

1 ENGROSSED HOUSE
2 BILL NO. 3956

By: Fetgatter of the House

3 and

4 Standridge of the Senate

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6
7 An Act relating to medical marijuana; amending
8 Section 14, Chapter 11, O.S.L. 2019, as amended by
9 Section 9, Chapter 477, O.S.L. 2019 and Section 16,
10 Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2019, Sections
11 427.14 and 427.16), which relate to the Medical
12 Marijuana and Patient Protection Act; exempting
13 certain licensed testing laboratories and transporter
14 agents from residency requirement; eliminating
15 requirement and license previously abolished in prior
16 legislation; removing requirement for Global
17 Positioning System (GPS) trackers on vehicles that
18 transport medical marijuana, concentrate and product;
19 reducing transporter agent license fee; and declaring
20 an emergency.

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

22 SECTION 1. AMENDATORY Section 14, Chapter 11, O.S.L.
23 2019, as amended by Section 9, Chapter 477, O.S.L. 2019 (63 O.S.
24 Supp. 2019, Section 427.14), is amended to read as follows:

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

1. Medical marijuana commercial grower;

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

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

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

11 D. The nonrefundable application fee for a medical marijuana
12 business license shall be Two Thousand Five Hundred Dollars
13 (\$2,500.00).

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

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

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

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

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

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

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

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

11 a. all applicants shall be ~~age~~ twenty-five (25) years of
12 age or older,

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

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

21 d. all applying individuals or entities shall be
22 registered to conduct business in the State of
23 Oklahoma,
24

1 e. all applicants shall disclose all ownership interests
2 pursuant to ~~this act~~ the Oklahoma Medical Marijuana
3 and Patient Protection Act, and

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

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

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

24 a. individual applicants applying on their own behalf,

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

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

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

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

1 Applicants that were issued a medical marijuana business license
2 or medical marijuana testing laboratories that were licensed by the
3 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control prior
4 to the enactment of the Oklahoma Medical Marijuana and Patient
5 Protection Act are hereby exempt from the two-year or five-year
6 Oklahoma residency requirement mentioned above. Upon the effective
7 date of this act, a transporter agent shall be exempt from the two-
8 year or five-year Oklahoma residency requirement provided for in
9 this subsection;

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

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

- 17 a. front and back of an Oklahoma driver license,
- 18 b. front and back of an Oklahoma identification card,
- 19 c. a United States passport or other photo identification
20 issued by the United States government,
- 21 d. certified copy of the applicant's birth certificate
22 for minor applicants who do not possess a document
23 listed in this section, or

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1 e. a tribal identification card approved for
2 identification purposes by the Oklahoma Department of
3 Public Safety; and

4 14. All applicants shall submit an applicant photograph.

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

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

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

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

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

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

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

22 ~~J. A medical marijuana business license shall not be issued to
23 or held by:~~

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

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

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

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

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

13 a. file taxes, interest or penalties due related to a
14 medical marijuana business, or

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

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

20 7. A person whose authority to be a caregiver as defined in
21 ~~this act~~ Section 427.2 of this title has been revoked by the State
22 Department of Health.

23 ~~K.~~ I. In investigating the qualifications of an applicant or a
24 licensee, the Department, Authority and municipalities may have

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

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

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

23 ~~N.~~ L. A licensed medical marijuana business premises shall be
24 subject to and responsible for compliance with applicable provisions

1 for medical marijuana business facilities as described in the most
2 recent versions of the Oklahoma Uniform Building Code, the
3 International Building Code and the International Fire Code, unless
4 granted an exemption by the Authority or municipality.

5 ~~0.~~ M. All medical marijuana business licensees shall pay the
6 relevant licensure fees prior to receiving licensure to operate a
7 medical marijuana business, as defined in ~~this act~~ Section 427.2 of
8 this title for each class of license.

9 SECTION 2. AMENDATORY Section 16, Chapter 11, O.S.L.
10 2019 (63 O.S. Supp. 2019, Section 427.16), is amended to read as
11 follows:

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

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

20 C. A medical marijuana transporter license may also be issued
21 to qualifying applicants who are registered with the Oklahoma
22 Secretary of State and otherwise meet the requirements for a medical
23 marijuana business license set forth in ~~this act~~ Section 427.14 of
24 this title and the requirements set forth in this section to provide

1 logistics, distribution and storage of medical marijuana, medical
2 marijuana concentrate and medical marijuana products.

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

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

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

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

23 H. A medical marijuana transporter licensee shall use the seed-
24 to-sale tracking system developed pursuant to Section 427.13 of this

1 ~~act~~ title to create shipping manifests documenting the transport of
2 medical marijuana, concentrate and products throughout the state.

3 I. A licensed medical marijuana transporter may maintain and
4 operate one or more warehouses in the state to handle medical
5 marijuana, concentrate and products.

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

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

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

12 3. 2. In a secured area of the vehicle that is not accessible
13 by the driver during transit.

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

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

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1 M. The annual fee for a transporter agent license shall be ~~One~~
2 ~~Hundred Dollars (\$100.00)~~ Twenty-five Dollars (\$25.00) and shall be
3 paid by the transporter license holder or the individual applicant.

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

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

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

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

11 ~~4.~~ 3. Possession of a valid Oklahoma driver license;

12 ~~5.~~ 4. Verification of employment with a licensed transporter;

13 ~~6.~~ 5. The application and affiliated fee; and

14 ~~7.~~ 6. A criminal background check conducted by the Oklahoma
15 State Bureau of Investigation, paid for by the applicant.

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

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

23 Q. The Department may revoke the registry identification card
24 of a transporter agent who knowingly violates any provision of this

1 section, and the transporter is subject to any other penalties
2 established by law for the violation.

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

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

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

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

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

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

- 3 a. the license number for the dispensary, commercial
- 4 grower, processor, research facility or education
- 5 facility destination,
- 6 b. address of the destination, and
- 7 c. name and contact information for the destination
- 8 licensee;

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

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

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

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

16 7. Notation of the transporting licensee.

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

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

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