

05/16/2022 12:12:20 PM

HOUSE OF REPRESENTATIVES  
CONFERENCE COMMITTEE REPORT

Mr. President:  
Mr. Speaker:

The Conference Committee, to which was referred

**HB3734**

By: Fetgatter of the House and Rogers of the Senate

Title: Medical marijuana; temporary and annual licenses; creating temporary and annual licensing program for certain medical marijuana businesses; conditions; rules; transporters.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the following Conference Committee Substitute be adopted.

Respectfully submitted,

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

HB3734 CCR (B)  
**HOUSE CONFEREES**

Bennett, Forrest

Cornwell, Rusty



Davis, Dean



Echols, Jon

Fetgatter, Scott



Marti, T.J.



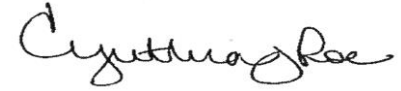
Nichols, Monroe

O'Donnell, Terry

Roberts, Dustin



Roe, Cynthia



HB3734 CCR A

**SENATE CONFEREES**

Rogers

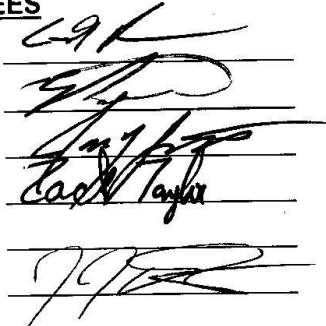
Paxton

Leewright

Taylor

Rosino

Dossett (J.J.)

Handwritten signatures of the Senate conferees: Rogers, Paxton, Leewright, Taylor, Rosino, and Dossett (J.J.).

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

**AUTHOR(s)/COAUTHOR(s)CURRENTLY IN THE QUEUE for HB3734**

**As of 5/16/2022 12:06:27 PM**

Add as coauthor Senator Leewright

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

CONFERENCE COMMITTEE  
SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL NO. 3734

By: Fetgatter, Davis, Talley,  
and McDugle of the House

and

Rogers of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to medical marijuana; amending 63 O.S. 2021, Sections 421, 422, 423 and 424, which relate to licensing requirements for medical marijuana dispensaries, commercial growers, processors, and transporters; providing for temporary and annual licenses; providing statutory references for fees; updating language; amending 63 O.S. 2021, Sections 427.14 and 427.16, which relate to the Oklahoma Medical Marijuana and Patient Protection Act; creating temporary and annual licensing program for certain medical marijuana businesses; stating conditions for temporary licenses; requiring adherence to certain rules and regulations; clarifying obligations of the Oklahoma Medical Marijuana Authority when issuing temporary licenses; stating length of term of temporary licenses; providing for extensions under certain circumstances; establishing fees for temporary licenses and extensions; requiring submission of certain information to the Authority; prohibiting issuance of license until certain inspections are completed; authorizing rejection of applications; defining term; clarifying circumstances that allow for the issuance of annual medical marijuana business licenses; requiring current licensees to submit certain documentation prior to renewal; establishing timelines and procedures; requiring person issued a

1 temporary and annual license to annually submit  
2 certain documentation when seeking renewal of the  
3 license; updating language; creating temporary  
4 licensing program for medical marijuana transporters;  
5 and declaring an emergency.

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

7 SECTION 1. AMENDATORY 63 O.S. 2021, Section 421, is  
8 amended to read as follows:

9 Section 421. A. ~~The State Department of Health shall, within~~  
10 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical  
11 Marijuana Authority shall make available on its website in an easy-  
12 to-find location an application for a temporary medical marijuana  
13 dispensary license and an annual medical marijuana dispensary  
14 license. The application ~~fee shall be Two Thousand Five Hundred~~  
15 ~~Dollars (\$2,500.00)~~ fees for the temporary or annual license shall  
16 be paid by the applicant in the amounts provided for in Section  
17 427.14 of this title. A method of payment for the application fees  
18 shall be provided on the website of the ~~Department~~ Authority.  
19 ~~Dispensary~~ Medical marijuana dispensary applicants must all be  
20 residents of Oklahoma. Any entity applying for a temporary or  
21 annual medical marijuana dispensary license must be owned by an  
22 Oklahoma resident and must be registered to do business in Oklahoma.  
23 The ~~Department~~ Authority shall have ninety (90) business days to  
24 review the application for a temporary medical marijuana dispensary

1 license; approve, reject or deny the application; and mail the  
2 approval, rejection or denial letter stating reasons for the  
3 rejection or denial to the applicant.

4 B. ~~The State Department of Health~~ In addition to the  
5 requirements provided for in the Oklahoma Medical Marijuana and  
6 Patient Protection Act, the Authority shall approve all applications  
7 which meet the following criteria:

8 1. The applicant must be twenty-five (25) years of age or  
9 older;

10 2. The applicant, if applying as an individual, must show  
11 residency in the State of Oklahoma;

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

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

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

19 6. All applicants must disclose all ownership interests in the  
20 dispensary.

21 Applicants with a nonviolent felony conviction in the last two  
22 (2) years, any other felony conviction in the last five (5) years,  
23 inmates in the custody of the Department of Corrections or any  
24

1 person currently incarcerated shall not qualify for a temporary or  
2 annual medical marijuana dispensary license.

3 C. Licensed medical marijuana dispensaries shall be required to  
4 complete a monthly sales report to the ~~State Department of Health~~  
5 Authority. This report shall be due on the fifteenth of each month  
6 and provide reporting on the previous month. This report shall  
7 detail the weight of marijuana purchased at wholesale and the weight  
8 of marijuana sold to licensed medical marijuana patients and  
9 licensed caregivers and account for any waste. The report shall  
10 show total sales in dollars, tax collected in dollars, and tax due  
11 in dollars. The ~~State Department of Health~~ Authority shall have  
12 oversight and auditing responsibilities to ensure that all marijuana  
13 being grown is accounted for.

14 D. Only a licensed medical marijuana dispensary may conduct  
15 retail sales of marijuana or marijuana derivatives. Beginning on  
16 the effective date of this act, licensed medical marijuana  
17 dispensaries shall be authorized to package and sell pre-rolled  
18 marijuana to licensed medical marijuana patients and licensed  
19 caregivers. The products described in this subsection shall contain  
20 only the ground parts of the marijuana plant and shall not include  
21 marijuana concentrates or derivatives. The total net weight of each  
22 pre-roll packaged and sold by a medical marijuana dispensary shall  
23 not exceed one (1) gram. These products shall be tested, packaged  
24



1 and labeled in accordance with Oklahoma law and rules promulgated by  
2 the ~~State Commissioner of Health~~ Authority.

3 E. No medical marijuana dispensary shall offer or allow a  
4 medical marijuana patient licensee, caregiver licensee or other  
5 member of the public to handle or otherwise have physical contact  
6 with any medical marijuana not contained in a sealed or separate  
7 package. Provided, such prohibition shall not preclude an employee  
8 of the medical marijuana dispensary from handling loose or  
9 nonpackaged medical marijuana to be placed in packaging consistent  
10 with the Oklahoma Medical Marijuana and Patient Protection Act and  
11 the rules promulgated by the Authority for the packaging of medical  
12 marijuana for retail sale. Provided, further, such prohibition  
13 shall not prevent a medical marijuana dispensary from displaying  
14 samples of its medical marijuana in separate display cases, jars or  
15 other containers and allowing medical marijuana patient licensees  
16 and caregiver licensees the ability to handle or smell the various  
17 samples as long as the sample medical marijuana is used for display  
18 purposes only and is not offered for retail sale.

19 SECTION 2. AMENDATORY 63 O.S. 2021, Section 422, is  
20 amended to read as follows:

21 Section 422. A. The ~~State Department of Health shall, within~~  
22 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical  
23 Marijuana Authority shall make available on its website in an easy-  
24 to-find location ~~an application~~ applications for a temporary medical

1 marijuana commercial grower license and an annual medical marijuana  
2 commercial grower license. The application fee shall be Two  
3 Thousand Five Hundred Dollars (\$2,500.00) fees for the temporary or  
4 annual license shall be paid by the applicant in the amounts  
5 provided for in Section 427.14 of this title. A method of payment  
6 for the application fees shall be provided on the website of the  
7 ~~Department Authority.~~ The State Department of Health Authority  
8 shall have ninety (90) days to review the application for a  
9 temporary medical marijuana commercial grower license; approve,  
10 reject or deny the application; and mail the approval, rejection or  
11 denial letter stating the reasons for the rejection or denial to the  
12 applicant.

13 B. ~~The State Department of Health~~ In addition to the  
14 requirements provided for in the Oklahoma Medical Marijuana and  
15 Patient Protection Act, the Authority shall approve all applications  
16 which meet the following criteria:

17 1. The applicant must be twenty-five (25) years of age or  
18 older;

19 2. The applicant, if applying as an individual, must show  
20 residency in the State of Oklahoma;

21 3. All applying entities must show that all members, managers,  
22 and board members are Oklahoma residents;  
23  
24

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

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

6 6. All applicants must disclose all ownership interests in the  
7 commercial grower operation.

8 Applicants with a nonviolent felony conviction in the last two  
9 (2) years, any other felony conviction in the last five (5) years,  
10 inmates in the custody of the Department of Corrections or any  
11 person currently incarcerated shall not qualify for a temporary or  
12 annual medical marijuana commercial grower license.

13 C. A licensed medical marijuana commercial grower may sell  
14 marijuana to a licensed medical marijuana dispensary or a licensed  
15 medical marijuana processor. Further, sales by a licensed medical  
16 marijuana commercial grower shall be considered wholesale sales and  
17 shall not be subject to taxation. Under no circumstances may a  
18 licensed medical marijuana commercial grower sell marijuana directly  
19 to a licensed medical marijuana patient or licensed medical  
20 marijuana caregiver. A licensed medical marijuana commercial grower  
21 may only sell at the wholesale level to a licensed medical marijuana  
22 dispensary, a licensed medical marijuana commercial grower or a  
23 licensed medical marijuana processor. If the federal government  
24 lifts restrictions on buying and selling marijuana between states,

1 then a licensed medical marijuana commercial grower would be allowed  
2 to sell and buy marijuana wholesale from, or to, an out-of-state  
3 wholesale provider. A licensed medical marijuana commercial grower  
4 shall be required to complete a monthly yield and sales report to  
5 the ~~State Department of Health~~ Authority. This report shall be due  
6 on the fifteenth of each month and provide reporting on the previous  
7 month. This report shall detail the amount of marijuana harvested  
8 in pounds, the amount of drying or dried marijuana on hand, the  
9 amount of marijuana sold to licensed processors in pounds, the  
10 amount of waste in pounds, and the amount of marijuana sold to  
11 licensed medical marijuana dispensaries in pounds. Additionally,  
12 this report shall show total wholesale sales in dollars. The ~~State~~  
13 ~~Department of Health~~ Authority shall have oversight and auditing  
14 responsibilities to ensure that all marijuana being grown by  
15 licensed medical marijuana commercial growers is accounted for.

16 D. There shall be no limits on how much marijuana a licensed  
17 medical marijuana commercial grower can grow.

18 E. Beginning on the effective date of this act, licensed  
19 medical marijuana commercial growers shall be authorized to package  
20 and sell pre-rolled marijuana to licensed medical marijuana  
21 dispensaries. The products described in this subsection shall  
22 contain only the ground parts of the marijuana plant and shall not  
23 include marijuana concentrates or derivatives. The total net weight  
24 of each pre-roll packaged and sold by medical marijuana commercial

growers shall not exceed one (1) gram. These products must be tested, packaged and labeled in accordance with Oklahoma law and rules promulgated by the ~~State Commissioner of Health~~ Authority.

SECTION 3. AMENDATORY 63 O.S. 2021, Section 423, is amended to read as follows:

Section 423. A. The ~~State Department of Health~~ shall, within ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical Marijuana Authority shall make available on its website in an easy-to-find location an application for a temporary medical marijuana processor license and an annual medical marijuana processing processor license. The ~~Department~~ Authority shall be authorized to issue two types of annual medical marijuana processor licenses based on the level of risk posed by the type of processing conducted:

1. Nonhazardous medical marijuana processor license; and
2. Hazardous medical marijuana processor license.

The application ~~fee for a nonhazardous or hazardous medical marijuana processor license shall be Two Thousand Five Hundred Dollars (\$2,500.00)~~ fees for the temporary or annual license shall be paid by the applicant in the amounts provided for in Section 427.14 of this title. A method of payment shall be provided on the website of the ~~Department~~ Authority. The ~~State Department of Health~~ Authority shall have ninety (90) days to review the temporary medical marijuana processor license application; approve, reject or deny the application; and mail the approval, rejection or denial

1 letter stating the reasons for the rejection or denial to the  
2 applicant.

3 B. The ~~State Department of Health~~ Authority shall approve all  
4 applications which meet the following criteria:

5 1. The applicant must be twenty-five (25) years of age or  
6 older;

7 2. The applicant, if applying as an individual, must show  
8 residency in the State of Oklahoma;

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

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

14 5. All applying individuals or entities must be registered to  
15 conduct business in the State of Oklahoma; and

16 6. All applicants must disclose all ownership interests in the  
17 processing operation.

18 Applicants with a nonviolent felony conviction in the last two  
19 (2) years, any other felony conviction in the last five (5) years,  
20 inmates in the custody of the Department of Corrections or any  
21 person currently incarcerated shall not qualify for a temporary or  
22 annual medical marijuana ~~processing~~ processor license.

1 C. 1. A licensed medical marijuana processor may take  
2 marijuana plants and distill or process these plants into  
3 concentrates, edibles, and other forms for consumption.

4 2. ~~As required by subsection D of this section, the State~~  
5 ~~Department of Health shall, within sixty (60) days of passage of~~  
6 ~~this initiative,~~ The Authority shall make available a set of  
7 standards which shall be used by licensed medical marijuana  
8 processors in the preparation of edible marijuana products. The  
9 standards should be in line with current food preparation  
10 guidelines. No excessive or punitive rules may be established by  
11 the ~~State Department of Health~~ Authority.

12 3. Up to two times a year, the ~~State Department of Health~~  
13 Authority may inspect a processing operation and determine its  
14 compliance with the preparation standards. If deficiencies are  
15 found, a written report of the deficiency shall be issued to the  
16 licensed medical marijuana processor. The licensed medical  
17 marijuana processor shall have one (1) month to correct the  
18 deficiency or be subject to a fine of Five Hundred Dollars (\$500.00)  
19 for each deficiency.

20 4. A licensed medical marijuana processor may sell marijuana  
21 products it creates to a licensed medical marijuana dispensary or  
22 any other licensed medical marijuana processor. All sales by a  
23 licensed medical marijuana processor shall be considered wholesale  
24 sales and shall not be subject to taxation.

1        5. Under no circumstances may a licensed medical marijuana  
2 processor sell marijuana or any marijuana product directly to a  
3 licensed medical marijuana patient or licensed medical marijuana  
4 caregiver. However, a licensed medical marijuana processor may  
5 process cannabis into a concentrated form for a licensed medical  
6 marijuana patient for a fee.

7        6. Licensed medical marijuana processors shall be required to  
8 complete a monthly yield and sales report to the ~~State Department of~~  
9 ~~Health~~ Authority. This report shall be due on the fifteenth of each  
10 month and shall provide reporting on the previous month. This  
11 report shall detail the amount of marijuana and medical marijuana  
12 products purchased in pounds, the amount of marijuana cooked or  
13 processed in pounds, and the amount of waste in pounds.  
14 Additionally, this report shall show total wholesale sales in  
15 dollars. The ~~State Department of Health~~ Authority shall have  
16 oversight and auditing responsibilities to ensure that all marijuana  
17 being processed is accounted for.

18        D. The ~~Department~~ Authority shall oversee the inspection and  
19 compliance of licensed medical marijuana processors producing  
20 products with marijuana as an additive. The ~~State Department of~~  
21 ~~Health~~ Authority shall be compelled to, ~~within thirty (30) days of~~  
22 ~~passage of this initiative,~~ appoint twelve (12) Oklahoma residents  
23 to the Medical Marijuana Advisory Council, who are marijuana  
24 industry experts, to create a list of food safety standards for



1 processing and handling medical marijuana in Oklahoma. These  
2 standards shall be adopted by the ~~Department~~ Authority and the  
3 ~~Department~~ Authority may enforce these standards for licensed  
4 medical marijuana processors. The ~~Department~~ Authority shall  
5 develop a standards review procedure and these standards can be  
6 altered by calling another council of twelve (12) Oklahoma marijuana  
7 industry experts. A signed letter of twenty operating, licensed  
8 processors shall constitute a need for a new council and standards  
9 review.

10 E. If it becomes permissible under federal law, marijuana may  
11 be moved across state lines.

12 F. Any device used for the processing or consumption of medical  
13 marijuana shall be considered legal to be sold, manufactured,  
14 distributed and possessed. No merchant, wholesaler, manufacturer or  
15 individual may be unduly harassed or prosecuted for selling,  
16 manufacturing or possessing marijuana paraphernalia.

17 SECTION 4. AMENDATORY 63 O.S. 2021, Section 424, is  
18 amended to read as follows:

19 Section 424. A. A temporary medical marijuana transporter  
20 license or an annual medical marijuana transportation transporter  
21 license ~~will~~ shall be issued to qualifying applicants for a medical  
22 marijuana retail dispensary, growing medical marijuana commercial  
23 grower, or processing medical marijuana processor license. The  
24 ~~transportation~~ temporary or annual medical marijuana transporter

1 license ~~will~~ shall be issued at the time of approval of a ~~retail,~~  
2 ~~growing~~ the temporary or annual medical marijuana dispensary,  
3 medical marijuana commercial grower, or ~~processing~~ medical marijuana  
4 processor license. The fees for the temporary or annual license  
5 shall be paid by the applicant in the amounts provided for in  
6 Section 427.14 of this title.

7 B. A ~~transportation~~ medical marijuana transporter license ~~will~~  
8 shall allow the holder to transport medical marijuana from an  
9 Oklahoma-licensed medical marijuana ~~retailer~~ dispensary, ~~licensed~~  
10 ~~growing~~ medical marijuana commercial grower facility, or ~~licensed~~  
11 medical marijuana processor facility to an Oklahoma-licensed medical  
12 marijuana ~~retailer~~ dispensary, ~~licensed-growing~~ medical marijuana  
13 commercial grower facility, or ~~licensed~~ medical marijuana processing  
14 facility.

15 C. All medical marijuana or medical marijuana products shall be  
16 transported in a locked container and clearly labeled "Medical  
17 Marijuana or Derivative".

18 SECTION 5. AMENDATORY 63 O.S. 2021, Section 427.14, is  
19 amended to read as follows:

20 Section 427.14 A. There is hereby created the medical  
21 marijuana business license, which shall include the following  
22 categories:

- 23 1. Medical marijuana commercial grower;
- 24 2. Medical marijuana processor;

3. Medical marijuana dispensary;
4. Medical marijuana transporter; and
5. Medical marijuana testing laboratory.

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

C. The Authority shall make available on its website in an easy-to-find location, applications for a temporary medical marijuana business license and annual medical marijuana business license.

~~D. The annual, nonrefundable application fee for a medical marijuana business license shall be Two Thousand Five Hundred Dollars (\$2,500.00)~~ Upon the effective date of this act, the Authority shall require all persons or entities seeking licensure as a medical marijuana commercial grower, medical marijuana processor, medical marijuana dispensary, or medical marijuana transporter to first apply for a temporary medical marijuana business license.

1. A temporary medical marijuana business license is a conditional license and does not authorize the licensee to conduct any sales of medical marijuana or marijuana products, the growing or processing of marijuana, or the transportation of any medical marijuana or marijuana products by the licensee. A temporary medical marijuana business licensee shall follow all applicable rules and regulations promulgated by the Authority.

1       2. A temporary medical marijuana business license does not  
2 obligate the Authority to issue an annual medical marijuana business  
3 license nor does the temporary medical marijuana business license  
4 create a vested right in the holder to either an extension of the  
5 temporary medical marijuana business license or to the granting of a  
6 subsequent annual medical marijuana business license.

7       3. A temporary medical marijuana business license issued under  
8 the provisions of this subsection shall be valid for one hundred  
9 eighty (180) days from its effective date.

10       4. A temporary medical marijuana business license may be  
11 extended by the Authority for additional ninety-day periods not to  
12 exceed eighteen (18) months if:

13           a. an application for an annual license has been  
14           submitted to the Authority prior to the initial  
15           expiration date of the temporary medical marijuana  
16           business license, and

17           b. the Authority determines that the application and  
18           required documentation submitted by the applicant for  
19           an annual medical marijuana business license is  
20           deficient in some manner.

21       5. The nonrefundable application fee for a temporary medical  
22 marijuana business license shall be One Thousand Dollars  
23 (\$1,000.00). A nonrefundable fee of One Thousand Dollars  
24 (\$1,000.00) shall be assessed for every ninety-day extension

1 requested by the holder of a temporary medical marijuana business  
2 license and subsequently granted by the Authority.

3 6. In addition to the general requirements provided for in  
4 subsection E of this section, persons or entities applying for a  
5 temporary medical marijuana business license or applying to renew a  
6 medical marijuana business license shall submit the following to the  
7 Authority:

8 a. business-formation documents, which may include, but  
9 not be limited to, articles of incorporation,  
10 operating agreements, partnership agreements, and  
11 fictitious business name statements. The applicant  
12 shall also provide all documents filed with the  
13 Oklahoma Secretary of State,

14 b. financial information pertaining to the operations of  
15 the medical marijuana business, which shall include  
16 the following:

17 (1) a list of funds belonging to the applicant held  
18 in savings, checking, or other accounts  
19 maintained by a financial institution. The  
20 applicant shall provide for each account, the  
21 name of the financial institution, the address of  
22 the financial institution, account type, account  
23 number, and the amount of money in the account,

1           (2) a list of loans made to the applicant. For each  
2           loan, the applicant shall provide the amount of  
3           the loan, the date of the loan, term of the loan,  
4           security provided for the loan, and the name,  
5           address, and phone number of the lender,

6           (3) a list of investments made into the medical  
7           marijuana business. For each investment, the  
8           applicant shall provide the amount of the  
9           investment, the date of the investment, term of  
10          the investment, and the name, address, and phone  
11          number of the investor, and

12          (4) a list of all monetary gifts, equipment, and  
13          property of any kind given to the applicant for  
14          the purpose of or in exchange for applying for or  
15          operating a medical marijuana business. For each  
16          gift, the applicant shall provide the value or a  
17          description of the gift and the name, address,  
18          and phone number of the provider of the gift,

19          c. a complete list of every individual who has a  
20          financial interest in the medical marijuana business  
21          who is not an owner of the medical marijuana business,

22          d. whether the applicant has an ownership or a financial  
23          interest in any other medical marijuana business

1 licensed under the provisions of the Oklahoma Medical  
2 Marijuana and Patient Protection Act,

3 e. a complete and detailed diagram of the proposed  
4 premises. If changes to the proposed premises occur  
5 during the application period, a revised set of plans  
6 shall be submitted to the Authority for final  
7 inspection. The diagram shall be to scale and shall  
8 show the following:

9 (1) boundaries of the property and the proposed  
10 premises to be licensed, showing all boundaries,  
11 dimensions, entrances and exits, interior  
12 partitions, walls, rooms, windows, doorways, and  
13 common or shared entryways, and shall include a  
14 brief statement or description of the principal  
15 activity to be conducted therein,

16 (2) the location of medical marijuana business  
17 activities that will take place in each area of  
18 the premises, and limited-access areas,

19 (3) where all cameras are located and a number  
20 assigned to each camera for identification  
21 purposes, and

22 (4) if the proposed premises consists of only a  
23 portion of the property, labels indicating which  
24

part of the property is the proposed premises and  
what the remaining property is used for,

f. if the applicant is not the landowner of the real  
property upon which the premises is located, the  
applicant shall provide to the Authority a document  
from the landowner or the agent of the landowner that  
states that the applicant has the right to occupy the  
property and acknowledging the applicant may use the  
property for the medical marijuana business activity  
for which the applicant is applying for licensure. An  
applicant shall also provide a copy of the rental  
agreement, as applicable,

g. if the applicant is the landowner of the real property  
upon which the premises is located, the applicant  
shall provide to the Authority a copy of the title or  
deed to the property,

h. if the applicant is applying for a medical marijuana  
commercial grower license, the applicant shall also  
submit the following:

(1) for indoor and mixed light cultivation,  
identification of all power sources for  
cultivation activities including, but not limited  
to, illumination, heating, cooling, and  
ventilation,



- 1           (2) if the applicant is proposing to use a diversion  
2           from a waterbody, groundwater well, or rain  
3           catchment system as a water source for  
4           cultivation, include the following locations on  
5           the property diagram with locations also provided  
6           as coordinates in either latitude and longitude  
7           or the Oklahoma Coordinate System:
- 8           (a) sources of water used, including the  
9           location of waterbody diversion, pump  
10           location, and distribution system, and  
11           (b) location, type, and capacity of each storage  
12           unit to be used for cultivation, and
- 13           (3) a proposed cultivation plan, which shall include  
14           identification of all water sources used for  
15           cultivation activities, and
- 16        i. evidence of insurance including, but not limited to:
- 17           (1) general liability insurance,  
18           (2) workers' compensation insurance or a copy of an  
19           Affidavit of Exempt Status filed with the  
20           Workers' Compensation Commission if compensation  
21           coverage is not required pursuant to the  
22           Administrative Workers' Compensation Act, and  
23           (3) product liability insurance.
- 24

1        7. The Authority may request additional information from the  
2 applicant.

3        8. The Authority may reject an application for an annual  
4 medical marijuana business license if the requirements for a  
5 temporary medical marijuana business license or any provision of the  
6 Oklahoma Medical Marijuana and Patient Protection Act are not  
7 satisfied.

8        9. For purposes of this subsection, "financial interest"  
9 concerning a medical marijuana business shall include any  
10 contractual agreements for profit sharing, subcontracting, or  
11 similar financial arrangements; provided, that such disclosures  
12 alone shall not automatically indicate ownership of the license or  
13 require disclosure as an owner of the license.

14        E. All applicants seeking licensure or licensure renewal as a  
15 medical marijuana business shall comply with the following general  
16 requirements:

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

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

1        3. Applicants shall submit a complete application to the  
2 ~~Department~~ Authority before the application may be accepted or  
3 considered;

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

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

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

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

- 14           a.    twenty-five (25) years of age or older,
- 15           b.    if applying as an individual, proof that the applicant  
16                is an Oklahoma resident pursuant to paragraph 11 of  
17                this subsection,
- 18           c.    if applying as an entity, proof that seventy-five  
19                percent (75%) of all members, managers, executive  
20                officers, partners, board members or any other form of  
21                business ownership are Oklahoma residents pursuant to  
22                paragraph 11 of this subsection,

- d. if applying as an individual or entity, proof that the individual or entity is registered to conduct business in the State of Oklahoma,
- e. disclosure of all ownership interests pursuant to the Oklahoma Medical Marijuana and Patient Protection Act, and
- f. proof that the medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility applicant or licensee has not been convicted of a nonviolent felony in the last two (2) years, or any other felony conviction within the last five (5) years, is not a current inmate in the custody of the Department of Corrections, or currently incarcerated in a jail or corrections facility;

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

1        9. All applicants for a medical marijuana business license,  
2 research facility license or education facility license authorized  
3 by the Oklahoma Medical Marijuana and Patient Protection Act, or for  
4 a renewal of such license, shall undergo an Oklahoma criminal  
5 history background check conducted by the Oklahoma State Bureau of  
6 Investigation (OSBI) within thirty (30) days prior to the  
7 application for the license, including:

- 8            a. individual applicants applying on their own behalf,
- 9            b. individuals applying on behalf of an entity,
- 10           c. all principal officers of an entity, and
- 11           d. all owners of an entity as defined by the Oklahoma  
12              Medical Marijuana and Patient Protection Act;

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

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

- 24           a. an unexpired Oklahoma-issued driver license,

- b. an Oklahoma identification card,
- c. a utility bill preceding the date of application, excluding cellular telephone and Internet bills,
- d. a residential property deed to property in the State of Oklahoma, and
- e. a rental agreement preceding the date of application for residential property located in the State of Oklahoma.

Applicants that were issued a medical marijuana business license prior to August 30, 2019, are hereby exempt from the two-year or five-year Oklahoma residence requirement mentioned above;

12. All license applicants shall be required to submit a registration with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control as provided in Sections 2-302 through 2-304 of this title;

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

- a. front of an Oklahoma driver license,
- b. front of an Oklahoma identification card,
- c. a United States passport or other photo identification issued by the United States government, or

d. a tribal identification card approved for identification purposes by the Oklahoma Department of Public Safety; and

14. All applicants shall submit an applicant photograph.

F. The Authority shall review the temporary medical marijuana business license application; approve, reject or deny the application; and mail the approval, rejection, denial or status-update letter to the applicant within ninety (90) business days of receipt of the application.

G. 1. The Authority shall review the temporary medical marijuana business license applications and conduct all investigations, inspections and interviews before approving the application for an annual medical marijuana business license. The annual medical marijuana business license shall not be issued until the Authority determines that all necessary inspections and reviews including, but not limited to, plan reviews, safety inspections or compliance inspections, have been completed.

2. The annual, nonrefundable application fee for a medical marijuana business license shall be One Thousand Five Hundred Dollars (\$1,500.00).

3. Approved applicants shall be issued ~~a~~ an annual medical marijuana business license for the specific category applied under, which shall act as proof of their approved status. Rejection and denial letters shall provide a reason for the rejection or denial.

1 Applications for an annual medical marijuana business license may  
2 only be rejected or denied based on the applicant not meeting the  
3 standards set forth in the provisions of subsection D of this  
4 section for a temporary medical marijuana business license, the  
5 provisions of the Oklahoma Medical Marijuana and Patient Protection  
6 Act and Sections 420 through 426.1 of this title, improper  
7 completion of the application, or for a reason provided for in the  
8 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
9 420 through 426.1 of this title. If an application for an annual  
10 medical marijuana business license is rejected for failure to  
11 provide required information, the applicant shall ~~have thirty (30)~~  
12 ~~days~~ be granted an extension of time as provided for in paragraph 4  
13 of subsection D of this section to submit the required information  
14 for reconsideration. ~~No additional application fee and~~ shall be  
15 ~~charged for such reconsideration~~ assessed a nonrefundable fee of One  
16 Thousand Dollars (\$1,000.00) for every ninety-day extension  
17 requested by the applicant and subsequently granted by the  
18 Authority. Unless the Department determines otherwise, an  
19 application that has been resubmitted but is still incomplete or  
20 contains errors that are not clerical or typographical in nature  
21 shall be denied.

22 ~~3.~~ 4. Status-update letters shall provide a reason for delay in  
23 either approval, rejection or denial should a situation arise in  
24



1 which an application was submitted properly but a delay in  
2 processing the application occurred.

3 ~~4.~~ 5. Approval, rejection, denial or status-update letters  
4 shall be sent to the applicant in the same method the application  
5 was submitted to the ~~Department~~ Authority.

6 6. Medical marijuana businesses issued a medical marijuana  
7 business license prior to the effective date of this act shall be  
8 required to submit business-formation documents, financial  
9 information, and insurance information pertaining to the operations  
10 of the medical marijuana business, as prescribed in subparagraphs a,  
11 b, c, d, e, f, and i of paragraph 6 of subsection D of this section,  
12 to the Authority prior to renewal of the medical marijuana business  
13 license. The medical marijuana business licensee shall submit the  
14 required documentation not less than sixty (60) days prior to the  
15 date of renewal of the medical marijuana business license. The  
16 Authority shall have thirty (30) days to review the submitted  
17 documentation and an additional thirty (30) days immediately  
18 thereafter for purposes of resolving any inconsistencies,  
19 discrepancies, or disputed issues found within the submitted  
20 documentation. If the medical marijuana business licensee fails to  
21 submit the required documentation sixty (60) days prior to the date  
22 of renewal, the license of the medical marijuana business shall be  
23 suspended until such time as the documentation is submitted to the  
24 Authority.

1        7. Medical marijuana businesses that have been issued a  
2 temporary and annual medical marijuana business license pursuant to  
3 the provisions of subsection D of this section shall be required to  
4 annually submit updated business-formation documents, financial  
5 information, and insurance information pertaining to the operations  
6 of the medical marijuana business, as prescribed in subparagraphs a,  
7 b, c, d, e, f, and i of paragraph 6 of subsection D of this section,  
8 to the Authority when seeking renewal of the medical marijuana  
9 business license.

10        H. A license for a medical marijuana business, medical  
11 marijuana research facility, medical marijuana education facility or  
12 medical marijuana waste disposal facility shall not be issued to or  
13 held by:

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

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

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

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

24

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

4            a. file taxes, interest or penalties due related to a  
5 medical marijuana business, or

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

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

10       7. A person whose authority to be a caregiver, as defined in  
11 Section 427.2 of this title, has been revoked by the ~~Department~~  
12 Authority; or

13       8. A person who was involved in the management or operations of  
14 any medical marijuana business, medical marijuana research facility,  
15 medical marijuana education facility or medical marijuana waste  
16 disposal facility that, after the initiation of a disciplinary  
17 action, has had a medical marijuana license revoked, not renewed, or  
18 surrendered during the five (5) years preceding submission of the  
19 application and for the following violations:

20            a. unlawful sales or purchases,

21            b. any fraudulent acts, falsification of records or  
22 misrepresentation to the Authority, medical marijuana  
23 patient licensees, caregiver licensees or medical  
24 marijuana business licensees,

- c. any grossly inaccurate or fraudulent reporting,
- d. threatening or harming any medical marijuana patient, caregiver, medical practitioner or employee of the ~~Department~~ Authority,
- e. knowingly or intentionally refusing to permit the ~~Department~~ Authority access to premises or records,
- f. using a prohibited, hazardous substance for processing in a residential area,
- g. criminal acts relating to the operation of a medical marijuana business, or
- h. any violations that endanger public health and safety or product safety.

I. In investigating the qualifications of an applicant or a licensee, the ~~Department~~, Authority and municipalities may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such an agency.

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

K. All applicants and licensees shall submit information to the ~~Department and~~ Authority in a full, faithful, truthful and fair manner. The ~~Department and~~ Authority may recommend denial of an application where the applicant or licensee made misstatements,

1 omissions, misrepresentations or untruths in the application or in  
2 connection with the background investigation of the applicant. This  
3 type of conduct may be grounds for administrative action against the  
4 applicant or licensee. Typos and scrivener errors shall not be  
5 grounds for denial.

6 L. A licensed medical marijuana business premises shall be  
7 subject to and responsible for compliance with applicable provisions  
8 consistent with the zoning where such business is located as  
9 described in the most recent versions of the Oklahoma Uniform  
10 Building Code, the International Building Code and the International  
11 Fire Code, unless granted an exemption by a municipality or  
12 appropriate code enforcement entity.

13 M. All medical marijuana business, medical marijuana research  
14 facility, medical marijuana education facility and medical marijuana  
15 waste disposal facility licensees shall pay the relevant licensure  
16 fees prior to receiving licensure to operate.

17 N. A medical marijuana business, medical marijuana research  
18 facility, medical marijuana education facility or medical marijuana  
19 waste disposal facility that attempts to renew its license after the  
20 expiration date of the license shall pay a late renewal fee in an  
21 amount to be determined by the ~~Department~~ Authority to reinstate the  
22 license. Late renewal fees are nonrefundable. A license that has  
23 been expired for more than ninety (90) days shall not be renewed.

1 O. No medical marijuana business, medical marijuana research  
2 facility, medical marijuana education facility or medical marijuana  
3 waste disposal facility shall possess, sell or transfer medical  
4 marijuana or medical marijuana products without a valid, unexpired  
5 license issued by the ~~Department~~ Authority.

6 SECTION 6. AMENDATORY 63 O.S. 2021, Section 427.16, is  
7 amended to read as follows:

8 Section 427.16 A. There is hereby created a medical marijuana  
9 transporter license as a category of the medical marijuana business  
10 license.

11 B. Pursuant to Section 424 of this title, the Oklahoma Medical  
12 Marijuana Authority shall issue a temporary and an annual medical  
13 marijuana transporter license to licensed medical marijuana  
14 commercial growers, licensed medical marijuana processors, and  
15 licensed medical marijuana dispensaries upon issuance of such  
16 licenses and upon each renewal. Medical marijuana transporter  
17 licenses shall also be issued to licensed medical marijuana research  
18 facilities, licensed medical marijuana education facilities and  
19 licensed medical marijuana testing laboratories upon issuance of  
20 such licenses and upon each renewal.

21 C. A temporary or annual medical marijuana transporter license  
22 may also be issued to qualifying applicants who are registered with  
23 the Oklahoma Secretary of State and otherwise meet the requirements  
24 for a medical marijuana business license set forth in Section 427.14

1 of this title, the Oklahoma Medical Marijuana and Patient Protection  
2 Act, and the requirements set forth in this section to provide  
3 logistics, distribution and storage of medical marijuana, medical  
4 marijuana concentrate and medical marijuana products.

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

11 E. A transporter license shall be required for any person or  
12 entity to transport or transfer medical marijuana, medical marijuana  
13 concentrate or medical marijuana products from a licensed medical  
14 marijuana business to another medical marijuana business, or from a  
15 medical marijuana business to a medical marijuana research facility  
16 or medical marijuana education facility.

17 F. A medical marijuana transporter licensee may contract with  
18 multiple licensed medical marijuana businesses.

19 G. A medical marijuana transporter may maintain a licensed  
20 premises to temporarily store medical marijuana, medical marijuana  
21 concentrate and medical marijuana products and to use as a  
22 centralized distribution point. A medical marijuana transporter may  
23 store and distribute medical marijuana, medical marijuana  
24 concentrate and medical marijuana products from the licensed

1 premises. The licensed premises shall meet all security  
2 requirements applicable to a medical marijuana business.

3 H. A medical marijuana transporter licensee shall use the seed-  
4 to-sale tracking system developed pursuant to the Oklahoma Medical  
5 Marijuana and Patient Protection Act to create shipping manifests  
6 documenting the transport of medical marijuana, medical marijuana  
7 concentrate and medical marijuana products throughout the state.

8 I. A licensed medical marijuana transporter may maintain and  
9 operate one or more warehouses in the state to handle medical  
10 marijuana, medical marijuana concentrate and medical marijuana  
11 products. Each location shall be registered and inspected by the  
12 Authority prior to its use.

13 J. With the exception of a lawful transfer between medical  
14 marijuana businesses who are licensed to operate at the same  
15 physical address, all medical marijuana, medical marijuana  
16 concentrate and medical marijuana products shall be transported:

17 1. In vehicles equipped with Global Positioning System (GPS)  
18 trackers;

19 2. In a locked container and clearly labeled "Medical Marijuana  
20 or Derivative"; and

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

23 K. A transporter agent may possess marijuana at any location  
24 while the transporter agent is transferring marijuana to or from a



1 licensed medical marijuana business, licensed medical marijuana  
2 research facility or licensed medical marijuana education facility.  
3 The Department shall administer and enforce the provisions of this  
4 section concerning transportation.

5 L. The Authority shall issue a transporter agent license to  
6 individual agents, employees, officers or owners of a transporter  
7 license in order for the individual to qualify to transport medical  
8 marijuana, medical marijuana concentrate or medical marijuana  
9 products.

10 M. The annual fee for a transporter agent license shall be  
11 Twenty-five Dollars (\$25.00) and shall be paid by the transporter  
12 license holder or the individual applicant. Transporter license  
13 reprints shall be Twenty Dollars (\$20.00).

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

- 16 1. The name, address and date of birth of the person;
- 17 2. Proof of current Oklahoma residency;
- 18 3. Proof of identity as required for a medical marijuana  
19 business license;
- 20 4. Possession of a valid Oklahoma driver license;
- 21 5. Verification of employment with a licensed transporter;
- 22 6. The application and affiliated fee; and
- 23 7. A copy of the criminal background check conducted by the  
24 Oklahoma State Bureau of Investigation, paid for by the applicant.

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

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

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

12 R. The Department may revoke or suspend the transporter license  
13 of a transporter that the Department determines knowingly aided or  
14 facilitated a violation of any provision of this section, and the  
15 license holder is subject to any other penalties established in law  
16 for the violation.

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

- 19 1. Insured at or above the legal requirements in Oklahoma;
- 20 2. Capable of securing medical marijuana during transport; and
- 21 3. In possession of a shipping container as defined in Section  
22 427.2 of this title capable of securing all transported products.

23 T. Prior to the transport of any medical marijuana, medical  
24 marijuana concentrate or medical marijuana products, an inventory

manifest shall be prepared at the origination point of the medical marijuana. The inventory manifest shall include the following information:

1. For the origination point of the medical marijuana:

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

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

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

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

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

5. The arrival date and estimated time of arrival;

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

1        7. Notation of the transporting licensee.

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

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

8        3. A receiving licensee shall refuse to accept any medical  
9 marijuana, medical marijuana concentrate or medical marijuana  
10 products that are not accompanied by an inventory manifest.

11       4. Originating and receiving licensees shall maintain copies of  
12 inventory manifests and logs of quantities of medical marijuana  
13 received for seven (7) years from date of receipt.

14       SECTION 7. It being immediately necessary for the preservation  
15 of the public peace, health or safety, an emergency is hereby  
16 declared to exist, by reason whereof this act shall take effect and  
17 be in full force from and after its passage and approval.

18  
19       58-2-11543        GRS        05/11/22  
20  
21  
22  
23  
24