

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3734

By: Fetgatter

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5
6 AS INTRODUCED

7 An Act relating to medical marijuana; amending 63
8 O.S. 2021, Sections 421, 422, 423 and 424, which
9 relate to licensing requirements for medical
10 marijuana dispensaries, commercial growers,
11 processors and transporters; providing for temporary
12 and annual licenses; providing statutory references
13 for fees; updating language; amending 63 O.S. 2021,
14 Sections 427.14 and 427.16, which relate to the
15 Oklahoma Medical Marijuana and Patient Protection
16 Act; creating temporary and annual licensing program
17 for certain medical marijuana businesses; stating
18 conditions for temporary licenses; requiring
19 adherence to certain rules and regulations;
20 clarifying obligations of the Oklahoma Medical
21 Marijuana Authority when issuing temporary licenses;
22 stating length of term of temporary licenses;
23 providing for extensions under certain circumstances;
24 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:

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

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

20 B. ~~The State Department of Health~~ In addition to the
21 requirements provided for in the Oklahoma Medical Marijuana and
22 Patient Protection Act, the Authority shall approve all applications
23 which meet the following criteria:
24

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

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

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

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

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

12 6. All applicants must disclose all ownership interests in the
13 dispensary.

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

19 C. Licensed medical marijuana dispensaries shall be required to
20 complete a monthly sales report to the ~~State Department of Health~~
21 Authority. This report shall be due on the fifteenth of each month
22 and provide reporting on the previous month. This report shall
23 detail the weight of marijuana purchased at wholesale and the weight
24 of marijuana sold to licensed medical marijuana patients and

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

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

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

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

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

12 Section 422. A. ~~The State Department of Health shall, within~~
13 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
14 Marijuana Authority shall make available on its website in an easy-
15 to-find location an application for a temporary medical marijuana
16 commercial grower license and an annual medical marijuana commercial
17 grower license. The application fee shall be Two Thousand Five
18 Hundred Dollars (\$2,500.00) fees for the temporary or annual license
19 shall be paid by the applicant in the amounts provided for in
20 Section 427.14 of this title. A method of payment for the
21 application fees shall be provided on the website of the ~~Department~~
22 Authority. The State Department of Health Authority shall have
23 ninety (90) days to review the application for a temporary medical
24 marijuana commercial grower license; approve, reject or deny the

1 application; and mail the approval, rejection or denial letter
2 stating the reasons for the rejection or denial to the applicant.

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

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

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

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

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

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

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

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

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

1 ~~Department of Health Authority~~ shall have oversight and auditing
2 responsibilities to ensure that all marijuana being grown by
3 licensed medical marijuana commercial growers is accounted for.

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

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

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

18 Section 423. A. The ~~State Department of Health~~ shall, within
19 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
20 Marijuana Authority shall make available on its website in an easy-
21 to-find location an application for a temporary medical marijuana
22 processor license and an annual medical marijuana processing
23 processor license. The ~~Department~~ Authority shall be authorized to
24

1 issue two types of annual medical marijuana processor licenses based
2 on the 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)~~ fees for the temporary or annual license shall
8 be paid by the applicant in the amounts provided for in Section
9 427.14 of this title. A method of payment shall be provided on the
10 website of the ~~Department~~ Authority. The ~~State Department of Health~~
11 Authority shall have ninety (90) days to review the temporary
12 medical marijuana processor license application; approve, reject or
13 deny the application; and mail the approval, rejection or denial
14 letter stating the reasons for the rejection or denial to the
15 applicant.

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~retailer dispensary~~, licensed ~~growing~~ medical marijuana commercial
2 grower facility, or licensed medical marijuana processing facility.

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

6 SECTION 5. 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.

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

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

23 D. ~~The annual, nonrefundable application fee for a medical~~
24 ~~marijuana business license shall be Two Thousand Five Hundred~~

1 ~~Dollars (\$2,500.00)~~ Beginning November 1, 2022, the Authority shall
2 require all persons or entities seeking licensure as a medical
3 marijuana commercial grower, medical marijuana commercial processor,
4 medical marijuana dispensary, or medical marijuana transporter to
5 first apply for a temporary medical marijuana business license.

6 1. A temporary medical marijuana business license is a
7 conditional license that authorizes the licensee to engage in
8 commercial medical marijuana activity as would be permitted under
9 the privileges of an annual medical marijuana license of the same
10 type. A temporary medical marijuana business licensee shall follow
11 all applicable rules and regulations as would be required if the
12 licensee held an annual license of the same type.

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

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

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

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

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

9 5. The nonrefundable application fee for a temporary medical
10 marijuana business license shall be One Thousand Dollars
11 (\$1,000.00). A nonrefundable fee of Five Hundred Dollars (\$500.00)
12 shall be assessed for every ninety-day-extension requested by the
13 applicant and subsequently granted by the Authority.

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

19 a. business-formation documents, which may include, but
20 are not limited to, articles of incorporation,
21 operating agreements, partnership agreements, and
22 fictitious business name statements. The applicant
23 shall also provide all documents filed with the
24 Oklahoma Secretary of State,

1 b. financial information pertaining to the operations of
2 the medical marijuana business, which shall include
3 the following:

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

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

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

22 (4) a list of all gifts of any kind given to the
23 applicant for its use in conducting medical
24 marijuana business activities. For each gift,

1 the applicant shall provide the value of the gift
2 or description of the gift, and the name,
3 address, and phone number of the provider of the
4 gift,

5 c. a complete list of every individual who has a
6 financial interest in the medical marijuana business
7 who is not an owner of the medical marijuana business,

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

12 e. a complete and detailed diagram of the proposed
13 premises. The diagram shall be to scale and shall
14 show the following:

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

22 (2) the location of medical marijuana business
23 activities that will take place in each area of
24 the premises, and identify limited-access areas,

1 (3) where all cameras are located and assign a number
2 to each camera for identification purposes, and
3 (4) if the proposed premises consists of only a
4 portion of the property, the diagram must be
5 labeled indicating which part of the property is
6 the proposed premises and what the remaining
7 property is used for,

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

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

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

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

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

13 (a) sources of water used, including the
14 location of waterbody diversion, pump
15 location, and distribution system; and

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

18 (3) a proposed cultivation plan, which shall include
19 identification of all water sources used for
20 cultivation activities, and

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

22 (1) general liability insurance,

23 (2) workers' compensation insurance, and

24 (3) product liability insurance.

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

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

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

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

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

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

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

22 5. All applications shall include all attachments or
23 supplemental information required by the forms supplied by the
24 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%) of all members, managers, executive
12 officers, partners, board members or any other form of
13 business ownership are Oklahoma residents pursuant to
14 paragraph 11 of this subsection,
- 15 d. if applying as an individual or entity, proof that the
16 individual or entity is registered to conduct business
17 in the State of Oklahoma,
- 18 e. disclosure of all ownership interests pursuant to the
19 Oklahoma Medical Marijuana and Patient Protection Act,
20 and
- 21 f. proof that the medical marijuana business, medical
22 marijuana research facility, medical marijuana
23 education facility and medical marijuana waste
24 disposal facility applicant or licensee has not been

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

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

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

- 21 a. individual applicants applying on their own behalf,
- 22 b. individuals applying on behalf of an entity,
- 23 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 temporary medical marijuana
20 business license application; approve, reject or deny the
21 application; and mail the approval, rejection, denial or status-
22 update letter to the applicant within ninety (90) business days of
23 receipt of the application.

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

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

8 3. Approved applicants shall be issued ~~a~~ an annual medical
9 marijuana business license for the specific category applied under,
10 which shall act as proof of their approved status. Rejection and
11 denial letters shall provide a reason for the rejection or denial.
12 Applications for an annual medical marijuana business license may
13 only be rejected or denied based on the applicant not meeting the
14 standards set forth in the provisions of subsection D of this
15 section for a temporary medical marijuana business license, the
16 provisions of the Oklahoma Medical Marijuana and Patient Protection
17 Act and Sections 420 through 426.1 of this title, improper
18 completion of the application, or for a reason provided for in the
19 Oklahoma Medical Marijuana and Patient Protection Act and Sections
20 420 through 426.1 of this title. If an application for an annual
21 medical marijuana business license is rejected for failure to
22 provide required information, the applicant shall ~~have thirty (30)~~
23 ~~days~~ be granted an extension of time as provided for in paragraph 4
24 of subsection D of this section to submit the required information

1 for reconsideration. ~~No additional application fee~~ and shall be
2 ~~charged for such reconsideration~~ assessed a nonrefundable fee of
3 Five Hundred Dollars (\$500.00) for every ninety-day extension
4 requested by the applicant and subsequently granted by the
5 Authority. Unless the Department determines otherwise, an
6 application that has been resubmitted but is still incomplete or
7 contains errors that are not clerical or typographical in nature
8 shall be denied.

9 ~~3.~~ 4. Status-update letters shall provide a reason for delay in
10 either approval, rejection or denial should a situation arise in
11 which an application was submitted properly but a delay in
12 processing the application occurred.

13 ~~4.~~ 5. Approval, rejection, denial or status-update letters
14 shall be sent to the applicant in the same method the application
15 was submitted to the ~~Department~~ Authority.

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

- 20 1. A person until all required fees have been paid;
- 21 2. A person who has been convicted of a nonviolent felony
22 within two (2) years of the date of application, or within five (5)
23 years for any other felony;

24

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

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

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

10 a. file taxes, interest or penalties due related to a
11 medical marijuana business, or

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

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

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

19 8. A person who was involved in the management or operations of
20 any medical marijuana business, medical marijuana research facility,
21 medical marijuana education facility or medical marijuana waste
22 disposal facility that, after the initiation of a disciplinary
23 action, has had a medical marijuana license revoked, not renewed, or
24

1 surrendered during the five (5) years preceding submission of the
2 application and for the following violations:

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

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

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

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

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

20 M. All medical marijuana business, medical marijuana research
21 facility, medical marijuana education facility and medical marijuana
22 waste disposal facility licensees shall pay the relevant licensure
23 fees prior to receiving licensure to operate.

24

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

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

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

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

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

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

4 C. A temporary or annual medical marijuana transporter license
5 may also be issued to qualifying applicants who are registered with
6 the Oklahoma Secretary of State and otherwise meet the requirements
7 for a medical marijuana business license set forth in Section 427.14
8 of this title, the Oklahoma Medical Marijuana and Patient Protection
9 Act, and the requirements set forth in this section to provide
10 logistics, distribution and storage of medical marijuana, medical
11 marijuana concentrate and medical marijuana products.

12 D. A medical marijuana transporter license shall be valid for
13 one (1) year and shall not be transferred with a change of
14 ownership. A licensed medical marijuana transporter shall be
15 responsible for all medical marijuana, medical marijuana concentrate
16 and medical marijuana products once the transporter takes control of
17 the product.

18 E. A transporter license shall be required for any person or
19 entity to transport or transfer medical marijuana, medical marijuana
20 concentrate or medical marijuana products from a licensed medical
21 marijuana business to another medical marijuana business, or from a
22 medical marijuana business to a medical marijuana research facility
23 or medical marijuana education facility.

24

1 F. A medical marijuana transporter licensee may contract with
2 multiple licensed medical marijuana businesses.

3 G. A medical marijuana transporter may maintain a licensed
4 premises to temporarily store medical marijuana, medical marijuana
5 concentrate and medical marijuana products and to use as a
6 centralized distribution point. A medical marijuana transporter may
7 store and distribute medical marijuana, medical marijuana
8 concentrate and medical marijuana products from the licensed
9 premises. The licensed premises shall meet all security
10 requirements applicable to a medical marijuana business.

11 H. A medical marijuana transporter licensee shall use the seed-
12 to-sale tracking system developed pursuant to the Oklahoma Medical
13 Marijuana and Patient Protection Act to create shipping manifests
14 documenting the transport of medical marijuana, medical marijuana
15 concentrate and medical marijuana products throughout the state.

16 I. A licensed medical marijuana transporter may maintain and
17 operate one or more warehouses in the state to handle medical
18 marijuana, medical marijuana concentrate and medical marijuana
19 products. Each location shall be registered and inspected by the
20 Authority prior to its use.

21 J. With the exception of a lawful transfer between medical
22 marijuana businesses who are licensed to operate at the same
23 physical address, all medical marijuana, medical marijuana
24 concentrate and medical marijuana products shall be transported:

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

3 2. In a locked container and clearly labeled "Medical Marijuana
4 or Derivative"; and

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

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

13 L. The Authority shall issue a transporter agent license to
14 individual agents, employees, officers or owners of a transporter
15 license in order for the individual to qualify to transport medical
16 marijuana, medical marijuana concentrate or medical marijuana
17 products.

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

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

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

- 1 2. Proof of current Oklahoma residency;
- 2 3. Proof of identity as required for a medical marijuana
- 3 business license;
- 4 4. Possession of a valid Oklahoma driver license;
- 5 5. Verification of employment with a licensed transporter;
- 6 6. The application and affiliated fee; and
- 7 7. A copy of the criminal background check conducted by the
- 8 Oklahoma State Bureau of Investigation, paid for by the applicant.

9 O. If the transporter agent application is denied, the
10 Department shall notify the transporter in writing of the reason for
11 denying the registry identification card.

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

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

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

1 S. Vehicles used in the transport of medical marijuana or
2 medical marijuana product shall be:

- 3 1. Insured at or above the legal requirements in Oklahoma;
- 4 2. Capable of securing medical marijuana during transport; and
- 5 3. In possession of a shipping container as defined in Section
6 427.2 of this title capable of securing all transported products.

7 T. Prior to the transport of any medical marijuana, medical
8 marijuana concentrate or medical marijuana products, an inventory
9 manifest shall be prepared at the origination point of the medical
10 marijuana. The inventory manifest shall include the following
11 information:

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

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

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

- 20 a. the license number for the dispensary, commercial
21 grower, processor, research facility or education
22 facility destination,
- 23 b. address of the destination, and

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

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

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

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

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

10 7. Notation of the transporting licensee.

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

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

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

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

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

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