

1 **SENATE FLOOR VERSION**

2 February 13, 2023

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 810

6 By: Garvin

7 An Act relating to medical marijuana; amending 63
8 O.S. 2021, Section 427.14, as last amended by Section
9 2, Chapter 328, O.S.L. 2022 (63 O.S. Supp. 2022,
10 Section 427.14), which relates to medical marijuana
11 business license; requiring insurance verification
12 for licensees transporting medical marijuana;
13 amending 63 O.S. 2021, Section 427.16, as last
14 amended by Section 16, Chapter 251, O.S.L. 2022 (63
15 O.S. Supp. 2022, Section 427.16), which relates to
16 medical marijuana transporter license; specifying
17 certain requirements; providing exception under
18 certain circumstances; allowing the Oklahoma Medical
19 Marijuana Authority to revoke exception; and
20 providing an effective date.

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

22 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, as
23 last amended by Section 2, Chapter 328, O.S.L. 2022 (63 O.S. Supp.
24 2022, 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;

- 1 3. Medical marijuana dispensary;
- 2 4. Medical marijuana transporter; and
- 3 5. Medical marijuana testing laboratory.

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

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

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

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

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

19 2. Each application shall identify the city or county in which
20 the applicant seeks to obtain licensure as a medical marijuana
21 business;

22 3. Applicants shall submit a complete application to the
23 Authority before the application may be accepted or considered;

24

1 4. All applications shall be complete and accurate in every
2 detail;

3 5. All applications shall include all attachments or
4 supplemental information required by the forms supplied by the
5 Authority;

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

9 7. All applicants shall be approved for licensing review that,
10 at a minimum, meet the following criteria:

11 a. twenty-five (25) years of age or older,

12 b. if applying as an individual, proof that the applicant
13 is a resident of this state pursuant to paragraph 11
14 of this subsection,

15 c. if applying as an entity, proof that seventy-five
16 percent (75%) of all members, managers, executive
17 officers, partners, board members or any other form of
18 business ownership are residents of this state
19 pursuant to paragraph 11 of this subsection,

20 d. if applying as an individual or entity, proof that the
21 individual or entity is registered to conduct business
22 in this state,
23
24

1 e. disclosure of all ownership interests pursuant to the
2 Oklahoma Medical Marijuana and Patient Protection Act,
3 and

4 f. proof that the medical marijuana business, medical
5 marijuana research facility, medical marijuana
6 education facility and medical marijuana waste
7 disposal facility applicant or licensee has not been
8 convicted of a nonviolent felony in the last two (2)
9 years, or any other felony conviction within the last
10 five (5) years, is not a current inmate in the custody
11 of the Department of Corrections, or currently
12 incarcerated in a jail or corrections facility;

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

21 9. All applicants for a medical marijuana business license,
22 research facility license or education facility license authorized
23 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
24 a renewal of such license, shall undergo a state criminal history

1 background check conducted by the Oklahoma State Bureau of
2 Investigation (OSBI) within thirty (30) days prior to the
3 application for the license including:

- 4 a. individual applicants applying on their own behalf,
- 5 b. individuals applying on behalf of an entity,
- 6 c. all principal officers of an entity, and
- 7 d. all owners of an entity as defined by the Oklahoma
8 Medical Marijuana and Patient Protection Act;

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

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

- 20 a. an unexpired state-issued driver license,
- 21 b. a state-issued identification card,
- 22 c. a utility bill preceding the date of application,
23 excluding cellular telephone and Internet bills,

24

1 d. a residential property deed to property in this state,
2 and

3 e. a rental agreement preceding the date of application
4 for residential property located in this state.

5 Applicants that were issued a medical marijuana business license
6 prior to August 30, 2019, are hereby exempt from the two-year or
7 five-year state residence requirement mentioned above;

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

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

15 a. front of a state-issued driver license,

16 b. front of a state-issued identification card,

17 c. a United States passport or other photo identification
18 issued by the United States government, or

19 d. a tribal identification card approved for
20 identification purposes by the Department of Public
21 Safety; and

22 14. All applicants shall submit an applicant photograph.

23 F. The Authority shall review the medical marijuana business
24 application; approve, reject or deny the application; and mail the

1 approval, rejection, denial or status-update letter to the applicant
2 within ninety (90) business days of receipt of the application.

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

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

23 3. Status-update letters shall provide a reason for delay in
24 either approval, rejection or denial should a situation arise in

1 which an application was submitted properly but a delay in
2 processing the application occurred.

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

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

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

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

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

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

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

23 a. file taxes, interest or penalties due related to a
24 medical marijuana business, or

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

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

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

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

14 a. unlawful sales or purchases,

15 b. any fraudulent acts, falsification of records or
16 misrepresentation to the Authority, medical marijuana
17 patient licensees, caregiver licensees or medical
18 marijuana business licensees,

19 c. any grossly inaccurate or fraudulent reporting,

20 d. threatening or harming any medical marijuana patient,
21 caregiver, medical practitioner or employee of the
22 Authority,

23 e. knowingly or intentionally refusing to permit the
24 Authority access to premises or records,

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

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

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

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

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

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

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

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

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

22 P. A medical marijuana business license holder shall require
23 all individuals employed under their license to be issued a
24

1 credential pursuant to the provisions of Section ~~3 of this act~~
2 427.14a of this title prior to employment.

3 Q. A medical marijuana business license holder shall provide
4 the Authority insurance verifications for all individuals licensed
5 to transport medical marijuana or medical marijuana product. The
6 Authority may determine the contents required from the insurance
7 verifications, which may include, but not be limited to, type of
8 coverage, amount of coverage, or vehicles insured under coverage.

9 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.16, as
10 last amended by Section 16, Chapter 251, O.S.L. 2022 (63 O.S. Supp.
11 2022, Section 427.16), is amended to read as follows:

12 Section 427.16. A. There is hereby created a medical marijuana
13 transporter license as a category of the medical marijuana business
14 license.

15 B. Pursuant to Section 424 of this title, the Oklahoma Medical
16 Marijuana Authority shall issue a medical marijuana transporter
17 license to licensed medical marijuana commercial growers, processors
18 and dispensaries upon issuance of such licenses and upon each
19 renewal. Medical marijuana transporter licenses shall also be
20 issued to licensed medical marijuana research facilities, medical
21 marijuana education facilities and medical marijuana testing
22 laboratories upon issuance of such licenses and upon each renewal.

23 C. A medical marijuana transporter license may also be issued
24 to qualifying applicants who are registered with the Secretary of

1 State and otherwise meet the requirements for a medical marijuana
2 business license set forth in the Oklahoma Medical Marijuana and
3 Patient Protection Act and the requirements set forth in this
4 section to provide logistics, distribution and storage of medical
5 marijuana, medical marijuana concentrate and medical marijuana
6 products.

7 D. A medical marijuana transporter license shall be valid for
8 one (1) year and shall not be transferred with a change of
9 ownership. A licensed medical marijuana transporter shall be
10 responsible for all medical marijuana, medical marijuana concentrate
11 and medical marijuana products once the transporter takes control of
12 the product.

13 E. A transporter license shall be required for any person or
14 entity to transport or transfer medical marijuana, medical marijuana
15 concentrate or medical marijuana products from a licensed medical
16 marijuana business to another medical marijuana business, or from a
17 medical marijuana business to a medical marijuana research facility
18 or medical marijuana education facility.

19 F. A medical marijuana transporter licensee may contract with
20 multiple licensed medical marijuana businesses.

21 G. A medical marijuana transporter may maintain a licensed
22 premises to temporarily store medical marijuana, medical marijuana
23 concentrate and medical marijuana products and to use as a
24 centralized distribution point. A medical marijuana transporter may

1 store and distribute medical marijuana, medical marijuana
2 concentrate and medical marijuana products from the licensed
3 premises. The licensed premises shall meet all security
4 requirements applicable to a medical marijuana business.

5 H. A medical marijuana transporter licensee shall use the seed-
6 to-sale tracking system developed pursuant to the Oklahoma Medical
7 Marijuana and Patient Protection Act to create shipping manifests
8 documenting the transport of medical marijuana, medical marijuana
9 concentrate and medical marijuana products throughout the state.

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

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

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

21 2. In a locked container and clearly labeled "Medical Marijuana
22 or Derivative"; and

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

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

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

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

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

- 18 1. The name, address and date of birth of the person;
- 19 2. Proof of current state residency;
- 20 3. Proof of identity as required for a medical marijuana
21 business license;
- 22 4. Possession of a valid state-issued driver license;
- 23 5. Verification of employment with a licensed transporter;
- 24 6. The application and affiliated fee; and

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

3 O. If the transporter agent application is denied, the
4 Authority shall notify the transporter in writing of the reason for
5 denying the registry identification card.

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

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

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

19 S. ~~Vehicles used in the transport of~~ Any vehicle used in the
20 duties of a licensed medical marijuana business transporting medical
21 marijuana or medical marijuana product shall be:

22 1. Insured at or above the legal requirements in this state in
23 accordance with subsection Q of Section 427.14 of this title;

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

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

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

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

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

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

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

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

24

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

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

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

6 7. Notation of the transporting licensee.

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

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

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

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

19 V. Upon written approval by the Authority, a medical marijuana
20 business license holder may be exempt from the provisions of this
21 section for the purpose of transporting medical marijuana waste
22 between licensed facilities; provided, the facilities are licensed
23 under the same license holder. The Authority may, at any time,

24

1 revoke this provision if the medical marijuana business license
2 holder violates any provisions of Section 420 et seq. of this title.

3 SECTION 3. This act shall become effective November 1, 2023.

4 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
5 February 13, 2023 - DO PASS AS AMENDED BY CS

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24