

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SUBCOMMITTEE RECOMMENDATION
FOR

HOUSE BILL NO. 3734

By: Fetgatter

SUBCOMMITTEE RECOMMENDATION

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; authorizing rejection of applications; clarifying circumstances that allow for the issuance of annual medical marijuana business licenses; updating language; creating temporary licensing program for medical marijuana transporters; and declaring an emergency.

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

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

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

22 B. ~~The State Department of Health~~ In addition to the
23 requirements provided for in the Oklahoma Medical Marijuana and
24

1 Patient Protection Act, the Authority shall approve all applications
2 which meet the following criteria:

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

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

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

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

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

14 6. All applicants must disclose all ownership interests in the
15 dispensary.

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

21 C. Licensed medical marijuana dispensaries shall be required to
22 complete a monthly sales report to the ~~State Department of Health~~
23 Authority. This report shall be due on the fifteenth of each month
24 and provide reporting on the previous month. This report shall

1 detail the weight of marijuana purchased at wholesale and the weight
2 of marijuana sold to licensed medical marijuana patients and
3 licensed caregivers and account for any waste. The report shall
4 show total sales in dollars, tax collected in dollars, and tax due
5 in dollars. The ~~State Department of Health~~ Authority shall have
6 oversight and auditing responsibilities to ensure that all marijuana
7 being grown is accounted for.

8 D. Only a licensed medical marijuana dispensary may conduct
9 retail sales of marijuana or marijuana derivatives. Beginning on
10 the effective date of this act, licensed medical marijuana
11 dispensaries shall be authorized to package and sell pre-rolled
12 marijuana to licensed medical marijuana patients and licensed
13 caregivers. The products described in this subsection shall contain
14 only the ground parts of the marijuana plant and shall not include
15 marijuana concentrates or derivatives. The total net weight of each
16 pre-roll packaged and sold by a medical marijuana dispensary shall
17 not exceed one (1) gram. These products shall be tested, packaged
18 and labeled in accordance with Oklahoma law and rules promulgated by
19 the ~~State Commissioner of Health~~ Authority.

20 E. No medical marijuana dispensary shall offer or allow a
21 medical marijuana patient licensee, caregiver licensee or other
22 member of the public to handle or otherwise have physical contact
23 with any medical marijuana not contained in a sealed or separate
24 package. Provided, such prohibition shall not preclude an employee

1 of the medical marijuana dispensary from handling loose or
2 nonpackaged medical marijuana to be placed in packaging consistent
3 with the Oklahoma Medical Marijuana and Patient Protection Act and
4 the rules promulgated by the Authority for the packaging of medical
5 marijuana for retail sale. Provided, further, such prohibition
6 shall not prevent a medical marijuana dispensary from displaying
7 samples of its medical marijuana in separate display cases, jars or
8 other containers and allowing medical marijuana patient licensees
9 and caregiver licensees the ability to handle or smell the various
10 samples as long as the sample medical marijuana is used for display
11 purposes only and is not offered for retail sale.

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

14 Section 422. A. ~~The State Department of Health shall, within~~
15 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
16 Marijuana Authority shall make available on its website in an easy-
17 to-find location an application applications for a temporary medical
18 marijuana commercial grower license and an annual medical marijuana
19 commercial grower license. The application fee shall be Two
20 Thousand Five Hundred Dollars (\$2,500.00) fees for the temporary or
21 annual license shall be paid by the applicant in the amounts
22 provided for in Section 427.14 of this title. A method of payment
23 for the application fees shall be provided on the website of the
24 ~~Department~~ Authority. ~~The State Department of Health~~ Authority

1 shall have ninety (90) days to review the application for a
2 temporary medical marijuana commercial grower license; approve,
3 reject or deny the application; and mail the approval, rejection or
4 denial letter stating the reasons for the rejection or denial to the
5 applicant.

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

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

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

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

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

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

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

23 Applicants with a nonviolent felony conviction in the last two
24 (2) years, any other felony conviction in the last five (5) years,

1 inmates in the custody of the Department of Corrections or any
2 person currently incarcerated shall not qualify for a temporary or
3 annual medical marijuana commercial grower license.

4 C. A licensed medical marijuana commercial grower may sell
5 marijuana to a licensed medical marijuana dispensary or a licensed
6 medical marijuana processor. Further, sales by a licensed medical
7 marijuana commercial grower shall be considered wholesale sales and
8 shall not be subject to taxation. Under no circumstances may a
9 licensed medical marijuana commercial grower sell marijuana directly
10 to a licensed medical marijuana patient or licensed medical
11 marijuana caregiver. A licensed medical marijuana commercial grower
12 may only sell at the wholesale level to a licensed medical marijuana
13 dispensary, a licensed medical marijuana grower or a licensed
14 medical marijuana processor. If the federal government lifts
15 restrictions on buying and selling marijuana between states, then a
16 licensed medical marijuana commercial grower would be allowed to
17 sell and buy marijuana wholesale from, or to, an out-of-state
18 wholesale provider. A licensed medical marijuana commercial grower
19 shall be required to complete a monthly yield and sales report to
20 the ~~State Department of Health~~ Authority. This report shall be due
21 on the fifteenth of each month and provide reporting on the previous
22 month. This report shall detail the amount of marijuana harvested
23 in pounds, the amount of drying or dried marijuana on hand, the
24 amount of marijuana sold to licensed processors in pounds, the

1 amount of waste in pounds, and the amount of marijuana sold to
2 licensed medical marijuana dispensaries in pounds. Additionally,
3 this report shall show total wholesale sales in dollars. The ~~State~~
4 ~~Department of Health~~ Authority shall have oversight and auditing
5 responsibilities to ensure that all marijuana being grown by
6 licensed medical marijuana commercial growers is accounted for.

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

9 E. Beginning on the effective date of this act, licensed
10 medical marijuana commercial growers shall be authorized to package
11 and sell pre-rolled marijuana to licensed medical marijuana
12 dispensaries. The products described in this subsection shall
13 contain only the ground parts of the marijuana plant and shall not
14 include marijuana concentrates or derivatives. The total net weight
15 of each pre-roll packaged and sold by medical marijuana commercial
16 growers shall not exceed one (1) gram. These products must be
17 tested, packaged and labeled in accordance with Oklahoma law and
18 rules promulgated by the ~~State Commissioner of Health~~ Authority.

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

21 Section 423. 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 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
letter stating the reasons for the rejection or denial to the
applicant.

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

1. The applicant must be twenty-five (25) years of age or
older;
2. The applicant, if applying as an individual, must show
residency in the State of Oklahoma;

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

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

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

8 6. All applicants must disclose all ownership interests in the
9 processing operation.

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

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

18 2. ~~As required by subsection D of this section, the State~~
19 ~~Department of Health shall, within sixty (60) days of passage of~~
20 ~~this initiative,~~ The Authority shall make available a set of
21 standards which shall be used by licensed medical marijuana
22 processors in the preparation of edible marijuana products. The
23 standards should be in line with current food preparation
24

1 guidelines. No excessive or punitive rules may be established by
2 the ~~State Department of Health~~ Authority.

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

11 4. A licensed medical marijuana processor may sell marijuana
12 products it creates to a licensed medical marijuana dispensary or
13 any other licensed medical marijuana processor. All sales by a
14 licensed medical marijuana processor shall be considered wholesale
15 sales and shall not be subject to taxation.

16 5. Under no circumstances may a licensed medical marijuana
17 processor sell marijuana or any marijuana product directly to a
18 licensed medical marijuana patient or licensed medical marijuana
19 caregiver. However, a licensed medical marijuana processor may
20 process cannabis into a concentrated form for a licensed medical
21 marijuana patient for a fee.

22 6. Licensed medical marijuana processors shall be required to
23 complete a monthly yield and sales report to the ~~State Department of~~
24 ~~Health~~ Authority. This report shall be due on the fifteenth of each

1 month and shall provide reporting on the previous month. This
2 report shall detail the amount of marijuana and medical marijuana
3 products purchased in pounds, the amount of marijuana cooked or
4 processed in pounds, and the amount of waste in pounds.
5 Additionally, this report shall show total wholesale sales in
6 dollars. The ~~State Department of Health~~ Authority shall have
7 oversight and auditing responsibilities to ensure that all marijuana
8 being processed is accounted for.

9 D. The ~~Department~~ Authority shall oversee the inspection and
10 compliance of licensed medical marijuana processors producing
11 products with marijuana as an additive. The ~~State Department of~~
12 ~~Health~~ Authority shall be compelled to, ~~within thirty (30) days of~~
13 ~~passage of this initiative,~~ appoint twelve (12) Oklahoma residents
14 to the Medical Marijuana Advisory Council, who are marijuana
15 industry experts, to create a list of food safety standards for
16 processing and handling medical marijuana in Oklahoma. These
17 standards shall be adopted by the ~~Department~~ Authority and the
18 ~~Department~~ Authority may enforce these standards for licensed
19 medical marijuana processors. The ~~Department~~ Authority shall
20 develop a standards review procedure and these standards can be
21 altered by calling another council of twelve (12) Oklahoma marijuana
22 industry experts. A signed letter of twenty operating, licensed
23 processors shall constitute a need for a new council and standards
24 review.

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

3 F. Any device used for the processing or consumption of medical
4 marijuana shall be considered legal to be sold, manufactured,
5 distributed and possessed. No merchant, wholesaler, manufacturer or
6 individual may be unduly harassed or prosecuted for selling,
7 manufacturing or possessing marijuana paraphernalia.

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

10 Section 424. A. A temporary medical marijuana transportation
11 license or an annual medical marijuana transportation license ~~will~~
12 shall be issued to qualifying applicants for a medical marijuana
13 ~~retail dispensary, growing medical marijuana commercial grower, or~~
14 ~~processing medical marijuana processor~~ license. The temporary or
15 annual medical marijuana transportation license ~~will~~ shall be issued
16 at the time of approval of a ~~retail, growing~~ the temporary or annual
17 medical marijuana dispensary, medical marijuana commercial grower,
18 ~~or processing~~ medical marijuana processor license. The fees for the
19 temporary or annual licenses shall be paid by the applicant in the
20 amounts provided for in Section 427.14 of this title.

21 B. A medical marijuana transportation license ~~will~~ shall allow
22 the holder to transport medical marijuana from an Oklahoma-licensed
23 medical marijuana ~~retailer dispensary, licensed growing medical~~
24 marijuana commercial grower facility, or licensed medical marijuana

processor facility to an Oklahoma-licensed medical marijuana
~~retailer dispensary~~, licensed ~~growing~~ medical marijuana commercial
grower facility, or licensed medical marijuana processing facility.

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

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

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

1. Medical marijuana commercial grower;
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.

1 D. ~~The annual, nonrefundable application fee for a medical~~
2 ~~marijuana business license shall be Two Thousand Five Hundred~~
3 ~~Dollars (\$2,500.00)~~ Beginning November 1, 2022, the Authority shall
4 require all persons or entities seeking licensure as a medical
5 marijuana commercial grower, medical marijuana commercial processor,
6 medical marijuana dispensary, or medical marijuana transporter to
7 first apply for a temporary medical marijuana business license.

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

15 2. A temporary medical marijuana business license does not
16 obligate the Authority to issue an annual medical marijuana business
17 license nor does the temporary medical marijuana business license
18 create a vested right in the holder to either an extension of the
19 temporary medical marijuana business license or to the granting of a
20 subsequent annual medical marijuana business license.

21 3. A temporary medical marijuana business license issued under
22 the provisions of this subsection shall be valid for one hundred
23 eighty (180) days from its effective date.
24

1 4. A temporary medical marijuana business license may be
2 extended by the Authority for additional ninety (90) day periods not
3 to exceed eighteen (18) months if:

4 a. an application for an annual license has been
5 submitted to the Authority prior to the initial
6 expiration date of the temporary medical marijuana
7 business license, and

8 b. the Authority determines that the application and
9 required documentation submitted by the applicant for
10 an annual medical marijuana business license is
11 deficient in some manner.

12 5. The nonrefundable application fee for a temporary medical
13 marijuana business license shall be One Thousand Dollars
14 (\$1,000.00). A nonrefundable fee of Five Hundred Dollars (\$500.00)
15 shall be assessed for every ninety-day-extension requested by the
16 applicant and subsequently granted by the Authority.

17 6. In addition to the general requirements provided for in
18 subsection E of this section, persons or entities applying for a
19 temporary medical marijuana business license or applying to renew a
20 medical marijuana business license shall submit the following to the
21 Authority:

22 a. business-formation documents, which may include, but
23 not be limited to, articles of incorporation,
24 operating agreements, partnership agreements, and

1 fictitious business name statements. The applicant
2 shall also provide all documents filed with the
3 Oklahoma Secretary of State,

4 b. financial information pertaining to the operations of
5 the medical marijuana business, which shall include
6 the following:

7 (1) a list of funds belonging to the applicant held
8 in savings, checking, or other accounts
9 maintained by a financial institution. The
10 applicant shall provide for each account, the
11 name of the financial institution, the address of
12 the financial institution, account type, account
13 number, and the amount of money in the account,

14 (2) a list of loans made to the applicant. For each
15 loan, the applicant shall provide the amount of
16 the loan, the date of the loan, term of the loan,
17 security provided for the loan, and the name,
18 address, and phone number of the lender,

19 (3) a list of investments made into the medical
20 marijuana business. For each investment, the
21 applicant shall provide the amount of the
22 investment, the date of the investment, term of
23 the investment, and the name, address, and phone
24 number of the investor, and

1 (4) a list of all gifts of any kind given to the
2 applicant for its use in conducting medical
3 marijuana business activities. For each gift,
4 the applicant shall provide the value of the gift
5 or description of the gift, and the name,
6 address, and phone number of the provider of the
7 gift,

8 c. a complete list of every individual who has a
9 financial interest in the medical marijuana business
10 who is not an owner of the medical marijuana business,

11 d. whether the applicant has an ownership or a financial
12 interest in any other medical marijuana business
13 licensed under the provisions of the Oklahoma Medical
14 Marijuana and Patient Protection Act,

15 e. a complete and detailed diagram of the proposed
16 premises. The diagram shall be to scale and shall
17 show the following:

18 (1) boundaries of the property and the proposed
19 premises to be licensed, showing all boundaries,
20 dimensions, entrances and exits, interior
21 partitions, walls, rooms, windows, doorways, and
22 common or shared entryways, and shall include a
23 brief statement or description of the principal
24 activity to be conducted therein,

1 (2) the location of medical marijuana business
2 activities that will take place in each area of
3 the premises, and identify limited-access areas,
4 (3) where all cameras are located and assign a number
5 to each camera for identification purposes, and
6 (4) if the proposed premises consists of only a
7 portion of the property, the diagram must be
8 labeled indicating which part of the property is
9 the proposed premises and what the remaining
10 property is used for,

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

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

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

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

9 (2) if the applicant is proposing to use a diversion
10 from a waterbody, groundwater well, or rain
11 catchment system as a water source for
12 cultivation, include the following locations on
13 the property diagram with locations also provided
14 as coordinates in either latitude and longitude
15 or the Oklahoma Coordinate System:

16 (a) sources of water used, including the
17 location of waterbody diversion, pump
18 location, and distribution system; and

19 (b) location, type, and capacity of each storage
20 unit to be used for cultivation, and

21 (3) a proposed cultivation plan, which shall include
22 identification of all water sources used for
23 cultivation activities, and

24 i. evidence of insurance including, but not limited to:

- (1) general liability insurance,
- (2) workers' compensation insurance or a copy of an Affidavit of Exempt Status filed with the Workers' Compensation Commission if compensation coverage is not required pursuant to the Administrative Workers' Compensation Act, and
- (3) product liability insurance.

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

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

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

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

2. Each application shall identify the city or county in which the applicant seeks to obtain licensure as a medical marijuana 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,
23
24

- 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.

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

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. Applications for an annual medical marijuana business license may only be rejected or denied based on the applicant not meeting the standards set forth in the provisions of subsection D of this section for a temporary medical marijuana business license, the

1 provisions of the Oklahoma Medical Marijuana and Patient Protection
2 Act and Sections 420 through 426.1 of this title, improper
3 completion of the application, or for a reason provided for in the
4 Oklahoma Medical Marijuana and Patient Protection Act and Sections
5 420 through 426.1 of this title. If an application for an annual
6 medical marijuana business license is rejected for failure to
7 provide required information, the applicant shall ~~have thirty (30)~~
8 ~~days~~ be granted an extension of time as provided for in paragraph 4
9 of subsection D of this section to submit the required information
10 for reconsideration. ~~No additional application fee and~~ shall be
11 ~~charged for such reconsideration~~ assessed a nonrefundable fee of
12 Five Hundred Dollars (\$500.00) for every ninety-day extension
13 requested by the applicant and subsequently granted by the
14 Authority. Unless the Department determines otherwise, an
15 application that has been resubmitted but is still incomplete or
16 contains errors that are not clerical or typographical in nature
17 shall be denied.

18 ~~3.~~ 4. Status-update letters shall provide a reason for delay in
19 either approval, rejection or denial should a situation arise in
20 which an application was submitted properly but a delay in
21 processing the application occurred.

22 ~~4.~~ 5. Approval, rejection, denial or status-update letters
23 shall be sent to the applicant in the same method the application
24 was submitted to the ~~Department~~ Authority.

1 H. A license for a medical marijuana business, medical
2 marijuana research facility, medical marijuana education facility or
3 medical marijuana waste disposal facility shall not be issued to or
4 held by:

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

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

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

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

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

18 a. file taxes, interest or penalties due related to a
19 medical marijuana business, or

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

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

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

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

- 11 a. unlawful sales or purchases,
- 12 b. any fraudulent acts, falsification of records or
13 misrepresentation to the Authority, medical marijuana
14 patient licensees, caregiver licensees or medical
15 marijuana business licensees,
- 16 c. any grossly inaccurate or fraudulent reporting,
- 17 d. threatening or harming any medical marijuana patient,
18 caregiver, medical practitioner or employee of the
19 ~~Department~~ Authority,
- 20 e. knowingly or intentionally refusing to permit the
21 ~~Department~~ Authority access to premises or records,
- 22 f. using a prohibited, hazardous substance for processing
23 in a residential area,

1 g. criminal acts relating to the operation of a medical
2 marijuana business, or

3 h. any violations that endanger public health and safety
4 or product safety.

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

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

13 K. All applicants and licensees shall submit information to the
14 ~~Department and~~ Authority in a full, faithful, truthful and fair
15 manner. The ~~Department and~~ Authority may recommend denial of an
16 application where the applicant or licensee made misstatements,
17 omissions, misrepresentations or untruths in the application or in
18 connection with the background investigation of the applicant. This
19 type of conduct may be grounds for administrative action against the
20 applicant or licensee. Typos and scrivener errors shall not be
21 grounds for denial.

22 L. A licensed medical marijuana business premises shall be
23 subject to and responsible for compliance with applicable provisions
24 consistent with the zoning where such business is located as

1 described in the most recent versions of the Oklahoma Uniform
2 Building Code, the International Building Code and the International
3 Fire Code, unless granted an exemption by a municipality or
4 appropriate code enforcement entity.

5 M. All medical marijuana business, medical marijuana research
6 facility, medical marijuana education facility and medical marijuana
7 waste disposal facility licensees shall pay the relevant licensure
8 fees prior to receiving licensure to operate.

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

16 O. No medical marijuana business, medical marijuana research
17 facility, medical marijuana education facility or medical marijuana
18 waste disposal facility shall possess, sell or transfer medical
19 marijuana or medical marijuana products without a valid, unexpired
20 license issued by the ~~Department~~ Authority.

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

23

24

1 Section 427.16 A. There is hereby created a medical marijuana
2 transporter license as a category of the medical marijuana business
3 license.

4 B. Pursuant to Section 424 of this title, the Oklahoma Medical
5 Marijuana Authority shall issue a temporary and, if approved, an
6 annual medical marijuana transporter license to licensed medical
7 marijuana commercial growers, licensed medical marijuana processors,
8 and licensed medical marijuana dispensaries upon issuance of such
9 licenses and upon each renewal. Medical marijuana transporter
10 licenses shall also be issued to licensed medical marijuana research
11 facilities, licensed medical marijuana education facilities and
12 licensed medical marijuana testing laboratories upon issuance of
13 such licenses and upon each renewal.

14 C. A temporary or annual medical marijuana transporter license
15 may also be issued to qualifying applicants who are registered with
16 the Oklahoma Secretary of State and otherwise meet the requirements
17 for a medical marijuana business license set forth in Section 427.14
18 of this title, the Oklahoma Medical Marijuana and Patient Protection
19 Act, and the requirements set forth in this section to provide
20 logistics, distribution and storage of medical marijuana, medical
21 marijuana concentrate and medical marijuana products.

22 D. A medical marijuana transporter license shall be valid for
23 one (1) year and shall not be transferred with a change of
24 ownership. A licensed medical marijuana transporter shall be

1 responsible for all medical marijuana, medical marijuana concentrate
2 and medical marijuana products once the transporter takes control of
3 the product.

4 E. A transporter license shall be required for any person or
5 entity to transport or transfer medical marijuana, medical marijuana
6 concentrate or medical marijuana products from a licensed medical
7 marijuana business to another medical marijuana business, or from a
8 medical marijuana business to a medical marijuana research facility
9 or medical marijuana education facility.

10 F. A medical marijuana transporter licensee may contract with
11 multiple licensed medical marijuana businesses.

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

20 H. A medical marijuana transporter licensee shall use the seed-
21 to-sale tracking system developed pursuant to the Oklahoma Medical
22 Marijuana and Patient Protection Act to create shipping manifests
23 documenting the transport of medical marijuana, medical marijuana
24 concentrate and medical marijuana products throughout the state.

1 I. A licensed medical marijuana transporter may maintain and
2 operate one or more warehouses in the state to handle medical
3 marijuana, medical marijuana concentrate and medical marijuana
4 products. Each location shall be registered and inspected by the
5 Authority prior to its use.

6 J. With the exception of a lawful transfer between medical
7 marijuana businesses who are licensed to operate at the same
8 physical address, all medical marijuana, medical marijuana
9 concentrate and medical marijuana products shall be transported:

10 1. In vehicles equipped with Global Positioning System (GPS)
11 trackers;

12 2. In a locked container and clearly labeled "Medical Marijuana
13 or Derivative"; and

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

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

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

1 marijuana, medical marijuana concentrate or medical marijuana
2 products.

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

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

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

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

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

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

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

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

- 12 1. Insured at or above the legal requirements in Oklahoma;
- 13 2. Capable of securing medical marijuana during transport; and
- 14 3. In possession of a shipping container as defined in Section
15 427.2 of this title capable of securing all transported products.

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

- 21 1. For the origination point of the medical marijuana:
 - 22 a. the licensee number for the commercial grower,
 - 23 processor or dispensary,
 - 24 b. address of origination of transport, and

1 c. name and contact information for the originating
2 licensee;

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

5 a. the license number for the dispensary, commercial
6 grower, processor, research facility or education
7 facility destination,

8 b. address of the destination, and

9 c. name and contact information for the destination
10 licensee;

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

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

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

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

18 7. Notation of the transporting licensee.

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

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

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

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

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

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