

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL NO. _____

By:

6 COMMITTEE SUBSTITUTE

7 An Act relating to medical marijuana; creating the
8 Oklahoma Medical Marijuana and Patient Protection
9 Act; providing definitions; creating the Oklahoma
10 Medical Marijuana Authority; directing Authority to
11 address certain issues related to medical marijuana;
12 providing for support staff and office space; stating
13 duties of the Authority; authorizing employment of
14 executive director and personnel; providing
15 qualifications for positions; authorizing executive
16 director to delegate powers and duties and suggest
17 rules; granting the Authority and certain personnel
18 specific peace officer powers; providing for
19 confidentiality of records and information; creating
20 the Oklahoma Medical Marijuana Authority Revolving
21 Fund; providing sources of monies; appropriating
22 monies for certain purposes; authorizing State
23 Department of Health to address issues related to the
24 medical marijuana program; allowing the Department to
perform on-site assessments; establishing guidelines
for conducting on-site assessments; providing
disciplinary actions for certain violations;
providing for the assessment of monetary penalties;
allowing applicants and licensees to contest
disciplinary actions; establishing hearing guidelines
and procedures; providing for the creation of a
medical marijuana use registry; stating requirements
of use registry; providing for confidentiality of
certain medical marijuana licensee records;
clarifying possession rights of licensees;
prohibiting counties and municipalities from enacting
certain possession guidelines; allowing property
owners to prohibit certain medical marijuana use;
prohibiting denial of eligibility in government
assistance programs solely for status as patient or
caregiver; providing exception; prohibiting

1 restrictions on a licensee's right to own, purchase
2 or possess firearms; prohibiting assessment of
3 criminal or civil penalties to licensees who use
4 medical marijuana in accordance with medical
5 marijuana program; providing that government
6 assistance programs are not required to reimburse
7 certain costs; prohibiting employers from engaging in
8 certain employment practices with applicants or
9 employees that hold medical marijuana licenses;
10 providing exceptions; construing act; stating
11 remedies for aggrieved applicants or employees under
12 certain act; defining terms; establishing
13 restrictions for smoking or vaping medical marijuana
14 under certain act; authorizing Department to contact
15 recommending physicians to verify need; providing
16 reduced fee for certain applicants; stating term of
17 patient license; providing limitations on physicians
18 who may recommend medical marijuana to patients;
19 prohibiting assessment of criminal or civil penalties
20 for physicians who recommend medical marijuana;
21 prohibiting physician from co-locating with
22 dispensary; providing for patient license revocation;
23 stating rights of caregivers; limiting number of
24 patients to be designated for caregivers; limiting
term of license; stating guidelines and restrictions
for homegrown medical marijuana plants; prohibiting
use of certain extraction equipment or processes;
requiring certain products to be purchased from
Oklahoma-licensed businesses; granting Department
oversight and audit responsibilities for medical
marijuana program; providing inventory tracking
system guidelines; creating medical marijuana
business licenses; directing development of website
for medical marijuana business applications;
requiring Department to make medical marijuana
business applications available on website; stating
requirements, fee and licensing procedures for
medical marijuana business applicants; directing
applicants to submit certain information and
documentation; exempting applicants from certain
registration requirement; providing for approval or
rejection of license; providing for investigations,
interviews and inspections; providing certain
approval and rejection procedures; requiring certain
licenses and permits; providing for conditional
license; excluding certain applicants; providing
certain investigative procedures; providing certain

1 grounds for denial and disciplinary action; requiring
2 compliance with certain building codes; requiring
3 payment of fee before business begins operating;
4 directing applicants to disclose certain financial
5 information and documents; directing applicants to
6 disclose ownership interests and capitalization
7 amounts for the proposed business; requiring
8 disclosure of certain documents; defining terms;
9 authorizing refusal of incomplete applications;
10 directing applicants to file certain documents with
11 the Department; creating the medical marijuana
12 transporter license; directing Department to receive
13 applications and issue licenses for medical marijuana
14 transporters; defining scope of license; providing
15 procedures and guidelines for obtaining transporter
16 licenses; requiring transporter licensees to maintain
17 certain insurance coverage; directing transporters to
18 use certain tracking system; establishing procedures
19 for transporting medical marijuana or medical
20 marijuana product; authorizing the Department to
21 issue transporter agent licenses; stating fee;
22 providing for the issuance of transporter agent
23 identification card; stating contents of
24 identification card; stating term of license;
authorizing Department to revoke or suspend
transporter licenses under certain circumstances;
specifying vehicle requirements for transporters;
requiring preparation of inventory manifests prior to
transporting product; requiring certain information
on inventory manifest; creating the medical marijuana
testing laboratory license; authorizing the
Department to develop certain testing and research
practices; placing restrictions on who may own a
testing laboratory; stating requirements and
licensing procedures for medical marijuana testing
laboratory applicants; providing for acceptance of
samples; authorizing certain transfer; authorizing
use of licensed transporters; directing laboratories
to establish certain policies related to the
integrity of testing processes; directing the
Department to develop certain standards, policies and
procedures; requiring laboratories to provide the
Department with access to test reports and premises;
providing for the retention of lab test results for
time certain; specifying mandatory testing
categories; requiring certain inspection and
proficiency testing; providing for laboratory

1 accreditation; prohibiting sale or transfer of
2 untested medical marijuana and medical marijuana
3 products; prohibiting the sale or distribution of
4 usable marijuana products unless packaged and labeled
5 in certain manner; requiring return of noncompliant
6 product; establishing certain packaging and labeling
7 requirements; providing for development of packaging
8 and labeling standards for medical marijuana;
9 requiring certain information be displayed on the
10 label; authorizing issuance of research license to
11 certain persons; stating fee for license; allowing
12 issuance of license for specific research purposes;
13 stating criteria for obtaining a medical marijuana
14 research license; providing limitations on the
15 transfer of marijuana grown for research purposes;
16 allowing for the revocation of research license under
17 certain circumstances; authorizing research licensees
18 to contract with institution of higher education;
19 providing exemption from civil or criminal liability
20 for licensed researchers who act in accordance with
21 the medical marijuana program; requiring certain
22 review for public institutions; creating the medical
23 marijuana education facility license; stating purpose
24 of license; stating fee for license; establishing
purposes for which the license may be issued;
directing applicant to submit certain information
with application; providing for the revocation of
license under certain circumstances; providing
limitations on the transfer of marijuana grown for
education purposes; authorizing education facility
licensees to contract with higher education research
institutions or other research licensees; providing
exemption from civil or criminal liability;
authorizing the Department to establish occupational
licenses to certain persons; providing guidelines and
procedures for obtaining an occupational license;
directing the Department to issue occupational
licenses and make the license applications available
on its website; providing list of criteria for
applicants seeking an occupational license; stating
fees for occupational licenses; prohibiting medical
marijuana businesses from engaging in deceptive,
false or misleading advertising; prohibiting any form
of advertising that targets individuals under a
certain age; making certain records confidential and
exempt from the Oklahoma Open Records Act; defining
term; providing for promulgation and recommendation

1 of rules; providing for codification; and declaring
2 an emergency.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 427.1 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

8 This act shall be known and may be cited as the "Oklahoma
9 Medical Marijuana and Patient Protection Act".

10 SECTION 2. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 427.2 of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

13 As used in this act:

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

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

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

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

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

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

7 a. designed or constructed to be significantly difficult
8 for children under five (5) years of age to open and
9 not difficult for normal adults to use properly as
10 defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R.
11 1700.20 (1995),

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

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

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

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

23 9. "Complete application" means a document prepared in
24 accordance with the provisions set forth in this act, rules

1 promulgated pursuant thereto, and the forms and instructions
2 provided by the Department, including any supporting documentation
3 required and the applicable license application fee;

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

5 11. "Director" means the Executive Director of the Oklahoma
6 Medical Marijuana Authority;

7 12. "Dispense" means the selling of medical marijuana or a
8 medical marijuana product to a qualified patient or the designated
9 caregiver of the patient that is packaged in a suitable container
10 appropriately labeled for subsequent administration to or use by a
11 qualifying patient;

12 13. "Dispensary" means a medical marijuana dispensary, an
13 entity that has been licensed by the Department pursuant to this act
14 to purchase medical marijuana or medical marijuana products from a
15 licensed medical marijuana commercial grower or medical marijuana
16 processor, sell medical marijuana or medical marijuana products to
17 patients and caregivers as defined under this act, or sell or
18 transfer products to another dispensary;

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

23

24

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

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

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

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

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

- 19 a. the licensee or applicant has violated, does not meet,
20 or has failed to comply with any of the terms,
21 conditions or provisions of the act, any rules
22 promulgated pursuant thereto, or any supplemental
23 relevant state or local law, rule or regulation,
24

1 b. the licensee or applicant has failed to comply with
2 any special terms or conditions that were placed upon
3 the license pursuant to an order of the State
4 Department of Health, Oklahoma Medical Marijuana
5 Authority or the municipality, or

6 c. the licensed premises of a medical marijuana business
7 or applicant have been operated in a manner that
8 adversely affects the public health or welfare or the
9 safety of the immediate vicinity in which the
10 establishment is located;

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

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

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

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

23 24. "Inventory tracking system" means the required tracking
24 system that accounts for medical marijuana from either the seed or

1 immature plant stage until the medical marijuana or medical
2 marijuana product is sold to a patient at a medical marijuana
3 dispensary, transferred to a medical marijuana research facility,
4 destroyed by a medical marijuana business or used in a research
5 project by a medical marijuana research facility;

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

9 26. "Licensed premises" means the premises specified in an
10 application for a medical marijuana business license, medical
11 marijuana research facility license or medical marijuana education
12 facility license pursuant to this act that are owned or in
13 possession of the licensee and within which the licensee is
14 authorized to cultivate, manufacture, distribute, sell, store,
15 transport, test or research medical marijuana or medical marijuana
16 products in accordance with the provisions of this act and rules
17 promulgated pursuant thereto;

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

24

1 28. "Marijuana" shall have the same meaning as such term is
2 defined in Section 2-101 of Title 63 of the Oklahoma Statutes;

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

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

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

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

20 33. "Medical marijuana commercial grower" or "commercial
21 grower" means an entity licensed to cultivate, prepare and package
22 medical marijuana and transfer or contract for transfer medical
23 marijuana to a medical marijuana dispensary, medical marijuana
24 processor, any other medical marijuana commercial grower, medical

1 marijuana research facility, medical marijuana education facility
2 and pesticide manufacturers. A commercial grower may sell seeds and
3 immature plants directly to patients or caregivers pursuant to this
4 act;

5 34. "Medical marijuana dispensary" or "dispensary" means an
6 entity that is licensed pursuant to this act to operate a business
7 as described in this act, and that sells medical marijuana and
8 medical marijuana products to licensed patients or caregivers as
9 defined in this section, but is not a caregiver;

10 35. "Medical marijuana education facility" or "education
11 facility" means a person or entity approved pursuant to this act to
12 operate a facility providing training and education to individuals
13 involving the cultivation, growing, harvesting, curing, preparing,
14 packaging or testing of medical marijuana, or the production,
15 manufacture, extraction, processing, packaging or creation of
16 medical-marijuana-infused products or medical marijuana products as
17 described in this act;

18 36. "Medical-marijuana-infused product" means a product infused
19 with medical marijuana including, but not limited to, edible
20 products, ointments and tinctures. Such products shall not be
21 considered a food or drug for purposes of the Oklahoma Public Health
22 Code;

23 37. "Medical marijuana product" or "product" means a product
24 that contains cannabinoids that have been extracted from plant

1 material or the resin therefrom by physical or chemical means and is
2 intended for administration to a qualified patient including, but
3 not limited to, oils, tinctures, edibles, pills, topical forms,
4 gels, creams, vapors, patches, liquids, and forms administered by a
5 nebulizer, excluding live plant forms which are considered medical
6 marijuana;

7 38. "Medical marijuana processor" means a person or entity
8 licensed pursuant to this act to operate a business including the
9 production, manufacture, extraction, processing, packaging or
10 creation of concentrate, medical-marijuana-infused products or
11 medical marijuana products as described in this act;

12 39. "Medical marijuana research facility" or "research
13 facility" means a person or entity approved pursuant to this act to
14 conduct medical marijuana research. A medical marijuana research
15 facility is not a medical marijuana business;

16 40. "Medical marijuana testing laboratory" or "laboratory"
17 means a public or private laboratory licensed pursuant to this act,
18 to conduct testing and research on medical marijuana and medical
19 marijuana products;

20 41. "Medical marijuana transporter" or "transporter" means a
21 person or entity that is licensed pursuant to this act. A medical
22 marijuana transporter does not include a medical marijuana business
23 that transports its own medical marijuana, medical marijuana
24 concentrate or medical marijuana products to a property or facility

1 adjacent to or connected to the licensed premises if the property is
2 another licensed premises of the same medical marijuana business;

3 42. "Medical marijuana waste" or "waste" means unused, surplus,
4 returned or out-of-date marijuana, plant debris of the plant of the
5 genus Cannabis, including dead plants and all unused plant parts and
6 roots;

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

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

16 45. "Occupational license" means a license granted to an owner
17 or employee of a medical marijuana business pursuant to this act;

18 46. "Oklahoma physician" or "physician" means a physician
19 licensed by and in good standing with the State Board of Medical
20 Licensure and Supervision or the State Board of Osteopathic
21 Examiners;

22 47. "Oklahoma resident" means an individual who can provide
23 proof of residency as required by this act;

24

1 48. "Owner" means, except where the context otherwise requires
2 and as further defined and described in this act, a direct
3 beneficial owner including, but not limited to, all persons or
4 entities as follows:

- 5 a. all shareholders owning an interest of a corporate
6 entity and all officers of a corporate entity,
- 7 b. all partners of a general partnership,
- 8 c. all general partners and all limited partners that own
9 an interest in a limited partnership,
- 10 d. all members that own an interest in a limited
11 liability company,
- 12 e. all beneficiaries that hold a beneficial interest in a
13 trust and all trustees of a trust,
- 14 f. all persons or entities that own interest in a joint
15 venture,
- 16 g. all persons or entities that own an interest in an
17 association,
- 18 h. the owners of any other type of legal entity, and
- 19 i. any other person holding an interest or convertible
20 note in any entity which owns, operates or manages a
21 licensed facility;

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

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

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

14 52. "Production batch" means:

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

24

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

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

8 55. "Recommendation" means a document that is signed or
9 electronically submitted by a physician on behalf of a patient for
10 the use of medical marijuana pursuant to this act;

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

14 57. "Remediation" means the process by which the medical
15 marijuana flower or trim, which has failed microbial testing, is
16 processed into solvent-based medical marijuana concentrate and
17 retested as required by this act;

18 58. "Research project" means a discrete scientific endeavor to
19 answer a research question or a set of research questions related to
20 medical marijuana and is required for a medical marijuana research
21 license. A research project shall include a description of a
22 defined protocol, clearly articulated goals, defined methods and
23 outputs, and a defined start and end date. The description shall
24 demonstrate that the research project will comply with all

1 requirements in this act and rules promulgated pursuant thereto.
2 All research and development conducted by a medical marijuana
3 research facility shall be conducted in furtherance of an approved
4 research project;

5 59. "Revocation" means the final decision by the Department
6 that any license issued pursuant to this act is rescinded because
7 the individual or entity does not comply with the applicable
8 requirements set forth in this act or rules promulgated pursuant
9 thereto;

10 60. "School" means a public or private preschool or a public or
11 private elementary or secondary school used for school classes and
12 instruction. A homeschool, daycare or child-care facility shall not
13 be considered a "school" as used in this act;

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

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

24

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

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

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

11 66. "Test batch" means with regard to usable marijuana, a
12 homogenous, identified quantity of usable marijuana by strain that
13 is harvested during a seven-day period from a specified cultivation
14 area, and with regard to oils, vapors and waxes derived from usable
15 marijuana, means an identified quantity that is uniform, that is
16 intended to meet specifications for identity, strength and
17 composition, and that is manufactured, packaged and labeled during a
18 specified time period according to a single manufacturing, packaging
19 and labeling protocol;

20 67. "Transporter agent" means a person who transports medical
21 marijuana or medical marijuana products for a licensed transporter
22 and holds a transporter agent license pursuant to this act;

23 68. "Universal symbol" means the image established by the State
24 Department of Health or Oklahoma Medical Marijuana Authority and

1 made available to licensees through its website indicating that the
2 medical marijuana or the medical marijuana product contains THC;

3 69. "Usable marijuana" means the dried leaves, flowers, oils,
4 vapors, waxes and other portions of the marijuana plant and any
5 mixture or preparation thereof, excluding seed, roots and stalks;
6 and

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

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 427.3 of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

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

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

24

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

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

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

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

15 2. Contract with third-party vendors and other governmental
16 entities in order to carry out the respective duties and functions
17 as specified in this act. The selected vendor shall have experience
18 performing similar functions for a medical marijuana statewide
19 regulatory program. The Authority shall not contract with any
20 vendor providing commercial services to medical marijuana businesses
21 either directly, through affiliates, or any joint venture or
22 subsidiary;

23 3. Hear and determine at a public hearing any contested license
24 denial and any complaints against a licensee;

1 4. Administer oaths and issue subpoenas to require the presence
2 of persons and the production of papers, books and records necessary
3 to the determination of any hearing so held, all in accordance with
4 this section, Title 63 of the Oklahoma Statutes, rules promulgated
5 by the State Commissioner of Health and any other statutory and
6 regulatory laws regarding marijuana;

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

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

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

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

21 9. Work with the Oklahoma State Banking Department and the
22 State Treasurer to develop good practices and standards for banking
23 and finance for medical marijuana businesses;

24

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

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

8 12. Require verification for sources of finance for medical
9 marijuana businesses; and

10 13. Prescribe voluntary alternative methods for the making,
11 filing, signing, subscribing, verifying, transmitting, receiving or
12 storing of returns or other documents.

13 SECTION 4. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 427.4 of Title 63, unless there
15 is created a duplication in numbering, reads as follows:

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

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

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

24

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

7 C. All officers and employees of the Authority shall be in the
8 exempt unclassified service as provided for in Section 840-5.5 of
9 Title 74 of the Oklahoma Statutes. Officers and employees of the
10 Authority shall not be terminable except for cause as defined by the
11 State Commissioner of Health.

12 D. The Executive Director may delegate to any officer or
13 employee of the Authority any of the powers of the Executive
14 Director and may designate any officer or employee of the Authority
15 to perform any of the duties of the Executive Director.

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

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

1 1. Investigate violations or suspected violations of this act
2 and any rules promulgated pursuant thereto;

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

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

10 4. Require any business licensee, upon twenty-four (24) hours
11 notice or upon a showing of necessity, to permit an inspection of
12 licensed premises during business hours or at any time of apparent
13 operation, marijuana equipment, and marijuana accessories, or books
14 and records; and to permit the testing of or examination of medical
15 marijuana, concentrate, or product; and

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

19 G. Authority employees shall maintain the confidentiality of
20 all records and information.

21 SECTION 5. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 427.5 of Title 63, unless there
23 is created a duplication in numbering, reads as follows:

24

1 There is hereby created in the State Treasury a revolving fund
2 for the State Department of Health to be designated the "Oklahoma
3 Medical Marijuana Authority Revolving Fund". The fund shall be a
4 continuing fund, not subject to fiscal year limitations, and shall
5 consist of all monies received by the Department from fees and fines
6 collected pursuant to this act and all monies received by the
7 Oklahoma Tax Commission from tax proceeds collected pursuant to
8 Section 426 of Title 63 of the Oklahoma Statutes. All monies
9 accruing to the credit of the fund are hereby appropriated and may
10 be budgeted and expended by the Department for the purposes set
11 forth in Section 426 of Title 63 of the Oklahoma Statutes.
12 Expenditures from the fund shall be made upon warrants issued by the
13 State Treasurer against claims filed as prescribed by law with the
14 Director of the Office of Management and Enterprise Services for
15 approval and payment.

16 SECTION 6. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 427.6 of Title 63, unless there
18 is created a duplication in numbering, reads as follows:

19 A. The State Department of Health shall address issues related
20 to the medical marijuana program in Oklahoma including, but not
21 limited to, monitoring and disciplinary actions as they relate to
22 the medical marijuana program.

23 B. 1. The Department or its designee may perform on-site
24 assessments of a licensee or applicant for any medical marijuana

1 business license issued pursuant to this act to determine compliance
2 with this act or submissions made pursuant to this section. The
3 Department may enter the licensed premises of a medical marijuana
4 business licensee or applicant to assess or monitor compliance.

5 2. Inspections shall be limited to twice per calendar year and
6 twenty-four (24) hours of notice shall be provided to a medical
7 marijuana business applicant or licensee prior to an on-site
8 assessment. However, additional inspections may occur when the
9 Department shows that an additional inspection is necessary due to a
10 violation of this act. Such inspection may be without notice if the
11 Department believes that such notice will result in the destruction
12 of evidence.

13 3. The Department may review relevant records of a licensed
14 medical marijuana business, licensed medical marijuana research
15 facility or licensed medical marijuana education facility, and may
16 require and conduct interviews with such persons or entities and
17 persons affiliated with such entities, for the purpose of
18 determining compliance with Department requirements and applicable
19 laws. However, prior to conducting any interviews with the medical
20 marijuana business, research facility or education facility, the
21 licensee shall be afforded sufficient time to secure legal
22 representation during such questioning if requested by the business
23 or facility or any of its agents or employees or contractors.

24

1 4. The Department shall refer complaints alleging criminal
2 activity that are made against a licensee to appropriate Oklahoma
3 state or local law enforcement authorities.

4 C. Disciplinary action may be taken against an applicant or
5 licensee under this act for not adhering to the law pursuant to the
6 terms, conditions and guidelines set forth in this act.

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

10 E. Disciplinary actions may be imposed upon a medical marijuana
11 business licensee for:

12 1. Failure to comply with or satisfy any provision of this
13 section;

14 2. Falsification or misrepresentation of any material or
15 information submitted to the Department;

16 3. Failing to allow or impeding a monitoring visit by
17 authorized representatives of the Department;

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

20 5. Failure to submit or disclose information required by this
21 section or otherwise requested by the Department;

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

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

3 8. Failure to pay a required monetary penalty;

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

6 10. Threatening or harming a patient, a medical practitioner or
7 an employee of the Department; and

8 11. Any other basis as identified by the Department.

9 F. Disciplinary actions against a licensee may include the
10 imposition of monetary penalties, which may be assessed by the
11 Department.

12 G. Penalties for sales by a medical marijuana business to
13 persons other than those allowed by law occurring within any two-
14 year time period may include an initial fine of One Thousand Dollars
15 (\$1,000.00) for a first violation and a fine of Five Thousand
16 Dollars (\$5,000.00) for any subsequent violation. The medical
17 marijuana business may be subject to a revocation of any license
18 granted pursuant to this act upon a showing that the violation was
19 willful or grossly negligent.

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

1 2. The second offense for impermissible diversion of medical
2 marijuana, concentrate, or products by a patient or caregiver to an
3 unauthorized person shall not be punished under a criminal statute
4 but may be subject to a fine of not to exceed Five Hundred Dollars
5 (\$500.00) and may result in revocation of the license upon a showing
6 that the violation was willful or grossly negligent.

7 J. The following persons or entities may request a hearing to
8 contest an action or proposed action of the Department:

9 1. A medical marijuana business, research facility or education
10 facility licensee whose license has been summarily suspended or who
11 has received a notice of contemplated action to suspend or revoke a
12 license or take other disciplinary action;

13 2. A patient or caregiver licensee whose license has been
14 summarily suspended or who has received notice of contemplated
15 action to suspend or revoke a license or take other disciplinary
16 action;

17 3. An applicant for a license issued under this act whose
18 application is denied for any reason other than failure to submit a
19 completed application or failure to meet a submittal requirement;
20 and

21 4. A person whose participation with an applicant or licensee
22 is prohibited based on a criminal background check.

1 K. The appellant shall file the request for hearing within
2 thirty (30) calendar days of the date the action is taken or the
3 notice of contemplated action is received. The request shall:

- 4 1. Be properly addressed to the State Department of Health;
- 5 2. State the name, address and telephone number of the
6 appellant; and
- 7 3. Include a statement of the issue that the appellant
8 considers relevant to the review of the action.

9 L. All hearings held pursuant to this section shall be:

- 10 1. Conducted by a hearing officer appointed by the Department;
- 11 2. Conducted in Oklahoma City, Oklahoma, or, with the consent
12 of the parties, in another location;
- 13 3. Due to federal and state confidentiality laws, closed to the
14 public. Portions of hearings may further be closed to prevent the
15 disclosure of confidential information;
- 16 4. Recorded on audiotape or other means of sound reproduction;
17 and
- 18 5. Held telephonically with the consent of the parties.

19 M. The Department shall schedule and hold the hearing as soon
20 as practicable, but in no event later than sixty (60) calendar days
21 from the date the Department receives a request for a hearing by an
22 appellant. The hearing examiner shall extend the sixty-day time
23 period upon motion for good cause shown or the parties may extend
24

1 the sixty-day time period by mutual agreement. The Department shall
2 issue notice of hearing, which shall include:

3 1. A statement of the location, date and time of the hearing;

4 2. A short and plain statement of the legal authority under
5 which the hearing is to be held; and

6 3. A short and plain statement of the subject of the hearing.

7 N. All parties shall be given the opportunity to respond and
8 present evidence and argument on all relevant issues.

9 O. The record of the proceeding shall include the following:

10 1. All pleadings, motions and intermediate rulings;

11 2. Evidence and briefs received or considered;

12 3. A statement of matters officially noticed;

13 4. Offers of proof, objections and rulings thereon;

14 5. Proposed findings and conclusions; and

15 6. Any action recommended by the hearing examiner.

16 P. A party may request a copy of the audio recording of the
17 proceedings.

18 Q. A party may be represented by a person licensed to practice
19 law in Oklahoma, a nonlawyer representative, or may represent
20 himself or herself.

21 R. 1. The rules of evidence as applied in the courts shall not
22 apply in these proceedings. Any relevant evidence shall be
23 admitted. Irrelevant, immaterial or unduly repetitious evidence may
24 be excluded.

1 2. The experience, technical competence and specialized
2 knowledge of the hearing examiner, the Department or the staff of
3 the Department may be used in the evaluation of evidence.

4 3. The failure of an appellant to appear at the hearing at the
5 date and time noticed for the hearing shall constitute a default.

6 S. Unless the hearing examiner determines that a different
7 procedure is appropriate, the hearing shall be conducted in
8 accordance with the procedures set forth in this section. The
9 following procedures shall apply:

10 1. The appellant shall present an opening statement and the
11 Department may present an opening statement or reserve the statement
12 until presentation of the case of the Department;

13 2. After the opening statements, if made, the appellant shall
14 present its case;

15 3. Upon the conclusion of the case of the appellant, the
16 Department shall present its case;

17 4. Upon conclusion of the case of the Department, the appellant
18 may present rebuttal evidence; and

19 5. After presentation of the evidence by the parties, the
20 parties may present closing arguments.

21 T. The appellant shall bear the burden of establishing by a
22 preponderance of the evidence that the decision made or proposed by
23 the Department should be reversed or modified.

24

1 U. The hearing examiner may grant a continuance for good cause
2 shown. A motion to continue a hearing shall be made at least ten
3 (10) calendar days before the hearing date, unless emergency
4 circumstances arise.

5 V. 1. Any party requesting a telephonic hearing shall do so no
6 less than ten (10) business days prior to the date of the hearing.
7 Notice of the telephonic hearing shall be given to all parties and
8 shall include all necessary telephone numbers.

9 2. The appellant shall be responsible for ensuring the
10 telephone number to the location of the appellant for the telephonic
11 hearing is accurate and the appellant is available at the telephone
12 number at the time the hearing is to commence. Failure to provide
13 the correct telephone number or failure to be available at the
14 commencement of the hearing shall be treated as a failure to appear
15 and shall subject the appellant to a default judgment.

16 3. The in-person presence of some parties or witnesses at the
17 hearing shall not prevent the participation of other parties or
18 witnesses by telephone with prior approval of the hearing examiner.

19 W. The parties may submit briefs including findings of fact and
20 conclusions of law for consideration by the hearing examiner.

21 X. No later than thirty (30) calendar days after the last
22 submission by a party, the hearing examiner shall prepare and submit
23 to the Department or designee of the Department a written
24 recommendation of action to be taken by the Department or designee

1 of the Department. The recommendation shall propose sustaining,
2 modifying or reversing the action or proposed action of the
3 Department.

4 Y. The Department or designee of the Department shall issue a
5 final written decision accepting or rejecting the recommendation of
6 the hearing examiner in whole or in part no later than thirty (30)
7 calendar days after receipt of the recommendation of the hearing
8 examiner. The final decision shall identify the final action taken.
9 Service of the final decision of the Department or designee of the
10 Department shall be made upon the appellant by registered or
11 certified mail.

12 Z. The final decision or order shall be included in the file of
13 the appellant with the medical marijuana program.

14 SECTION 7. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 427.7 of Title 63, unless there
16 is created a duplication in numbering, reads as follows:

17 A. The State Department of Health shall create a medical
18 marijuana use registry of patients and caregivers as provided under
19 this section. The handling of any records maintained in the
20 registry shall comply with all relevant state and federal laws
21 including, but not limited to, the Health Insurance Portability and
22 Accountability Act of 1996 (HIPAA).

23 B. The medical marijuana use registry shall be accessible to
24 Oklahoma-licensed medical marijuana dispensaries to verify the

1 license of a patient or caregiver by the twenty-four-character
2 identifier.

3 C. All other records regarding a medical marijuana licensee
4 shall be maintained by the Department and shall be deemed
5 confidential. The handling of any records maintained by the
6 Department shall comply with all relevant state and federal laws
7 including, but not limited to, the Health Insurance Portability and
8 Accountability Act of 1996 (HIPAA). Such records shall be marked as
9 confidential, shall not be made available to the public and shall
10 only be made available to the licensee, designee of the licensee,
11 any physician of the licensee or the caregiver of the licensee. No
12 personally identifiable information, as defined under HIPAA, shall
13 be stored at the Department.

14 D. A log shall be kept with the file of the licensee to record
15 any event in which the records of the licensee were made available
16 and to whom the records were provided.

17 E. The Department shall ensure that all application records and
18 information are sealed to protect the privacy of medical marijuana
19 patient license applicants.

20 SECTION 8. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 427.8 of Title 63, unless there
22 is created a duplication in numbering, reads as follows:

23 A. The rights to possess the marijuana products set forth in
24 Section 420 of Title 63 of the Oklahoma Statutes are cumulative and

1 a duly licensed individual may possess at any one time the totality
2 of the items listed therein and not be in violation of this act so
3 long as the individual holds a valid patient license or caregiver
4 license.

5 B. Municipal and county governing bodies may not enact medical
6 marijuana guidelines which restrict or interfere with the rights of
7 a licensed patient or caregiver to possess, purchase, cultivate or
8 transport medical marijuana within the legal limits set forth in
9 this act or Section 420 et seq. of Title 63 of the Oklahoma Statutes
10 or require patients or caregivers to obtain permits or licenses in
11 addition to the state-required licenses provided herein.

12 C. Nothing in this act or Section 420 et seq. of Title 63 of
13 the Oklahoma Statutes shall prohibit a residential or commercial
14 property or business owner from prohibiting the consumption of
15 medical marijuana or medical marijuana product by smoke or
16 vaporization on the premises within the structures of the premises
17 or within ten (10) feet of the entryway to the premises. However, a
18 medical marijuana patient shall not be denied the right to consume
19 or use other medical marijuana products which are otherwise legal
20 and do not involve the smoking or vaporization of cannabis when
21 lawfully recommended pursuant to Section 420 of Title 63 of the
22 Oklahoma Statutes.

23 D. A medical marijuana patient or caregiver licensee shall not
24 be denied eligibility in public assistance programs including, but

1 not limited to, Medicaid, Supplemental Nutrition Assistance Program
2 (SNAP), Women, Infants, and Children Nutrition Program (WIC),
3 Temporary Assistance for Needy Families (TANF) or other such public
4 assistance programs based solely on his or her status as a medical
5 marijuana patient or caregiver licensee, unless required by federal
6 law.

7 E. A medical marijuana patient or caregiver licensee shall not
8 be denied the right to own, purchase or possess a firearm,
9 ammunition, or firearm accessories based solely on his or her status
10 as a medical marijuana patient or caregiver licensee. No state or
11 local agency, municipal or county governing authority shall
12 restrict, revoke, suspend or otherwise infringe upon the right of a
13 person to own, purchase or possess a firearm, ammunition, or firearm
14 accessories or any related firearms license or certification based
15 solely on their status as a medical marijuana patient or caregiver
16 licensee.

17 F. A medical marijuana patient or caregiver in actual
18 possession of a medical marijuana license shall not be subject to
19 arrest, prosecution or penalty in any manner or denied any right,
20 privilege or public assistance, under state law or municipal or
21 county ordinance or resolution including without limitation a civil
22 penalty or disciplinary action by a business, occupational or
23 professional licensing board or bureau, for the medical use of
24 marijuana in accordance with this act.

1 G. A government medical assistance program shall not be
2 required to reimburse a person for costs associated with the medical
3 use of marijuana unless federal law requires reimbursement.

4 H. Unless otherwise required by federal law or required to
5 obtain federal funding:

6 1. No employer may refuse to hire, discipline, discharge or
7 otherwise penalize an applicant or employee solely on the basis of
8 such applicant's or employee's status as a medical marijuana
9 licensee; and

10 2. No employer may refuse to hire, discipline, discharge or
11 otherwise penalize an applicant or employee solely on the basis of a
12 positive test for marijuana components or metabolites, unless:

13 a. the applicant or employee is not in possession of a
14 valid medical marijuana license,

15 b. the licensee possesses, consumes or is under the
16 influence of medical marijuana or medical marijuana
17 product while at the place of employment or during the
18 fulfillment of employment obligations, or

19 c. the position is one involving safety-sensitive job
20 duties, as such term is defined in subsection T of
21 this section.

22 I. Nothing in this act or Section 420 et seq. of Title 63 of
23 the Oklahoma Statutes shall:

24

1 1. Require an employer to permit or accommodate the use of
2 medical marijuana on the property or premises of any place of
3 employment or during hours of employment;

4 2. Require an employer, a government medical assistance
5 program, private health insurer, worker's compensation carrier or
6 self-insured employer providing worker's compensation benefits to
7 reimburse a person for costs associated with the use of medical
8 marijuana; or

9 3. Prevent an employer from having written policies regarding
10 drug testing and impairment in accordance with the Oklahoma
11 Standards for Workplace Drug and Alcohol Testing Act, Section 551 et
12 seq. of Title 40 of the Oklahoma Statutes.

13 J. Any applicant or employee aggrieved by a willful violation
14 of this section shall have, as his or her exclusive remedy, the same
15 remedies as provided for in the Oklahoma Standards for Workplace
16 Drug and Alcohol Testing Act set forth in Section 563 of Title 40 of
17 the Oklahoma Statutes.

18 K. As used in this section:

19 1. "Safety-sensitive" means any job that includes tasks or
20 duties that the employer reasonably believes could affect the safety
21 and health of the employee performing the task or others, including
22 but not limited to, any of the following:

23 a. the handling, packaging, processing, storage, disposal
24 or transport of hazardous materials,

- b. the operation of a motor vehicle, other vehicle, equipment, machinery or power tools,
- c. repairing, maintaining or monitoring the performance or operation of any equipment, machinery or manufacturing process, the malfunction or disruption of which could result in injury or property damage,
- d. performing duties in the residential or commercial premises of a customer, supplier or vendor,
- e. the operation, maintenance or oversight of critical services and infrastructure, including but not limited to, electric, gas, and water utilities, power generation or distribution,
- f. the extraction, compression, processing, manufacturing, handling, packaging, storage, disposal, treatment or transport of potentially volatile, flammable, combustible materials, elements, chemicals or any other highly regulated component,
- g. preparing or handling food or medicine,
- h. carrying a firearm, or
- i. direct patient care or direct child care; and

2. A "positive test for marijuana components or metabolites" means a result that is at or above the cutoff concentration level established by the United States Department of Transportation or

1 Oklahoma law regarding being under the influence, whichever is
2 lower.

3 L. All smokable, vaporized, vapable and e-cigarette medical
4 marijuana product inhaled through vaporization or smoked by a
5 medical marijuana licensee are subject to the same restrictions for
6 tobacco under Section 1-1521 of Title 63 of the Oklahoma Statutes,
7 commonly referred to as the "Smoking in Public Places and Indoor
8 Workplaces Act".

9 SECTION 9. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 427.9 of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. The Department may contact the recommending physician of an
13 applicant for a medical marijuana license to verify the need of the
14 applicant for the license.

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

24

1 C. The patient license shall be valid for up to two (2) years
2 from the date of issuance, unless the recommendation of the
3 physician is terminated pursuant to this act or revoked by the
4 Department.

5 SECTION 10. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 427.10 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

8 A. Only licensed Oklahoma allopathic and osteopathic physicians
9 may provide a medical marijuana recommendation for a medical
10 marijuana patient license under this act.

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

15 C. No physician shall be subject to arrest, prosecution or
16 penalty in any manner or denied any right or privilege under
17 Oklahoma state, municipal or county statute, ordinance or
18 resolution, including without limitation a civil penalty or
19 disciplinary action by the State Board of Medical Licensure and
20 Supervision or the State Board of Osteopathic Examiners or by any
21 other business, occupation or professional licensing board or
22 bureau, solely for providing a medical marijuana recommendation for
23 a patient or for monitoring, treating or prescribing scheduled
24 medication to patients who are medical marijuana licensees. The

1 provisions of this subsection shall not prevent the relevant
2 professional licensing boards from sanctioning a physician for
3 failing to properly evaluate the medical condition of a patient or
4 for otherwise violating the applicable physician-patient standard of
5 care.

6 D. A physician who recommends use of medical marijuana shall
7 not be located at the same physical address as a dispensary.

8 E. If, after a physician completes a follow-up examination and
9 review pursuant to this section, the physician determines the
10 continued use of medical marijuana by the patient no longer meets
11 the requirements set forth in this act, the physician shall notify
12 the Department and the Department shall immediately revoke the
13 license.

14 SECTION 11. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 427.11 of Title 63, unless there
16 is created a duplication in numbering, reads as follows:

17 A. The caregiver license shall provide the caregiver the same
18 rights as the medical marijuana patient licensee, including the
19 ability to possess marijuana, marijuana products, and mature and
20 immature plants pursuant to this act, but excluding the ability to
21 use marijuana or marijuana products unless the caregiver has a
22 medical marijuana patient license. Caregivers shall be authorized
23 to deliver marijuana and products to their authorized patients.
24 Caregivers shall be authorized to possess medical marijuana and

1 medical marijuana products up to the sum of the possession limits
2 for the patients under his or her care pursuant to this act.

3 B. An individual caregiver shall be limited to exercising the
4 marijuana cultivation rights of no more than five licensed patients
5 as prescribed by this act.

6 C. The license of a caregiver shall not extend beyond the
7 expiration date of the underlying patient license regardless of the
8 issue date.

9 SECTION 12. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 427.12 of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 A. All medical marijuana grown by medical marijuana patient
13 license holders or caregivers may only be grown on real property
14 owned by the patient license holder or on real property for which
15 the patient license holder has the property owner's written
16 permission to grow marijuana on the property.

17 B. All medical marijuana plants grown by a patient or caregiver
18 shall be grown so that the marijuana is not accessible to a member
19 of the general public. No marijuana plants shall be visible from
20 any street adjacent to the property. For purposes of this section,
21 "visible" means viewable by a normal person with 20/20 eyesight
22 without the use of any device to assist in improving viewing
23 distance or vantage point.

24

1 C. It is expressly prohibited to operate extraction equipment
2 or utilize extraction processes if the equipment or process utilizes
3 butane, propane, carbon dioxide or any potentially hazardous
4 material in a residential property.

5 SECTION 13. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 427.13 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

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

12 B. 1. The State Department of Health shall have oversight and
13 auditing responsibilities to ensure that all marijuana being grown
14 in Oklahoma is accounted for and shall implement an inventory
15 tracking system. Pursuant to these duties, the Department shall
16 require that each medical marijuana business keep records for every
17 transaction with another medical marijuana business, patient or
18 caregiver. Inventory shall be tracked and updated after each
19 individual sale and reported to the Department.

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

23 a. notification of when marijuana seeds are planted,
24

- 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 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 Department.

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 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 427.14 of Title 63, unless there is created a duplication in numbering, reads as follows:

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.

1 B. The State Department of Health, with the aid of the Office
2 of Management and Enterprise Services, shall develop a website for
3 medical marijuana business applications.

4 C. The Department shall make available on its website or the
5 website of the Oklahoma Medical Marijuana Authority in an easy-to-
6 find location, applications for a medical marijuana business.

7 D. The nonrefundable application fee for a medical marijuana
8 business license shall be Two Thousand Five Hundred Dollars
9 (\$2,500.00).

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

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

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

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

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

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

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

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

6 a. all applicants shall be age twenty-five (25) or older,

7 b. any applicant applying as an individual shall show
8 proof that the applicant is an Oklahoma resident
9 pursuant to paragraph 11 of this subsection,

10 c. any applicant applying as an entity shall show that
11 seventy-five percent (75%) of all members, managers,
12 executive officers, partners, board members, or any
13 other form of business ownership are Oklahoma
14 residents pursuant to paragraph 11 of this subsection,

15 d. all applying individuals or entities shall be
16 registered to conduct business in the State of
17 Oklahoma,

18 e. all applicants shall disclose all ownership interests
19 pursuant to this act, and

20 f. applicants shall not have been convicted of a
21 nonviolent felony in the last two (2) years, and any
22 other felony conviction within the last five (5)
23 years, shall not be current inmates, or currently
24 incarcerated in a jail or corrections facility;

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

8 9. All applicants for a medical marijuana business license,
9 related occupational license, research facility license, or
10 education facility license authorized by this act shall undergo an
11 Oklahoma criminal history background check conducted by the Oklahoma
12 State Bureau of Investigation (OSBI) within thirty (30) days prior
13 to the application for the license, including:

- 14 a. individual applicants applying on their own behalf,
- 15 b. individuals applying on behalf of an entity,
- 16 c. all principal officers of an entity, and
- 17 d. all owners of an entity as defined by this act;

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

21 11. In order to be considered an Oklahoma resident for purposes
22 of a medical marijuana business application, all applicants shall
23 provide proof of Oklahoma residency for at least two (2) years
24 immediately preceding the date of application or five (5) years of

1 continuous Oklahoma residency during the preceding twenty-five (25)
2 years immediately preceding the date of application. Sufficient
3 documentation of proof of residency shall include a combination of
4 the following:

- 5 a. an unexpired Oklahoma-issued driver license,
- 6 b. an Oklahoma voter identification card,
- 7 c. a utility bill preceding the date of application,
8 excluding cellular telephone and internet bills,
- 9 d. a residential property deed to property in the State
10 of Oklahoma, and
- 11 e. a rental agreement preceding the date of application
12 for residential property located in the State of
13 Oklahoma;

14 12. No license applicant shall be required to submit a
15 registration with the Oklahoma State Bureau of Narcotics and
16 Dangerous Drugs Control as provided in Sections 2-202 through 2-204
17 of Title 63 of the Oklahoma Statutes;

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

- 21 a. front and back of an Oklahoma driver license,
- 22 b. front and back of an Oklahoma identification card,
- 23 c. a United States passport or other photo identification
24 issued by the United States government,

1 d. certified copy of the applicant's birth certificate
2 for minor applicants who do not possess a document
3 listed in this section, or

4 e. a tribal identification card approved for
5 identification purposes by the Oklahoma Department of
6 Public Safety; and

7 14. All applicants shall submit an applicant photograph.

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

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

15 2. Approved applicants shall be issued a medical marijuana
16 business license for the specific category applied under which shall
17 act as proof of their approved status. Rejection letters shall
18 provide a reason for the rejection. Applications may only be
19 rejected based on the applicant not meeting the standards set forth
20 in the provisions of this section, improper completion of the
21 application, or for a reason provided for in this act. If an
22 application is rejected for failure to provide required information,
23 the applicant shall have thirty (30) days to submit the required
24

1 information for reconsideration. No additional application fee
2 shall be charged for such reconsideration.

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

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

10 H. A license provided by this act or by Section 421, 422, 423
11 or 425 of Title 63 of the Oklahoma Statutes shall not be issued
12 until all relevant local licenses and permits have been issued by
13 the municipality, including but not limited to an occupancy permit
14 or certificate of compliance.

15 I. In the event that an applicant has not received the
16 necessary permits, certificates or licenses from a municipality, but
17 the applicant has fulfilled all other obligations required by this
18 act, the Authority shall grant a conditional license. A conditional
19 license shall remain valid for a period of one (1) year or until the
20 applicant obtains the necessary local permits, certificates or
21 licenses. An applicant shall not transfer any medical marijuana,
22 concentrate or products to a medical marijuana business, patient or
23 caregiver until approval is received from the Department.

24

1 J. A medical marijuana business license, excluding occupational
2 licenses, shall not be issued to or held by:

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

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

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

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

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

16 a. file taxes, interest or penalties due related to a
17 medical marijuana business, or

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

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

23 7. A person whose authority to be a caregiver as defined in
24 this act has been revoked by the Department; or

1 8. A publicly traded company.

2 K. In investigating the qualifications of an applicant or a
3 licensee, the Department and municipalities may have access to
4 criminal history record information furnished by a criminal justice
5 agency subject to any restrictions imposed by such an agency. In
6 the event the Department considers the criminal history record of
7 the applicant, the state shall also consider any information
8 provided by the applicant regarding such criminal history record,
9 including but not limited to evidence of rehabilitation, character
10 references and educational achievements, especially those items
11 pertaining to the period of time between the last criminal
12 conviction of the applicant and the consideration of the application
13 for a state license.

14 L. The failure of an applicant to provide the requested
15 information by the Department deadline may be grounds for denial of
16 the application.

17 M. All applicants shall submit information to the Department in
18 a full, faithful, truthful and fair manner. The Department may
19 recommend denial of an application where the applicant made
20 misstatements, omissions, misrepresentations or untruths in the
21 application or in connection with the background investigation of
22 the applicant. This type of conduct may be considered as the basis
23 for additional administrative action against the applicant. Typos
24 and scrivener errors shall not be grounds for denial.

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

7 O. All medical marijuana business licensees shall pay the
8 relevant licensure fees prior to receiving licensure to operate a
9 medical marijuana business, as defined in this act for each class of
10 license.

11 SECTION 15. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 427.15 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. In recognition of the federal restrictions currently in
15 place regarding lending agreements, financial services and banking
16 relationships with medical marijuana businesses, an applicant shall
17 disclose the sources and total amount of capitalization available to
18 operate and maintain a proposed medical marijuana business.

19 B. An applicant shall provide proof to the State Department of
20 Health the sources of the capitalization as follows:

21 1. Liquid assets to include, but not limited to, cash, assets
22 easily convertible to cash, including, but not limited to cash,
23 Certificates of Deposit, 401(k), stocks and bonds;

24

1 2. Additional assets including, but not limited to, equity in
2 real property, supplies, equipment, fixtures or any other nonliquid
3 asset;

4 3. No lien or encumbrance on the asset provided as a source of
5 capitalization; and

6 4. A disclosure by the applicant that any of the capitalization
7 sources that arise from non-Oklahoma or foreign sources shall be
8 validated by certified-professional-accountant-attested financial
9 statements.

10 C. All applications shall include all information required by
11 this section related to all owners with financial interests in the
12 project of the applicant including, but not limited to, the proposed
13 direct beneficial interest owners, indirect beneficial interest
14 owners, and qualified limited passive investors of the applicant.

15 D. The sum of ownership in a medical marijuana business license
16 shall equal one hundred percent (100%). At least seventy-five
17 percent (75%) of the total sum of ownership shall be held by
18 Oklahoma residents. No more than twenty-five percent (25%) of
19 ownership or equity in a medical marijuana business license shall be
20 held by a non-Oklahoma resident.

21 E. For purposes of this section:

22 1. "Affiliated interest" means any business interest related to
23 a medical marijuana business that does not rise to the level of a
24 financial interest in a medical marijuana business license. An

1 affiliated interest may include, but shall not be limited to, an
2 indirect beneficial interest owner that is not a financial interest,
3 an indirect financial interest, a lease agreement, a secured or
4 unsecured loan, or security interest in fixtures or equipment with a
5 direct nexus to the cultivation, manufacture, transfer,
6 transportation or testing of medical marijuana or medical marijuana
7 products. Except as otherwise provided by this act, or rules
8 promulgated pursuant thereto, an affiliated interest holder shall
9 neither exercise control of nor be positioned to enable the exercise
10 of control over the medical marijuana business or its operations. A
11 medical marijuana business shall report each of its affiliated
12 interests to the Department with each application for initial
13 licensure, renewal, change of ownership or change of corporate
14 structure;

15 2. "Business interest" means any person that holds a financial
16 interest or an affiliated interest in a medical marijuana business;

17 3. "Closely held business entity" means an entity that has no
18 more than fifteen shareholders, officers, directors, members,
19 partners or owners, each of whom are natural persons, and each of
20 whom is a United States citizen prior to the date of application.
21 There shall be no publicly traded market for interests in the
22 entity. A closely held business entity and each of the natural
23 persons who are its shareholders, officers, directors, members,
24 partners or owners are direct beneficial interest owners. A closely

1 held business entity is an associated business of the medical
2 marijuana business for which it is a direct beneficial interest
3 owner;

4 4. "Financial interest" means any direct beneficial interest
5 owner who receives more than twenty-five percent (25%) of the gross
6 revenue or gross profit, a permitted economic interest holder, and
7 any other person who controls or is positioned so as to enable the
8 exercise of control over the medical marijuana business;

9 5. "Indirect beneficial interest owner" means a holder of a
10 permitted economic interest, a profit-sharing plan employee, a
11 qualified institutional investor, or another similarly situated
12 person as determined by the Department. An indirect beneficial
13 interest owner is not a licensee. The licensee shall obtain
14 Department approval for an indirect beneficial owner that
15 constitutes a financial interest before such indirect beneficial
16 interest owner may exercise any of the privileges of the ownership
17 or interest with respect to the licensee;

18 6. "Owner" means, except where the context otherwise requires,
19 a direct beneficial interest owner;

20 7. "Permitted economic interest" means an agreement to obtain
21 ownership interest in a medical marijuana business when the holder
22 of such interest is a natural person who is a lawful United States
23 resident and whose right to convert into an ownership interest is
24 contingent on the holder qualifying and obtaining a license as a

1 direct beneficial interest owner under this act. A permitted
2 economic interest holder is an indirect beneficial interest owner;

3 8. "Profit-sharing plan" means a profit-sharing plan that is
4 qualified pursuant to Section 401 of Title 26 of the Internal
5 Revenue Code and subject to the Employee Retirement Income Security
6 Act, and which provides for employer contributions in the form of
7 cash, but not in the form of stock or other equity interests in a
8 medical marijuana business;

9 9. "Profit-sharing plan employee" means an employee holding an
10 occupational license who receives a share of the profits of a
11 medical marijuana business through a profit-sharing plan. A profit-
12 sharing plan employee is an indirect beneficial interest owner; and

13 10. "Qualified institutional investor" means:

- 14 a. a bank as defined in Section 3(a)(6) of the Federal
15 Securities Exchange Act of 1934, as amended,
- 16 b. an insurance company as defined in Section 2(a)(17) of
17 the Investment Company Act of 1940, as amended,
- 18 c. an investment company registered under Section 8 of
19 the Investment Company Act of 1940, as amended,
- 20 d. an investment adviser registered under Section 203 of
21 the Investment Advisers Act of 1940, as amended,
- 22 e. collective trust funds as defined in Section 3(c)(11)
23 of the Investment Company Act of 1940, as amended,

24

- 1 f. an employee benefit plan or pension fund that is
2 subject to the Employee Retirement Income Security Act
3 of 1974, as amended, excluding an employee retirement
4 plan or pension fund sponsored by a licensed or an
5 intermediary or holding company licensee which
6 directly or indirectly owns five percent (5%) or more
7 of a licensee,
- 8 g. a state or federal government pension plan, or
9 h. a group comprised entirely of persons specified in
10 divisions (a) through (g) of this definition, and
11 i. a "qualified institutional investor" is an indirect
12 beneficial interest owner.

13 F. At a minimum, each applicant for a new license or
14 registration shall provide, at the time of application, the
15 following information:

16 1. For each ownership interest, evidence of proof of lawful
17 presence, citizenship, if applicable, residence, if applicable, and
18 a criminal background check as required by the forms prescribed by
19 the Department;

20 2. For each medical marijuana business applicant, all requested
21 information concerning financial and management associations and
22 interests of other persons in the business;

23 3. If the applicant for any license pursuant to this act is a
24 closely held business entity it shall submit with the application:

- 1 a. the applications for all shareholders, members,
2 partners, officers and directors,
3 b. if the closely held business entity is a corporation,
4 a copy of its articles of incorporation or articles of
5 organization, evidence of authorization from the
6 Oklahoma Secretary of State to do business within this
7 state, and, for each shareholder, his or her name,
8 mailing address, state of residence and certification
9 of Oklahoma residency for at least one officer and all
10 officers with day-to-day operational control over the
11 business, and
12 c. if the closely held business entity is a limited
13 liability company, a copy of its articles of
14 organization and its operating agreement, evidence of
15 authorization from the Oklahoma Secretary of State to
16 do business within this state, and, for each member,
17 his or her name, mailing address, state of residence
18 and certification of Oklahoma residency for at least
19 one officer and all officers with day-to-day
20 operational control over the business; and

21 4. For each medical marijuana business applicant, documentation
22 verifying and confirming the funds used to start or sustain the
23 operation of the medical marijuana business were lawfully earned or
24 obtained.

1 G. All applications to reinstate a license or registration
2 shall be deemed an application for a new license or registration.
3 Such licenses shall include, but not be limited to, medical
4 marijuana business licenses or registrations that have been expired
5 for more than ninety (90) days, licenses or registrations that have
6 been voluntarily surrendered, and licenses that have been revoked.

7 H. The Department may refuse to accept an incomplete
8 application.

9 I. Each financial interest is void and of no effect unless and
10 until approved by the Department. A financial interest shall not
11 exercise any privilege associated with the proposed interest until
12 approved by the Department. Any violation of this requirement may
13 be considered a license or registration violation affecting public
14 safety.

15 J. 1. The medical marijuana business seeking to obtain
16 financing or otherwise establish any type of relationship with an
17 indirect beneficial interest owner, including a permitted economic
18 interest, a profit-sharing plan employee, or a qualified
19 institutional investor, shall file all required documents with the
20 Department, including any supplemental documents requested by the
21 Department during its review of the application.

22 2. A medical marijuana business applying for approval of any
23 type of indirect beneficial interest owner shall submit information
24 to the Department in a full, faithful, truthful and fair manner.

1 The Department may recommend denial of an application where any
2 party made misstatements, omissions, misrepresentations or untruths
3 in the application or in connection with the background
4 investigation of the proposed indirect beneficial interest owner.
5 This type of conduct may be considered as the basis for additional
6 administrative action against the medical marijuana business.

7 3. The medical marijuana business applicant seeking to obtain
8 financing from a permitted economic interest shall submit a copy of
9 the agreement between the medical marijuana business and the person
10 seeking to hold a permitted economic interest. The following
11 requirements shall apply to all agreements:

12 a. the agreement shall be complete and shall fully
13 incorporate all terms and conditions,

14 b. the following provisions shall be included in the
15 agreement:

16 (1) any interest in a medical marijuana business,
17 whether held by a permitted economic interest or
18 any other person, shall be acquired in accordance
19 with the provisions of this act, as applicable,
20 and the rules promulgated pursuant thereto. The
21 issuance of any agreement or other interest in
22 violation thereof shall be void. The permitted
23 economic interest holder shall not provide
24 funding to the medical marijuana business until

1 the permitted economic interest is approved by
2 the Department,

3 (2) no agreement or other interest issued by the
4 medical marijuana business and no claim or charge
5 therein or thereto shall be transferred except in
6 accordance with the provisions of this act as
7 applicable, and the rules promulgated pursuant
8 thereto. Any transfer in violation thereof shall
9 be void, and

10 (3) the permitted economic interest holder shall
11 disclose in writing to the Department and to the
12 medical marijuana business any and all
13 disqualifying events, within ten (10) days after
14 occurrence of the event, that could lead to a
15 finding that the holder no longer qualifies to
16 hold the permitted economic interest or that
17 could lead to a denial of licensure pursuant to
18 this act and any rules promulgated pursuant
19 thereto.

20 4. Before a medical marijuana business may permit a qualified
21 institutional investor to own any portion of the medical marijuana
22 business, the medical marijuana business shall submit the following
23 documentation to the Department in connection with the medical
24 marijuana business' application:

- 1 a. a description of the qualified institutional
- 2 investor's business,
- 3 b. a statement as to why the qualified institutional
- 4 investor meets the definition of qualified
- 5 institutional investor, and
- 6 c. the names of each person that beneficially owns any of
- 7 the qualified institutional investor's voting
- 8 securities or other equivalent.

9 5. The permitted economic interest holder, profit-sharing plan
10 employee and qualified institutional investor knowingly, freely and
11 voluntarily waive any right or claim to seek any independent review
12 or approval or denial of their interest by the Department, or of an
13 administrative action against the medical marijuana business, that
14 is based upon, or directly related to, the qualifications or actions
15 of the permitted economic interest, and expressly agree that the
16 only administrative or judicial review of such a determination or
17 action will occur through a licensing or enforcement proceeding for
18 the medical marijuana business.

19 SECTION 16. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 427.16 of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

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

1 B. Pursuant to Section 424 of Title 63 of the Oklahoma
2 Statutes, the State Department of Health shall issue a medical
3 marijuana transporter license to licensed medical marijuana
4 commercial growers, processors and dispensaries upon issuance of
5 such licenses and upon each renewal.

6 C. A medical marijuana transporter license may also be issued
7 to qualifying applicants who are registered with the Oklahoma
8 Secretary of State and otherwise meet the requirements for a medical
9 marijuana business license set forth in this act and the
10 requirements set forth in this section to provide logistics,
11 distribution and storage of medical marijuana, medical marijuana
12 concentrate and medical marijuana products.

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

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

24

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

3 G. Each licensed medical marijuana transporter shall maintain a
4 vehicle liability insurance policy of at least One Million Dollars
5 (\$1,000,000.00).

6 H. Each licensed medical marijuana transporter shall maintain
7 an umbrella liability insurance policy of at least Five Million
8 Dollars (\$5,000,000.00) if operating more than one delivery vehicle.

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

16 J. A medical marijuana transporter licensee shall use the seed-
17 to-sale tracking system developed pursuant to this act to create
18 shipping manifests documenting the transport of medical marijuana,
19 concentrate and products throughout the state.

20 K. A licensed medical marijuana transporter may maintain and
21 operate one or more warehouses in the state to handle medical
22 marijuana, concentrate and products.

23 L. All medical marijuana, concentrate and product shall be
24 transported:

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

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

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

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

13 N. The Department shall issue a transporter agent license to
14 individual agents, employees, officers or owners of a transporter
15 license in order for the individual to qualify to transport medical
16 marijuana or product.

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

20 P. The Department shall issue each transporter agent a registry
21 identification card within thirty (30) days of receipt of:

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

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

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

3 4. Possession of a valid Oklahoma driver license;

4 5. Verification of employment with a licensed transporter;

5 6. The application and affiliated fee; and

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

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

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

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

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

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

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

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

- 11 1. For the origination point of the medical marijuana:
 - 12 a. the licensee number for the commercial grower,
13 processor or dispensary,
 - 14 b. address of origination of transport, and
 - 15 c. name and contact information for the originating
16 licensee;
- 17 2. For the end recipient license holder of the medical
18 marijuana:
 - 19 a. the license number for the dispensary, commercial
20 grower, processor, research facility or education
21 facility destination,
 - 22 b. address of the destination, and
 - 23 c. name and contact information for the destination
24 licensee;

- 1 3. Quantities by weight or unit of each type of medical
- 2 marijuana product contained in transport;
- 3 4. The date of the transport and the approximate time of
- 4 departure;
- 5 5. The arrival date and estimated time of arrival;
- 6 6. Printed names and signatures of the personnel accompanying
- 7 the transport; and
- 8 7. Notation of the transporting licensee.
- 9 W. 1. A separate inventory manifest shall be prepared for each
- 10 licensee receiving the medical marijuana.
- 11 2. The transporter agent shall provide the other medical
- 12 marijuana business with a copy of the inventory manifest at the time
- 13 the product changes hands and after the other licensee prints his or
- 14 her name and signs the inventory manifest.
- 15 3. An inventory manifest shall not be altered after departing
- 16 the originating premises other than in cases where the printed name
- 17 and signature of receipt by the receiving licensee is necessary.
- 18 4. A receiving licensee shall refuse to accept any medical
- 19 marijuana or product that is not accompanied by an inventory
- 20 manifest.
- 21 5. Originating and receiving licensees shall maintain copies of
- 22 inventory manifests and logs of quantities of medical marijuana
- 23 received for three (3) years from date of receipt.
- 24

1 SECTION 17. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 427.17 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created a medical marijuana testing
5 laboratory license as a category of the medical marijuana business
6 license. The State Department of Health is hereby enabled to
7 monitor, inspect and audit a licensed testing laboratory under this
8 act.

9 B. The Department shall have the authority to develop
10 acceptable testing and research practices, including but not limited
11 to testing, standards, quality control analysis, equipment
12 certification and calibration, and chemical identification and
13 substances used in bona fide research methods so long as it complies
14 with this act.

15 C. A person who is a direct beneficial owner or an indirect
16 beneficial owner of a medical marijuana dispensary, medical
17 marijuana commercial grower, or medical marijuana processor shall
18 not be an owner of a laboratory.

19 D. A laboratory and a laboratory applicant shall comply with
20 all applicable local ordinances, including but not limited to
21 zoning, occupancy, licensing and building codes.

22 E. A separate license shall be required for each specific
23 laboratory.

24

1 F. A medical marijuana testing laboratory license may be issued
2 to a person who performs testing and research on medical marijuana
3 and medical marijuana products for medical marijuana businesses,
4 medical marijuana research facilities, medical marijuana education
5 facilities, and testing and research on marijuana and marijuana
6 products grown or produced by a patient or caregiver on behalf of a
7 patient, upon verification of registration.

8 G. A laboratory applicant shall comply with the application
9 requirements of this section and shall submit such other information
10 as required for a medical marijuana business applicant, in addition
11 to any information the Department may request for initial approval
12 and periodic evaluations during the approval period.

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

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

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

3 1. The individual person is a patient or caregiver pursuant to
4 this act or is a participant in an approved clinical or
5 observational study conducted by a research facility; and

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

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

14 K. A medical marijuana testing laboratory may utilize a
15 licensed medical marijuana transporter to transport samples of
16 medical marijuana, medical marijuana concentrate, and medical
17 marijuana product for testing, in accordance with this act and the
18 rules adopted pursuant thereto, between the originating medical
19 marijuana business requesting testing services and the destination
20 laboratory performing testing services.

21 L. The medical marijuana testing laboratory shall establish
22 policies to prevent the existence of or appearance of undue
23 commercial, financial or other influences that may diminish the
24 competency, impartiality and integrity of the testing processes or

1 results of the laboratory, or that may diminish public confidence in
2 the competency, impartiality and integrity of the testing processes
3 or results of the laboratory. At a minimum, employees, owners or
4 agents of a medical marijuana testing laboratory who participate in
5 any aspect of the analysis and results of a sample are prohibited
6 from improperly influencing the testing process, improperly
7 manipulating data, or improperly benefiting from any ongoing
8 financial, employment, personal or business relationship with the
9 medical marijuana business that provided the sample.

10 M. The Department, pursuant to rules promulgated by the State
11 Commissioner of Health, shall develop standards, policies and
12 procedures as necessary for:

13 1. The cleanliness and orderliness of a laboratory premises and
14 the location of the laboratory in a secure location, and inspection,
15 cleaning and maintenance of any equipment or utensils used for the
16 analysis of test samples;

17 2. Testing procedures, testing standards for cannabinoid and
18 terpenoid potency and safe levels of contaminants, and remediation
19 procedures;

20 3. Controlled access areas for storage of medical marijuana and
21 medical marijuana product test samples, waste and reference
22 standards;

23 4. Records to be retained and computer systems to be utilized
24 by the laboratory;

- 1 5. The possession, storage and use by the laboratory of
2 reagents, solutions and reference standards;
- 3 6. A certificate of analysis (COA) for each lot of reference
4 standard;
- 5 7. The transport and disposal of unused marijuana, marijuana
6 products and waste;
- 7 8. The mandatory use by a laboratory of an inventory tracking
8 system to ensure all test batches or samples containing medical
9 marijuana, medical marijuana concentrate or medical marijuana
10 products are identified and tracked from the point they are
11 transferred from a medical marijuana business, a patient or a
12 caregiver through the point of transfer, destruction or disposal.
13 The inventory tracking system reporting shall include the results of
14 any tests that are conducted on medical marijuana, medical marijuana
15 concentrate or medical marijuana product;
- 16 9. Standards of performance;
- 17 10. The employment of laboratory personnel;
- 18 11. A written standard operating procedure manual to be
19 maintained and updated by the laboratory;
- 20 12. The successful participation in a Department-approved
21 proficiency testing program for each testing category listed in this
22 section, in order to obtain and maintain certification;

23
24

1 13. The establishment of and adherence to a quality assurance
2 and quality control program to ensure sufficient monitoring of
3 laboratory processes and quality of results reported;

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

7 15. The establishment by the laboratory of a system to retain
8 and maintain all required records, including business records, and
9 processes to ensure results are reported in a timely and accurate
10 manner; and

11 16. Any other aspect of laboratory testing of medical marijuana
12 or medical marijuana product deemed necessary by the Department.

13 N. A medical marijuana testing laboratory shall promptly
14 provide the Department or designee of the Department access to a
15 report of a test and any underlying data that is conducted on a
16 sample at the request of a medical marijuana business or qualified
17 patient. A medical marijuana testing laboratory shall also provide
18 access to the Department or designee of the Department to laboratory
19 premises and to any material or information requested by the
20 Department to determine compliance with the requirements of this
21 section.

22 O. A medical marijuana testing laboratory shall retain all
23 results of laboratory tests conducted on marijuana or products for a
24

1 period of at least two (2) years and shall make them available to
2 the Department upon request.

3 P. A medical marijuana testing laboratory shall test samples
4 from each harvest batch or product batch, as appropriate, of medical
5 marijuana, medical marijuana concentrate and medical marijuana
6 product for each of the following categories of testing:

- 7 1. Microbials;
- 8 2. Mycotoxins;
- 9 3. Residual solvents;
- 10 4. Pesticides;
- 11 5. Tetrahydrocannabinol (THC) and other cannabinoid potency;

12 and

- 13 6. Terpenoid potency.

14 Q. Medical marijuana testing laboratory licensure shall be
15 contingent upon successful on-site inspection, successful
16 participation in proficiency testing and ongoing compliance with the
17 applicable requirements in this section.

18 R. A medical marijuana testing laboratory shall be inspected
19 prior to initial licensure and annually thereafter by an inspector
20 approved by the Department.

21 S. Beginning on a date determined by the Commissioner, not
22 later than January 1, 2020, medical marijuana testing laboratory
23 licensure shall be contingent upon accreditation by the NELAC
24 Institute (TNI), ANSI/ASQ National Accreditation Board or another

1 accrediting body approved by the Commissioner, and any applicable
2 standards as determined by the Department.

3 T. A commercial grower shall not transfer or sell medical
4 marijuana and a processor shall not transfer, sell or process into a
5 concentrate or product any medical marijuana, medical marijuana
6 concentrate or medical marijuana product unless samples from each
7 harvest batch or production batch from which that medical marijuana,
8 medical marijuana concentrate or medical marijuana product was
9 derived has been tested by a medical marijuana testing facility for
10 contaminants and passed all contaminant tests required by this act.

11 SECTION 18. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 427.18 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. An Oklahoma medical marijuana business shall not sell,
15 transfer or otherwise distribute medical marijuana or medical
16 marijuana product that has not been packaged and labeled in
17 accordance with this section and rules promulgated by the State
18 Commissioner of Health.

19 B. A medical marijuana dispensary shall return medical
20 marijuana and medical marijuana product that does not meet packaging
21 or labeling requirements in this section or rules promulgated
22 pursuant thereto to the entity who transferred it to the dispensary.
23 The medical marijuana dispensary shall document to whom the item was
24 returned, what was returned and the date of the return or dispose of

1 any usable marijuana that does not meet these requirements in
2 accordance with this act.

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

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

11 3. Labels on a container shall not include any false or
12 misleading statements.

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

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

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

23 D. The State Department of Health shall develop minimum
24 standards for packaging and labeling of medical marijuana and

1 medical marijuana products. Such standards shall include, but not
2 be limited to, the required contents of labels to be affixed to all
3 medical marijuana and medical marijuana products prior to transfer
4 to a licensed patient or caregiver, which shall include, at a
5 minimum:

6 1. A universal symbol indicating that the product contains
7 tetrahydrocannabinol (THC);

8 2. THC and other cannabinoid potency, and terpenoid potency;

9 3. A statement indicating that the product has been tested for
10 contaminants;

11 4. One or more product warnings to be determined by the
12 Department; and

13 5. Any other information the Department deems necessary.

14 SECTION 19. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 427.19 of Title 63, unless there
16 is created a duplication in numbering, reads as follows:

17 A. A medical marijuana research license may be issued to a
18 person to grow, cultivate, possess and transfer, by sale or
19 donation, marijuana pursuant to this act for the limited research
20 purposes identified in this section.

21 B. The fee for a medical marijuana research license shall be
22 Five Hundred Dollars (\$500.00) and shall be payable by an applicant
23 for a medical marijuana research license upon submission of his or
24 her application to the State Department of Health.

1 C. A medical marijuana research license may be issued for the
2 following research purposes:

3 1. To test chemical potency and composition levels;

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

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

8 4. To conduct genomic, horticultural or agricultural research;
9 and

10 5. To conduct research on marijuana-affiliated products or
11 systems.

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

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

- a. the quality, study design, value or impact of the project,
- b. whether the applicant has the appropriate personnel, expertise, facilities, infrastructure, funding and human, animal or other approvals in place to successfully conduct the project, and
- c. whether the amount of marijuana to be grown by the applicant is consistent with the scope and goals of the project.

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

E. A medical marijuana research licensee may only transfer, by sale or donation, marijuana grown within its operation to other medical marijuana research licensees. The Department may revoke a medical marijuana research license for violations of this section and any other violation of this act.

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

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

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

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

12 SECTION 20. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 427.20 of Title 63, unless there
14 is created a duplication in numbering, reads as follows:

15 A. There is hereby created a medical marijuana education
16 facility license.

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

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

1 D. A medical marijuana education facility license may only be
2 granted upon the submission of a fee of Five Hundred Dollars
3 (\$500.00) to the State Department of Health.

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

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

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

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

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

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

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

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

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

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

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

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

12 G. A medical marijuana education facility licensee may only
13 transfer, by sale or donation, marijuana grown within its operation
14 to medical marijuana research licensees. The Department may revoke
15 a medical marijuana education facility license for violations of
16 this section and any other violation of this act.

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

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

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

6 SECTION 21. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 427.21 of Title 63, unless there
8 is created a duplication in numbering, reads as follows:

9 A. 1. For the purpose of regulating the cultivation,
10 manufacture, distribution and sale of medical marijuana, the State
11 Department of Health may issue and grant an occupational license for
12 owners, managers, operators, employees, contractors and other
13 support staff employed, working in or having access to restricted
14 areas of the licensed premises, as determined by the Department.
15 The Department may take any action with respect to an occupational
16 license as it may with respect to any medical marijuana business
17 license, in accordance with the procedures established pursuant to
18 this act.

19 2. Any person who possesses, cultivates, manufactures, tests,
20 dispenses, sells, serves, transports or delivers medical marijuana
21 or medical marijuana product as permitted by privileges granted
22 under a medical marijuana business license shall have a valid
23 occupational license.

24

1 3. Any person who has the authority to access or input data
2 into the inventory tracking system or a medical marijuana business
3 point-of-sale system shall have a valid occupational license.

4 4. Any person within a limited access area in each medical
5 marijuana business facility that does not have a valid occupational
6 license shall be considered a visitor and shall be escorted at all
7 times by a person who holds a valid occupational license. Failure
8 by a medical marijuana business to continuously escort a person who
9 does not have a valid occupational license within a limited access
10 area may be considered a license violation affecting public safety.
11 Nothing in this section alters or eliminates the obligation of a
12 medical marijuana business to comply with the occupational license
13 requirements.

14 B. Any person required to be licensed pursuant to this section
15 shall obtain all required approvals and obtain a Department-issued
16 identification badge before commencing activities permitted by his
17 or her occupational license.

18 C. The Department shall prepare an application form for an
19 occupational license.

20 D. The Department shall create a form on its website for
21 applicants to find and submit the occupational license application.

22 E. An occupational license applicant shall establish that he or
23 she meets the following criteria before receiving an occupational
24 license:

1 1. The applicant has paid the annual application and licensing
2 fees;

3 2. The applicant is at least twenty-one (21) years of age;

4 3. The applicant is currently a resident of the State of
5 Oklahoma; and

6 4. The applicant is not a sheriff, deputy sheriff, police
7 officer, prosecutor or an officer or employee of the Department or
8 municipality.

9 F. The fee for an occupational license shall be Fifty Dollars
10 (\$50.00). The fee shall be waived for one-hundred-percent-disabled
11 veterans as determined by the U.S. Department of Veterans Affairs
12 and codified at 38 C.F.R., Section 3.340(a) (2013), and recipients
13 of Medicaid or Medicare.

14 G. License fees are due at the time applicant submits an
15 application.

16 H. Renewal fees are due at the time applicant submits an
17 application for renewal on an annual basis and shall be Twenty-five
18 Dollars (\$25.00).

19 SECTION 22. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 427.22 of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

22 A. A medical marijuana business shall not engage in advertising
23 that is deceptive, false or misleading.

24

1 B. A medical marijuana business shall not include in any form
2 of advertising or signage any content that specifically targets
3 individuals under the age of eighteen (18), including but not
4 limited to cartoon characters or similar images.

5 SECTION 23. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 427.23 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

8 A. An application or renewal and supporting information
9 submitted by a qualifying patient or designated caregiver under the
10 provisions of this act including, without limitation, information
11 regarding the physician of the qualifying patient shall be
12 considered confidential medical records that are exempt from the
13 Oklahoma Open Records Act.

14 B. The dispensary records with patient information shall be
15 treated as confidential records that are exempt from the Oklahoma
16 Open Records Act.

17 C. All financial information provided by an applicant in its
18 application to the State Department of Health shall be treated as
19 confidential records that are exempt from the Oklahoma Open Records
20 Act.

21 D. All information provided by an applicant that constitutes
22 private business information shall be treated as confidential
23 records that are exempt from the Oklahoma Open Records Act.
24

1 E. As used in this section, "private business information"
2 means information that, if disclosed, would give advantage to
3 competitors or bidders including, but not limited to, information
4 related to the planning, site location, operations, strategy, or
5 product development and marketing of an applicant, unless approval
6 for release of those records is granted by the business.

7 SECTION 24. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 427.24 of Title 63, unless there
9 is created a duplication in numbering, reads as follows:

10 A. The State Commissioner of Health, the Oklahoma Tax
11 Commission, the Banking Board, the State Treasurer, the Secretary of
12 State and the Director of the Office of Management and Enterprise
13 Services shall promulgate rules to implement the provisions of this
14 act.

15 B. The Food Safety Standards Board, in addition to the powers
16 and duties granted in Section 423 of Title 63 of the Oklahoma
17 Statutes, may recommend to the State Commissioner of Health rules
18 relating to all aspects of the cultivation and manufacture of
19 medical marijuana products.

20 SECTION 25. It being immediately necessary for the preservation
21 of the public peace, health or safety, an emergency is hereby
22 declared to exist, by reason whereof this act shall take effect and
23 be in full force from and after its passage and approval.

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