

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 4202

By: Echols

AS INTRODUCED

An Act relating to medical marijuana; separating the Oklahoma Medical Marijuana Authority from the State Department of Health; providing for transfer of funds, property, records, personnel, financial obligations, and encumbrances from the State Department of Health; providing for the retention of employment status and benefits; directing Governor to appoint Executive Director of the Authority; providing for the retention of current Executive Director; authorizing Authority to contract for certain services; providing for coordination of transfers; authorizing Authority to rent, lease, or own office space; creating the Oklahoma Medical Marijuana Authority Board; providing for appointments to the Board; prescribing terms of office; providing an ex officio member of the Board; providing for the election of a chair and vice-chair; imposing quorum requirements for taking official actions; providing exemption from certain prohibition; stating powers and duties of the Board; providing for reimbursement of expenses pursuant to the State Travel Reimbursement Act; authorizing meetings; prescribing minimum number of meetings; stating manner by which vacancies on the Board shall be filled; directing the Oklahoma Medical Marijuana Authority to provide clerical staff and space for meetings; providing for applicability of Oklahoma Open Meeting Act, Oklahoma Open Records Act, and Administrative Procedures Act; amending 12 O.S. 2021, Section 1560, which relates to foreclosure of medical marijuana businesses; removing references to the State Department of Health; amending 63 O.S. 2021, Sections 420, 421, 422, 423, 425, and 426, which relate to medical marijuana patient and businesses licensing regulations; removing references to the State Department of

1 Health; amending 63 O.S. 2021, Sections 427.2, 427.3,
2 427.4, 427.5, 427.6, 427.9, 427.10, 427.11, 427.13,
3 427.14, 427.16, 427.17, 427.18, 427.19, 427.20,
4 427.23, and 427.24, which relate to the Oklahoma
5 Medical Marijuana and Patient Protection Act;
6 removing references to the State Department of
7 Health; amending 63 O.S. 2021, Section 430, which
8 relates to the Oklahoma Medical Marijuana Waste
9 Management Act; removing references to the State
10 Department of Health; providing for codification; and
11 providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 427.25 of Title 63, unless there
is created a duplication in numbering, reads as follows:

A. Beginning November 1, 2022, the Oklahoma Medical Marijuana
Authority shall cease to be a division within the State Department
of Health and shall be deemed a separate and distinct agency of the
state. All unexpended funds, property, records, personnel, and
outstanding financial obligations and encumbrances related to the
Oklahoma Medical Marijuana Authority within the State Department of
Health shall be transferred to the Oklahoma Medical Marijuana
Authority. All personnel shall retain their employment positions
and status as unclassified employees, any leave, sick, and annual
time earned, and any retirement and longevity benefits which have
accrued during tenure with the State Department of Health.

1 B. Until November 1, 2022, the individual serving as the
2 Executive Director of the Oklahoma Medical Marijuana Authority on
3 the effective date of this act shall continue to serve in that
4 capacity. Thereafter, the Governor shall appoint the Executive
5 Director of the Oklahoma Medical Marijuana Authority. The Executive
6 Director shall serve at the pleasure of the Governor.

7 C. The Oklahoma Medical Marijuana Authority may contract with
8 the Office of Management and Enterprise Services for payroll or
9 other administrative services.

10 D. The Office of Management and Enterprise Services is hereby
11 directed to coordinate the transfer of funds, allotments, purchase
12 orders, outstanding financial obligations, and encumbrances provided
13 for in subsection A of this section. The transfer of personnel
14 shall also be coordinated with the Office of Management and
15 Enterprise Services.

16 E. The Oklahoma Medical Marijuana Authority is authorized to
17 rent, lease, or own appropriate office space and property to conduct
18 its business.

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 427.26 of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

22 A. There is hereby created the Oklahoma Medical Marijuana
23 Authority Board.

1 B. The Oklahoma Medical Marijuana Authority Board shall consist
2 of the following members and all appointees shall serve their terms
3 at the pleasure of their appointing authorities and may be removed
4 or replaced without cause:

5 1. One member appointed by the Governor, who shall be a chief
6 of police of a municipality with a population over one hundred
7 thousand (100,000), as determined by the latest Federal Decennial
8 Census;

9 2. One member appointed by the Governor, who shall be a sheriff
10 of a county with a population under twenty-five thousand (25,000),
11 as determined by the latest Federal Decennial Census;

12 3. One member appointed by the Governor, who is a district
13 attorney selected from a list submitted by the District Attorneys
14 Council;

15 4. One member appointed by the Governor, who represents the
16 health care industry;

17 5. One member appointed by the Governor, who is a licensed
18 medical marijuana commercial grower;

19 6. One member appointed by the Speaker of the Oklahoma House of
20 Representatives, who is a licensed medical marijuana processor;

21 7. One member appointed by the Speaker of the Oklahoma House of
22 Representatives, who is a licensed medical marijuana dispensary
23 owner;

1 8. One member appointed by the President Pro Tempore of the
2 Oklahoma State Senate, who is a licensed medical marijuana
3 transporter; and

4 9. One member appointed by the President Pro Tempore of the
5 Oklahoma State Senate, who is a licensed medical marijuana testing
6 laboratory owner.

7 C. Each member of the Oklahoma Medical Marijuana Authority
8 Board shall serve a term of four (4) years from the date of
9 appointment. Members of the Board shall not serve more than two
10 consecutive terms. The Executive Director of the Oklahoma Medical
11 Marijuana Authority shall be an ex officio member of the Board, but
12 shall be entitled to vote only in case of a tie vote.

13 D. A chair and vice-chair shall be elected annually from the
14 membership of the Oklahoma Medical Marijuana Authority Board. A
15 majority of the members of the Board shall constitute a quorum for
16 the transaction of business and for taking any official action.
17 Official action of the Board must have a favorable vote by a
18 majority of the members present.

19 E. Appointed members who serve on the Board shall be exempt
20 from dual-office-holding prohibitions pursuant to Section 6 of Title
21 51 of the Oklahoma Statutes.

22 F. The Oklahoma Medical Marijuana Authority Board shall be the
23 rulemaking body for the Oklahoma Medical Marijuana Authority and
24 shall have the power and duty to:

1 1. Establish the policies of the Oklahoma Medical Marijuana
2 Authority; and

3 2. Adopt and promulgate rules as necessary and appropriate to
4 carry out the duties and responsibilities of the Oklahoma Medical
5 Marijuana Authority.

6 G. Members appointed pursuant to subsection B of this section
7 shall serve without compensation but shall be reimbursed for
8 expenses incurred in the performance of their duties in accordance
9 with the State Travel Reimbursement Act.

10 H. The Oklahoma Medical Marijuana Authority Board shall meet as
11 often as necessary to conduct business but shall meet not less than
12 four times a year, with an organizational meeting to be held prior
13 to December 1, 2022. In addition, special meetings may be called by
14 the Executive Director of the Oklahoma Medical Marijuana Authority.

15 I. Any vacancy occurring on the Oklahoma Medical Marijuana
16 Authority Board shall be filled for the unexpired term of office in
17 the same manner as provided for in subsection B of this section.

18 J. The Oklahoma Medical Marijuana Authority shall provide
19 clerical staff to perform designated duties of the Oklahoma Medical
20 Marijuana Authority Board. The Oklahoma Medical Marijuana Authority
21 shall also provide space for meetings of the Board.

22 K. The Oklahoma Medical Marijuana Authority Board shall act in
23 accordance with the provisions of the Oklahoma Open Meeting Act, the
24 Oklahoma Open Records Act, and the Administrative Procedures Act.

SECTION 3. AMENDATORY 12 O.S. 2021, Section 1560, is amended to read as follows:

Section 1560. A. In the event that a licensed medical marijuana dispensary, commercial grower or processor is foreclosed, is the subject of an order appointing a receiver, becomes insolvent, bankrupt or otherwise ceases operations, a secured party or receiver may continue operations at the dispensary, grower or processor upon submitting to the Oklahoma Medical Marijuana Authority, ~~State Department of Health,~~ proof that the secured party or receiver, or if the secured party or receiver is a business entity, any individual who has a financial interest in the secured party or receiver, meets the requirements and restrictions set forth in:

1. For licensed medical marijuana dispensaries, Section 421 of Title 63 of the Oklahoma Statutes;

2. For licensed commercial medical marijuana growers, Section 422 of Title 63 of the Oklahoma Statutes; or

3. For licensed medical marijuana processors, Section 423 of Title 63 of the Oklahoma Statutes.

The Authority may prescribe the form and manner of submitting proof under this subsection. Neither the state nor agency of this state shall require an additional fee from the secured party or receiver, other than payment of annual fees which may become due during the operation by the secured party or receiver.

1 B. Subject to the requirements of subsection A of this section,
2 the Oklahoma Medical Marijuana Authority, ~~State Department of~~
3 ~~Health~~, shall promulgate rules for the manner and conditions under
4 which:

5 1. Marijuana items left by a deceased, insolvent or bankrupt
6 person or licensee, or subject to a security interest or a court
7 order appointing a receiver, may be foreclosed, sold under execution
8 or otherwise disposed whether by foreclosure or by sale as a going
9 concern;

10 2. The business of a licensee who is deceased, insolvent,
11 bankrupt, or the subject of an order appointing receiver or a
12 foreclosure by a secured party, may be operated for a reasonable
13 period following the death, insolvency, appointment of a receiver or
14 bankruptcy; and

15 3. A secured party or court-appointed receiver may continue to
16 operate a business for which a license has been issued under Section
17 421, 422 or 423 of Title 63 of the Oklahoma Statutes for a
18 reasonable period after default on the indebtedness by the debtor or
19 after the appointment of the receiver.

20 SECTION 4. AMENDATORY 63 O.S. 2021, Section 420, is
21 amended to read as follows:

22 Section 420. A. A person in possession of a state-issued
23 medical marijuana patient license shall be able to:

24 1. Consume marijuana legally;

1 2. Legally possess up to three (3) ounces or eighty-four and
2 nine-tenths (84.9) grams of marijuana on their person;

3 3. Legally possess six mature marijuana plants and the
4 harvested marijuana therefrom;

5 4. Legally possess six seedling plants;

6 5. Legally possess one (1) ounce or twenty-eight and three-
7 tenths (28.3) grams of concentrated marijuana;

8 6. Legally possess seventy-two (72) ounces or two thousand
9 thirty-seven and six-tenths (2,037.6) grams of edible marijuana;

10 7. Legally possess up to eight (8) ounces or two hundred
11 twenty-six and four-tenths (226.4) grams of marijuana in their
12 residence; and

13 8. Legally possess seventy-two (72) ounces of topical
14 marijuana.

15 B. Possession of up to one and one-half (1.5) ounces or forty-
16 two and forty-five one-hundredths (42.45) grams of marijuana by
17 persons who can state a medical condition, but are not in possession
18 of a state-issued medical marijuana patient license, shall
19 constitute a misdemeanor offense not subject to imprisonment but
20 punishable by a fine not to exceed Four Hundred Dollars (\$400.00).
21 Any law enforcement officer who comes in contact with a person in
22 violation of this subsection and who is satisfied as to the identity
23 of the person, as well as any other pertinent information the law
24 enforcement officer deems necessary, shall issue to the person a

1 written citation containing a notice to answer the charge against
2 the person in the appropriate court. Upon receiving the written
3 promise of the alleged violator to answer as specified in the
4 citation, the law enforcement officer shall release the person upon
5 personal recognizance unless there has been a violation of another
6 provision of law.

7 C. A regulatory office shall be established ~~under the State~~
8 ~~Department of Health~~ which shall receive applications for medical
9 marijuana patient and caregiver license recipients, dispensaries,
10 growers and processors within sixty (60) days of the passage of this
11 initiative.

12 D. The ~~State Department of Health~~ Oklahoma Medical Marijuana
13 Authority shall, ~~within thirty (30) days of passage of this~~
14 ~~initiative~~, make available on its website, in an easy-to-find
15 location, an application for a medical marijuana patient license.
16 The license shall be valid for two (2) years. The biannual
17 application fee shall be One Hundred Dollars (\$100.00), or Twenty
18 Dollars (\$20.00) for individuals on Medicaid, Medicare or
19 SoonerCare. The methods of payment shall be provided on the website
20 of the ~~Department~~ Authority. Reprints of the medical marijuana
21 patient license shall be Twenty Dollars (\$20.00).

22 E. A short-term medical marijuana patient license application
23 shall also be made available on the website of the ~~State Department~~
24 ~~of Health~~ Authority. A short-term medical marijuana patient license

1 shall be granted to any applicant who can meet the requirements for
2 a two-year medical marijuana patient license, but whose physician
3 recommendation for medical marijuana is only valid for sixty (60)
4 days. Short-term medical marijuana patient licenses shall be issued
5 for sixty (60) days. The fee for a short-term medical marijuana
6 patient license, reprints of the short-term medical marijuana
7 patient license and the procedure for extending or renewing the
8 license shall be determined by the ~~Department~~ Authority.

9 F. A temporary medical marijuana patient license application
10 shall also be available on the website of the ~~State Department of~~
11 ~~Health~~ Authority for residents of other states. Temporary medical
12 marijuana patient licenses shall be granted to medical marijuana
13 license holders from other states, provided that such states have
14 state-regulated medical marijuana programs and applicants can prove
15 they are members of such programs. Temporary medical marijuana
16 patient licenses shall be issued for thirty (30) days. The cost for
17 a temporary medical marijuana patient license shall be One Hundred
18 Dollars (\$100.00). Renewal shall be granted with resubmission of a
19 new application. No additional criteria shall be required.
20 Reprints of the temporary medical marijuana patient license shall be
21 Twenty Dollars (\$20.00).

22 G. Medical marijuana patient license applicants shall submit
23 their applications to the ~~State Department of Health~~ Authority for
24 approval. The applicant shall be a resident of Oklahoma and shall

1 prove residency by a valid driver license, utility bills, or other
2 accepted methods.

3 H. The ~~State Department of Health~~ Authority shall review the
4 medical marijuana patient license application; approve, reject or
5 deny the application; and mail the approval, rejection or denial
6 letter stating any reasons for the rejection or denial to the
7 applicant within fourteen (14) business days of receipt of the
8 application. Approved applicants shall be issued a medical
9 marijuana patient license which shall act as proof of his or her
10 approved status. Applications may only be rejected or denied based
11 on the applicant not meeting stated criteria or improper completion
12 of the application.

13 I. The ~~State Department of Health~~ Authority shall make
14 available, both on its website and through a telephone verification
15 system, an easy method to validate the authenticity of the medical
16 marijuana patient license by the unique 24-character identification
17 number.

18 J. The ~~State Department of Health~~ Authority shall ensure that
19 all medical marijuana patient and caregiver records and information
20 are sealed to protect the privacy of medical marijuana patient
21 license applicants.

22 K. A caregiver license shall be made available for qualified
23 caregivers of a medical marijuana patient license holder who is
24 homebound. As provided in Section 427.11 of this title, the

1 caregiver license shall provide the caregiver the same rights as the
2 medical marijuana patient licensee including the ability to possess
3 marijuana, marijuana products and mature and immature plants
4 pursuant to the Oklahoma Medical Marijuana and Patient Protection
5 Act, but excluding the ability to use marijuana or marijuana
6 products unless the caregiver has a medical marijuana patient
7 license. Applicants for a caregiver license shall submit proof of
8 the license status and homebound status of the medical marijuana
9 patient and proof that the applicant is the designee of the medical
10 marijuana patient. The applicant shall also submit proof that he or
11 she is eighteen (18) years of age or older and proof of his or her
12 Oklahoma residency.

13 L. All applicants for a medical marijuana patient license shall
14 be eighteen (18) years of age or older. A special exception shall
15 be granted to an applicant under the age of eighteen (18); however,
16 these applications shall be signed by two physicians and the parent
17 or legal guardian of the applicant.

18 M. All applications for a medical marijuana patient license
19 shall be signed by an Oklahoma physician licensed by and in good
20 standing with the State Board of Medical Licensure and Supervision
21 ~~or,~~ the State Board of Osteopathic Examiners, or the Board of
22 Podiatric Medical Examiners. There are no qualifying conditions. A
23 medical marijuana patient license shall be recommended according to
24 the accepted standards a reasonable and prudent physician would

1 follow when recommending or approving any medication. No physician
2 may be unduly stigmatized or harassed for signing a medical
3 marijuana patient license application.

4 N. Counties and cities may enact medical marijuana guidelines
5 allowing medical marijuana patient license holders or caregiver
6 license holders to exceed the state limits set forth in subsection A
7 of this section.

8 SECTION 5. AMENDATORY 63 O.S. 2021, Section 421, is
9 amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 SECTION 6. AMENDATORY 63 O.S. 2021, Section 422, is
13 amended to read as follows:

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

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

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

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

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

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

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

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

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

21 C. A licensed commercial grower may sell marijuana to a
22 licensed dispensary or a licensed processor. Further, sales by a
23 licensed commercial grower shall be considered wholesale sales and
24 shall not be subject to taxation. Under no circumstances may a

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

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

23 E. Beginning on the effective date of this act, licensed
24 commercial growers shall be authorized to package and sell pre-

1 rolled marijuana to licensed medical marijuana dispensaries. The
2 products described in this subsection shall contain only the ground
3 parts of the marijuana plant and shall not include marijuana
4 concentrates or derivatives. The total net weight of each pre-roll
5 packaged and sold by medical marijuana commercial growers shall not
6 exceed one (1) gram. These products must be tested, packaged and
7 labeled in accordance with Oklahoma law and rules promulgated by the
8 ~~State Commissioner of Health~~ Authority.

9 SECTION 7. AMENDATORY 63 O.S. 2021, Section 423, is
10 amended to read as follows:

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

- 18 1. Nonhazardous medical marijuana processor license; and
- 19 2. Hazardous medical marijuana processor license.

20 The application fee for a nonhazardous or hazardous medical
21 marijuana processor license shall be Two Thousand Five Hundred
22 Dollars (\$2,500.00). A method of payment shall be provided on the
23 website of the ~~Department~~ Authority. The ~~State Department of Health~~
24 Authority shall have ninety (90) days to review the application;

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

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

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

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

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

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

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

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

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

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

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

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

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

22 5. Under no circumstances may a licensed processor sell
23 marijuana or any marijuana product directly to a licensed medical
24 marijuana patient or licensed caregiver. However, a licensed

1 processor may process cannabis into a concentrated form for a
2 licensed medical marijuana patient for a fee.

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

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

1 industry experts. A signed letter of twenty operating, licensed
2 processors shall constitute a need for a new council and standards
3 review.

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

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

11 SECTION 8. AMENDATORY 63 O.S. 2021, Section 425, is
12 amended to read as follows:

13 Section 425. A. No school or landlord may refuse to enroll or
14 lease to and may not otherwise penalize a person solely for his or
15 her status as a medical marijuana patient licensee, unless failing
16 to do so would cause the school or landlord the potential to lose a
17 monetary or licensing-related benefit under federal law or
18 regulations.

19 B. Unless a failure to do so would cause an employer the
20 potential to lose a monetary or licensing-related benefit under
21 federal law or regulations, an employer may not discriminate against
22 a person in hiring, termination or imposing any term or condition of
23 employment or otherwise penalize a person based upon the status of
24 the person as a medical marijuana patient licensee. Employers may

1 take action against a medical marijuana patient licensee if the
2 licensee uses or possesses marijuana while in his or her place of
3 employment or during the hours of employment. Employers may not
4 take action against a medical marijuana patient licensee solely
5 based upon the status of an employee as a medical marijuana patient
6 licensee or the results of a drug test showing positive for
7 marijuana or its components.

8 C. For the purposes of medical care, including organ
9 transplants, the authorized use of marijuana by a medical marijuana
10 patient licensee shall be considered the equivalent of the use of
11 any other medication under the direction of a physician and does not
12 constitute the use of an illicit substance or otherwise disqualify a
13 registered qualifying patient from medical care.

14 D. No medical marijuana patient licensee may be denied custody
15 of or visitation or parenting time with a minor child, and there is
16 no presumption of neglect or child endangerment for conduct allowed
17 under this law unless the behavior of the medical marijuana patient
18 licensee creates an unreasonable danger to the safety of the minor
19 child.

20 E. No person who possesses a medical marijuana patient license
21 may be unduly withheld from holding another state-issued license by
22 virtue of his or her status as a medical marijuana patient licensee
23 including, but not limited to, a concealed carry permit.

1 F. 1. No city or local municipality may unduly change or
2 restrict zoning laws to prevent the opening of a medical marijuana
3 dispensary.

4 2. For purposes of this subsection, an undue change or
5 restriction of municipal zoning laws means an act which entirely
6 prevents medical marijuana dispensaries from operating within
7 municipal boundaries as a matter of law. Municipalities may follow
8 their standard planning and zoning procedures to determine if
9 certain zones or districts would be appropriate for locating
10 marijuana-licensed premises, medical marijuana businesses or any
11 other premises where marijuana or its by-products are cultivated,
12 grown, processed, stored or manufactured.

13 3. A medical marijuana dispensary does not include those other
14 entities licensed by the Oklahoma Medical Marijuana Authority as
15 marijuana-licensed premises, medical marijuana businesses or other
16 facilities or locations where marijuana or any product containing
17 marijuana or its by-products are cultivated, grown, processed,
18 stored or manufactured.

19 G. The location of any medical marijuana dispensary is
20 specifically prohibited within one thousand (1,000) feet of any
21 public school or private school. The distance indicated in this
22 subsection shall be measured from the nearest property line of such
23 public school or private school to the nearest perimeter wall of the
24 licensed premises of such medical marijuana dispensary. If a

1 medical marijuana dispensary met the requirements of this subsection
2 at the time of its initial licensure, the medical marijuana
3 dispensary licensee shall be permitted to continue operating at the
4 licensed premises in the same manner and not be subject to
5 nonrenewal or revocation due to subsequent events or changes in
6 regulations occurring after licensure that would render the medical
7 marijuana dispensary in violation by being within one thousand
8 (1,000) feet of a public school or private school. If any public
9 school or private school is established within one thousand (1,000)
10 feet of any medical marijuana dispensary after such medical
11 marijuana dispensary has been licensed, the provisions of this
12 subsection shall not be a deterrent to the renewal of such license
13 or warrant revocation of the license. For purposes of this
14 subsection, a property owned, used or operated by a public school or
15 by a private school that is not used for classroom instruction on
16 core curriculum, such as an administrative building, athletic
17 facility, ballpark, field or stadium, shall not constitute a public
18 school or private school unless such property is located on the same
19 campus as a building used for classroom instruction on core
20 curriculum.

21 H. Research shall be provided for under this law. A researcher
22 may apply to the ~~State Department of Health~~ Oklahoma Medical
23 Marijuana Authority for a special research license. The research
24 license shall be granted, provided the applicant meets the criteria

1 listed in the Medical Marijuana and Patient Protection Act.
2 Research licensees shall be required to file monthly consumption
3 reports to the ~~State Department of Health~~ Authority with amounts of
4 marijuana used for research. Biomedical and clinical research which
5 is subject to federal regulations and institutional oversight shall
6 not be subject to oversight by the ~~State Department of Health~~
7 Authority.

8 SECTION 9. AMENDATORY 63 O.S. 2021, Section 426, is
9 amended to read as follows:

10 Section 426. A. The tax on retail medical marijuana sales
11 shall be established at seven percent (7%) of the gross amount
12 received by the seller.

13 B. This tax shall be collected at the point of sale. Tax
14 proceeds shall be applied primarily to finance the regulatory
15 office.

16 C. If proceeds from the levy authorized by subsection A of this
17 section exceed the budgeted amount for running the regulatory
18 office, any surplus shall be apportioned with seventy-five percent
19 (75%) going to the General Revenue Fund and may only be expended for
20 common education. Twenty-five percent (25%) shall be apportioned to
21 the ~~State Department of Health~~ Oklahoma Medical Marijuana Authority
22 and earmarked for drug and alcohol rehabilitation and prevention.
23
24

SECTION 10. AMENDATORY 63 O.S. 2021, Section 427.2, is amended to read as follows:

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

1. "Advertising" means the act of providing consideration for the publication, dissemination, solicitation, or circulation, of visual, oral, or written communication to induce directly or indirectly any person to patronize a particular medical marijuana business, or to purchase particular medical marijuana or a medical marijuana product. Advertising includes marketing, but does not include packaging and labeling;

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

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

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

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

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

- a. designed or constructed to be significantly difficult for children under five (5) years of age to open and not difficult for normal adults to use properly as

defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
1700.20 (1995),

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

c. resealable to maintain its child-resistant
effectiveness for multiple openings for any product
intended for more than a single use or containing
multiple servings;

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

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

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

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

~~11.~~ 9. "Director" means the Executive Director of the Oklahoma
Medical Marijuana Authority;

~~12.~~ 10. "Dispense" means the selling of medical marijuana or a
medical marijuana product to a qualified patient or the designated

1 caregiver of the patient that is packaged in a suitable container
2 appropriately labeled for subsequent administration to or use by a
3 qualifying patient;

4 ~~13.~~ 11. "Dispensary" means a medical marijuana dispensary, an
5 entity that has been licensed by the ~~Department~~ Authority pursuant
6 to the Oklahoma Medical Marijuana and Patient Protection Act to
7 purchase medical marijuana or medical marijuana products from a
8 licensed medical marijuana commercial grower or licensed medical
9 marijuana processor, to prepare and package noninfused pre-rolled
10 medical marijuana, and to sell medical marijuana or medical
11 marijuana products to licensed patients and caregivers as defined in
12 this section, or sell or transfer products to another licensed
13 dispensary;

14 ~~14.~~ 12. "Edible medical marijuana product" means any medical-
15 marijuana-infused product for which the intended use is oral
16 consumption including, but not limited to, any type of food, drink
17 or pill;

18 ~~15.~~ 13. "Entity" means an individual, general partnership,
19 limited partnership, limited liability company, trust, estate,
20 association, corporation, cooperative or any other legal or
21 commercial entity;

22 ~~16.~~ 14. "Flower" means the reproductive organs of the marijuana
23 or cannabis plant referred to as the bud or parts of the plant that
24

1 are harvested and used for consumption in a variety of medical
2 marijuana products;

3 ~~17.~~ 15. "Flowering" means the reproductive state of the
4 marijuana or cannabis plant in which there are physical signs of
5 flower or budding out of the nodes of the stem;

6 ~~18.~~ 16. "Food-based medical marijuana concentrate" means a
7 medical marijuana concentrate that was produced by extracting
8 cannabinoids from medical marijuana through the use of propylene
9 glycol, glycerin, butter, olive oil, coconut oil or other typical
10 food-safe cooking fats;

11 ~~19.~~ 17. "Harvest batch" means a specifically identified
12 quantity of medical marijuana that is uniform in strain, cultivated
13 utilizing the same cultivation practices, harvested at the same time
14 from the same location and cured under uniform conditions;

15 ~~20.~~ 18. "Harvested marijuana" means postflowering medical
16 marijuana not including trim, concentrate or waste;

17 ~~21.~~ 19. "Heat- or pressure-based medical marijuana concentrate"
18 means a medical marijuana concentrate that was produced by
19 extracting cannabinoids from medical marijuana through the use of
20 heat or pressure;

21 ~~22.~~ 20. "Immature plant" means a nonflowering marijuana plant
22 that has not demonstrated signs of flowering;

23 ~~23.~~ 21. "Inventory tracking system" means the required tracking
24 system that accounts for the entire life span of medical marijuana

1 and medical marijuana products, including any testing samples
2 thereof and medical marijuana waste;

3 ~~24.~~ 22. "Licensed patient" or "patient" means a person who has
4 been issued a medical marijuana patient license by the ~~State~~
5 ~~Department of Health or Oklahoma Medical Marijuana~~ Authority;

6 ~~25.~~ 23. "Licensed premises" means the premises specified in an
7 application for a medical marijuana business license, medical
8 marijuana research facility license or medical marijuana education
9 facility license pursuant to the Oklahoma Medical Marijuana and
10 Patient Protection Act that are owned or in possession of the
11 licensee and within which the licensee is authorized to cultivate,
12 manufacture, distribute, sell, store, transport, test or research
13 medical marijuana or medical marijuana products in accordance with
14 the provisions of the Oklahoma Medical Marijuana and Patient
15 Protection Act and rules promulgated pursuant thereto;

16 ~~26.~~ 24. "Manufacture" means the production, propagation,
17 compounding or processing of a medical marijuana product, excluding
18 marijuana plants, either directly or indirectly by extraction from
19 substances of natural or synthetic origin, or independently by means
20 of chemical synthesis, or by a combination of extraction and
21 chemical synthesis;

22 ~~27.~~ 25. "Marijuana" shall have the same meaning as such term is
23 defined in Section 2-101 of this title;

1 ~~28.~~ 26. "Material change" means any change that would affect
2 the qualifications for licensure of an applicant or licensee;

3 ~~29.~~ 27. "Mature plant" means a harvestable female marijuana
4 plant that is flowering;

5 ~~30.~~ 28. "Medical marijuana business (MMB)" means a licensed
6 medical marijuana dispensary, medical marijuana processor, medical
7 marijuana commercial grower, medical marijuana laboratory, medical
8 marijuana business operator or a medical marijuana transporter;

9 ~~31.~~ 29. "Medical marijuana concentrate" or "concentrate" means
10 a specific subset of medical marijuana that was produced by
11 extracting cannabinoids from medical marijuana. Categories of
12 medical marijuana concentrate include water-based medical marijuana
13 concentrate, food-based medical marijuana concentrate, solvent-based
14 medical marijuana concentrate, and heat- or pressure-based medical
15 marijuana concentrate;

16 ~~32.~~ 30. "Medical marijuana commercial grower" or "commercial
17 grower" means an entity licensed to cultivate, prepare and package
18 medical marijuana or package medical marijuana as pre-rolls, and
19 transfer or contract for transfer medical marijuana and medical
20 marijuana pre-rolls to a medical marijuana dispensary, medical
21 marijuana processor, any other medical marijuana commercial grower,
22 medical marijuana research facility or medical marijuana education
23 facility. A commercial grower may sell seeds, flower or clones to
24

1 commercial growers pursuant to the Oklahoma Medical Marijuana and
2 Patient Protection Act;

3 ~~33.~~ 31. "Medical marijuana education facility" or "education
4 facility" means a person or entity approved pursuant to the Oklahoma
5 Medical Marijuana and Patient Protection Act to operate a facility
6 providing training and education to individuals involving the
7 cultivation, growing, harvesting, curing, preparing, packaging or
8 testing of medical marijuana, or the production, manufacture,
9 extraction, processing, packaging or creation of medical-marijuana-
10 infused products or medical marijuana products as described in the
11 Oklahoma Medical Marijuana and Patient Protection Act;

12 ~~34.~~ 32. "Medical-marijuana-infused product" means a product
13 infused with medical marijuana including, but not limited to, edible
14 products, ointments and tinctures;

15 ~~35.~~ 33. "Medical marijuana product" or "product" means a
16 product that contains cannabinoids that have been extracted from
17 plant material or the resin therefrom by physical or chemical means
18 and is intended for administration to a qualified patient including,
19 but not limited to, oils, tinctures, edibles, pills, topical forms,
20 gels, creams, vapors, patches, liquids, and forms administered by a
21 nebulizer, excluding live plant forms which are considered medical
22 marijuana;

23 ~~36.~~ 34. "Medical marijuana processor" means a person or entity
24 licensed pursuant to the Oklahoma Medical Marijuana and Patient

1 Protection Act to operate a business including the production,
2 manufacture, extraction, processing, packaging or creation of
3 concentrate, medical-marijuana-infused products or medical marijuana
4 products as described in the Oklahoma Medical Marijuana and Patient
5 Protection Act;

6 ~~37.~~ 35. "Medical marijuana research facility" or "research
7 facility" means a person or entity approved pursuant to the Oklahoma
8 Medical Marijuana and Patient Protection Act to conduct medical
9 marijuana research. A medical marijuana research facility is not a
10 medical marijuana business;

11 ~~38.~~ 36. "Medical marijuana testing laboratory" or "laboratory"
12 means a public or private laboratory licensed pursuant to the
13 Oklahoma Medical Marijuana and Patient Protection Act to conduct
14 testing and research on medical marijuana and medical marijuana
15 products;

16 ~~39.~~ 37. "Medical marijuana transporter" or "transporter" means
17 a person or entity that is licensed pursuant to the Oklahoma Medical
18 Marijuana and Patient Protection Act. A medical marijuana
19 transporter does not include a medical marijuana business that
20 transports its own medical marijuana, medical marijuana concentrate
21 or medical marijuana products to a property or facility adjacent to
22 or connected to the licensed premises if the property is another
23 licensed premises of the same medical marijuana business;

24

1 ~~40.~~ 38. "Medical marijuana waste" or "waste" means unused,
2 surplus, returned or out-of-date marijuana, plant debris of the
3 plant of the genus Cannabis including dead plants and all unused
4 plant parts and roots, except the term shall not include roots,
5 stems, stalks and fan leaves;

6 ~~41.~~ 39. "Medical use" means the acquisition, possession, use,
7 delivery, transfer or transportation of medical marijuana, medical
8 marijuana products, medical marijuana devices or paraphernalia
9 relating to the administration of medical marijuana to treat a
10 licensed patient;

11 ~~42.~~ 40. "Mother plant" means a marijuana plant that is grown or
12 maintained for the purpose of generating clones, and that will not
13 be used to produce plant material for sale to a medical marijuana
14 processor or medical marijuana dispensary;

15 ~~43.~~ 41. "Oklahoma physician" or "physician" means a physician
16 licensed by and in good standing with the State Board of Medical
17 Licensure and Supervision, the State Board of Osteopathic Examiners
18 or the Board of Podiatric Medical Examiners;

19 ~~44.~~ 42. "Oklahoma resident" means an individual who can provide
20 proof of residency as required by the Oklahoma Medical Marijuana and
21 Patient Protection Act;

22 ~~45.~~ 43. "Owner" means, except where the context otherwise
23 requires, a direct beneficial owner including, but not limited to,
24 all persons or entities as follows:

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

~~46.~~ 44. "Package" or "packaging" means any container or wrapper that may be used by a medical marijuana business to enclose or contain medical marijuana;

~~47.~~ 45. "Person" means a natural person, partnership, association, business trust, company, corporation, estate, limited liability company, trust or any other legal entity or organization, or a manager, agent, owner, director, servant, officer or employee

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

3 ~~48.~~ 46. "Pesticide" means any substance or mixture of
4 substances intended for preventing, destroying, repelling or
5 mitigating any pest or any substance or mixture of substances
6 intended for use as a plant regulator, defoliant or desiccant,
7 except that the term "pesticide" shall not include any article that
8 is a "new animal drug" as designated by the United States Food and
9 Drug Administration;

10 ~~49.~~ 47. "Production batch" means:

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

20 ~~50.~~ 48. "Public institution" means any entity established or
21 controlled by the federal government, state government, or a local
22 government or municipality including, but not limited to,
23 institutions of higher education or related research institutions;

1 ~~51.~~ 49. "Public money" means any funds or money obtained by the
2 holder from any governmental entity including, but not limited to,
3 research grants;

4 ~~52.~~ 50. "Recommendation" means a document that is signed or
5 electronically submitted by a physician on behalf of a patient for
6 the use of medical marijuana pursuant to the Oklahoma Medical
7 Marijuana and Patient Protection Act;

8 ~~53.~~ 51. "Registered to conduct business" means a person that
9 has provided proof that the business applicant or licensee is in
10 good standing with the Oklahoma Secretary of State;

11 ~~54.~~ 52. "Remediation" means the process by which a harvest
12 batch or production batch that fails testing undergoes a procedure
13 to remedy the harvest batch or production batch and is retested in
14 accordance with Oklahoma laws, rules and regulations;

15 ~~55.~~ 53. "Research project" means a discrete scientific endeavor
16 to answer a research question or a set of research questions related
17 to medical marijuana and is required for a medical marijuana
18 research license. A research project shall include a description of
19 a defined protocol, clearly articulated goals, defined methods and
20 outputs, and a defined start and end date. The description shall
21 demonstrate that the research project will comply with all
22 requirements in the Oklahoma Medical Marijuana and Patient
23 Protection Act and rules promulgated pursuant thereto. All research
24

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

3 ~~56.~~ 54. "Revocation" means the final decision by the ~~Department~~
4 Authority that any license issued pursuant to the Oklahoma Medical
5 Marijuana and Patient Protection Act is rescinded because the
6 individual or entity does not comply with the applicable
7 requirements set forth in the Oklahoma Medical Marijuana and Patient
8 Protection Act or rules promulgated pursuant thereto;

9 ~~57.~~ 55. "School" means a public or private elementary, middle
10 or high school used for school classes and instruction. A
11 homeschool, daycare or child-care facility shall not be considered a
12 "school" as used in the Oklahoma Medical Marijuana and Patient
13 Protection Act;

14 ~~58.~~ 56. "Shipping container" means a hard-sided container with
15 a lid or other enclosure that can be secured in place. A shipping
16 container is used solely for the transport of medical marijuana,
17 medical marijuana concentrate, or medical marijuana products between
18 medical marijuana businesses, a medical marijuana research facility,
19 or a medical marijuana education facility;

20 ~~59.~~ 57. "Solvent-based medical marijuana concentrate" means a
21 medical marijuana concentrate that was produced by extracting
22 cannabinoids from medical marijuana through the use of a solvent
23 approved by the ~~Department~~ Authority;

1 ~~60.~~ 58. "State Question" means Oklahoma State Question No. 788,
2 Initiative Petition No. 412, approved by a majority vote of the
3 citizens of Oklahoma on June 26, 2018;

4 ~~61.~~ 59. "Strain" means the name given to a particular variety
5 of medical marijuana that is based on a combination of factors which
6 may include, but is not limited to, botanical lineage, appearance,
7 chemical profile and accompanying effects. An example of a "strain"
8 would be "OG Kush" or "Pineapple Express";

9 ~~62.~~ 60. "THC" means tetrahydrocannabinol, which is the primary
10 psychotropic cannabinoid in marijuana formed by decarboxylation of
11 naturally tetrahydrocannabinolic acid, which generally occurs by
12 exposure to heat;

13 ~~63.~~ 61. "Transporter agent" means a person who transports
14 medical marijuana or medical marijuana products as an employee of a
15 licensed medical marijuana business and holds a transporter agent
16 license specific to that business pursuant to the Oklahoma Medical
17 Marijuana and Patient Protection Act;

18 ~~64.~~ 62. "Universal symbol" means the image established by the
19 ~~State Department of Health or Oklahoma Medical Marijuana Authority~~
20 and made available to licensees through its website indicating that
21 the medical marijuana or the medical marijuana product contains THC;

22 ~~65.~~ 63. "Usable marijuana" means the dried leaves, flowers,
23 oils, vapors, waxes and other portions of the marijuana plant and
24

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

3 ~~66.~~ 64. "Water-based medical marijuana concentrate" means a
4 concentrate that was produced by extracting cannabinoids from
5 medical marijuana through the use of only water, ice or dry ice.

6 SECTION 11. AMENDATORY 63 O.S. 2021, Section 427.3, is
7 amended to read as follows:

8 Section 427.3 A. There is hereby created the Oklahoma Medical
9 Marijuana Authority ~~within the State Department of Health~~ which
10 shall address issues related to the medical marijuana program in
11 Oklahoma including, but not limited to, the issuance of patient
12 licenses and medical marijuana business licenses, and the
13 dispensing, cultivating, processing, testing, transporting, storage,
14 research, and the use of and sale of medical marijuana pursuant to
15 the Oklahoma Medical Marijuana and Patient Protection Act.

16 B. The ~~Department~~ Authority shall ~~provide~~ be authorized to
17 employ the necessary support staff to perform designated duties of
18 the Authority. The ~~Department~~ Authority shall also ~~provide~~ be
19 authorized to rent, lease, or own appropriate office space to
20 conduct its business and for meetings of the Authority.

21 C. The ~~Department~~ Authority shall implement the provisions of
22 the Oklahoma Medical Marijuana and Patient Protection Act
23 consistently with the voter-approved State Question No. 788,
24

1 Initiative Petition No. 412, subject to the provisions of the
2 Oklahoma Medical Marijuana and Patient Protection Act.

3 D. The ~~Department~~ Authority shall exercise its respective
4 powers and perform its respective duties and functions as specified
5 in the Oklahoma Medical Marijuana and Patient Protection Act and
6 this title including, but not limited to, the following:

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

- 11 a. public health policy and public safety policy,
- 12 b. agronomic and horticultural best practices, and
- 13 c. medical and pharmacopoeia best practices;

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

18 3. Upon complaint or upon its own motion and upon a completed
19 investigation, levy fines as prescribed in applicable laws, rules
20 and regulations and suspend, revoke or not renew licenses pursuant
21 to applicable laws, rules and regulations;

22 4. Issue subpoenas for the appearance or production of persons,
23 records and things in connection with disciplinary or contested
24 cases considered by the ~~Department~~ Authority;

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

3 6. Inspect and examine all licensed premises of medical
4 marijuana businesses, research facilities, education facilities and
5 waste disposal facilities in which medical marijuana is cultivated,
6 manufactured, sold, stored, transported, tested, distributed or
7 disposed of;

8 7. Upon action by the federal government by which the
9 production, sale and use of marijuana in Oklahoma does not violate
10 federal law, work with the Oklahoma State Banking Department and the
11 State Treasurer to develop good practices and standards for banking
12 and finance for medical marijuana businesses;

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

15 9. Establish a fee schedule and collect fees for performing
16 background checks as the ~~Commissioner~~ Authority deems appropriate.
17 The fees charged pursuant to this paragraph shall not exceed the
18 actual cost incurred for each background check;

19 10. Establish a fee schedule and collect fees for material
20 changes requested by the licensee; and

21 11. Establish regulations, which require a medical marijuana
22 business to submit information to the ~~Oklahoma Medical Marijuana~~
23 Authority, deemed reasonably necessary to assist the Authority in
24 the prevention of diversion of medical marijuana by a licensed

1 medical marijuana business. Such information required by the
2 Authority may include, but shall not be limited to:

- 3 a. the square footage of the licensed premises,
- 4 b. a diagram of the licensed premises,
- 5 c. the number and type of lights at the licensed medical
6 marijuana commercial grower business,
- 7 d. the number, type and production capacity of equipment
8 located at the medical marijuana processing facility,
- 9 e. the names, addresses and telephone numbers of
10 employees or agents of a medical marijuana business,
- 11 f. employment manuals and standard operating procedures
12 for the medical marijuana business, and
- 13 g. any other information as the Authority reasonably
14 deems necessary.

15 SECTION 12. AMENDATORY 63 O.S. 2021, Section 427.4, is
16 amended to read as follows:

17 Section 427.4 A. The Oklahoma Medical Marijuana Authority, ~~in~~
18 ~~conjunction with the State Department of Health,~~ shall employ an
19 Executive Director and other personnel as necessary to assist the
20 Authority in carrying out its duties.

21 B. The Authority shall not employ an individual if any of the
22 following circumstances exist:

- 23 1. The individual has a direct or indirect interest in a
24 licensed medical marijuana business; or

1 2. The individual or his or her spouse, parent, child, spouse
2 of a child, sibling, or spouse of a sibling has an application for a
3 medical marijuana business license pending before the ~~Department~~
4 Authority or is a member of the board of directors of a medical
5 marijuana business, or is an individual financially interested in
6 any licensee or medical marijuana business.

7 C. All officers and employees of the Authority shall be in the
8 exempt unclassified service as provided for in Section 840-5.5 of
9 Title 74 of the Oklahoma Statutes.

10 ~~D. The Commissioner may delegate to any officer or employee of~~
11 ~~the Department any of the powers of the Executive Director and may~~
12 ~~designate any officer or employee of the Department to perform any~~
13 ~~of the duties of the Executive Director.~~

14 ~~E.~~ The Executive Director shall be authorized to suggest rules
15 governing the oversight and implementation of the Oklahoma Medical
16 Marijuana and Patient Protection Act.

17 ~~F.~~ E. The ~~Department~~ Authority is hereby authorized to create
18 employment positions necessary for the implementation of its
19 obligations pursuant to the Oklahoma Medical Marijuana and Patient
20 Protection Act including, but not limited to, Authority
21 investigators and a senior director of enforcement. The ~~Department~~
22 ~~and the~~ Authority, the senior director of enforcement, the Executive
23 Director, and ~~Department~~ investigators shall have all the powers of
24 any peace officer to:

1 1. Investigate violations or suspected violations of the
2 Oklahoma Medical Marijuana and Patient Protection Act and any rules
3 promulgated pursuant thereto;

4 2. Serve all warrants, summonses, subpoenas, administrative
5 citations, notices or other processes relating to the enforcement of
6 laws regulating medical marijuana, concentrate, and medical
7 marijuana product;

8 3. Assist or aid any law enforcement officer in the performance
9 of his or her duties upon such law enforcement officer's request or
10 the request of other local officials having jurisdiction;

11 4. Require any business applicant or licensee to permit an
12 inspection of licensed premises during business hours or at any time
13 of apparent operation, marijuana equipment, and marijuana
14 accessories, or books and records; and to permit the testing of or
15 examination of medical marijuana, concentrate, or product;

16 5. Require applicants and licensees to submit complete and
17 current applications, information and fees required by the Oklahoma
18 Medical Marijuana and Patient Protection Act, the Oklahoma Medical
19 Marijuana Waste Management Act and Sections 420 through 426.1 of
20 this title, and approve material changes made by the applicant or
21 licensee;

22 6. Require medical marijuana business licensees to submit a
23 sample or unit of medical marijuana or medical marijuana product to
24 the quality assurance laboratory when the ~~Department~~ Authority has

1 reason to believe the medical marijuana or medical marijuana product
2 may be unsafe for patient consumption or inhalation or has not been
3 tested in accordance with the provisions of the Oklahoma Medical
4 Marijuana and Patient Protection Act and the rules and regulations
5 of the ~~Department~~ Authority. The licensee shall provide the samples
6 or units of medical marijuana or medical marijuana products at its
7 own expense but shall not be responsible for the costs of testing;
8 and

9 7. Require medical marijuana business licensees to periodically
10 submit samples or units of medical marijuana or medical marijuana
11 products to the quality assurance laboratory for quality assurance
12 purposes. Licensed growers, processors, dispensaries and
13 transporters shall not be required to submit samples or units of
14 medical marijuana or medical marijuana products more than twice a
15 year. The licensee shall provide the samples or units of medical
16 marijuana or medical marijuana products at its own expense but shall
17 not be responsible for the costs of testing.

18 SECTION 13. AMENDATORY 63 O.S. 2021, Section 427.5, is
19 amended to read as follows:

20 Section 427.5 There is hereby created in the State Treasury a
21 revolving fund for the ~~State Department of Health~~ Oklahoma Medical
22 Marijuana Authority to be designated the "Oklahoma Medical Marijuana
23 Authority Revolving Fund". The fund shall be a continuing fund, not
24 subject to fiscal year limitations, and shall consist of all monies

1 received by the ~~Department~~ Authority from fees and fines collected
2 pursuant to this act and all monies received by the Oklahoma Tax
3 Commission from tax proceeds collected pursuant to Section 426 of
4 ~~Title 63 of the Oklahoma Statutes~~ this title. All monies accruing
5 to the credit of the fund are hereby appropriated and may be
6 budgeted and expended by the ~~Department~~ Authority for the purposes
7 set forth in Section 426 of ~~Title 63 of the Oklahoma Statutes~~ this
8 title. Expenditures from the fund shall be made upon warrants
9 issued by the State Treasurer against claims filed as prescribed by
10 law with the Director of the Office of Management and Enterprise
11 Services for approval and payment.

12 SECTION 14. AMENDATORY 63 O.S. 2021, Section 427.6, is
13 amended to read as follows:

14 Section 427.6 A. The ~~State Department of Health~~ Oklahoma
15 Medical Marijuana Authority shall address issues related to the
16 medical marijuana program in Oklahoma including, but not limited to,
17 monitoring and disciplinary actions as they relate to the medical
18 marijuana program.

19 B. 1. The ~~Department~~ Authority or its designee may perform on-
20 site inspections or investigations of a licensee or applicant for
21 any medical marijuana business license, research facility, education
22 facility or waste disposal facility to determine compliance with
23 applicable laws, rules and regulations or submissions made pursuant
24 to this section. The ~~Department~~ Authority may enter the licensed

1 premises of a medical marijuana business, research facility,
2 education facility or waste disposal facility licensee or applicant
3 to assess or monitor compliance or ensure qualifications for
4 licensure.

5 2. Post-licensure inspections shall be limited to twice per
6 calendar year. However, investigations and additional inspections
7 may occur when the ~~Department~~ Authority believes an investigation or
8 additional inspection is necessary due to a possible violation of
9 applicable laws, rules or regulations. The ~~State Commissioner of~~
10 ~~Health~~ Authority may adopt rules imposing penalties including, but
11 not limited to, monetary fines and suspension or revocation of
12 licensure for failure to allow the Authority reasonable access to
13 the licensed premises for purposes of conducting an inspection.

14 3. The ~~Department~~ Authority may review relevant records of a
15 licensed medical marijuana business, licensed medical marijuana
16 research facility, licensed medical marijuana education facility or
17 licensed medical marijuana waste disposal facility, and may require
18 and conduct interviews with such persons or entities and persons
19 affiliated with such entities, for the purpose of determining
20 compliance with ~~Department~~ Authority requirements and applicable
21 laws, rules and regulations.

22 4. The ~~Department~~ Authority may refer complaints alleging
23 criminal activity that are made against a licensee to appropriate
24 Oklahoma state or local law enforcement authorities.

1 C. Disciplinary action may be taken against an applicant or
2 licensee for not adhering to applicable laws pursuant to the terms,
3 conditions and guidelines set forth in the Oklahoma Medical
4 Marijuana and Patient Protection Act.

5 D. Disciplinary actions may include revocation, suspension or
6 denial of an application, license or final authorization and other
7 action deemed appropriate by the ~~Department~~ Authority.

8 E. Disciplinary actions may be imposed upon a medical marijuana
9 business licensee for:

10 1. Failure to comply with or satisfy any provision of
11 applicable laws, rules or regulations;

12 2. Falsification or misrepresentation of any material or
13 information submitted to the ~~Department~~ Authority or other
14 licensees;

15 3. Failing to allow or impeding entry by authorized
16 representatives of the ~~Department~~ Authority;

17 4. Failure to adhere to any acknowledgement, verification or
18 other representation made to the ~~Department~~ Authority;

19 5. Failure to submit or disclose information required by
20 applicable laws, rules or regulations or otherwise requested by the
21 ~~Department~~ Authority;

22 6. Failure to correct any violation of this section cited as a
23 result of a review or audit of financial records or other materials;
24

1 7. Failure to comply with requested access by the ~~Department~~
2 Authority to the licensed premises or materials;

3 8. Failure to pay a required monetary penalty;

4 9. Diversion of medical marijuana or any medical marijuana
5 product, as determined by the ~~Department~~ Authority;

6 10. Threatening or harming a medical marijuana patient
7 licensee, caregiver licensee, a medical practitioner or an employee
8 of the ~~Department~~ Authority; and

9 11. Any other basis indicating a violation of the applicable
10 laws and regulations as identified by the ~~Department~~ Authority.

11 F. Disciplinary actions against a licensee may include the
12 imposition of monetary penalties, which may be assessed by the
13 ~~Department~~ Authority. The ~~Department~~ Authority may suspend or
14 revoke a license for failure to pay any monetary penalty lawfully
15 assessed by the ~~Department~~ Authority against a licensee.

16 G. Penalties for sales or purchases by a medical marijuana
17 business to persons other than those allowed by law occurring within
18 any two-year time period may include an initial fine of One Thousand
19 Dollars (\$1,000.00) for a first violation and a fine of Five
20 Thousand Dollars (\$5,000.00) for any subsequent violation.

21 Penalties for grossly inaccurate or fraudulent reporting occurring
22 within any two-year time period may include an initial fine of Five
23 Thousand Dollars (\$5,000.00) for a first violation and a fine of Ten
24 Thousand Dollars (\$10,000.00) for any subsequent violation. The

1 medical marijuana business may be subject to a revocation of any
2 license granted pursuant to the Oklahoma Medical Marijuana and
3 Patient Protection Act upon a showing that the violation was willful
4 or grossly negligent.

5 H. 1. First offense for intentional and impermissible
6 diversion of medical marijuana, concentrate, or products by a
7 patient or caregiver to an unauthorized person shall not be punished
8 under a criminal statute but may be subject to a fine of Two Hundred
9 Dollars (\$200.00).

10 2. The second offense for impermissible diversion of medical
11 marijuana, concentrate, or products by a patient or caregiver to an
12 unauthorized person shall not be punished under a criminal statute
13 but may be subject to a fine of not to exceed Five Hundred Dollars
14 (\$500.00) and may result in revocation of the license upon a showing
15 that the violation was willful or grossly negligent.

16 I. The intentional diversion of medical marijuana, medical
17 marijuana concentrate or medical marijuana products by a licensed
18 medical marijuana patient or caregiver, medical marijuana business
19 or employee of a medical marijuana business to an unauthorized minor
20 person who the licensed medical marijuana patient or caregiver,
21 medical marijuana business or employee of a medical marijuana
22 business knew or reasonably should have known to be a minor person
23 shall be subject to a cite and release citation and, upon a finding
24 of guilt or a plea of no contest, a fine of Two Thousand Five

1 Hundred Dollars (\$2,500.00). For a second or subsequent offense,
2 the licensed medical marijuana patient or caregiver, medical
3 marijuana business or employee of a medical marijuana business shall
4 be subject to a cite and release citation and, upon a finding of
5 guilt or a plea of no contest, a fine of Five Thousand Dollars
6 (\$5,000.00) and automatic termination of the medical marijuana
7 license.

8 J. Nothing in this section shall be construed to prevent the
9 criminal prosecution, after the presentation of evidence and a
10 finding beyond a reasonable doubt, of a licensed medical marijuana
11 patient or caregiver, medical marijuana business or employee of a
12 medical marijuana business who has diverted medical marijuana,
13 medical marijuana concentrate or medical marijuana products to an
14 unauthorized person with the intent or knowledge that the
15 unauthorized person was to engage in the distribution or trafficking
16 of medical marijuana, medical marijuana concentrate or medical
17 marijuana products.

18 K. In addition to any other remedies provided for by law, the
19 ~~Department~~ Authority, pursuant to its rules and regulations, may
20 issue a written order to any licensee the ~~Department~~ Authority has
21 reason to believe has violated Sections 420 through 426.1 of this
22 title, the Oklahoma Medical Marijuana and Patient Protection Act,
23 the Oklahoma Medical Marijuana Waste Management Act, or any rules
24 promulgated by the ~~State Commissioner of Health~~ Authority and to

1 whom the ~~Department~~ Authority has served, not less than thirty (30)
2 days previously, a written notice of violation of such statutes or
3 rules.

4 1. The written order shall state with specificity the nature of
5 the violation. The ~~Department~~ Authority may impose any disciplinary
6 action authorized under the provisions of this section including,
7 but not limited to, the assessment of monetary penalties.

8 2. Any order issued pursuant to the provisions of this section
9 shall become a final order unless, not more than thirty (30) days
10 after the order is served to the licensee, the licensee requests an
11 administrative hearing in accordance with the rules and regulations
12 of the ~~Department~~ Authority. Upon such request, the ~~Department~~
13 Authority shall promptly initiate administrative proceedings.

14 L. Whenever the ~~Department~~ Authority finds that an emergency
15 exists requiring immediate action in order to protect the health or
16 welfare of the public, the ~~Department~~ Authority may issue an order,
17 without providing notice or hearing, stating the existence of said
18 emergency and requiring that action be taken as the ~~Department~~
19 Authority deems necessary to meet the emergency. Such action may
20 include, but is not limited to, ordering the licensee to immediately
21 cease and desist operations by the licensee. The order shall be
22 effective immediately upon issuance. Any person to whom the order
23 is directed shall comply immediately with the provisions of the
24 order. The ~~Department~~ Authority may assess a penalty not to exceed

1 Ten Thousand Dollars (\$10,000.00) per day of noncompliance with the
2 order. In assessing such a penalty, the ~~Department~~ Authority shall
3 consider the seriousness of the violation and any efforts to comply
4 with applicable requirements. Upon application to the ~~Department~~
5 Authority, the licensee shall be offered a hearing within ten (10)
6 days of the issuance of the order.

7 M. All hearings held pursuant to this section shall be in
8 accordance with the Oklahoma Administrative Procedures Act.

9 SECTION 15. AMENDATORY 63 O.S. 2021, Section 427.9, is
10 amended to read as follows:

11 Section 427.9 A. The Oklahoma Medical Marijuana Authority may
12 contact the recommending physician of an applicant for a medical
13 marijuana patient license or current holder of a medical marijuana
14 patient license to verify the need of the applicant or licensee for
15 the license and the information submitted with the application.

16 B. An applicant for a medical marijuana patient license who can
17 demonstrate his or her status as a one-hundred-percent-disabled
18 veteran as determined by the U.S. Department of Veterans Affairs and
19 codified at 38 C.F.R., Section 3.340(a)(2013) shall pay a reduced
20 biannual application fee of Twenty Dollars (\$20.00). The methods of
21 payment, as determined by the Authority, shall be provided on the
22 website. However, the Authority shall ensure that all applicants
23 have an option to submit the license application and payment by
24

1 means other than solely by submission of the application and fee
2 online.

3 C. The patient license shall be valid for up to two (2) years
4 from the date of issuance, unless the recommendation of the
5 physician is terminated pursuant to the Oklahoma Medical Marijuana
6 and Patient Protection Act or revoked by the ~~Department~~ Authority.

7 SECTION 16. AMENDATORY 63 O.S. 2021, Section 427.10, is
8 amended to read as follows:

9 Section 427.10 A. Only licensed Oklahoma allopathic,
10 osteopathic and podiatric physicians may provide a medical marijuana
11 recommendation for a medical marijuana patient license under the
12 Oklahoma Medical Marijuana and Patient Protection Act.

13 B. A physician who has not completed his or her first residency
14 shall not meet the definition of "physician" under this section and
15 any recommendation for a medical marijuana patient license shall not
16 be processed by the Oklahoma Medical Marijuana Authority.

17 C. No physician shall be subject to arrest, prosecution or
18 penalty in any manner or denied any right or privilege under
19 Oklahoma state, municipal or county statute, ordinance or
20 resolution, including without limitation a civil penalty or
21 disciplinary action by the State Board of Medical Licensure and
22 Supervision, the State Board of Osteopathic Examiners, the Board of
23 Podiatric Medical Examiners or by any other business, occupation or
24 professional licensing board or bureau, solely for providing a

1 medical marijuana recommendation for a patient or for monitoring,
2 treating or prescribing scheduled medication to patients who are
3 medical marijuana licensees. The provisions of this subsection
4 shall not prevent the relevant professional licensing boards from
5 sanctioning a physician for failing to properly evaluate the medical
6 condition of a patient or for otherwise violating the applicable
7 physician-patient standard of care.

8 D. A physician who recommends use of medical marijuana shall
9 not be located at the same physical address as a licensed medical
10 marijuana dispensary.

11 E. If the physician determines the continued use of medical
12 marijuana by the patient no longer meets the requirements set forth
13 in the Oklahoma Medical Marijuana and Patient Protection Act, the
14 physician shall notify the ~~Department~~ Authority and the license
15 shall be immediately voided without right to an individual
16 proceeding.

17 SECTION 17. AMENDATORY 63 O.S. 2021, Section 427.11, is
18 amended to read as follows:

19 Section 427.11 A. The caregiver license shall provide the
20 caregiver the same rights as the medical marijuana patient licensee,
21 including the ability to possess marijuana, marijuana products, and
22 mature and immature plants pursuant to the Oklahoma Medical
23 Marijuana and Patient Protection Act, but excluding the ability to
24 use marijuana or marijuana products unless the caregiver has a

1 medical marijuana patient license. Caregivers shall be authorized
2 to deliver marijuana and products to their authorized patients.
3 Caregivers shall be authorized to possess medical marijuana and
4 medical marijuana products up to the sum of the possession limits
5 for the patients under his or her care pursuant to the Oklahoma
6 Medical Marijuana and Patient Protection Act.

7 B. An individual caregiver shall be limited to exercising the
8 marijuana cultivation rights of no more than five licensed patients
9 as prescribed by the Oklahoma Medical Marijuana and Patient
10 Protection Act.

11 C. The license of a caregiver shall not extend beyond the
12 expiration date of the underlying patient license regardless of the
13 issue date.

14 D. A medical marijuana patient license holder may request, at
15 any time, to withdraw the license of his or her caregiver. In the
16 event that such a request is made or upon the expiration of the
17 medical marijuana license of the patient, the license of the
18 caregiver shall be immediately withdrawn by the ~~Department~~ Oklahoma
19 Medical Marijuana Authority without the right to a hearing.

20 SECTION 18. AMENDATORY 63 O.S. 2021, Section 427.13, is
21 amended to read as follows:

22 Section 427.13 A. All medical marijuana and medical marijuana
23 products shall be purchased solely from an Oklahoma-licensed medical
24

1 marijuana business, and shall not be purchased from any out-of-state
2 providers.

3 B. 1. The Oklahoma Medical Marijuana Authority shall have
4 oversight and auditing responsibilities to ensure that all marijuana
5 being grown in Oklahoma is accounted for and shall implement an
6 inventory tracking system. Pursuant to these duties, the Authority
7 shall require that each medical marijuana business, medical
8 marijuana research facility, medical marijuana education facility
9 and medical marijuana waste disposal facility keep records for every
10 transaction with another medical marijuana business, patient or
11 caregiver. Inventory shall be tracked and updated after each
12 individual sale and reported to the Authority.

13 2. The inventory tracking system licensees use shall allow for
14 integration of other seed-to-sale systems and, at a minimum, shall
15 include the following:

- 16 a. notification of when marijuana seeds and clones are
17 planted,
- 18 b. notification of when marijuana plants are harvested
19 and destroyed,
- 20 c. notification of when marijuana is transported, sold,
21 stolen, diverted or lost,
- 22 d. a complete inventory of all marijuana, seeds, plant
23 tissue, clones, plants, usable marijuana or trim,
- 24

1 leaves and other plant matter, batches of extract, and
2 marijuana concentrates,

3 e. all samples sent to a testing laboratory, an unused
4 portion of a sample returned to a licensee, all
5 samples utilized by licensee for purposes of
6 negotiating a sale, and

7 f. all samples used for quality testing by a licensee.

8 3. Each medical marijuana business, medical marijuana research
9 facility, medical marijuana education facility and medical marijuana
10 waste disposal facility shall use a seed-to-sale tracking system or
11 integrate its own seed-to-sale tracking system with the seed-to-sale
12 tracking system established by the Authority.

13 4. These records shall include, but not be limited to, the
14 following:

15 a. the name and license number of the medical marijuana
16 business that cultivated, manufactured or sold the
17 medical marijuana or medical marijuana product,

18 b. the address and phone number of the medical marijuana
19 business that cultivated, manufactured or sold the
20 medical marijuana or medical marijuana product,

21 c. the type of product received during the transaction,

22 d. the batch number of the marijuana plant used,

23 e. the date of the transaction,

24 f. the total spent in dollars,

- g. all point-of-sale records,
- h. marijuana excise tax records, and
- i. any additional information as may be reasonably required by the ~~Department~~ Authority.

5. All inventory tracking records retained by a medical marijuana business, medical marijuana research facility, medical marijuana education facility or medical marijuana waste disposal facility containing medical marijuana patient or caregiver information shall comply with all relevant state and federal laws including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

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

1. Medical marijuana commercial grower;
2. Medical marijuana processor;
3. Medical marijuana dispensary;
4. Medical marijuana transporter; and
5. Medical marijuana testing laboratory.

B. The Oklahoma Medical Marijuana Authority, with the aid of the Office of Management and Enterprise Services, shall develop a website for medical marijuana business 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~~ Authority before the application may be accepted or
18 considered;

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

21 5. All applications shall include all attachments or
22 supplemental information required by the forms supplied by the
23 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
- 24

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

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

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

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

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~~ Authority determines otherwise, an application that
19 has been resubmitted but is still incomplete or contains errors that
20 are not 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~~ Authority.

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~~
5 Authority; or

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

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

- f. using a prohibited, hazardous substance for processing in a residential area,
- g. criminal acts relating to the operation of a medical marijuana business, or
- h. any violations that endanger public health and safety or product safety.

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

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

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

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

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

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

19 O. No medical marijuana business, medical marijuana research
20 facility, medical marijuana education facility or medical marijuana
21 waste disposal facility shall possess, sell or transfer medical
22 marijuana or medical marijuana products without a valid, unexpired
23 license issued by the ~~Department~~ Authority.
24

1 SECTION 20. AMENDATORY 63 O.S. 2021, Section 427.16, is
2 amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 b. address of the destination, and

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

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

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

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

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

18 7. Notation of the transporting licensee.

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

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

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

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

7 SECTION 21. AMENDATORY 63 O.S. 2021, Section 427.17, is
8 amended to read as follows:

9 Section 427.17 A. There is hereby created a medical marijuana
10 testing laboratory license as a category of the medical marijuana
11 business license. The Oklahoma Medical Marijuana Authority is
12 hereby enabled to monitor, inspect and audit a licensed testing
13 laboratory under the Oklahoma Medical Marijuana and Patient
14 Protection Act.

15 B. The Authority is hereby authorized to contract with a
16 private laboratory for the purpose of conducting compliance testing
17 of medical marijuana testing laboratories licensed in this state.
18 Any such laboratory under contract for compliance testing shall be
19 prohibited from conducting any other commercial medical marijuana
20 testing in this state. The laboratory the Authority contracts with
21 for compliance testing shall not employ, or be owned by, the
22 following:

23 1. Any individual that has a direct or indirect interest in a
24 licensed medical marijuana business; or

1 2. Any individual or his or her spouse, parent, child, spouse
2 of a child, sibling or spouse of a sibling ~~that~~ who has an
3 application for a medical marijuana business license pending before
4 the ~~Department~~ Authority or is a member of the board of directors of
5 a medical marijuana business, or is an individual financially
6 interested in any licensee or medical marijuana business located
7 within this state.

8 C. The Authority shall develop acceptable testing practices
9 including, but not limited to, testing, standards, quality control
10 analysis, equipment certification and calibration, and chemical
11 identification and substances used.

12 D. A person who is a direct beneficial owner of a medical
13 marijuana dispensary, medical marijuana commercial grower or medical
14 marijuana processor shall not be an owner of a laboratory.

15 E. A laboratory and a laboratory applicant shall comply with
16 all applicable local ordinances including, but not limited to,
17 zoning, occupancy, licensing and building codes.

18 F. A separate license shall be required for each specific
19 laboratory.

20 G. A medical marijuana testing laboratory license may be issued
21 to a person who performs testing on medical marijuana and medical
22 marijuana products for medical marijuana businesses, medical
23 marijuana research facilities, medical marijuana education
24 facilities, and testing on marijuana and marijuana products grown or

1 produced by a patient or caregiver on behalf of a patient, upon
2 verification of registration. A medical marijuana testing
3 laboratory may also conduct research related to the development and
4 improvement of its testing practices and procedures. No state-
5 approved medical marijuana testing facility shall operate unless a
6 medical laboratory director is on site during operational hours.

7 H. Laboratory applicants and licensees shall comply with the
8 application requirements of this section and shall submit such other
9 information as required for a medical marijuana business applicant,
10 in addition to any information the Authority may request for initial
11 approval and periodic evaluations during the approval period.

12 I. A medical marijuana testing laboratory may accept samples of
13 medical marijuana, medical marijuana concentrate or medical
14 marijuana product from a medical marijuana business, medical
15 marijuana research facility or medical marijuana education facility
16 for testing purposes only, which purposes may include the provision
17 of testing services for samples submitted by a medical marijuana
18 business for product development. The ~~Department~~ Authority may
19 require a medical marijuana business to submit a sample of medical
20 marijuana, medical marijuana concentrate or medical marijuana
21 product to a medical marijuana testing or quality assurance
22 laboratory upon demand.

23 J. A medical marijuana testing laboratory may accept samples of
24 medical marijuana, medical marijuana concentrate or medical

1 marijuana product from an individual person for testing only under
2 the following conditions:

3 1. The individual person is a patient or caregiver pursuant to
4 the Oklahoma Medical Marijuana and Patient Protection Act or is a
5 participant in an approved clinical or observational study conducted
6 by a research facility; and

7 2. The medical marijuana testing laboratory shall require the
8 patient or caregiver to produce a valid patient license and current
9 and valid photo identification.

10 K. A medical marijuana testing laboratory may transfer samples
11 to another medical marijuana testing laboratory for testing. All
12 laboratory reports provided to or by a medical marijuana business or
13 to a patient or caregiver shall identify the medical marijuana
14 testing laboratory that actually conducted the test.

15 L. A medical marijuana testing laboratory may utilize a
16 licensed medical marijuana transporter to transport samples of
17 medical marijuana, medical marijuana concentrate and medical
18 marijuana product for testing, in accordance with the Oklahoma
19 Medical Marijuana and Patient Protection Act and the rules adopted
20 pursuant thereto, between the originating medical marijuana business
21 requesting testing services and the destination laboratory
22 performing testing services.

23 M. The medical marijuana testing laboratory shall establish
24 policies to prevent the existence of or appearance of undue

1 commercial, financial or other influences that may diminish the
2 competency, impartiality and integrity of the testing processes or
3 results of the laboratory, or that may diminish public confidence in
4 the competency, impartiality and integrity of the testing processes
5 or results of the laboratory. At a minimum, employees, owners or
6 agents of a medical marijuana testing laboratory who participate in
7 any aspect of the analysis and results of a sample are prohibited
8 from improperly influencing the testing process, improperly
9 manipulating data or improperly benefiting from any ongoing
10 financial, employment, personal or business relationship with the
11 medical marijuana business that provided the sample. A medical
12 marijuana testing laboratory shall not test samples for any medical
13 marijuana business in which an owner, employee or agent of the
14 medical marijuana testing laboratory has any form of ownership or
15 financial interest in the medical marijuana business.

16 N. The ~~Department~~ Authority, pursuant to rules previously
17 promulgated by the State Commissioner of Health, shall develop
18 standards, policies and procedures as necessary for:

19 1. The cleanliness and orderliness of a laboratory premises and
20 the location of the laboratory in a secure location, and inspection,
21 cleaning and maintenance of any equipment or utensils used for the
22 analysis of test samples;
23
24

1 2. Testing procedures, testing standards for cannabinoid and
2 terpenoid potency and safe levels of contaminants, and remediation
3 procedures;

4 3. Controlled access areas for storage of medical marijuana and
5 medical marijuana product test samples, waste and reference
6 standards;

7 4. Records to be retained and computer systems to be utilized
8 by the laboratory;

9 5. The possession, storage and use by the laboratory of
10 reagents, solutions and reference standards;

11 6. A certificate of analysis (COA) for each lot of reference
12 standard;

13 7. The transport and disposal of unused marijuana, marijuana
14 products and waste;

15 8. The mandatory use by a laboratory of an inventory tracking
16 system to ensure all harvest and production batches or samples
17 containing medical marijuana, medical marijuana concentrate or
18 medical marijuana products are identified and tracked from the point
19 they are transferred from a medical marijuana business, a patient or
20 a caregiver through the point of transfer, destruction or disposal.
21 The inventory tracking system reporting shall include the results of
22 any tests that are conducted on medical marijuana, medical marijuana
23 concentrate or medical marijuana product;

24 9. Standards of performance;

1 10. The employment of laboratory personnel;

2 11. A written standard operating procedure manual to be
3 maintained and updated by the laboratory;

4 12. The successful participation in a ~~Department-approved~~ an
5 Authority-approved proficiency testing program for each testing
6 category listed in this section, in order to obtain and maintain
7 certification;

8 13. The establishment of and adherence to a quality assurance
9 and quality control program to ensure sufficient monitoring of
10 laboratory processes and quality of results reported;

11 14. The immediate recall of medical marijuana or medical
12 marijuana products that test above allowable thresholds or are
13 otherwise determined to be unsafe;

14 15. The establishment by the laboratory of a system to document
15 the complete chain of custody for samples from receipt through
16 disposal;

17 16. The establishment by the laboratory of a system to retain
18 and maintain all required records, including business records, and
19 processes to ensure results are reported in a timely and accurate
20 manner; and

21 17. Any other aspect of laboratory testing of medical marijuana
22 or medical marijuana product deemed necessary by the ~~Department~~
23 Authority.

1 O. A medical marijuana testing laboratory shall promptly
2 provide the ~~Department~~ Authority or designee of the ~~Department~~
3 Authority access to a report of a test and any underlying data that
4 is conducted on a sample at the request of a medical marijuana
5 business or qualified patient. A medical marijuana testing
6 laboratory shall also provide access to the ~~Department~~ Authority or
7 designee of the ~~Department~~ Authority to laboratory premises and to
8 any material or information requested by the ~~Department~~ Authority to
9 determine compliance with the requirements of this section.

10 P. A medical marijuana testing laboratory shall retain all
11 results of laboratory tests conducted on marijuana or products for a
12 period of at least seven (7) years and shall make them available to
13 the ~~Department~~ Authority upon request.

14 Q. A medical marijuana testing laboratory shall test samples
15 from each harvest batch or product batch, as appropriate, of medical
16 marijuana, medical marijuana concentrate and medical marijuana
17 product for each of the following categories of testing, consistent
18 with standards developed by the ~~Commissioner~~ Authority:

- 19 1. Microbials;
- 20 2. Mycotoxins;
- 21 3. Residual solvents;
- 22 4. Pesticides;
- 23 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;
- 24 6. Terpenoid type and concentration; and

1 7. Heavy metals.

2 R. A licensed medical marijuana testing laboratory shall test
3 each individual harvest batch. A grower shall separate each harvest
4 lot of usable marijuana into harvest batches containing no more than
5 fifteen (15) pounds, with the exception of any plant material to be
6 sold to a licensed processor for the purposes of turning the plant
7 material into concentrate which may be separated into harvest
8 batches of no more than fifty (50) pounds. A processor shall
9 separate each medical marijuana production lot into production
10 batches containing no more than four (4) liters of concentrate or
11 nine (9) pounds for nonliquid products, and for final products, the
12 ~~Oklahoma Medical Marijuana~~ Authority shall be authorized to
13 promulgate rules on final products as necessary. Provided, however,
14 the Authority shall not require testing of final products less often
15 than every one thousand (1,000) grams of THC. As used in this
16 subsection, "final products" shall include, but not be limited to,
17 cookies, brownies, candies, gummies, beverages and chocolates.

18 S. Medical marijuana testing laboratory licensure shall be
19 contingent upon successful on-site inspection, successful
20 participation in proficiency testing and ongoing compliance with the
21 applicable requirements in this section.

22 T. A medical marijuana testing laboratory shall be inspected
23 prior to initial licensure and up to two (2) times per year
24 thereafter by an inspector approved by the Authority. The Authority

1 may enter the licensed premises of a testing laboratory to conduct
2 investigations and additional inspections when the Authority
3 believes an investigation or additional inspection is necessary due
4 to a possible violation of applicable laws, rules or regulations.

5 U. Medical marijuana testing laboratories shall obtain
6 accreditation by an accrediting body approved by the ~~Commissioner~~
7 Authority within one (1) year of the date the initial license is
8 issued. Renewal of any medical marijuana testing laboratory license
9 shall be contingent upon accreditation in accordance with this
10 subsection. All medical marijuana testing laboratories shall obtain
11 accreditation prior to applying for and receiving a medical
12 marijuana testing laboratory license.

13 V. Unless authorized by the provisions of this section, a
14 commercial grower shall not transfer or sell medical marijuana and a
15 processor shall not transfer, sell or process into a concentrate or
16 product any medical marijuana, medical marijuana concentrate or
17 medical marijuana product unless samples from each harvest batch or
18 production batch from which that medical marijuana, medical
19 marijuana concentrate or medical marijuana product was derived has
20 been tested by a medical marijuana testing laboratory and passed all
21 contaminant tests required by the Oklahoma Medical Marijuana and
22 Patient Protection Act and applicable laws, rules and regulations.
23 A licensed commercial grower may transfer medical marijuana that has
24 failed testing to a licensed processor only for the purposes of

1 decontamination or remediation and only in accordance with the
2 provisions of the Oklahoma Medical Marijuana and Patient Protection
3 Act and the rules and regulations of the ~~Department~~ Authority.
4 Remediated and decontaminated medical marijuana may be returned only
5 to the originating licensed commercial grower.

6 W. Kief shall not be transferred or sold except as authorized
7 in the rules and regulations of the ~~Department~~ Authority.

8 SECTION 22. AMENDATORY 63 O.S. 2021, Section 427.18, is
9 amended to read as follows:

10 Section 427.18 A. An Oklahoma medical marijuana business shall
11 not sell, transfer or otherwise distribute medical marijuana or
12 medical marijuana product that has not been packaged and labeled in
13 accordance with this section and rules promulgated by the ~~State~~
14 ~~Commissioner of Health~~ Oklahoma Medical Marijuana Authority.

15 B. A medical marijuana dispensary shall return medical
16 marijuana and medical marijuana product that does not meet packaging
17 or labeling requirements in this section or rules promulgated
18 pursuant thereto to the entity who transferred it to the dispensary.
19 The medical marijuana dispensary shall document to whom the item was
20 returned, what was returned and the date of the return or dispose of
21 any usable marijuana that does not meet these requirements in
22 accordance with the Oklahoma Medical Marijuana and Patient
23 Protection Act.

1 C. 1. Medical marijuana packaging shall be packaged to
2 minimize its appeal to children and shall not depict images other
3 than the business name logo of the medical marijuana producer and
4 image of the product.

5 2. A medical marijuana business shall not place any content on
6 a container in a manner that reasonably appears to target
7 individuals under the age of twenty-one (21) including, but not
8 limited to, cartoon characters or similar images.

9 3. Labels on a container shall not include any false or
10 misleading statements.

11 4. No container shall be intentionally or knowingly labeled so
12 as to cause a reasonable patient confusion as to whether the medical
13 marijuana, medical marijuana concentrate or medical marijuana
14 product is a trademarked product or labeled in a manner that
15 violates any federal trademark law or regulation.

16 5. The label on the container shall not make any claims
17 regarding health or physical benefits to the patient.

18 6. All medical marijuana, medical marijuana concentrate and
19 medical marijuana products shall be in a child-resistant container
20 at the point of transfer to the patient or caregiver.

21 D. The ~~State Department of Health~~ Authority shall develop
22 minimum standards for packaging and labeling of medical marijuana
23 and medical marijuana products. Such standards shall include, but
24 not be limited to, the required contents of labels to be affixed to

1 all medical marijuana and medical marijuana products prior to
2 transfer to a licensed patient or caregiver, which shall include, at
3 a minimum:

4 1. THC and other cannabinoid potency, and terpenoid potency;

5 2. A statement indicating that the product has been tested for
6 contaminants;

7 3. One or more product warnings to be determined by the
8 ~~Department~~ Authority; and

9 4. Any other information the ~~Department~~ Authority deems
10 necessary.

11 SECTION 23. AMENDATORY 63 O.S. 2021, Section 427.19, is
12 amended to read as follows:

13 Section 427.19 A. A medical marijuana research license may be
14 issued to a person to grow, cultivate, possess and transfer, by sale
15 or donation, marijuana pursuant to the Oklahoma Medical Marijuana
16 and Patient Protection Act for the limited research purposes
17 identified in this section.

18 B. The annual fee for a medical marijuana research license
19 shall be Five Hundred Dollars (\$500.00) and shall be payable by an
20 applicant for a medical marijuana research license upon submission
21 of his or her application to the Oklahoma Medical Marijuana
22 Authority.

23 C. A medical marijuana research license may be issued for the
24 following research purposes:

1 1. To test chemical potency and composition levels;

2 2. To conduct clinical investigations of marijuana-derived
3 medicinal products;

4 3. To conduct research on the efficacy and safety of
5 administering marijuana as part of medical treatment;

6 4. To conduct genomic, horticultural or agricultural research;
7 and

8 5. To conduct research on marijuana-affiliated products or
9 systems.

10 D. 1. As part of the application process for a medical
11 marijuana research license, an applicant shall submit to the
12 Authority a description of the research that the applicant intends
13 to conduct and whether the research will be conducted with a public
14 institution or using public money. If the research will not be
15 conducted with a public institution or with public money, the
16 Authority shall grant the application if it determines that the
17 applicant meets the criteria in this section.

18 2. If the research will be conducted with a public institution
19 or public money, the ~~Department~~ Authority shall review the research
20 project of the applicant to determine if it meets the requirements
21 of this section and to assess the following:

22 a. the quality, study design, value or impact of the
23 project,
24

- 1 b. whether the applicant has the appropriate personnel,
2 expertise, facilities, infrastructure, funding and
3 human, animal or other approvals in place to
4 successfully conduct the project, and
- 5 c. whether the amount of marijuana to be grown by the
6 applicant is consistent with the scope and goals of
7 the project.

8 3. If the Authority determines that the research project does
9 not meet the requirements of this section or assesses the criteria
10 to be inadequate, the application shall be denied.

11 E. A medical marijuana research licensee may only transfer, by
12 sale or donation, marijuana grown within its operation to other
13 medical marijuana research licensees. The ~~Department~~ Authority may
14 revoke a medical marijuana research license for violations of this
15 section and any other violation of the Oklahoma Medical Marijuana
16 and Patient Protection Act.

17 F. A medical marijuana research licensee may contract to
18 perform research in conjunction with a public higher education
19 research institution or another medical marijuana research licensee.

20 G. The growing, cultivating, possessing or transferring, by
21 sale or donation, of marijuana in accordance with this section and
22 the rules promulgated pursuant thereto, by a medical marijuana
23 research licensee shall not be a criminal or civil offense under
24 state law. A medical marijuana research license shall be issued in

1 the name of the applicant and shall specify the location in Oklahoma
2 at which the medical marijuana research licensee intends to operate.
3 A medical marijuana research licensee shall not allow any other
4 person to exercise the privilege of the license.

5 H. If the research conducted includes a public institution or
6 public money, the Authority shall review any reports made by medical
7 marijuana research licensees under state licensing authority rule
8 and provide the Authority with its determination on whether the
9 research project continues to meet research qualifications pursuant
10 to this section.

11 SECTION 24. AMENDATORY 63 O.S. 2021, Section 427.20, is
12 amended to read as follows:

13 Section 427.20 A. There is hereby created a medical marijuana
14 education facility license.

15 B. A medical marijuana education facility license may be issued
16 to a person to possess or cultivate marijuana for the limited
17 education and research purposes identified in this section.

18 C. A medical marijuana education facility license may only be
19 granted to a not-for-profit organization structured under Section
20 501(c)(3) of the Internal Revenue Code, operating as an Oklahoma
21 not-for-profit registered organization with the Office of the
22 Secretary of State.
23
24

1 D. A medical marijuana education facility license may only be
2 granted upon the submission of an annual fee of Five Hundred Dollars
3 (\$500.00) to the Oklahoma Medical Marijuana Authority.

4 E. A medical marijuana education facility license may be issued
5 for the following education and research purposes:

6 1. To test cultivation techniques, strategies, infrastructure,
7 mediums, lighting and other related technology;

8 2. To demonstrate cultivation techniques, strategies,
9 infrastructure, mediums, lighting and other related technology;

10 3. To demonstrate the application and use of product
11 manufacturing technologies;

12 4. To conduct genomic, horticultural or agricultural research;
13 and

14 5. To conduct research on marijuana-affiliated products or
15 systems.

16 F. As part of the application process for a medical marijuana
17 education facility license, an applicant shall submit to the
18 Authority a description of the project and curriculum that the
19 applicant intends to conduct and whether the project and curriculum
20 will be conducted with a public institution or using public money.
21 If the project and curriculum will not be conducted with a public
22 institution or with public money, the Authority shall grant the
23 application. If the research will be conducted with a public
24 institution or public money, the Authority shall review the research

project of the applicant to determine if it meets the requirements of this section and to assess the following:

1. The quality, study design, value or impact of the project;

2. Whether the applicant has the appropriate personnel, expertise, facilities, infrastructure, funding and human, animal or other approvals in place to successfully conduct the project; and

3. Whether the amount of marijuana to be grown by the applicant is consistent with the scope and goals of the project.

If the Authority determines that the education project does not meet the requirements of this section or assesses the criteria to be inadequate, the application shall be denied.

G. A medical marijuana education facility licensee may only transfer, by sale or donation, marijuana grown within its operation to medical marijuana research licensees. The ~~Department~~ Authority may revoke a medical marijuana education facility license for violations of this section and any other violation of applicable laws, rules and regulations.

H. A medical marijuana education facility licensee may contract to perform research in conjunction with a public higher education research institution or another research licensee.

I. The growing, cultivating, possessing or transferring, by sale or donation, of marijuana in accordance with this section and the rules promulgated pursuant thereto, by a medical marijuana education facility licensee shall not be a criminal or civil offense

1 under state law. A medical marijuana education facility license
2 shall be issued in the name of the applicant and shall specify the
3 location in Oklahoma at which the medical marijuana education
4 facility licensee intends to operate. A medical marijuana education
5 facility licensee shall not allow any other person to exercise the
6 privilege of the license.

7 SECTION 25. AMENDATORY 63 O.S. 2021, Section 427.23, is
8 amended to read as follows:

9 Section 427.23 A. The ~~State Commissioner of Health~~ Oklahoma
10 Medical Marijuana Authority, the Oklahoma Tax Commission, the State
11 Treasurer, the Secretary of State and the Director of the Office of
12 Management and Enterprise Services shall promulgate rules to
13 implement the provisions of the Oklahoma Medical Marijuana and
14 Patient Protection Act.

15 B. The Medical Marijuana Advisory Council, in addition to the
16 powers and duties granted in Section 423 of this title, may
17 recommend to the ~~State Commissioner of Health~~ Authority rules
18 relating to all aspects regarding the safe cultivation and
19 manufacturing of medical marijuana products. In addition to the
20 twelve (12) members required in Section 423 of this title, the ~~State~~
21 ~~Department of Health~~ Authority may appoint up to eight additional
22 members. The makeup of the Council shall include medical marijuana
23 industry representation.

1 SECTION 26. AMENDATORY 63 O.S. 2021, Section 427.24, is
2 amended to read as follows:

3 Section 427.24 A. Whenever an authorized agent of the ~~State~~
4 ~~Department of Health~~ Oklahoma Medical Marijuana Authority finds, in
5 whole or in part, that the medical marijuana or medical marijuana
6 product fails to meet the requirements of Sections 420 through 426.1
7 of ~~Title 63 of the Oklahoma Statutes~~ this title or the Oklahoma
8 Medical Marijuana and Patient Protection Act as it relates to health
9 and safety, the medical marijuana or medical marijuana product is
10 handled in violation of applicable laws or rules and regulations of
11 the ~~Department~~ Authority, or the medical marijuana or medical
12 marijuana product may be poisonous, deleterious to health or is
13 otherwise unsafe, an electronic or physical tag or other appropriate
14 marking or hold shall be affixed to the medical marijuana or medical
15 marijuana product which shall give notice that the medical marijuana
16 or medical marijuana product is or is suspected of being
17 manufactured, produced, transferred, sold or offered for sale in
18 violation of applicable laws or rules and regulations of the
19 ~~Department~~ Authority and is embargoed. The notice shall further
20 provide a warning to all persons not to remove or dispose of the
21 medical marijuana or medical marijuana product until permission for
22 removal or disposal is given by the ~~Department~~ Authority. It shall
23 be unlawful for any person to remove or dispose of the medical
24

1 marijuana or medical marijuana product embargoed without permission
2 by the ~~Department~~ Authority.

3 B. If the ~~State Commissioner of Health~~ Authority finds that
4 medical marijuana or medical marijuana product embargoed pursuant to
5 subsection A of this section does not meet the requirements of
6 applicable laws or rules and regulations of the ~~Department~~
7 Authority, or is poisonous, deleterious to health or otherwise
8 unsafe, the ~~Commissioner~~ Authority may institute an action in the
9 district court in whose jurisdiction the medical marijuana or
10 medical marijuana product is embargoed for the condemnation and
11 destruction of the medical marijuana or medical marijuana product.
12 If the ~~Commissioner~~ Authority finds that the medical marijuana or
13 medical marijuana product embargoed does meet the requirements of
14 applicable laws and the rules and regulations of the ~~Department~~
15 Authority and is not poisonous, deleterious to health or otherwise
16 unsafe, the ~~Commissioner~~ Authority shall remove the embargo. In any
17 court proceeding regarding an embargo, ~~neither the State Department~~
18 ~~of Health, the Oklahoma Medical Marijuana Authority or the~~
19 ~~Commissioner~~ shall not be held liable if the court finds reasonable
20 belief for the embargo.

21 C. Except as otherwise provided in subsection D of this
22 section, if the court finds that the embargoed medical marijuana or
23 medical marijuana product, in whole or in part, is in violation of
24 any applicable laws or rules and regulations of the ~~Department~~

1 Authority or is poisonous, deleterious to health or otherwise
2 unsafe, the medical marijuana or medical marijuana product shall be
3 destroyed at the expense of the defendant under the supervision of
4 the ~~Commissioner~~ Authority. All court costs, fees, costs of storage
5 and disposal and other proper expenses shall be paid by the
6 defendant of the medical marijuana or medical marijuana product.

7 D. The court may order that the medical marijuana or medical
8 marijuana product be delivered to the defendant for appropriate
9 labeling or processing under the supervision of the ~~Commissioner~~
10 Authority only if:

11 1. The violation can be corrected by proper processing of
12 medical marijuana or medical marijuana product;

13 2. All costs, fees and expenses have been paid; and

14 3. A sufficient bond is executed and conditioned for
15 appropriate labeling or processing as the court may require.

16 The expense of supervision shall be paid to the ~~Commissioner~~
17 Authority by the person obtaining release of the medical marijuana
18 or medical marijuana product under bond.

19 SECTION 27. AMENDATORY 63 O.S. 2021, Section 430, is
20 amended to read as follows:

21 Section 430. A. There is hereby created and authorized a
22 medical marijuana waste disposal license. A person or entity in
23 possession of a medical marijuana waste disposal license shall be
24 entitled to possess, transport and dispose of medical marijuana

1 waste. No person or entity shall dispose of medical marijuana waste
2 without a valid medical marijuana waste disposal license. The
3 Oklahoma Medical Marijuana Authority shall issue licenses upon
4 proper application by a licensee and determination by the Authority
5 that the proposed site and facility are physically and technically
6 suitable. Upon a finding that a proposed medical marijuana waste
7 disposal facility is not physically or technically suitable, the
8 Authority shall deny the license. The Authority may, upon
9 determining that public health or safety requires emergency action,
10 issue a temporary license for treatment or storage of medical
11 marijuana waste for a period not to exceed ninety (90) days. The
12 Authority shall not, for the first year of the licensure program,
13 issue more than ten medical marijuana waste disposal licenses. Upon
14 the conclusion of the first year, the Authority shall assess the
15 need for additional medical marijuana waste disposal licenses and
16 shall, if demonstrated, increase the number of licenses as deemed
17 necessary by the Authority.

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

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

- 22 a. an attestation that the applicant is authorized to
23 make application on behalf of the entity,
- 24 b. full name of the organization,

- c. trade name, if applicable,
- d. type of business organization,
- e. complete mailing address,
- f. an attestation that the commercial entity will not be located on tribal land,
- g. telephone number and email address of the entity, and
- h. name, residential address and date of birth of each owner and each member, manager and board member, if applicable;

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

- a. the first, middle and last name of the applicant and suffix, if applicable,
- b. the residence address and mailing address of the applicant,
- c. the date of birth of the applicant,
- d. the preferred telephone number and email address of the applicant,
- e. an attestation that the information provided by the applicant is true and correct, and

1 f. a statement signed by the applicant pledging not to
2 divert marijuana to any individual or entity that is
3 not lawfully entitled to possess marijuana; and

4 3. Each application shall be accompanied by the following
5 documentation:

6 a. a list of all persons or entities that have an
7 ownership interest in the entity,

8 b. a certificate of good standing from the Oklahoma
9 Secretary of State, if applicable,

10 c. an Affidavit of Lawful Presence for each owner,

11 d. proof that the proposed location of the disposal
12 facility is at least one thousand (1,000) feet from a
13 public or private school. The distance indicated in
14 this subparagraph shall be measured from the nearest
15 property line of such public or private school to the
16 nearest perimeter wall of the premises of such
17 disposal facility. If any public or private school is
18 established within one thousand (1,000) feet of any
19 disposal facility after such disposal facility has
20 been licensed, the provisions of this subparagraph
21 shall not be a deterrent to the renewal of such
22 license or warrant revocation of the license, and
23 e. documents establishing the applicant, the members,
24 managers and board members, if applicable, and

1 seventy-five percent (75%) of the ownership interests
2 are Oklahoma residents as established in Section 420
3 et seq. of this title, as it relates to proof of
4 residency.

5 C. No license shall be issued except upon proof of sufficient
6 liability insurance and financial responsibility. Liability
7 insurance shall be provided by the applicant and shall apply to
8 sudden and nonsudden bodily injury or property damage on, below or
9 above the surface, as required by the rules of the Authority. Such
10 insurance shall be maintained for the period of operation of the
11 facility and shall provide coverage for damages resulting from
12 operation of the facility during operation and after closing.

13 D. Submission of an application for a medical marijuana waste
14 disposal license shall constitute permission for entry to and
15 inspection of the facility of the licensee during hours of operation
16 and other reasonable times. Refusal to permit such entry of
17 inspection shall constitute grounds for the nonrenewal, suspension
18 or revocation of a license. The Authority may perform an annual
19 unannounced on-site inspection of the operations and any facility of
20 the licensee. If the Authority receives a complaint concerning
21 noncompliance by a licensee with the provisions of the Oklahoma
22 Medical Marijuana Waste Management Act, the Authority may conduct
23 additional unannounced, on-site inspections beyond an annual
24 inspection. The Authority may refer all complaints alleging

1 criminal activity that are made against a licensed facility to
2 appropriate state or local law enforcement authorities.

3 E. The Authority shall issue an annual permit for each medical
4 marijuana waste disposal facility operated by a licensee. A permit
5 shall be issued only upon proper application by a licensee and
6 determination by the Authority that the proposed site and facility
7 are physically and technically suitable. Upon a finding that a
8 proposed medical marijuana waste disposal facility is not physically
9 or technically suitable, the Authority shall deny the permit. The
10 Authority shall have the authority to revoke a permit upon a finding
11 that the site and facility are not physically and technically
12 suitable for processing. The Authority may, upon determining that
13 public health or safety requires emergency action, issue a temporary
14 permit for treatment or storage of medical marijuana waste for a
15 period not to exceed ninety (90) days.

16 F. The cost of a medical marijuana waste disposal license shall
17 be Five Thousand Dollars (\$5,000.00) for the initial license. The
18 cost of a medical marijuana waste disposal facility permit shall be
19 Five Hundred Dollars (\$500.00). A medical marijuana waste disposal
20 facility permit that has been revoked shall be reinstated upon
21 remittance of a reinstatement fee of Five Hundred Dollars (\$500.00)
22 to restore the facility permit. All license and permit fees shall
23 be deposited into the Oklahoma Medical Marijuana Authority Revolving
24 Fund as provided in Section 427.5 of this title.

1 G. The holder of a medical marijuana waste disposal license
2 shall not be required to obtain a medical marijuana transporter
3 license provided for in the Oklahoma Medical Marijuana and Patient
4 Protection Act for purposes of transporting medical marijuana waste.

5 H. All commercial licensees, as defined in Section 428.1 of
6 this title, shall utilize a licensed medical marijuana waste
7 disposal service to process all medical marijuana waste generated by
8 the licensee.

9 I. The ~~State Commissioner of Health~~ Authority shall promulgate
10 rules for the implementation of the Oklahoma Medical Marijuana Waste
11 Management Act. Promulgated rules shall address disposal process
12 standards, site security and any other subject matter deemed
13 necessary by the Authority.

14 SECTION 28. This act shall become effective November 1, 2022.

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