

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 HOUSE BILL 3634

By: Fetgatter

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5
6 AS INTRODUCED

7 An Act relating to medical marijuana; amending 63
8 O.S. 2021, Sections 427.2, 427.14 and 427.16, which
9 relate to the Oklahoma Medical Marijuana and Patient
10 Protection Act; adding definition; modifying certain
11 definition; adding medical marijuana wholesaler
12 license; providing for the issuance of medical
13 marijuana wholesaler licenses; modifying transporter
14 requirements to allow wholesaler licensees to
15 contract with other businesses; stating storage
16 security requirements for wholesaler licensees;
17 requiring wholesaler licensees to utilize seed-to-
18 sale tracking; providing requirements for warehousing
19 medical marijuana products; and providing an
20 effective date.

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

22 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.2, is
23 amended to read as follows:

24 Section 427.2. As used in the Oklahoma Medical Marijuana and
Patient Protection Act:

1. "Advertising" means the act of providing consideration for
the publication, dissemination, solicitation, or circulation, of
visual, oral, or written communication to induce directly or
indirectly any person to patronize a particular medical marijuana

1 business, or to purchase particular medical marijuana or a medical
2 marijuana product. Advertising includes marketing, but does not
3 include packaging and labeling;

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

5 3. "Batch number" means a unique numeric or alphanumeric
6 identifier assigned prior to testing to allow for inventory tracking
7 and traceability;

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

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

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

14 a. designed or constructed to be significantly difficult
15 for children under five (5) years of age to open and
16 not difficult for normal adults to use properly as
17 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
18 1700.20 (1995),

19 b. opaque so that the outermost packaging does not allow
20 the product to be seen without opening the packaging
21 material, and

22 c. resealable to maintain its child-resistant
23 effectiveness for multiple openings for any product
24

1 intended for more than a single use or containing
2 multiple servings;

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

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

7 9. "Complete application" means a document prepared in
8 accordance with the provisions set forth in the Oklahoma Medical
9 Marijuana and Patient Protection Act, rules promulgated pursuant
10 thereto, and the forms and instructions provided by the Department,
11 including any supporting documentation required and the applicable
12 license application fee;

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

14 11. "Director" means the Executive Director of the Oklahoma
15 Medical Marijuana Authority;

16 12. "Dispense" means the selling of medical marijuana or a
17 medical marijuana product to a qualified patient or the designated
18 caregiver of the patient that is packaged in a suitable container
19 appropriately labeled for subsequent administration to or use by a
20 qualifying patient;

21 13. "Dispensary" means a medical marijuana dispensary, an
22 entity that has been licensed by the Department pursuant to the
23 Oklahoma Medical Marijuana and Patient Protection Act to purchase
24 medical marijuana or medical marijuana products from a licensed

1 medical marijuana commercial grower or licensed medical marijuana
2 processor, to prepare and package noninfused pre-rolled medical
3 marijuana, and to sell medical marijuana or medical marijuana
4 products to licensed patients and caregivers as defined in this
5 section, or sell or transfer products to another licensed
6 dispensary;

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

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

14 16. "Flower" means the reproductive organs of the marijuana or
15 cannabis plant referred to as the bud or parts of the plant that are
16 harvested and used for consumption in a variety of medical marijuana
17 products;

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

21 18. "Food-based medical marijuana concentrate" means a medical
22 marijuana concentrate that was produced by extracting cannabinoids
23 from medical marijuana through the use of propylene glycol,

24

1 glycerin, butter, olive oil, coconut oil or other typical food-safe
2 cooking fats;

3 19. "Harvest batch" means a specifically identified quantity of
4 medical marijuana that is uniform in strain, cultivated utilizing
5 the same cultivation practices, harvested at the same time from the
6 same location and cured under uniform conditions;

7 20. "Harvested marijuana" means postflowering medical marijuana
8 not including trim, concentrate or waste;

9 21. "Heat- or pressure-based medical marijuana concentrate"
10 means a medical marijuana concentrate that was produced by
11 extracting cannabinoids from medical marijuana through the use of
12 heat or pressure;

13 22. "Immature plant" means a nonflowering marijuana plant that
14 has not demonstrated signs of flowering;

15 23. "Inventory tracking system" means the required tracking
16 system that accounts for the entire life span of medical marijuana
17 and medical marijuana products, including any testing samples
18 thereof and medical marijuana waste;

19 24. "Licensed patient" or "patient" means a person who has been
20 issued a medical marijuana patient license by the State Department
21 of Health or Oklahoma Medical Marijuana Authority;

22 25. "Licensed premises" means the premises specified in an
23 application for a medical marijuana business license, medical
24 marijuana research facility license or medical marijuana education

1 facility license pursuant to the Oklahoma Medical Marijuana and
2 Patient Protection Act that are owned or in possession of the
3 licensee and within which the licensee is authorized to cultivate,
4 manufacture, distribute, sell, store, transport, test or research
5 medical marijuana or medical marijuana products in accordance with
6 the provisions of the Oklahoma Medical Marijuana and Patient
7 Protection Act and rules promulgated pursuant thereto;

8 26. "Manufacture" means the production, propagation,
9 compounding or processing of a medical marijuana product, excluding
10 marijuana plants, either directly or indirectly by extraction from
11 substances of natural or synthetic origin, or independently by means
12 of chemical synthesis, or by a combination of extraction and
13 chemical synthesis;

14 27. "Marijuana" shall have the same meaning as such term is
15 defined in Section 2-101 of this title;

16 28. "Material change" means any change that would affect the
17 qualifications for licensure of an applicant or licensee;

18 29. "Mature plant" means a harvestable female marijuana plant
19 that is flowering;

20 30. "Medical marijuana business (MMB)" means a licensed medical
21 marijuana dispensary, medical marijuana processor, medical marijuana
22 commercial grower, medical marijuana laboratory, medical marijuana
23 business operator ~~or a~~, medical marijuana transporter, or a medical
24 marijuana wholesaler;

1 31. "Medical marijuana concentrate" or "concentrate" means a
2 specific subset of medical marijuana that was produced by extracting
3 cannabinoids from medical marijuana. Categories of medical
4 marijuana concentrate include water-based medical marijuana
5 concentrate, food-based medical marijuana concentrate, solvent-based
6 medical marijuana concentrate, and heat- or pressure-based medical
7 marijuana concentrate;

8 32. "Medical marijuana commercial grower" or "commercial
9 grower" means an entity licensed to cultivate, prepare and package
10 medical marijuana or package medical marijuana as pre-rolls, and
11 transfer or contract for transfer medical marijuana and medical
12 marijuana pre-rolls to a medical marijuana dispensary, medical
13 marijuana processor, any other medical marijuana commercial grower,
14 medical marijuana research facility or medical marijuana education
15 facility. A commercial grower may sell seeds, flower or clones to
16 commercial growers pursuant to the Oklahoma Medical Marijuana and
17 Patient Protection Act;

18 33. "Medical marijuana education facility" or "education
19 facility" means a person or entity approved pursuant to the Oklahoma
20 Medical Marijuana and Patient Protection Act to operate a facility
21 providing training and education to individuals involving the
22 cultivation, growing, harvesting, curing, preparing, packaging or
23 testing of medical marijuana, or the production, manufacture,
24 extraction, processing, packaging or creation of medical-marijuana-

1 infused products or medical marijuana products as described in the
2 Oklahoma Medical Marijuana and Patient Protection Act;

3 34. "Medical-marijuana-infused product" means a product infused
4 with medical marijuana including, but not limited to, edible
5 products, ointments and tinctures;

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

14 36. "Medical marijuana processor" means a person or entity
15 licensed pursuant to the Oklahoma Medical Marijuana and Patient
16 Protection Act to operate a business including the production,
17 manufacture, extraction, processing, packaging or creation of
18 concentrate, medical-marijuana-infused products or medical marijuana
19 products as described in the Oklahoma Medical Marijuana and Patient
20 Protection Act;

21 37. "Medical marijuana research facility" or "research
22 facility" means a person or entity approved pursuant to the Oklahoma
23 Medical Marijuana and Patient Protection Act to conduct medical
24

1 marijuana research. A medical marijuana research facility is not a
2 medical marijuana business;

3 38. "Medical marijuana testing laboratory" or "laboratory"
4 means a public or private laboratory licensed pursuant to the
5 Oklahoma Medical Marijuana and Patient Protection Act to conduct
6 testing and research on medical marijuana and medical marijuana
7 products;

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

16 40. "Medical marijuana waste" or "waste" means unused, surplus,
17 returned or out-of-date marijuana, plant debris of the plant of the
18 genus Cannabis including dead plants and all unused plant parts and
19 roots, except the term shall not include roots, stems, stalks and
20 fan leaves;

21 41. "Medical marijuana wholesaler" or "wholesaler" means an
22 entity licensed by the Oklahoma Medical Marijuana Authority to
23 acquire, possess, sell, and distribute medical marijuana or medical
24 marijuana products on behalf of another licensed medical marijuana

1 business in the State of Oklahoma. A medical marijuana wholesaler
2 does not include a medical marijuana business which grows, produces
3 and sells its own medical marijuana, medical marijuana concentrate,
4 or medical marijuana products;

5 42. "Medical use" means the acquisition, possession, use,
6 delivery, transfer or transportation of medical marijuana, medical
7 marijuana products, medical marijuana devices or paraphernalia
8 relating to the administration of medical marijuana to treat a
9 licensed patient;

10 ~~42.~~ 43. "Mother plant" means a marijuana plant that is grown or
11 maintained for the purpose of generating clones, and that will not
12 be used to produce plant material for sale to a medical marijuana
13 processor or medical marijuana dispensary;

14 ~~43.~~ 44. "Oklahoma physician" or "physician" means a physician
15 licensed by and in good standing with the State Board of Medical
16 Licensure and Supervision, the State Board of Osteopathic Examiners
17 or the Board of Podiatric Medical Examiners;

18 ~~44.~~ 45. "Oklahoma resident" means an individual who can provide
19 proof of residency as required by the Oklahoma Medical Marijuana and
20 Patient Protection Act;

21 ~~45.~~ 46. "Owner" means, except where the context otherwise
22 requires, a direct beneficial owner including, but not limited to,
23 all persons or entities as follows:

- a. all shareholders owning an interest of a corporate entity and all officers of a corporate entity,
- b. all partners of a general partnership,
- c. all general partners and all limited partners that own an interest in a limited partnership,
- d. all members that own an interest in a limited liability company,
- e. all beneficiaries that hold a beneficial interest in a trust and all trustees of a trust,
- f. all persons or entities that own interest in a joint venture,
- g. all persons or entities that own an interest in an association,
- h. the owners of any other type of legal entity, and
- i. any other person holding an interest or convertible note in any entity which owns, operates or manages a licensed facility;

~~46.~~ 47 "Package" or "packaging" means any container or wrapper that may be used by a medical marijuana business to enclose or contain medical marijuana;

~~47.~~ 48. "Person" means a natural person, partnership, association, business trust, company, corporation, estate, limited liability company, trust or any other legal entity or organization, or a manager, agent, owner, director, servant, officer or employee

1 thereof, except that "person" does not include any governmental
2 organization;

3 ~~48.~~ 49. "Pesticide" means any substance or mixture of
4 substances intended for preventing, destroying, repelling or
5 mitigating any pest or any substance or mixture of substances
6 intended for use as a plant regulator, defoliant or desiccant,
7 except that the term "pesticide" shall not include any article that
8 is a "new animal drug" as designated by the United States Food and
9 Drug Administration;

10 ~~49.~~ 50. "Production batch" means:

- 11 a. any amount of medical marijuana concentrate of the
12 same category and produced using the same extraction
13 methods, standard operating procedures and an
14 identical group of harvest batch of medical marijuana,
15 or
- 16 b. any amount of medical marijuana product of the same
17 exact type, produced using the same ingredients,
18 standard operating procedures and the same production
19 batch of medical marijuana concentrate;

20 ~~50.~~ 51. "Public institution" means any entity established or
21 controlled by the federal government, state government, or a local
22 government or municipality including, but not limited to,
23 institutions of higher education or related research institutions;

1 ~~51.~~ 52. "Public money" means any funds or money obtained by the
2 holder from any governmental entity including, but not limited to,
3 research grants;

4 ~~52.~~ 53. "Recommendation" means a document that is signed or
5 electronically submitted by a physician on behalf of a patient for
6 the use of medical marijuana pursuant to the Oklahoma Medical
7 Marijuana and Patient Protection Act;

8 ~~53.~~ 54. "Registered to conduct business" means a person that
9 has provided proof that the business applicant or licensee is in
10 good standing with the Oklahoma Secretary of State;

11 ~~54.~~ 55. "Remediation" means the process by which a harvest
12 batch or production batch that fails testing undergoes a procedure
13 to remedy the harvest batch or production batch and is retested in
14 accordance with Oklahoma laws, rules and regulations;

15 ~~55.~~ 56. "Research project" means a discrete scientific endeavor
16 to answer a research question or a set of research questions related
17 to medical marijuana and is required for a medical marijuana
18 research license. A research project shall include a description of
19 a defined protocol, clearly articulated goals, defined methods and
20 outputs, and a defined start and end date. The description shall
21 demonstrate that the research project will comply with all
22 requirements in the Oklahoma Medical Marijuana and Patient
23 Protection Act and rules promulgated pursuant thereto. All research
24

1 and development conducted by a medical marijuana research facility
2 shall be conducted in furtherance of an approved research project;

3 ~~56.~~ 57. "Revocation" means the final decision by the Department
4 that any license issued pursuant to the Oklahoma Medical Marijuana
5 and Patient Protection Act is rescinded because the individual or
6 entity does not comply with the applicable requirements set forth in
7 the Oklahoma Medical Marijuana and Patient Protection Act or rules
8 promulgated pursuant thereto;

9 ~~57.~~ 58. "School" means a public or private elementary, middle
10 or high school used for school classes and instruction. A
11 homeschool, daycare or child-care facility shall not be considered a
12 "school" as used in the Oklahoma Medical Marijuana and Patient
13 Protection Act;

14 ~~58.~~ 59. "Shipping container" means a hard-sided container with
15 a lid or other enclosure that can be secured in place. A shipping
16 container is used solely for the transport of medical marijuana,
17 medical marijuana concentrate, or medical marijuana products between
18 medical marijuana businesses, a medical marijuana research facility,
19 or a medical marijuana education facility;

20 ~~59.~~ 60. "Solvent-based medical marijuana concentrate" means a
21 medical marijuana concentrate that was produced by extracting
22 cannabinoids from medical marijuana through the use of a solvent
23 approved by the Department;

1 ~~60.~~ 61. "State Question" means Oklahoma State Question No. 788,
2 Initiative Petition No. 412, approved by a majority vote of the
3 citizens of Oklahoma on June 26, 2018;

4 ~~61.~~ 62. "Strain" means the name given to a particular variety
5 of medical marijuana that is based on a combination of factors which
6 may include, but is not limited to, botanical lineage, appearance,
7 chemical profile and accompanying effects. An example of a "strain"
8 would be "OG Kush" or "Pineapple Express";

9 ~~62.~~ 63. "THC" means tetrahydrocannabinol, which is the primary
10 psychotropic cannabinoid in marijuana formed by decarboxylation of
11 naturally tetrahydrocannabinolic acid, which generally occurs by
12 exposure to heat;

13 ~~63.~~ 64. "Transporter agent" means a person who transports
14 medical marijuana or medical marijuana products as an employee of a
15 licensed medical marijuana business and holds a transporter agent
16 license specific to that business pursuant to the Oklahoma Medical
17 Marijuana and Patient Protection Act;

18 ~~64.~~ 65. "Universal symbol" means the image established by the
19 State Department of Health or Oklahoma Medical Marijuana Authority
20 and made available to licensees through its website indicating that
21 the medical marijuana or the medical marijuana product contains THC;

22 ~~65.~~ 66. "Usable marijuana" means the dried leaves, flowers,
23 oils, vapors, waxes and other portions of the marijuana plant and
24

1 any mixture or preparation thereof, excluding seeds, roots, stems,
2 stalks and fan leaves; and

3 ~~66.~~ 67. "Water-based medical marijuana concentrate" means a
4 concentrate that was produced by extracting cannabinoids from
5 medical marijuana through the use of only water, ice or dry ice.

6 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.14, is
7 amended to read as follows:

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

- 11 1. Medical marijuana commercial grower;
- 12 2. Medical marijuana processor;
- 13 3. Medical marijuana dispensary;
- 14 4. Medical marijuana transporter; ~~and~~
- 15 5. Medical marijuana testing laboratory; and
- 16 6. Medical marijuana wholesaler.

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

20 C. The Authority shall make available on its website in an
21 easy-to-find location, applications for a medical marijuana
22 business.

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).

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

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

10 2. Each application shall identify the city or county in which
11 the applicant seeks to obtain licensure as a medical marijuana
12 business;

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

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

17 5. All applications shall include all attachments or
18 supplemental information required by the forms supplied by the
19 Authority;

20 6. All applications shall be accompanied by a full remittance
21 for the whole amount of the application fees. Application fees are
22 nonrefundable;

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

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

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

9 9. All applicants for a medical marijuana business license,
10 research facility license or education facility license authorized
11 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
12 a renewal of such license, shall undergo an Oklahoma criminal
13 history background check conducted by the Oklahoma State Bureau of
14 Investigation (OSBI) within thirty (30) days prior to the
15 application for the license, including:

- 16 a. individual applicants applying on their own behalf,
- 17 b. individuals applying on behalf of an entity,
- 18 c. all principal officers of an entity, and
- 19 d. all owners of an entity as defined by the Oklahoma
20 Medical Marijuana and Patient Protection Act;

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

1 11. In order to be considered an Oklahoma resident for purposes
2 of a medical marijuana business application, all applicants shall
3 provide proof of Oklahoma residency for at least two (2) years
4 immediately preceding the date of application or five (5) years of
5 continuous Oklahoma residency during the preceding twenty-five (25)
6 years immediately preceding the date of application. Sufficient
7 documentation of proof of residency shall include a combination of
8 the following:

- 9 a. an unexpired Oklahoma-issued driver license,
- 10 b. an Oklahoma identification card,
- 11 c. a utility bill preceding the date of application,
12 excluding cellular telephone and Internet bills,
- 13 d. a residential property deed to property in the State
14 of Oklahoma, and
- 15 e. a rental agreement preceding the date of application
16 for residential property located in the State of
17 Oklahoma.

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

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

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

- 4 a. front of an Oklahoma driver license,
- 5 b. front of an Oklahoma identification card,
- 6 c. a United States passport or other photo identification
7 issued by the United States government, or
- 8 d. a tribal identification card approved for
9 identification purposes by the Oklahoma Department of
10 Public Safety; and

11 14. All applicants shall submit an applicant photograph.

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

16 G. 1. The Authority shall review the medical marijuana
17 business applications and conduct all investigations, inspections
18 and interviews before approving the application.

19 2. Approved applicants shall be issued a medical marijuana
20 business license for the specific category applied under, which
21 shall act as proof of their approved status. Rejection and denial
22 letters shall provide a reason for the rejection or denial.
23 Applications may only be rejected or denied based on the applicant
24 not meeting the standards set forth in the provisions of the

1 Oklahoma Medical Marijuana and Patient Protection Act and Sections
2 420 through 426.1 of this title, improper completion of the
3 application, or for a reason provided for in the Oklahoma Medical
4 Marijuana and Patient Protection Act and Sections 420 through 426.1
5 of this title. If an application is rejected for failure to provide
6 required information, the applicant shall have thirty (30) days to
7 submit the required information for reconsideration. No additional
8 application fee shall be charged for such reconsideration. Unless
9 the Department determines otherwise, an application that has been
10 resubmitted but is still incomplete or contains errors that are not
11 clerical or typographical in nature shall be denied.

12 3. Status-update letters shall provide a reason for delay in
13 either approval, rejection or denial should a situation arise in
14 which an application was submitted properly but a delay in
15 processing the application occurred.

16 4. Approval, rejection, denial or status-update letters shall
17 be sent to the applicant in the same method the application was
18 submitted to the Department.

19 H. A license for a medical marijuana business, medical
20 marijuana research facility, medical marijuana education facility or
21 medical marijuana waste disposal facility shall not be issued to or
22 held by:

23 1. A person until all required fees have been paid;
24

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

4 3. A corporation, if the criminal history of any of its
5 officers, directors or stockholders indicates that the officer,
6 director or stockholder 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 4. A person under twenty-five (25) years of age;

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

13 a. file taxes, interest or penalties due related to a
14 medical marijuana business, or

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

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

19 7. A person whose authority to be a caregiver, as defined in
20 Section 427.2 of this title, has been revoked by the Department; or

21 8. A person who was involved in the management or operations of
22 any medical marijuana business, medical marijuana research facility,
23 medical marijuana education facility or medical marijuana waste
24 disposal facility that, after the initiation of a disciplinary

1 action, has had a medical marijuana license revoked, not renewed, or
2 surrendered during the five (5) years preceding submission of the
3 application and for the following violations:

- 4 a. unlawful sales or purchases,
- 5 b. any fraudulent acts, falsification of records or
6 misrepresentation to the Authority, medical marijuana
7 patient licensees, caregiver licensees or medical
8 marijuana business licensees,
- 9 c. any grossly inaccurate or fraudulent reporting,
- 10 d. threatening or harming any medical marijuana patient,
11 caregiver, medical practitioner or employee of the
12 Department,
- 13 e. knowingly or intentionally refusing to permit the
14 Department access to premises or records,
- 15 f. using a prohibited, hazardous substance for processing
16 in a residential area,
- 17 g. criminal acts relating to the operation of a medical
18 marijuana business, or
- 19 h. any violations that endanger public health and safety
20 or product safety.

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

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

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

15 L. A licensed medical marijuana business premises shall be
16 subject to and responsible for compliance with applicable provisions
17 consistent with the zoning where such business is located as
18 described in the most recent versions of the Oklahoma Uniform
19 Building Code, the International Building Code and the International
20 Fire Code, unless granted an exemption by a municipality or
21 appropriate code enforcement entity.

22 M. All medical marijuana business, medical marijuana research
23 facility, medical marijuana education facility and medical marijuana
24

1 waste disposal facility licensees shall pay the relevant licensure
2 fees prior to receiving licensure to operate.

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

10 O. No medical marijuana business, medical marijuana research
11 facility, medical marijuana education facility or medical marijuana
12 waste disposal facility shall possess, sell or transfer medical
13 marijuana or medical marijuana products without a valid, unexpired
14 license issued by the Department.

15 SECTION 3. AMENDATORY 63 O.S. 2021, Section 427.16, is
16 amended to read as follows:

17 Section 427.16. A. There is hereby created a medical marijuana
18 transporter license as a category of the medical marijuana business
19 license.

20 B. Pursuant to Section 424 of this title, the Oklahoma Medical
21 Marijuana Authority shall issue a medical marijuana transporter
22 license to licensed medical marijuana commercial growers, processors
23 and dispensaries upon issuance of such licenses and upon each
24 renewal. Medical marijuana transporter licenses shall also be

1 issued to licensed medical marijuana research facilities, medical
2 marijuana education facilities and medical marijuana testing
3 laboratories upon issuance of such licenses and upon each renewal.

4 C. A Aside from a medical marijuana transporter license issued
5 to a licensed medical marijuana dispensary, medical marijuana
6 commercial grower, medical marijuana processor, medical marijuana
7 research facility, or medical marijuana education facility in
8 conjunction with its business license, a medical marijuana
9 transporter license may also be issued to qualifying applicants who
10 are registered with the Oklahoma Secretary of State and otherwise
11 meet the requirements for a medical marijuana business license set
12 forth in the Oklahoma Medical Marijuana and Patient Protection Act
13 and the requirements set forth in this section to provide logistics,
14 distribution and storage of medical marijuana, medical marijuana
15 concentrate and medical marijuana products. The license, when not
16 issued in conjunction with a medical marijuana dispensary, medical
17 marijuana commercial grower, medical marijuana processor, medical
18 marijuana research facility, or medical marijuana education facility
19 license, shall be known as a "medical marijuana wholesaler license"
20 or "wholesaler license".

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

1 marijuana, medical marijuana concentrate and medical marijuana
2 products once the transporter or wholesaler takes control of the
3 product.

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

11 F. ~~A~~ Only a medical marijuana ~~transporter~~ wholesaler licensee
12 may contract with multiple licensed medical marijuana businesses to
13 package, store, and transport medical marijuana, medical marijuana
14 concentrate, and medical marijuana products on its behalf in the
15 State of Oklahoma.

16 G. A medical marijuana ~~transporter~~ wholesaler may maintain a
17 licensed premises to ~~temporarily~~ store medical marijuana, medical
18 marijuana concentrate and medical marijuana products and to use as a
19 centralized packaging and distribution point. ~~A~~ Except for a
20 medical marijuana business using its own owners or employees, only a
21 medical marijuana ~~transporter~~ wholesaler and its employees may
22 broker, package, store, market, and distribute medical marijuana,
23 medical marijuana concentrate and medical marijuana products ~~from~~
24 ~~the licensed premises~~ in the State of Oklahoma on behalf of another

1 medical marijuana business licensee. The licensed premises of the
2 wholesaler shall meet all security requirements applicable to a
3 medical marijuana business.

4 H. A medical marijuana ~~transporter~~ wholesaler licensee shall
5 use the seed-to-sale tracking system developed pursuant to the
6 Oklahoma Medical Marijuana and Patient Protection Act to track all
7 medical marijuana, medical marijuana concentrate, and medical
8 marijuana products received, packaged, stored, and distributed by a
9 wholesaler and to create shipping manifests documenting the
10 transport of medical marijuana, medical marijuana concentrate and
11 medical marijuana products throughout the state.

12 I. A licensed medical marijuana ~~transporter~~ wholesaler may
13 maintain and operate one or more warehouses in the state to handle
14 medical marijuana, medical marijuana concentrate and medical
15 marijuana products. Each location shall be registered and inspected
16 by the Authority prior to its use.

17 J. With the exception of a lawful transfer between medical
18 marijuana businesses who are licensed to operate at the same
19 physical address, all medical marijuana, medical marijuana
20 concentrate and medical marijuana products shall be transported:

21 1. In vehicles equipped with Global Positioning System (GPS)
22 trackers;

23 2. In a locked container and clearly labeled "Medical Marijuana
24 or Derivative"; and

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

3 K. A transporter agent may possess marijuana at any location
4 while the transporter agent is transferring marijuana to or from a
5 licensed medical marijuana business, licensed medical marijuana
6 research facility or licensed medical marijuana education facility.
7 The Department shall administer and enforce the provisions of this
8 section concerning transportation.

9 L. The Authority shall issue a transporter agent license to
10 individual ~~agents~~, employees, officers or owners of a transporter or
11 wholesaler license in order for the ~~individual~~ employees, officers,
12 or owners to qualify to transport medical marijuana, medical
13 marijuana concentrate or medical marijuana products.

14 M. The annual fee for a transporter agent license shall be
15 Twenty-five Dollars (\$25.00) and shall be paid by the transporter
16 ~~license holder~~ or wholesaler licensee or the individual applicant.
17 Transporter license reprints shall be Twenty Dollars (\$20.00).

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

- 20 1. The name, address and date of birth of the person;
- 21 2. Proof of current Oklahoma residency;
- 22 3. Proof of identity as required for a medical marijuana
23 business license;
- 24 4. Possession of a valid Oklahoma driver license;

1 5. Verification of employment with a licensed transporter;

2 6. The application and affiliated fee; and

3 7. A copy of the criminal background check conducted by the
4 Oklahoma State Bureau of Investigation, paid for by the applicant.

5 O. If the transporter agent application is denied, the
6 Department shall notify the transporter or wholesaler in writing of
7 the reason for denying the registry identification card.

8 P. A registry identification card for a transporter shall
9 expire one (1) year after the date of issuance or upon notification
10 from the holder of the transporter or wholesaler license that the
11 transporter agent ceases to work as a transporter.

12 Q. The Department may revoke the registry identification card
13 of a transporter agent who knowingly violates any provision of this
14 section, and the transporter or wholesaler is subject to any other
15 penalties established by law for the violation.

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

21 S. Vehicles used in the transport of medical marijuana or
22 medical marijuana product shall be:

23 1. Insured at or above the legal requirements in Oklahoma;

24 2. Capable of securing medical marijuana during transport; and

1 3. In possession of a shipping container as defined in Section
2 427.2 of this title capable of securing all transported products.

3 T. Prior to the transport of any medical marijuana, medical
4 marijuana concentrate or medical marijuana products, an inventory
5 manifest shall be prepared at the origination point of the medical
6 marijuana. The inventory manifest shall include the following
7 information:

8 1. For the origination point of the medical marijuana:

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

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

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

22 3. Quantities by weight or unit of each type of medical
23 marijuana product contained in transport;
24

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

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

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

6 7. Notation of the transporting licensee.

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

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

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

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

19 SECTION 4. This act shall become effective November 1, 2022.

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