo an Oklahoma criminal history background
24 check conducted by the Oklahoma State Bureau of Investigation (OSBI)

1 within thirty (30) days prior to the application for the license,
2 including:

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

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

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

- 18 a. an unexpired Oklahoma-issued driver license,
- 19 b. an Oklahoma voter identification card,
- 20 c. a utility bill preceding the date of application,
21 excluding cellular telephone and internet bills,
- 22 d. a residential property deed to property in the State
23 of Oklahoma, and

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1 e. a rental agreement preceding the date of application
2 for residential property located in the State of
3 Oklahoma;

4 12. All license applicants shall be required to submit a
5 registration with the Oklahoma State Bureau of Narcotics and
6 Dangerous Drugs Control as provided in Sections 2-202 through 2-204
7 of Title 63 of the Oklahoma Statutes;

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

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

21 14. All applicants shall submit an applicant photograph.

22 F. The Authority shall review the medical marijuana business
23 application, approve or reject the application and mail the
24

1 approval, rejection or status-update letter to the applicant within
2 ninety (90) days of receipt of the application.

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

6 2. Approved applicants shall be issued a medical marijuana
7 business license for the specific category applied under which shall
8 act as proof of their approved status. Rejection letters shall
9 provide a reason for the rejection. Applications may only be
10 rejected based on the applicant not meeting the standards set forth
11 in the provisions of this section, improper completion of the
12 application, or for a reason provided for in this act. If an
13 application is rejected for failure to provide required information,
14 the applicant shall have thirty (30) days to submit the required
15 information for reconsideration. No additional application fee
16 shall be charged for such reconsideration.

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

21 4. Approval, rejection or status-update letters shall be sent
22 to the applicant in the same method the application was submitted to
23 the Department.

24

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

6 I. In the event that an applicant has not received the
7 necessary permits, certificates or licenses from a municipality, but
8 the applicant has fulfilled all other obligations required by this
9 act, the Authority shall grant a conditional license. A conditional
10 license shall remain valid for a period of one (1) year or until the
11 applicant obtains the necessary local permits, certificates or
12 licenses. An applicant shall not transfer any medical marijuana,
13 concentrate or products to a medical marijuana business, patient or
14 caregiver until approval is received from the Authority.

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

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

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

21 3. A corporation, if the criminal history of any of its
22 officers, directors or stockholders indicates that the officer,
23 director or stockholder has been convicted of a nonviolent felony

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1 within two (2) years of the date of application, or within five (5)
2 years for any other felony;

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

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

7 a. file taxes, interest or penalties due related to a
8 medical marijuana business, or

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

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

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

15 8. A publicly traded company.

16 K. In investigating the qualifications of an applicant or a
17 licensee, the Department, Authority and municipalities may have
18 access to criminal history record information furnished by a
19 criminal justice agency subject to any restrictions imposed by such
20 an agency. In the event the Department considers the criminal
21 history record of the applicant, the Department shall also consider
22 any information provided by the applicant regarding such criminal
23 history record, including but not limited to evidence of
24 rehabilitation, character references and educational achievements,

1 especially those items pertaining to the period of time between the
2 last criminal conviction of the applicant and the consideration of
3 the application for a state license.

4 L. The failure of an applicant to provide the requested
5 information by the Authority deadline may be grounds for denial of
6 the application.

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

16 N. A licensed medical marijuana business premises shall be
17 subject to and responsible for compliance with applicable provisions
18 for medical marijuana business facilities as described in the most
19 recent versions of the Oklahoma Uniform Building Code, the
20 International Building Code and the International Fire Code, unless
21 granted an exemption by the Authority or municipality.

22 O. All medical marijuana business licensees shall pay the
23 relevant licensure fees prior to receiving licensure to operate a
24

1 medical marijuana business, as defined in this act for each class of
2 license.

3 SECTION 15. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 427.15 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 The State Department of Health is hereby authorized to develop
7 policies and procedures for disclosure by a medical marijuana
8 business of financial interest and ownership.

9 SECTION 16. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 427.16 of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. There is hereby created a medical marijuana transporter
13 license as a category of the medical marijuana business license.

14 B. Pursuant to Section 424 of Title 63 of the Oklahoma
15 Statutes, the Authority shall issue a medical marijuana transporter
16 license to licensed medical marijuana commercial growers, processors
17 and dispensaries upon issuance of such licenses and upon each
18 renewal.

19 C. A medical marijuana transporter license may also be issued
20 to qualifying applicants who are registered with the Oklahoma
21 Secretary of State and otherwise meet the requirements for a medical
22 marijuana business license set forth in this act and the
23 requirements set forth in this section to provide logistics,
24

1 distribution and storage of medical marijuana, medical marijuana
2 concentrate and medical marijuana products.

3 D. A medical marijuana transporter license shall be valid for
4 one (1) year and shall not be transferred with a change of
5 ownership. A licensed medical marijuana transporter shall be
6 responsible for all medical marijuana, concentrate and products once
7 the transporter takes control of the product.

8 E. A transporter license shall be required for any person or
9 entity to transport or transfer medical marijuana, concentrate or
10 product from a licensed medical marijuana business to another
11 medical marijuana business, or from a medical marijuana business to
12 a medical marijuana research facility or medical marijuana education
13 facility.

14 F. A medical marijuana transporter licensee may contract with
15 multiple licensed medical marijuana businesses.

16 G. A medical marijuana transporter may maintain a licensed
17 premises to temporarily store medical marijuana, concentrate and
18 products and to use as a centralized distribution point. A medical
19 marijuana transporter may store and distribute medical marijuana,
20 concentrate and products from the licensed premises. The licensed
21 premises shall meet all security requirements applicable to a
22 medical marijuana business.

23 H. A medical marijuana transporter licensee shall use the seed-
24 to-sale tracking system developed pursuant to this act to create

1 shipping manifests documenting the transport of medical marijuana,
2 concentrate and products throughout the state.

3 I. A licensed medical marijuana transporter may maintain and
4 operate one or more warehouses in the state to handle medical
5 marijuana, concentrate and products.

6 J. All medical marijuana, concentrate and product shall be
7 transported:

8 1. In vehicles equipped with Global Positioning System (GPS)
9 trackers;

10 2. In a locked container and clearly labeled "Medical Marijuana
11 or Derivative"; and

12 3. In a secured area of the vehicle that is not accessible by
13 the driver during transit.

14 K. A transporter agent may possess marijuana at any location
15 while the transporter agent is transferring marijuana to or from a
16 licensed medical marijuana business, medical marijuana research
17 facility or medical marijuana education facility. The Department
18 shall administer and enforce the provisions of this section
19 concerning transportation.

20 L. The Authority shall issue a transporter agent license to
21 individual agents, employees, officers or owners of a transporter
22 license in order for the individual to qualify to transport medical
23 marijuana or product.

24

1 M. The annual fee for a transporter agent license shall be One
2 Hundred Dollars (\$100.00) and shall be paid by the transporter
3 license holder or the individual applicant.

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

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

7 2. Proof of residency as required for a medical marijuana
8 business license;

9 3. Proof of identity as required for a medical marijuana
10 business license;

11 4. Possession of a valid Oklahoma driver license;

12 5. Verification of employment with a licensed transporter;

13 6. The application and affiliated fee; and

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

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

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

23 Q. The Department may revoke the registry identification card
24 of a transporter agent who knowingly violates any provision of this

1 section, and the transporter is subject to any other penalties
2 established by law for the violation.

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

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

- 10 1. Insured at or above the legal requirements in Oklahoma;
- 11 2. Capable of securing medical marijuana during transport; and
- 12 3. In possession of a shipping container as defined in this act
13 capable of securing all transported product.

14 T. Prior to the transport of any medical marijuana or products,
15 an inventory manifest shall be prepared at the origination point of
16 the medical marijuana. The inventory manifest shall include the
17 following information:

- 18 1. For the origination point of the medical marijuana:
 - 19 a. the licensee number for the commercial grower,
20 processor or dispensary,
 - 21 b. address of origination of transport, and
 - 22 c. name and contact information for the originating
23 licensee;

24

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

- 3 a. the license number for the dispensary, commercial
- 4 grower, processor, research facility or education
- 5 facility destination,
- 6 b. address of the destination, and
- 7 c. name and contact information for the destination
- 8 licensee;

9 3. Quantities by weight or unit of each type of medical
10 marijuana product contained in transport;

11 4. The date of the transport and the approximate time of
12 departure;

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

14 6. Printed names and signatures of the personnel accompanying
15 the transport; and

16 7. Notation of the transporting licensee.

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

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

23

24

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

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

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

10 SECTION 17. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 427.17 of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

13 A. There is hereby created a medical marijuana testing
14 laboratory license as a category of the medical marijuana business
15 license. The Authority is hereby enabled to monitor, inspect and
16 audit a licensed testing laboratory under this act.

17 B. The Authority is hereby authorized to contract with a
18 private laboratory for the purpose of conducting compliance testing
19 of medical marijuana testing laboratories licensed in this state.
20 Any such laboratory under contract for compliance testing shall be
21 prohibited from conducting any other commercial medical marijuana
22 testing in this state.

23 C. The Authority shall have the authority to develop acceptable
24 testing and research practices, including but not limited to

1 testing, standards, quality control analysis, equipment
2 certification and calibration, and chemical identification and
3 substances used in bona fide research methods so long as it complies
4 with this act.

5 D. A person who is a direct beneficial owner or an indirect
6 beneficial owner of a medical marijuana dispensary, medical
7 marijuana commercial grower, or medical marijuana processor shall
8 not be an owner of a laboratory.

9 E. A laboratory and a laboratory applicant shall comply with
10 all applicable local ordinances, including but not limited to
11 zoning, occupancy, licensing and building codes.

12 F. A separate license shall be required for each specific
13 laboratory.

14 G. A medical marijuana testing laboratory license may be issued
15 to a person who performs testing and research on medical marijuana
16 and medical marijuana products for medical marijuana businesses,
17 medical marijuana research facilities, medical marijuana education
18 facilities, and testing and research on marijuana and marijuana
19 products grown or produced by a patient or caregiver on behalf of a
20 patient, upon verification of registration. No state-approved
21 medical marijuana testing facility shall operate unless a medical
22 laboratory director is on site during operational hours.

23 H. A laboratory applicant shall comply with the application
24 requirements of this section and shall submit such other information

1 as required for a medical marijuana business applicant, in addition
2 to any information the Authority may request for initial approval
3 and periodic evaluations during the approval period.

4 I. A medical marijuana testing laboratory may accept samples of
5 medical marijuana, medical marijuana concentrate, or medical
6 marijuana product from a medical marijuana business for testing and
7 research purposes only, which purposes may include the provision of
8 testing services for samples submitted by a medical marijuana
9 business for product development. The Department may require a
10 medical marijuana business to submit a sample of medical marijuana,
11 medical marijuana concentrate, or medical marijuana product to a
12 medical marijuana testing laboratory upon demand.

13 J. A medical marijuana testing laboratory may accept samples of
14 medical marijuana, medical marijuana concentrate or medical
15 marijuana product from an individual person for testing only under
16 the following conditions:

17 1. The individual person is a patient or caregiver pursuant to
18 this act or is a participant in an approved clinical or
19 observational study conducted by a research facility; and

20 2. The medical marijuana testing laboratory shall require the
21 patient or caregiver to produce a valid patient license and current
22 and valid photo identification.

23 K. A medical marijuana testing laboratory may transfer samples
24 to another medical marijuana testing laboratory for testing. All

1 laboratory reports provided to or by a medical marijuana business or
2 to a patient or caregiver shall identify the medical marijuana
3 testing laboratory that actually conducted the test.

4 L. A medical marijuana testing laboratory may utilize a
5 licensed medical marijuana transporter to transport samples of
6 medical marijuana, medical marijuana concentrate, and medical
7 marijuana product for testing, in accordance with this act and the
8 rules adopted pursuant thereto, between the originating medical
9 marijuana business requesting testing services and the destination
10 laboratory performing testing services.

11 M. The medical marijuana testing laboratory shall establish
12 policies to prevent the existence of or appearance of undue
13 commercial, financial or other influences that may diminish the
14 competency, impartiality and integrity of the testing processes or
15 results of the laboratory, or that may diminish public confidence in
16 the competency, impartiality and integrity of the testing processes
17 or results of the laboratory. At a minimum, employees, owners or
18 agents of a medical marijuana testing laboratory who participate in
19 any aspect of the analysis and results of a sample are prohibited
20 from improperly influencing the testing process, improperly
21 manipulating data, or improperly benefiting from any ongoing
22 financial, employment, personal or business relationship with the
23 medical marijuana business that provided the sample.

24

1 N. The Department, pursuant to rules promulgated by the State
2 Commissioner of Health, shall develop standards, policies and
3 procedures as necessary for:

4 1. The cleanliness and orderliness of a laboratory premises and
5 the location of the laboratory in a secure location, and inspection,
6 cleaning and maintenance of any equipment or utensils used for the
7 analysis of test samples;

8 2. Testing procedures, testing standards for cannabinoid and
9 terpenoid potency and safe levels of contaminants, batch size, and
10 remediation procedures;

11 3. Controlled access areas for storage of medical marijuana and
12 medical marijuana product test samples, waste and reference
13 standards;

14 4. Records to be retained and computer systems to be utilized
15 by the laboratory;

16 5. The possession, storage and use by the laboratory of
17 reagents, solutions and reference standards;

18 6. A certificate of analysis (COA) for each lot of reference
19 standard;

20 7. The transport and disposal of unused marijuana, marijuana
21 products and waste;

22 8. The mandatory use by a laboratory of an inventory tracking
23 system to ensure all test batches or samples containing medical
24 marijuana, medical marijuana concentrate or medical marijuana

1 products are identified and tracked from the point they are
2 transferred from a medical marijuana business, a patient or a
3 caregiver through the point of transfer, destruction or disposal.
4 The inventory tracking system reporting shall include the results of
5 any tests that are conducted on medical marijuana, medical marijuana
6 concentrate or medical marijuana product;

7 9. Standards of performance;

8 10. The employment of laboratory personnel;

9 11. A written standard operating procedure manual to be
10 maintained and updated by the laboratory;

11 12. The successful participation in a Department-approved
12 proficiency testing program for each testing category listed in this
13 section, in order to obtain and maintain certification;

14 13. The establishment of and adherence to a quality assurance
15 and quality control program to ensure sufficient monitoring of
16 laboratory processes and quality of results reported;

17 14. The establishment by the laboratory of a system to document
18 the complete chain of custody for samples from receipt through
19 disposal;

20 15. The establishment by the laboratory of a system to retain
21 and maintain all required records, including business records, and
22 processes to ensure results are reported in a timely and accurate
23 manner; and

24

1 16. Any other aspect of laboratory testing of medical marijuana
2 or medical marijuana product deemed necessary by the Department.

3 O. A medical marijuana testing laboratory shall promptly
4 provide the Department or designee of the Department access to a
5 report of a test and any underlying data that is conducted on a
6 sample at the request of a medical marijuana business or qualified
7 patient. A medical marijuana testing laboratory shall also provide
8 access to the Department or designee of the Department to laboratory
9 premises and to any material or information requested by the
10 Department to determine compliance with the requirements of this
11 section.

12 P. A medical marijuana testing laboratory shall retain all
13 results of laboratory tests conducted on marijuana or products for a
14 period of at least two (2) years and shall make them available to
15 the Department upon request.

16 Q. A medical marijuana testing laboratory shall test samples
17 from each harvest batch or product batch, as appropriate, of medical
18 marijuana, medical marijuana concentrate and medical marijuana
19 product for each of the following categories of testing, consistent
20 with standards developed by the Commissioner:

- 21 1. Microbials;
- 22 2. Mycotoxins;
- 23 3. Residual solvents;
- 24 4. Pesticides;

- 1 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 2 6. Terpenoid potency; and
- 3 7. Heavy metals.

4 R. Medical marijuana testing laboratory licensure shall be
5 contingent upon successful on-site inspection, successful
6 participation in proficiency testing and ongoing compliance with the
7 applicable requirements in this section.

8 S. A medical marijuana testing laboratory shall be inspected
9 prior to initial licensure and annually thereafter by an inspector
10 approved by the Authority.

11 T. Beginning on a date determined by the Commissioner, not
12 later than January 1, 2020, medical marijuana testing laboratory
13 licensure shall be contingent upon accreditation by the NELAC
14 Institute (TNI), ANSI/ASQ National Accreditation Board or another
15 accrediting body approved by the Commissioner, and any applicable
16 standards as determined by the Department.

17 U. A commercial grower shall not transfer or sell medical
18 marijuana and a processor shall not transfer, sell or process into a
19 concentrate or product any medical marijuana, medical marijuana
20 concentrate or medical marijuana product unless samples from each
21 harvest batch or production batch from which that medical marijuana,
22 medical marijuana concentrate or medical marijuana product was
23 derived has been tested by a medical marijuana testing facility for
24 contaminants and passed all contaminant tests required by this act.

1 SECTION 18. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 427.18 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. An Oklahoma medical marijuana business shall not sell,
5 transfer or otherwise distribute medical marijuana or medical
6 marijuana product that has not been packaged and labeled in
7 accordance with this section and rules promulgated by the State
8 Commissioner of Health.

9 B. A medical marijuana dispensary shall return medical
10 marijuana and medical marijuana product that does not meet packaging
11 or labeling requirements in this section or rules promulgated
12 pursuant thereto to the entity who transferred it to the dispensary.
13 The medical marijuana dispensary shall document to whom the item was
14 returned, what was returned and the date of the return or dispose of
15 any usable marijuana that does not meet these requirements in
16 accordance with this act.

17 C. 1. Medical marijuana packaging shall be packaged to
18 minimize its appeal to children and shall not depict images other
19 than the business name logo of the medical marijuana producer and
20 image of the product.

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

1 3. Labels on a container shall not include any false or
2 misleading statements.

3 4. No container shall be intentionally or knowingly labeled so
4 as to cause a reasonable patient confusion as to whether the medical
5 marijuana, medical marijuana concentrate or medical marijuana
6 product is a trademarked product or labeled in a manner that
7 violates any federal trademark law or regulation.

8 5. The label on the container shall not make any claims
9 regarding health or physical benefits to the patient.

10 6. All medical marijuana, medical marijuana concentrate and
11 medical marijuana products shall be in a child-resistant container
12 at the point of transfer to the patient or caregiver.

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

20 1. A universal symbol indicating that the product contains
21 tetrahydrocannabinol (THC);

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

23 3. A statement indicating that the product has been tested for
24 contaminants;

1 4. One or more product warnings to be determined by the
2 Department; and

3 5. Any other information the Department deems necessary.

4 SECTION 19. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 427.19 of Title 63, unless there
6 is created a duplication in numbering, reads as follows:

7 A. A medical marijuana research license may be issued to a
8 person to grow, cultivate, possess and transfer, by sale or
9 donation, marijuana pursuant to this act for the limited research
10 purposes identified in this section.

11 B. The fee for a medical marijuana research license shall be
12 Five Hundred Dollars (\$500.00) and shall be payable by an applicant
13 for a medical marijuana research license upon submission of his or
14 her application to the Authority.

15 C. A medical marijuana research license may be issued for the
16 following research purposes:

17 1. To test chemical potency and composition levels;

18 2. To conduct clinical investigations of marijuana-derived
19 medicinal products;

20 3. To conduct research on the efficacy and safety of
21 administering marijuana as part of medical treatment;

22 4. To conduct genomic, horticultural or agricultural research;
23 and

24

1 5. To conduct research on marijuana-affiliated products or
2 systems.

3 D. 1. As part of the application process for a medical
4 marijuana research license, an applicant shall submit to the
5 Authority a description of the research that the applicant intends
6 to conduct and whether the research will be conducted with a public
7 institution or using public money. If the research will not be
8 conducted with a public institution or with public money, the
9 Authority shall grant the application if it determines that the
10 applicant meets the criteria in this section.

11 2. If the research will be conducted with a public institution
12 or public money, the Department shall review the research project of
13 the applicant to determine if it meets the requirements of this
14 section and to assess the following:

- 15 a. the quality, study design, value or impact of the
16 project,
- 17 b. whether the applicant has the appropriate personnel,
18 expertise, facilities, infrastructure, funding and
19 human, animal or other approvals in place to
20 successfully conduct the project, and
- 21 c. whether the amount of marijuana to be grown by the
22 applicant is consistent with the scope and goals of
23 the project.

24

1 3. If the Authority determines that the research project does
2 not meet the requirements of this section or assesses the criteria
3 to be inadequate, the application shall be denied.

4 E. A medical marijuana research licensee may only transfer, by
5 sale or donation, marijuana grown within its operation to other
6 medical marijuana research licensees. The Department may revoke a
7 medical marijuana research license for violations of this section
8 and any other violation of this act.

9 F. A medical marijuana research licensee may contract to
10 perform research in conjunction with a public higher education
11 research institution or another medical marijuana research licensee.

12 G. The growing, cultivating, possessing or transferring, by
13 sale or donation, of marijuana in accordance with this section and
14 the rules promulgated pursuant thereto, by a medical marijuana
15 research licensee shall not be a criminal or civil offense under
16 state law. A medical marijuana research license shall be issued in
17 the name of the applicant and shall specify the location in Oklahoma
18 at which the medical marijuana research licensee intends to operate.
19 A medical marijuana research licensee shall not allow any other
20 person to exercise the privilege of the license.

21 H. If the research conducted includes a public institution or
22 public money, the Authority shall review any reports made by medical
23 marijuana research licensees under state licensing authority rule
24 and provide the Authority with its determination on whether the

1 research project continues to meet research qualifications pursuant
2 to this section.

3 SECTION 20. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 427.20 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 A. There is hereby created a medical marijuana education
7 facility license.

8 B. A medical marijuana education facility license may be issued
9 to a person to possess or cultivate marijuana for the limited
10 education and research purposes identified in this section.

11 C. A medical marijuana education facility license may only be
12 granted to a not-for-profit organization structured under section
13 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
14 not-for-profit registered organization with the Office of the
15 Secretary of State.

16 D. A medical marijuana education facility license may only be
17 granted upon the submission of a fee of Five Hundred Dollars
18 (\$500.00) to the Authority.

19 E. A medical marijuana education facility license may be issued
20 for the following education and research purposes:

21 1. To test cultivation techniques, strategies, infrastructure,
22 mediums, lighting and other related technology;

23 2. To demonstrate cultivation techniques, strategies,
24 infrastructure, mediums, lighting and other related technology;

1 3. To demonstrate the application and use of product
2 manufacturing technologies;

3 4. To conduct genomic, horticultural or agricultural research;
4 and

5 5. To conduct research on marijuana-affiliated products or
6 systems.

7 F. As part of the application process for a medical marijuana
8 education facility license, an applicant shall submit to the
9 Authority a description of the project and curriculum that the
10 applicant intends to conduct and whether the project and curriculum
11 will be conducted with a public institution or using public money.
12 If the research will not be conducted with a public institution or
13 with public money, the Authority shall grant the application. If
14 the research will be conducted with a public institution or public
15 money, the Authority shall review the research project of the
16 applicant to determine if it meets the requirements of this section
17 and to assess the following:

18 1. The quality, study design, value or impact of the project;

19 2. Whether the applicant has the appropriate personnel,
20 expertise, facilities, infrastructure, funding, and human, animal or
21 other approvals in place to successfully conduct the project; and

22 3. Whether the amount of marijuana to be grown by the applicant
23 is consistent with the scope and goals of the project.

24

1 If the Authority determines that the education project does not meet
2 the requirements of this section or assesses the criteria to be
3 inadequate, the application shall be denied.

4 G. A medical marijuana education facility licensee may only
5 transfer, by sale or donation, marijuana grown within its operation
6 to medical marijuana research licensees. The Department may revoke
7 a medical marijuana education facility license for violations of
8 this section and any other violation of this act.

9 H. A medical marijuana education facility licensee may contract
10 to perform research in conjunction with a public higher education
11 research institution or another research licensee.

12 I. The growing, cultivating, possessing or transferring, by
13 sale or donation, of marijuana in accordance with this section and
14 the rules promulgated pursuant thereto, by a medical marijuana
15 education facility licensee shall not be a criminal or civil offense
16 under state law. A medical marijuana education facility license
17 shall be issued in the name of the applicant and shall specify the
18 location in Oklahoma at which the medical marijuana education
19 facility licensee intends to operate. A medical marijuana education
20 facility licensee shall not allow any other person to exercise the
21 privilege of the license.

22 SECTION 21. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 427.21 of Title 63, unless there
24 is created a duplication in numbering, reads as follows:

1 A. A medical marijuana business shall not engage in advertising
2 that is deceptive, false or misleading.

3 B. A medical marijuana business shall not include in any form
4 of advertising or signage any content that specifically targets
5 individuals under the age of eighteen (18), including but not
6 limited to cartoon characters or similar images.

7 SECTION 22. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 427.22 of Title 63, unless there
9 is created a duplication in numbering, reads as follows:

10 A. An application or renewal and supporting information
11 submitted by a qualifying patient or designated caregiver under the
12 provisions of this act including, without limitation, information
13 regarding the physician of the qualifying patient shall be
14 considered confidential medical records that are exempt from the
15 Oklahoma Open Records Act.

16 B. The dispensary records with patient information shall be
17 treated as confidential records that are exempt from the Oklahoma
18 Open Records Act.

19 C. All financial information provided by an applicant in its
20 application to the Authority shall be treated as confidential
21 records that are exempt from the Oklahoma Open Records Act.

22 D. All information provided by an applicant that constitutes
23 private business information shall be treated as confidential
24 records that are exempt from the Oklahoma Open Records Act.

1 E. As used in this section, "private business information"
2 means information that, if disclosed, would give advantage to
3 competitors or bidders including, but not limited to, information
4 related to the planning, site location, operations, strategy, or
5 product development and marketing of an applicant, unless approval
6 for release of those records is granted by the business.

7 SECTION 23. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 427.23 of Title 63, unless there
9 is created a duplication in numbering, reads as follows:

10 A. The State Commissioner of Health, the Oklahoma Tax
11 Commission, the Banking Board, the State Treasurer, the Secretary of
12 State and the Director of the Office of Management and Enterprise
13 Services shall promulgate rules to implement the provisions of this
14 act.

15 B. The Food Safety Standards Board, in addition to the powers
16 and duties granted in Section 423 of Title 63 of the Oklahoma
17 Statutes, may recommend to the State Commissioner of Health rules
18 relating to all aspects of the cultivation and manufacture of
19 medical marijuana products.

20 SECTION 24. AMENDATORY 40 O.S. 2011, Section 552, as
21 amended by Section 17, Chapter 196, O.S.L. 2012 (40 O.S. Supp. 2018,
22 Section 552), is amended to read as follows:

23 Section 552. As used in the Standards for Workplace Drug and
24 Alcohol Testing Act:

1 1. "Alcohol" means ethyl alcohol or ethanol;

2 2. "Applicant" means a person who has applied for a position
3 with an employer and received a conditional offer of employment;

4 3. "Board" means the State Board of Health;

5 4. "Confirmation test" means a drug or alcohol test on a sample
6 to substantiate the results of a prior drug or alcohol test on the
7 same sample and which uses different chemical principles and is of
8 equal or greater accuracy than the prior drug or alcohol test.

9 Where a breathalyzer test is utilized, a confirmation test means a
10 second sample test that confirms the prior result. Where a single-
11 use test is utilized, a confirmation test means a second test
12 confirmed by a testing facility. A breath or blood specimen may be
13 used for the confirmation test for alcohol. A urine, saliva or
14 blood specimen may be used for the confirmation test for drugs;

15 5. "Department" means the State Department of Health;

16 6. "Drug" means amphetamines, cannabinoids, cocaine,
17 phencyclidine (PCP), hallucinogens, methaqualone, opiates,
18 barbiturates, benzodiazepines, synthetic narcotics, designer drugs,
19 or a metabolite of any of the substances listed herein;

20 7. "Drug or alcohol test" means a chemical test administered
21 for the purpose of determining the presence or absence of a drug or
22 its metabolites or alcohol in a person's bodily tissue, fluids or
23 products. Adulteration of a specimen or of a drug or alcohol test
24 shall be considered as a refusal to test;

1 8. "Employee" means any person who supplies labor for
2 remuneration to his or her employer in this state and shall not
3 include an independent contractor, subcontractor or employees of an
4 independent contractor; provided, however, an independent
5 contractor, subcontractor, or employees of an independent
6 contractor, may be subject to a workplace drug or alcohol testing
7 policy under the terms of the contractual agreement when the drug or
8 alcohol testing policy applies to other workers at the job site or
9 workers who are in the same or similar classification or group;

10 9. "Employer" means any person, firm, corporation, partnership,
11 association, nonprofit organization or public employer, which has
12 one or more employees within this state, or which has offered or may
13 offer employment to one or more individuals in this state;

14 10. "Public employer" means the State of Oklahoma or any
15 political subdivision thereof, including any department, agency,
16 board, commission, institution, authority, public trust,
17 municipality, county, district or instrumentalities thereof;

18 11. "Review officer" means a person, qualified by the State
19 Board of Health, who is responsible for receiving results from a
20 testing facility which have been generated by an employer's drug or
21 alcohol testing program, and who has knowledge and training to
22 interpret and evaluate an individual's test results together with
23 the individual's medical history and any other relevant information;

24

1 12. "Sample" means tissue, fluid or product of the human body
2 chemically capable of revealing the presence of drugs or alcohol in
3 the human body; and

4 13. "Testing facility" means a facility which provides
5 laboratory services to test samples for the presence of drugs or
6 alcohol.

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8 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/25/2019 - DO PASS,
9 As Amended.

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