

An Act

ENROLLED SENATE
BILL NO. 1033

By: Leewright of the Senate
and

Fetgatter of the House

An Act relating to medical marijuana; amending Section 1, State Question No. 788, Initiative Petition No. 412, as last amended by Section 44, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), which relates to possession of medical marijuana; modifying references; caregiver cultivation and charges; expanding prohibitions for licensed physicians; Section 6, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 425), as last amended by Section 2 of Enrolled Senate Bill No. 862 of the 1st Session of the 58th Oklahoma Legislature, which relates to retail marijuana dispensaries; determining setback distance from school; grandfathering certain locations; construing provisions; adding definition; amending Section 4, Chapter 509, O.S.L. 2019 (63 O.S. Supp. 2020, Section 426.1), which relates to revocation and compliance; updating statutory references; authorizing certain objection to grandfather provisions; stating procedure for municipal objection and documentation; requiring revocation under certain circumstance; requiring certain documentation; defining term; amending Section 2, Chapter 11, O.S.L. 2019, as last amended by Section 48, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 427.2), which relates to definitions; updating references; modifying definition; amending Section 3, Chapter 11, O.S.L. 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.3), which relates to creation of duties; adding duty to enforce certain laws; amending Section 4, Chapter 11, O.S.L.

2019 (63 O.S. Supp. 2020, Section 427.4), which relates to executive director; including business applicant for inspections; amending Section 13, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.13), which relates to medical marijuana; requiring written operation procedures for certain facilities; amending Section 14, Chapter 11, O.S.L. 2019, as last amended by Section 51, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 427.14), which relates to the Oklahoma Medical Marijuana and Patient Protection Act; grandfathering certain licensed location; allowing license transfer under certain conditions; defining term; providing for certain foreign investments; amending Section 16, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.16), which relates to medical marijuana transporter license; updating statutory references; requiring each location to be registered; amending Section 2, Chapter 337, O.S.L. 2019 (63 O.S. Supp. 2020, Section 428.1), which relates to medical marijuana waste management; modifying definitions; amending Section 4, Chapter 337, O.S.L. 2019 (63 O.S. Supp. 2020, Section 430), which relates to medical marijuana disposal license; limiting certain licenses until after certain date; providing for measurement of prohibited distance from school; amending Section 7, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426), which relates to retail tax on medical marijuana; providing for Oklahoma Tax Commission to assess, collect and enforce taxes; authorizing collection of certain percentage of tax on retail medical marijuana sales; authorizing a percentage fee charged to the State Department of Health; directing deposit of certain funds; providing exception; providing for codification; and declaring an emergency.

SUBJECT: Medical marijuana

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

SECTION 1. AMENDATORY Section 1, State Question No. 788, Initiative Petition No. 412, as last amended by Section 44, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 420), is amended to read as follows:

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

1. Consume marijuana legally;
2. Legally possess up to three (3) ounces of marijuana on their person;
3. Legally possess six mature marijuana plants;
4. Legally possess six seedling plants;
5. Legally possess one (1) ounce of concentrated marijuana;
6. Legally possess seventy-two (72) ounces of edible marijuana;
and
7. Legally possess up to eight (8) ounces of marijuana in their residence.

B. Possession of up to one and one-half (1.5) ounces of marijuana by persons who can state a medical condition, but are not in possession of a state-issued medical marijuana license, shall constitute a misdemeanor offense punishable by a fine not to exceed Four Hundred Dollars (\$400.00) and shall not be subject to imprisonment for the offense. Any law enforcement officer who comes in contact with a person in violation of this subsection and who is satisfied as to the identity of the person, as well as any other pertinent information the law enforcement officer deems necessary, shall issue to the person a written citation containing a notice to answer the charge against the person in the appropriate court. Upon receiving the written promise of the alleged violator to answer as specified in the citation, the law enforcement officer shall release the person upon personal recognizance unless there has been a violation of another provision of law.

C. A regulatory office shall be established under the State Department of Health which shall receive applications for medical marijuana license recipients, dispensaries, growers, and packagers within sixty (60) days of the passage of this initiative.

D. The State Department of Health shall, within thirty (30) days of passage of this initiative, make available on its website, in an easy-to-find location, an application for a medical marijuana license. The license shall be good for two (2) years. The application fee shall be One Hundred Dollars (\$100.00), or Twenty Dollars (\$20.00) for individuals on Medicaid, Medicare or SoonerCare. The methods of payment shall be provided on the website of the Department.

E. A short-term medical marijuana license application shall also be made available on the website of the State Department of Health. A short-term medical marijuana license shall be granted to any applicant who can meet the requirements for a two-year medical marijuana license, but whose physician recommendation for medical marijuana is only valid for sixty (60) days. Short-term medical marijuana licenses shall be issued for sixty (60) days. The fee for a short-term medical marijuana license and the procedure for extending or renewing the license shall be determined by the Department.

F. A temporary license application shall also be made available on the website of the Department. A temporary medical marijuana license shall be granted to any medical marijuana license holder from other states, provided that the state has a state-regulated medical marijuana program, and the applicant can prove he or she is a member of such program. Temporary licenses shall be issued for thirty (30) days. The cost for a temporary license shall be One Hundred Dollars (\$100.00). Renewal shall be granted with resubmission of a new application. No additional criteria shall be required.

G. Medical marijuana license applicants shall submit his or her applications to the State Department of Health for approval. The applicant shall be an Oklahoma state resident and shall prove residency by a valid driver license, utility bills, or other accepted methods.

H. The State Department of Health shall review the medical marijuana application, approve or reject the application, and mail the approval or rejection letter stating any reasons for rejection to the applicant within fourteen (14) business days of receipt of the application. Approved applicants shall be issued a medical marijuana license which shall act as proof of his or her approved status. Applications may only be rejected based on the applicant not meeting stated criteria or improper completion of the application.

I. The State Department of Health shall only keep the following records for each approved medical marijuana license:

1. A digital photograph of the license holder;
2. The expiration date of the license;
3. The county where the card was issued; and
4. A unique 24-character identification number assigned to the license.

J. The State Department of Health shall make available, both on its website and through a telephone verification system, an easy method to validate the authenticity of the medical marijuana license by the unique 24-character identification number.

K. The State Department of Health shall ensure that all application records and information are sealed to protect the privacy of medical marijuana license applicants.

L. A caregiver license shall be made available for qualified caregivers of a medical marijuana license holder who is homebound. ~~As provided in Section 11 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature~~ 427.11 of this title, the caregiver license shall provide the caregiver the same rights as the medical marijuana patient licensee, including the ability to possess marijuana, marijuana products and mature and immature plants or cultivated medical marijuana pursuant to the Oklahoma Medical Marijuana and Patient Protection Act, but excluding the ability to use marijuana or marijuana products unless the caregiver has a medical marijuana patient license. An applicant for a caregiver

license shall submit proof of the license status and homebound status of the medical marijuana patient and proof that the applicant is the designee of the medical marijuana patient. The applicant shall also submit proof that he or she is eighteen (18) years of age or older and proof of his or her Oklahoma residency. This shall be the only criteria for a caregiver license. A licensed caregiver shall not cultivate medical marijuana for more than five medical marijuana patient licensees and shall not charge a medical marijuana patient licensee for cultivating medical marijuana in excess of the actual costs incurred in cultivating the medical marijuana.

M. All applicants shall be eighteen (18) years of age or older. A special exception shall be granted to an applicant under the age of eighteen (18); however, these applications shall be signed by two physicians and the parent or legal guardian of the applicant.

N. All applications for a medical marijuana license shall be signed by an Oklahoma physician. There are no qualifying conditions. A medical marijuana license must be recommended according to the accepted standards a reasonable and prudent physician would follow when recommending or approving any medication. No physician may be unduly stigmatized, penalized, subjected to discipline, sanctioned, reprimanded or harassed for signing a medical marijuana license application; provided, the physician acted in accordance with the provisions of this subsection and all other rules governing the medical license of the physician in this state.

O. Counties and cities may enact medical marijuana guidelines allowing medical marijuana license holders or caregivers to exceed the state limits set forth in subsection A of this section.

SECTION 2. AMENDATORY Section 6, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 425), as last amended by Section 2 of Enrolled Senate Bill No. 862 of the 1st Session of the 58th Oklahoma Legislature, is amended to read as follows:

Section 425. A. No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for his or her status as a licensed medical marijuana patient, unless failing to do so would cause the school or landlord the potential to lose a

monetary or licensing-related benefit under federal law or regulations.

B. 1. Unless a failure to do so would cause an employer the potential to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination or imposing any term or condition of employment or otherwise penalize a person based upon the status of the person as a licensed medical marijuana patient.

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

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

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

E. No licensed medical marijuana patient may unduly be withheld from holding a state-issued license by virtue of their being a licensed medical marijuana patient including, but not limited to, a concealed carry permit.

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

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

3. For purposes of this section, a medical marijuana dispensary does not include those other entities licensed by the Department as marijuana-licensed premises, medical marijuana businesses or other facilities or locations where marijuana or any product containing marijuana or its by-products are cultivated, grown, processed, stored or manufactured.

G. The Except as otherwise provided in this subsection, the location of any retail marijuana establishment dispensary is specifically prohibited within one thousand (1,000) feet of any public or private school entrance. On and after the effective date of this act, for purposes of calculating the 1,000-foot setback distance, the measurement shall be determined by calculating the distance in a straight line from the school door nearest the front door of the retail marijuana dispensary to the front door of the retail marijuana dispensary.

1. On and after June 26, 2018, if any school is established within one thousand (1,000) feet of any retail marijuana dispensary after a license has been issued by the Authority for that location, the setback distance between properties shall not apply as long as the licensed property is used for its original licensed purpose. The licensed location shall be grandfathered in as to the setback distance as long as the property is used in accordance with the original licensed purpose.

2. On and after June 26, 2018, the Authority, due to an error in measurement of the setback distance or failure to measure the setback distance by the Authority prior to issuance of an original license at a location, shall not:

- a. deny any issuance or renewal of a license at that location,
- b. deny any transfer of license pursuant to a change in ownership at that location, or
- c. revoke any license due to an error in measurement or failure to measure the setback distance, except as otherwise provided by law.

The retail marijuana dispensary shall be grandfathered in as to the setback distance, subject only to the municipal compliance provisions of Section 426.1 of this title.

3. For purposes of this subsection:

- a. "school" means the same as defined in Section 427.2 of this title, and
- b. "error in measurement" means a mistake made by the Authority or a municipality in the setback measurement process where either the distance between a retail marijuana dispensary and a school is miscalculated due to mathematical error or the method used to measure the setback distance is inconsistent with this section. The setback measurement process is allowed an error in measurement up to and including five hundred (500) feet when remeasured after an original license has been issued.

~~H. Research shall be provided for under this law. A researcher may apply to the State Department of Health for a special research license. The license shall be granted, provided the applicant meets the criteria listed under subsection B of Section 421 of this title. Research licensees shall be required to file monthly consumption reports to the State Department of Health with amounts of marijuana used for research. Biomedical and clinical research which is subject to federal regulations and institutional oversight shall not be subject to State Department of Health oversight.~~

SECTION 3. AMENDATORY Section 4, Chapter 509, O.S.L. 2019 (63 O.S. Supp. 2020, Section 426.1), is amended to read as follows:

Section 426.1. A. Except for revocation hearings concerning licensed patients, as defined in Section ~~2 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature~~ 427.2 of this title, all licensure revocation hearings conducted pursuant to marijuana licenses established in the Oklahoma Statutes shall be recorded. A party may request a copy of the recording of the proceedings. Copies shall be provided to local law enforcement if the revocation was based on alleged criminal activity.

B. The State Department of Health shall assist any law enforcement officer in the performance of his or her duties upon such request by the law enforcement officer or the request of other local officials having jurisdiction. Except for license information concerning licensed patients, as defined in Section ~~2 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature~~ 427.2 of this title, the Department shall share information with law enforcement agencies upon request without a subpoena or search warrant.

C. The State Department of Health shall make available all information displayed on medical marijuana licenses, as well as whether ~~or not~~ the license is valid, to law enforcement electronically through the Oklahoma Law Enforcement Telecommunications System.

D. The Department shall make available to political subdivisions a list of marijuana-licensed premises, medical marijuana businesses or any other premises where marijuana or its by-products are licensed to be cultivated, grown, processed, stored or manufactured to aid county and municipal governments in identifying locations within their jurisdiction and ensure compliance with local regulations.

E. 1. All marijuana-licensed premises, medical marijuana businesses or any other premises where marijuana or its by-products are licensed to be cultivated, grown, processed, stored or manufactured shall submit with their application, after notifying the political subdivision of their intent, a certificate of

compliance from the political subdivision where the facility of the applicant or use is to be located certifying compliance with zoning classifications, applicable municipal ordinances and all applicable safety, electrical, fire, plumbing, waste, construction and building specification codes.

2. Beginning on the effective date of this act, upon the initial request for renewal or transfer of a retail marijuana dispensary license, a municipal government may object to the continued licensure of the medical marijuana dispensary if the municipal government determines it is operating contrary to the required setback distance from a school including the error in measurement allowance authorized by Section 425 of this title.

3. To prevent the granting of the grandfather provisions of Section 425 of this title as a matter of law, the municipal government shall provide the following documentation prior to the initial renewal or transfer of a license:

- a. a municipal resolution finding that the marijuana dispensary is located within the prohibited setback distance from a school that was openly in existence in such a way that the public generally would have known of the school's existence and operation in that location prior to the original marijuana dispensary being licensed. For purposes of this subparagraph, "openly in existence" means any building, location or structure on a school site that has visible outward markings indicating the building, location or structure was operating as a school which would serve as sufficient notice of the existence of the school or a reason for further inquiry on the part of the marijuana dispensary license applicant. "Openly in existence" shall not mean any school that operated secretly or discreetly without any signs or other markings on any building, location or structure on the school site, undeveloped land or a structure owned by a school that was not openly used and marked as a school site, or any school site that was established after the marijuana dispensary had been established and licensed by the Authority, and

b. documentation of the measured distance from the school to the marijuana dispensary utilizing the method for determining the setback distance less any allowable error in measurement calculated and remeasured on and after the effective date of this act as authorized by Section 425 of this title.

4. Prior to initial renewal or transfer of a license and upon receipt of documentation required by paragraph 3 of this subsection, if the Authority determines that the medical marijuana dispensary is operating contrary to the required setback distance from a school including the error in measurement allowance authorized by Section 425 of this title, the Authority may deny the renewal or transfer of the medical marijuana dispensary license and shall cause the license to be revoked.

5. For purposes of this subsection, "school" means the same as defined in Section 427.2 of this title.

SECTION 4. AMENDATORY Section 2, Chapter 11, O.S.L. 2019, as last amended by Section 48, Chapter 161, O.S.L. 2020 (63 O.S. Supp. 2020, Section 427.2), is amended to read as follows:

Section 427.2. As used in ~~this act~~ 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 ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act, rules promulgated pursuant thereto, and the forms and instructions provided by the Department, including any supporting documentation required and the applicable license application fee;
10. "Department" means the State Department of Health;
11. "Director" means the Executive Director of the Oklahoma Medical Marijuana Authority;
12. "Dispense" means the selling of medical marijuana or a medical marijuana product to a qualified patient or the designated

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

13. "Dispensary" means a medical marijuana dispensary, an entity that has been licensed by the Department pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act to purchase medical marijuana or medical marijuana products from a licensed medical marijuana commercial grower or medical marijuana processor, sell medical marijuana or medical marijuana products to patients and caregivers as defined under ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act, or sell or transfer products to another dispensary;

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

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

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

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

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

19. "Good cause" for purposes of an initial, renewal or reinstatement license application, or for purposes of discipline of a licensee, means:

- a. the licensee or applicant has violated, does not meet, or has failed to comply with any of the terms, conditions or provisions of the act, any rules promulgated pursuant thereto, or any supplemental relevant state or local law, rule or regulation,
- b. the licensee or applicant has failed to comply with any special terms or conditions that were placed upon the license pursuant to an order of the State Department of Health, Oklahoma Medical Marijuana Authority or the municipality, or
- c. the licensed premises of a medical marijuana business or applicant have been operated in a manner that adversely affects the public health or welfare or the safety of the immediate vicinity in which the establishment is located;

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

21. "Harvested marijuana" means post-flowering medical marijuana not including trim, concentrate or waste;

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

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

24. "Inventory tracking system" means the required tracking system that accounts for medical marijuana from either the seed or immature plant stage until the medical marijuana or medical marijuana product is sold to a patient at a medical marijuana dispensary, transferred to a medical marijuana research facility, destroyed by a medical marijuana business or used in a research project by a medical marijuana research facility;

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

26. "Licensed premises" means the premises specified in an application for a medical marijuana business license, medical marijuana research facility license or medical marijuana education facility license pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act that are owned or in possession of the licensee and within which the licensee is authorized to cultivate, manufacture, distribute, sell, store, transport, test or research medical marijuana or medical marijuana products in accordance with the provisions of ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act and rules promulgated pursuant thereto;

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

28. "Marijuana" shall have the same meaning as such term is defined in Section 2-101 of ~~Title 63 of the Oklahoma Statutes~~ this title and shall not include any plant or material containing delta-8 or delta-10 tetrahydrocannabinol which is grown, processed or sold pursuant to the provisions of the Oklahoma Industrial Hemp Program;

29. "Material change" means any change that would require a substantive revision to the standard operating procedures of a licensee for the cultivation or production of medical marijuana, medical marijuana concentrate or medical marijuana products;

30. "Mature plant" means a harvestable female marijuana plant that is flowering;

31. "Medical marijuana business (MMB)" means a licensed medical marijuana dispensary, medical marijuana processor, medical marijuana commercial grower, medical marijuana laboratory, medical marijuana business operator, or a medical marijuana transporter;

32. "Medical marijuana concentrate" or "concentrate" means a specific subset of medical marijuana that was produced by extracting cannabinoids from medical marijuana. Categories of medical marijuana concentrate include water-based medical marijuana concentrate, food-based medical marijuana concentrate, solvent-based medical marijuana concentrate, and heat- or pressure-based medical marijuana concentrate;

33. "Medical marijuana commercial grower" or "commercial grower" means an entity licensed to cultivate, prepare and package medical marijuana and transfer or contract for transfer medical marijuana to a medical marijuana dispensary, medical marijuana processor, any other medical marijuana commercial grower, medical marijuana research facility, medical marijuana education facility and pesticide manufacturers. A commercial grower may sell seeds, flower or clones to commercial growers pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

34. "Medical marijuana education facility" or "education facility" means a person or entity approved pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act to operate a facility providing training and education to individuals involving the cultivation, growing, harvesting, curing, preparing, packaging or testing of medical marijuana, or the production, manufacture, extraction, processing, packaging or creation of medical-marijuana-infused products or medical marijuana products as described in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

37. "Medical marijuana processor" means a person or entity licensed pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act to operate a business including the production, manufacture, extraction, processing, packaging or creation of concentrate, medical-marijuana-infused products or medical marijuana products as described in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

38. "Medical marijuana research facility" or "research facility" means a person or entity approved pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act to conduct medical marijuana research. A medical marijuana research facility is not a medical marijuana business;

39. "Medical marijuana testing laboratory" or "laboratory" means a public or private laboratory licensed pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act, to conduct testing and research on medical marijuana and medical marijuana products;

40. "Medical marijuana transporter" or "transporter" means a person or entity that is licensed pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act. A medical marijuana transporter does not include a medical marijuana business that transports its own medical marijuana, medical marijuana concentrate or medical marijuana products to a property or facility adjacent to or connected to the licensed premises if the property is another licensed premises of the same medical marijuana business;

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

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

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

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

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

46. "Owner" means, except where the context otherwise requires, a direct beneficial owner including, but not limited to, 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;

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

48. "Person" means a natural person, partnership, association, business trust, company, corporation, estate, limited liability company, trust or any other legal entity or organization, or a manager, agent, owner, director, servant, officer or employee thereof, except that "person" does not include any governmental organization;

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

50. "Production batch" means:

- a. any amount of medical marijuana concentrate of the same category and produced using the same extraction methods, standard operating procedures and an identical group of harvest batch of medical marijuana, or
- b. any amount of medical marijuana product of the same exact type, produced using the same ingredients, standard operating procedures and the same production batch of medical marijuana concentrate;

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

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

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

54. "Registered to conduct business" means a person that has provided proof that the business applicant is in good standing with the Oklahoma Secretary of State and Oklahoma Tax Commission;

55. "Remediation" means the process by which the medical marijuana flower or trim, which has failed microbial testing, is processed into solvent-based medical marijuana concentrate and retested as required by ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

56. "Research project" means a discrete scientific endeavor to answer a research question or a set of research questions related to medical marijuana and is required for a medical marijuana research license. A research project shall include a description of a defined protocol, clearly articulated goals, defined methods and outputs, and a defined start and end date. The description shall demonstrate that the research project will comply with all requirements in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act and rules promulgated pursuant thereto. All research and development conducted by a medical marijuana research facility shall be conducted in furtherance of an approved research project;

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

58. "School" means a public or private preschool or a public or private elementary or secondary school which is primarily used for school classes and classroom instruction. A homeschool, daycare or

child-care facility shall not be considered a "school" as used in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

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

62. "Strain" means the classification of marijuana or cannabis plants in either pure sativa, indica, afghanica, ruderalis or hybrid varieties;

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

64. "Test batch" means with regard to usable marijuana, a homogenous, identified quantity of usable marijuana by strain, no greater than ten (10) pounds, that is harvested during a seven-day period from a specified cultivation area, and with regard to oils, vapors and waxes derived from usable marijuana, means an identified quantity that is uniform, that is intended to meet specifications for identity, strength and composition, and that is manufactured, packaged and labeled during a specified time period according to a single manufacturing, packaging and labeling protocol;

65. "Transporter agent" means a person who transports medical marijuana or medical marijuana products for a licensed transporter and holds a transporter agent license pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act;

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

67. "Usable marijuana" means the dried leaves, flowers, oils, vapors, waxes and other portions of the marijuana plant and any mixture or preparation thereof, excluding ~~seed~~ seeds, roots, stems, stalks and fan leaves; and

68. "Water-based medical marijuana concentrate" means a concentrate that was produced by extracting cannabinoids from medical marijuana through the use of only water, ice, or dry ice.

SECTION 5. AMENDATORY Section 3, Chapter 11, O.S.L. 2019, as amended by Section 6, Chapter 477, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.3), is amended to read as follows:

Section 427.3. A. There is hereby created the Oklahoma Medical Marijuana Authority within the State Department of Health which shall address issues related to the medical marijuana program in Oklahoma including, but not limited to, the issuance of patient licenses and medical marijuana business licenses, and the dispensing, cultivating, processing, testing, transporting, storage, research, and the use of and sale of medical marijuana pursuant to this act.

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

C. The Department shall implement the provisions of this act consistently with the voter-approved State Question No. 788, Initiative Petition No. 412, subject to the provisions of this act.

D. The Department shall exercise its respective powers and perform its respective duties and functions as specified in this act and Title 63 of the Oklahoma Statutes including, but not limited to, the following:

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

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

2. Contract with third-party vendors and other governmental entities in order to carry out the respective duties and functions as specified in this act;

3. Upon complaint or upon its own motion and upon a completed investigation, levy fines as prescribed in this act and suspend or revoke licenses pursuant to this act;

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

5. Apply for injunctive or declaratory relief to enforce the provisions of this section and any rules promulgated pursuant to this section;

6. Inspect and examine, with notice provided in accordance with this act, all licensed premises of medical marijuana businesses, research facilities and education facilities in which medical marijuana is cultivated, manufactured, sold, stored, transported, tested or distributed;

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

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

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

10. Require verification for sources of finance for medical marijuana businesses.

E. The Department shall be authorized to enter into and negotiate the terms of a Memorandum of Understanding between the Department and other state agencies concerning the enforcement of laws regulating medical marijuana in this state.

SECTION 6. AMENDATORY Section 4, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.4), is amended to read as follows:

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

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

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

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

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

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

E. The Executive Director shall be authorized to suggest rules governing the oversight and implementation of this act.

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

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

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

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

4. ~~Require~~ As provided in Section 427.6 of this title, require any business applicant or licensee, upon twenty-four (24) hours notice or upon a showing of necessity, to permit an inspection of licensed premises during business hours or at any time of apparent operation, marijuana equipment, and marijuana accessories, or books and records; and to permit the testing of or examination of medical marijuana, concentrate, or product; and

5. Require applicants to submit complete and current applications, information required by this act and fees, and approve material changes made by the applicant or licensee.

SECTION 7. AMENDATORY Section 13, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.13), is amended to read as follows:

Section 427.13. A. All medical marijuana and medical marijuana products shall be purchased solely from an Oklahoma-licensed medical marijuana business, and shall not be purchased from any out-of-state providers.

B. 1. The Oklahoma Medical Marijuana Authority shall have oversight and auditing responsibilities to ensure that all marijuana being grown in Oklahoma is accounted for and shall implement an inventory tracking system. Pursuant to these duties, the Authority shall require that each medical marijuana business keep records for every transaction with another medical marijuana business, patient or caregiver. Inventory shall be tracked and updated after each individual sale and reported to the Authority.

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

- a. notification of when marijuana seeds are planted,
- b. notification of when marijuana plants are harvested and destroyed,
- c. notification of when marijuana is transported, sold, stolen, diverted or lost,
- d. a complete inventory of all marijuana, seeds, plant tissue, clones, plants, usable marijuana or trim, leaves and other plant matter, batches of extract, and marijuana concentrates,
- e. all samples sent to a testing laboratory, an unused portion of a sample returned to a licensee, all samples utilized by licensee for purposes of negotiating a sale, and
- f. all samples used for quality testing by a licensee.

3. Each medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility shall develop written standard operating procedures outlining the manner in which it operates as prescribed

by the Authority and shall use a seed-to-sale tracking system or integrate its own seed-to-sale tracking system with the seed-to-sale tracking system established by the Authority in accordance with the limitations set forth herein.

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

- a. the name and license number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- b. the address and phone number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- c. the type of product received during the transaction,
- d. the batch number of the marijuana plant used,
- e. the date of the transaction,
- 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.

5. All inventory tracking records containing patient 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), and shall not be retained by any medical marijuana business for more than sixty (60) days.

SECTION 8. AMENDATORY Section 14, Chapter 11, O.S.L. 2019, as last amended by Section 51, Chapter 161, O.S.L. 2020, (63 O.S. Supp. 2020, 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.

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

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

E. All applicants seeking licensure as a medical marijuana business shall comply with the following general requirements:

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

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

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

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

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

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

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

- a. all applicants shall be age twenty-five (25) years of age or older,
- b. any applicant applying as an individual shall show proof that the applicant is an Oklahoma resident pursuant to paragraph 11 of this subsection,
- c. any applicant applying as an entity shall show that seventy-five percent (75%) of all members, managers, executive officers, partners, board members or any other form of business ownership are Oklahoma residents pursuant to paragraph 11 of this subsection,
- d. all applying individuals or entities shall be registered to conduct business in ~~the State of Oklahoma~~ this state,
- e. all applicants shall disclose all ownership interests pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act, and
- f. applicants shall not have been convicted of a nonviolent felony in the last two (2) years, and any other felony conviction within the last five (5) years, shall not be current inmates, or currently incarcerated in a jail or corrections facility;

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

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

- a. individual applicants applying on their own behalf,
- b. individuals applying on behalf of an entity,
- c. all principal officers of an entity, and
- d. all owners of an entity as defined by ~~this act~~ Section 427.2 of this title;

10. All applicable fees charged by 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 voter 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~~ this state, and
- e. a rental agreement preceding the date of application for residential property located in ~~the State of Oklahoma~~ this state.

Applicants that were issued a medical marijuana business license prior to the enactment of the Oklahoma Medical Marijuana and Patient Protection Act are hereby exempt from the two-year or five-year Oklahoma residence requirement mentioned above;

12. All license applicants shall be required to submit a registration with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control as provided in Sections 2-302 through 2-304 of ~~Title 63 of the Oklahoma Statutes~~ this title;

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

- a. front and back of an Oklahoma driver license,
- b. front and back of an Oklahoma identification card,
- c. a United States passport or other photo identification issued by the United States government,
- d. certified copy of the applicant's birth certificate for minor applicants who do not possess a document listed in this section, or
- e. a tribal identification card approved for identification purposes by the Oklahoma Department of Public Safety; and

14. All applicants shall submit an applicant photograph.

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

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

2. Approved applicants shall be issued a medical marijuana business license for the specific category applied under which shall act as proof of their approved status. Rejection letters shall provide a reason for the rejection. Applications may only be rejected based on the applicant not meeting the standards set forth in the provisions of this section, improper completion of the application, or for a reason provided for in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act. If an application is rejected for failure to provide required information, the applicant shall have thirty (30) days to submit the required information for reconsideration. No additional application fee shall be charged for such reconsideration.

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

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

H. A medical marijuana business license shall not be issued to or held by:

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

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

3. A corporation, if the criminal history of any of its officers, directors or stockholders indicates that the officer,

director or stockholder has been convicted of a nonviolent felony within two (2) years of the date of application, or within five (5) years for any other felony;

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

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

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

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

7. A person whose authority to be a caregiver as defined in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act has been revoked by the ~~Department~~ Authority.

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. In the event the ~~Department~~ Authority considers the criminal history record of the applicant, the ~~Department~~ Authority shall also consider any information provided by the applicant regarding such criminal history record, including but not limited to evidence of rehabilitation, character references and educational achievements, especially those items pertaining to the period of time between the last criminal conviction of the applicant and the consideration of the application for a state license.

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

K. All applicants 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 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 considered as the basis for additional administrative action against the applicant. Typos and scrivener errors shall not be grounds for denial.

L. A licensed medical marijuana business premises shall be subject to and responsible for compliance with applicable provisions for medical marijuana business facilities as described in the most recent versions of the Oklahoma Uniform Building Code, the International Building Code and the International Fire Code, unless granted an exemption by the Authority or municipality.

M. All medical marijuana business licensees shall pay the relevant licensure fees prior to receiving licensure to operate a medical marijuana business, as defined in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act for each class of license.

N. An original medical marijuana business license issued on or after June 26, 2018, by the Authority, for a medical marijuana commercial grower, a medical marijuana processor or a medical marijuana dispensary shall be deemed to have been grandfathered into the location on the date the original license was first issued for purposes of determining the authority of the business to conduct and continue the same type of business at that location under a license issued by the Authority, except as may be provided in Sections 425 and 426.1 of this title. Any change in ownership after the original medical marijuana business license has been issued by the Authority shall be construed by the Authority to be a continuation of the same type of business originally licensed at that location. Nothing shall authorize the Authority to deny issuance or renewal of a license or transfer of license due to a change in ownership for the same business location previously licensed, except when a revocation is otherwise authorized by law or a protest is made under the municipal compliance provisions of Section 426.1 of this title.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 427.15a of Title 63, unless there is created a duplication in numbering, reads as follows:

For purposes of this section, "publicly traded company" means a business entity organized under the laws of the United States or Canada where the domicile for the business entity permits the sale of marijuana and such business entity has a class of securities that are registered and traded for investment pursuant to the Security Exchange Act of 1934 or listed and traded for investment on a reputable recognized foreign stock exchange or foreign market exchange.

On and after the effective date of this act, a publicly traded company as defined herein is authorized to purchase up to forty percent (40%) of the equity in an existing Oklahoma business that holds a valid Oklahoma medical marijuana grower, processor or transporter license; provided, however, the only Oklahoma business qualified for investment or equity purchase under this section must have held a valid medical marijuana grower, processor or transporter license for at least eighteen (18) months prior to the investment or equity purchase and must be currently operating in good standing in this state. A licensed medical marijuana dispensary shall not be qualified for investment or equity purchase under the provisions of this section.

SECTION 10. AMENDATORY Section 16, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.16), is amended to read as follows:

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

B. Pursuant to Section 424 of ~~Title 63 of the Oklahoma Statutes~~ this title, the Oklahoma Medical Marijuana Authority shall issue a medical marijuana transporter license to licensed medical marijuana commercial growers, processors and dispensaries upon issuance of such licenses and upon each renewal.

C. A medical marijuana transporter license may also be issued to qualifying applicants who are registered with the Oklahoma

Secretary of State and otherwise meet the requirements for a medical marijuana business license set forth in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act and the requirements set forth in this section to provide logistics, distribution and storage of medical marijuana, medical marijuana concentrate and medical marijuana products.

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

E. A transporter license shall be required for any person or entity to transport or transfer medical marijuana, concentrate or product from a licensed medical marijuana business to another medical marijuana business, or from a medical marijuana business to a medical marijuana research facility or medical marijuana education facility.

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

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

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

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

J. All medical marijuana, concentrate and product shall be transported:

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

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

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

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

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

M. The annual fee for a transporter agent license shall be One Hundred Dollars (\$100.00) and shall be paid by the transporter license holder or the individual applicant.

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

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

2. Proof of residency as required for a medical marijuana business license;

3. Proof of identity as required for a medical marijuana business license;

4. Possession of a valid Oklahoma driver license;

5. Verification of employment with a licensed transporter;

6. The application and affiliated fee; and

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

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

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

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

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

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

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

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

1. For the origination point of the medical marijuana:
 - a. the licensee number for the commercial grower, processor or dispensary,
 - b. address of origination of transport, and
 - c. name and contact information for the originating licensee;

2. For the end recipient license holder of the medical marijuana:
 - a. the license number for the dispensary, commercial grower, processor, research facility or education facility destination,
 - b. address of the destination, and
 - c. name and contact information for the destination licensee;

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

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

5. The arrival date and estimated time of arrival;

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

7. Notation of the transporting licensee.

- U. 1. A separate inventory manifest shall be prepared for each licensee receiving the medical marijuana.
 2. The transporter agent shall provide the other medical marijuana business with a copy of the inventory manifest at the time the product changes hands and after the other licensee prints his or her name and signs the inventory manifest.

3. An inventory manifest shall not be altered after departing the originating premises other than in cases where the printed name and signature of receipt by the receiving licensee is necessary.

4. A receiving licensee shall refuse to accept any medical marijuana or product that is not accompanied by an inventory manifest.

5. Originating and receiving licensees shall maintain copies of inventory manifests and logs of quantities of medical marijuana received for three (3) years from date of receipt.

SECTION 11. AMENDATORY Section 2, Chapter 337, O.S.L. 2019 (63 O.S. Supp. 2020, Section 428.1), is amended to read as follows:

Section 428.1. As used in ~~this act~~ the Oklahoma Medical Marijuana Waste Management Act:

1. "Authority" shall mean the Oklahoma Medical Marijuana Authority, or successor agency;

2. "Commercial licensee" shall mean any person or entity issued a license by the Oklahoma Medical Marijuana Authority, or successor agency, to conduct commercial business in this state;

3. "Disposal" shall mean the ~~final~~ disposition of medical marijuana waste by ~~either~~ and unrecognizable through physical destruction or a recycling process;

4. "Facility" shall mean a location where the disposal of medical marijuana waste takes place by a licensee;

5. "License" shall mean a medical marijuana waste disposal license;

6. "Licensee" shall mean the holder of a medical marijuana waste disposal license;

7. "Medical marijuana waste" shall mean:

- a. unused, surplus, returned or out-of-date marijuana and plant debris of the plant of the genus Cannabis, including dead plants and all unused plant parts, except the term shall not include seeds, roots, stems, stalks and fan leaves, ~~and,~~
- b. all product which is deemed to fail laboratory testing and cannot be remediated or decontaminated, and
- c. all product and inventory from commercial licensees or medical marijuana education facilities that:
 - (1) have gone out of business,
 - (2) are not subject to the provisions of Section 1560 of Title 12 of the Oklahoma Statutes, and
 - (3) are unable to lawfully transfer or sell the product and inventory to another commercial licensee;

8. "Medical marijuana waste disposal license" shall mean a license issued by the Oklahoma Medical Marijuana Authority, or successor agency.

SECTION 12. AMENDATORY Section 4, Chapter 337, O.S.L. 2019 (63 O.S. Supp. 2020, Section 430), is amended to read as follows:

Section 430. A. There is hereby created and authorized a medical marijuana waste disposal license. A person or entity in possession of a medical marijuana waste disposal license shall be entitled to possess, transport and dispose of medical marijuana waste. No person or entity shall possess, transport or dispose of medical marijuana waste without a valid medical marijuana waste disposal license. The Oklahoma Medical Marijuana Authority shall issue licenses upon proper application by a licensee and determination by the Authority that the proposed site and facility are physically and technically suitable. Upon a finding that a proposed medical marijuana waste disposal facility is not physically or technically suitable, the Authority shall deny the license. The

Authority may, upon determining that public health or safety requires emergency action, issue a temporary license for treatment or storage of medical marijuana waste for a period not to exceed ninety (90) days. The Authority shall not, ~~for the first year of the licensure program~~ until November 1, 2021, issue more than ten medical marijuana waste disposal licenses. ~~Upon the conclusion of the first year, the Authority shall assess the need for additional licenses and shall, if demonstrated, increase~~ Beginning November 1, 2021, there shall be no limit to the number of medical marijuana waste disposal licenses as deemed necessary issued by the Authority.

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

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

- a. an attestation that the applicant is authorized to make application on behalf of the entity,
- 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
- f. a statement signed by the applicant pledging not to divert marijuana to any individual or entity that is not lawfully entitled to possess marijuana; and

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

- a. a list of all persons or entities that have an ownership interest in the entity,
- b. a certificate of good standing from the Oklahoma Secretary of State, if applicable,
- c. an Affidavit of Lawful Presence for each owner,
- d. proof that the proposed location of the disposal facility is at least one thousand (1,000) feet from a ~~public or private~~ school. The distance shall be measured from ~~any~~ the nearest entrance of the school to the nearest ~~property line point~~ front entrance of the disposal facility. If any school is established within one thousand (1,000) feet of any disposal facility after such disposal facility has been licensed, the provisions of this subparagraph shall not be a deterrent to the renewal of such license or warrant revocation of the license, and

- e. documents establishing the applicant, the members, managers and board members, if applicable, and seventy-five percent (75%) of the ownership interests are Oklahoma residents as established in Section 420 et seq. of ~~Title 63 of the Oklahoma Statutes~~ this title, as it relates to proof of residency.

For purposes of this paragraph, "school" means the same as defined in Section 427.2 of this title.

C. No license shall be issued except upon proof of sufficient liability insurance and financial responsibility. Liability insurance shall be provided by the applicant and shall apply to sudden and nonsudden bodily injury or property damage on, below or above the surface, as required by the rules of the Authority. Such insurance shall be maintained for the period of operation of the facility and shall provide coverage for damages resulting from operation of the facility during operation and after closing. In lieu of liability insurance required by this subsection, an equivalent amount of cash, securities, bond or alternate financial assurance, of a type and in an amount acceptable to the Authority, may be substituted; provided, that such deposit shall be maintained for a period of five (5) years after the date of last operation of the facility.

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

E. The Authority shall issue a permit for each medical marijuana waste disposal facility operated by a licensee. A permit

shall be issued only upon proper application by a licensee and determination by the Authority that the proposed site and facility are physically and technically suitable. Upon a finding that a proposed medical marijuana waste disposal facility is not physically or technically suitable, the Authority shall deny the permit. The Authority shall have the authority to revoke a permit upon a finding that the site and facility are not physically and technically suitable for processing. The Authority may, upon determining that public health or safety requires emergency action, issue a temporary permit for treatment or storage of medical marijuana waste for a period not to exceed ninety (90) days.

F. The cost of a medical marijuana waste disposal license shall be Five Thousand Dollars (\$5,000.00) for the initial license. The cost of a medical marijuana waste disposal facility permit shall be Five Hundred Dollars (\$500.00). A medical marijuana waste disposal facility permit that has been revoked shall be reinstated upon remittance of a reinstatement fee of Five Hundred Dollars (\$500.00) to restore the facility permit. All license and permit fees shall be deposited into the Public Health Special Oklahoma Medical Marijuana Authority Revolving Fund as provided in Section ~~1-107~~ 427.5 of ~~Title 63 of the Oklahoma Statutes~~ this title.

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

H. All commercial licensees, as defined in Section ~~2~~ 428.1 of this ~~act~~ title, shall utilize a licensed medical marijuana waste disposal service to process all medical marijuana waste generated by the licensee.

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

SECTION 13. AMENDATORY Section 7, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426), is amended to read as follows:

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

B. This tax will be collected at the point of sale. Tax proceeds will be applied primarily to finance the regulatory office.

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

D. Pursuant to Section 14 of this act, the Oklahoma Tax Commission shall have authority to assess, collect and enforce the tax specified in subsection A of this section including any interest and penalty thereon.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 255.2 of Title 68, unless there is created a duplication in numbering, reads as follows:

As provided in Section 426 of Title 63 of the Oklahoma Statutes, the State Department of Health and the Oklahoma Tax Commission shall enter into a contract whereby the Tax Commission shall have authority to assess, collect and enforce the seven percent (7%) tax on retail medical marijuana sales and any penalties and interest thereon. Such assessment, collection and enforcement authority shall apply to any tax and any penalty or interest liability on retail medical marijuana sales existing at the time of contracting. The contract shall provide for the assessment, collection and enforcement of the tax on retail medical marijuana sales in the same manner as the administration, collection and enforcement of any tax payable by any taxpayer subject to taxation under any state tax law. For providing such collection assistance, the Tax Commission shall charge the State Department of Health a fee of one and five-tenths percent (1.5%) of the gross collection proceeds. All funds retained by the Tax Commission for the collection services shall be deposited in the Tax Commission Reimbursement Fund in the State Treasury.

SECTION 15. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 27th day of May, 2021.

Brent Howard
Presiding Officer of the Senate

Passed the House of Representatives the 27th day of May, 2021.

[Signature]
Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 27th

day of May, 20 21, at 1:59 o'clock pm. M.

By: [Signature]

Approved by the Governor of the State of Oklahoma this 28th

day of May, 20 21, at 12:06 o'clock pm. M.

[Signature]
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 28th

day of May, 20 21, at 12:23 o'clock p. M.

By: [Signature]