

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 3679

By: Roberts (Sean)

AS INTRODUCED

An Act relating to medical marijuana; amending 63 O.S. 2021, Sections 421, 422 and 423, which relate to licensing of medical marijuana dispensaries, commercial growers and processors; modifying ownership interest requirements; amending 63 O.S. Sections 427.3 and 427.14, which relate to the Oklahoma Medical Marijuana and Patient Protection Act; directing the Oklahoma Medical Marijuana Authority to investigate alleged violations; modifying ownership interest requirement; directing applicants to submit proof of ownership; directing certain businesses to relinquish ownership; authorizing the Oklahoma Medical Marijuana Authority to suspend licenses for noncompliance; amending 63 O.S. 2021, Section 430, which relates to the Oklahoma Medical Marijuana Waste Management Act; modifying ownership interest requirement; and providing an effective date.

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

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

Section 421. A. The State Department of Health shall, within thirty (30) days of passage of this initiative, make available on its website in an easy-to-find location an application for a medical marijuana dispensary license. The application fee shall be Two

1 Thousand Five Hundred Dollars (\$2,500.00). A method of payment
2 shall be provided on the website of the Department. Dispensary
3 applicants must all be residents of Oklahoma. Any entity applying
4 for a dispensary license must be owned by an Oklahoma resident and
5 must be registered to do business in Oklahoma. The Department shall
6 have ninety (90) business days to review the application; approve,
7 reject or deny the application; and mail the approval, rejection or
8 denial letter stating reasons for the rejection or denial to the
9 applicant.

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

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

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

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

18 4. An applying entity ~~may~~ must show ~~ownership of non-Oklahoma~~
19 that one hundred percent (100%) of its owners are Oklahoma
20 ~~residents, but that percentage ownership may not exceed twenty-five~~
21 ~~percent (25%);~~

22 5. All applying individuals or entities must be registered to
23 conduct business in the State of Oklahoma; and
24

1 6. All applicants must disclose all ownership interests in the
2 dispensary.

3 Applicants with a nonviolent felony conviction in the last two
4 (2) years, any other felony conviction in the last five (5) years,
5 inmates in the custody of the Department of Corrections or any
6 person currently incarcerated shall not qualify for a medical
7 marijuana dispensary license.

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

19 D. Only a licensed medical marijuana dispensary may conduct
20 retail sales of marijuana or marijuana derivatives. Beginning on
21 the effective date of this act, licensed medical marijuana
22 dispensaries shall be authorized to package and sell pre-rolled
23 marijuana to licensed medical marijuana patients and licensed
24 caregivers. The products described in this subsection shall contain

1 only the ground parts of the marijuana plant and shall not include
2 marijuana concentrates or derivatives. The total net weight of each
3 pre-roll packaged and sold by a medical marijuana dispensary shall
4 not exceed one (1) gram. These products shall be tested, packaged
5 and labeled in accordance with Oklahoma law and rules promulgated by
6 the State Commissioner of Health.

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

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

1 Section 422. A. The State Department of Health shall, within
2 thirty (30) days of passage of this initiative, make available on
3 its website in an easy-to-find location an application for a
4 commercial grower license. The application fee shall be Two
5 Thousand Five Hundred Dollars (\$2,500.00). A method of payment
6 shall be provided on the website of the Department. The State
7 Department of Health shall have ninety (90) days to review the
8 application; approve, reject or deny the application; and mail the
9 approval, rejection or denial letter stating the reasons for the
10 rejection or denial to the applicant.

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

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

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

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

19 4. An applying entity ~~may~~ must show ~~ownership of non-Oklahoma~~
20 that one hundred percent (100%) of its owners are Oklahoma
21 ~~residents, but that percentage ownership may not exceed twenty-five~~
22 ~~percent (25%);~~

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

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

3 Applicants with a nonviolent felony conviction in the last two
4 (2) years, any other felony conviction in the last five (5) years,
5 inmates in the custody of the Department of Corrections or any
6 person currently incarcerated shall not qualify for a commercial
7 grower license.

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

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

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

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

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, make available on
23 its website in an easy-to-find location an application for a medical
24 marijuana processing license. The Department shall be authorized to

1 issue two types of medical marijuana processor licenses based on the
2 level of risk posed by the type of processing conducted:

- 3 1. Nonhazardous medical marijuana processor license; and
- 4 2. Hazardous medical marijuana processor license.

5 The application fee for a nonhazardous or hazardous medical
6 marijuana processor license shall be Two Thousand Five Hundred
7 Dollars (\$2,500.00). A method of payment shall be provided on the
8 website of the Department. The State Department of Health shall
9 have ninety (90) days to review the application; approve, reject or
10 deny the application; and mail the approval, rejection or denial
11 letter stating the reasons for the rejection or denial to the
12 applicant.

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

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

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

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

21 4. An applying entity ~~may must~~ show ~~ownership of non-Oklahoma~~
22 that one hundred percent (100%) of its owners are Oklahoma
23 ~~residents, but that percentage ownership may not exceed twenty five~~
24 ~~percent (25%);~~

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

3 6. All applicants must disclose all ownership interests in the
4 processing operation.

5 Applicants with a nonviolent felony conviction in the last two
6 (2) years, any other felony conviction in the last five (5) years,
7 inmates in the custody of the Department of Corrections or any
8 person currently incarcerated shall not qualify for a medical
9 marijuana processing license.

10 C. 1. A licensed processor may take marijuana plants and
11 distill or process these plants into concentrates, edibles, and
12 other forms for consumption.

13 2. As required by subsection D of this section, the State
14 Department of Health shall, within sixty (60) days of passage of
15 this initiative, make available a set of standards which shall be
16 used by licensed processors in the preparation of edible marijuana
17 products. The standards should be in line with current food
18 preparation guidelines. No excessive or punitive rules may be
19 established by the State Department of Health.

20 3. Up to two times a year, the State Department of Health may
21 inspect a processing operation and determine its compliance with the
22 preparation standards. If deficiencies are found, a written report
23 of the deficiency shall be issued to the licensed processor. The
24 licensed processor shall have one (1) month to correct the

1 deficiency or be subject to a fine of Five Hundred Dollars (\$500.00)
2 for each deficiency.

3 4. A licensed processor may sell marijuana products it creates
4 to a licensed dispensary or any other licensed processor. All sales
5 by a licensed processor shall be considered wholesale sales and
6 shall not be subject to taxation.

7 5. Under no circumstances may a licensed processor sell
8 marijuana or any marijuana product directly to a licensed medical
9 marijuana patient or licensed caregiver. However, a licensed
10 processor may process cannabis into a concentrated form for a
11 licensed medical marijuana patient for a fee.

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

22 D. The Department shall oversee the inspection and compliance
23 of licensed processors producing products with marijuana as an
24 additive. The State Department of Health shall be compelled to,

1 within thirty (30) days of passage of this initiative, appoint
2 twelve (12) Oklahoma residents to the Medical Marijuana Advisory
3 Council, who are marijuana industry experts, to create a list of
4 food safety standards for processing and handling medical marijuana
5 in Oklahoma. These standards shall be adopted by the Department and
6 the Department may enforce these standards for licensed processors.
7 The Department shall develop a standards review procedure and these
8 standards can be altered by calling another council of twelve (12)
9 Oklahoma marijuana industry experts. A signed letter of twenty
10 operating, licensed processors shall constitute a need for a new
11 council and standards review.

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

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

19 SECTION 4. AMENDATORY 63 O.S. 2021, Section 427.3, is
20 amended to read as follows:

21 Section 427.3 A. There is hereby created the Oklahoma Medical
22 Marijuana Authority within the State Department of Health which
23 shall address issues related to the medical marijuana program in
24 Oklahoma including, but not limited to, the issuance of patient

1 licenses and medical marijuana business licenses, and the
2 dispensing, cultivating, processing, testing, transporting, storage,
3 research, and the use of and sale of medical marijuana pursuant to
4 the Oklahoma Medical Marijuana and Patient Protection Act.

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

8 C. The Department shall implement the provisions of the
9 Oklahoma Medical Marijuana and Patient Protection Act consistently
10 with the voter-approved State Question No. 788, Initiative Petition
11 No. 412, subject to the provisions of the Oklahoma Medical Marijuana
12 and Patient Protection Act.

13 D. The Department shall exercise its respective powers and
14 perform its respective duties and functions as specified in the
15 Oklahoma Medical Marijuana and Patient Protection Act and this title
16 including, but not limited to, the following:

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

- 21 a. public health policy and public safety policy,
- 22 b. agronomic and horticultural best practices, and
- 23 c. medical and pharmacopoeia best practices;

1 2. Contract with third-party vendors and other governmental
2 entities in order to carry out the respective duties and functions
3 as specified in the Oklahoma Medical Marijuana and Patient
4 Protection Act;

5 3. Upon complaint or upon its own motion and upon a completed
6 investigation, levy fines as prescribed in applicable laws, rules
7 and regulations and suspend, revoke or not renew licenses pursuant
8 to applicable laws, rules and regulations;

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

12 5. Apply for injunctive or declaratory relief to enforce the
13 provisions of applicable laws, rules and regulations;

14 6. Inspect and examine all licensed premises of medical
15 marijuana businesses, research facilities, education facilities and
16 waste disposal facilities in which medical marijuana is cultivated,
17 manufactured, sold, stored, transported, tested, distributed or
18 disposed of;

19 7. Upon action by the federal government by which the
20 production, sale and use of marijuana in Oklahoma does not violate
21 federal law, work with the Oklahoma State Banking Department and the
22 State Treasurer to develop good practices and standards for banking
23 and finance for medical marijuana businesses;

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

3 9. Establish a fee schedule and collect fees for performing
4 background checks as the Commissioner deems appropriate. The fees
5 charged pursuant to this paragraph shall not exceed the actual cost
6 incurred for each background check;

7 10. Establish a fee schedule and collect fees for material
8 changes requested by the licensee; ~~and~~

9 11. Establish regulations, which require a medical marijuana
10 business to submit information to the Oklahoma Medical Marijuana
11 Authority, deemed reasonably necessary to assist the Authority in
12 the prevention of diversion of medical marijuana by a licensed
13 medical marijuana business. Such information required by the
14 Authority may include, but shall not be limited to:

- 15 a. the square footage of the licensed premises,
- 16 b. a diagram of the licensed premises,
- 17 c. the number and type of lights at the licensed medical
18 marijuana commercial grower business,
- 19 d. the number, type and production capacity of equipment
20 located at the medical marijuana processing facility,
- 21 e. the names, addresses and telephone numbers of
22 employees or agents of a medical marijuana business,
- 23 f. employment manuals and standard operating procedures
24 for the medical marijuana business, and

1 g. any other information as the Authority reasonably
2 deems necessary; and

3 12. Upon receipt by the Authority of a signed complaint from a
4 member of the public of an alleged violation of any of the
5 provisions of Sections 420 through 426.1 of this title or the
6 Oklahoma Medical Marijuana and Patient Protection Act, the Authority
7 shall investigate the alleged violation within five (5) business
8 days of receiving the complaint and inform the complainant of the
9 result of the investigation.

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

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

- 15 1. Medical marijuana commercial grower;
- 16 2. Medical marijuana processor;
- 17 3. Medical marijuana dispensary;
- 18 4. Medical marijuana transporter; and
- 19 5. Medical marijuana testing laboratory.

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

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

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

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

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

13 2. Each application shall identify the city or county in which
14 the applicant seeks to obtain licensure as a medical marijuana
15 business;

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

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

20 5. All applications shall include all attachments or
21 supplemental information required by the forms supplied by the
22 Authority;

1 6. All applications shall be accompanied by a full remittance
2 for the whole amount of the application fees. Application fees are
3 nonrefundable;

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

- 6 a. twenty-five (25) years of age or older,
- 7 b. if applying as an individual, proof that the applicant
8 is an Oklahoma resident pursuant to paragraph 11 of
9 this subsection,
- 10 c. if applying as an entity, proof that ~~seventy-five~~
11 ~~percent (75%)~~ one hundred percent (100%) of all
12 members, managers, executive officers, partners, board
13 members or any other form of business ownership are
14 Oklahoma residents pursuant to paragraph 11 of this
15 subsection,
- 16 d. if applying as an individual or entity, proof that the
17 individual or entity is registered to conduct business
18 in the State of Oklahoma,
- 19 e. disclosure of all ownership interests pursuant to the
20 Oklahoma Medical Marijuana and Patient Protection Act,
21 and
- 22 f. proof that the medical marijuana business, medical
23 marijuana research facility, medical marijuana
24 education facility and medical marijuana waste

1 disposal facility applicant or licensee has not been
2 convicted of a nonviolent felony in the last two (2)
3 years, or any other felony conviction within the last
4 five (5) years, is not a current inmate in the custody
5 of the Department of Corrections, or currently
6 incarcerated in a jail or corrections facility;

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

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

- 22 a. individual applicants applying on their own behalf,
- 23 b. individuals applying on behalf of an entity,
- 24 c. all principal officers of an entity, and

1 d. all owners of an entity as defined by the Oklahoma
2 Medical Marijuana and Patient Protection Act;

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

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

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

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

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

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

- 11 a. front of an Oklahoma driver license,
- 12 b. front of an Oklahoma identification card,
- 13 c. a United States passport or other photo identification
14 issued by the United States government, or
- 15 d. a tribal identification card approved for
16 identification purposes by the Oklahoma Department of
17 Public Safety; and

18 14. All applicants shall submit an applicant photograph.

19 F. The Authority shall review the medical marijuana business
20 application; approve, reject or deny the application; and mail the
21 approval, rejection, denial or status-update letter to the applicant
22 within ninety (90) business days of receipt of the application.
23
24

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

4 2. Approved applicants shall be issued a medical marijuana
5 business license for the specific category applied under, which
6 shall act as proof of their approved status. Rejection and denial
7 letters shall provide a reason for the rejection or denial.
8 Applications may only be rejected or denied based on the applicant
9 not meeting the standards set forth in the provisions of the
10 Oklahoma Medical Marijuana and Patient Protection Act and Sections
11 420 through 426.1 of this title, improper completion of the
12 application, or for a reason provided for in the Oklahoma Medical
13 Marijuana and Patient Protection Act and Sections 420 through 426.1
14 of this title. If an application is rejected for failure to provide
15 required information, the applicant shall have thirty (30) days to
16 submit the required information for reconsideration. No additional
17 application fee shall be charged for such reconsideration. Unless
18 the Department determines otherwise, an application that has been
19 resubmitted but is still incomplete or contains errors that are not
20 clerical or typographical in nature shall be denied.

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

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

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

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

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

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

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

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

21 a. file taxes, interest or penalties due related to a
22 medical marijuana business, or

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

- 1 6. A sheriff, deputy sheriff, police officer or prosecuting
2 officer, or an officer or employee of the Authority or municipality;
- 3 7. A person whose authority to be a caregiver, as defined in
4 Section 427.2 of this title, has been revoked by the Department; or
- 5 8. A person who was involved in the management or operations of
6 any medical marijuana business, medical marijuana research facility,
7 medical marijuana education facility or medical marijuana waste
8 disposal facility that, after the initiation of a disciplinary
9 action, has had a medical marijuana license revoked, not renewed, or
10 surrendered during the five (5) years preceding submission of the
11 application and for the following violations:
- 12 a. unlawful sales or purchases,
 - 13 b. any fraudulent acts, falsification of records or
14 misrepresentation to the Authority, medical marijuana
15 patient licensees, caregiver licensees or medical
16 marijuana business licensees,
 - 17 c. any grossly inaccurate or fraudulent reporting,
 - 18 d. threatening or harming any medical marijuana patient,
19 caregiver, medical practitioner or employee of the
20 Department,
 - 21 e. knowingly or intentionally refusing to permit the
22 Department access to premises or records,
 - 23 f. using a prohibited, hazardous substance for processing
24 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 to reinstate the license.
14 Late renewal fees are nonrefundable. A license that has been
15 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.

21 P. Beginning November 1, 2022, any entity applying for a
22 medical marijuana business license shall submit proof that one
23 hundred percent (100%) of its owners are Oklahoma residents. Any
24 licensed medical marijuana business currently operating in this

1 state with owners who are not Oklahoma residents shall have ninety
2 (90) days from the effective date of this act to relinquish his or
3 her ownership interest in the medical marijuana business. Notice
4 shall be provided to the Authority by the medical marijuana business
5 of the change in ownership. The Authority shall be authorized to
6 suspend the license of the medical marijuana business for failing to
7 comply with the provisions of this subsection in accordance with the
8 administrative hearing requirements provided for in Section 427.6 of
9 this title.

10 SECTION 6. AMENDATORY 63 O.S. 2021, Section 430, is
11 amended to read as follows:

12 Section 430. A. There is hereby created and authorized a
13 medical marijuana waste disposal license. A person or entity in
14 possession of a medical marijuana waste disposal license shall be
15 entitled to possess, transport and dispose of medical marijuana
16 waste. No person or entity shall dispose of medical marijuana waste
17 without a valid medical marijuana waste disposal license. The
18 Oklahoma Medical Marijuana Authority shall issue licenses upon
19 proper application by a licensee and determination by the Authority
20 that the proposed site and facility are physically and technically
21 suitable. Upon a finding that a proposed medical marijuana waste
22 disposal facility is not physically or technically suitable, the
23 Authority shall deny the license. The Authority may, upon
24 determining that public health or safety requires emergency action,

1 issue a temporary license for treatment or storage of medical
2 marijuana waste for a period not to exceed ninety (90) days. The
3 Authority shall not, for the first year of the licensure program,
4 issue more than ten medical marijuana waste disposal licenses. Upon
5 the conclusion of the first year, the Authority shall assess the
6 need for additional medical marijuana waste disposal licenses and
7 shall, if demonstrated, increase the number of licenses as deemed
8 necessary by the Authority.

9 B. Entities applying for a medical marijuana waste disposal
10 license shall undergo the following screening process:

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

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

1 2. The application for a medical marijuana waste disposal
2 license made by an individual on his or her own behalf shall be on
3 the form prescribed by the Authority and shall include, but not be
4 limited to:

- 5 a. the first, middle and last name of the applicant and
6 suffix, if applicable,
- 7 b. the residence address and mailing address of the
8 applicant,
- 9 c. the date of birth of the applicant,
- 10 d. the preferred telephone number and email address of
11 the applicant,
- 12 e. an attestation that the information provided by the
13 applicant is true and correct, and
- 14 f. a statement signed by the applicant pledging not to
15 divert marijuana to any individual or entity that is
16 not lawfully entitled to possess marijuana; and

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

- 19 a. a list of all persons or entities that have an
20 ownership interest in the entity,
- 21 b. a certificate of good standing from the Oklahoma
22 Secretary of State, if applicable,
- 23 c. an Affidavit of Lawful Presence for each owner,

- d. proof that the proposed location of the disposal facility is at least one thousand (1,000) feet from a public or private school. The distance indicated in this subparagraph shall be measured from the nearest property line of such public or private school to the nearest perimeter wall of the premises of such disposal facility. If any public or private school is established within one thousand (1,000) feet of any disposal facility after such disposal facility has been licensed, the provisions of this subparagraph shall not be a deterrent to the renewal of such license or warrant revocation of the license, and
- e. documents establishing the applicant, the members, managers and board members, if applicable, and ~~seventy-five percent (75%)~~ one hundred percent (100%) of the ownership interests are Oklahoma residents as established in Section 420 et seq. of this title, as it relates to proof of residency.

C. No license shall be issued except upon proof of sufficient liability insurance and financial responsibility. Liability insurance shall be provided by the applicant and shall apply to sudden and nonsudden bodily injury or property damage on, below or above the surface, as required by the rules of the Authority. Such insurance shall be maintained for the period of operation of the

1 facility and shall provide coverage for damages resulting from
2 operation of the facility during operation and after closing.

3 D. Submission of an application for a medical marijuana waste
4 disposal license shall constitute permission for entry to and
5 inspection of the facility of the licensee during hours of operation
6 and other reasonable times. Refusal to permit such entry of
7 inspection shall constitute grounds for the nonrenewal, suspension
8 or revocation of a license. The Authority may perform an annual
9 unannounced on-site inspection of the operations and any facility of
10 the licensee. If the Authority receives a complaint concerning
11 noncompliance by a licensee with the provisions of the Oklahoma
12 Medical Marijuana Waste Management Act, the Authority may conduct
13 additional unannounced, on-site inspections beyond an annual
14 inspection. The Authority may refer all complaints alleging
15 criminal activity that are made against a licensed facility to
16 appropriate state or local law enforcement authorities.

17 E. The Authority shall issue an annual permit for each medical
18 marijuana waste disposal facility operated by a licensee. A permit
19 shall be issued only upon proper application by a licensee and
20 determination by the Authority that the proposed site and facility
21 are physically and technically suitable. Upon a finding that a
22 proposed medical marijuana waste disposal facility is not physically
23 or technically suitable, the Authority shall deny the permit. The
24 Authority shall have the authority to revoke a permit upon a finding

1 that the site and facility are not physically and technically
2 suitable for processing. The Authority may, upon determining that
3 public health or safety requires emergency action, issue a temporary
4 permit for treatment or storage of medical marijuana waste for a
5 period not to exceed ninety (90) days.

6 F. The cost of a medical marijuana waste disposal license shall
7 be Five Thousand Dollars (\$5,000.00) for the initial license. The
8 cost of a medical marijuana waste disposal facility permit shall be
9 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
10 facility permit that has been revoked shall be reinstated upon
11 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
12 to restore the facility permit. All license and permit fees shall
13 be deposited into the Oklahoma Medical Marijuana Authority Revolving
14 Fund as provided in Section 427.5 of this title.

15 G. The holder of a medical marijuana waste disposal license
16 shall not be required to obtain a medical marijuana transporter
17 license provided for in the Oklahoma Medical Marijuana and Patient
18 Protection Act for purposes of transporting medical marijuana waste.

19 H. All commercial licensees, as defined in Section 428.1 of
20 this title, shall utilize a licensed medical marijuana waste
21 disposal service to process all medical marijuana waste generated by
22 the licensee.

23 I. The State Commissioner of Health shall promulgate rules for
24 the implementation of the Oklahoma Medical Marijuana Waste

1 Management Act. Promulgated rules shall address disposal process
2 standards, site security and any other subject matter deemed
3 necessary by the Authority.

4 SECTION 7. This act shall become effective November 1, 2022.

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